

BURKE SHIRE COUNCIL

ANNUAL REPORT 2012-13



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Introduction



This Annual Report offers the public insight into the primary activities undertaken by, and the financial position of, Burke Shire Council throughout 2012/2013.

The report discloses, as legislated by the Local Government Act 2009, the Audited Financial Statements for the 2012/2013 Financial Year. This disclosure, coupled with the provision of a “Community Financial Report” demonstrates the Council’s commitment to open and accountable governance and provides a medium by which the Shire’s constituents may generate an understanding of the Shire’s financial position and performance during the period in question.

Further to the above, the Annual Report communicates, to the public at large, the highlights and major achievements of the Council as of 30th June 2013.

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About Burke Shire

Burke Shire can boast of three great assets – great fishing, an abundance of sunshine and friendly people. With a population of around 550, the Shire covers an area of 41,802 square kilometres with two main communities of Burketown and Gregory. The balance of the Shire is primarily made up of pastoral properties.

Today the character of the Shire is still predominantly rural with emphasis on the flourishing tourism industry which is a drawcard in itself. A never ending change of colours dominate the country as you follow the Savannah Way, across the Leichhardt Falls and up to the Northern Territory border.



The significant Indigenous history and the many great explorers who traversed the country along with the ruffians, adventurers and visionaries helped make the Shire what it is today. We are proud of the balance of its landscape and its history, and it becomes obvious that this part of the world is something special.

The Shire hosts many natural attractions, from the Albert, Leichhardt, Nicholson and Gregory Rivers to the impressive Leichhardt Falls, idyllic Adel’s Grove and the beautiful Lawn Hill Gorge. Not forgetting the rugged country surrounding Hells Gate which boasts one of the world’s oldest landscapes. Stunning rock formations tell their own tales of the land’s evolvement, and natural art galleries from early Indigenous peoples can be found in caves nearby.

Report from the Mayor

The 2012/13 year has been one of challenges, successes, consolidation and review.

The annual Wet season was a failure resulting in decreased funding for the roads budget. Thanks to hard work by Council staff we were able to identify other opportunities to ensure a robust works programme was still possible and therefore ensure continued employment for the road's crew.

It is Council's vision to upgrade and protect the integrity of road networks within the Shire. Given that the majority of funding received during and after flooding events is linked only to the repair of assets to their pre-existing condition, this means that there is a need for constant, continual, repetitive repairs and little progress. Council is working towards, as are other LG areas, influencing the alteration of policy at State and Federal level to ensure that vital pieces of infrastructure linking us to "elsewhere" are continually enhanced to maximise the window of opportunity for business and social connectivity for communities. Following the devastation on the East coast this summer, the Minister for Local Government, Hon David Crisafulli MP, has acknowledged the short-sightedness of this policy and signalled his intention to review and provide betterment (rather than restoration) funding after natural disasters. While this is welcome I remain concerned that we need to wait for a natural disaster before being afforded the opportunity to secure a valuable piece of basic infrastructure. At risk road infrastructure should be identified (Council is aware of most of these within the Shire) and then funding made available to upgrade and secure these areas as a priority in a proactive manner rather than waiting until infrastructure is seriously damaged and road connectivity curtailed.

The most significant event on the road works' calendar will be the completion of the bitumen seal from Gregory to Burketown by the end of 2013. This will have a major positive impact on business and personal lives not just for Shire residents and those who service our region but for the town of Doomadgee as well.

A land sale was held for residential lots in both Gregory and Burketown at the end of last year. Due to a shortage of suitable land availability blocks were highly sought after and 100% clearance was achieved. Council is working with State government and other stakeholders to create a long term solution to the lack of available land for residential and commercial purposes in Burketown. Council itself is hampered by a lack of suitable land available in order to provide accommodation for its workforce. Fortunately it was able to identify enough suitable blocks in order to call a tender for the supply of two new three-bedroom houses.

Despite active lobbying and several meetings Council was disappointed with the closing of the Gregory Educational Facility and its mooted relocation. It reflects a lack of long-term

**Burke Shire Council
2012-2013 Annual Report**

vision of the Shire's future by various Departments and removes a vital service from a rural community.

We have commenced planning regarding the development of a Community Hub in Burketown utilising a combination of State and Council finances. The existing Council office space will be adjacent to the new building which will include additional meeting/office space, a dedicated emergency response room, new hall, kitchen and gallery. There will be available separate office space for visiting professionals to conduct business with the community in a professional and secure environment. It is quite an ambitious undertaking and will result in a building that reflects our region and fosters pride in our community.

Council commissioned the installation of retransmission facilities for the new digital television system in Burketown. Those who are outside the retransmission area have the opportunity to apply for a set rebate from Council towards installation costs.

It has been a great year for community events. We had the Order of the Outback Ball, the Easter Barra Fishing competition and the Gregory Horse Races. We also had a great Christmas in the Park event. All these events would not be possible without the tireless efforts of volunteers. On behalf of the community I wish to thank you for all your commitment to assist at these events.

Burke Shire remains in a strong financial position. This is due to conservative fiscal management, continual sourcing of additional funding and grant opportunities – a challenge considering the current State and Federal financial climate – and maintaining adequate reserves to ensure timely responses to plant replacement.

In closing I would like to thank all staff – indoor and outdoor – for their contribution to the ongoing success of our Shire. I would also like to thank my fellow councillors for their advice and active participation in the business of Local Government. I thank residents for contacting me over the last twelve months with issues of importance to them. Such feedback is necessary to ensure council maintains its focus. I look forward to the challenges of the next twelve months and continuing to work as part of a dynamic team striving to take this Shire forward.

Ernie Camp



Report from the Chief Executive Officer



It is with much pleasure that I report on the successful year for the period ending 30 June 2013. Since commencing duties in November 2011 and having now served 18 months in this role, I am delighted to say that the achievements to date have been significant.

This Annual Report aims to report on how council has progressed with regard to its corporate and operational plans, together with providing a range of statutory information required by legislation.

During this past year I have endeavoured to assist Council to respond to concerns from the community and have worked to develop a rapport between the staff of Council and the public which is positive, respectful and rewarding to both parties. I understand that we have a duty to the ratepayers and citizens of this wonderful Shire and I am particularly pleased when council is acknowledged for having served the community in a positive and productive manner.

In closing I would like to pass on my appreciation to staff and Councillors for their ongoing services to the Shire.

I look forward to continuing to provide dedicated service to Council, including a commitment to improve service delivery along value for money principles.

John Page
Chief Executive Officer

Community Financial Report

In accordance with Section 184 of the Local Government Regulation 2012, Council is required to include a Community Financial Report in its Annual Report. This report summarises the Council's financial performance and position for the reporting period 1 July 2012 to 30 June 2013.

The purpose of the Community Financial Report is to reduce the complexity of the formal reporting so as to present the same information in a format that is less technical, and easily understood by the community.

The Community Financial Report is a brief summary of the information contained in Council's annual Financial Statements and is intended to provide the reader with an overview of Council's financial position of the year ended 30 June 2013.

Income Statement

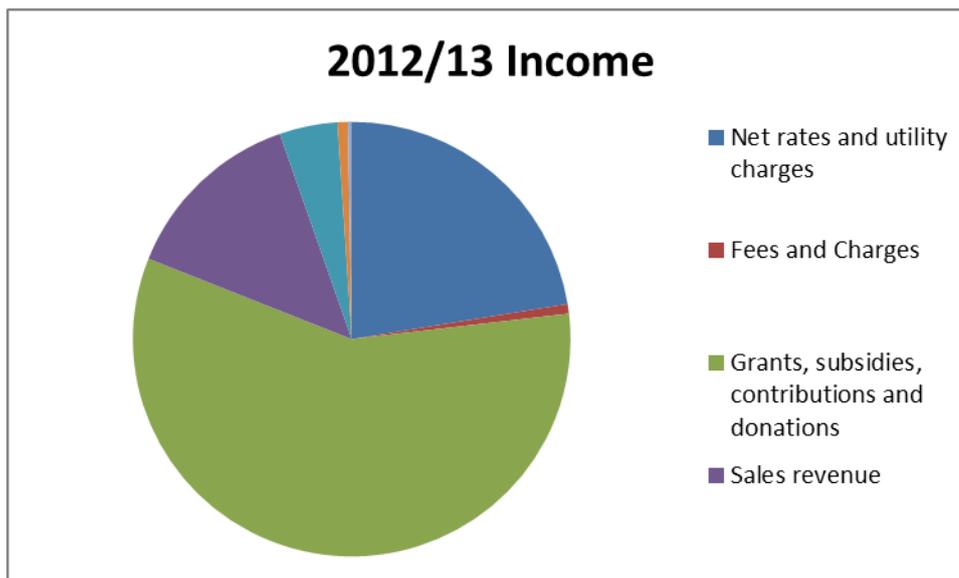
The Income Statement can be compared to the profit or loss of a private business. The Statement shows how much revenue (income) has been received during the year and how much it costs (expenses) to provide quality services and facilities to the community. The income and expenses are outlined in more detail on pages 7-11. The table below provides an overall snapshot of Council's income, expenses, assets, liabilities and equity.

Income		Assets	
Total Income	\$16,674,333	Total Assets	\$109,883,913
Operating Revenue	\$16,318,134	Current Assets	\$22,913,036
Capital Revenue	\$232,805	Non-Current Assets	\$86,970,877
Expenses		Liabilities	
Total Expenses	\$9,204,478	Total Liabilities	\$1,440,242
		Equity	
		Reserves	NA
		Retained Surplus	\$58,074,447
		Asset Revaluation Surplus	\$50,369,224

Revenue – Where did the money come from?

Council received \$16,674,333 in revenue and other income. The largest contributors came through Road Program funding, particularly through Roads 2 Recovery (Infrastructure Australia), Flood Damage (National Disaster Relief and Recovery Arrangements), the Transport and Infrastructure Development Scheme (Main Roads) and our Road Maintenance Performance Contract with Main Roads.

Total revenue decreased by \$20,978 to \$16,674,333 over the previous year. This is largely explained through reduced revenue flowing into the organisation for flood damage-related restoration works.



Net Rates and Utility Charges

Rates payable by ratepayers include the levy for general rates, as well as charges for applicable services of water, sewerage and garbage. Net rates and utility charges for 2012/2013 were \$3,709,185 which was an increase of \$181,395 over the net rates and utility charges for 2011/2012.

Fees and Charges

Fees and charges collected in 2012/2013 totalled \$117,526, which constitutes less than 1% of revenue generated by Council. These fees and charges are for additional services requested from Council, and are made to offset the costs of providing these services or to contribute to the cost of running and maintaining certain community facilities.

Recoverable Works

From time to time Council is contracted to perform certain jobs. Some of these are minor jobs, which includes those items that the relatively small local-business base cannot feasibly undertake. It also includes more significant services for State departments including the Department of Transport and Main Roads. Council's revenue from recoverable works for 2012/2013 was \$1,489,419.

Grants and Subsidies

Government grants and subsidies represent a significant portion of Burke Shire Council's total income. Grants and subsidies flow to Council from various entities, including the State and Federal Governments to Council. These include community, special project, and infrastructure based

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funding. For the year ended 30 June 2013, revenue sourced from grants, subsidies, contributions and donations totalled \$9,584,823.

Interest Income

Burke Shire Council received \$709,928 in interest in the 2012/2013 financial year. This compared to \$800,388 in interest in the previous financial year.

Expenditure – Where was the money spent?

Council's total expenditure for 2012/2013 was \$9,204,478 as compared with \$23,404,077 in 2011/2012, a marked difference explained by flood damage restoration work.

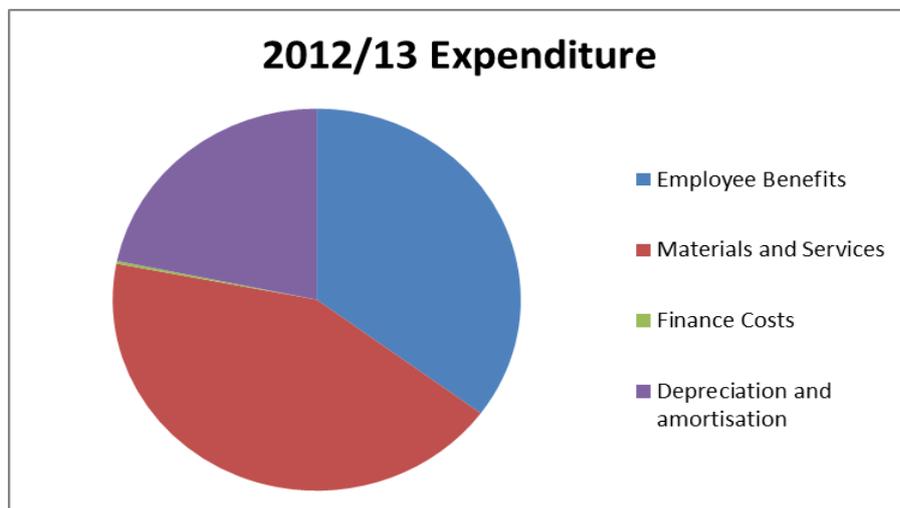
The primary expenses were:

Employee benefits for \$3,234,021 consisting of staff wages and salaries, councillor's remuneration, leave entitlements and superannuation.

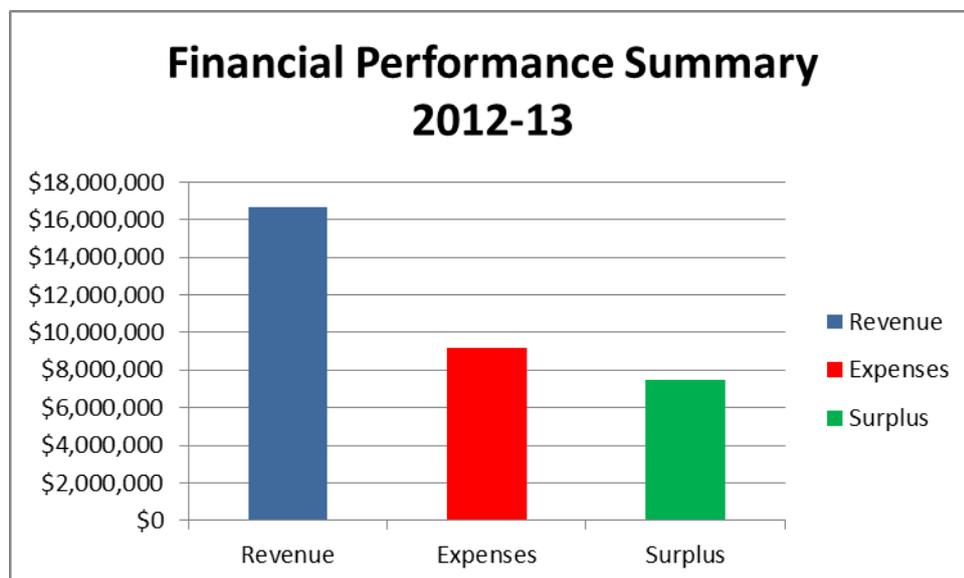
Material and services for \$3,946,811 consisting of advertising \$11,496; audits \$67,309; IT and communications \$144,922; consultants \$153,104; donations \$78,887; repairs and maintenance \$367,689; operating expenses \$389,493; recoverable works \$1,303,380; Flood Damage \$1,230,869; subscriptions and registrations \$83,534 and other material and services \$116,126.

Depreciation and amortisation expenses \$2,001,792.

Finance costs \$21,854.

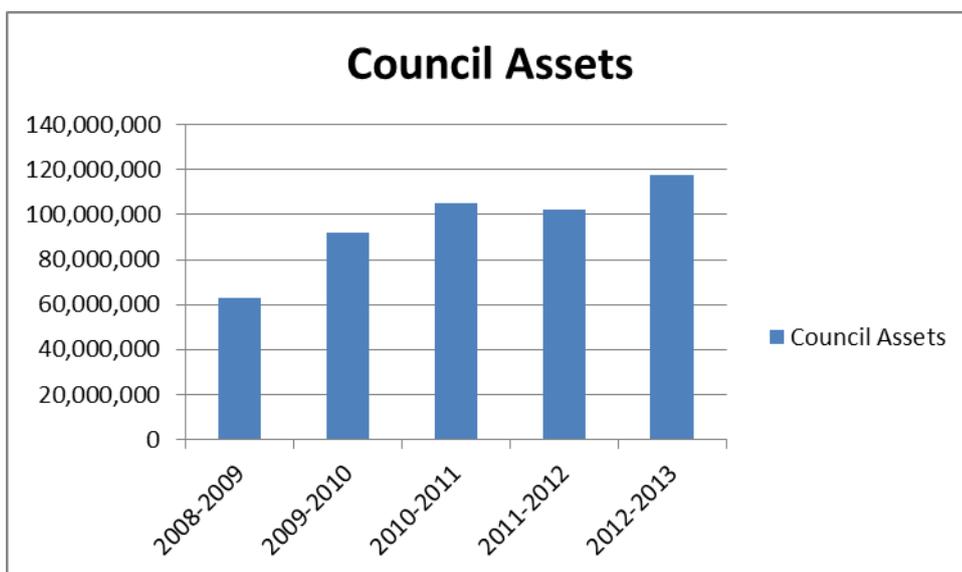
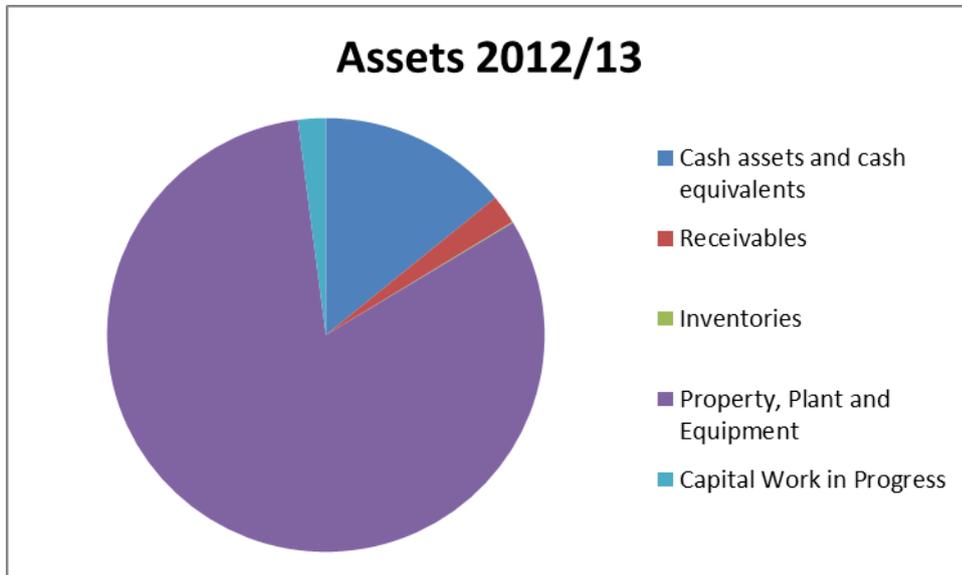


The difference between the revenue and the expenses represents the surplus. For 2012-2013, the surplus was \$7,469,855. This is represented in the Financial Performance Summary below.



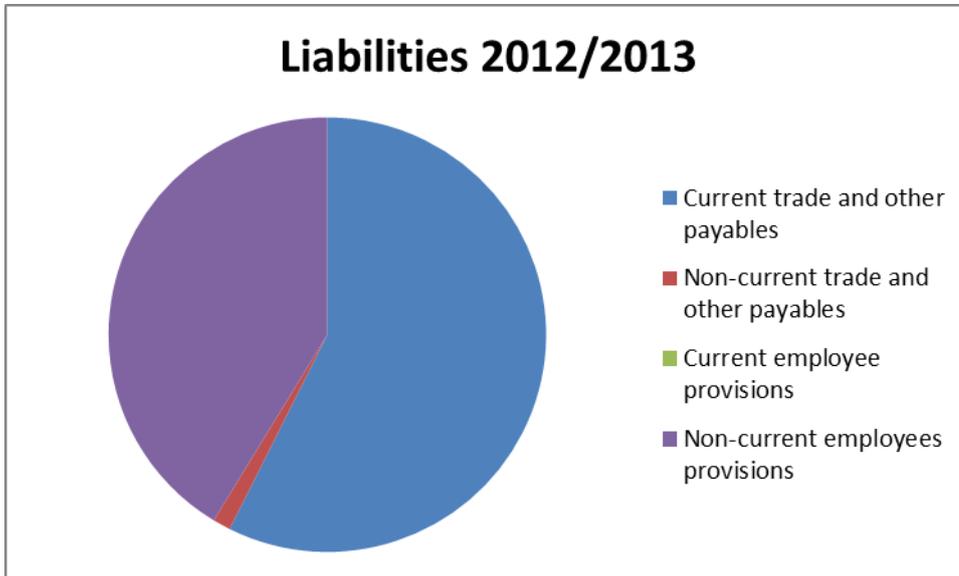
Assets – What do we own?

As at 30 June 2013, Council held \$117,345,419 in assets (gross value) which is \$1,472,582 more than last year. This increase is mainly due to revenue received for flood damage in advance and Plant Property and Equipment being re-valued.



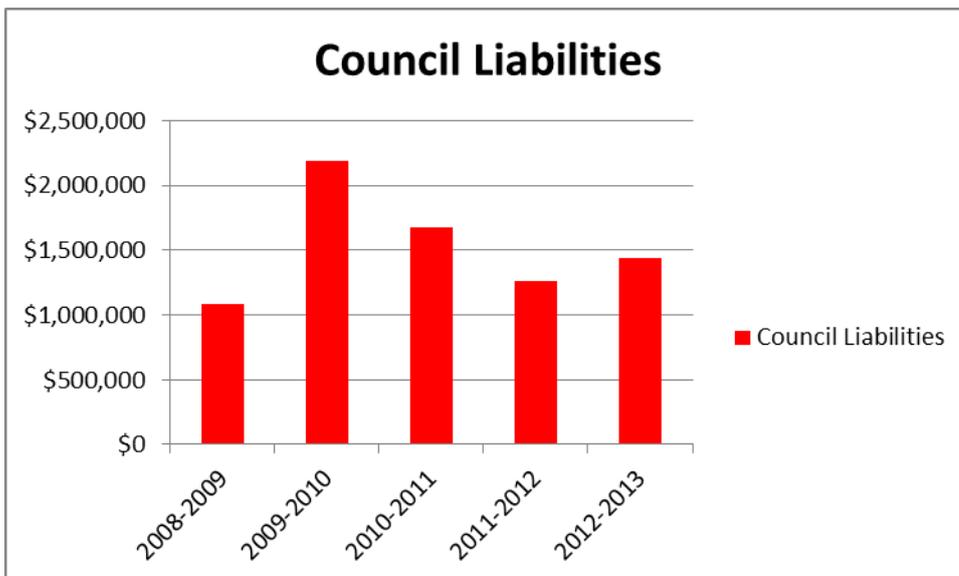
Liability – What do we owe?

As at 30 June 2013, Council had liabilities of \$1,440,242, comprised of provisions to meet employee entitlements as well as amounts owed to suppliers.

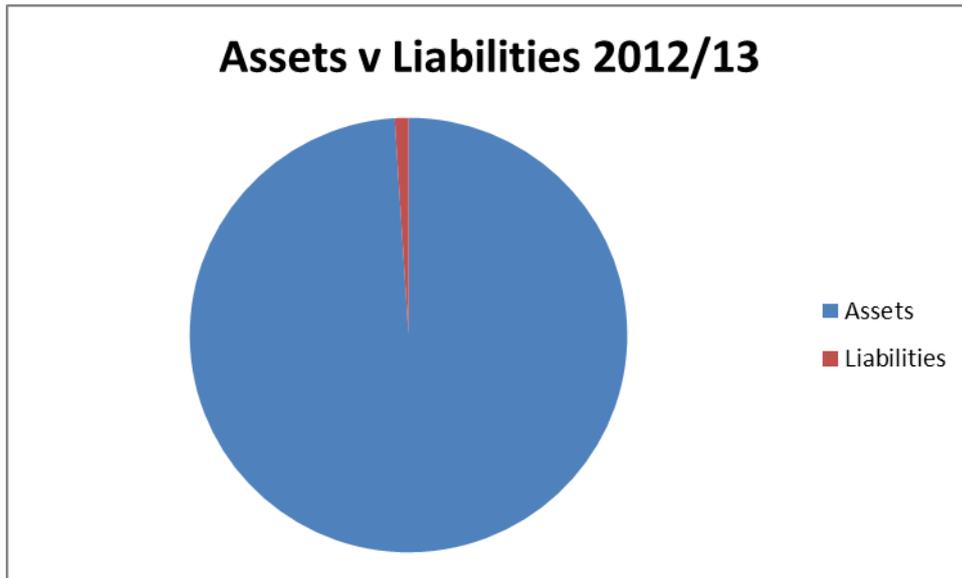


COUNCIL LIABILITIES CONTINUED

While Council liabilities increased in 2012-2013, Council's Community Equity (the ability of Council's assets to cover liabilities) remains strong. The relationship between Council's assets and liabilities is detailed on the following page.



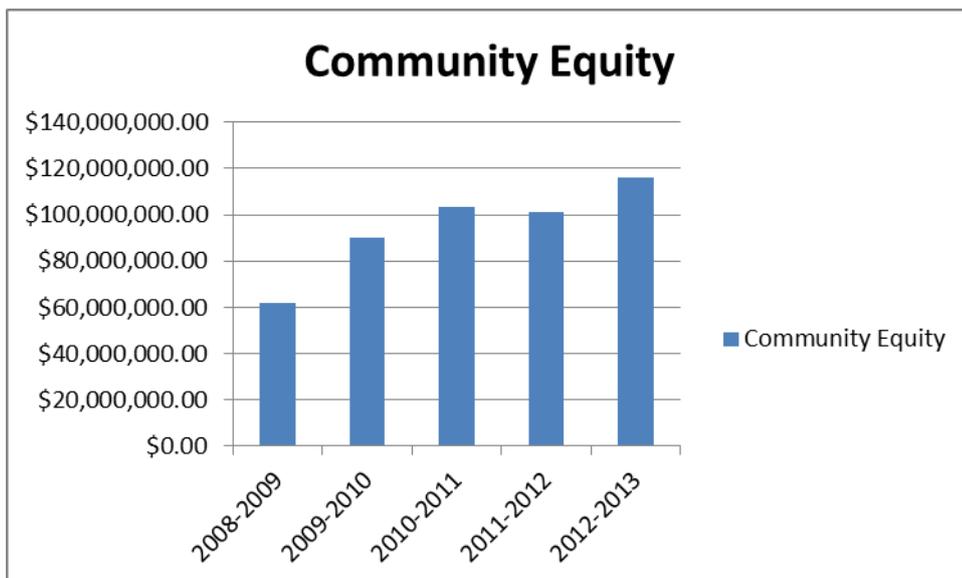
TOTAL ASSETS VS TOTAL LIABILITIES



Community Equity

Council's community equity is defined as its net worth – what we own, less what we owe. The graph below provides a snapshot of Council's financial position at 30 June 2013. It shows a summary of our asset value (\$) – liabilities (\$) = Community Equity (\$).

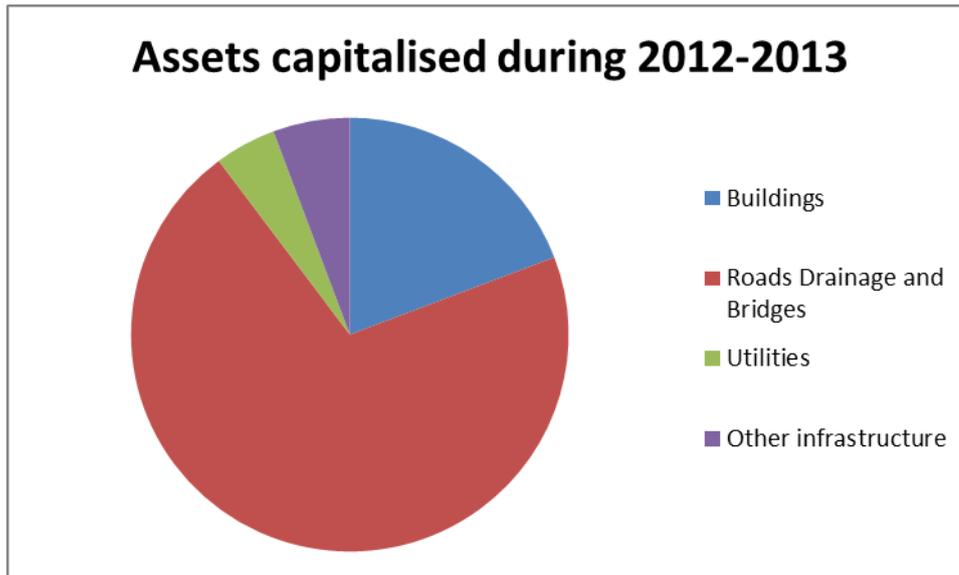
Burke Shire Council's equity as at 30 June 2013 was \$117,345,419, representing a \$14,931,361 increase from previous year.



Capital Works Program

Council capitalised numerous assets during the 2012-2013 Financial Year. This includes asset projects with a lifespan across multiple financial years.

\$1,929,424 was spent on road and drainage works, \$525,063 was spent on Council's Housing Program and a further \$22, 857 was spent on the Burke Shire Town Hall, while \$124,247 was spent on Utilities upgrades.



What Have We Achieved

	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
	\$	\$	\$	\$	\$
Total Operating Income	16,674,333	16,695,311	30,538,188	8,986,429	10,375,171
Total Operating Expenses	9,204,478	23,404,077	15,250,702	8,972,834	7,113,699
Asset Purchases	2,638,309	2,525,652	6,080,328	5,585,098	4,805,188
Total Loan Value (Book)	0.00	0.00	0.00	0.00	0.00
Revenue Ratio*	44%	21.13%	9.97%	32.65%	26.97%
Council Assets	\$117,345,419	102,237,123	104,887,821	92,153,043	62,950,887
Council Liabilities	\$1,440,242	1,263,308	1,676,256	2,195,595	1,086,881
Council's Net Value	\$115,905,177	100,973,816	103,374,327	90,019,528	61,864,006

* Council's dependence on net rates and utility charges as a percentage of total operating income received.

Measures of Council's Financial Sustainability

The audited financial statements that support this Community Financial Report, indicate that the Council has finished the 2012-2013 financial year in a strong financial position. Council concluded the year with a net positive cash flow and Council has sufficient funding to cover its present and future obligations into the foreseeable future. Burke Shire Council will continue a commitment to sound financial management through long term financial planning to ensure the success and stability of the Shire.

Indicator	Council's Calculated Ratio	
	2012/2013	Target
Asset sustainability ratio	88%	Greater than 90%
Operating surplus ratio	44%	Between 0 and 10%
Net financial liabilities ratio	-132%*	Not greater than 60%

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

The Council

Elected Representatives

Burke Shire Council has an elected body of five Councillors, with specific powers, responsibilities, and duties set out in the *Local Government Act 2009* (the Act). Under the Act elections for the Mayor and Councillors are undertaken every four years, with the last election held Saturday 28th April 2012.



Councillor Profiles

MAYOR

Councillor Ernie Camp



Cr Ernie Camp was elected Mayor at the 2012 elections has been involved in Local Government for 14 years and Deputy Mayor for the last two terms. He is a director on an agri-political body - Australian Beef Association. He is also a member of Agforce (a Qld based agri-political body) and Western Gulf Branch rep at Agforce meetings, a member of the Gregory Downs Jockey Club and has been race starter for many years, a Burketown P&C Member, a member of Isolated Children's Parents Association and a member of the Gregory Downs Sporting Association. Ernie also represents

Council (and Agforce) on the NW Qld Regional Water Supply Strategy Committee and as a board member on the Riversleigh Community Scientific Advisory committee (RCSAC). Ernie is the chair of Gulf Savannah Development.

DEPUTY MAYOR

Councillor Paul Poole



Cr Paul Poole was elected as a Councillor at the 2012 elections and elected as Deputy Mayor at the Statutory Meeting of Council. He has been a resident of Burke Shire for a period of 21 years.

His interest is to maintain a financially viable shire with economic growth and infrastructure expansion along with providing services to residents and employees. He has a great interest in marine safety.

COUNCILLORS

Councillor Tonya Murray



Cr Tonya Murray is a descendant of the Gangalidda people who's Traditional Lands are throughout most of Burke Shire. She has a keen interest in providing opportunities for young people, ensuring we minimise environmental impacts in our area and providing services & opportunities for locals. She is also involved in various community organisations including the Burketown Rodeo & Sporting Assoc, Volunteer Marine Rescue, Burketown Fishing Club, Burketown Kindergarten Association and the Burketown State School P & C.

Councillor Tracy Forshaw



Cr Tracy Forshaw lives at Gregory and was first elected in 2008. She is now classed as a local as Tracy has lived in the gulf region for over 20 years. Cr Tracy is an active member of many community groups including the Gregory QCWA, SES, Rural Fire Brigade, Gregory Downs Jockey Club, Gregory District Sporting Assoc. as well as the local Gregory River Landcare Group and the Gregory Downs School P&C. Her commitment to rural health has Tracy overseeing the local RFDS and North West Primary Health Care needs in Gregory, as well advocating the health needs of Burke Shire to anyone that will listen. Tracy and her husband, Ian, run an earthmoving, quarry and concrete business in Gregory which employs up 16 people. In 2007 Tracy was Citizen of the Year for Burke Shire.

Councillor Zach Duff



Cr Zach Duff was elected as a Councillor at the 2012 elections. Cr Duff manages Armraynald Station and has lived in Burke Shire since 2006. He is involved with the Rodeo and Campdraft Committee and has been President for the last 5 years. He is also a member of the Volunteer Marine Rescue. His interests include campdrafting, fishing and reading. Cr Duff sought election to Council to become a member of a team that is focused on improving infrastructure such as roads, communication and housing.

Statutory Requirements

The following information includes the legislative disclosure requirements of the Local Government Act 2009 and related regulations for the 2012-2013 Annual Report.

Local Government Act 2009

Section 201 requires the Annual Report to state the total of all remuneration packages that are payable to the senior management of the local government and the number of employees in senior management who are being paid each t of remuneration.

Three Senior contract employees with a total remuneration package in the range of \$100,000-\$200,000

One Senior contract employees with a total remuneration package in the range of >\$200,000

Local Government Regulation 2012

s183 Financial Statements

Section 183 of the Local Government Regulation 2012 requires Council's Annual Report to contain:

The annual report for a financial year must contain—

- (a) the general purpose financial statement for the financial year, audited by the Auditor-General; and
- (b) the current-year financial sustainability statement for the financial year, audited by the Auditor-General; and
- (c) the long-term financial sustainability statement for the financial year; and
- (d) the Auditor-General's audit reports about the general purpose financial statement and the current-year financial sustainability statement.

Refer to Annexure A of this Annual Report for the Financial Statements.

s184 Community Financial Report

As stated on pages 7-15 of this report.

s185 Particular Resolutions

Section 185 of the Local Government Regulation 2012 requires Council to contain a copy of the resolutions made during the financial year under (a) Section 250(1) Requirement to Adopt Expenses Reimbursement Policy or Amendment, and a list of any resolutions made during the financial year under (b) Section 206(2) Valuation of Non-current Physical Assets.

(a) Expenses Reimbursement Policy

The Reimbursement of Expenses Policy (GOV004) establishes the guidelines to ensure that Councillors receive reimbursement of reasonable expenses and are provided with the necessary facilities to assist them in performing their role.

The policy can be found on the council's website and outlines the entitlements of Councillors in their role such as training, travel costs, meals and use of Council facilities. During the period, Council incurred costs of \$3,645 for such expenses. This includes all reasonable expenses incurred in attending approved meetings, conferences, seminars, workshops, inspections and the like by Councillors.

In 2012-2013, there were no resolutions to adopt or amend the Expenses and Reimbursement Policy (GOV004).

(b) Valuation of non-current physical assets

Pursuant to section 185 of the Local Government Regulation 2012, it is reported that no resolutions were passed under section 206(1) of the Regulation. This provision deals with any resolutions passed that sets an amount for each different type of non-current asset below which the value of an asset the same type must be treated as an expense.

Sections 186-188 Councillors

s186(a-c) Councillor Remuneration

Under Section 186 (a), (b), (c) of the Local Government Regulation 2012 Council is required to report on details relating to the total remuneration, including superannuation contributions, paid to each Councillor during the financial year, the expenses incurred by, and the facilities provided to, each Councillor during the financial year under Council's Expenses Reimbursement Policy and the number of local government meetings that each Councillor attended during the financial year.

Remuneration, including superannuation contributions, paid to councillors

Councillor remuneration and meeting attendance – 1 July 2012 to 30 June 2013:

Councillor	Meeting Attendance	Expenses	Voluntary Super	Remuneration
Cr Camp	13	\$4,980.19	-1561.77	\$78,315.21
Cr Poole	13	\$1,013.02	-790.65	\$31,086.27
Cr Forshaw	12	\$3,621.85	-1016.04	\$19,705.6
Cr Duff	11	\$1,104.51	-331.52	\$19,705.6
Cr Murray	11	\$1,174.48	0	\$19,818.06

**Burke Shire Council
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Council resolved at its Council Meeting on 17 January 2013 that the remuneration for the Burke Shire Councillors be set as outlined below:

09.01.02 Adoption of Councillor Remuneration Schedule

That Council adopt the Councillor Remuneration Schedule as determined by the Local Government Remuneration and Discipline Tribunal for the 2013 calendar year:-

Category One

	Remuneration
Mayor	\$73,803
Deputy Mayor	\$31,630
Councillors	\$22,492

Moved: Cr Forshaw

Seconded: Cr Murray

Carried 09.130117 4/0 FILE NO: BCS/G/C/CA

s186(b) Facilities provided to Councillors under the Expense Reimbursement Policy

Section 186(b) of the Local Government Regulation 2012, requires Council to provide particulars of the facilities provided to, each of its Councillors under the Expense Reimbursement Policy during the year. These are detailed in the table on the following page.

2012-2013 Facilities provided to Councillors						
Councillor	Facility Laptop	Facility Mobile Phone	Facility Vehicle & Fuel	Facility Secretarial Assistance	Expenses Conference & Workshops	Travel/ Accommodation
Cr Ernie Camp	✓	✓	✓	✓	✓	
Cr Zach Duff	✓			✓		
Cr Tracy Forshaw	✓			✓		
Cr Tonya Murray	✓			✓		
Cr Paul Poole	✓			✓		

s186(d) Code of Conduct, Complaints and Breaches

In accordance with section 186(d) of the Local Government Regulation 2012, the following is provided involving disciplinary action for misconduct taken by a regional conduct review panel:

Description	Number
The total number of orders and recommendations made under section 180(2) or (4) of the Act	Nil
The total number of orders made under section 181 of the Act	Nil
The name of each Councillor for whom an order or recommendation was made under section 180 of the Act or an order was made under section 181 of the Act	Nil
A description of the misconduct or inappropriate conduct engaged in by each of the Councillors	Nil
A summary of the order or recommendation made for each Councillor	Nil
The number of complaints about the conduct or performance of Councillors for which no further action was taken under section 176C(2) of the Act	Nil
The number of complaints referred to the department's Chief Executive Officer under section 176C(3)(a)(i) of the Act	Nil
The number of complaints referred to the mayor under section 176C(3)(a)(ii) or (b)(i) of the Act	Nil
The number of complaints referred to the department's Chief Executive Officer under the section 176C(4)(a) of the Act	Nil
The number of complaints assessed by the Chief Executive Officer as being about official misconduct	Nil
The number of complaints heard by a regional conduct review panel	Nil
The number of complaints heard by a tribunal	Nil
The number of complaints to which section 176C(6) of the Act applied	Nil

s187 Administration Action Complaints

In accordance with section 187 of the *Local Government Regulation 2012*, Council makes a genuine commitment to dealing fairly with **administration action complaints**. This is achieved through the adoption of policies and procedures designed to provide confidence in Council's ability to provide feedback and deal with complaints in a fair and equitable manner. The following particulars are provided:

Description	Number
Total number of administrative action complaints made to the local government	Nil
Total number of administrative action complaints resolved by the local government under the complaints management process	Nil
Total number of administrative action complaints not resolved by the local government under the complaints and management process	Nil
Total number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year	Nil

s188 Overseas Travel undertaken by Councillors or Employees

In accordance with section 188 of the *Local Government Regulations 2012*, the following information is provided concerning **overseas travel**:

Description	Number
The name of a councillor who undertook overseas travel	Nil
The name of, and position held by, a local government employee who undertook overseas travel	Nil
The destination of the overseas travel	Nil
The purpose of the overseas travel	Nil
The cost of the overseas travel	Nil

s189 Grants to Community Organisations

The following grants/donations were made during the period 1 July 2012 to 30 June 2013 –

Council provided a number of grants and contributions to community organisations to the value of \$52,604.01 as follows –

Description	Amount \$
Biggest Morning Tea	500.00
Burketown Barramundi Fishing Organisation Incorporated	6,108.09
Burketown Kindergarten Incorporated	5,454.55
Bushfires	1,474.49
Carpentaria Lands Council	17,924.43
Gregory District Sporting Association	2,500.00
Gregory Downs Jockey Club	7,000.00
Gregory Downs Racecourse	2,894.54
Isolated Children Parents Association	500.00
McCalman Trust Award Dux 2012	3,842.91
Mt Isa SOTA and P&C Association	75.00
State Emergency Service	4,330.00
	\$52,604.01

s190 Other Contents required in an Annual Report

190(1a-b) Assessment of Corporate and Operational Plans

The Annual Report is required to contain the CEO's assessment of the local government's progress toward implementing its 5-year corporate plan and annual operational plan. The following assessment is provided:

1000 Finance Program

All cash receipts were well managed and a base level of revenue was maintained which provided a satisfactory level of service to the community. Rate increases were minimised but still allowed a level of revenue which provided a satisfactory level of services. Revenue and expenditure was analysed and evaluated and consistent increases were maintained. The financial assistant grant was maximised through completion of the annual return in accordance with the specific guidelines and conditions of the grant.

2200 Administration

Return on expenditure was maximised through improved efficiency of procedures achieved by the analysis and definition of procedures, consolidation of inefficient procedures and development of new procedures utilising the advantages of technology. Indirect expenditure or on-costs was minimised through efficient procedures and concise planning and through the definition of procedures and the effective use of benchmarking in all operations. Returns on all investments was maximised by periodically evaluating the performance of investments as determined by industry benchmarks and monitoring cash flows in order to invest surplus funds.

3000 Development

Sustainable and consistent planning documentation was developed through the Burke Shire Planning Scheme and active involvement in regional planning forums.

Sustainable growth of the built environment within the Shire was facilitated in accordance to relevant legislation and achieved through the provision of clear advice and assistance to all development applications.

Opportunities for economic expansion in the Burke Shire was explored and facilitated and achieved through involvement in collaborative regional forums, the positive promotion of economic development opportunities within the shire in the mainstream media and the facilitation of training and development opportunities for established and potential business activities within the Shire.

Shire interests and assets in general promotion were equitably represented through identification of promotional assets and the development of appropriate promotional materials.

4000 Engineering Services

Planning for the adequate acquisition of land for Public Works was maintained through the development of procedures for the acquisition of land including appropriate timeframe planning and budgeting.

General operations at the Burketown Aerodrome were improved and expanded through the maintenance of minimum standards and maximum accessibility and undertaking erosion mitigation works at the Albert River end of the airstrip.

General operations at the Gregory airport were improved and expanded through the maintenance of minimum standards and maximum accessibility and the facilitation of improvements to the airport including access.

General operations of wharves and boat ramps were improved and expanded through the continued improvement of the Albert River boat ramp and surrounds and the exploration of opportunities for expansion of the facilities through feasibility planning.

Plant and equipment levels were maintained and improved to adequately meet the requirements of Council through the evaluation of life cycle and depreciation models,

Burke Shire Council
2012-2013 Annual Report

evaluation of plant replacement guidelines and maximising funds available for plant replacement.

The accessibility timeframe of road maintenance was improved through the evaluation of road management guidelines and the prioritisation of maintenance. The upgrade of the road system was progressed through securing funding for upgrades, implementation of a long term road upgrade plan and continuing to ensure that roads remain a priority in local and regional planning documentation.

The bridge maintenance accessibility timeframe was improved through the evaluation of bridge management guidelines and the prioritisation of maintenance. The upgrade of bridges was progressed through securing funding for upgrades and the implementation of long term bridge upgrades.

5000 Environmental Services

The environmental accountability of Council operations was improved and ensured by the improvement of annual enforcement and control procedures, the use of suitably qualified environmental health consultants on a regular basis to maintain a high standard of community health, the evaluation of pest control procedures, the provision of adequate training for staff entrusted with the control of pests and the implementation of a pest management plan, the protection and preservation of grave sites and cemetery surrounds by regular maintenance, detailed grave identification and the location and construction of appropriate interpretive facilities at the cemetery locations. Environmental protection guidelines and practises were adopted through the identification and protection of environmentally significant areas and the evaluation of Council practices under environmental protection guidelines.

5500 Community and Cultural

The instillation of confidence and pride in the community of the social and cultural wellbeing of the residents and visitors within the Shire was achieved through support for emergency services, public halls, RADF activities, Council and Community Housing, libraries, television and radio facilities, parks, gardens and reserves, fish restocking, donations and charities, electricity supply to Gregory and surrounding properties and the Home and Community Care Program.

6000 Refuse Management

The improved management of refuse services and infrastructure was achieved through analysis and evaluation of revenue and expenditure and maintenance of consistent increases in rates and charges, improvement in the efficiency of procedures in collection and disposal of refuse and the development of environmentally sustainable use of the refuse tip facilities.

6300 Sewerage Utility

The management of sewerage services and infrastructure was improved by minimising rate increases, improving the efficiency of operating and maintenance procedures and

implementing the recommendations of the Total Management Plan for the Burketown Sewerage Scheme

6400 Water Utility

The management of water services and infrastructure was improved by minimising rate increases, improving the efficiency of operating and maintenance procedures and implementing the recommendations of the Total Management Plan for the Burke Shire Water Facilities.

s190(1c) Significant Business Activities and Commercial Business Units

Council **had no significant business activities** or beneficial enterprises during the 2012/13 financial year.

s190(1d) Joint government activity and levying of special rates

Council engaged in no “joint government activity” during 2012-2013 nor did Council levy special rates or charges for the 2012-2013 financial year.

s190(1e) The number of invitations to change tenders under s228(7)

There were no invitations to change tenders during 2012-2013.

s190(1f) Registers Open to the Public

- Registers of Members Interests
- Register of Roads
- Register of General Charges and Regulatory Fees
- Register of Delegations by Council to Chief Executive Officer
- Register of Sub-Delegations from CEO to Council Officers and Authorised Officers
- Register of Policies
- Cemetery Register
- Impounding Register

s190(1g) Summary of all concessions for rate and charges

The following resolution was passed by Council in relation to concessions for rates and charges:

10.09 Budget Adoption – Pensioner Discount on Rates 2012/13

That in accordance with Section 56 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* a maximum of 20% of general rates and utility charges may be granted to eligible pensioners which conform to the criterion set by the State Government Pensioner Rate Subsidy Scheme. This amount is in addition to the remission granted by the aforementioned scheme.

Moved: Cr Murray

Seconded: Cr Duff

Carried 14.120823 5/0 FILE NO: BCS/FM/B/2012-13

s190(1h) Internal Audit Function

Council established an Internal Audit Committee in June 2013 which met during 2013/2014. There are a number of issues that Council should place focus on for the 2013-2014 year. These include: Reconciliations, Asset Management, Governance, Planning/Policies/Procedures.

s190(1i) Summary of investigation notices

Not applicable

s190(1j) Responses to QCA's recommendations on competitive neutrality

Not applicable

Finance Plans and Reporting

One of the driving forces behind local government reform in 2008 was the need for councils to ensure long term financial sustainability. Through Section 183 of the *Local Government Regulation 2012*, the State Government has legislated that Council must include in its Annual Report, a long-term financial sustainability statement inclusive of relevant measures of financial sustainability for the year the annual report has been prepared. Council's measures of financial sustainability have been defined in the legislation and are outlined in the table on page 15 of this report.

In addition Council is required to provide an explanation of how its financial management strategy is consistent with the long-term financial forecasts.

Council has developed a long-term financial forecast (the Forecast) to help monitor and guide its decision-making to ensure the financial sustainability of council and limit further future rate price shocks on the community.

The Forecast provides for the anticipated growth in the Burke Shire region and funds renewal and new capital infrastructure to maintain service levels and support growth with millions of dollars invested in infrastructure in recent years.

Cash balances are maintained at a level to provide sufficient liquidity to cover working capital requirements.

Expenditure is forecast to grow in line with the increases to council's asset base with an expectation for ongoing efficiency gains from Council's operations.

Council has in place a number of policies to support the management of Council's finances and the achievement of the long-term financial forecast. These include but are not limited to –

- Revenue Policy
- Investment Policy
- Debt Policy
- Procurement Policy
- Asset Management Plan

Please see Appendix A for Council's Financial Statements (2012-2013) and Long-Term Financial Sustainability Statement.

APPENDIX A

Financial Statements 2012-2013 & Long-Term Financial Sustainability Statement

Burke Shire Council

Financial statements

For the year ended 30 June 2013

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Burke Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2013

	Note	Council	
		2013	2012
		\$	\$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	3,709,185	3,527,790
Fees and charges	3(b)	117,526	83,913
Rental income	3(c)	125,489	125,859
Interest received	3(d)	709,928	800,388
Sales revenue	3(e)	2,257,147	1,496,003
Other income	3(f)	46,842	20,466
Grants, subsidies, contributions and donations	4(a)	9,352,018	10,640,892
		<u>16,318,134</u>	<u>16,695,311</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	232,805	1,280,729
Total revenue		<u>16,550,939</u>	<u>17,976,040</u>
Capital income	5	123,394	(63,939)
Total income		<u>16,674,333</u>	<u>17,912,101</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(3,234,021)	(2,833,597)
Materials and services	7	(3,946,811)	(17,801,807)
Finance costs	8	(21,854)	(28,017)
Depreciation and amortisation	9	(2,001,792)	(2,740,656)
		<u>(9,204,478)</u>	<u>(23,404,077)</u>
Capital expenses	10		(156,763)
Total expenses		<u>(9,204,478)</u>	<u>(23,560,840)</u>
Net result		<u>7,469,855</u>	<u>(5,648,739)</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	17	-	3,410,991
Total other comprehensive income for the year		<u>-</u>	<u>3,410,991</u>
Total comprehensive income for the year		<u>7,469,855</u>	<u>(2,237,748)</u>

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

Burke Shire Council
Statement of Financial Position
as at 30 June 2013

	Note	Council	
		2013 \$	2012 \$
Current assets			
Cash and cash equivalents	11	19,780,368	14,407,072
Trade and other receivables	12	3,049,356	825,274
Inventories	13	83,313	472,500
Total current assets		<u>22,913,036</u>	<u>15,704,846</u>
Non-current assets			
Property, plant and equipment	14	<u>86,970,877</u>	<u>86,532,277</u>
Total non-current assets		<u>86,970,877</u>	<u>86,532,277</u>
Total assets		<u>109,883,913</u>	<u>102,237,123</u>
Current liabilities			
Trade and other payables	15	826,410	663,997
Provisions	16	-	35,435
Total current liabilities		<u>826,410</u>	<u>699,432</u>
Trade and other payables	15	18,870	19,448
Provisions	16	594,962	544,428
Total non-current liabilities		<u>613,832</u>	<u>563,876</u>
Total liabilities		<u>1,440,242</u>	<u>1,263,308</u>
Net community assets		<u>108,443,671</u>	<u>100,973,816</u>
Community equity			
Asset revaluation surplus	17	50,369,224	50,369,224
Retained surplus	18	58,074,447	43,900,465
Reserves	19	-	6,704,127
Total community equity		<u>108,443,671</u>	<u>100,973,816</u>

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

Burke Shire Council

Statement of Changes in Equity

For the year ended 30 June 2013

Council	Asset	Retained	Reserves	Total
	revaluation	Surplus		
	surplus			
	17	18	19	
	\$	\$	\$	\$
Balance as at 1 July 2012	50,369,224	43,900,465	6,704,127	100,973,816
Net operating surplus	-	7,469,855	-	7,469,855
Total comprehensive income for the year	-	7,469,855	-	7,469,855
Transfers to and from reserves				
Transfers from reserves	-	6,704,127	(6,704,127)	-
Total transfers to and from reserves	-	6,704,127	(6,704,127)	-
Balance as at 30 June 2013	50,369,224	58,074,447	-	108,443,671
Balance as at 1 July 2011	45,132,859	42,540,584	15,538,122	103,211,565
Net operating surplus	-	(5,648,739)	-	(5,648,739)
Other comprehensive income for the year				
Increase / (decrease) in asset revaluation surplus	5,236,365	(1,825,374)	-	3,410,991
Total comprehensive income for the year	5,236,365	(7,474,113)	-	(2,237,748)
Transfers to and from reserves				
Transfers to reserves	-	(29,500)	29,500	-
Transfers from reserves	-	8,863,494	(8,863,494)	-
Total transfers to and from reserves	-	8,833,994	(8,833,994)	-
Balance as at 30 June 2012	50,369,224	43,900,465	6,704,127	100,973,816

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

Burke Shire Council

Statement of Cash Flows

For the year ended 30 June 2013

	Council	
Note	2013	2012
	\$	\$
Cash flows from operating activities		
Receipts from customers	3,902,276	7,353,886
Payments to suppliers and employees	<u>(6,610,370)</u>	<u>(21,206,075)</u>
	(2,708,094)	(13,852,189)
Interest received	709,928	800,388
Rental income	125,489	125,859
Non capital grants and contributions	9,352,018	10,640,892
Finance costs	<u>(21,854)</u>	<u>(28,017)</u>
Net cash inflow (outflow) from operating activities	23 <u>7,457,487</u>	<u>(2,313,067)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(2,649,290)	(3,517,357)
Proceeds from sale of property plant and equipment	332,294	161,091
Grants, subsidies, contributions and donations	<u>232,805</u>	<u>1,280,729</u>
Net cash inflow (outflow) from investing activities	<u>(2,084,191)</u>	<u>(2,075,538)</u>
Net increase (decrease) in cash and cash equivalent held	<u>5,373,296</u>	<u>(4,388,606)</u>
Cash and cash equivalents at the beginning of the financial year	14,407,072	18,795,678
Cash and cash equivalents at end of the financial year	11 <u>19,780,368</u>	<u>14,407,072</u>

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

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

1 Significant accounting policies

1.A Basis of preparation

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

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

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 Basis of consolidation

Burke Shire Council does not have any controlled entities

1.D Constitution

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

1.E 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.F Currency

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

1.G Adoption of new and revised Accounting Standards

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

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

AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2015
AASB 13 <i>Fair Value Measurement</i>	1 January 2013
AASB 119 <i>Employee benefits</i> (completely replaces existing standard)	1 January 2013
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
AASB 1055 <i>Budgetary Reporting</i>	1 July 2014

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)	1 January 2015
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	1 July 2013
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2015
AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters	1 January 2013
AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements	1 July 2013
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	1 July 2013
AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements	1 July 2013
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	1 January 2013
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	1 January 2013
AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	1 July 2013
AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 (AASB 1)	1 January 2013
AASB 2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	1 July 2013
AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 January 2014
AASB 2012-4 Amendments to Australian Accounting Standards – Government Loans [AASB 1]	1 January 2013
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	1 January 2013
AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8]	1 January 2013
AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, AASB 12, AASB 101 & AASB 127]	1 July 2013
AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	1 January 2013
AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	1 January 2013
AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, AASB 2, AASB 8, AASB 10, AASB 107, AASB 128, AASB 133, AASB 134 & AASB 2011-4]	1 July 2013
AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014

AASB 9 Financial Instruments (effective from 1 January 2013)

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2015 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 applies to reporting periods beginning on or after 1 January 2013 and will therefore be applied by Council in the 2013-14 reporting period. This standard is not required to be applied retrospectively, therefore there is no impact from the application of AASB 13 to values or other disclosures in the 2012-13 financial statements.

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

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

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

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

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

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

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

Amendments to AASB 119 Employee Benefits

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

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

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

The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. Burke Shire Council contributes to the Local Government Superannuation Scheme (Qld) as disclosed in note 21. The revised standard will require Burke Shire Council to make additional disclosures regarding the Defined Benefits Fund element of the scheme.

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

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

1.H Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

Contingencies - Note 20

1.I 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.

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

Non-cash contributions

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

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

Cash Contributions

Developers also pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as income when received.

Rental income

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

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

Interest

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

Sales revenue

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

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

Fees and Charges

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

1.J 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.

Burke 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.K)

Receivables - measured at amortised cost (Note 1.L)

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.

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.

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 25.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

1.K 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.L Receivables

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

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

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

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

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

1.M 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.N Other financial assets

Other financial assets are recognised at cost. At present Burke Shire Council does not have any other financial assets.

1.O Non Current Assets held for Sale

Items of property, plant and equipment are reclassified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated. On the eventual sale of these assets a gain or loss is recognised.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

1.P Investments

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

1.Q Property, plant and equipment

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

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

Land and improvements

Buildings

Furniture and fittings

Other plant & equipment

Road, drainage and bridge network

Infrastructure

 Water

 Sewerage

 Other infrastructure assets

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

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3-5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

In the intervening years, Council uses a combination of internal engineers and information from consultant engineers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with various indices published by the Australian Bureau of Statistics, most notably the Engineering Construction Index for Queensland. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years.

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

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

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

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

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

Capital work in progress

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

Depreciation

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

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

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

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 14.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

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 Burke Shire Council currently does not have any such land holdings.

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

1.R 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.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.

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

Sick leave

Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised for this obligation. This liability represents an accrued expense and is reported in Note 15 as a payable.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

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 22.

Long service leave

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

1.U Restoration provision

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

Refuse dump restoration

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the site will close in 2029 and that the restoration will occur progressively over the subsequent four years.

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

1.V Asset revaluation surplus

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

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

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

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

1.W Retained surplus

In reference to the comparative figures for the year ended 30 June 2012, this represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

1.X Reserves

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary or future use. In prior years council accounted for these restrictions using a system of reserves.

On 30 June 2013, council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system. Internal restrictions that have been placed on council's cash and cash equivalents are now disclosed in Note 11.

The former reserves operated as follows:

Asset replacement reserve

The amounts previously reported in this reserve corresponded to amounts set aside for the future replacement of the Council's assets.

Constrained works reserve

The amounts previously reported in this reserve corresponded to contributions received, including grants and subsidies, for works where the required works have not yet been carried out, or where works have been completed and the subsidy/grant payment is awaiting final approval from the funding authority after confirmation that works are subsidisable under the grant funding guidelines. As works were completed and approved for grant/subsidy by the funding authority, relevant transfers were implemented.

Future recurrent expenditure reserve

The amounts previously reported in this reserve corresponded to amounts that were accumulated within the Council to meet anticipated future recurrent or operating expenditure needs. In each case the amount related to a perceived future liability which was not currently a liability.

1.Y National competition policy

The Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 26.

1.Z Rounding and comparatives

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

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

1.AA 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.AB Taxation

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

1.AC Carbon Pricing

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

2. Analysis of Results by Function

2(a) Components of council functions

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

Finance

Includes revenue (rates and general grants), purchasing and budgeting.

Administration

Includes members of Council, general administration, human resources and community relations.

Planning & Building

Includes strategic (town) planning, building services and tourism.

Engineering Services

Includes road construction and maintenance, airport operation, boat ramps, drainage and footpaths.

Environmental Services

Includes animal control, pest control, environmental health and cemeteries.

Community & Cultural

Includes libraries, civic buildings, ablution facilities, housing, sport and recreation and parks and gardens.

Garbage Utility

Includes refuse collection, refuse disposal and recycling.

Sewerage Utility

Includes sewerage services.

Water Utility

Includes water services.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

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

Year ended 30 June 2013	Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
		Recurring			Capital				Recurring	Capital				
		Grants	Other	Grants	Other	Grants	Other							
		2013	2013	2013	2013	2013	2013		2013	2013				
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenue Raising	2,502,718	3,328,041	-	-	-	-	5,830,759	(25,476)	-	(25,476)	5,805,283	5,805,283	2,626,679	
Governance	-	-	-	-	-	-	-	(665,763)	-	(665,763)	(665,763)	(665,763)	-	
Finance & Community Services	-	708,040	-	-	-	-	708,040	(896,933)	-	(896,933)	(188,893)	(188,893)	19,396,846	
Planning & Building	-	6,695	-	-	-	-	6,695	(18,785)	-	(18,785)	(12,090)	(12,090)	9,605,664	
Engineering Services	6,624,017	2,372,299	232,805	123,394	-	-	9,352,515	(5,125,637)	-	(5,125,637)	3,870,679	4,226,878	53,000,170	
Environmental Services	930	4,175	-	-	-	-	5,105	(258,638)	-	(258,638)	(253,533)	(253,533)	-	
Community & Cultural	224,353	131,289	-	-	-	-	355,642	(1,175,123)	-	(1,175,123)	(819,481)	(819,481)	11,598,710	
Garbage Utility	-	61,366	-	-	-	-	61,366	(222,536)	-	(222,536)	(161,150)	(161,150)	(99,911)	
Sewerage Utility	-	98,716	-	-	-	-	98,716	(194,132)	-	(194,132)	(95,416)	(95,416)	2,487,004	
Water Utility	-	255,475	-	-	-	-	255,475	(621,455)	-	(621,455)	(365,980)	(365,980)	11,268,751	
Total Council	9,352,018	6,966,116	232,805	123,394	-	-	16,674,333	(9,204,478)	-	(9,204,478)	7,113,656	7,469,855	109,883,913	

Year ended 30 June 2012	Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
		Recurring			Capital				Recurring	Capital				
		Grants	Other	Grants	Other	Grants	Other							
		2012	2012	2012	2012	2012	2012		2012	2012				
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Finance	3,123,460	6,389,204	-	-	-	-	11,706,885	-	-	-	9,512,664	11,706,885	19,991,490	
Administration	4,583	782,259	-	-	-	-	786,842	(460,907)	-	(460,907)	325,935	325,935	-	
Planning & Building	-	2,145	-	-	-	-	2,145	(63,493)	-	(63,493)	(61,348)	(61,348)	-	
Engineering Services	7,368,159	1,572,650	1,280,729	92,804	-	-	10,314,342	(22,103,101)	-	(22,103,101)	(13,162,292)	(11,788,759)	55,529,866	
Environmental Services	22,715	822	-	-	-	-	23,537	(268,651)	-	(268,651)	(245,114)	(245,114)	756,223	
Community & Cultural	121,975	140,979	-	-	-	-	262,954	(1,266,361)	-	(1,266,361)	(1,003,407)	(1,003,407)	11,169,576	
Garbage Utility	-	56,618	-	-	-	-	56,618	(240,567)	-	(240,567)	(183,949)	(183,949)	369,012	
Sewerage Utility	-	92,479	-	-	-	-	92,479	(219,832)	-	(219,832)	(127,353)	(127,353)	2,412,445	
Water Utility	-	237,802	-	-	-	-	237,802	(941,677)	-	(941,677)	(703,875)	(703,875)	10,745,204	
Total Council	10,640,892	9,274,958	1,280,729	2,287,025	-	-	23,483,604	(25,564,589)	(156,763)	(25,721,352)	(5,648,739)	(2,237,748)	100,973,816	

Due to changes in the way that council captures information for budget and reporting purposes between the 2012 and 2013 financial years, the 2012 comparatives are not comparable to 2013 figures.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Council	
	2013	2012
	\$	\$
3 Revenue analysis		
(a) Rates, levies and charges		
General rates	3,500,879	3,258,119
Sewerage rates	283,626	273,231
Garbage rates	111,110	107,050
Water rates	67,936	65,809
Total rates and utility charge revenue	<u>3,963,551</u>	<u>3,704,209</u>
Less: Discounts	(253,742)	(175,101)
Less: Pensioner remissions	(624)	(1,318)
	<u><u>3,709,185</u></u>	<u><u>3,527,790</u></u>
(b) Fees and charges		
Building and development fees	1,910	2,145
Airport landing fees	39,620	46,626
Other fees and charges	75,996	35,142
	<u>117,526</u>	<u>83,913</u>
(c) Rental income		
Other rental income	125,489	125,859
	<u>125,489</u>	<u>125,859</u>
(d) Interest received		
Bank interest	702,970	772,614
Interest from overdue rates and utility charges	6,957	27,774
	<u>709,928</u>	<u>800,388</u>
(e) Sales revenue		
Sale of services		
Contract and recoverable works	2,257,147	1,496,003
	<u>2,257,147</u>	<u>1,496,003</u>
(f) Other income		
Other income	46,842	20,466
	<u>46,842</u>	<u>20,466</u>
4 Grants, subsidies, contributions and donations		
(a) Recurrent		
General purpose grants	3,472,969	3,896,270
State government subsidies and other grants	5,879,049	6,744,622
	<u>9,352,018</u>	<u>10,640,892</u>
(b) Capital		
State government subsidies and grants	232,805	1,280,729
	<u>232,805</u>	<u>1,280,729</u>
Conditions over contributions		
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:		
Non-reciprocal grants for expenditure on infrastructure and operations	-	8,796,437
	<u>-</u>	<u>8,796,437</u>

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Council	
	2013	2012
	\$	\$
5 Capital income		
Gain / loss on disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	332,294	161,091
Less: Book value of property, plant and equipment disposed of	208,900	225,030
	<u>123,394</u>	<u>(63,939)</u>
Total capital income	<u>123,394</u>	<u>(63,939)</u>
6 Employee benefits		
Total staff wages and salaries	2,285,333	1,870,704
Councillors' remuneration	178,735	216,650
Annual, sick and long service leave entitlements	277,482	406,576
Superannuation	21 258,520	225,075
	<u>3,000,069</u>	<u>2,719,005</u>
Other employee related expenses	233,952	177,112
	<u>3,234,021</u>	<u>2,896,117</u>
Less: Capitalised employee expenses	-	(62,520)
	<u>3,234,021</u>	<u>2,833,597</u>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.		
Total Council employees at the reporting date:	2013	2012
Elected members	5	5
Administration staff	9	11
Depot and outdoors staff	35	36
Total full time equivalent employees	<u>49</u>	<u>52</u>
7 Materials and services		
Advertising and marketing	11,496	45,438
Audit of annual financial statements by the Auditor-General of Queensland	67,309	31,080
Communications and IT	144,922	106,403
Consultants	153,104	179,062
Donations paid	78,887	47,108
Operating expenses	389,493	1,667,423
Repairs and maintenance	367,689	753,631
Recoverable works	1,303,380	806,122
Roads - Flood damage	1,230,869	13,955,100
Subscriptions and registrations	83,534	86,541
Other materials and services	116,126	123,899
	<u>3,946,811</u>	<u>17,801,807</u>
8 Finance costs		
Bank charges	21,457	15,575
Impairment of debts	397	12,442
	<u>21,854</u>	<u>28,017</u>

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Council	
	2013	2012
	\$	\$

9 Depreciation and amortisation

Depreciation of non-current assets

Buildings	125,442	149,937
Road, drainage and bridle network	911,606	1,502,738
Other infrastructure assets	385,270	332,365
Plant and Equipment	361,098	375,273
Sewerage	46,652	105,350
Water	160,454	264,279
Furniture and equipment	11,270	10,715

14	2,001,792	2,740,656
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10 Capital expenses

Provision for restoration of land

Discount rate adjustment to refuse restoration provision	16	156,763
	-	156,763

11 Cash and cash equivalents

Cash on hand	878	878
Cash at bank	2,736,960	478,747
Deposits at call	15,680,332	13,093,577
Term deposit	1,362,198	833,870
Balance per Statement of Cash Flows	19,780,368	14,407,072

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

Unspent government grants and subsidies	-	225,608
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Total unspent restricted cash	-	225,608
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12 Trade and other receivables

Current

Rateable revenue and utility charges	99,670	56,598
Other Debtors	2,983,608	674,836
Less impairment	(13,228)	(13,228)
GST recoverable	(84,639)	38,782
Prepayments	63,945	68,286
	3,049,356	825,274

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.

Movement in accumulated impairment losses (other debtors) is as follows:

Opening balance at 1 July	13,228	4,343
Impairment Debts written off during the year	-	(3,557)
Additional impairments recognised	-	12,442
Closing Balance at 30 June	13,228	13,228

13 Inventories

Current

inventories for consumption:

Stores materials and other items	83,313	472,500
Total inventories	83,313	472,500

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

14 Property, plant and equipment

Council - 30 June 2013

Note

Basis of measurement	Land and improvements		Buildings		Furniture and fittings		Other plant and equipment		Road, drainage and bridge network		Water		Sewerage		Other infrastructure assets		Work in progress		Total
	Valuation	\$	Valuation	\$	Cost	\$	Cost	\$	Valuation	\$	Valuation	\$	Valuation	\$	Valuation	\$	Cost	\$	
Asset values																			
Opening gross value as at 1 July 2012	2,970,000	12,379,047	150,506	5,808,357	65,284,511	13,262,144	3,597,813	10,450,740	1,969,720	115,872,838									
Additions	-	8,481	-	1,326,817	408,346	-	-	-	905,646	2,649,290									
Disposals	-	-	-	(1,176,709)	-	-	-	-	-	(1,176,709)									
Revaluation adjustment to asset revaluation surplus																			
Closing gross value as at 30 June 2013	2,970,000	12,387,528	150,506	5,958,465	65,692,857	13,262,144	3,597,813	10,450,740	2,875,366	117,345,419									

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Revaluation adjustment to asset revaluation surplus
Closing gross value as at 30 June 2013

Accumulated depreciation and impairment

Opening balance as at 1 July 2012	-	1,684,787	81,735	3,371,943	18,619,897	2,370,649	1,064,747	2,146,802	-	29,340,560									
Depreciation provided in period	-	125,442	11,270	349,736	911,606	160,454	46,652	385,270	-	1,990,431									
Depreciation on disposals	-	-	-	(956,449)	-	-	-	-	-	(956,449)									
Accumulated depreciation as at 30 June 2013	-	1,810,229	93,005	2,765,230	19,531,503	2,531,103	1,111,399	2,532,072	-	30,374,542									

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Accumulated depreciation as at 30 June 2013

Total written down value as at 30 June 2013

Residual value	2,970,000	10,577,298	57,500	3,193,235	46,161,354	10,731,041	2,486,414	7,918,668	2,875,366	86,970,877									
Range of estimated useful life in years	-	5,085,499	-	1,239,010	22,352,989	3,501,422	918,487	2,960,472	-	36,057,879									
	Land: Not depreciated.	40 - 100	12	2 - 20	5 - 100	20 - 80	20 - 60	20 - 40	-	-									

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Total written down value as at 30 June 2013

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

14 Property, Plant and Equipment (continued)

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

Land - Council Owned

Land has been included at current market value as at 30 June 2010 as determined by Australian Pacific Valuers, Registered Valuers. Fair value was derived by reference to market based evidence including observable historical sales data for properties of similar nature and specification within the Burke Shire Council area. At the end of each year and at 30 June 2013, management reviewed available information to determine whether a material movement in land prices has occurred. The reviews undertaken have determined that no indexation has been required to be applied since the last revaluation.

Land under infrastructure and reserve land does not have a value for the purpose of the Burke Shire Council's financial statements. Refer Note 1Q.

Buildings

Buildings have been included at their written down current replacement cost as valued by Australian Pacific Valuers, Registered Valuers as at 30 June 2010 and increased by an ABS based index as at 30th June 2012 using a desktop approach. At 30 June 2013, management reviewed relevant indices as disclosed in Note 1Q and determined that no indexation was required at 30 June 2013.

Road, drainage and bridge network

Road and drainage infrastructure is included at the written down replacement cost as at 30 June 2011 as determined by Australian Pacific Valuers, Registered Valuers and is based upon a desktop valuation. Reference to ABS statistics indicated that a revaluation was not required in 2012. It was, however determined that some useful lives were inaccurate and these were adjusted. At 30 June 2013, management reviewed relevant indices as disclosed in Note 1Q and determined that no indexation was required at 30 June 2013.

Other Infrastructure

Other infrastructure is included at the written down replacement cost as at 30 June 2010 as determined by Australian Pacific Valuers, Registered Valuers and increased by 5% in accordance with ABS statistics at 30 June 2012. At 30 June 2013, management reviewed relevant indices as disclosed in Note 1Q and determined that no indexation was required at 30 June 2013.

Plant and Equipment, and Furniture and Fittings

Plant and Equipment, and Furniture and Fittings are measured at original cost less accumulated depreciation.

Water Infrastructure

Water infrastructure is included at the written down replacement cost as at 30 June 2010 as determined by Australian Pacific Valuers, Registered Valuers and increased by 5% in accordance with ABS statistics at 30 June 2012. At 30 June 2013, management reviewed relevant indices as disclosed in Note 1Q and determined that no indexation was required at 30 June 2013.

Sewerage Infrastructure

Sewerage infrastructure is included at the written down replacement cost as at 30 June 2010 as determined by Australian Pacific Valuers, Registered Valuers and increased by 5% in accordance with ABS statistics at 30 June 2012. At 30 June 2013, management reviewed relevant indices as disclosed in Note 1Q and determined that no indexation was required at 30 June 2013.

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.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

15 Trade and other payables

	Council	
	2013	2012
	\$	\$
Current		
Creditors and accruals	643,896	547,801
Annual leave	153,290	108,158
Sick leave	29,225	8,038
	<u>826,410</u>	<u>663,997</u>
Non-current		
Annual leave	18,870	19,448
	<u>18,870</u>	<u>19,448</u>

16 Provisions

Current		
Long service leave	-	35,435
	<u>-</u>	<u>35,435</u>
Non-current		
Refuse restoration	463,501	463,501
Long service leave	131,461	80,927
	<u>594,962</u>	<u>544,428</u>
Details of movements in provisions:		
Refuse restoration		
Balance at beginning of financial year	463,501	306,738
Increase in provision due to unwinding of discount	-	156,763
	<u>463,501</u>	<u>463,501</u>

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The projected cost is \$750,000 and this cost is expected to be incurred in 2029.

Long service leave

Balance at beginning of financial year	116,362	82,974
Long service leave entitlement arising	28,971	80,017
Long service entitlement paid	(13,872)	(46,629)
Balance at end of financial year	<u>131,460</u>	<u>116,362</u>

17 Asset revaluation surplus

Movements in the asset revaluation surplus were as follows:

Balance at beginning of financial year	50,369,224	45,132,859
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Buildings	-	757,994
Other Structures	-	395,426
Road, drainage and bridge network	-	3,444,252
Sewerage	-	120,622
Water	-	518,071
Balance at end of financial year	<u>50,369,224</u>	<u>50,369,224</u>

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Council	
	2013	2012
	\$	\$
Asset revaluation surplus analysis		
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land and improvements	2,878,357	2,878,357
Buildings	5,402,093	5,402,093
Other structures	4,853,580	4,853,580
Road, drainage and bridge network	29,852,947	29,852,947
Water	3,144,748	3,144,748
Sewerage	4,237,497	4,237,497
	<u>50,369,224</u>	<u>50,369,224</u>
18 Retained surplus		
Movements in the retained surplus were as follows:		
Retained surplus/(deficit) at beginning of financial year	43,900,465	42,540,584
Net result attributable to Council	7,469,855	(5,648,739)
Transfers (to)/ from reserves for future capital project funding, or from reserves funds that have been expended or closed:		
Transfers (to) from capital reserves for future capital project funding, or from reserves funds that have been expended:	-	(1,825,374)
Asset replacement reserve	6,396,591	-
Constrained works reserve	225,608	8,766,938
Transfers (to) from recurrent reserves for future project funding, or from reserves funds that have been expended or closed:		
Future recurrent expenditure reserve	81,929	67,057
Retained surplus at end of financial year	<u>58,074,447</u>	<u>43,900,465</u>
19 Reserves		
Reserves held for funding future capital expenditure		
Asset replacement reserve	-	6,396,591
Constrained works reserve	-	225,608
	<u>-</u>	<u>6,622,199</u>
Reserves held for funding future recurrent expenditure		
Future recurrent expenditure reserve	-	81,929
	<u>-</u>	<u>81,929</u>
Total reserves	<u>-</u>	<u>6,704,128</u>

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Council	
	2013	2012
	\$	\$
Asset replacement reserve		
Balance at beginning of financial year	6,396,591	6,396,591
Transfer from retained surplus for future expenditure		
Transfer to the retained surplus due to the closure of the reserve	(6,396,591)	-
Balance at end of financial year	<u>-</u>	<u>6,396,591</u>
Constrained works reserve		
Balance at beginning of financial year	225,608	9,022,045
Transfer from retained surplus for future expenditure		
Transfer to capital account funds expended in the period	-	(8,796,437)
Transfer to the retained surplus due to the closure of the reserve	(225,608)	-
Balance at end of financial year	<u>-</u>	<u>225,608</u>
Movements in recurrent reserves:		
Future recurrent expenditure reserve		
Balance at beginning of financial year	81,929	119,486
Transfer from retained surplus for future expenditure	-	29,500
Transfer to retained surplus	-	(67,057)
Transfer to the retained surplus due to the closure of the reserve	(81,929)	-
Balance at end of financial year	<u>-</u>	<u>81,929</u>

20 Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2013 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$52,682.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

21 Superannuation

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

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

The scheme has three elements referred to as:

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

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

The Accumulation Benefits Fund (ABF).

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

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

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

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

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

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

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

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

	Note	Council	
		2013 \$	2012 \$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	6	258,520	225,075

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Council	
	2013	2012
	\$	\$
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	118,044	93,715
Security deposits	4,442	3,426
	<u>122,486</u>	<u>97,141</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 result for the year to net cash inflow (outflow) from operating activities

Net result	<u>7,469,855</u>	<u>(2,237,749)</u>
Non-cash items:		
Depreciation and amortisation	2,001,792	2,740,656
Revaluation adjustments	-	(3,410,991)
	<u>2,001,792</u>	<u>(670,335)</u>
Investing and development activities:		
Net (profit)/loss on disposal of non-current assets	(123,394)	63,939
Capital grants and contributions	(232,805)	(1,280,729)
	<u>(356,199)</u>	<u>(1,216,790)</u>
Changes in operating assets and liabilities:		
(Increase)/ decrease in receivables	(2,224,082)	3,718,596
(Increase)/decrease in inventory	389,187	(137,024)
Increase/(decrease) in payables	161,835	(1,959,916)
Increase/(decrease) in employee entitlements	15,099	190,150
Increase/(decrease) in other provisions	-	-
	<u>(1,657,961)</u>	<u>1,811,806</u>
Net cash inflow from operating activities	<u>7,457,487</u>	<u>(2,313,068)</u>

24 Events after the reporting period

There were no material adjusting events after the balance date.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

25 Financial instruments

Burke Shire Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

Financial risk management

Burke Shire Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Burke Shire Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state, commonwealth bodies, or financial institutions in Australia in line with the requirements of the Statutory Bodies Financial Arrangements Act 1982.

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

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	Council	
		2013	2012
		\$	\$
Financial assets			
Cash and cash equivalents	11	19,780,368	14,407,072
Receivables - rates	12	99,670	56,598
Receivables - other	12	2,885,741	700,390
Other credit exposures			
Guarantee	20	52,682	45,190
Total financial assets		<u>22,818,461</u>	<u>15,209,250</u>

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Trade and other receivables

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 defaults.

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

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

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 mining, there is also a concentration in the mining sector.

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

	Council	
	2013	2012
	\$	\$
Not past due	2,069,308	766,699
Past due 31-60 days	697,671	3,284
Past due 61-90 days	-	233
More than 90 days	231,660	-
Impaired	(13,228)	(13,228)
Total	<u>2,985,411</u>	<u>756,988</u>

All other debtors are recognised as amounts receivable at balance date. Collectability of other debtors is reviewed on an ongoing basis. Procedures as established by Council Management are followed to recover outstanding amounts, including letters of demand. Other debtors which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Council will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on other debtors.

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Burke Shire Council is exposed to liquidity risk through its normal course of business. The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows of financial liabilities at the end of the reporting period:

	Council				Total contractual cash flows	Carrying amount
	0 to 1 year	1 to 5 years	Over 5 years	Total		
	\$	\$	\$	\$	\$	
2013						
Creditors and accruals	643,896	-	-	643,896	643,896	
	<u>643,896</u>	<u>-</u>	<u>-</u>	<u>643,896</u>	<u>643,896</u>	
2012						
Creditors and accruals	547,801	-	-	547,801	547,801	
	<u>547,801</u>	<u>-</u>	<u>-</u>	<u>547,801</u>	<u>547,801</u>	

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.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

The Burke Shire Council is exposed to interest rate risk through investments with QTC and other financial institutions.

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets based on the carrying amount at reporting date.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

Burke Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Net carrying amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
Council					
2013					
QTC cash fund	15,680,332	156,803	(156,803)	156,803	(156,803)
Other investments	4,100,036	41,000	(41,000)	41,000	(41,000)
Net total		<u>197,804</u>	<u>(197,804)</u>	<u>197,804</u>	<u>(197,804)</u>
2012					
QTC cash fund	13,093,577	130,936	(130,936)	130,936	(130,936)
Other investments	1,313,495	13,135	(13,135)	13,135	(13,135)
Net total		<u>144,071</u>	<u>(144,071)</u>	<u>144,071</u>	<u>(144,071)</u>

Fair value

The carrying amounts represent fair value of financial assets and liabilities of Burke Shire Council at balance date. These consist of cash and cash equivalents, short term payables and receivables less any allowance for impairment.

**The Burke Shire Council
Financial statements
For the year ended 30 June 2013**

**Management Certificate
For the year ended 30 June 2013**

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on the preceding pages, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



**Mayor
Cr Ernie Camp**

Date: __16__ / __06__ / 2014__



**Chief Executive Officer
Philip Keirle**

Date: __16__ / __06__ / 2014__

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Burke Shire Council

Report on the Financial Report

I have audited the accompanying financial report of Burke Shire Council, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the 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 Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

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

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

Opinion

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

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

Other Matters - Electronic Presentation of the Audited Financial Report

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



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



Queensland Audit Office
Brisbane

The Burke Shire Council
 Long-Term Financial Sustainability Statement
 Prepared as at 30 June 2013

Measures of Financial Sustainability
 Council

Measure	Target	Projected for the years ended									
		Actuals at 30 June 2013	30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Operating surplus ratio		44%	64%	25%	13%	12%	10%	11%	10%	9%	9%
Asset sustainability ratio	Between 0% and 10% greater than 80%	68%	281%	145%	123%	121%	118%	120%	118%	115%	115%
Net financial liabilities ratio	not greater than 80%	-132%	-155%	-211%	-211%	-189%	-186%	-175%	-161%	-146%	-132%

Net result divided by total operating revenue
 Capital expenditure on the replacement of assets (renewals) divided by depreciation expense
 Total liabilities less current assets divided by total operating revenue

Burke Shire Council's Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Certificate of Accuracy
 For the long-term financial sustainability statement prepared as at 30 June 2013

In accordance with Section 212(6) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Philip Keirle

Mayor
 Cr. Emie Camp

Date: ___/___/2014

Chief Executive Officer
 Philip Keirle

Date: ___/___/2014