

2011-2012

Annual Report

Diamantina Shire Council



SUSTAINABLY DEVELOPING THE OUTBACK

Welcome

This Diamantina Shire Council Annual Report is for the period July 1, 2011 to June 30, 2012.

The Annual Report profiles the Diamantina Shire and the Council and reports on Council's performance financially and operationally for the financial year.

It contains information on Councils' objectives, achievements, short and long-term challenges and demonstrates Council's commitment to reporting to the Diamantina community in an open, accurate and transparent manner.

This report meets Diamantina Shire Council's statutory obligations under the Local Government Act 2009 and the Local Government (Finance, Plans and Reporting) Regulation 2010.

Further copies of this publication can be obtained by contacting the Council Administration Centre on (07) 4746 1202 or by visiting Council's website at www.diamantina.qld.gov.au

We welcome your feedback on this report, which can be provided in writing to the address below.

DIAMANTINA SHIRE COUNCIL

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Eyre Creek

5 Years at a Glance

2011-12	2010-11	2009-10	2008-09	2007-08	
\$642,858	\$603,151	\$548,774	\$543,983	\$497,386	Net Rate Revenue
\$42,853,538	\$39,484,739	\$38,262,800	\$26,326,782	\$21,689,877	Total Revenue
\$44,729,041	\$34,490,971	\$34,280,808	\$23,768,781	\$17,799,002	Total Expenses
(\$1,875,503)	\$4,993,768	\$3,956,531	\$2,363,692	\$3,811,879	Net Result
\$7,016,467	\$7,188,601	\$3,165,567	\$7,663,620	\$3,786,601	Capital Additions
\$300,539	\$224,072	\$214,180	\$88,834	\$84,543	Debt Repayment
\$1,732,075	\$2,032,614	\$1,756,686	\$1,970,866	\$1,059,700	Loan Balance
\$149,339,048	\$90,509,318	\$83,996,279	\$93,832,489	\$81,160,590	Total Assets
\$4,670,740	\$4,746,798	\$3,703,052	\$5,067,371	\$2,771,468	Total Liabilities
\$144,668,308	\$85,762,520	\$80,293,227	\$88,765,118	\$78,389,122	Total Equity
\$1,907,314	\$2,049,293	\$1,967,972	\$2,310,774	\$2,263,532	Reserves
\$2,810,874	\$2,190,525	\$2,000,300	\$2,889,022	\$2,634,931	Depreciation Expense

Our Shire

Our Size: 94,869.8 square kilometres

National Parks: 17,082.7 square kilometres

Roads Length: 1,684 km

Our Population: 322 (as at June 30, 2012)



Covering over 94,000 square kilometres (bigger than Tasmania) Diamantina Shire lies within the region known as the Channel Country in far south-western Queensland Australia. This area consists of a network of western Queensland rivers which vary greatly in dry seasons but hundreds of square kilometres are flooded after rain stretching out across the floodplains like fingers hence the name Channel Country. After rain this area is covered with wildflowers, yellow, pink and blue and an abundance of birdlife.

As harsh as the country may seem, it is rated as having some of the best cattle fattening areas in Australia with some of the Channel Country now accredited with "Organic Beef Certification". Many of the 14 cattle stations in the Shire have descendants of the early settlers working them, one being the Kidman Company founded by Sir Sydney Kidman, known as the Cattle King.

Welcome to the Outback



Diamantina Shire is 94,870 square kilometres in area, the second largest Shire in Queensland, with a population of 322 people. There are three towns – Birdsville, Bedourie and Betoota. The Shire is predominantly a beef producing area containing some of the best contaminant free natural fattening country in Australia.

Diamantina shares borders with the Northern Territory and South Australia and lies within the region known as the channel country. In this area of Western Queensland, rivers vary greatly in dry seasons. Hundreds of square kilometres can be flooded after rain.

There are 1,684 kilometres of roads, the majority of these are dirt or gravel with only 250 kilometres of bitumen road in the whole Shire. There are fourteen properties within the Shire, the average being 6,857 square kilometres.

Diamantina boasts many beautiful tourist attractions. There are massive natural sand hills, historical buildings and cattle stations, rare species of flora and fauna, two great inland river systems, historic stock routes, ancient and rare Waddi Trees, the amazing channel country and spectacular sunsets and starry night skies. Items of heritage include the course that explorers Burke and Wills discovered and the famous Kidman cattle stations.

Bedourie, the Shire's Administration Centre, boasts many amenities including a hotel, motel, roadhouse, Caravan Park, a desert golf course and a Community Centre which features an indoor tennis court and an Aquatic Centre with Artesian Spa.

Bedourie, meaning "dust storm", was first established as a Cobb and Co. Coach stop and watering point for drovers on the north south stock route. The town water supply is reticulated from what is believed to be Australia's best artesian bore.

Birdsville, lying about 12 kilometres inside the Queensland Border, was established as a customs collection point in 1873 for the stock routes and as a centre for the rich cattle country in the surrounding district. In its early years, before Federation, a toll was payable on stock and supplies entering South Australia. At this time Birdsville was a thriving community with three excise officers posted in the town. The town is situated between the sands on the Simpson Desert and the gibbers of Sturt's Stony Desert and is the starting point of the famous Birdsville Track. A billabong just out of town is of interest to naturalists. In a branch of the Diamantina River, it is a haven for many species of birds and wildlife against the arid backdrop of near desert.

Today Birdsville has only one hotel which offers cold beer with award winning meals and accommodation. The bar alone is worth a visit, if only to hear the old stories of the district.

The first week in September is reserved for the celebrated Birdsville Races which attracts up to 6000 visitors from all over Australia. The races are part of the Simpson Desert Racing Carnival and there are many other unique events to experience including camel races, bronco branding and rodeos.

About 15 kilometres north of Birdsville there is a patch of extremely rare Waddi Trees; there are only a few specimens of these trees throughout the world and each is up to 1,000 years old.

Visit the Diamantina Shire for a unique outback experience.

Our Council

OUR MISSION

Diamantina Shire Council's mission is to serve and advocate on behalf of the shire community and to provide residents and visitors with continually improving services and infrastructure, which is socially, economically and environmentally sustainable, in order to further enhance the quality of life.

OUR CORE VALUES

Innovation and Continuous Improvement

Council and staff seek to overcome challenges and take advantages of opportunities through a commitment to innovation. Through innovative thinking and constant review of our practices and approach we are continually improving our performance and service delivery.

Quality

Council is committed to ensuring quality output by providing the organisation with resources which facilitate excellence in performance, commitment and service delivery.

Accountability

Council has a responsibility to the residents and ratepayers of the shire to be inclusive and responsive to their views and needs and to communicate effectively.

Teamwork

We recognise the importance of maintaining a creative and responsive work environment in which the community, councillors, management and staff, work constructively together in a spirit of teamwork, trust and loyalty.



A Message From Our Mayor

The last 12 months within the Diamantina Shire has been hectic to say the least from managing our record budget, building infrastructure such as two new houses in Bedourie, completing the airport terminal upgrades in Birdsville and Bedourie, advancing the residential sub-division and nearing completion of the industrial sub-division in Bedourie. Our selling programme continues to encourage the expansion of both towns.

Tourism numbers continue to remain high at over 47,000 in 2011-2012 therefore creating expansion within our hospitality businesses making more jobs needing more accommodation and on it goes.

The great grazing season has increased the number of cattle coming in and out of our shire and combined with increasing tourist numbers has put tremendous pressure especially on our dirt main roads. Our relationship with the Queensland State Government with all ministries is very good especially the Department of Transport and Main Roads resulting in almost continually upgrading main roads in preparation and sealing of priority 1 main roads Boulia-Bedourie-Birdsville-Windorah corridor. The State Government has either heavily subsidized or fully paid for our capital works.

The shire continues to run a quality health system supported by state and federal governments with Diamantina Shire fulfilling the shortfall of approximately \$370,000. Council has renewed its efforts to seek additional support from all levels of Government to ensure the continuation of these services.

Diamantina and Barcoo Shires are still campaigning to deliver fibre optic to our Shires and various deputations with ministers from the State Government have been attended this past year.

The year has been very eventful, busy and successful purely because of the dedicated management staff and contractors that build the teamwork and positive environment to progress our Shire in line with our Operational Plan and being my first report I congratulate you all for a job well done.



Cr Geoff Morton
MAYOR

A Message From Our CEO

The past year has seen Diamantina Shire Council continue on its journey of improvement. At the time of writing these words I am in my sixth year as CEO for Diamantina Shire Council and am impressed with the achievements of the Shire over that period. Some highlights of note:

- The corporate knowledge of Council is now very high and growing
- Strong financial skills exist throughout the organisation
- A suite of appropriate strategic and planning documents are in place
- Contemporary and effective management systems are well established
- A strong team culture exists
- Council is a sustainable organisation leading the region and a fine model to the local government industry
- Zero failed annual audit results
- Significantly enhanced financial position
- Two major airport upgrades completed
- Up-skilled Executive Leadership Team
- Staff turnover has been significantly reduced through a comprehensive four-pronged approach
- Major productivity gains in the works area
- A suite of significant projects are being progressed to 'shovel ready' status in order to access funding as soon as it becomes available

While the above remarks can be considered a subjective view, I can assure the reader they are not. Council regularly receives positive praise for its governance and performance.

At present, Council is responsible for \$163,000,000 worth of assets, is operating a budget of \$67,000,000 and peaked its employment at 135 full time equivalent staff, including contractors. There is no doubt the current situation is attributable to the significant responsibility Council has for restoring state and shire assets due to flooding. The March, 2011 flood event was the cause of the majority of this damage. It is poignant that Council continues to resist the temptation to expand its operation to meet the present demands, for as sure as floods come and go, so do droughts. It is for this reason that Council remains steadfast in operating a core nucleus of full time employees and plant and adds to its operation through the employment of skilled contractors to respond to the peaks in workload.

Council continues to carefully plan its future years of activity in order to operate as sustainably as it can to minimise any trough periods that will inevitably arise.

The reporting period to which this document pertains saw a changing of the guard AKA the 2012 Quadrennial Election. With a new Mayor, two new councillors and two continuing Councillors, we have been able to hit the ground running. The transition really has been seamless, which is testimony to the common sense and practical view of current and former elected representatives.

I commend this report to all Diamantina Shire Council stakeholders and encourage any questions regarding our operation.

I close by thanking the Councillors, both present and former for fully supporting its administration and by thanking all staffs for their contributions that have resulted in the successes being enjoyed by Council today.




Scott Mason
CHIEF EXECUTIVE OFFICER

Our Elected Members

Diamantina Shire Council has an elected body of five councillors. These councillors have specific powers, duties and responsibilities as set out in the Act and Regulations. In addition the Councillors must abide by a Code of Conduct that further ensures they undertake their duties in the best interests of the Shire and its residents.

THE PRIMARY FUNCTIONS OF A COUNCILLOR ARE TO:

- Represent electors;
- Initiate new policies and activities;
- Evaluate council activities; and
- Control council finances.

MEETINGS OF COUNCIL

Council's Ordinary Meetings are usually held on the third Monday of every month except January. Meetings commence at 8am from October to March and 9am from April to September and are held at the Council Administration Centre, Herbert Street, Bedourie with one meeting a year held in Birdsville at the Birdsville Town Hall.

For further details about Council meetings, contact the Council on (07) 4746 1202 or visit Council's website at www.diamantina.qld.gov.au

Mayor Cr Geoff Morton

Born in 1954 in Adelaide, only son of Lyle and Phyllis, Geoff is the second born of four children. Geoff is ninth generation grazier of Roseberth Station.

Geoff attended primary school to year four by correspondence and then went off to board at the Scotch College in Melbourne to complete year 12.

He then returned to Roseberth, took over the management of Roseberth Station in 1991, following his father's retirement and has been there ever since.

Geoff is married to wife Bev and they have two sons Kerry and Steven.

This is his seventh term as councillor, commencing in 1980, and in this time he performed two terms as Deputy Mayor.



Our Elected Members



Deputy Mayor Cr Garth Tully

Born 1960 in Charleville to Colin and Betty Tully, Garth is the eldest of four boys. He completed early primary schooling in Bedourie to year five before attending Nudgee College in Brisbane.

Employed by the Milson Family, who at the time owned Cluny Station. After leaving school, Garth then became manager at Diamantina Lakes Station before returning to Cluny Station as Manager in 1990.

Garth married Kathi (nee Hindom) in 1983 and they have two boys Patrick and Shayne.

This is Cr Garth Tully's seventh term as Councillor.

Cr Don Rayment

Born in Brisbane and raised in the Diamantina Shire by parents Charlie and Pauline Rayment on Kurran Station, Don is second eldest son, with three brothers and one sister.

Don started his primary schooling in Longreach and did correspondence for years six and seven and then to Winton to complete years 8 to 10 and achieving school captaincy in year 10.

Don has been employed since finishing year ten in the rural industry doing contract mustering, yard building and fencing. Ten years contract mustering for Mc Donald Holdings around Winton and Boulia. He did a stint as Rural Protection Officer/Rural Lands Officer with The Department of Natural Resources and local government bodies.

Don married Judy (nee Brown) in 1993. Don and Judy shifted to the Diamantina Shire in 2005 to manage the organic cattle property Adria Downs, Birdsville.



Cr Steve Cramer

Born in Glen Innes, NSW, in 1976 to Philip and Moira Cramer, Steve is the third out of four children. Steve completed primary school at Glen Innes State School before attending secondary schooling at Glen Innes High School

On leaving school, Steve attended Longreach Agricultural College then went on to work at S. Kidman & Co.'s Sandringham Station as a ringer. Here he met Jeena Kleinschmidt who came to work as a governess. After Sandringham they moved to Peak Crossing while Steve worked in the stockyards at the meatworks at Dinmore and broke in horses on the side.

When Steve and Jeena married in 1999, they re-joined S. Kidman & Co and moved to Morney Plains, Windorah as Head Stockman for 18 months, then up to Ruby Plains Outstation Sturt Creek, in the Kimberleys of Northern Western Australia. After seven years running Sturt, Steve was relocated to Glengyle Station in December, 2007.

Steve and Jeena have four children - Cody, Bridey, Beau and Jack.



Cr Jody Barr

Councillor Jody Barr was elected in 2012 to represent Diamantina Shire Council, making it his first term on Council.

Born and raised in the Diamantina Shire by parents Jean and Kevin Barr, Jody is the eldest of three boys. He spent his early schooling years in the Bedourie and Birdsville State Schools, before leaving to attend boarding school in Longreach and then on to the Scots College in Warwick.

Having worked the majority of employment years in the earthmoving industry he is currently employed as a Leading Hand Machinery Operator.

For the past four years Jody has been strongly involved in all community events, this including being the founding Member of the Bedourie Bikekhana as well as being an active member of Birdsville Social Club.



COUNCILLOR REMUNERATION SCHEDULE

Councillor remuneration as adopted by council is tabled below:

NAME	OFFICE	BASE FEE	Attendance at approved meetings/function/conference etc. Fee per day. (Does not include travel time)
Cr G Morton	Mayor	\$72,003	\$300
Cr G Tully	Deputy Mayor	\$30,859	\$300
Cr D Rayment	Councillor	\$17,144	\$300
Cr S Cramer	Councillor	\$17,144	\$300
Cr J Barr	Councillor	\$17,144	\$300

COUNCILLOR EXPENSES REIMBURSEMENT AND FACILITIES PROVISION POLICY

INTRODUCTION

In accordance with Division 2 of the Local Government (Operations) Regulation 2010 the following policy outlines expenses that may be reimbursed and facilities that are to be provided to councillors as part of fulfilling their obligations.

CONFERENCES, MEETINGS AND WORKSHOPS

Where council resolves councillors are required to attend training courses or workshops to either deliver a paper or as a delegate of council; council will meet the cost or reimburse expenses associated with attending the event since participation is part of the business of council.

MANDATORY TRAINING

Where council resolves that all councillors are to attend training courses or workshops for skills development related to a councillor's role, council will meet the cost or reimburse the total costs of the course. Note: Some examples of this training are Councillor Induction, Code of Conduct, Meeting Procedures and Legislative Obligations.

DISCRETIONARY TRAINING

Where council gives approval for a councillor to attend a conference, workshop or training to improve skills relevant to their role as a councillor, other than mandatory training as above, council will allow for the expenses to be covered to a limit available to each councillor during their current term in office.

This limit will be set at \$5,000 per councillor per term.

TRAVEL EXPENSES (INCLUDING TAXI AND PUBLIC TRANSPORT)

Councillors may incur travel costs for a number of reasons including attendance at council meetings, travelling to conferences, training or workshops. In some cases this may involve interstate and overseas travel. If councillors travel using their private vehicles a mileage allowance can be claimed based on log book details to substantiate the relevance of the travel to council business.

The mileage allowance is set as follows;

- \$0.80 per kilometre for sedan-type vehicles
- \$1.29 per kilometre for four-wheel drive vehicle
- \$300 per hour for Cessna Plane.

This mileage is based on research undertaken by the Royal Automotive Club of Queensland.

Councillor Expenses Reimbursement and Facilities Provision Policy continued...

HOSPITALITY EXPENSES

Elected members may have occasion to incur hospitality expenses while conducting council business apart from official civic receptions organised by council. The mayor, in particular, may require additional reimbursement when entertaining dignitaries outside of official events.

The maximum amount of hospitality expenses that will be reimbursed is as follows;

- Mayor - \$2,000 per annum.
- Councillor - \$500 per annum.

ACCOMMODATION

Elected members may need to stay away overnight while attending to council business. When attending conferences, councillors must take advantage of the package provided by conference organisers and therefore stay in the recommended accommodation unless prior approval has been granted by council.

In all other cases the Chief Executive Officer will authorise reasonable accommodation arrangements. In these instances, council will meet the cost of or reimburse legitimate accommodation costs.

MEALS

Council will meet the cost of meals while elected members are on council business. Elected members meal expenses may be charged to their accommodation, council credit card or receipts presented for reimbursement.

PROVISION OF FACILITIES

Council will provide and meet operational costs of facilities which are deemed necessary and required to assist councillors in their role.

When determining the facilities to be provided, council has considered what are reasonable requirements and standards for an individual councillor. If a councillor chooses a higher standard of facility than that prescribed by council, any difference in cost must be met by the councillor personally. Ownership of any facilities provided remains with Council.

ADMINISTRATIVE TOOLS AND ACCESS TO COUNCIL OFFICE AMENITIES

Council will provide the following to councillors in its Birdsville or Bedourie office as required:

- Facilities such as office space and council meeting rooms.
- Secretarial support for mayors and councillors.
- Desktop and/or laptop computer.
- Use of council landline telephone and internet access.
- Fax and/or scanner
- Printer. Photocopier, paper shredder.
- Stationery.
- Publications – copies of the Act and other legislation, books, journals considered necessary.
- Any other administrative necessities which council considers necessary to meet the business of council.

HOME OFFICE

If council determines that it is necessary, it will provide a councillor with home office equipment, including computer, fax, copier, printer and internet access.

Councillor Expenses Reimbursement and Facilities Provision Policy continued...

MAINTENANCE COSTS OF ANY COUNCIL OWNED EQUIPMENT

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

NAME BADGE AND UNIFORM FOR COUNCILLORS

Council will provide each elected member with a name badge and Councillor uniform. This may include any safety equipment such as overalls, safety helmets or glasses as required by a councillor in their role.

VEHICLE

Council will provide a vehicle owned by council for official business as required from time to time. Elected members are authorised reasonable private use of council-owned vehicles when on council business, on the condition that they reimburse council for any private use at the adopted mileage allowance rate.

FUEL COSTS

Council will provide fuel, meet the cost of fuel or reimburse the cost of fuel for vehicles provided by council.

TELECOMMUNICATION NEEDS

Mobile telephones and/or a hand held PDA device (e.g. 'Smartphones') - Where council resolves to provide a mobile telephone or hand held device to a councillor for official business use, council will pay for all associated costs. Any personal calls made by the councillor must be reimbursed to council.

If a councillor uses a personally owned mobile device, council will reimburse actual council business related costs up to 50% of the total costs incurred.

Where council does not provide a mobile telephone or hand held device, council will provide:

- A home landline at the councillor's residence, including connection cost, monthly rental and council will reimburse actual council business related call costs up to 50% of the total costs incurred. However, any STD or international calls made from the home telephone can only be reimbursed if a receipt and certification is provided by the councillor that the call was related to council business; and
- If "home office" facilities as described above, are not provided by council, it will meet the cost of home internet access including monthly access fee and up to 50% of the package costs.

LEGAL COSTS AND INSURANCE COVER

Council may by resolution, agree to cover costs incurred through any inquiry, investigation, hearing or legal proceedings into the conduct of a councillor, or arising out of, or in connection with the councillor's performance of his/her civic functions. Councillors are to be covered under council insurance policies while discharging civic duties. Specifically, insurance cover will be provided for public liability, professional indemnity, councillor's liability, personal accident, international and domestic travel insurance.

MAKING CLAIMS

When seeking reimbursement for expenses, elected members must complete and sign a fees and expenses claim form and provide receipts for allowable expenses together with details of the council business that the expenses relate to. Expenses claims or reimbursement requests which comply with the requirements of this policy should be forwarded to the Deputy Chief Executive Officer. Any Expenses claims or reimbursement requests which do not comply with the requirements of this policy should be referred to the Chief Executive Officer for determination.

Councillors are responsible for ensuring that they do not make claims in excess of allowable limits.

REMUNERATION AND ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2012

COUNCILLOR	MEETINGS ATTENDED	REMUNERATION	EXPENSES REIMBURSED	SUPERANNUATION CONTRIBUTION	TOTAL
Cr R Dare	22	57,311	2,139	7,358	66,808
Cr B Gaffney	6	23,118	2,256	2,750	28,124
Cr J Crombie	6	15,053	304	3,212	18,569
Cr S Cramer	6	15,352	527	1,495	17,374
Cr D Rayment	2	2,857	1,555	See note	4,412
Cr J Barr	3	3,007	803	See note	3,810
Cr G Tully	8	20,727	604	3,210	24,541
Cr G Morton	5	12,250	3,885	See note	16,135
TOTAL		\$149,675	\$12,073	\$18,025	\$179,773

Note: Due to Administration error councillors superannuation is currently under audit.



Our People

Diamantina Shire Council has had a busy year in regards to human resource management and improving our overall operations in regards to people management. Significant work has gone into the recruitment of staff as well as training and development of existing employees.

TRAINING AND DEVELOPMENT

Council has a commitment to learning and development and promotes study assistance as well as assistance with course fees to all employees.

Council has prepared a comprehensive Training Matrix to ensure that training is managed in a structured way and staff and community members are provided with regular relevant training courses. Many staff are involved in Certificate Level courses such as Certificate 3 and 4 in Horticulture and Certificate 3 in Civil Construction (Plant Operations). Other training includes Traffic Control, Work in Confined Spaces, Manual Handling, Blue Card/White Card, New Staff Inductions and First Aid.

EMOTIONAL ASSISTANCE PROGRAM

Offered to all employees and immediate family members of employees of the Diamantina Shire Council the program provides access to a Clinical Psychologist both over the phone and face to face. Introduced in the 2009/2010 financial year the program has been accessed by various staff throughout the year and provides support for employees and their immediate families and helps in the reduction of the negative effect of stress that can arise within the workplace and community.



EQUAL OPPORTUNITY IN EMPLOYMENT

Council reviewed its Equal Opportunity Policy in 2010/11 to bring it in line with updated legislation and workplace requirements.

AIM: The aim of this policy is to ensure that claims of discrimination, victimisation, sexual harassment and vilification are investigated, managed and resolved objectively and fairly.

POLICY:

Diamantina Shire Council is an equal opportunity employer and is committed to providing a workplace where all employees are treated on their merits, without regard to race, age, sex, relationship status or any other factor not applicable to the position. Employees are valued according to how well they perform their duties, and on their ability to maintain the Council's standards of service.

OBJECTIVES:

DSC is committed to achieving the following EEO objectives:

- to ensure all employees are treated fairly
- to fully utilise and develop the potential of every employee
- to keep all policies and procedures consistent with EEO principles
- to augment employee morale and motivation by increasing staff confidence in the fairness of our human resource practices and access to opportunities
- to ensure achievement of our objectives through our EEO program which includes the training of staff on EEO and related issues

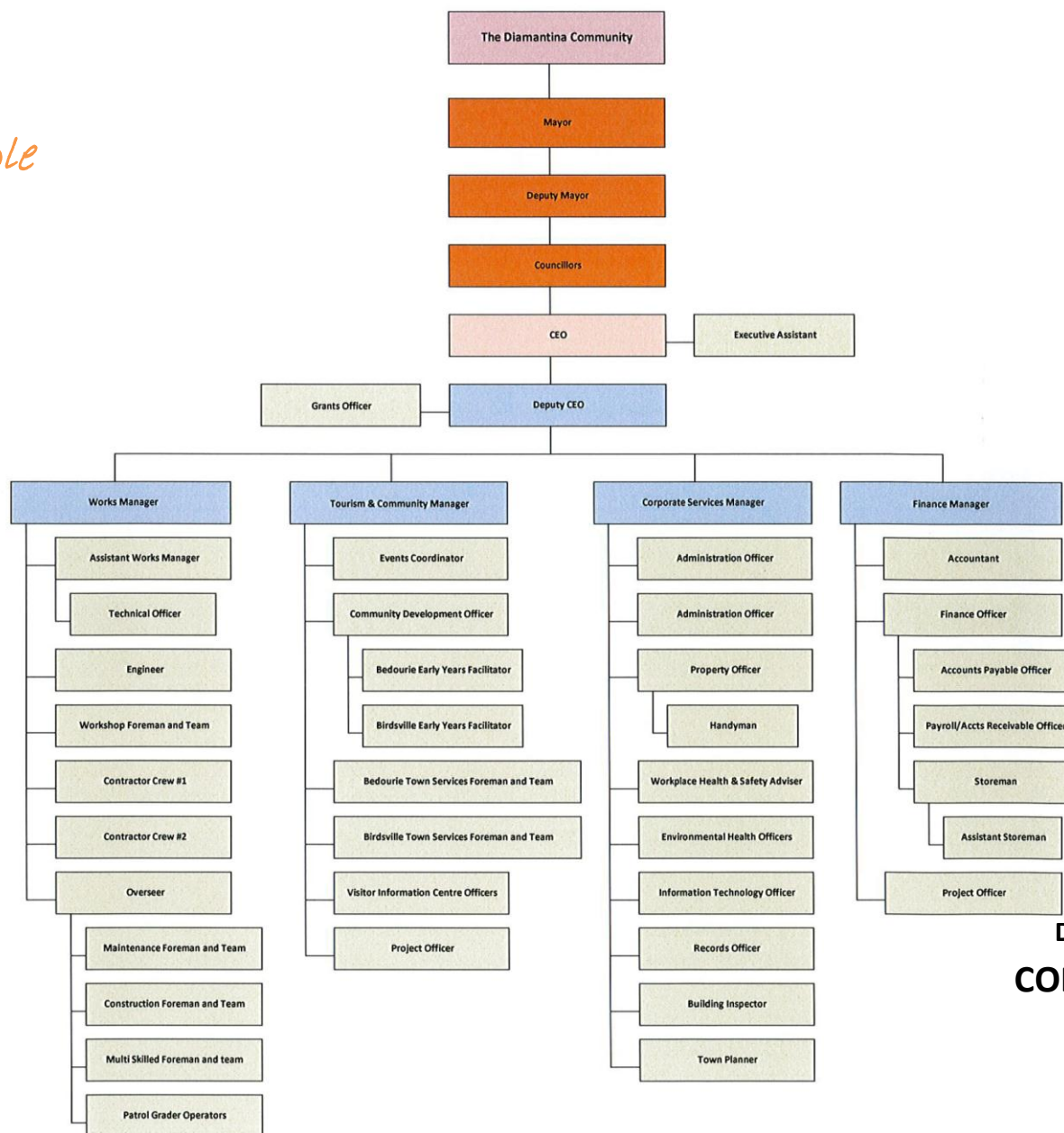
Council remains committed to providing equal employment opportunities in the workplace. Relevant statistics for the past five financial years are listed:

Our People

STAFF STATISTICS AT A GLANCE

Staff Numbers (FTE)	2011-12	2010-11	2009-10	2008-09	2007-08
Number of Employees (excluding casuals) who worked for Council during the year. (Establishment of approximately 79).	82	91	81	81	115
- Internal	43	42	31 (38%)	28 (35%)	38 (33%)
- External	39	49	50 (62%)	53 (65%)	77 (67%)
Gender Balance					
Executive/Senior Management					
> Male	5	4	4	4	6
> Female	1	2	0	0	1
Elected Members					
> Male	7	4	4	4	4
> Female	1	1	1	1	1
Total Employees					
> Male	44	57 (63%)	62%	65%	67%
> Female	38	34 (37%)	38%	35%	33%
Other Statistics					
Aboriginal & Torres Strait Islander employees	23	30 (33%)	29 (36%)	33 (41%)	40 (36%)
Disabled employees	0	0 (0%)	0 (0%)	1 (1%)	1 (1%)
Staff Turnover	29	33 (36%)	26 (32%)	21 (26%)	57 (47%)

Our People



DIAMANTINA SHIRE COUNCIL CORPORATE STRUCTURE

Funded Programs

Diamantina Shire Council carries out a variety of services and projects on behalf of the residents of the shire. At times these activities are funded by federal or state government grants.

Diamantina Shire Council would like to acknowledge the following funding bodies for activities funded in the 2011/2012 financial year;

- Australian Government Attorney-General's Department
- Department of Premier and Cabinet - Arts Queensland
- Department of Communities
- Department of Employment Training and Industrial Relations
- Department of Emergency Services
- Department of Environment and Resource Management
- Department of Health and Ageing
- Department of Health and Ageing – Office for Aboriginal and Torres Strait Islander Health
- Department of Infrastructure and Planning
- Department of Transport and Main Roads
- Queensland Health
- Queensland Health – Home and Community Care
- State Library of Queensland
- Queensland Reconstruction Authority
- Events Queensland

A FUNDING PROGRAM IN DETAIL

Diamantina Shire Council Children's Services

Bedourie and Birdsville Playgroups

Funded by the Queensland Government's Department of Communities the focus of the service is directed to families with children 0 – 12 years of age, most particularly those children in the early childhood years. Those assessed to have the greatest degree of geographic isolation and need are a targeting priority.

The target group needs access to opportunities for the social interaction of both parents and children with others at similar stages and age. There is a need for available access to early childhood developmental activities and involvement for children below school age and their parents, to experience and understand the importance of learning through play. Parents require access to facilities, resources, advice and support that are available to the majority of Australian families to enhance parenting education and skill development.

The Diamantina Shire Council Children's Services aims to bridge the communication gap between urban and rural living, provide support to parents raising children in isolation, encourage group activities for young children and their parents and assist families with resources, information and skills not readily available to those living in remote areas.

Two Co-ordinators are employed by the Diamantina Shire Council to deliver the program in Bedourie and Birdsville.

Corporate Governance

The following lists all other information as required by the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting) Regulation 2010*;

LOCAL GOVERNMENT ACT 2009

REMUNERATION DETAILS s201

- 2 senior contract employees with a total remuneration package in the range of \$90,000-\$145,000
- 1 senior contract employees with a total remuneration package in the range of \$150,000-\$180,000

LOCAL GOVERNMENT (FINANCE, PLANS AND REPORTING) REGULATION 2010

RESOLUTIONS RELATING TO

REMUNERATION SCHEDULE AND EXPENSES REIMBURSEMENT POLICYs113 REG

As per sections 42(5) and 45(1) of the *Local Government (Operations) Regulation 2010* the following resolutions were adopted:

Minutes of the Ordinary Meeting of the Diamantina Shire Council held in the Board Room of the Administration Centre, Bedourie on Monday, February 23, 2011 commencing at 8.22am.

Minute 2011.1.4

Moved by Cr Dare and Seconded by Cr Gaffney.

That Diamantina Shire Council adopt the following remuneration for Councillors in accordance with section 42 of the Local Government (Operations) Regulation 2010 effective from January 1, 2011 to December 31, 2011.

Name	Office	Base Fee	Attendance at approved meetings/function/conference etc. Fee per day. (Does not include travel time)
Cr R Dare	Mayor	\$46,830	\$300
Cr B Gaffney	Deputy Mayor	\$20,070	\$300
Cr G Tully	Councillor	\$13,380	\$300
Cr J Crombie	Councillor	\$13,380	\$300
Cr B Hanna	Councillor	\$13,380	\$300

Carried 4/0

Minute 2011.1.5

Moved by Cr Crombie and Seconded by Cr Hanna.

That Diamantina Shire Council adopt the Expenses Reimbursement and Facilities Provision Policy as presented in accordance with section 45 of the Local Government (Operations) Regulation 2010. Further, that Diamantina Shire Council authorise expenses to be paid by said policy.

Carried 4/0.

Minute 2011.1.7

Moved by Cr Gaffney and Seconded by Cr Hanna.

That Diamantina Shire Council provide superannuation at the rate of 12% with member contributions set at 6% and that Council permit salary sacrifice by elected members in accordance with section 226 of the Local Government Act 2009.

Carried 4/0.

COUNCILLOR DISCIPLINARY ACTION s114(f)(g)

As per section 180(2) and (4) and section 181 of the Act there has been no actions during the 2011/2012 financial year resulting in orders or recommendations.

Corporate Governance

COMPLAINTS ABOUT CONDUCT OR PERFORMANCE OF A COUNCILLOR s114(h)

There were no complaints about conduct or performance of a Councillor as per section 114(h) of the Local Government (Finance, Plans and Reporting) Regulation 2010.

ADMINISTRATIVE ACTION COMPLAINTS s115

There were no complaints under section 115 of the Local Government (Finance, Plans and Reporting) Regulation 2010.

OVERSEAS TRAVEL s116

No Councillors or Council Employees travelled overseas in an official capacity during the 2011/2012 financial year.



EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS s117

During the 2011/2012 financial year, Council budgeted for the following cash support to community organisations:

<i>Name</i>	<i>\$</i>
Betoota Social Club	3606.00
Birdsville Parents and Citizen's Association	4,500.00
Windorah State School	500.00
Bedourie Parents and Citizen's Association	5,500.00
Bedourie Amateur Race Club	1,000.00
Birdsville Social Club	7,945.00
North Qld Helicopter Rescue Service	5000.00
Bedourie Gymkhana Club	8,436.00
Birdsville Race Club	3,200.00
Andrew Ley – Bird Book	3,000.00
Triple Crown Racing Carnival	3,000.00
Other Donations	5000.00
	\$45,687.00

RESERVES AND CONTROLLED ROADS s118

Diamantina Shire Council has control of –

- (a) 9,523.71ha of land (including 11.4ha leased) classified as reserves under the Land Act 1994; and
- (b) 656km of road that is not owned by Council but is in our control.

Corporate Governance

EXPENDITURE AND ACTION RELATING TO JOINT VENTURES **s119(1)(c)(i)**

Diamantina Shire Council did not enter into any joint venture agreements during the 2011/2012 financial year.

EXPENDITURE AND ACTION RELATING TO SPECIAL RATES OR CHARGES **s119(1)(c)(ii)**

Diamantina Shire Council did not make or levy any special rate or charge for the 2011/2012 financial year.

CHANGES TO TENDERS **s119(d)**

Diamantina Shire Council did not change a tender during the 2011/2012 financial year.

REGISTERS KEPT BY COUNCIL **s119(e)**

- Register of Rates
- Register of Roads
- Register of Land Records
- Register of Delegations
- Register of Pecuniary Interests for employees and Councillors
- Register of Dogs/Impoundments/Agistment
- Register of Local and Subordinate Local Laws
- Register of Regulatory Fees
- Register of Directions from Mayor to CEO

RATES AND CHARGES CONCESSIONS **s119(f)**

Diamantina Shire Council did make one concession to rates or charges for the 2011/2012 financial year.

INTERNAL AUDIT REPORT **s119(g)**

Diamantina Shire Council does not operate an internal audit function.



Public Sector Ethics Act 1994**Implementation statements** **s23**

The following information is provided pursuant to the relevant sections.

Preparation of codes of conduct **s15**

No major changes to Council's code of conduct policy were made during the 2011/2012 financial year.

Access to ethics principles and obligations and codes of conduct **s19**

Council's code of conduct is retained in a register with all Council policies. All staff can access or request the provision of any policy at any time. New staff are provided with an overview of the code and relevant information regarding access to the code during their induction.

Inspection of codes of conduct **s20**

Council's code of conduct is retained in a register with all Council policies. All policies are available for inspection, copying or purchase by any person.

Education and training **s21**

Council's recruitment procedures ensure that all staff have received an introduction to the code of conduct documentation.

Procedures and practices of public sector entities **s22**

Council policies, procedures and performance management systems are all developed and conducted with appropriate regard to the Public Sector Ethics Act 1994, the obligations of public officials and Councils code of conduct.

Whistleblower's Protection Act 1994 (repealed)**Reporting requirements 1 July to 31 December 2011. Disclosure activity** **s30.**

Nil disclosures received or referred under S 28A during the reporting period S 30 (1) (a).

S 30 (1) (b) Nil disclosures substantially verified during the reporting period.

It should be noted that the reporting period ended when the Whistleblower's Protection Act 1994 was replaced by the Public Sector Disclosure Act 2010.



Our Performance

Diamantina Shire Council began a comprehensive community engagement process in February 2009 which involved community surveys and public consultation meetings to develop a long term Community Plan, 5 year Corporate Plan and Annual Operational Plan.

Diamantina Shire Council undertakes a wide range of roles which are not traditionally carried by Local Government in Queensland and therefore its corporate response to the Community Vision is broad, addresses a wide range of issues and it is based on the delivery of outcomes which will move the community closer to its long term goals and vision.

These outcomes and the strategies to achieve them have been developed in line with quadruple bottom line principles which take into account social, environmental, economic and governance aspects in order to deliver a balanced and sustainable outcome.



Assessment of Local and Regional Issues

Arts and Cultural Development

The Diamantina Shire has a rich and unique culture which has developed over the years with influences from both its Aboriginal and European residents.

The recognition, identification and preservation of this culture are at the forefront of the Council's actions and planning. This is demonstrated by a successful grant application to provide artefact display units in both Bedourie and Birdsville as well as a significant arts grant to produce 'Sculptures of the Dreamtime-Connecting the Community' and is supported by the outcomes and strategies of Council's Corporate Plan.

These outcomes include the identification and preservation of both Aboriginal and European sites of significance and the maintenance of culturally significant practices through events such as bronco branding, camp drafting, gymkhanas and the annual celebration of NAIDOC week.

The strategies which have been identified to deliver these outcomes include the development of plans for community club facility development and historical site preservation.

Disaster Mitigation and Management

As the only Government body with significant staff and equipment resources in the area, the Council has always had a major involvement in area of counter disaster and because of the nature of the Channel Country, managing the risks involved in and responding to accidents, fires, flooding events and asset restoration.

The restoration of flood damage on both Council and State controlled roads is a significant part of Council's works operations. It is therefore vital that Council is proactive in its mitigation and management planning to ensure that assets are protected and more importantly that restoration funding continues to be made available. To this end Council has included a strategy in its corporate plan to ensure that disaster management plans are maintained and are up to date.

Economic Development

Diamantina Shire Council continues to work collaboratively with cattle and tourism business operators, industry peak bodies, representative groups and the community to identify and grow economic development opportunities. A growing community and a fledgling housing market are setting the pace in Bedourie and Birdsville. Sealed roads and 21st century information technology and communications will provide the tools for ongoing and secure economic development.

Environmental Management

The protection and sustainability of the unique Channel Country environment has been a priority for Council for many years. The Integrated Environmental Management System (IEMS) addresses the potential environmental risks associated with the operation of Council's Environmentally Relevant Activities and *sets out Council's position for compliance with environmental legislation as well as setting the Strategy for achieving "best practice" in environmental management.*



Assessment of Local and Regional Issues continued...

Infrastructure

The sealing of the road network remains a major priority for Council and it is committed to the contribution of funds for works, research and lobbying to ensure that significant progress continues to be made. These issues and the required infrastructure needs for the growing communities will be included in the proposed infrastructure development plan which will ensure that infrastructure is well planned, managed and funded.

Public Health Management

Diamantina Shire Council is in the unusual position of not only providing the standard environmental health services delivered by local government, but also of providing primary health care services in Bedourie and Birdsville. Through funding partnerships with both State and Commonwealth governments, the Shire Health Clinics offer a range of preventative and primary health care to the community. The services include regular general practitioner visits, as well as visiting specialists and ancillary health care professionals.

Community Development and Human Services

Council's Corporate Plan signals an increased focus on Community Development and Human Services. Initiatives such as maintaining control of and developing the healthclinics, events co-ordination, community assets development plan, funding community events and through the work of the Tourism & Community Manager, the Community continues to develop, and services are provided which build social capital and improve the quality of life of residents. The Community Plan will pull together the Club facilities development programme, sport and recreation plan, streetscape plan, town streets infrastructure plan and the community assets development plan to ensure that quality of life and social capital continue to be enhanced.





Assessment of Local and Regional Issues continued...

Housing

The significant effort put into housing by Council in recent years has addressed many of the problems faced by the community, however increased expectations and employment growth has again increased demand for quality housing. Council is now looking to provide for future demand by ensuring that housing stocks are continued to be developed and that land and infrastructure is available to meet that housing need.

Population

Diamantina Shire council continues to work toward the identified population targets set out in the Corporate and Community Plans, to grow the Diamantina shire population to 500 by 2014 and 2000 by 2029.

Inextricably linked to economic development, jobs growth and the development of infrastructure including community services and housing, Diamantina Shire Council is well progressed in realising the objective of an increased and sustainable population.

Performance – What we achieved

Environment

Goal	Strategies to achieve this Goal	Progress and Achievements
A community which is actively maintaining practices which ensures environmental sustainability.	<ul style="list-style-type: none"> ○ Lobby relevant agencies to take advantage of the natural resources for the production of energy in the Shire to augment the diesel power stations ○ Actively encourage and promote renewable energy (solar) for new housing developments. ○ Maintain currency of mandatory and advisory environmental management plans. ○ Ensure where possible that Council decisions are in keeping with existing plans. ○ Continue to support Shire catchment management and Landcare groups. ○ Maintain pest free status of river systems in the Shire. ○ Lobby to extend sealed road network to improve animal welfare. ○ Ensure that local laws and other legislation are applied as required to ensure that effective animal control is maintained. 	<ul style="list-style-type: none"> ○ Council has continued to liaise with Ergon Energy in relation to the introduction of clean and green technologies to augment the diesel power stations. ○ Council continues to work closely with neighbouring shires and partners such as RAPAD, Queensland Wild Dog Committee, Georgina Catchment Committee, Desert Channels and the Department of Infrastructure and Planning and the Department of Agriculture Fisheries and Forestry in the areas of plant and animal pest management. ○ Town Common Management Plans for both Bedourie and Birdsville have been developed and adopted by Council. These plans were developed with strong community consultation. ○ Review of Local and Subordinate Local laws is ongoing.
Guaranteed quality water supply and sewerage treatment.	<ul style="list-style-type: none"> ○ Maintain water and sewerage infrastructure in accordance with SAMPs ○ Ensure water quality meets guidelines for human consumption ○ Encourage "water wise" practices in the community 	<ul style="list-style-type: none"> ○ Water and Sewerage infrastructure maintained as per Council's scheduled 10 year capital works replacement schedule. ○ Water Quality continually monitored to ensure standards meet guidelines. Water Quality Management Plan is being drafted.

Environment continued...

Goal	Strategies to achieve this Goal	Progress and Achievements
Land and infrastructure development that facilitates and meets the needs of the growing communities.	<ul style="list-style-type: none"> ○ Develop land as required to meet existing and anticipated demand ○ Conduct feasibility study for the establishment of an aircraft graveyard in the Shire ○ Investigate options for military training activities in the Shire ○ Conduct feasibility study for the establishment of a regional aged care facility in the Shire ○ If feasible, seek funding for the establishment of a regional aged care facility in the Shire ○ Facilitate the establishment of suitable child care services in the Shire 	<ul style="list-style-type: none"> ○ Council continues to work towards the completion of the new Bedourie residential block subdivision which will increase house blocks available within the town. ○ Investigation of an aircraft graveyard and military training activities has continued with no definite results at this stage. ○ Child care has been identified as a significant area that hinders possible employment of residents. Investigation continues in possible strategies to improve child care within Bedourie and Birdsville.
Towns which are attractive, green and clean with a community that takes pride in their homes and towns.	<ul style="list-style-type: none"> ○ Maintain membership of Keep Australia Beautiful Council and nominate annually ○ Encourage the voluntary operation of community gardens. ○ Review and implement town streetscape plans ○ Develop and implement a waste management strategy 	<ul style="list-style-type: none"> ○ Membership with Keep Australia Beautiful Council continues. ○ Working with both Town Foremen in Bedourie and Birdsville progress has been made towards continued implementation and also reviewing current town streetscape plans. ○ Developing a waste management strategy is an ongoing process and will be continue to be progressed in 2011/2012.



Performance – What we achieved

Social

Goal	Strategies	Comments
A Community That Recognises the Value of Preserving the Unique Culture of the Area.	<ul style="list-style-type: none"> Investigate the establishment of a cultural heritage management plan Progress the finalisation of appropriate ILUAs Maintain support in accordance with Council's grants to community organisations policy Work with aboriginal groups to identify sites of significance Establish and fund a plan for the preservation and display of historical sites and artefacts 	<ul style="list-style-type: none"> Progress continues with the establishment of a cultural Heritage Management Plan. Council continues to be heavily involved with the progress of ILUA's with aboriginal groups. Progress continues with aboriginal groups in regards to the identification of significant sites and cultural heritage clearance with construction works. Funding has been received for the construction of artefact displays in both Bedourie and Birdsville with the completion of the displays expected in the 1st quarter of 2012/2013.
A Community Where the Cost Of Living Is Comparable to the South East of the State.	<ul style="list-style-type: none"> Complete and publish the cost of living study 	<ul style="list-style-type: none"> Cost of Living study completed and published in Council's Desert Yarns Newsletter during the previous financial year. Arrangements are being made to have this study available for the wider public by displaying on Council's website.
A Community with Affordable Access to the Full Range Of Transport Services and Facilities.	<ul style="list-style-type: none"> Encourage use of the air services Lobby the State Government to maintain present "dash 8" type air services through the Shire Maintain biannual preferred freight supplier arrangements for Council and community freight 	<ul style="list-style-type: none"> Council continues to have a strong working relationship with both the Department of Transport and SkyTrans (air service provider). Council continues to attend "Air User Group Meetings"

Social continued...

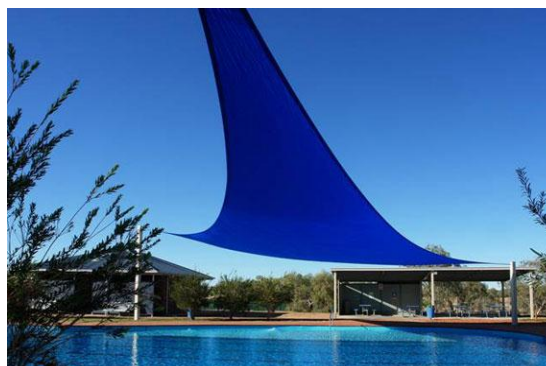
Goal	Strategies	Comments
A Community with High Private Home Ownership in Which All Residents Are Appropriately Housed.	<ul style="list-style-type: none"> ○ Continue to make suitable housing stock available for private purchase 	<ul style="list-style-type: none"> ○ Council were in the process of releasing more houses in Bedourie and Birdsville sale, prior to the end of 2011/2012. It is expected that 2012/2013 will see a cessation of sales of housing stock, as it has been identified that Council is now facing a shortage of appropriate residences.
A Motivated and Involved Community.	<ul style="list-style-type: none"> ○ Maintain support in accordance with Council's grants to community organisations policy ○ Continue to make the services of Council's grants officer available to community groups ○ Continue to support the Youth Council ○ Continue to facilitate skills development activities for the Youth Council 	<ul style="list-style-type: none"> ○ Grants to community organisations continue with strong support outlined in Council's 2011/2012 Budget. ○ Council's grants officer continues to be available to community groups and individuals to seek financial support. ○ Council continues to strongly support youth council with secretarial support as well as financial support to progress youth initiated projects and training to support skills development.
A Safe and Crime Free Community.	<ul style="list-style-type: none"> ○ Engage the Youth Council to develop crime prevention strategies for the implementation in the Shire ○ Continue to support police and emergency services in the Shire ○ Maintain engagement with regional police service to ensure that community needs are understood and policing is effective ○ Develop and maintain disaster management plans 	<ul style="list-style-type: none"> ○ Strong ties continue with the Queensland Police Service. ○ A police column for both towns is included in Council's Desert Yarns Newsletter each month. ○ Crime remains low within the shire. ○ Drink rite programs have been planned for the 1st quarter of 2012/2013. ○ Disaster Management Plans continued to be maintained and improved. ○ Regular reports from SES and Rural Fire Brigades are received and reported to Council.

Social continued...

Goal	Strategies	Comments
A Well Coordinated and Cooperative Group of Businesses and Individuals That Deal With the Public Which Successfully Promotes the Community.	<ul style="list-style-type: none"> Facilitate the establishment of community development boards in each town Source an appropriate customer service program 	<ul style="list-style-type: none"> Public consultation and a plan for the formation of a Community Development Group has been progressed during the 2010/2011 financial year. Drafting terms of reference document at the present time with first meeting planned for early 1st quarter 2012/2013. Aussie host training has been scheduled and will be attended by Bedourie and Birdsville staff in the first quarter of 2012/2013.
Full Employment.	<ul style="list-style-type: none"> Make Council training activities available to community members if appropriate Implement strategies to improve child care opportunities 	<ul style="list-style-type: none"> Training programs have been regularly advertised to community. Child care has been identified as an significant area that hinders possible employment of residents. Investigation continues in possible strategies to improve child care within Bedourie and Birdsville. Discussions have been held with the QLD Department of Education and Training about the introduction of family daycare in both Bedourie and Birdsville.
Fully Operational Medical And Pharmacy Facilities Run By Quality Service Providers That Provide Appropriate And Affordable Access To On Site GPs And Other Specialist Medical Care.	<ul style="list-style-type: none"> Implement health issues awareness activities in the workforce Subsidise the cost of Council's bus for groups wishing to access specialist medical services Lobby State health to provide half yearly dental visits Encourage Council's health provider to coordinate visits by specialist health services. (Cardio, ENT etc) Ensure health service contracts protect Council intellectual property rights Monitor and review the performance of the health services contractor Construct mortuary and storage facilities at the Birdsville Health Clinic Carryout expansion of the Bedourie Clinic as per plans 	<ul style="list-style-type: none"> NWQPHC continue to work closely with Council in implementing health awareness workshops. NWQPHC continues to meet its obligations under the service agreement in providing health services to the communities of Bedourie and Birdsville. Plans for the expansion of the Bedourie Clinic have been developed and revised and progress made towards Council securing ownership of this facility.

Social continued...

Goal	Strategies	Comments
Fully Reticulated Electricity throughout the Shire.	<ul style="list-style-type: none"> Request an update from Ergon Energy on the connection of Shire properties to reticulated power supplies 	<ul style="list-style-type: none"> An update on the progress of reticulated power within the shire has been sought.
Quality Education and Training Available To All Residents.	<ul style="list-style-type: none"> Make Council training activities available to community members if appropriate Investigate the opportunity to establish schooling to Year 10 	<ul style="list-style-type: none"> Training programs have been regularly advertised to community members. Highly successful Information on the establishment of schooling to Year 10 has been requested from the Department of Education.
Quality Sporting Facilities	<ul style="list-style-type: none"> Complete planning for a sports complex / community facility in Bedourie Undertake construction of the Bedourie sports / community facility complex when funding becomes available 	<ul style="list-style-type: none"> No further planning has been completed towards the construction of a sports complex/community facility in Bedourie. Funding sought under the Australian Government's Remote Communities Living Infrastructure Program.



Performance – What we achieved

Economic

Goal	Strategies	Comments
A Major and Sustainable Tourism Industry	<ul style="list-style-type: none"> Develop and implement a tourism development plan 	<ul style="list-style-type: none"> Tourism Development Plan was commissioned during 2011/2012 and is due to be completed and endorsed by Council in the 1st quarter of 2012/2013. Research and strong ties with tourism groups such as OQTA (Outback Queensland Tourism Association) continues.
A Population of 2000.	<ul style="list-style-type: none"> Implement corporate plan strategies 	<ul style="list-style-type: none"> An ongoing process in that Corporate Plan Strategies are progressed to ensure the Shire continues to grow with a goal population of 2,000 people in 20 years.
A Transport Network Maintained In Line With The Rest Of The State.	<ul style="list-style-type: none"> Carry out works in line with works program Upgrade both airport terminals Undertake a scoping study into the development of an air park Lobby State and Federal Government for road network improvement Continue up to \$300,000 yearly contribution to the sealing of main roads Identify and prioritise black spot projects 	<ul style="list-style-type: none"> Works as per works program continues with set backs because of flooding taken into consideration. Airport terminals were completed in 2011/2012 and the landscaping is due to be completed in the 1st quarter of 2012/2013. Lobbying of Government for the improvement of road networks effecting the Diamantina Shire continues.
Council Is A Leader In The Region Which Supports Regional Cooperation And Resource Sharing.	<ul style="list-style-type: none"> Initiate discussions with neighboring Shires to undertake a resource sharing options review 	<ul style="list-style-type: none"> Council continues to work closely with the shire of Barcoo and Boulia on several initiatives. Initiatives include joint ventures in tourism, purchasing, operational information reasearch and joint employment arrangements.

Economic continued...

Goal	Strategies	Comments
Government Funding And Assistance Is Maximised.	<ul style="list-style-type: none"> ○ Retain the services of a professional grants officer to prepare applications as required 	<ul style="list-style-type: none"> ○ Council continues to retain the services of a Grants Officer whose main function is to research and submit applications to progress projects that are within Council's best interest.
Growing and Diversified Industries Which Provide Ample Employment Opportunities to Shire Residents.	<ul style="list-style-type: none"> ○ Develop and adopt an economic development plan ○ Market available land stocks 	<ul style="list-style-type: none"> ○ Economic Development Plan was nearing completion at the end of 2011/2012. It is expected to be endorsed by Council in the 1st quarter of 2012/2013. ○ Two houses were under contract at the end of 2011/2012, with the sale expected to be complete in the 1st quarter of 2012/2013..
Own And Operate A Quality Plant Fleet.	<ul style="list-style-type: none"> ○ Review plant hire rates and performance periodically ○ Carryout plant changeover in accordance with plant replacement program 	<ul style="list-style-type: none"> ○ Plant hire rates are expected to be overhauled in the 1st quarter of 2012/2013.
Quality Council Assets Which Meet Community Needs.	<ul style="list-style-type: none"> ○ Develop a community assets development and management plan ○ Cost and prioritise the development and operations factoring in depreciation of community facilities and/or services ○ Seek funding assistance for and undertake the development of new facilities in line with the prioritised program as finance allows 	<ul style="list-style-type: none"> ○ Work continues on the development of an AssetManagement Plan ○ The seeking of financial assistance for the development of community assets continues.

Economic continued...

Goal	Strategies	Comments
Regional Government Offices Operating In the Community.	<ul style="list-style-type: none"> Investigate and report to Council on options for the establishment of Government agencies in the Wirrarri centre facilities and the Bedourie administration centre 	<ul style="list-style-type: none"> Council has been unable to secure interest from government agencies in the establishment of operations from this area. A large number of private operators have expressed interest in renting offices over the tourist season.
State Of The Art Communication and IT Infrastructure.	<ul style="list-style-type: none"> Lobby all levels of Government for a fibre optical communications solution 	<ul style="list-style-type: none"> Council has continued to work strongly on progressing a suitable fibre optical communication solution for the shire. This includes a committed \$1,400,000 in its annual budget towards a possible solution. Council continues to work closely with neighbouring Barcoo Shire Council and continues to liaise and meet with government departments and representatives in progressing a beneficial solution for the region.



Performance – What we achieved

Governance

Goal	Strategies	Comments
A sustainable and effective organisation	<ul style="list-style-type: none"> ○ That Council develop and implement a comprehensive training and development plan for Councillors and staff which is aimed at delivering Council's strategic outcomes ○ Conduct regular performance appraisals for all staff ○ Promote the employment and development of local residents ○ Maintain practices in line with the Workplace Health & Safety Legislation ○ Implement practices across the organisation, which are in line with Council quality assurance system ○ Maintain a corporate structure that reflects and meets the needs of the Corporate Plan ○ Maintain a comprehensive and effective planning and reporting process ○ Maintain high standard of ethical conduct ○ Provide sufficient resources to facilitate effective governance ○ Support the separation of roles between Council and Management ○ Provide adequate support and development opportunities to ensure that corporate skills and knowledge are current and leading edge 	<ul style="list-style-type: none"> ○ A new training matrix is being prepared to better meet Council staff needs. ○ Performance appraisals of employed staff continue. ○ The employment and development of local residents continues. ○ Workplace Health and Safety within Council's operations continues to be a priority with a commitment to improve council's systems. Improvements in dissemination of information and in house programs and publications have improved employee focus on workplace health and safety. ○ Council has made good progress with the development of its Quality Assurance System (Integrated Management System), with the areas of Works, Workshop and Stores already being accredited under ASO9001:2008. ○ Council's needs in relation to its corporate structure have significantly changed during the 2011/12 financial year. A new corporate structure is being trialed and expected to be implemented in the early stages of 2012/2013.

Governance continued...

Goal	Strategies	Comments
	<ul style="list-style-type: none"> ○ Develop and maintain a Risk Management Plan ○ Maintain and effective records management policy and procedure ○ Maintain and effective information management system ○ Develop, implement and maintain strategic IT plan ○ Maintain up to date and compliant financial management and reporting systems ○ Fund depreciation in line with Council's revenue policy and provide for asset replacement in line with asset management plans ○ Ensure the grant and subsidy income is maximised ○ Maximise internal/external revenue sources ○ Continue to apply the Code of Competitive Conduct to nominated Council business activities ○ That an external customer service operating framework be developed which ensures that customers receive a quality and positive experience when dealing with Council ○ Provide adequate resources to ensure that administration and customer service functions are carried out effectively 	<ul style="list-style-type: none"> ○ An electronic record management system is in place and will be undergoing an overhaul to align with Council's needs in the early stages of 2012/2013. ○ Council continues to fund its depreciation in line with its asset management policy. ○ Grant and Subsidy income as well as internal revenue is closely monitored to ensure maximum potential is received. ○ The methodology of the Code of Competitive Conduct continues to be applied to areas such as Water, Sewerage and Road Construction. ○ Council has struggled to provide adequate resources to ensure that administration and customer service functions are carried out effectively, in particular the recruitment and retention of staff.

Governance continued...

Goal	Strategies	Comments
	<ul style="list-style-type: none"> ○ Ensure effective and sustainable administrative systems are in place to meet operational and legislative requirements ○ Ensure enquiries and customer requests are satisfactorily dealt with in a timely, appropriate manner ○ Implement a customer satisfaction survey and bench marking ○ Develop and implement a community engagement framework ○ Develop and improve communications tools including website, community noticeboard, rates newsletter, annual report etc 	<ul style="list-style-type: none"> ○ Customer requests and enquiries are dealt with in a timely manner with a framework developed and built into Council's electronic records management system. ○ Preliminary work has been done in developing a community engagement plan and this shall be furthered in the 2012/13 financial year. ○ Council continues to improve its communications with noted tools such as its website which has had a significant makeover, community noticeboard notices, The Desert Yarns Newsletter and Annual Report.



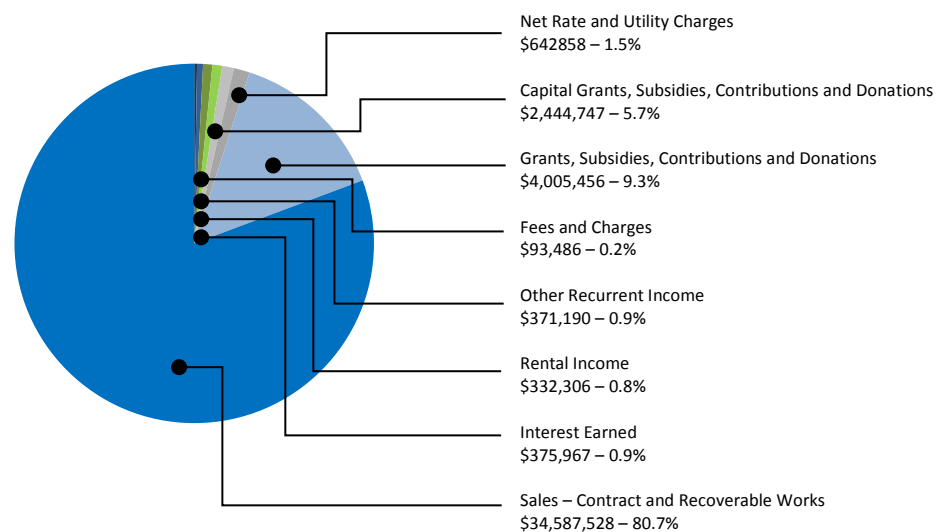
Community Financial Report

This report is intended to take complex financial information and report it in simple terms so that interested members of the community can gain a more informed understanding of Council's financial performance and financial position for the year. The Annual Financial Statements of the Council are part of the Annual Report and should be viewed for more detailed financial information (See Part B commencing at Page 46).

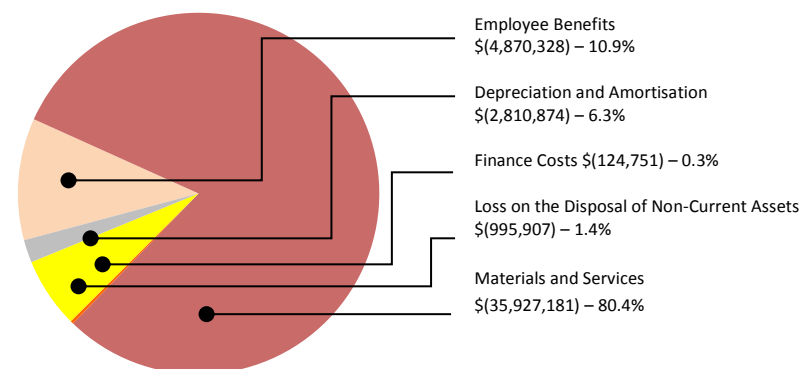
COUNCIL'S FINANCIAL PERFORMANCE

The Income Statement reflects how we take the money we receive in our day to day operations and spend it on providing the level of services the community expects from our organisation. This year Council's total revenue amounted to \$42.8 million and total expenses amounted to \$44.7 million returning an operating deficit of \$1.87 million.

WHERE THE MONEY COMES FROM



WHERE THE MONEY GOES



OPERATING DEFICIT = \$(1,875,503)

Community Financial Report

COUNCIL'S FINANCIAL POSITION

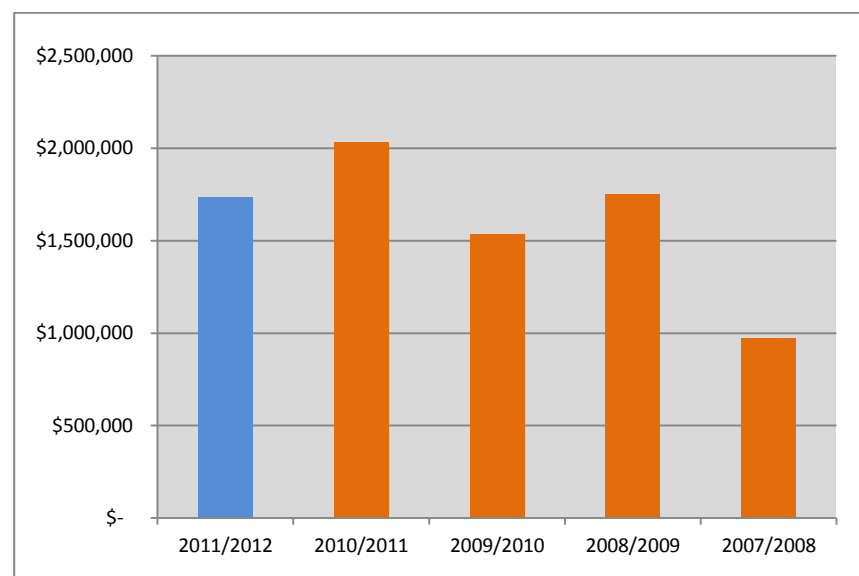
The Balance Sheet measures what Council owns and owes at the end of the financial year. The result of these two components determines the net wealth of Council, which is the net wealth of the community.

What do our assets consist of?	%	\$
Cash and cash equivalents	4.61%	6,882,418
Trade and other receivables	4.16%	6,213,768
Inventories	0.58%	859,735
Other financial assets	0.03%	45,964
Investments - Non-current assets held for resale	0.82%	1,226,265
Property, plant and equipment	89.80%	134,110,898
TOTAL ASSETS		\$149,339,048

What do our liabilities consist of?	%	\$
Trade and other payables	57.80%	2,669,803
Borrowings	37.08%	1,732,075
Provisions	5.12%	238,862
TOTAL LIABILITIES		\$4,670,740

OUR DEBT

With debt repayments amounting to \$ 300,539 for the year Council's balance of debt at June 30, 2012 amounted to \$1,732,075. Council continues to manage its debt responsibly electing only to borrow new debt by taking into account the economic conditions of the period, with the view that the borrowing will provide a benefit to future generations.

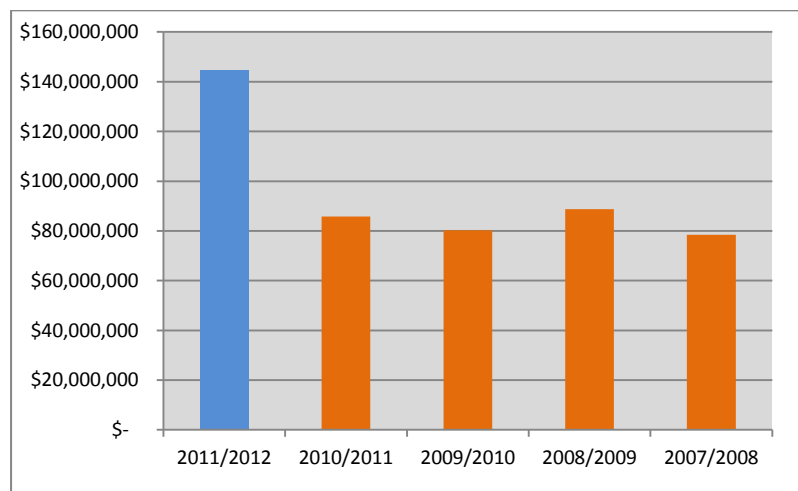


Community Financial Report

CHANGES IN EQUITY

This statement measures the change in our net wealth and considers such items as retained earnings, re-valuations of our asset base and reserves held for future capital works

The community ownership in the infrastructure and services Council provides to the community is growing steadily. A portion of the community wealth is cash backed by an appropriate level of reserves held to plan for future projects, which, with financial planning, can place less reliance on loan borrowing in meeting the needs of the community.



OUR CASH POSITION

The Statement of Cash Flows identifies how we received and spent our money during the year, resulting in what cash is available at the end of the year.

Cash at Beginning	\$10,312,777
Inflow from Operating Activities	\$1,040,188
Outflow from Investing Activities	(\$4,170,008)
Outflow from Financing Activities	(\$300,539)
Cash at End	\$6,882,417

While our current cash balance is \$6,882,417 it is important to note that \$1,907,314 is restricted as reserves for specific purposes, such as future capital works.

SUMMARY

In conclusion Council's Financial Position is sound ensuring continued viability of our programs so we can continue to meet the needs of our diverse community. Given the increasing requirements with which we must comply and the trend of reducing subsidies and grants, Council, like any organisation, must prioritise its requirements so as to ensure the long term sustainability and viability of the organisation.

Community Financial Report

RELEVANT MEASURES OF FINANCIAL SUSTAINABILITY

As outlined in the Local Government (Finance, Plans and Reporting) Regulation 2010 it is a requirement for Council to display the relevant measures of financial sustainability for the financial year for which the report has been prepared and the next 9 financial years.

Ratio	2011/12 Actual	2012/13 Budget	2013/14 Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget
Working Capital Ratio	5.2:1	10.3:1	1.8:1	1.3:1	14.9:1	26.7:1	37.4:1	67.6:1	80.5:1	99.0:1
Operating Surplus Ratio	(4.6)%	7.6%	8.9%	8.6%	15.4%	14.2%	15.3%	16.0%	16.3%	14.3%
Net Financial Liabilities Ratio	(26)%	(12.8)%	(3.2)%	(0.6)%	(21.6)%	(43.4)%	(63.2)%	(78.6)%	(92.7)%	(112.3)%
Interest Coverage Ratio	0.3%	0.2%	0.1%	0.3%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%
Asset Sustainability Ratio	539.39%	200.3%	126.0%	94.7%	48.3%	54.7%	43.3%	73.5%	84.9%	42.3%
Asset Consumption Ratio	85.17%	91.5%	92.6%	93.2%	93.3%	93.4%	93.5%	93.7%	94.0%	94.1%

Operating Surplus Ratio

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes. The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of total operating revenue. A positive ratio indicates that surplus revenue is available. This may be used to support the funding of capital expenditure or used to offset past or future operating deficits. If the surplus is not required for this purpose in a particular year, it can be held to support future capital expenditure funding as a financial asset, used to offset past deficit funding or, where possible, used to reduce current debt levels.

Net result divided by total operating revenue.

Expressed as a percentage.

Target Ratio = Between 0 - 15%

Working Capital Ratio

This is an indicator of the management of working capital (short term financial capital). Measures the extent to which a council has liquid assets available to meet short term financial obligations.

Current assets divided by current liabilities

Expressed as x:1 where x=CA/CL

Target Ratio = Greater than 1:1

Community Financial Report

Net Financial Liabilities Ratio

This is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues. A ratio greater than zero (positive) indicates that total financial liabilities exceed current assets. These net financial liabilities must be serviced using available operating revenues. A positive value less than 60 per cent indicates the local government has the capacity to fund the financial liabilities and appears to have the capacity to increase its loan borrowings if required. A positive value greater than 60 per cent indicates the local government has limited capacity to increase its loan borrowings. 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.

Total liabilities less current assets divided by total operating revenue.

Expressed as a percentage.

Target Ratio = Less than 60%

Asset consumption ratio

The average proportion of 'as new' value remaining in the infrastructure assets. This ratio shows the written down current value of a local government's depreciable assets relative to their 'as new' value in up to date prices. This ratio seeks to highlight the aged condition of a local government's stock of physical assets.

Written down value of infrastructure assets divided by gross current replacement cost of infrastructure assets.

Expressed as a percentage.

Target Ratio = Between 40% – 80%

Interest Coverage Ratio

This ratio indicates the extent to which a local government's operating revenues are committed to funding interest expense on current loan borrowings and leases.

As principal repayments are not operating expenses, this ratio demonstrates the extent to which operating revenues are being used to meet the financing charges associated with debt servicing obligations.

Net interest expense on debt service divided by total operating revenue.

Expressed as a percentage.

Target Ratio = Between 0 – 10%

Asset Sustainability Ratio

This is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced as these reach the end of their useful lives. Depreciation expense represents an estimate of the extent to which the infrastructure assets have been consumed in a period.

Capital expenditure on renewals (replacing assets that the local government already has) is an indicator of the extent to which the infrastructure assets are being replaced.

This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out.

Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.

Expressed as a percentage.

Target Ratio = Greater than 90%



SUSTAINABLY DEVELOPING THE OUTBACK

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2012

FINANCIAL REPORT

For the Year Ended 30 June 2012

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DIAMANTINA SHIRE COUNCIL

Statement of Comprehensive Income

For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
Income			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3(a)	642,858	603,151
Fees and charges	3(b)	93,486	82,416
Rental income	3(c)	332,306	299,275
Interest earned	3(d)	375,967	396,644
Sales - revenue	3(e)	34,587,528	26,783,830
Other recurrent income	3(f)	371,190	222,726
Grants, subsidies, contributions and donations	4(a)	4,005,456	6,062,050
Total recurrent revenue		<u>40,408,791</u>	<u>34,450,092</u>
Capital Revenue			
Grants, subsidies, contributions and donations	4(b)	<u>2,444,747</u>	<u>5,034,647</u>
		<u>2,444,747</u>	<u>5,034,647</u>
Total Revenue		<u>42,853,538</u>	<u>39,484,739</u>
Total Income		<u>42,853,538</u>	<u>39,484,739</u>
Expenses			
Recurrent Expenses			
Employee benefits	5	(4,870,328)	(3,954,936)
Materials and services	6	(35,927,181)	(27,737,241)
Finance costs	7	(124,751)	(113,396)
Depreciation	8	<u>(2,810,874)</u>	<u>(2,190,525)</u>
Total recurrent expenses		<u>(43,733,134)</u>	<u>(33,996,098)</u>
Capital Expenses	9	<u>(995,907)</u>	<u>(494,873)</u>
Total Expenses		<u>(44,729,041)</u>	<u>(34,490,971)</u>
Net Result		<u>(1,875,503)</u>	<u>4,993,768</u>
Other Comprehensive Income			
Increase / (decrease) in asset revaluation surplus		60,781,291	624,062
Total Other Comprehensive Income for the Year		<u>60,781,291</u>	<u>624,062</u>
Total Comprehensive Income for the Year		<u>58,905,788</u>	<u>5,617,830</u>

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

DIAMANTINA SHIRE COUNCIL

Statement of Financial Position

As at 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
ASSETS			
Current Assets			
Cash and cash equivalents	10	6,882,418	10,312,777
Trade and other receivables	11	6,213,769	7,560,395
Inventories	12	859,735	827,316
Other financial assets	13	14,300	14,968
		<u>13,970,222</u>	<u>18,715,457</u>
Non-current assets classified as held for sale	14	1,226,265	1,164,287
Total Current Assets		<u>15,196,487</u>	<u>19,879,744</u>
Non-Current Assets			
Other financial assets	13	31,663	45,964
Property, plant and equipment	15	134,110,898	70,583,611
Total Non-Current Assets		<u>134,142,561</u>	<u>70,629,575</u>
TOTAL ASSETS		<u>149,339,048</u>	<u>90,509,318</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	16	2,602,832	2,344,530
Borrowings	17	312,605	300,445
Provisions	18	20,065	48,647
Total Current Liabilities		<u>2,935,502</u>	<u>2,693,622</u>
Non-Current Liabilities			
Trade and other payables	16	96,971	123,926
Borrowings	17	1,419,470	1,732,169
Provisions	18	218,797	197,081
Total Non-Current Liabilities		<u>1,735,238</u>	<u>2,053,176</u>
TOTAL LIABILITIES		<u>4,670,740</u>	<u>4,746,798</u>
NET COMMUNITY ASSETS		<u>144,668,308</u>	<u>85,762,520</u>
Community Equity			
Asset revaluation surplus	19	96,542,385	35,761,094
Retained surplus/(deficiency)	20	48,125,923	47,952,134
Other reserves	22	-	2,049,293
TOTAL COMMUNITY EQUITY		<u>144,668,308</u>	<u>85,762,520</u>

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

DIAMANTINA SHIRE COUNCIL

Statement of Changes in Equity

For the Year Ended 30 June 2012

	Notes	Asset Revaluation Surplus	Retained Surplus	Other Reserves	Total
		19	20	22	
		\$	\$	\$	\$
Year Ended 30 June 2012					
Balance at 1 July 2011		35,761,094	47,952,134	2,049,293	85,762,520
Net result		-	(1,875,503)		(1,875,503)
Other comprehensive income for year					
Increase / (decrease) in asset revaluation surplus		60,781,291			60,781,291
Total comprehensive income for year		60,781,291	(1,875,503)	-	58,905,788
Transfers to and from reserves					
Transfers to/from other reserves		-	2,049,293	(2,049,293)	0
Total transfers to and from reserves		-	2,049,293	(2,049,293)	-
Balance as at 30 June 2012		96,542,385	48,125,923	-	144,668,308
Year Ended 30 June 2011					
Balance at 1 July 2010		37,893,793	40,431,463	1,967,972	80,293,228
Adjustments to opening balance of retained earnings	21		(148,538)		(148,538)
Net result		-	4,993,768		4,993,768
Other comprehensive income for year					-
Increase / (decrease) in asset revaluation surplus		624,062	-	-	624,062
Total comprehensive income for year		624,062	4,993,768		5,617,830
Transfers to and from reserves					
Transfers to/from other reserves		(2,756,761)	2,675,441	81,321	-
Total transfers to and from reserves		(2,756,761)	2,675,441	81,321	-
Balance as at 30 June 2011		35,761,094	47,952,134	2,049,293	85,762,520

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

DIAMANTINA SHIRE COUNCIL

Statement of Cash Flows

For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
Cash flows from operating activities :			
Receipts from customers		39,992,450	24,896,896
Payments to suppliers and employees		(43,541,240)	(33,263,767)
		(3,548,790)	(8,366,871)
Interest received		375,967	396,644
Rental income		332,306	299,275
Non capital grants and contributions		4,005,456	6,062,050
Borrowing costs		(124,751)	(113,396)
Net cash inflow (outflow) from operating activities	27	<u>1,040,188</u>	<u>(1,722,298)</u>
Cash flows from investing activities:			
Payments for property, plant and equipment		(6,814,468)	(7,290,803)
Proceeds from sale of property plant and equipment		199,713	1,591,207
Grants, subsidies, contributions and donations		2,444,747	5,034,647
Net cash inflow (outflow) from investing activities		<u>(4,170,008)</u>	<u>(664,949)</u>
Cash flows from financing activities:			
Proceeds from borrowings		-	500,000
Repayment of borrowings		(300,539)	(224,072)
Net cash inflow (outflow) from financing activities		<u>(300,539)</u>	<u>275,928</u>
Net increase (decrease) in cash held		<u>(3,430,358)</u>	<u>(2,111,319)</u>
Cash at beginning of financial year		10,312,777	12,424,096
Cash at end of financial year	10	<u><u>6,882,418</u></u>	<u><u>10,312,777</u></u>

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2012

1 Significant Accounting Policies

1.A Basis of Preparation

These general purpose financial statements are for the period 1 July 2011 to 30 June 2012 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government (Finance, Plans & Reporting) Regulation 2010*. Consequently, these financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other 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, non-current assets held for resale and finance leases as lessor.

1.B Statement of Compliance

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

1.C Constitution

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

1.D Date of Authorisation

The financial statements were authorised for issue on the date it was submitted to the Auditors for final signature. This is the date the management certificate is signed.

1.E Currency

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

1.F Adoption of New and Revised Accounting Standards

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

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

Effective for annual
report periods
beginning on or after:

AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2013
AASB 13 <i>Fair Value Measurement</i>	1 January 2013
AASB 119 <i>Employee Benefits</i> (completely replaces existing standard)	1 January 2013
2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2009)	1 January 2013
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	1 January 2013
AASB 2011-08 <i>Amendments to Australian Accounting Standards arising from AASB 13</i>	1 January 2013
AASB 2011-09 <i>Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income</i>	1 July 2013
AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119</i> (September 2011)	1 January 2013
AASB 2011-12 <i>Amendments to Australian Accounting Standards arising from Interpretation 20</i> (AASB 1)	1 January 2013

Notes to the Financial Statements

For the Year Ended 30 June 2012

Significant Accounting Policies (continued)

1.F Adoption of New and Revised Accounting Standards (continued)

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 2013 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 costs and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

As a result, Council will be required to measure its financial assets at fair value.

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 applies to reporting periods beginning on or after 1 January 2013. 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 of another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used, and financial statement disclosures made in respect of, such assets and liabilities.

The Diamantina 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, changes will be necessary. While the Council is yet to complete the 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 Council's property, plant and equipment in 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. 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 101 Presentation of Financial Statements

The AASB 101 Amendments require council to group items presented in other comprehensive income into those that, in accordance with other standards: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Council's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

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 Diamantina 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.S).

The concept of "termination benefits" is clarified and the recognition criteria for liabilities for terminations 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.

Notes to the Financial Statements

For the Year Ended 30 June 2012

Significant Accounting Policies (continued)

1.F Adoption of New and Revised Accounting Standards (continued)

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. Diamantina Shire Council contributes to the Local Government Superannuation Scheme (Qld) as disclosed in note 25. The revised standard will require 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.

1.G Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

Valuation of property, plant and equipment - Note 1.P and Note 15
Impairment of property, plant and equipment - Note 1.Q and Note 15
Provisions - Note 1.S and Note 18
Contingencies - Note 24

1.H Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier 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 it is received, otherwise rates are recognised at the commencement of the 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. Council spends all recurrent grants in the year received and therefore Council has not established a reserve for this purpose.

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

Non-Cash Contributions

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

Rental Income

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

Interest

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2012

Significant Accounting Policies (continued)

1.1 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 part to the contractual provisions of the instrument.

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

Financial Assets

Cash and cash equivalents (Note 1.J)

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

Leases - measured at present value of future lease payments (Note 1.M)

Financial Liabilities

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

Borrowings - measured at amortised cost (Note 1.T)

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 borrowings, as disclosed in Note 17 to the accounts, is determined by reference to published price quotations in an active market and / or by reference to pricing models and valuation techniques. It reflects the value of the debt if council repaid it in full at balance date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.

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

Diamantina 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 29.

1.J Cash and Cash Equivalents

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

1.K Receivables

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

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

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2012

Significant Accounting Policies (continued)

1.L Inventories

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

Inventories held for distribution are:

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

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

1.M Other Financial Assets

Finance Lease as Lessor

During the years 2001 to 2008 Council entered into finance lease arrangements for the sale of land and houses in Bedourie and Birdsville. Note 13 contains details of lease payments receivable at 30 June 2012

Where council enters into a finance lease, Council recognises an asset equal to the present value of the minimum lease payments receivable. Lease assets are reduced by repayments of principal received. The interest components of the lease payments received are recognised as finance income.

1.N Non-Current Assets Held for Resale

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.

1.O 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 2012 Council did not have any term deposits in excess of three months.

1.P 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
- Plant and Equipment
- Roads, Drainage and Bridge Network
- Water Infrastructure
- Sewerage Infrastructure
- Other Structures
- Work in Progress

Notes to the Financial Statements

For the Year Ended 30 June 2012

Significant Accounting Policies (continued)

1.P Property, Plant and Equipment (continued)

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 AASB116 *Property, Plant and Equipment*. Other plant and equipment is measured at cost.

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years. This process involves the valuer physically sighting a representative sample of Council assets across all classes and making their own assessment of the condition of the assets at the date of inspection.

In the intervening years, Council uses internal engineers to assess the condition and cost assumptions associated with all infrastructure assets, other structures and buildings, the results of which are considered in combination with the Product Price Indexes, Australia, Table 15, published by the Australian Bureau of Statistics. Together these are used to form the basis of a management valuation for buildings, other structures and infrastructure asset classes in each of the intervening years. With respect to the intervening years valuation of the land and improvements and buildings council perform an inhouse review considering additions, deletions and changes in assumptions such as useful life, residual value and condition rating. Reference is also made to the Department of Environment and Resource Management Annual Valuations for Diamantina Shire Council area when assessing changes in value of land assets.

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 15.

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 that balance, if any, in the revaluation surplus to that asset class.

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

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

Details of valuers and methods of valuations are disclosed in Note 15.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2012

Significant Accounting Policies (continued)

1.P Property, Plant and Equipment (continued)

Capital Work in Progress

The cost of property, plant and equipment and infrastructure 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.

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 15.

Land Under Roads

Land under roads acquired before 30 June 2008 is recognised as non-current asset where the Council holds title or a financial lease over the asset. The Diamantina 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.Q Impairment of Non-Current Assets

Each non-current physical 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 increase.

1.R Payables

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

Notes to the Financial Statements

For the Year Ended 30 June 2012

Significant Accounting Policies (continued)

1.S Liabilities – Employee Benefits

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be taken 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 16 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 16 as a payable.

Sick Leave

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

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 25.

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. The liability is reported in Note 18 as a provision.

1.T Borrowing and Borrowing Costs

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost.

In accordance with the *Local Government (Finance, Plans and Reporting) Regulation 2010* council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2012

Significant Accounting Policies (continued)

1.U Asset Revaluation Surplus

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

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

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

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

1.V Retained Surplus

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

1.W Reserves

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

In prior years Council has recognised Other Reserves separately as part of Community Equity.

For the year ended 30th June 2012 council has disclosed Other Reserves at Note 10 Cash and Cash Equivalents and transferred the balances back to Retained surplus. Refer Note 1AB.

Recreational Facilities Reserve

This reserve was created to provide for unexpected capital expenditure in relation to new infrastructure or other facilities within the shire.

Community Housing Reserve

This reserve was created to meet the final principal redemption repayment under a loan agreement.

Plant Replacement Reserve

This reserve was created to provide for unexpected capital expenditure in relation to Council's Plant Fleet.

Water Infrastructure Reserve

The reserve was created to contribute to future funding for new housing infrastructure and provide a contingency amount to offset any major unforeseen works which are required.

Other Capital Projects Reserve

The reserve was created to contribute to future funding for other new capital projects.

CED Infrastructure Reserve

The reserve was created to contribute to future funding for new CED infrastructure and provide a contingency amount to offset any major unforeseen works which are required.

Employee Entitlements Reserve

The reserve was created to contribute to future funding for employee entitlements.

Asset Revaluation Reserve

The reserve was created to contribute towards costs of revaluing assets.

Bedourie Airport Reserve

The reserve was created to contribute to future funding for improvements to the airport.

Birdsville Airport Reserve

The reserve was created to contribute to future funding for improvements to the airport.

Information Technology and Communications Reserve

This reserve was created to contribute to future funding of Information Technology and Communications Infrastructure.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2012

Significant Accounting Policies (continued)

1.W Reserves (continued)

Elections Reserve

This reserve was created to contribute to future funding of elections.

Waste Management Reserve

This reserve was created to provide for future funding of waste management infrastructure.

1.X National Competition Policy

The Council has reviewed its activities and has identified no activities that are business activities. Refer to Note 30.

1.Y Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1.2 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 26.

1.AA Taxation

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

1.AB Change to Accounting Policy

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

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

Accordingly the Diamantina Shire Council has now dispensed with its reserves and transferred these to the Retained Surplus as disclosed in Note 20.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2012

2 Analysis of Results by Function

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

Year Ended 30 June 2012

Functions	Gross Program Income						Gross Program Expenses			Total Income 2012	Total Expenses 2012	Net Result From Recurring Operations 2012	Net Result 2012	Assets 2012
	Recurring		Capital				Recurring 2012	Capital 2012						
	Grants	Other	Grants	Other										
	2012	2012	2012	2012										
	\$	\$	\$	\$	\$	\$								
Governance	2,979,851	873,819				(4,290,579)	-	(4,290,579)	(436,909)	(436,909)	18,104,042			
Community Services	1,007,164	633,552	38,067			(5,041,421)	-	(5,041,421)	(3,400,705)	(3,362,638)	17,925,281			
Works		34,587,573	1,176,984			(32,633,992)	-	(32,633,992)	1,953,581	3,130,565	85,018,754			
Environment, Health and Planning		326,832	1,229,696			(2,763,049)	-	(2,763,049)	(2,436,217)	(1,206,521)	28,090,972			
Total Council	3,987,015	36,421,776	2,444,747	-		(44,729,041)	-	(44,729,041)	(4,320,250)	(1,875,503)	149,139,049			

Year Ended 30 June 2011

Functions	Gross Program Income						Gross Program Expenses		Total Income	Total Expenses	Net Result From Recurring Operations	Net Result	Assets
	Recurring		Capital		Recurring	Capital							
	Grants	Other	Grants	Other									
	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance	5,011,878	823,087	-	-	(3,292,168)	-	(3,292,168)	2,542,797	(3,292,168)	2,542,797	2,542,797	22,881,305	
Community Services	1,050,172	756,437	103,475	-	(3,797,026)	-	(3,797,026)	(1,990,417)	(3,797,026)	(1,990,417)	(1,886,942)	16,839,811	
Works	-	26,559,705	3,978,000	-	(24,681,269)	-	(24,681,269)	1,878,436	(24,681,269)	1,878,436	5,856,436	23,780,674	
Environment, Health and Planning	-	248,813	953,172	-	(2,720,508)	-	(2,720,508)	(2,471,695)	(2,720,508)	(2,471,695)	(1,518,523)	27,027,529	
Total Council	6,062,050	28,388,042	5,034,647	-	(34,490,971)	-	(34,490,971)	(40,879)	(34,490,971)	(40,879)	4,993,768	90,509,319	

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2012

2 (b) Components of Council Functions

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

Governance

Includes training, operating costs of councillors and Council meetings, quality assurance and workplace health and safety, as well as general administration, human resources, financial support services, rates collection, investment of surplus cash, stores and housing services.

Community Services

Includes sports and recreation facilities, area promotion, events management and youth affairs, as well as Council and community housing.

Works

Includes road construction and maintenance, depots, plant operation and maintenance, water and sewerage.

Environment, Health and Planning

Includes health and building, animal control, cemeteries, public conveniences, halls, aerodromes, parks and gardens, reserves, stock routes, refuse collections and disposal, caravan parks, television facilities, radio, and street lighting.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
Notes on the Statement of Comprehensive Income			
3 Revenue Analysis			
(a) Rates, Levies and Charges			
General rates		544,760	515,551
Water		107,310	99,461
Sewerage		38,073	35,643
Garbage charges		40,622	37,220
Total rates and utility charge revenue		730,765	687,874
Less: discounts		(87,907)	(84,723)
Net rates, levies and charges		642,858	603,151
(b) Fees and Charges			
Fees and charges		93,486	82,416
		93,486	82,416
(c) Rental Income			
Housing rentals		332,306	299,275
		332,306	299,275
(d) Interest Earned			
Interest from rates and charges		5,801	30,289
Interest earned from cash deposits		364,682	358,542
Interest finance lease assets		5,484	7,813
		375,967	396,644
(e) Sales Revenue			
Sales - Contract and recoverable works		34,587,528	26,783,830
		34,587,528	26,783,830
(f) Other Recurrent Income			
Other income		371,190	222,726
		371,190	222,726
4 Grants, Subsidies, Contributions and Donations			
(a) Recurrent			
State Government grants		3,364,630	5,368,240
Commonwealth Government grants		638,491	693,586
Donations		2,335	224
Total recurrent revenue		4,005,456	6,062,050
(b) Capital			
State Government subsidies and grants		1,467,763	5,034,647
Commonwealth Government grants		976,984	-
Total capital revenue		2,444,747	5,034,647
Conditions over contributions			
Contributions and grants which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date.			
Other grants		13,258	23,733
		13,258	23,733

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
5 Employee Benefits			
Total staff wages and salaries		4,187,788	3,565,900
Councillors' remuneration		158,181	141,409
Annual, sick and long service leave entitlements		308,409	157,960
Superannuation	25	348,361	296,003
		5,002,739	4,161,272
Other employee related expenses		51,217	180,559
		5,053,956	4,341,831
Less: capitalised employee expenses		(183,628)	(386,895)
		4,870,328	3,954,936

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

Total Council employees at the reporting date:	2012	2011
Elected members	5	4
Administration staff	25	24
Depot and outdoors staff	33	34
Total full time equivalent employees	63	62

6 Materials and Services		
Administration supplies and consumables	1,672,879	1,847,570
Area promotion and events	943,717	1,058,202
Audit services	46,076	35,582
CED scheme	42,811	107,000
Community and Council housing expenses	416,513	130,854
Council depots	614,457	706,405
Donations paid	66,921	27,171
Environmental health, pest and animal management	69,811	62,321
Halls and public conveniences	125,010	77,556
Health service expenses	1,094,970	1,018,421
Other community services	93,161	284,543
Parks, gardens and reserves	374,406	514,452
Planning and development	40,367	120,989
Plant operation	3,612,073	3,059,668
Racecourses, swimming pools, aerodromes, caravan parks	369,408	256,274
Recoverable works	149,301	284,693
Repairs and maintenance	12,458	27,412
Shire road and street network	167,298	539,276
Subsidised works	25,866,888	17,382,871
Waste management	68,877	65,882
Water supply	79,779	130,099
	35,927,181	27,737,241

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
7 Finance Costs			
Finance costs charged by the Queensland Treasury Corporation		108,546	96,267
Interest charged ATO		4,703	6,815
Bank charges		11,502	10,314
		<u>124,751</u>	<u>113,396</u>
8 Depreciation			
Depreciation of non-current assets			
Buildings		407,663	379,492
Other structures		700,409	640,171
Plant and equipment		1,294,524	778,984
Road, drainage and bridge network		284,136	267,112
Water		83,042	82,731
Sewerage		41,100	42,035
Total depreciation of non-current assets		<u>2,810,874</u>	<u>2,190,525</u>
9 Capital Expenses			
Gain (loss) on the disposal of non-current assets			
Proceeds from the sale or write down of plant and equipment		199,713	1,203,418
Less: book value of plant and equipment disposed of		<u>(391,017)</u>	<u>(1,471,064)</u>
		<u>(191,304)</u>	<u>(267,646)</u>
Proceeds from the sale or write down of land, improvements, buildings and other structures		-	304,958
Less: book value of land, improvements, buildings and other structures disposed		<u>(696,739)</u>	<u>(322,132)</u>
		<u>(696,739)</u>	<u>(17,174)</u>
Proceeds from the sale land and buildings under lease purchase arrangements		-	214,431
Less: book value of land and buildings under lease purchases arrangements		<u>-</u>	<u>(424,484)</u>
		<u>-</u>	<u>(210,053)</u>
Proceeds from the sale of non current assets held for resale		193,708	-
Less: book value of non current assets held for resale		<u>(194,104)</u>	<u>-</u>
Impairment loss on non current assets held for resale		<u>(107,468)</u>	<u>-</u>
		<u>(107,864)</u>	<u>-</u>
		<u>(995,907)</u>	<u>(494,873)</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
Notes on the Statement of Financial Position			
10 Cash and Cash Equivalents			
Cash at bank and on hand		869,293	414,750
Deposits at call		6,013,125	9,898,027
Balance per Statement of Cash Flows		6,882,418	10,312,777
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent government grants and subsidies		3,274,974	3,978,000
Total unspent restricted cash for capital and recurrent projects		3,274,974	3,978,000
The following reserves are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future needs. In each case the amount relates to a perceived future requirement which is not currently a liability.			
Recreational facilities reserve		750,000	750,000
Community housing reserve		61,730	61,730
Plant replacement reserve		530,824	400,000
Water infrastructure reserve		252,735	483,800
Other capital projects reserve		100,000	100,000
CED infrastructure reserve		100,966	194,240
Employee entitlements reserve		97,023	47,023
Asset revaluation reserve		10,000	10,000
Waste Management Reserve		4,036	-
Elections reserve		-	2,500
Total reserves		1,907,314	2,049,293
Cash and deposits at call are held in the Westpac Bank in normal term deposits and business cheque accounts. The Bank currently has a short term credit rating of A1+ and long term rating of AA-. Deposits at call are also held with Queensland Treasury Corporation in a capital guaranteed cash fund.			
11 Trade and Other Receivables			
Current			
Rateable revenue and utility charges		188,884	151,977
Other debtors		2,434,144	3,090,628
Less provision for impairment		(10,000)	(10,000)
Prepayments		56,421	125,215
Accrued revenue		3,544,320	4,202,576
		6,213,769	7,560,395
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.			
Movement in accumulated impairment losses (other debtors) is as follows:			
Opening balance 1 July 2011		10,000	-
Impairment		-	10,000
Closing balance 30th June 2012		10,000	10,000

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
12 Inventories			
Current			
Inventories held for distribution:			
Stores and raw materials		859,735	827,316
Total inventories for distribution		<u>859,735</u>	<u>827,316</u>
13 Other Financial Assets			
Current			
Finance lease asset receivable		14,300	14,968
		<u>14,300</u>	<u>14,968</u>
Non-Current			
Finance lease asset receivable		31,663	45,964
		<u>31,663</u>	<u>45,964</u>
<i>Finance lease asset receivable</i>			
Within one year		18,437	20,452
After one year but not more than five years		40,152	51,859
More than five years			6,731
Total minimum lease payments		<u>58,589</u>	<u>79,041</u>
Less amounts representing unearned financial income		<u>(12,626)</u>	<u>(18,109)</u>
Present value of minimum lease payments		<u>45,963</u>	<u>60,932</u>
14 Non-Current Assets Classified as Held for Sale			
Council has decided to sell specified blocks of land & houses to generate further private ownership within the shire. It is expected that these houses are to be sold within one year.		1,226,265	1,164,287
		<u>1,226,265</u>	<u>1,164,287</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2012

15 (a) Property, Plant and Equipment

30 June 2012

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2011
 Additions at cost
 Disposals
 Revaluation adjustment to the Asset Revaluation Surplus
 Write down on asset values
 Assets classified as held for sale
 Transfer between classes
 Closing gross value as at 30 June 2012

NOTE	Land and Improvements	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
	Fair Value \$	Fair Value \$	Cost \$	Fair Value \$	Fair Value \$	Fair Value \$	Fair Value \$	Cost \$	\$
	1,518,235	29,552,961	13,990,142	46,097,065	4,514,014	2,789,387	18,015,299	5,776,946	122,254,049
	33,354		759,084					6,224,029	7,016,467
9			(1,023,415)		(1,142,462)				(2,165,877)
19		1,943,677		40,601,539	419,648	185,105	(6,499,279)		36,650,690
9	1,407	(201,600)	(168,240)					(1,457)	(369,890)
	(134,671)							(237,168)	(371,839)
	779,413	4,202,246		633,894	1,531,093	18,676	1,825,592	(8,990,914)	-
	2,197,738	35,497,284	13,557,571	87,332,498	5,322,293	2,993,168	13,341,612	2,771,436	163,013,600

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2011
 Depreciation provided in period
 Depreciation on disposals
 Revaluation adjustment to the Asset Revaluation Surplus
 Write down on asset values
 Transfer between classes
 Accumulated depreciation as at 30 June 2012

	-	6,747,243	6,568,102	31,652,255	1,467,586	552,849	4,682,403	-	51,670,438
8	-	407,663	1,294,524	284,136	83,042	41,100	700,409	-	2,810,874
9	-		(686,306)		(593,278)			-	(1,279,584)
19	-	(1,088,524)		(19,514,382)	30,759	6,650	(3,565,105)	-	(24,130,602)
9	-	(49,787)	(114,332)	(4,305)				-	(168,424)
	-							-	-
	-	6,016,595	7,061,988	12,417,704	988,109	600,599	1,817,707	-	28,902,702

Written down value 30 June 2012

Written down value 30 June 2011

Range of estimated useful life in years

Residual Value

2,197,738	29,480,689	6,495,583	74,914,794	4,334,184	2,392,569	11,523,905	2,771,436	134,110,898
1,518,235	22,805,718	7,422,040	14,444,811	3,046,428	2,236,539	13,332,895	5,776,946	70,583,611
	24-140	2-50	2-unlimited	25-65	35-90	7-unlimited		
	3,464,390	3,383,800	66,708,705	-	-	3,821,852		

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2012

15 (a) Property, Plant and Equipment (continued)

30 June 2011

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2010

Additions at cost

Disposals

Transfer between classes

Closing gross value as at 30 June 2011

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2010

Depreciation provided in period

Depreciation on disposals

Impairment adjustment to the Asset Revaluation Surplus

Accumulated depreciation as at 30 June 2011

Written down value 30 June 2011

Written down value 30 June 2010

Range of estimated useful life in years

Residual Value

NOTE	Land and Improvements	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
	Fair Value \$	Fair Value \$	Cost \$	Fair Value \$	Fair Value \$	Fair Value \$	Fair Value \$	Cost \$	\$
	1,808,443	30,106,481	13,390,470	45,820,587	4,514,014	2,789,387	17,530,179	2,332,068	118,291,630
	-	159,108	2,920,721	-	-	-	-	4,206,476	7,286,304
9	(290,208)	(712,628)	(2,321,049)	-	-	-	-	-	(3,323,884)
	-	-	-	276,478	-	-	485,120	(761,598)	-
	1,518,235	29,552,961	13,990,142	46,097,065	4,514,014	2,789,387	18,015,299	5,776,946	122,254,049

	-	6,614,521	6,639,103	32,009,206	1,384,855	510,814	4,042,231	-	51,200,730
8	-	379,492	778,984	267,112	82,731	42,035	640,171	-	2,190,525
9	-	(246,770)	(849,985)	-	-	-	-	-	(1,096,754)
	-	-	-	(624,062)	-	-	-	-	(624,062)
	-	6,747,243	6,568,102	31,652,255	1,467,586	552,849	4,682,403	-	51,670,438

1,518,235	22,805,718	7,422,040	14,444,811	3,046,428	2,236,539	13,332,895	5,776,946	70,583,611
1,808,443	23,491,960	6,751,367	13,811,382	3,129,159	2,278,574	13,487,947	2,332,068	67,090,899

40 - 100	2 - 20	5 - 100	20 - 80	20-60	1 - 20
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2,723,127	3,369,400	17,615,373	-	-	1,269,509
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DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	30 June 2012	30 June 2011
Note	Actual	Actual
	\$	\$

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

Land and Improvements

The fair value of land and improvements is based on independent valuation undertaken by Propell National Valuers in the 2008-09 financial year. Due to limited sales and no depth of market, no valuation changes have been made since this valuation. Valuations are considered to be current market value. Land under infrastructure and reserve land do not have values for the purpose of the Diamantina Shire Council's financial statements.

Buildings

There is no market for most Council's buildings as these are held to provide essential services to the community. Accordingly, the fair value of all such buildings is measured at written down current replacement costs. The fair value of council and community housing has also been measured at written down current replacement cost. The fair value of the buildings as at 30th June 2012 was independently determined by Opus International Consultants (PCA) Pty Ltd, using a "desktop" approach. This approach determined that "Rawlinsons" base rates increased to reflect the "Area Factor" of 150% was appropriate in determining fair value. The Area Factor is the cost of undertaking construction in more remote areas. The following key assumptions were used to calculate fair value:

Average cost of construction per m2 based on Rawlinsons and Area Factor:

	per m2		per m2
Admin	3,294.75	house small	2,147.63
Town hall	3,113.63	house medium	2,095.88
Library	3,294.75	house individual	2,492.63
Recreational	2,009.63	COA	948.75
Amenities	2,859.19	unit	2,147.63
Toilet / change	3,708.75	Garage	1,104.00
<u>Residential</u>		Workshop	2,078.63
Donga	1,486.95	Lower grade worksh	1,449.00
Single unit	1,923.38	Shed	819.38
extensions	2,259.75	Lower grade shed	448.50
Bathroom fit out	43,987.50	Clinic	3,148.13
Kitchen fit out	37,087.50	tennis courts	96,945.00
Sml. Ind. Kitchen fit out	29,325.00	Shelter	215.63
lrg Ind. Kitchen fit out	55,200.00	Stalls	120.75
		Demountable	25,000.00

Condition was assessed using the following table:

Rating	Description of
1	Very good condition. Only cyclic maintenance required.
2	Good condition. Minor maintenance required plus cyclic maintenance.
3	Moderate condition. Significant maintenance required.
4	Poor condition. Significant renewal / rehabilitation required.
5	Very poor condition. Unserviceable.

	30 June 2012	30 June 2011
Note	Actual	Actual
	\$	\$

15 (b) Property, plant and equipment (continued)**Other Structures**

There is no market for most Council's other structures as these are held to provide essential services to the community. Accordingly, the fair value of other structures is measured at written down current replacement costs. The fair value of the Other Structures as at 30th June 2012 was independently determined by Opus International Consultants (PCA) Pty Ltd, by reference to the ABS Building Construction Queensland Index Numbers for the years 2010, 2011 & 2012. This approach determined that an index of -4.75% was appropriate based on the following annual movements.

2010 % decrease	-1.51%
2011 % increase	2.03%
2012 % decrease	-9.6%

The exception of this was airport runways where rates were based on actual costs and road unit rates factored for the increase in construction depths.

Plant and Equipment

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

Infrastructure:

There is no market for Council's infrastructure assets as these are held to provide essential services to the community. Accordingly the fair value of all infrastructure assets is measured at written down current replacement cost.

Water Infrastructure

The fair value of water infrastructure as at 30th June 2012 was independently determined by Opus International Consultants (PCA) Pty Ltd based on the following key assumptions:

All inclusive - trenching, backfilling, fittings etc	Dia	Current Unit Rate
Poly	50	188.08
Poly	25	188.08
PE	100	193.75
PE	140	202.92
POLY	140	202.92
POLY	110	193.75
upvc	50	188.81
upvc	100	193.75
upvc	110	193.75

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	30 June 2012	30 June 2011
Note	Actual	Actual
	\$	\$

15 (b) Property, plant and equipment (continued)

Sewerage Infrastructure -

The fair value of sewerage infrastructure as at 30th June 2012 was independently determined by Opus International Consultants (PCA) Pty Ltd based on the following key assumptions:

All inclusive - trenching, backfilling, fittings etc	Dia	Current Unit Rate
Sewer pipe	100	116.77
Sewer pipe	150	217.27
Inspection Shaft		671.08
Manhole	1050	3,462.78

Road, drainage and other infrastructure

The fair value of road, drainage and other infrastructure as at 30th June 2012 was independently determined by Opus International Consultants (PCA) Pty Ltd based on the following key assumptions:

Average \$/m2 for each of the key components were:

Formation	\$3.35 sqm
Pavement	\$11.30 sqm
Seal	\$9.00 sqm

Condition was assessed using the same table as that identified for buildings

16 Trade and Other Payables

Current

Creditors and accruals	2,347,762	2,098,573
Time off in lieu	3,622	9,250
Annual leave	251,448	236,707
	<u>2,602,832</u>	<u>2,344,530</u>

Non-Current

Annual leave	96,971	123,926
	<u>96,971</u>	<u>123,926</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
17 Borrowings			
Current			
Loans Queensland Treasury Corporation		312,605	300,445
		<u>312,605</u>	<u>300,445</u>
Non-Current			
Loans Queensland Treasury Corporation		1,419,470	1,732,169
		<u>1,419,470</u>	<u>1,732,169</u>
Queensland Treasury Corporation			
Opening balance		2,032,614	1,756,686
Principal repayments		(300,539)	(224,072)
Loan drawdown's		-	500,000
Book value at period end		<u>1,732,075</u>	<u>2,032,614</u>
Classified as :			
Current		312,605	300,445
Non-current		<u>1,419,470</u>	<u>1,732,169</u>
		<u>1,732,075</u>	<u>2,032,614</u>

The QTC loan market value at the reporting date was \$1,832,032.76. This represents the value of the debt if the Council repaid it at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts.

Unsecured borrowings are provided by the Queensland Treasury Corporation
No assets have been pledged as security by the Council for any liabilities.

All borrowings are in \$A denominated amounts and carried at amortised costs, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from March 2016 to June 2023. There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

18 Provisions

Current			
Long service leave		20,065	48,647
Non-Current			
Long service leave		<u>218,797</u>	<u>197,081</u>

Details of movements in provisions:

Long Service Leave			
Opening balance		245,729	172,535
Long service leave entitlement arising		33,663	73,194
Long Service entitlement paid		(40,530)	-
Balance at year end		<u>238,862</u>	<u>245,729</u>

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
19 Asset Revaluation Surplus			
(i) Movements in the asset revaluation surplus were as follows:			
Balance at beginning of period		35,761,094	37,893,793
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Buildings		3,032,201	-
Other structures		(2,934,174)	-
Plant and equipment		-	(2,756,761)
Road, drainage and bridge network		60,115,921	-
Water		388,889	-
Sewerage		178,455	-
Impairment			
Road, drainage and bridge network			624,062
Balance at end of the year		<u>96,542,385</u>	<u>35,761,094</u>
(ii) Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Buildings		12,641,255	9,609,054
Other structures		3,927,932	6,862,106
Road, drainage and bridge network		76,778,031	16,662,110
Water		2,167,495	1,778,606
Sewerage		<u>1,027,673</u>	<u>849,218</u>
		<u>96,542,385</u>	<u>35,761,094</u>
20 Retained Surplus/(Deficiency)			
Movements in the retained surplus were as follows:			
Retained surplus/(deficit) at the beginning of financial year		47,952,134	40,431,463
Transfers asset revaluation surplus on plant to capital account		-	2,756,761
Net result attributable to council		(1,875,503)	4,993,768
Transfers (to) from capital reserves for future capital project funding, or from reserves funds that have been expended:			
Recreational facilities reserve		750,000	-
Community housing reserve		61,730	-
Plant replacement reserve		400,000	-
Water infrastructure reserve		483,800	(309,800)
Other capital projects reserve		100,000	(100,000)
CED infrastructure reserve		194,240	(159,240)
Employee entitlements reserve		47,023	(12,413)
Bedourie airport reserve		-	1,316
Birdsville airport reserve		-	1,316
Information and technology reserve		-	500,000
Asset revaluation surplus		10,000	-

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

		30 June 2012	30 June 2011
	Note	Actual \$	Actual \$
20 Retained Surplus/(Deficiency) (continued)			
Transfers (to) recurrent reserves for future project funding, or from reserves funds that have been expended:			
Elections Reserve		2,500	(2,500)
Adjustment to opening retained earnings balance	21	-	(148,538)
Retained surplus at the end of the financial year		<u>48,125,923</u>	<u>47,952,134</u>
21 Adjustments to Opening Balance of Retained Earnings			
During the years 2001 to 2008 Council entered into a number of finance lease arrangement for the sale of land and houses in Bedourie and Birdsville. These finance leases assets have not previously been recorded in the financial statements. An adjustment has been made to the balance of retained earnings at 1 July 2010 to reflect the reduction in finance lease assets to 30th June 2010 as it was impracticable to determine the period specific effects of the error.		-	(148,538)
			<u>(148,538)</u>
22 Reserves			
Reserves held for funding future expenditure:			
(i) Recreational facilities reserve		-	750,000
(ii) Community housing reserve		-	61,730
(iii) Plant replacement reserve		-	400,000
(iv) Water infrastructure reserve		-	483,800
(v) Other capital projects reserve		-	100,000
(vi) CED infrastructure reserve		-	194,240
(vii) Employee entitlements reserve		-	47,023
(viii) Bedourie Airport Reserve		-	-
(ix) Birdsville Airport Reserve		-	-
(x) Information and technology reserve		-	-
(xi) Asset revaluation reserve		-	10,000
(xii) Elections reserve		-	2,500
Total reserves		<u>-</u>	<u>2,049,293</u>
(i) Recreational facilities reserve			
Balance at the beginning of period		750,000	750,000
Transfer from retained earnings for future expenditure		-	-
Transfer to the retained earnings/capital funds expended in the period		<u>(750,000)</u>	<u>-</u>
Balance at the end of period		<u>-</u>	<u>750,000</u>
(ii) Community housing reserve			
Balance at the beginning of period		61,730	61,730
Transfer from retained earnings for future expenditure		-	-
Transfer to the retained earnings/capital funds expended in the period		<u>(61,730)</u>	<u>-</u>
Balance at the end of period		<u>-</u>	<u>61,730</u>
(iii) Plant replacement reserve			
Balance at the beginning of period		400,000	400,000
Transfer from retained earnings for future expenditure		-	-
Transfer to the retained earnings/capital funds expended in the period		<u>(400,000)</u>	<u>-</u>
Balance at the end of period		<u>-</u>	<u>400,000</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
22 Reserves (continued)			
(iv) Water infrastructure reserve			
Balance at the beginning of period		483,800	174,000
Transfer from retained earnings for future expenditure		-	309,800
Transfer to the retained earnings/capital funds expended in the period		(483,800)	-
Balance at the end of period		-	483,800
(v) Other capital projects reserve			
Balance at the beginning of period		100,000	-
Transfer from retained earnings for future expenditure		-	100,000
Transfer to the retained earnings/capital funds expended in the period		(100,000)	-
Balance at the end of period		-	100,000
(vi) CED infrastructure reserve			
Balance at the beginning of period		194,240	35,000
Transfer from retained earnings for future expenditure		-	159,240
Transfer to the retained earnings/capital funds expended in the period		(194,240)	-
Balance at the end of period		-	194,240
(vii) Employee entitlements reserve			
Balance at the beginning of period		47,023	34,610
Transfer from retained earnings for future expenditure		-	12,413
Transfer to the retained earnings/capital funds expended in the period		(47,023)	-
Balance at the end of period		-	47,023
(viii) Bedourie Airport Reserve			
Balance at the beginning of period		-	1,316
Transfer from retained earnings for future expenditure		-	-
Transfer to the retained earnings/capital funds expended in the period		-	(1,316)
Balance at the end of period		-	-
(ix) Birdsville Airport Reserve			
Balance at the beginning of period		-	1,316
Transfer from retained earnings for future expenditure		-	-
Transfer to the retained earnings/capital funds expended in the period		-	(1,316)
Balance at the end of period		-	-
(x) Information and technology reserve			
Balance at the beginning of period		-	500,000
Transfer from retained earnings for future expenditure		-	-
Transfer to the retained earnings/capital funds expended in the period		-	(500,000)
Balance at the end of period		-	-
(xi) Asset revaluation reserve			
Balance at the beginning of period		10,000	10,000
Transfer from retained earnings for future expenditure		-	-
Transfer to the retained earnings/capital funds expended in the period		(10,000)	-
Balance at the end of period		-	10,000

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
22 Reserves (continued)			
(xii) Elections reserve			
Balance at the beginning of period		2,500	-
Transfer from retained earnings for future expenditure		-	2,500
Transfer to the retained earnings/capital funds expended in the period		(2,500)	-
Balance at the end of period		-	2,500

23 Commitments For Expenditure

Contractual commitments

At 30 June 2012 Council had 3 new houses under construction. The houses had an estimated cost of construction of \$1,448,036 of which, the balance outstanding at 30 June 2012 amounted to \$1,066,213.

24 Contingent Liabilities

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

Local Government Mutual

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

As at 30 June 2012 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare:

The Diamantina Shire Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$171,615.07.

Department Housing and Public Works

Diamantina Shire Council has a Capital Funding Agreement with the Department of Housing and Public Works under the Social Housing Programs for 12 properties in Bedourie and Birdsville. Under the Agreement, council acquires a portion of equity in each property each year. Council then has the option of either paying out the Contingent Liability amount or pooling equity on a particular property to acquire full ownership.

Since 30th June, negotiations have commenced with the department to ascertain levels of equity held for each property with the view to potentially acquiring a property in the 2012-13 financial year. It is not practical to estimate the potential liability (if any) at this stage.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	30 June 2012	30 June 2011
Note	Actual	Actual
	\$	\$

The Diamantina Shire Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB 119 *Employee Benefits*.

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

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

The DBF is a defined benefits plan as described in AASB 119. The Council is not able to account for the DBF as a defined benefit plan in accordance with AASB 119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.

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

The audited general purpose financial report of the scheme as at 30th June 2011 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2012

	Note	30 June 2012 Actual \$	30 June 2011 Actual \$
25 Superannuation (continued)			
<p>Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. Under amendments to the Local Government Act 2009 passed in June 2009, the trustee of the scheme has the power to levy additional contributions on councils which have employees in the DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.</p> <p>The next actuarial investigation will be made as at 1 July 2012.</p>			
<p>The amount of superannuation contributions paid by Diamantina Shire Council to the superannuation scheme in this period for the benefit of employees was:</p>			
		<u>348,361</u>	<u>296,003</u>
26 Trust Funds			
<p>Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities.</p>			
Security deposits		<u>71,731</u>	<u>69,942</u>
		<u>71,731</u>	<u>69,942</u>
<p>The Diamantina Shire Council performs only a custodial role in respect of these monies. These funds cannot be used by the Council.</p>			
27 Reconciliation of Net Result for the Year to Net Cash Inflow (Outflow) From Operating Activities			
Net result		(1,875,503)	4,993,768
Non-cash items:			
Depreciation		2,810,874	2,190,525
Investing and development activities :			
Net (profit) loss on disposal of plant and equipment		191,304	267,646
Net (profit) loss on disposal of land improvements, buildings and other structures		696,739	17,174
Net (profit) loss on disposal of land and buildings held for resale		107,864	210,053
Long Service Leave recouped			(12,412)
Capital grants and contributions		<u>(2,444,747)</u>	<u>(5,034,647)</u>
		<u>(1,448,840)</u>	<u>(4,552,186)</u>
Changes in operating assets and liabilities :			
(Increase) decrease in receivables		1,346,625	(5,152,179)
(Increase) decrease in inventory		(32,419)	90,888
(Increase) decrease in other financial assets		14,969	(60,932)
Increase (decrease) in payables		231,348	694,625
Increase (decrease) in provisions		<u>(6,866)</u>	<u>73,193</u>
		<u>1,553,658</u>	<u>(4,354,405)</u>
Net cash inflow from operating activities		<u>1,040,188</u>	<u>(1,722,298)</u>

		30 June 2012	30 June 2011
	Note	Actual	Actual
		\$	\$

28 Events After the Reporting Period

There were no material adjusting events after reporting date.

In 2011 the Australian Government introduced a Clean Energy Legislation package. One aspect of this legislation package, which will impact upon council directly and indirectly, is the introduction of a pricing mechanism for greenhouse gas emissions in the Australian economy.

The pricing mechanism commences on 1 July 2012 and sets a fixed price path for the first three years (\$23 per tonne of CO₂-equivalent emissions adjusted in real terms by 2.5 percent per annum) before moving to a flexible price mechanism from 1 July 2015. It proposes a framework for setting a cap on greenhouse gas emissions by capping the number of carbon units available once the flexible price period commences, which can be adjusted over time to ensure that the government's reduction targets are met.

There is not expected to be any impact on Council as a result of this legislation.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2012

29 Financial Instruments

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

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

The Council minimises its exposure to financial risk in the following ways:

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

When the Council borrows, it borrows from the Queensland Treasury Corporation unless another financial institution can offer a more beneficial rate, taking into account any risk. Borrowing by the Council is constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

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

Risk Exposure	Measurement Method
Credit Risk	Ageing Analysis
Liquidity Risk	Maturity
Interest Rate Risk	Sensitivity Analysis

Credit Risk Exposure

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

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

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

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

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

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

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

		30 June 2012	30 June 2011
Financial Assets	Note	\$	\$
Cash and Cash Equivalents - Deposits at call	10	6,013,125	9,898,027
Cash and Cash Equivalents - Bank	10	869,293	414,750
Receivables - Rates	11	188,884	151,977
Receivables - Other	11	2,434,144	3,090,628
Other Credit Exposures			
Guarantee	24	171,615	175,812
Total		9,677,061	13,731,194

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements For the Year Ended 30 June 2012

29 Financial Instruments (continued) Past Due or Impaired

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

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

2012	Fully Performing	Past Due			Total
		Less than 30 Days	30-60 Days	61-90 days	
	\$	\$	\$	\$	\$
Receivables	591,098	1,441,892	294,505	106,649	2,434,144
Accrued Revenue	3,544,320	-	-	-	3,544,320
Lease Receivables	45,963	-	-	-	45,963
Less: Impairment	-	-	-	(10,000)	(10,000)
Net Receivables	4,181,381	1,441,892	294,505	96,649	6,014,427

2011	Fully Performing	Past Due			Total
		Less than 30 Days	30-60 Days	61-90 days	
	\$	\$	\$	\$	\$
Receivables	2,738,752	-	82,950	420,902	3,242,604
Accrued Revenue	4,202,576	-	-	-	4,202,576
Lease Receivables	60,932	-	-	-	60,932
Less: Impairment	-	-	-	(10,000)	(10,000)
Net Receivables	7,002,260	-	82,950	410,902	7,496,112

Liquidity Risk

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2012

29 Financial Instruments (continued)

	0 to 1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2012					
Trade and Other Payables	2,347,762		-	2,347,762	2,347,762
Loans QTC	312,605	1,129,762	289,708	1,732,075	1,732,075
	2,660,367	1,129,762	289,708	4,079,837	4,079,837
2011					
Trade and Other Payables	2,098,573		-	2,098,573	2,098,573
Loans QTC	300,445	1,331,268	400,901	2,032,614	2,032,614
	2,399,018	1,331,268	400,901	4,131,187	4,131,187

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

Interest Rate Risk

The Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing only from the Queensland Treasury Corporation and having access to a mix of floating and fixed funding sources such that the desired interest rate risk exposure can be constructed. Interest rate risk in

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

Interest Rate Sensitivity Analysis

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

	Net Carrying Amount		Profit		Equity	
	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$
Financial Assets	-	-	70,713	104,648	70,713	104,648
Financial Liabilities	(17,321)	(20,326)	(17,321)	(20,326)	(17,321)	(20,326)
Net	-17,321	-20,326	53,392	84,322	53,392	84,322

Notes to the Financial Statements

For the Year Ended 30 June 2012

30 National Competition Policy

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

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

(a) Roads business activity:

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

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

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

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

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

The Diamantina Shire Council has reviewed its activities and has not identified any that are 'business activities'. Accordingly, the Code of Competitive Conduct has not been applied to any activity of the Council.

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2012

MANAGEMENT CERTIFICATE

For the Year Ended 30 June 2012

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

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

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

In addition we certify that, in our opinion:

- (i) the prescribed requirements of the Local Government Act 2009 and associated Regulations for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 38, have been prepared in accordance with the Australian accounting standards (including Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board); and
- (iii) the general purpose financial statements present a true and fair view of the Council as at 30th June 2012 and of its financial performance and cash flows for the financial year ended on that date.



Mayor
Geoff Morton

Date: 19 / 11 / 12



Chief Executive Officer
Scott Mason

Date: 19 / 11 / 12