



SUSTAINABLY DEVELOPING THE OUTBACK

2010-2011

Annual Report

Diamantina Shire Council

Welcome

This Diamantina Shire Council Annual Report is for the period 1 July 2010 to 30 June 2011.

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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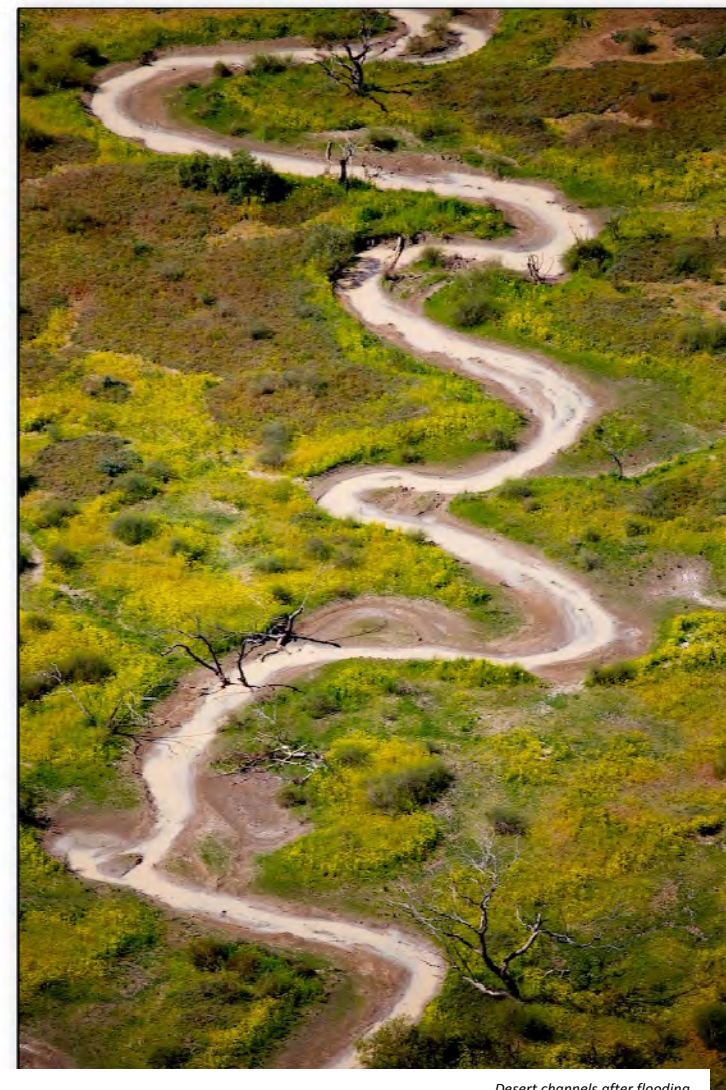
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Desert channels after flooding

5 Years at a Glance

2010-11	2009-10	2008-09	2007-08	2006-07	
\$603,151	\$548,774	\$543,983	\$497,386	\$516,148	Net Rate Revenue
\$39,059,900	\$38,262,800	\$26,326,782	\$21,689,877	\$16,995,820	Total Revenue
\$34,008,551	\$34,280,808	\$23,768,781	\$17,799,002	\$14,622,296	Total Expense
\$4,556,516	\$3,956,531	\$2,363,692	\$3,811,879	\$2,373,524	Net Result
\$7,188,601	\$3,165,567	\$7,663,620	\$3,786,601	\$2,808,000	Capital Additions
\$224,072	\$214,180	\$88,834	\$84,543	\$80,518	Debt Repayment
\$2,032,614	\$1,756,686	\$1,970,866	\$1,059,700	\$1,144,243	Loan Balance
\$84,229,065	\$83,996,279	\$93,832,489	\$81,160,590	\$63,383,900	Total Assets
\$5,171,638	\$3,703,052	\$5,067,371	\$2,771,468	\$2,854,979	Total Liabilities
\$79,057,428	\$80,293,227	\$88,765,118	\$78,389,122	\$60,528,922	Total Equity
\$2,049,293	\$1,967,972	\$2,310,774	\$2,263,532	\$2,863,532	Reserves
\$2,190,525	\$2,000,300	\$2,889,022	\$2,634,931	\$2,548,619	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, 2010)



Covering over 94,000 square kilometres (twice the size of Denmark) 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 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 190 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 sandhills, 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 & 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 beers 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 1000 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.



Mixing near Durrie Station



Water on the move

A Message From Our Mayor

The last 12 months within the DiamantinaShire has been hectic to say the least, while managing our record budget, building infrastructure such as the visitors information centre (Wirrarrri) extension in Birdsville and renovation of an older home in Bedourie into a very nice little information centre , airport terminals in Birdsville and Bedourie, are a major benefit, residential sub-division in Birdsville and planning the Bedourie sub - division, new houses built in Birdsville and Bedourie and continuing our selling programme encouraging the expansion of both towns.

Tourism numbers continues to remain high at over 47,000 in 2010-2011 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, state government has either heavily subsidised or fully paid for our capital works.

The shire continues to run a quality health system supported by state and federal governments with DiamantinaShire fulfilling the shortfall of approximately \$300,000.

The 2010 calendar year ended with the most damaging floods to our roads on record of some \$59m. Besides roads other public places such as race tracks, fences, grids, aerodromes, industrial estates, and the levy bank in Bedourie suffered flood damage.

Diamantina and Barcoo shire through our RAPAD board is still progressing our submission to deliver fibre optic to our shires and will continue while there is a chance to deliver this service within our means.

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 eighth and final report I congratulate you all for a job well done.



A handwritten signature in black ink, which appears to read 'Rob Dare'. The signature is stylized with a large loop at the end.

Cr Rob Dare
MAYOR

A Message From Our CEO

Diamantina Shire Council has experienced another productive year driven in part by the activity associated with the restoration of assets damaged by flood. The structure of the organisation has been expanded from a four-person management team to a six-person team providing additional resources which will contribute to the slowing of staff turnover. At the time of writing this report, the projects are complete, but up to the reporting period (June 30, 2011) the majority of works on the new Airport Terminal buildings have been undertaken – a significant investment in air transport which is vital to the communities of Birdsville and Bedourie during times of flood when the traditional road network is inaccessible.

A significant flood event occurred during March, 2011 that caused damage to the Bedourie Township Levee Bank, state roads and shire roads. Council has recognised that with each major flood, the network becomes more resilient and to a small extent, the scale of damage is mitigated. Eventually, Council's role will be different as it evolves from a heavy focus of asset restoration to one more focussed on maintenance, assuming the network continues to be improved. Planning and decision-making is influenced by these views to ensure the size of Council's operation does not grow unsustainably.

Compliance has been a significant focus for Council, ensuring that all requirements are met. In order to manage the list of deadlines, a Compliance Register is being developed pre-plan for the variety of deadlines that occur.

Council continues to work regionally and has almost formalised its working relationship with Barcoo and Boulia Shires.

A by-election was held for the position of Councillor due to the resignation of Cr Brian Hanna. Cr Steve Cramer was elected to serve out the Quadrennial term.

Overall, it has been a very busy and sometimes hectic year – one where much has been achieved and one where Council has further strengthened its financial position.




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 Community Centre 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 Robbie Dare

Born in Charleville in 1955 to Bob and Marie Dare, Robbie is the eldest of five children. His primary schooling took place at Windorah Primary School and his secondary schooling at Nudgee College in Brisbane.



After completing school Robbie worked with the Department of Main Roads building the Whitula Creek Bridge. He later worked on the bitumen road at and around Windorah. Robbie also spent some years working on Morney Plains station as a Station Hand, he then moved onto Toowoomba to become an office manager of a plant and machinery business.

Being a self-employed business man and with over ten years' experience working at the Diamantina Shire Council, Robbie has come to understand many of the challenges facing residents of Queensland's remote South West corner. Robbie, wife Adele and their three children Ben, Jeffrey and Jaime have lived in the area for many years.

This is Mayor Cr Robbie Dare's second term in Council.

Our Elected Members



Deputy Mayor Cr Barry Gaffney

Born 1951 in Adelaide to Alan and Florence (nee Smith), Barry is the second eldest of four children. He completed primary school at Birdsville State School and did secondary schooling by correspondence.

On leaving school, he established a livestock carrying business, carting stock and fuel within the Western Queensland region. Barry married Narelle in 1974, who at the time had been working as a nurse in Brisbane. Barry and Narelle have three children, Kerri-Ann, Louise and Leon.

In 1986 they opened Birdsville Fuel Service and in 1993 they took over operating the Birdsville Post Office which they currently manage along with their business.

This is Deputy Mayor Cr Barry Gaffney's fourth term in Council.



Cr Joyce Crombie

Born in Birdsville in 1949 to Linda and Frank Crombie, Joyce has six sisters and five brothers. Joyce spent her childhood in Birdsville where she attended the Birdsville State School.

Joyce has worked in various jobs around the Diamantina Shire including being a local Aboriginal and Torres Strait Islander Health Worker.

Joyce has three children, Joanne, Lea and Bill and seven grandchildren.

This is Cr Joyce Crombie's second term as Councillor.

Our Elected Members



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 sixth term as Councillor.



Cr Brian Hanna

Brian first visited the shire in 1998 for the Birdsville Races and ended up staying. He started work at the Birdsville Hotel late 1999 and continued to late 2004 when he departed and then returned in late 2008 to manage the Hotel.

Commencing as Councillor in May 2010 after a by-election Brian considers the Diamantina to be a great place with great people and great visitors.

"I feel at home within the Diamantina Shire with an extra-large family, and I am proud to be a part of the Diamantina shire and involved in such a wonderful community."

Councillor Hanna resigned from his position in May 2011.

Our Elected Members

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 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

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
- \$1.20 per kilometre for four-wheel drive vehicles.

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

Our Elected Members

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.

Our Elected Members

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. 'Blackberry') - 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 ATTENDENCE FOR THE YEAR ENDED JUNE 30, 2011

COUNCILLOR	MEETINGS ATTENDED	REMUNERATION	EXPENSES REIMBURSED	SUPERANNUATION CONTRIBUTION	TOTAL
Cr R Dare	47	62,092	2,509	7,857.00	76,353.32
Cr B Gaffney	20	24,980	4,760	3,234.48	32,762.39
Cr J Crombie	22	19,270	Nil	2,581.80	26,712.13
Cr B Hanna	19	17,305	3,929	2,076.60	4,116.99
Cr G Tully	17	17,760	1,352	2,509.80	38,579.23
TOTAL		\$141,406	\$12,550	\$18,259.76	\$190,471.34

Notes:

1) Cr B Hanna resigned as at May, 2011



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, Certificate 3 in Civil Construction (Plant Operations). Other training includes Traffic Control, Work in Confined Spaces, Manual Handling, Blue Card/White Card, New Staff Induction, 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 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

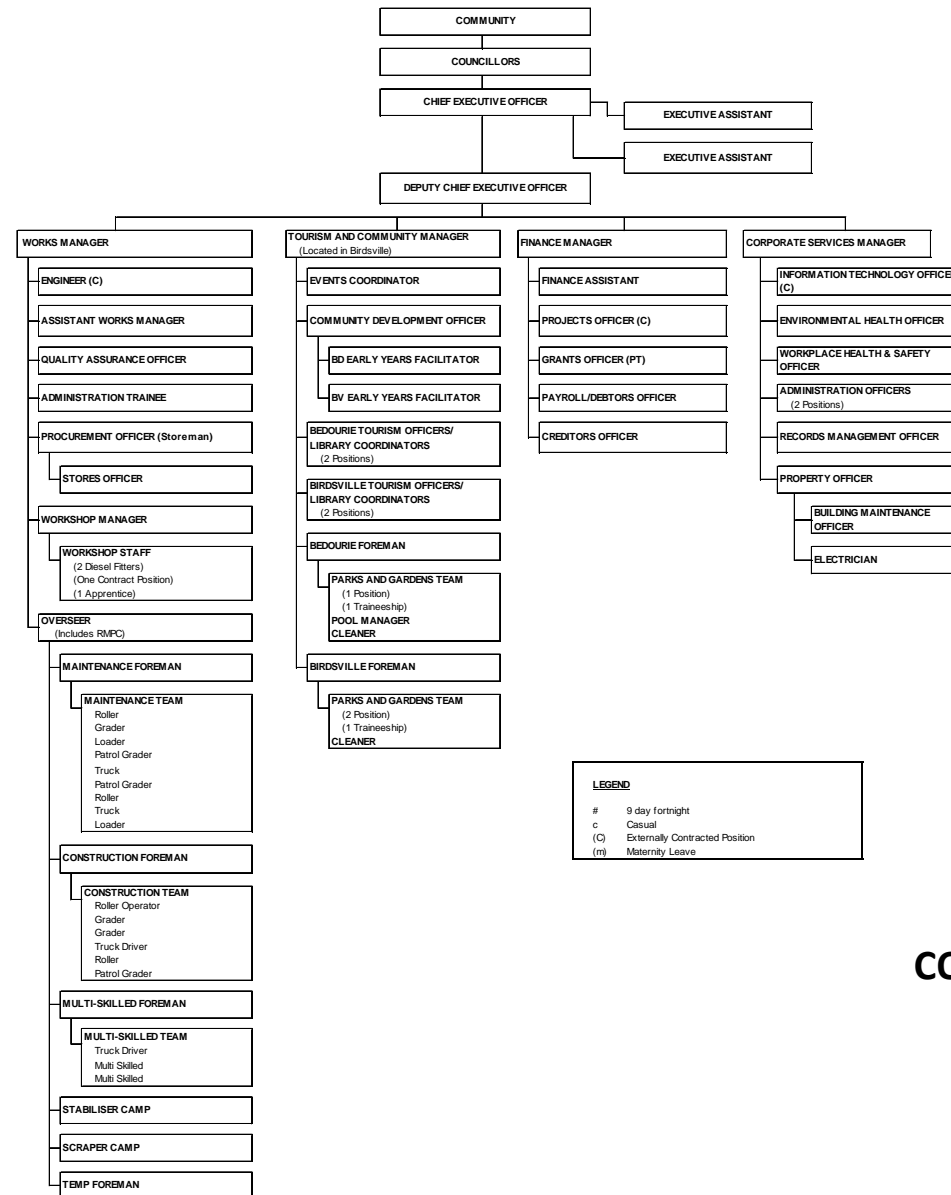
Council remains committed to providing equal employment opportunities in the workplace. Relevant statistics for the past five financial years are listed:

Our People

STAFF STATISTICS AT A GLANCE

Staff Numbers (FTE)	2010-11	2009-10	2008-09	2007-08	2006-07
Number of Employees (excluding casuals) who worked for Council during the year. (Establishment of approximately 79).	91	81	81	115	97
- Internal	42	31 (38%)	28 (35%)	38 (33%)	30 (31%)
- External	49	50 (62%)	53 (65%)	77 (67%)	67 (69%)
Gender Balance					
Executive/Senior Management					
> Male	4	4	4	6	4
> Female	2	0	0	1	0
Elected Members					
> Male	4	4	4	4	7
> Female	1	1	1	1	0
Total Employees					
> Male	57 (63%)	62%	65%	67%	65%
> Female	34 (37%)	38%	35%	33%	55%
Other Statistics					
Aboriginal & Torres Strait Islander employees	30 (33%)	29 (36%)	33 (41%)	40 (36%)	36 (37%)
Disabled employees	0 (0%)	0 (0%)	1 (1%)	1 (1%)	0 (0%)
Staff Turnover	33 (36%)	26 (32%)	21 (26%)	57 (47%)	33 (34%)

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 2010/2011 financial year;

- Australian Government Attorney-General's Department
- Department of Communities
- Department of Education, Employment and Workplace 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 Public Works
- Department of Transport and Main Roads
- Department of Veteran Affairs
- Queensland Health
- Queensland Health – Home and Community Care
- State Library of Queensland

A FUNDING PROGRAM IN DETAIL

Diamantina Shire Council Library Service Bedourie and Birdsville

Funded by



- The Diamantina Library Service offered from sites in Bedourie and Birdsville, are part of the State Library of Queensland, Country Lending Service. The Country Lending Service is a collaborative approach between the state and local governments to the delivery of library services in rural and remote parts of Queensland. Local governments with populations of less than 15,000 are eligible to participate in the scheme.
- CLS libraries are housed, equipped and staffed by local governments to standards set by the Library Board of Queensland. State Library of Queensland provides fully-processed books and audio visual materials, a proportion of which are exchanged regularly to ensure a fresh and up-to-date selection for library users. The stock and exchange numbers are based on population and circulation figures. A Service Level Agreement between the Library Board of Queensland and participating local governments outlines the responsibilities of both parties.
- The collection is available to fill requests for materials not held in individual libraries. These include audio books, books in languages other than English and adult literacy materials. Many resources from the rest of State Library of Queensland are also available on request.
- The Diamantina Library Service holds a total lending stock of 8,573 items including books and audio visual materials.
- In 2010/11 the Service had 54 registered borrowers and circulation for the year was 330 items.

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

- 5 senior contract employees with a total remuneration package in the range of \$100,000-\$119,000
- 1 senior contract employees with a total remuneration package in the range of \$150,000-\$175,000

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, 2010 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
VACANT*	Councillor	\$13,380	\$300

Carried 4/0

Minute 201.1.5

Moved by Cr Tully and Seconded by Cr Crombie.

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 Dare and Seconded by Cr Tully.

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)(a)

As per section 180(2) and (4) and section 181 of the Act there has been no actions during the 2010/2011 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

Diamantina Shire Council is in the process of reviewing and updating its Complaints Management Process to ensure it meets the legislative requirements of section 119 of the Local Government (Operations) Regulation 2010.

OVERSEAS TRAVEL s116

No Councillors or Council Employees travelled overseas in an official capacity during the 2010/2011 financial year.



EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS s117

During the 2010/2011 financial year, Council budgeted for the following cash support to community organisations:

Name	\$
Betoota Social Club	2,000.00
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	2,000.00
Birdsville Social Club	2,500.00
North Qld Helicopter Rescue Service	10,000.00
Bedourie Gymkhana Club	3,000.00
Birdsville Race Club	2,000.00
Andrew Ley – Bird Book	3,000.00
Triple Crown Racing Carnival	3,000.00
Other Donations	5000.00
	\$43,000.00

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 2010/2011 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 2010/2011 financial year.

CHANGES TO TENDERS **s119(d)**

Under section 177(7) of the Local Government (Finance, Plans and Reporting) Regulation 2010 Diamantina Shire Council invited tenderers to resubmit tenders relating to the tender advertised for Intermittent Plant Hire and Labour Supply. This invitation went out to 48 contractors and 35 responded.

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

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

Diamantina Shire Council did not make any concessions to rates or charges for the 2009/2010 financial year.

INTERNAL AUDIT REPORT **s119(g)**

Diamantina Shire Council does not operate an internal audit function.

Birdsville Races 2010



Public Sector Ethics Act 1994

Implementation statements **s23**

The following information is provided pursuant to the relevant sections.

Preparation of codes of conduct **S15**

Council conducted a major review and overhaul of the code of conduct for staff which was completed and adopted in November 2010. Subsequent to the revision of the Public Sector Ethics Act Council again reviewed and revised the code of conduct to ensure that it is compliant with the current requirements.

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**

All available staff took part in ethical conduct training, including code of conduct familiarisation in February 2010. Attendance sheets and training course content summaries are kept in Council records.

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 2010. Disclosure activity **s30.**

Nil disclosures received or referred under S 28A during the reporting periodS 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.



Driveway to new housing works

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 evidenced 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. In this year Council has prepared an Integrated Environmental Management System (IEMS) which 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.



Flood waters consuming the open desert

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

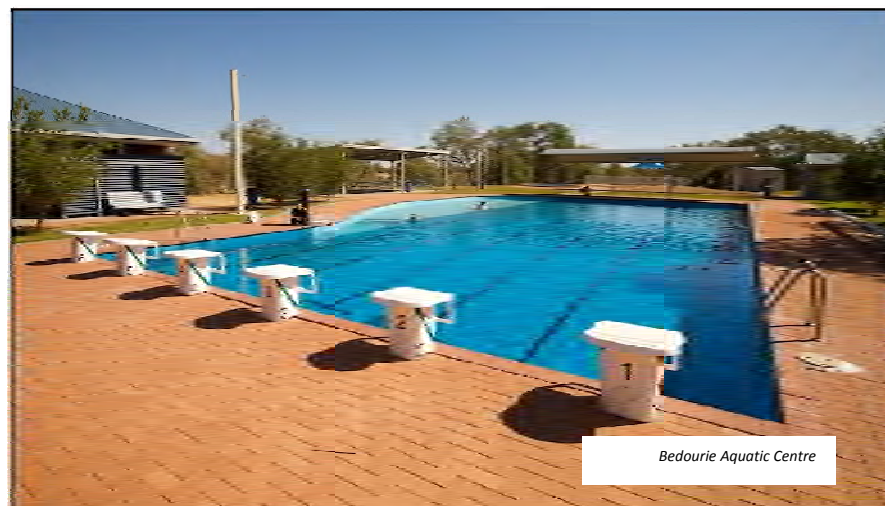
Diamantina Shire Council is in the unusual position of not only providing the standard environmental health services delivered by local government, but also of providing primary health care services in Bedourie and Birdsville. Through funding partnerships with both State and Commonwealth governments, 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 health clinics, events co-ordination, community assets development plan, funding community events and the appointment of a Tourism & Community Manager will ensure that 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.



Durrie Jump Up Seal 2010



Bedourie Aquatic Centre



New House being transported



New Housing

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. This was evidenced by the community survey responses which showed that while housing did not rate in the top ten issues four years ago, it is now a high priority for the community. 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.

Council intends to continue to work to develop a healthy housing market through the disposal of Council housing stock, rental policy and assisting to make private ownership affordable.

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 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. ○ Council is currently reviewing the majority of its Local and Subordinate Local Laws.
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.

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 has strongly progressed 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. Significant work has been carried out this financial year in regards to the preservation of historic sites including the progression of works on the historic Court House and progress on multiple grave site restorations. Funding has been received for the construction of artefact displays in both Bedourie and Birdsville.
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.
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). With flooding events during the 2010/2011 year the reliance on air services has been heavy and has been taken advantage of with both the transport of staff and freight. 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"> ○ The sale of excess houses stocks continues in both Bedourie and Birdsville.
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 2010/2011 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. ○ Initiative such as Adopt-a-cop at schools and drink rite activities have been progressed in both Bedourie and Birdsville. ○ 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"> o Facilitate the establishment of community development boards in each town o Source an appropriate customer service program 	<ul style="list-style-type: none"> o Public consultation and a plan for the formation of a Community Development Group has been progressed during the 2010/2011 financial year. o The first meeting of this group is scheduled for the 2011/12 financial year. o Aussie host training is planned for the 2011/12 financial year.
Full Employment.	<ul style="list-style-type: none"> o Make Council training activities available to community members if appropriate o Implement strategies to improve child care opportunities 	<ul style="list-style-type: none"> o Training programs have been regularly advertised to community. o 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"> o Implement health issues awareness activities in the workforce o Subsidise the cost of Council's bus for groups wishing to access specialist medical services o Lobby State health to provide half yearly dental visits o Encourage Council's health provider to coordinate visits by specialist health services. (Cardio, ENT etc) o Ensure health service contracts protect Council intellectual property rights o Monitor and review the performance of the health services contractor o Construct mortuary and storage facilities at the Birdsville Health Clinic o Carryout expansion of the Bedourie Clinic as per plans 	<ul style="list-style-type: none"> o NWQPHC continue to work closely with Council in implementing health awareness workshops. o Council continues to operate its 10,000 steps program with positive interest from council staff and a small number of community members. o NWQPHC continues to meet its obligations under the service agreement in providing health services to the communities of Bedourie and Birdsville. o Funding applications for the construction of a mortuary and storage facilities at the Birdsville Health Clinic were lodged in January 2010. o 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. First Aid has been highly requested by community members. 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"> Investigate the options for establishment of a swimming pool and spa facility in Birdsville Construct tennis courts in Bedourie 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"> Expressions of interest were sought for the establishment of a swimming pool and spa facility in Birdsville. Bedourie Tennis Courts completed. 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"> The development of a Tourism Development Plan has not been progressed in the 2010/2011 financial year with this strategy to be completed in 2011/2012, with Council having appointed a Tourism and Community Manager. 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. New airport terminals in both Bedourie and Birdsville are under construction and will be completed early in 2011/12 financial year. 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 reasearch and submitt 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"> ○ Progress has been in the preparation of an Economic Development Plan and this strategy will be ongoing in 2011/12. ○ The interest in housing continues with two house sales settled and two more under contract in this year.Also eight parcels of vacant land were sold. Interest continues to remain strong.
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"> ○ Council continues to monitor and review plant hire rates as well as carry out plant changeover in accordance with council adopted plant replacement schedule.
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 comprehensive training and development matrix has been established to provide guidance in relation to staff and councillor development. ○ 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 2010/11 financial year. A new corporate structure has been drafted and expected to be adopted by council in July 2011.

Goal	Strategies	Comments
	<ul style="list-style-type: none"> ○ Develop and maintain Shire Community Plan ○ 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"> ○ The Shire Community Plan had been completed in the previous year. ○ Significant work has been made in regards to implementing an effective records management system which includes policy and procedures. An electronic records management system is being put in place with a full overhaul of records management being carried out. ○ 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.

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 2011/12 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.



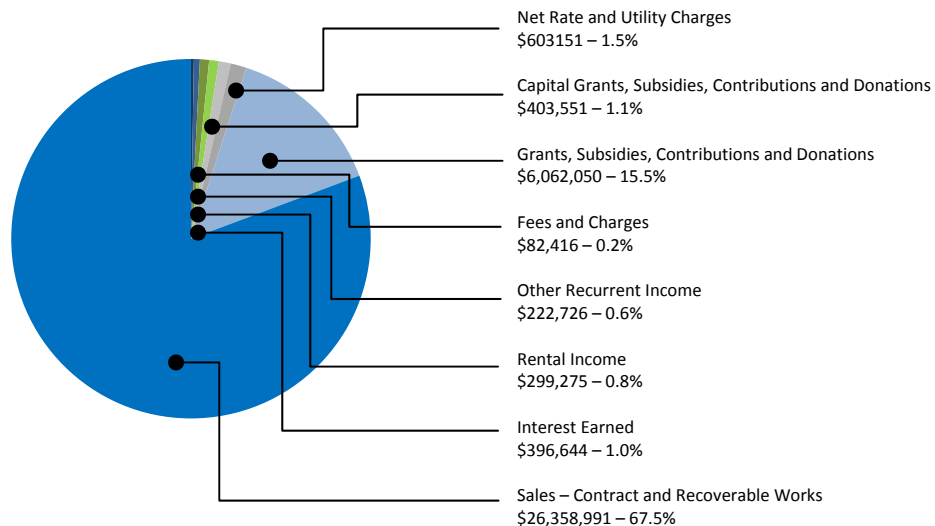
Community Financial Report

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).

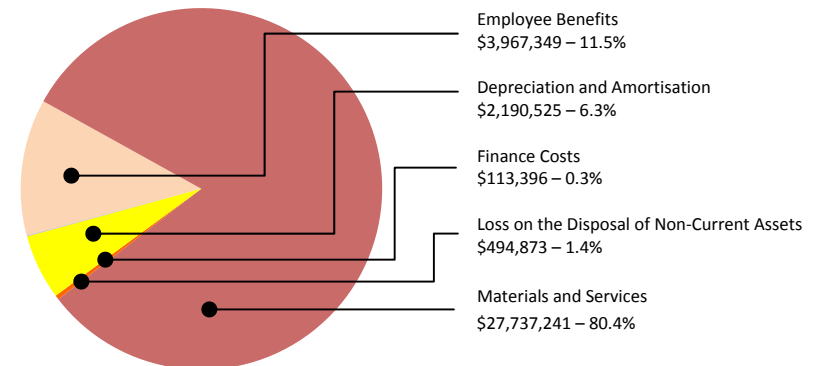
COUNCIL'S FINANCIAL PERFORMANCE

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 \$39.06 million and total expenses amounted to \$45.57million returning an operating deficit of \$6.51 million.

WHERE THE MONEY COMES FROM



WHERE THE MONEY GOES



OPERATING SURPLUS = \$4,556,516

Community Financial Report

COUNCIL'S FINANCIAL POSITION

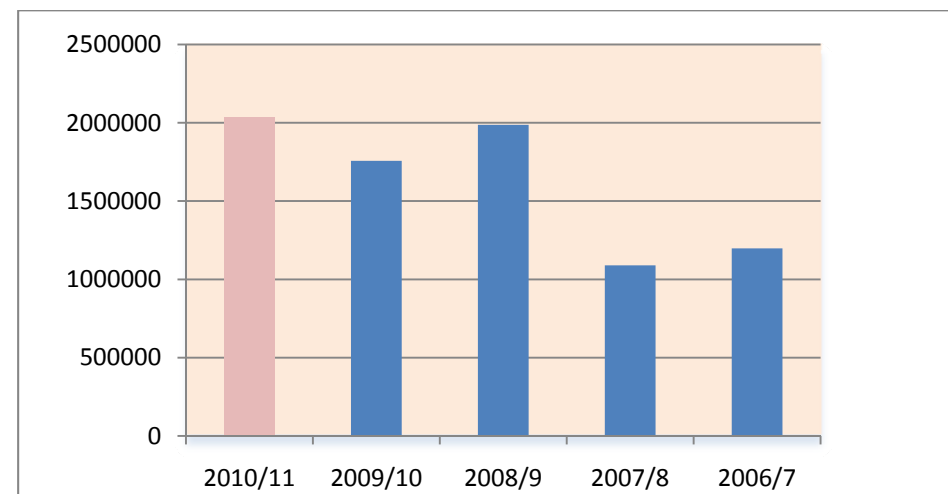
The Balance Sheet measures what Council owns and owes at the end of the financial year. The result of these two components determines the net wealth of Council, which is the net wealth of the community.

What do our assets consist of?	%	\$
Cash and cash equivalents	12.2%	1,0312,777
Trade and other receivables	8.8%	7,435,181
Inventories	1.0%	827,316
Other financial assets	0.2%	186,147
Investments - Non-current assets held for resale	1.4%	1,164,287
Property, plant and equipment	76.3%	64,303,358
TOTAL ASSETS		\$84,229,066

What do our liabilities consist of?	%	\$
Trade and other payables	55.90%	2,893,296
Borrowings	39.3%	2,032,614
Provisions	4.8%	245,728
TOTAL LIABILITIES		\$5,171,638

OUR DEBT

With debt repayments amounting to \$224,072 for the year Council's balance of debt at June 30, 2010 amounted to \$2,032,614. 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.

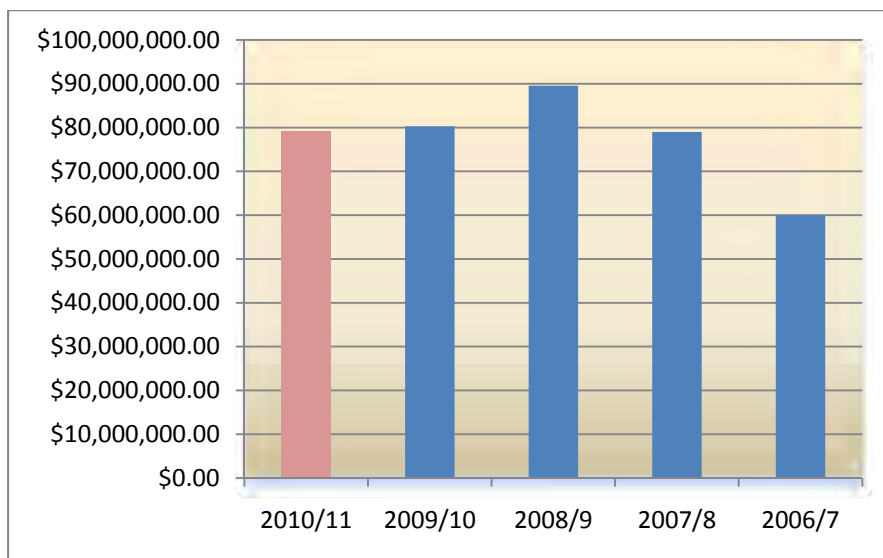


Community Financial Report

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	\$12,424,096
Inflow from Operating Activities	\$1,722,298
Outflow from Investing Activities	(\$664,949)
Outflow from Financing Activities	(\$275,928)
Cash at End	\$10,312,777

While our current cash balance is \$10,312,777 it is important to note that \$2,049,293 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	2010/11 Actual	2011/12 Budget	2012/13 Budget	2013/14 Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget
Working Capital Ratio	1:6.4	1:14.8	1:12.1	1:9.7	1:11.6	1:12.8	1:23.1	1:26.6	1:28.2	1:30.6
Operating Surplus Ratio	11.67%	6.3%	4.6%	2.1%	3.8%	3.1%	2.1%	1.6%	3.1%	2.9%
Net Financial Liabilities Ratio	(37.66)%	(15.6)%	(15.2)%	(19.9)%	(26.2)%	(32.0)%	(39.4)%	(45.6)%	(48.1)%	(52.0)%
Interest Coverage Ratio	(0.25)%	(0.4)%	(0.5)%	(0.7)%	(0.8)%	(0.9)%	(0.9)%	(0.9)%	(0.9)%	(0.9)%
Asset Sustainability Ratio	328.17%	274.5%	191.5%	119.5%	73.1%	71.0%	47.4%	52.6%	99.5%	79.5%
Asset Consumption Ratio	52.60%	88.5%	93.0%	94.4%	92.2%	89.8%	86.3%	83.1%	82.0%	80.2%

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%

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 2011

DIAMANTINA SHIRE COUNCIL

FINANCIAL REPORT

For the Year Ended 30 June 2011

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DIAMANTINA SHIRE COUNCIL

Statement of Comprehensive Income

For the Year Ended 30 June 2011

		30 June 2011	30 June 2010
	Note	Actual	Actual
		\$	\$
Income			
Revenue			
Recurrent Revenue			
Rates, levies and charges	3(a)	603,151	548,774
Fees and charges	3(b)	82,416	95,526
Rental income	3(c)	299,275	335,146
Interest earned	3(d)	396,644	318,395
Sales - contract and recoverable works	3(e)	26,783,830	30,877,658
Other income	3(f)	222,726	206,549
Grants, subsidies, contributions and donations	4(a)	6,062,050	5,477,202
Total recurrent revenue		<u>34,450,092</u>	<u>37,859,249</u>
Capital Revenue			
Grants, subsidies, contributions and donations	4(b)	5,034,647	403,551
		<u>5,034,647</u>	<u>403,551</u>
Total Revenue		<u>39,484,739</u>	<u>38,262,800</u>
Total Income		<u>39,484,739</u>	<u>38,262,800</u>
Expenses			
Recurrent Expenses			
Employee benefits	5	(3,954,936)	(4,192,323)
Materials and services	6	(27,737,241)	(27,955,716)
Finance costs	7	(113,396)	(132,469)
Depreciation	8	(2,190,525)	(2,000,300)
Total recurrent expenses		<u>(33,996,098)</u>	<u>(34,280,808)</u>
Capital Expenses	9	<u>(494,873)</u>	<u>(25,461)</u>
Total Expenses		<u>(34,490,971)</u>	<u>(34,306,269)</u>
Net Result		<u>4,993,768</u>	<u>3,956,531</u>
Other Comprehensive Income			
Increase / (decrease) in asset revaluation surplus		(2,132,699)	(12,428,422)
Total Other Comprehensive Income for the Year		<u>(2,132,699)</u>	<u>(12,428,422)</u>
Total Comprehensive Income for the Year		<u>2,861,069</u>	<u>(8,471,891)</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 2011

		30 June 2011	30 June 2010
	Note	Actual \$	Actual \$
ASSETS			
Current Assets			
Cash and cash equivalents	10	10,312,777	12,424,096
Trade and other receivables	11	7,560,395	2,408,216
Inventories	12	827,316	918,204
Other financial assets	13	14,968	-
		<u>18,715,457</u>	<u>15,750,516</u>
Non-current assets classified as held for sale	14	<u>1,164,287</u>	<u>1,154,864</u>
Total Current Assets		<u>19,879,744</u>	<u>16,905,380</u>
Non-Current Assets			
Other financial assets	13	45,964	-
Property, plant and equipment	15	<u>70,583,611</u>	<u>67,090,899</u>
Total Non-Current Assets		<u>70,629,575</u>	<u>67,090,899</u>
TOTAL ASSETS		<u>90,509,319</u>	<u>83,996,279</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	16	2,344,531	1,678,963
Borrowings	17	300,445	224,758
Provisions	18	<u>48,647</u>	<u>21,698</u>
Total Current Liabilities		<u>2,693,623</u>	<u>1,925,419</u>
Non-Current Liabilities			
Trade and other payables	16	123,926	94,868
Borrowings	17	1,732,169	1,531,928
Provisions	18	<u>197,081</u>	<u>150,837</u>
Total Non-Current Liabilities		<u>2,053,176</u>	<u>1,777,633</u>
TOTAL LIABILITIES		<u>4,746,799</u>	<u>3,703,052</u>
NET COMMUNITY ASSETS		<u>85,762,520</u>	<u>80,293,227</u>
Community Equity			
Asset revaluation surplus	19	35,761,094	37,893,793
Retained surplus/(deficiency)	20	47,952,134	40,431,464
Other reserves	22	<u>2,049,293</u>	<u>1,967,972</u>
TOTAL COMMUNITY EQUITY		<u>85,762,520</u>	<u>80,293,227</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 2011

	Notes	Asset Revaluation Surplus 19 \$	Retained Surplus 20 \$	Other Reserves 22 \$	Total \$
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			(148,538)		(148,538)
Net result		-	4,993,768	-	4,993,768
Other comprehensive income for year					
Increase / (decrease) in asset revaluation surplus		(2,132,699)	2,756,761	-	624,062
Total comprehensive income for year		(2,132,699)	7,750,530	-	5,617,830
Transfers to and from reserves					
Transfers to/from other reserves		-	(81,321)	81,321	-
Total transfers to and from reserves		-	(81,321)	81,321	-
Balance as at 30 June 2011		35,761,094	47,952,134	2,049,293	85,762,520
Year Ended 30 June 2010					
Balance at 1 July 2009		50,322,215	36,132,130	2,310,774	88,765,119
Net result		-	3,956,531	-	3,956,531
Other comprehensive income for year					
Increase / (decrease) in asset revaluation surplus		(12,428,422)	-	-	(12,428,422)
Total comprehensive income for year		(12,428,422)	3,956,531	-	(8,471,891)
Transfers to and from reserves					
Transfers to/from other reserves		-	342,802	(342,802)	-
Total transfers to and from reserves		-	342,802	(342,802)	-
Balance as at 30 June 2010		37,893,793	40,431,464	1,967,972	80,293,227

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 2011

		30 June 2011	30 June 2010
	Note	Actual	Actual
		\$	\$
Cash flows from operating activities :			
Receipts from customers		24,896,897	37,035,128
Payments to suppliers and employees		(33,263,767)	(35,909,038)
		(8,366,870)	1,126,091
Interest received		396,644	318,395
Rental income		299,275	335,146
Non capital grants and contributions		6,062,050	5,477,202
Borrowing costs		(113,396)	(132,469)
Net cash inflow (outflow) from operating activities	27	<u>(1,722,297)</u>	<u>7,124,364</u>
Cash flows from investing activities:			
Payments for property, plant and equipment		(7,294,271)	(3,165,566)
Proceeds from sale of property plant and equipment		1,594,675	596,107
Grants, subsidies, contributions and donations		5,034,647	403,551
Net cash inflow (outflow) from investing activities		<u>(664,949)</u>	<u>(2,165,908)</u>
Cash flows from financing activities:			
Proceeds from borrowings		500,000	-
Repayment of borrowings		(224,072)	(214,180)
Net cash inflow (outflow) from financing activities		<u>275,928</u>	<u>(214,180)</u>
Net increase (decrease) in cash held		<u>(2,111,319)</u>	<u>4,744,276</u>
Cash at beginning of financial year		12,424,096	7,679,820
Cash at end of financial yar	10	<u><u>10,312,778</u></u>	<u><u>12,424,096</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 2011

1 Significant Accounting Policies

1.A Basis of Preparation

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

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

1.B Statement of Compliance

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

1.C Constitution

The 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 new and revised Standards and Interpretations has resulted in the following changes to the Council's accounting policies:

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

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

Significant Accounting Policies (continued)

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

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 the 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. An equivalent amount is placed in a reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the unspent capital grants reserve. 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 2011

Significant Accounting Policies (continued)

1.I Financial Assets and Financial Liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a 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)

Other Financial Assets - measured at amortised cost (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, and bank overdrafts.

1.K Receivables

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

The collectability of receivables is assessed periodically and, if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced with provision being made for impairment.

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

Because Council has the power to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

Significant Accounting Policies (continued)

1.L Inventories

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

Inventories held for distribution are:

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

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

1.M Other Financial Assets

Other financial assets relating to prepayments are recognised at cost.

Finance Lease Asset Receivable

During the years 2001 to 2008 Council entered into a number of finance lease arrangements for the sale of land and houses in Bedourie and Birdsville. These finance leases assets have not previously been recorded in the financial statements. Note 13 contains details of lease payments receivable at 30 June 2011.

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 Land Held for Resale

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

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

1.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 2011 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

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.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

Significant Accounting Policies (continued)

1.P Property, Plant and Equipment (continued)

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 with interim valuations, using a suitable index, being performed on an annual basis where there has been a material variation in the index.

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

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

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

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

Significant Accounting Policies (continued)

1.P Property, Plant and Equipment (continued)

The estimated useful lives of the property, plant and equipment are reviewed annually. Details of the range of 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 and intangible assets and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

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

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

Significant Accounting Policies (continued)

1.S Liabilities – Employee Benefits (continued)

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.

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

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.

House Purchase Reserve

The reserve was created to contribute to future funding for new housing infrastructure.

Recreational Facilities Reserve

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

Roads Construction Reserve

This reserve was created to provide for unexpected capital expenditure in relation to Council's road networks within the Shire.

Community Housing Reserve

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

Significant Accounting Policies (continued)

1.W Reserves (continued)

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.

Elections Reserve

This reserve was created to contribute to future funding of elections

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.Z Trust Funds Held for Outside Parties

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

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

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 2011

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result From Recurring Operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	2011 \$	2011 \$	2011 \$	2011 \$					2011 \$		
Governance	5,011,878	823,087	5,034,647	-	10,869,612	(3,292,168)	-	(3,292,168)	9,127,133	7,577,444	22,861,305
Community Services	1,050,172	756,437	-	-	1,806,609	(3,797,026)	-	(3,797,026)	5,603,635	(1,990,417)	16,839,811
Works	-	26,559,705	-	-	26,559,705	(24,681,269)	-	(24,681,269)	51,240,974	1,878,436	23,780,674
Environment, Health and Planning	-	248,813	-	-	248,813	(2,720,508)	-	(2,720,508)	2,969,321	(2,471,695)	27,027,529
Total Council	6,062,050	28,388,042	5,034,647	-	39,484,739	(34,490,971)	-	(34,490,971)	68,941,063	4,993,768	90,509,319

Year Ended 30 June 2010

Functions	Gross Program Income				Total Income	Gross Program Expenses		Total Expenses	Net Result From Recurring Operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	2010 \$	2010 \$	2010 \$	2010 \$							
Governance	4,625,839	759,555	370,491	-	5,755,885	(2,663,333)	-	(2,663,333)	8,048,727	3,092,552	19,762,637
Community Services	851,362	530,202		-	1,381,564	(3,698,243)	-	(3,698,243)	5,079,807	(2,316,679)	16,179,515
Works	-	30,842,293	33,060	-	30,875,353	(25,306,342)	-	(25,306,342)	56,148,635	5,569,011	22,630,093
Environment, Health and Planning	-	249,998		-	249,998	(2,638,351)	-	(2,638,351)	2,888,349	(2,388,353)	25,424,034
Total Council	5,477,201	32,382,048	403,551	-	38,262,800	(34,306,269)	-	(34,306,269)	72,165,518	3,956,531	83,996,279

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

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 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
Notes on the Statement of Comprehensive Income			
3 Revenue Analysis			
(a) Rates, Levies and Charges			
General rates		515,551	461,538
Water		99,461	91,482
Sewerage		35,643	32,676
Garbage charges		37,220	34,487
Total rates and utility charge revenue		687,874	620,183
Less: discounts		(84,723)	(71,409)
Net rates, levies and charges		603,151	548,774
(b) Fees and Charges			
Fees and charges		82,416	95,526
		82,416	95,526
(c) Rental Income			
Housing rentals		299,275	335,146
		299,275	335,146
(d) Interest Earned			
Interest from rates and charges		30,289	5,152
Interest earned from cash deposits		358,542	313,243
Interest finance lease assets		7,813	-
		396,644	318,395
(e) Sales Revenue			
Sales - Contract and recoverable works		26,783,830	30,877,658
		26,783,830	30,877,658
(f) Other Recurrent Income			
Other income		222,726	206,549
		222,726	206,549
4 Grants, Subsidies, Contributions and Donations			
(a) Recurrent			
State Government grants		5,368,240	4,975,534
Commonwealth Government grants		693,586	499,930
Donations		224	1,738
Total recurrent revenue		6,062,050	5,477,202
(b) Capital			
State Government subsidies and grants		5,034,647	363,551
Commonwealth Government grants		-	40,000
Total capital revenue		5,034,647	403,551
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.			
Grants for expenditure on infrastructure		-	-
Other grants		23,733	18,000
		23,733	18,000

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
5 Employee Benefits			
Total staff wages and salaries		3,565,900	3,418,592
Councillors' remuneration		141,409	140,175
Annual, sick and long service leave entitlements		157,960	213,360
Superannuation	25	296,003	304,732
		<u>4,161,272</u>	<u>4,076,859</u>
Other employee related expenses		180,559	214,814
		<u>4,341,831</u>	<u>4,291,673</u>
Less: capitalised employee expenses		<u>(386,895)</u>	<u>(99,350)</u>
		<u>3,954,936</u>	<u>4,192,323</u>

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

Total Council employees at the reporting date:	2011	2010
Elected members	4	5
Administration staff	24	21
Depot and outdoors staff	34	38
Total full time equivalent employees	<u>62</u>	<u>64</u>

6 Materials and Services		
Administration supplies and consumables	1,847,570	1,790,526
Area promotion and events	1,058,202	762,289
Audit services	35,582	31,119
CED scheme	107,000	126,532
Community and Council housing expenses	130,854	238,234
Council depots	706,405	1,000,493
Donations paid	27,171	38,054
Environmental health, pest and animal management	62,321	74,653
Halls and public conveniences	77,556	67,004
Health service expenses	1,018,421	1,148,509
Other community services	284,543	158,922
Parks, gardens and reserves	514,452	456,881
Planning and development	120,989	37,350
Plant operation	3,059,668	3,480,765
Racecourses, swimming pools, aerodromes, caravan parks	256,274	419,983
Recoverable works	284,693	249,619
Repairs and maintenance	27,412	37,453
Shire road and street network	539,276	56,449
Subsidised works	17,382,871	17,618,335
Waste management	65,882	46,308
Water supply	130,099	116,237
	<u>27,737,241</u>	<u>27,955,716</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
7 Finance Costs			
Finance costs charged by the Queensland Treasury Corporation		96,267	106,634
Interest charged ATO		6,815	10,031
Bank charges		10,314	10,638
Impairment of debts		-	5,166
		<u>113,396</u>	<u>132,469</u>
8 Depreciation			
Depreciation of non-current assets			
Buildings		379,492	753,219
Other structures		640,171	601,642
Plant and equipment		778,984	1,139,125
Road, drainage and bridge network		267,112	292,416
Water		82,731	66,390
Sewerage		42,035	36,230
Total depreciation of non-current assets		<u>2,190,525</u>	<u>2,889,022</u>
9 Capital Expenses			
Gain (loss) on the disposal of non-current assets			
Proceeds from the sale of plant and equipment		1,203,418	311,087
Less: book value of plant and equipment disposed of		(1,471,064)	(213,866)
		<u>(267,646)</u>	<u>97,221</u>
Proceeds from the sale of land, improvements, buildings and other structures		304,958	285,020
Less: book value of land, improvements, buildings and other structures disposed		(322,132)	(407,702)
		<u>(17,174)</u>	<u>(122,682)</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		(424,484)	-
		<u>(210,053)</u>	<u>-</u>
		<u>(494,873)</u>	<u>(25,461)</u>
Notes on the Statement of Financial Position			
10 Cash and Cash Equivalents			
Cash at bank and on hand		414,750	2,230,376
Deposits at call		9,898,027	10,193,720
Balance per Cash Flow Statement		<u>10,312,777</u>	<u>12,424,096</u>
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent government grants and subsidies		3,978,000	1,137,995
Total unspent restricted cash for capital and recurrent projects		<u>3,978,000</u>	<u>1,137,995</u>

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-.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
11 Trade and Other Receivables			
Current			
Rateable revenue and utility charges		151,977	153,337
Other debtors		3,090,628	339,913
Less provision for impairment		(10,000)	(10,000)
Prepayments		125,215	38,261
Accrued revenue		4,202,576	1,886,705
		<u>7,560,395</u>	<u>2,408,216</u>
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors.			
Movement in accumulated impairment losses (other debtors) is as follows:			
Opening balance		-	-
Impairment		10,000	10,000
Closing balance		<u>10,000</u>	<u>10,000</u>
12 Inventories			
Current			
Inventories held for distribution:			
Stores and raw materials		827,316	918,204
Total inventories for distribution		<u>827,316</u>	<u>918,204</u>
13 Other Financial Assets			
Current			
Finance lease asset receivable		14,968	-
		<u>14,968</u>	<u>-</u>
Non-Current			
Finance lease asset receivable		45,964	-
		<u>45,964</u>	<u>-</u>
<i>Finance lease asset receivable</i>			
Within one year		20,452	
After one year but not more than five years		51,859	
More than five years		6,731	
Total minimum lease payments		<u>79,041</u>	
Less amounts representing unearned financial income		<u>(18,109)</u>	
Present value of minimum lease payments		<u>60,932</u>	
Disclosed as: Current		14,968	
Non-current		<u>45,964</u>	
		<u>60,932</u>	
14 Non-Current Assets Classified as Held for Sale			
Council has decided to sell specified houses to generate further private ownership within the shire. Houses will be listed for auction and then available for sale. It is expected that these houses are to be sold within one year.		1,164,287	1,154,864
		<u>1,164,287</u>	<u>1,154,864</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

15 (a) Property, Plant and Equipment

30 June 2011

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2010
 Additions at cost
 Disposals
 Assets classified as held for sale
 Transfer between classes
 Closing gross value as at 30 June 2011

NOTE	Land and Improvements	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
	Revaluation	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	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	118,291,629
		159,108	2,920,721	0			0	4,206,476	7,286,305
9	(98,522)	(425,500)	(2,321,049)						(2,845,071)
14	(191,686)	(287,128)							(478,814)
				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	122,254,050

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2010
 Depreciation provided in period
 Depreciation on disposals
 Impairment adjustment to asset revaluation surplus
 Assets classified as held for sale
 Transfer between classes
 Accumulated depreciation as at 30 June 2011

	-	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		(201,890)	(849,985)						(1,051,875)
				(624,062)					(624,062)
14		(44,880)							(44,880)
		(3,077)					3,077		-
	-	6,744,167	6,568,102	31,652,256	1,467,586	552,849	4,685,479	-	51,670,438

Written down value 30 June 2011

Written down value 30 June 2010

1,518,235	22,808,795	7,422,040	14,444,810	3,046,428	2,236,538	13,329,820	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

Range of estimated useful life in years

40 - 100	2 - 20	5 - 100	20 - 80	20 - 60	1 - 50
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Residual Value

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 2011

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

30 June 2010

Basis of Measurement

Asset Values

Opening gross value as at 1 July 2009

Additions at cost

Disposals

Assets classified as held for sale

Closing gross value as at 30 June 2010

	Land and Improvements	Buildings	Plant and Equipment	Road, Drainage and Bridge Network	Water Infrastructure	Sewerage Infrastructure	Other Structures	WIP	Total
	Revaluation	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	1,986,354	30,833,135	13,611,898	45,733,140	4,514,014	2,789,387	17,502,372	1,609,633	118,579,934
	163,311	1,402,555	762,012	87,447	-	-	27,807	722,435	3,165,567
9	(27,000)	(589,200)	(983,440)	-	-	-	-		(1,599,640)
-	(314,222)	(1,540,009)							(1,854,231)
	1,808,443	30,106,481	13,390,470	45,820,587	4,514,014	2,789,387	17,530,179	2,332,068	118,291,629

Accumulated Depreciation and Impairment

Opening balance as at 1 July 2009

Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to Asset Revaluation Surplus

Impairment adjustment to the ARR

Impairment adjustment to Income

Assets classified as held for sale

Accumulated depreciation as at 30 June 2010

	-	6,643,906	6,808,688	19,807,999	1,302,124	468,779	3,417,951		38,449,447
8	-	390,037	599,989	261,229	82,731	42,035	624,279		2,000,300
9	-	(208,498)	(769,574)				-		(978,072)
19	-	-		-	-	-	-		-
	-	488,443		11,939,979	-	-	-		12,428,422
	-	-		-	-	-	-		-
	-	(699,367)					-		(699,367)
	-	6,614,521	6,639,103	32,009,206	1,384,855	510,814	4,042,231	-	51,200,730

Written down value 30 June 2010

Written down value 30 June 2009

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
1,986,354	24,189,229	6,803,210	25,925,142	3,211,890	2,320,609	14,084,420	1,609,633	80,130,488

Range of estimated useful life in years

40 - 100	2 - 20	5 - 100	20 - 80	20 - 80	10 - 50
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Residual Value

2,902,307	3,246,300	17,560,077	-	-	1,269,509
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DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
15 (b) Property, plant and equipment valuations were determined by reference to the following:			
Land			
The valuation of land and improvements was undertaken by Propell National Valuers in the 2008-09 financial year. Due to limited sales and no depth of market, no valuation changes were made. Valuations are at 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 and Other Structures			
Buildings and Other Structures have been included at their depreciated replacement cost as at June 30, 2009 as valued by Propell National Valuers.			
Plant and Equipment			
Plant and equipment is deemed to be at original cost less accumulated depreciation. However a small number of items of plant and equipment have been revalued.			
Infrastructure:			
Water and Sewerage Infrastructure -			
Water and Sewerage Infrastructure have been included at their depreciated replacement cost as at June 30, 2009 as valued by Propell National Valuers.			
Road and Drainage and Other Infrastructure -			
Road and Drainage and Other Infrastructure have been included at their depreciated replacement cost as at June 30, 2009 as valued by Propell National Valuers.			
15 (c) Impairment Adjustment to Asset Revaluation Surplus			
During 2011 Council experienced again significant flooding which impacted on its road infrastructure network. An impairment assessment was performed resulting in an adjustment of \$624,062 to the asset revaluation surplus at 30 June 2011.			
16 Trade and Other Payables			
Current			
Creditors and accruals		2,098,574	1,429,450
Time off in lieu		9,250	5,939
Annual leave		236,707	243,574
		<u>2,344,531</u>	<u>1,678,963</u>
Non-Current			
Annual leave		123,926	94,868
		<u>123,926</u>	<u>94,868</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
17 Borrowings			
Current			
Loans Queensland Treasury Corporation		300,445	224,758
		<u>300,445</u>	<u>224,758</u>
Non-Current			
Loans Queensland Treasury Corporation		1,732,169	1,531,928
		<u>1,732,169</u>	<u>1,531,928</u>
Queensland Treasury Corporation			
Opening balance		1,756,686	1,970,866
Principal repayments		(224,072)	(214,180)
Loan drawdown's		500,000	-
Book value at period end		<u>2,032,614</u>	<u>1,756,686</u>
Classified as :			
Current		300,445	224,758
Non-current		<u>1,732,169</u>	<u>1,531,928</u>
		<u>2,032,614</u>	<u>1,756,686</u>

The QTC loan market value at the reporting date was \$2,052,549.81. 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

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 2013 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	48,647	21,698
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Non-Current

Long service leave	197,081	150,837
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Details of movements in provisions:

Long Service Leave

Opening balance	172,535	117,633
Long service leave entitlement arising	73,194	54,902
Long Service entitlement paid	-	-
Balance at year end	<u>245,729</u>	<u>172,535</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
19 Asset Revaluation Surplus			
(i) Movements in the asset revaluation surplus were as follows:			
Balance at beginning of period		37,893,793	50,322,215
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Land and improvements		-	-
Buildings		-	-
Other structures		-	-
Plant and equipment		(2,756,761)	-
Road, drainage and bridge network		-	-
Water		-	-
Sewerage		-	-
Impairment			
Buildings		-	(488,443)
Road, drainage and bridge network		624,062	(11,939,979)
Balance at end of the year		<u>35,761,094</u>	<u>37,893,793</u>
(ii) Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus is comprised of the following asset categories:			
Buildings		9,609,054	9,609,054
Other structures		6,862,106	6,862,106
Plant and equipment		-	2,756,761
Road, drainage and bridge network		16,662,110	16,038,048
Water		1,778,606	1,778,606
Sewerage		849,218	849,218
		<u>35,761,094</u>	<u>37,893,793</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

		30 June 2011	30 June 2010
	Note	Actual \$	Actual \$
20 Retained Surplus			
Movements in the retained surplus were as follows:			
Retained surplus/(deficit) at the beginning of financial year		40,431,463	36,132,130
Transfers asset revaluation on plant to capital account		2,756,761	
Net result attributable to council		4,993,768	3,956,531
Transfers (to) from capital reserves for future capital project funding, or from reserves funds that have been expended:	22		
House purchase reserve		-	351,802
Recreational facilities reserve		-	50,000
Road construction reserve		-	200,000
Plant replacement reserve		-	(400,000)
Water infrastructure reserve		(309,800)	76,000
Other capital projects reserve		(100,000)	500,000
Employee entitlements reserve		(12,413)	-
Bedourie airport reserve		1,316	-
Birdsville airport reserve		1,316	-
Information and technology reserve		500,000	(500,000)
Elections Reserve		(2,500)	
Transfers (to) recurrent reserves for future project funding, or from reserves funds that have been expended:			
Adjustment to opening retained earnings balance	21	(148,538)	
Retained surplus at the end of the financial year		<u>47,952,134</u>	<u>40,431,463</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.			
		(148,538)	
		<u>(148,538)</u>	<u>-</u>
22 Other Reserves			
Reserves held for funding future expenditure:			
(i) House purchase reserve		-	-
(ii) Recreational facilities reserve		750,000	750,000
(iii) Roads construction reserve		-	-
(iv) Community housing reserve		61,730	61,730
(v) Plant replacement reserve		400,000	400,000
(vi) Water infrastructure reserve		483,800	174,000
(vii) Other capital projects reserve		100,000	-
(viii) CED infrastructure reserve		194,240	35,000
(ix) Employee entitlements reserve		47,023	34,610
(x) Asset revaluation reserve		10,000	10,000
(xi) Bedourie airport reserve		-	1,316
(xii) Birdsville airport reserve		-	1,316
(xiii) Information and technology reserve		-	500,000
(xiv) Elections reserve		2,500	-
Total reserves		<u>2,049,293</u>	<u>1,967,972</u>

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
22 Other Reserves (continued)			
Movements in reserves:			
(i) House purchase reserve			
Balance at the beginning of period		-	351,802
Transfer to the retained earnings/capital funds expended in the period		-	(351,802)
Balance at the end of period		-	-
(ii) Recreational facilities reserve			
Balance at the beginning of period		750,000	800,000
Transfer to the retained earnings/capital funds expended in the period		-	(50,000)
Balance at the end of period		750,000	750,000
(iii) Roads construction reserve			
Balance at the beginning of period		-	200,000
Transfer to the retained earnings/capital funds expended in the period		-	(200,000)
Balance at the end of period		-	-
(iv) Community housing reserve			
Balance at the beginning of period		61,730	61,730
Balance at the end of period		61,730	61,730
(v) Plant replacement reserve			
Balance at the beginning of period		400,000	-
Transfer from retained earnings for future expenditure		-	1,600,000
Transfer to the retained earnings/capital funds expended in the period		-	(1,200,000)
Balance at the end of period		400,000	400,000
(vi) Water infrastructure reserve			
Balance at the beginning of period		174,000	250,000
Transfer to the retained earnings/capital funds expended in the period		309,800	(76,000)
Balance at the end of period		483,800	174,000
(vii) Other capital projects reserve			
Balance at the beginning of period		-	500,000
Transfer to the retained earnings/capital funds expended in the period		100,000	(500,000)
Balance at the end of period		100,000	-
(viii) CED infrastructure reserve			
Balance at the beginning of period		35,000	100,000
Transfer to the retained earnings/capital funds expended in the period		159,240	(65,000)
Balance at the end of period		194,240	35,000
(ix) Employee entitlements reserve			
Balance at the beginning of period		34,610	34,610
Transfer from retained earnings for future expenditure		12,413	-
Balance at the end of period		47,023	34,610

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
22 Other Reserves (continued)			
(x) Asset revaluation reserve			
Balance at the beginning of period		10,000	10,000
Transfer from retained earnings for future expenditure		-	-
Balance at the end of period		10,000	10,000
(xi) Bedourie airport reserve			
Balance at the beginning of period		1,316	1,316
Transfer from trust account for future expenditure		(1,316)	-
Balance at the end of period		-	1,316
(xii) Birdsville airport reserve			
Balance at the beginning of period		1,316	1,316
Transfer from trust account for future expenditure		(1,316)	-
Balance at the end of period		-	1,316
(xiii) Information and technology reserve			
Balance at the beginning of period		500,000	-
Transfer from retained earnings for future expenditure		(500,000)	500,000
Balance at the end of period		-	500,000
(xiv) Elections reserve			
Balance at the beginning of period		-	-
Transfer from retained earnings for future expenditure		2,500	-
Balance at the end of period		2,500	-

23 Commitments For Expenditure

Contractual commitments

At 30 June 2011 Council had 1 new house under construction and not complete. The house had an estimated cost of \$378,510.00 of which, the balance outstanding at 30 June 2011 amounted to \$56,776.50.

At 30 June 2011 Council had the Bedourie and Birdsville Airport Terminal Upgrades still under construction and not complete. The Terminal Buildings have an estimated cost of \$1,265,404.00 of which, the balance outstanding at 30 June 2011 amounted to \$147,931.08.

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

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
24 Contingent Liabilities (continued)			
<u>Local Government Workcare:</u>			
<p>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 \$175,812.</p>			
25 Superannuation			
<p>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 <i>Employee Benefits</i>.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The audited general purpose financial report of the scheme as at 30th June 2010 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.</p> <p>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.</p> <p>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."</p> <p>Council has been advised by the trustee of the scheme, following advise 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>			
		296,003	304,732

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements
For the Year Ended 30 June 2011

	Note	30 June 2011 Actual \$	30 June 2010 Actual \$
26 Trust Funds			
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities.			
Security deposits		69,942	69,112
		<u>69,942</u>	<u>69,112</u>
The Diamantina Shire Council performs only a custodial role in respect of these monies. These funds cannot be used by the Council.			
27 Reconciliation of Net Operating Surplus for the Year to Net Cash Inflow (Outflow) From Operating Activities			
Net operating result		4,993,768	3,956,531
Non-cash operating items:			
Depreciation		2,190,525	2,000,300
		<u>2,190,525</u>	<u>2,000,300</u>
Investing and development activities :			
Net (profit) loss on disposal of non current assets		267,646	(97,221)
Net (profit) loss on disposal of land held for resale		17,174	122,682
Net (profit) loss on disposal of land & buildings under lease purchase arrangements		210,053	-
Capital grants and contributions		(5,034,647)	(403,551)
		<u>(4,539,774)</u>	<u>(378,090)</u>
Changes in operating assets and liabilities :			
(Increase) decrease in receivables		(5,152,179)	2,911,642
(Increase) decrease in inventory		90,888	(215,881)
(Increase) decrease in other financial assets		(60,932)	
Increase (decrease) in payables		694,626	(1,205,040)
Increase (decrease) in provisions		73,193	54,902
		<u>(4,354,405)</u>	<u>1,545,623</u>
Net cash inflow from operating activities		<u><u>(1,709,885)</u></u>	<u><u>7,124,364</u></u>

28 Events After the Reporting Period

There were no material adjusting events after reporting date.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

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.

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 2011	30 June 2010
Financial Assets	Note	\$	\$
Cash and Cash Equivalents - QTC	10	9,898,027	10,193,720
Cash and Cash Equivalents - Bank	10	414,750	2,230,376
Receivables - Rates	11	151,977	153,337
Receivables - Other	11	3,090,628	339,913
Total		13,555,382	12,917,346

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

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:

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

2010	Fully Performing	Past Due			Total
		Less than 30 Days	30-60 Days	61-90 days	
	\$	\$	\$	\$	\$
Receivables	59,121	-	74,286	349,843	483,250
Accrued Revenue	1,886,705	-	-	-	1,886,705
Less: Impairment	-	-	-	(10,000)	(10,000)
Net Receivables	1,945,826	-	74,286	339,843	2,359,955

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.

Council manages the exposure to liquidity risk by maintaining sufficient under drawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 17.

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

	0 to 1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2011					
Trade and Other Payables	2,344,531	123,926	-	2,468,457	2,468,457
Loans QTC	300,445	1,446,443	285,727	2,032,615	2,032,615
	2,644,976	1,570,369	285,727	4,501,072	4,501,072
2010					
Trade and Other Payables	1,678,963	94,868	-	1,773,831	1,773,831
Loans QTC	224,758	1,290,911	241,017	1,756,686	1,756,686
	1,903,721	1,385,779	241,017	3,530,517	3,530,517

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.

DIAMANTINA SHIRE COUNCIL

Notes to the Financial Statements

For the Year Ended 30 June 2011

29 Financial Instruments (continued)

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 other areas is minimal.

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	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Financial Assets	609	-	104,648	125,774	104,648	125,774
Financial Liabilities	20,326	17,567	(20,326)	(17,567)	(20,326)	(17,567)
Net	20,935	17,567	84,321	108,207	84,321	108,207

Notes to the Financial Statements

For the Year Ended 30 June 2011

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 its self. 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 2011

MANAGEMENT CERTIFICATE

For the Year Ended 30 June 2011

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

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

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

In addition we certify that, in our opinion:

- (i) the prescribed requirements of the Local Government Act 2009 and associated Regulations for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 32, 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's as at 30th June 2011 and of their financial performance and cash flows for the financial year ended on that date.

Mayor
Robbie Dare

Date: ____/____/____

Chief Executive Officer
Scott Mason

Date: ____/____/____

DIAMANTINA SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the Year Ended 30 June 2011

MANAGEMENT CERTIFICATE

For the Year Ended 30 June 2011

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- (iii) the general purpose financial statements present a true and fair view of the Council's as at 30th June 2011 and of their financial performance and cash flows for the financial year ended on that date.



Mayor
Robbie Dare

Date: 29/11/2011



Chief Executive Officer
Scott Mason

Date: 29/11/2011