

# **Murweh Shire Council**

**Annual Report  
for  
Period Ending  
30 June 2005**





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## Foreword

Welcome to the twelveth Annual Report produced by the Murweh Shire Council.

The *Local Government Act of 1993* brought with it a number of initiatives geared towards progressing Local Government onto a corporate footing.

This report represents one of those initiatives.

Under further legislation, this year's report highlights initiatives to provide the community with information about the Council's financial statements in a form that is easily understood by the general public, known as the Community Financial Report and is documented in this annual report.

The purpose of this document is to articulate Council's vision and goals, its' achievements and performance results for the past year.

### ***VISION FOR THE SHIRE***

*"Achievement of sustainable, high quality of life and environment with prosperity, across the whole Shire community.*

### ***VISION FOR COUNCIL***

***Murweh Shire Council will be recognised for the following:-***

*Sound financial and resource management*

*Giving value to the community*

*Well developed and maintained Shire infrastructure*

*Effective communication*

*Sustainable and ongoing economic development*

*Being a good place to work*

### ***COUNCIL'S MISSION***

*To provide effective services and infrastructure to meet the needs of the Murweh community and encourage development, working with the Community to achieve a better future.*



## Composition of Council

Murweh Shire is a Corporate Body consisting of a Mayor and nine (9) Elected Members.

### ***ELECTED MEMBERS***

MAYOR	Cr. M.A O'Brien
DIVISION I	Cr. P.J. Arden Cr. C.J. Russell
DIVISION II	Cr. C.A. Barrett
DIVISION III	Cr. D.M. Cook Cr D.F. Dunne Cr.G.F. Jongkind Cr.A.J. Mobbs Cr.R.W.Bignell Cr.N.G. Swadling

### **SENIOR OFFICERS:**

Chief Executive Officer	Mr. Chris Blanch
Director of Corporate Services	Mr. Neil Polglase
Director of Engineering Services	Mr. Samson Palliyaguru
Director of Health & Environmental Services	Mr Kerry Graham (Contract E.H.O. from Tambo Shire Council)

### **COUNCIL CHAMBERS:**

#### Location:

95-101 Alfred Street, Charleville Q. 4470

#### Postal Address:

P O Box 63, Charleville Q. 4470

#### Communication:

Telephone: (07) 4656 8355  
Facsimile: (07) 4656 8399  
E-mail: [ceo@murweh.qld.gov.au](mailto:ceo@murweh.qld.gov.au)



## Meetings of Council

Council meets at the Council Chambers on the second Thursday of each calendar month.  
Committee meetings are held between 9.00am and 11.00 am with  
Council meetings held between 2.00pm and 4.00pm.

Meetings are open to the public.

The following Councillors remuneration package was adopted by Council:

1. Mayor and Councillors Attendance Fees

- a. To compensate Councillors for the time spent in attending Council Meetings, deputations, inspections and conferences they be paid \$200 per full day and \$100 per half day. Councillors who attend either before or after the luncheon adjournment or for less than 4 hours will be paid at the half day rate. An hourly fee of \$20.00/hour is applicable after 6.00pm.
- b. Remuneration for attending Regional and State Local Government Conferences, delegates be paid \$200 per day.

2. Mayor Allowance

The annual allowance payable to the Mayor will be \$20,000.00. This allowance will be in addition to the fees payable to the Mayor under Part 1 above.

3. Deputy Mayor Allowance

The annual allowance payable to the Deputy Mayor will be \$5,000.00. This annual allowance will be in addition to the fees payable to the Deputy Mayor under Part 1 above.

4. Travel Allowance

Where the elected member travels in his/her privately owned vehicle during the course of his/her duties, an expense allowance will be paid per kilometre at rates described in Determination No. 12 under the Queensland Public Sector Management Regulations, as amended from time to time..

Where elected members opt to use his/her own vehicle in lieu of a Council provided vehicle they will be reimbursed for the cost of fuel only.

5. Reimbursement of Expenses

Councillors will be reimbursed for out-of-pocket expenses which are reasonably incurred in attending conferences, deputations and inspections where attendance of the Councillor has been specifically authorised by resolution of Council. Reimbursement will be made upon production of a receipt by the Councillor.

The remuneration system is based on that which has been standard practice throughout Local Government in Queensland for many years. Council sees attendance at meetings etc. outlined in this package as being an appropriate remuneration base which reflects efforts by Councillors in carrying out their statutory roles. A Councillor should not be out-of-pocket for attending to the duties of office of a Councillor.

Statistics of Meeting attendance and remuneration for each individual Councillor, is detailed below :-

**STATISTICS OF MEETING ATTENDANCE**  
**AND REMUNERATION FOR EACH INDIVIDUAL COUNCILLOR**

**Cr Mark O'Brien**

Ordinary Meetings	11
Special Meetings	1
Meetings attended elsewhere	54
Meeting Attendance Fees	13200.00
Travelling	24.40
Mayoral Allowance	23333.48
Gross Income	36557.88
Tax	12538.88

**Cr Cheryl Barrett**

Ordinary Meetings	11
Special Meetings	1
Meetings attended elsewhere	10
Meeting Attendance Fees	4400.00
Travelling	2551.02
Gross Income	6951.02
Tax	1695.02

**Cr Patricia Arden**

Ordinary Meetings	10
Special Meetings	1
Meetings attended elsewhere	12
Meeting Attendance Fees	4600.00
Travelling	3760.64
Gross Income	8360.64
Tax	2177.65

**Cr Cecil Russell**

Ordinary Meetings	11
Special Meetings	1
Meetings attended elsewhere	7.5
Meeting Attendance Fees	3900.00
Travelling	1742.16
Gross Income	5642.16
Tax	233.16

**Cr Denis Cook**

Ordinary Meetings	11
Special Meetings	1
Meetings attended elsewhere	9
Meeting Attendance Fees	4600.00
Deputy Mayoral Allowance	5000.00
Travelling	26.84
Gross Income	9626.84
Tax	2587.84

**Cr David Dunne**

Ordinary Meetings	10
Special Meetings	1
Meetings attended elsewhere	13.5
Meeting Attendance Fees	4900.00
Travelling	24.40
Gross Income	4924.40
Tax	1067.40

**Cr Roy Bignell**

Ordinary Meetings	11
Special Meetings	1
Meetings attended elsewhere	1
Meeting Attendance Fees	2600.00
Travelling	63.44
Gross Income	2667.10
Tax	497.10

**Cr Guillaume Jongkind**

Ordinary Meetings	11
Special Meetings	1
Meetings attended elsewhere	7
Meeting Attendance Fees	3800.00
Travelling	26.84
Gross Income	3826.84
Tax	744.84

**Cr Alison Mobbs**

Ordinary Meetings	11
Special Meetings	1
Meetings attended elsewhere	13.5
Meeting Attendance Fees	5100.00
Travelling	831.43
Gross Income	5931.43
Tax	1306.43

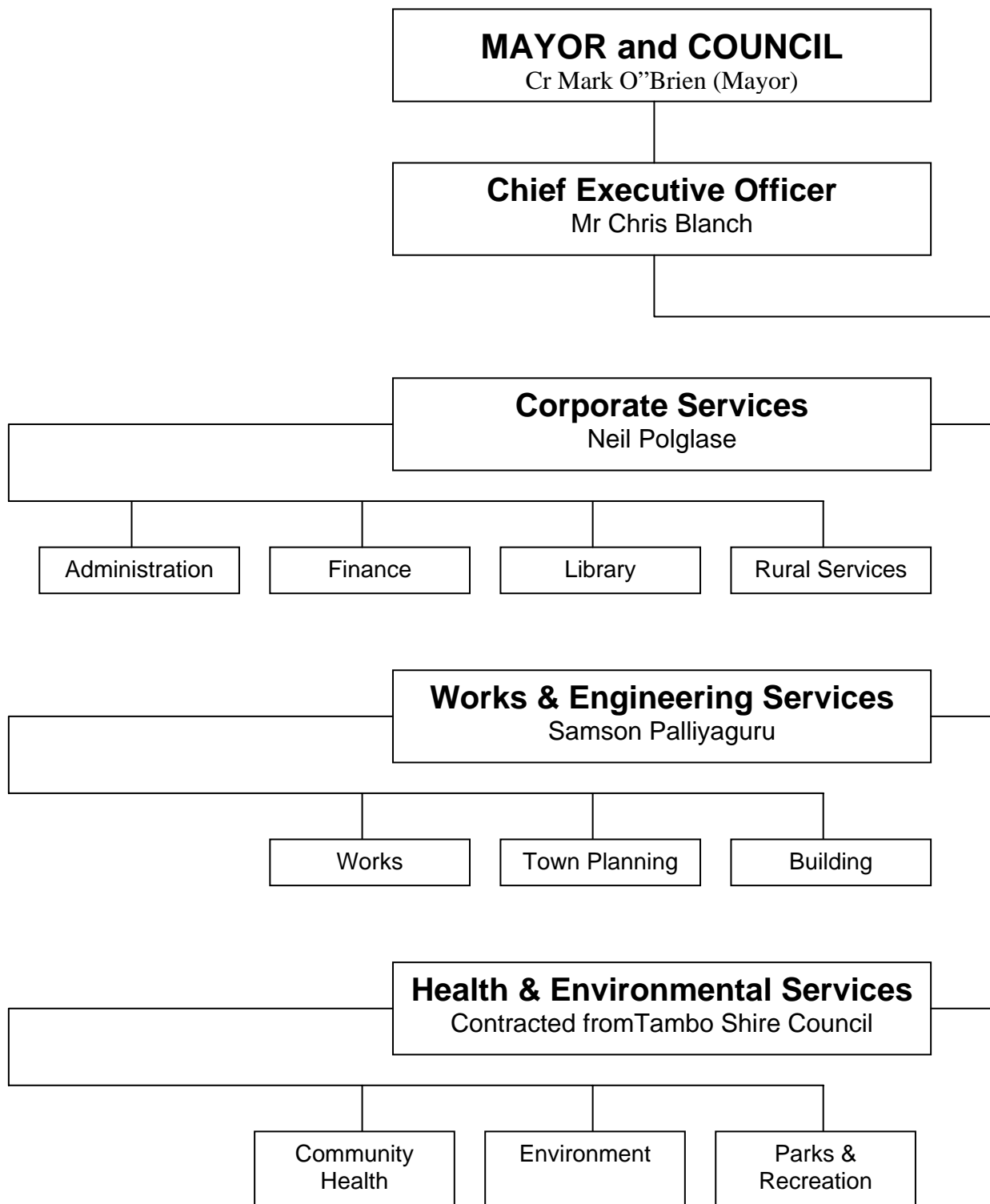
**Cr Nicholas Swadling**

Ordinary Meetings	9
Special Meetings	1
Meetings attended elsewhere	9.5
Meeting Attendance Fees	3900.00
Travelling	21.96
Gross Income	3921.96
Tax	826.96





## Council's Corporate Structure





## **Council's Major Programs & Objectives**

### **CORPORATE SERVICES**

*To efficiently and effectively manage finances and administration.*

### **HEALTH & ENVIRONMENTAL SERVICES**

*To further develop a healthy living environment*

### **WORKS & ENGINEERING SERVICES**

*To provide services of a high standard at the most effective cost.*



## Report on Operations

### Mayor's Report 2004-2005

On behalf of my fellow Councillors I am pleased to submit this report for the twelve months ending 30<sup>th</sup> June 2005.

During the year Councillors and senior staff travelled throughout the Shire to hear directly from residents the problems and issues they are facing. I can assure residents that we listened closely to their concerns and where possible have made efforts to improve the facilities and amenities for our communities.

Highlights for 2004/2005 include:

➤ Continuation of Charleville levee bank project	\$1.62M
➤ Road & street maintenance	\$1.86M
➤ Shire road & street upgrades	\$470K
➤ Kerbing, channelling & paving	\$123K
➤ Charleville water supply upgrade	\$1.12M
➤ New plant including two graders	\$1.16M
➤ Retirement of bank debt	\$596K

During the year Council also refurbished toilets and halls at Morven, Augathella, Nebine and Charleville and had a major clean up of the Cooladdi recreation grounds. Airconditioning was placed in the Newmarket bar and at the Charleville Airport terminal.

Other highlights during the year were the acceptance of our invitation to the Premier to hold a community cabinet meeting in Charleville which was very successful and well attended by people from across the region.

Congratulations must go to our staff who were awarded the title of best visitor information centre in the 2004/2005 outback Queensland tourism awards. Charleville was also a regional winner and state finalist in the 2004 Tidy Towns competition for environmental innovation award.

Next year Council embarks on an ambitious roads program that will see bitumen seals placed in areas that have not been sealed before. The levee banks in Charleville and Augathella should be completed along with the major upgrade of the Charleville water supply.

I would like to take this opportunity to thank the Deputy Mayor Denis Cook for filling in for me during absences and all my fellow Councillors for their hard work during the year. I would also like to thank the Chief Executive Officer and the Council workforce for their efforts during the year.

Mark A O'Brien  
MAYOR

## **Chief Executive Officers Report 2004/2005**

This year saw Council facing the challenge of meeting a large number of government and statutory reporting requirements of which we were successful.

An unqualified audit was obtained and our annual report was produced within the statutory time limit. Murweh Shire also adopted a new planning report for the Shire which will meet our development requirements well into the future. Two new enterprise bargaining agreements were negotiated and implemented during the year and Council produced new draft stock route management plans and pest management plans.

A major review of Council's rating policy was undertaken and a new policy for rates was also adopted by Council prior to the 2005/2006 rating period.

Council was successful in numerous applications for funding for specific works including upgrade of Memorials in Charleville and Augathella, new capital works for the stock route network, additional subsidies for the levee bank project and fast tracking of the widening of the Morven to Charleville road.

I am very grateful for the assistance given to me during the year by the Director of Corporate Services and Director of Engineering Services and also to my assistant, Mrs Jill Usher. All staff have performed very well and made a valued contribution to our service to the community.

A handwritten signature in blue ink, appearing to read 'Chris D Blanch', with a long horizontal flourish extending to the right.

Chris D Blanch  
Chief Executive Officer

## **Corporate Services Report**

Financial results for the year to 30<sup>th</sup> June, 2005 show a much improved result and a further period of consolidation from the previous year with borrowings around **\$2.8M** with Queensland Treasury Corporation; a reduction of approx. \$600K on last year; no further borrowings being undertaken this financial year.

A significant increase in revenues was apparent this financial year supported by further capital grants of approximately **\$1.1M** and recoverable works of **\$1.6M.**, this however has been offset by increases in material and service expenditure of around **\$1.4M** leaving a positive result of approximately **\$1.3M** for the year.

During the year the core business and activities for Murweh Shire Council continued to function in an effective and successful manner.

The final financial position of our accounts demonstrates that our capacity to attract and provide additional work for other related activities has continued to increase the sound business management of our organisation. Operation of Murweh Shire Council's activities and financial dealings were in a fiscally responsible and accountable manner.

The year's financial performance was strong with income and expenditure growing at the same rate and a financial performance that was consistent with the organisation's budget. There were no critical audit issues and I believe that our financial position into the future will be sound.

In line with good corporate governance, financial procedures and activities were monitored regularly with review and update of procedures occurring where appropriate, to reflect current policy. Management of business risks is central to the operations of Murweh Shire Council.

We have enhanced our contractual obligations with stakeholders and managed all financial and operating risks that exist in our diverse industry.

I wish to acknowledge and thank the staff of Murweh Shire Council especially the administration staff for their dedication, due diligence and the competent management of the organisation's financial performance

Neil Polglase  
Director Corporate Services

# **Works & Engineering Services Report**

## **Airport**

Civil Aviation Authority (CASA) audit requirements have been met during the year. General Maintenance works undertaken through out the year. Fencing completed at the baggage handling area.

## **Road Maintenance Performance Contract (RMPC):**

All work under this contract was completed to the satisfaction of the Department of Main Roads. New signage and rumble strips installed at Ward river Bridge approaches.  
An additional \$50,000 provided by Main Roads was used for gravel re-sheeting and median grading of bad section on Bollon Road beyond Nooraloo Road intersection. Total net profit of \$121,637 was made from RMPC works during the financial year 2004/05.

## **Major Projects for the Year are:**

### **Transport Infrastructure Development Scheme (TIDS):**

The following works were completed under the above program during the year.

Footpath paving Wills St. (Galatea St to Town Hall park boundary) a 20m section on Galatea St.  
Footpath paving Main St Augathella in front of Post Office and Police Station  
Concrete footpath on Edward Street (Sturt St to River St)  
Concrete footpath on Cavanagh St (Annie St to Bendee St)  
Rehabilitation of 6.8 kms on Old Tambo from Ch. 52.4 to 58.3 km

### **Morven Road Widening**

11 kms section of Morven Charleville Road from 70.7 km to 81.7km was widened to 8m bitumen standard with funding from Main Roads.

### **Main Roads Reseal Program**

Under the Main Roads western reseal contract, Council was able to make a profit of \$344,000.

## **Roads to Recovery**

Kerb & Channelling completed on sections of Walter St, Watson St, Partridge St and Hood St with a total expenditure of \$40,583.

New 4 m bitumen seal completed on Adavale Road (4.19 kms) and Mt. Morris Rd (5.374 kms)

## **Flood Mitigation Project**

Earth levee bank for Section a (length 2230m) was completed including fencing and top soil layer. All drainage structure in this section completed. Section C completed except for the last 100m at the Old Bridge on Wills Street. Section E partially completed (about 50%). Round four and five funds made available for the project have been used for the above work.

Of the 6.2 km long levee bank, there are three-earth levee (section A, C & E) and two concrete levee (section B & D) sections.

Section A: 2230m long earth section - from the start (500m north of Erbacher Rd) to 500m south of Hunter St

Section B: 585m long concrete section up to Walter St

Section C: 822m long earth wall up to Wills St

Section D: 264m long concrete wall up to 150m south of Sturt St

Section E: 2300m long earth wall up to the end at Old Cunnamulla Rd

Valuation reports for all affected properties have been prepared by State Valuation services, which was used as a basis for compensation in most cases

Private plant/machinery was hired on a need basis from a list of local suppliers to supplement Shire's machinery.

Approval for the erection of a floodgate across Sturt Street near the new bridge was sought from Department of Main Roads.

## **Flood Damage**

January 2003 flood damage works estimated at \$352,810 for various roads were completed. Major works consisted on Khyber, Oxford Down, Bennermans and Barnago Roads.

Approval was obtained for January 2004 flood damages to the value of \$569,785 and nearly 50% of work completed during the year 2004/05.

## **Water Supply and Sewerage**

Bore No.5 for Charleville water supply augmentation project was completed. Flow test revealed the quality of water good and free flow rate of 39l/s. Contract for the construction of 10 ML ground water reservoir was awarded to Merit Lining for a contact price of \$374,770.00. PVC pipes for the distribution system have been purchased.

Because of the extreme aging of water supply and sewerage infrastructure, on going repairs of breakages has been necessary. New water main was laid on Alfred St between Wildie and Hunter Street, Sturt St between Cobb & Baker Streets (East side), and relocated water line behind CBD Alfred street.

Upgraded the ablution block at the Augathella Town Hall, partly funded by SCAP.

Remedial works to stop overflow at the CED ponds at Augathella completed satisfactory.

## **Plant Replacement**

The following plants were purchased during the year.

Two Motor Graders \_Total Price \$374,088.00 after trade-in the old graders

Three small trucks

One Backhoe

One Loader

One Bobcat

Two Tractors

Orders placed for one multi tyred roller and two accommodation units with fuel trailers during 03/04 financial year were delivered by suppliers in 04/05.

## **Rural Roads**

Grading activities proceeded on Shire's Rural Road network. Heavy grading works were undertaken on Nooraloo road, Mt Tabor Road, Khyber Road, Langlo River Road, Redward Road, and Caroline crossing Rd.

## **General Works**

Improvement to drainage system at Eureka & Albert Streets in Morven Township was completed. New 600 mm under ground drainage pipe was laid along Walter Street from King Street to Bradley Gully. This project solved flash flooding on King, Parry and Watson Streets area adjacent to Walter Street in Charleville.

**Samson Palliyaguru**  
**Shire Engineer**



## Summary of Results

A summary of Revenues and Expenses for the Council by Function, is set out hereunder:

<b>REVENUES</b>	<b>2005 Actual</b>	<b>%</b>	<b>2004 Actual</b>	<b>%</b>
	<b>\$(000)</b>		<b>\$(000)</b>	
Corporate Services	5,220	35.0	4,878	42.7
Health & Environmental Services	514	3.4	584	5.1
Works & Engineering Services	9,196	61.6	5,975	52.2
	<b>14,930</b>	<b>100.0</b>	<b>11,437</b>	<b>100.0</b>

<b>EXPENSES</b>	<b>2005 Actual</b>	<b>%</b>	<b>2004 Actual</b>	<b>%</b>
	<b>\$(000)</b>		<b>\$(000)</b>	
Corporate Services	2,903	21.3	2,800	23.9
Health & Environmental Services	2,270	16.6	1,970	16.8
Works & Engineering Services	8,478	62.1	6,939	59.3
	<b>13,651</b>	<b>100.0</b>	<b>11,709</b>	<b>100.0</b>

## Workforce

	<b>30 June 2005</b>		<b>30 June 2004</b>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Corporate Services	8	18	8	18
Health & Environmental Services	10	-	10	-
Works & Engineering Services	71	2	71	2

Figures include casual employees



## **Purchasing Policy**

Council's purchasing will comply with the provisions of the Trade Practices Act 1974 (Commonwealth), the Queensland Competition Authority Act 1997 (QCCA) and the Local Government Act 1993 – S.481 to S.492.

Policy for the Acquisition of Goods and Services for less than \$10,000.00

For purchases under \$10,000.00, Council may use:-

- (a) preferred supplier arrangements;
- (b) standing offer arrangements;
- (c) registers of pre-qualified suppliers; and
- (d) Local Government Association arrangements,

where the purchases are frequent or for regular purchases of similar items (eg. stationery or fuel).

Council will review purchasing arrangements every two (2) years as required. It may however, be for a longer period of time if this produces better value for Council.



## **Internal Audit Policy**

Murweh Shire Council decided that due to the minimum number of administration staff engaged by the Murweh Shire Council, the provision of an Internal Audit and Audit Committee is impracticable and unachievable and therefore not established. However, a system of internal checking is in place as is documented throughout the various sections and is controlled by the Director of Corporate Services.

Where possible, work procedures will be developed to ensure that more than one officer is engaged in each process. Another officer for correctness will check all systems. The same officer is not to be responsible for the initial function, correctness of data input and final verification of the system. Control of purchasing of goods and entering into contracts is to be in accordance with Council's Purchasing Policy.

Council will review the Policy about appointing an Internal Auditor at least every three (3) years.



## **Audit Committee Policy**

Council, at a Meeting held on 1st August 2002, resolved that an Audit Committee will not be established.

Council will review the policy about appointing an Audit Committee, at least every three (3) years.



## Borrowing Policy

Council borrowings will be kept to a minimum and where possible the term of any loans borrowed will not extend past the current term of the Council's debt with the Queensland Treasury Corporation. Council wishes to keep all borrowings to a minimum, however should the funds be needed for capital investments, additional loans will be taken out over the shortest term possible.

No further borrowings were taken up in the 2004/2005 financial year.



## Revenue Policy

### Revenue Policy 2004/2005

#### 1.0 LEGISLATIVE AUTHORITY

Local Government Act 1993 Sections 513A, 513B, 520(1)  
Local Government Finance Standard 1994 Section 3(e), 8A

#### 2.0 INTRODUCTION

Under the *Local Government Act 1993* Council is required to review and adopt its Revenue Policy prior to the end of each financial year. The Revenue Policy is intended to be a strategic document. Its adoption, in advance of setting the budget, allows Council to set out the principles that it will use to set its budget and to identify in broad terms the general strategy to be used for raising revenue. This Revenue Policy will be of interest to ratepayers, federal and state departments, community groups and other interested parties seeking to understand the revenue policies and practices of Council.

#### 3.0 PURPOSE

The purpose of the policy is to identify the planning framework within which Council operates and to set out the principles used by Council for:

- Making of rates and charges;
- Levying of rates;
- Recovery of rates and charges; and
- Concessions for rates and charges.

#### 4.0 PLANNING FRAMEWORK

The *Local Government Act 1993* sets a general planning framework within which Council must operate. There are a number of elements to the planning framework including the preparation and adoption of a Corporate Plan and Operational Plan. Section 520(1) of the Act also requires each local government to adopt a Revenue Policy as part of its annual budget.

Council considers that the best way of setting its revenue objectives, and to achieve them, is to effectively plan through each of the elements of the planning framework. The revenue policy effectively cascades down through the Corporate Plan.

Council's 2003 – 2007 Corporate Plan includes the following corporate objective:

*“Effective, prudent management of Council's funds, optimum management of Council's assets and resources”.*

This will be achieved by maintenance of Council's existing revenue sources through the following strategies:

- *Maintaining an equitable system of rating and charging through annual review of the rating and charging structure; and*
- *Maximising other revenue sources, grants and subsidies.*

## **5.0 PRINCIPLES**

### **5.1 Making of rates and charges**

In general Council will be guided by the principle of user pays in the making of rates and charges so as to minimise the impact of rating on the efficiency of the local economy. However, Council provides services that are not fully cost recoverable but are deemed to be provided as a Community Service Obligation and are cross subsidised, any subsidy will be clearly identified in accordance with Council's Community Service Obligation Policy.

Council will also have regard to the principles of:

- transparency in the making of rates and charges;
- having in place a rating regime that is simple and inexpensive to administer;
- equity by taking account of the different levels of capacity to pay within the local community;
- responsibility in achieving the objectives, actions and strategies in Council's Corporate and Operational Plans;
- flexibility to take account of changes in the local economic, adverse seasonal conditions and extraordinary circumstances;
- maintaining valuation relativities within the shire;
- maintaining shire services to an appropriate standard;
- meeting the needs and expectations of the general community; and
- assessing availability of other revenue sources.

### **5.2 Levy of rates**

In levying rates Council will apply the principles of:

- making clear what is the Councils and each ratepayers responsibility to the rating system;
- making the levying system simple and inexpensive to administer;
- timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy; and
- equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

### **5.3 Recovery of rates and charges**

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. It will be guided by the principles of:

- transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them meet their financial obligations;
- making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective;
- capacity to pay in determining appropriate arrangements for different sectors of the community;
- equity by having regard to providing the same treatment for ratepayers with similar circumstances; and
- flexibility by responding where necessary to changes in the local economy.

### **5.4 Concessions for rates and charges**

In considering the application of concessions, Council will be guided by the principles of:

- equity by having regard to the different levels of capacity to pay within the local community,
- the same treatment for ratepayers with similar circumstances;
- transparency by making clear the requirements necessary to receive concessions, and
- flexibility to allow Council to respond to local economic issues, adverse seasonal conditions and extraordinary circumstances; and
- fairness in considering the provision of community service concessions.



## **Revenue Statement**

### **1.0 LEGISLATIVE AUTHORITY**

Local Government Act 1993 Section 520A.  
Local Government Finance Standard Section 28

### **2.0 INTRODUCTION**

Under the Local Government Act 1993 Council is required to review and adopt its Revenue statement as part of its annual budget.

### **3.0 PURPOSE**

The revenue statement is an explanatory statement that accompanies the budget, outlining and explaining the revenue measures adopted in the budget. Matters that must be included in the revenue statement include:

- (a) an outline and explanation of the revenue raising measures adopted, including, for example, an outline and explanation of –
  - (i) the rates and charges to be made and levied in the financial year; and

- (ii) the rebates and concessions to be granted in the financial year;
- (b) whether the local government has made a resolution limiting the increases in rates and charges;
- (c) the extent to which physical and social infrastructure costs for new development are to be funded by charges for the development;
- (d) whether the operating capability of the local government is to be maintained, increased or decreased and, if it is to be increased or decreased, the extent to which it is to be increased or decreased; and
- (e) whether depreciation and other non-cash expenses are to be fully funded.

## **4.0 BUDGET REVENUES**

Rates and charges are a significant component in a local government's overall revenue raising system. Rates and charges revenues included in Council's budget for the financial year 2004/2005 are as follows:-

### ***4.1 General Rates***

General Rates are based on an annual valuation as set by the Department of Natural Resources and Mines and Council has in terms of Section 966 of the Local Government Act 1993 established a policy on making and levying differential general rates for the 2004/2005 Financial Year.

The Council is required to raise an amount of revenue it sees as being appropriate to maintain assets and provide services to the Shire as a whole. In deciding how that revenue is raised, the Council is able to take into account the following factors:-

- the rateable value of the land and the rates which would be payable if only one general rate was adopted; and
- the level of services provided to that land and the cost of providing those services compared to the rate burden that would apply under a single general rate; and
- the use of the land in so far as it relates to the extent of utilisation of Council's services; and
- location and access to services.

The scheme will have eight (8) categories of land. The categories adopted, and the criteria for each category including the considerations which have led to the creation of each category, are as follows:-

### **Town (Urban) lands within the Murweh Shire**

#### **Category 1**

Urban land within the township of Charleville as defined in Council's current transitional Town Plan. The town of Charleville is the main urban centre of the Shire and as such has ready access to a greater range of Council services than other areas in the Shire.

#### **Category 2**

Urban land within the township of Augathella as defined in Council's current transitional Town Plan. The town of Augathella is approximately 90 kilometres north of Charleville and does not have the same level of facilities and services available as Charleville.

### Category 3

Urban land within the township of Morven as defined in Council's current transitional Town Plan. The town of Morven is approximately 85 kilometres east of Charleville and does not have the same level of facilities and services available as Charleville or Augathella.

### **Rural lands within the Murweh Shire**

A recent revaluation of the unimproved capital values (UCV) has identified inequities in the incidence of rural rate levies based solely on UCV. This occurs primarily because the intensity of rural land use, and consequent impact on service needs, relates more to the improved nature of the land. As such a classification system based on rural property area providing a mechanism to overcome the current inequities where UCV is used for rating across such a large and diverse portion of the Shire has been used.

There is an identifiable relationship between property area and the need for a basic level of Council service.

### Category 6

All lands outside the defined urban areas stated in Council's transitional Town Plan as rural land containing an area of less than 700 ha.

### Category 7

All lands outside the defined urban areas stated in Council's transitional Town Plan as rural land containing an area between 700 ha but less than 5,000ha

### Category 8

All lands outside the defined urban areas stated in Council's transitional Town Plan as rural land containing an area greater than 5,000 ha but less than 10,000 ha.

### Category 9

All lands outside the defined urban areas stated in Council's transitional Town Plan as rural land containing an area greater than 10,000 ha but less than 20,000 ha.

### Category 10

All lands outside the defined urban areas stated in Council's transitional Town Plan as rural land containing an area greater than 20,000 ha.

## ***4.2 Minimum General Rates***

Owing to the diversity of lands held in the Murweh Shire, and the identifiable relationship between property area and the need for a basic level of Council service, with subsequent differential rating categories, has allowed the Council in terms of Section 967 of the Local Government Act 1993 the use of differential minimum general rates for each category. Differential minimum general rates for each category are as follows: -

<b>Differential Rate Categories</b>	<b>Differential Minimum General Rate</b>
<b><u>Town (Urban) categories</u></b>	
Rate Categories 1,2,3	<b>\$ 310.00</b>
<b><u>Rural Categories</u></b>	
Rate Category 6	<b>\$310.00</b>
Rate Category 7	<b>\$1,020.00</b>
Rate Category 8	<b>\$2,446.00</b>
Rate Category 9	<b>\$3,366.00</b>
Rate Category 10	<b>\$4,697.00</b>

### **4.3 Special Rates**

The Rural Lands Protection Board established a netting fence within the Murweh Shire rural lands for the protection from wild dogs or ‘dingoes’, commonly known as the “Wild Dog Barrier Fence”. Council is charged a precept each year for the maintenance and upgrade of this fence.

A special charge, in terms of Section 971 of the Local Government Act 1993 will be levied on all rateable rural land situated on the western and southern side of the Wild Dog Barrier Fence having an area of 3,000ha or greater for the purpose of contributing towards the maintenance and upgrade of this fence.

The Council is of the opinion that all land within the area receives a special benefit from this fence.

The levy is based on the annual wild dog barrier fence precept requested from the Department of Natural Resources and Mines each year, with 80% of this precept being provided from the levy and the remaining 20% provided from general revenues.

In establishing this levy that no property shall contribute in excess of \$900.00 through this special levy.

## **5.0 Utility Charges**

### **5.1 Sewerage Charges**

A sewerage charge will be levied on each occupied property that Council has or is able to provide with sewerage services.

A separate utility charge for water and sewerage will be set to primarily recover all of the costs associated with the provision of water, sewerage and wastewater services provided by Council in the financial year. These costs include loan interest, depreciation and the on-going maintenance and operation of the system, including treatment plant operations.

A sewerage charge will be set for each pedestal on the above occupied property.

For the first WC pedestal, a base sewerage charge will apply. Where a lot is comprised of more than one unit and each unit is capable of separate use, a sewerage charge will apply for the first pedestal in each unit.

Residential dwellings with more than one WC pedestal, only the first WC pedestal shall be subject to a base sewerage charge with each additional pedestal to be charged at a concessional rate to be decided by Council.

Sewerage charges for commercial properties including motel, flats, aged persons units, retirement villages, schools, hospital etc will be on the basis charged for each connected pedestal at an amount equivalent to the base sewerage charge.



As the township of Augathella has a reduced service with regard to a Common Effluent Drainage (C.E.D.) Scheme as opposed to a fully sewerage scheme, reduced charges apply to this township. No scheme currently exists in the township of Morven and as such, these charges do not apply to the township of Morven.

## **5.2 Cleansing Charges**

The Murweh Shire Council will levy a cleansing charge on the owner of each parcel of occupied land or structure within the urban areas of the Shire. Where there is more than one structure on land capable of separate occupation a charge will be made for each structure.

Where a service is provided for part of the year cleansing charges will be levied on a pro rata time basis.

### **Township of Charleville**

For domestic and commercial users the charge will be for a weekly collection of a 240 litre mobile bin.

### **Townships of Augathella and Morven**

For domestic and commercial users the charge will be for a weekly collection of a standard size bin and lid or other container approved by the Council. Additional charges will apply for collection of bins with capacity greater than a standard size bin.

The costs incurred in the operation and maintenance of all waste management functions of Council will primarily be funded by cleansing charges. The proceeds from the charges will fund the acquisition, operation and maintenance of all Council rubbish tips and the protection of the environment generally.

## **5.3 Water**

A separate utility charge for water and sewerage will be set to primarily recover all of the costs associated with the provision of water, sewerage and wastewater services provided by Council in the financial year. These costs include loan interest, depreciation and the on-going maintenance and operation of the system, including treatment plant operations.

As far as practical Water Charges will be levied on a unit rate basis with the number of units to reflect the expected use for respective categories. Excess water charges are applied to those consumers who exceed the expected use.

A base unit charge is set at Council's budget each year, with a basic domestic dwelling allocated ten (10) units for water consumption. The applicable water charge (based for a domestic dwelling) is as follows:-

Base unit charge (as per yearly budget) x No. of units 10 (domestic dwelling.).

Annual water allocations are then assigned to each category with excess water being levied to consumers who exceed their annual allocation.

Water allocations for the financial year 2004/05 is 120 kilolitres per unit of water allowable, with an additional 100 kilolitres being allowed at no additional charge.

Water allocation for a basic domestic dwelling is as follows:

Allocation 120kl /per unit x No. of units (10) = Yearly allocation 1,200 kl plus  
Additional units at no charge = Yearly allocation 100 kl  
Domestic dwelling = 1,300 kl

Schedule of categories and units allocated are as follows:-

CATEGORY	CHARLEVILLE <u>Unit</u>	AUGATHELLA <u>Unit</u>	MORVEN <u>Unit</u>
Dwelling	10	10	10
Vacant	3	3	3
Shed, Hall	6	6	6
Church, Flat, Shop, Office, Lodge, Hairdresser, Fire Station, Picture Theatre	8	8	8
Building not specified	10	10	10
Squash Court, Service Station / Garage, Milk Depot, Sawmill, Kangaroo Chiller, Bank / Residence, Bakery	18	18	13
Butcher Shop	18	10	10
Cafe Milk Bar	25	25	14
Clubs – Warrego, RSL, Golf, Bowls, Oil Depot, Laundry, Rodeo Grounds	30	30	
Hotel/Hostel	35	35	9
Per Room	1	1	1
Motels/Caravan Park	10	10	10
Per room/site	1	1	1
Schools – Government	200	50	50
Pre-School, Convent School Oval	100	24	
Police Station	60	30	30
Post Office	40	8	3
Court House	50		
Hospital	400	65	40
Nursing Home	400		
Railway Station	160		
Aerodrome	250		
Meat Processing Plant	100		
Pig Farm		10	10
Dairy			10
Guest House	10	20	
Racecourse		10	10
Retirement Village	44		
Nursery / Market Garden	8		
Horse Stables	6		
Readymix Concrete	15		
Gun Club	3		
Small Bore Rifle Club	3		
Cosmos Centre	18		

Meter readings.

Six monthly meter readings are conducted around January and end of June, early July each year.

Damaged or Meters Registering Inaccurately.

Under Council's current legislation, if any meter ceases to register, is reported out of order or registers inaccurately, Council may estimate the charge for the water supplied during the period such meter was not in working order by taking an average of the quantity used during the previous year or during the corresponding period of the previous year, as the Council deems fit, or alternatively the Council may cause a check meter to be installed and estimate the charge upon the registration thereof.

## **6.0 Regulatory Fees**

Regulatory fees comprise a not insignificant proportion of a local government's own source revenue.

Council under Section 1071A of the Local Government Act 1993 may, by local law or resolution fix a regulatory fee for any of the following: -

- An application for, or the issue of an approval, consent, licence, permission, registration or other authority under a local government Act
- Recording a change of ownership of land
- Giving information kept under a local government Act
- Seizing property or animals under a local government Act

The criteria adopted by the Council in setting the level of all regulatory fees is that the Council seeks, as far as practicable, to set such fees at a level which will generate sufficient revenue to meet the costs incurred for the matter to which the fee relates. In doing so, Council recognises the necessity to comply always with the statutory requirement that a regulatory fee must not be more than the cost to the local government of providing the service or taking the action for which the fee is charged.

The proceeds of a regulatory fee must be used to provide the particular service or facility, to which the fee relates, to the community.

### **Commercial Charges**

General powers granted to local government by the State in Section 36(2)(c) of the Local Government Act, allow Council's to make commercial charges for services and facilities they provide.

As distinct from regulatory fees, commercial charges are subject to the Commonwealth Government's Goods and Services Tax.

Council is required to keep a register of regulatory fees and to separate regulatory fees from commercial fees in the register and to have the register open for inspection to the public.

## **7.0 Rebates and concessions on rates and charges**

In considering the application of concessions, Council will be guided by the principles of :

- Equity by having regard to the different levels of capacity to pay within the local community
- The same treatment for ratepayers with similar circumstances

- Transparency by making clear the requirements necessary to receive concessions, and
- Flexibility to allow Council to respond to local economic issues

Local Government is required to provide a remission to all eligible persons in receipt of a pension through the State Government's Rate Subsidy Scheme on application to the Council.

An annual pensioner concession on General Rates to aged Pensioners on the same criteria adopted by the State Government will be made by Council to the ratepayer and such concession will be determined each year at Council's Budget Meeting.

In terms of Section 1033 (1) of the Local Government Act 1993, Council may –

- Remit the whole or a part of unpaid rates; or
- Accept a composition or another arrangement for unpaid rates

Owing to the significant community involvement of the following organisations, and upon application to Council, Council has resolved to remit the payment of general rates for the financial year 2004/2005: -

0012/00000	Augathella Tourist & Progress Assoc (75-77 Main St, Augathella)
0013/00000	Augathella Tourist & Progress Assoc (73 Main St, Augathella)
0059/00000	Augathella Cultural Assoc. Inc. (96-98 Main St, Augathella)
1007/00000	Charleville & District Youth Centre (Hixons – 92 Parry St, Charleville)
1353/20000	Retirement Village, Charleville (Watson St, Charleville)
1353/21000	Retirement Village, Charleville (Burke St, Charleville)
1645/50000	Multifunctional Child Care Centre (2 Baker St, Charleville)
1722/00000	Charleville Kindergarten Assoc (Railway Land, King St, C'ville)
1967/00000	Trustees Morven Racecourse
2043/00000	Trustees Augathella Racecourse
2048/50000	Augathella Pony Club Paddock
2168/52100	Warrego Pony Club, Charleville (Pony Club Paddock 323 ha)
2171/10000	Charleville Field Archers Assoc Inc. (Bollon Road, Charleville)

In terms of Section 957 of the Local Government Act 1993, Council may exempt from rating land used for religious, charitable, educational or public purposes. The following organisations have been given exemption under this provision until further notice:-

0017/00000	Anglican Church, Augathella (59-61 Main St, Augathella)
0084/00000	Masonic Lodge Augathella (55-57 Cavanagh St, Augathella)
0107/00000	Catholic Church, Augathella (96-98 Cavanagh St, Augathella)
0108/00000	Q.C.W.A., Augathella (100-102 Cavanagh St, Augathella)
0303/00000	Anglican Church, Charleville (Church/Rectory, Alfred St, C'ville)
0324/00000	Historic House, Charleville (Alfred St, Charleville)
0327/00000	Charleville & Dist. Senior Citizens (107-109 Alfred St, Charleville)
0515/00000	Q.C.W.A., Charleville (73 Galatea St, Charleville)
0604/00000	Presbyterian Church Charleville (Church/Hall Galatea St, C'ville)
0605/00000	Masonic Lodge, Charleville (70-72 Galatea Street, Charleville)
0612/00000	Presbyterian Church Charleville (Residence 56 Galatea St, C'ville)
0661/00000	Saint Vincent de Paul (63 Edward St, Charleville)
0805/00000	Catholic Church, Charleville (Presbytery Wills/Watson St, C'ville)
0868/00000	Sisters of Mercy, Charleville (Dwelling 92 Watson St, C'ville)
0869/11000	Girl Guides Assoc, Charleville (80 Watson St, Charleville)
0872/00000	Catholic Church, Charleville (School Oval 68 Watson St, C'ville)
0873/10000	Convent School, Charleville (Watson St, Charleville)
1252/00000	Presbyterian Church, Charleville (Dwelling 4 Warrego St, C'ville)
1288/00000	Boy Scouts Assoc, Charleville (44 Sturt St, Charleville)
1311/00000	Catholic Church, Charleville (Vacant Land 67 Wills St, C'ville)
1425/30000	Lions Club of Charleville (47 Hilda St, Charleville)

1591/00000	Jehovah Witnesses Church, Charleville (Bentwell St, Charleville)
1592/00000	Jehovah Witnesses, Vacant Land, Charleville
1756/20000	Christian Outreach Centre Charleville (Sturt St, Charleville)
1923/00000	Morven Historical Museum, Morven (53 Albert St, Morven)
1925/00000	Morven Historical Museum, Morven (55 Albert St, Morven)
1932/00000	Catholic Church, Morven (Church 44-50 Eurella St, Morven)
1935/00000	Anglican Church, Morven (Church, 33 Eurella St, Morven)
2166/00000	Royal Flying Doctor Service (Land used for radio communications)
2303/20000	Scout Association of Australia (Mangalore)

In terms of Section 1019 of the Local Government Act 1993, Discount on rates and charges will be available where all rates and charges are paid before the discount date, or within the discount period. Such discount rate will be determined each year at Council's Budget Meeting.

Discount is not applicable to Interest, Fire Levy or Excess Water Charges.

## 8.0 Limitation on increases in rates and charges

A recent revaluation of the unimproved capital values (UCV) has seen a disparity of increases in both urban and rural lands in the Murweh Shire Council, with flood free urban land in the township of Charleville increasing by 50% and rural lands increasing between 15 and 120%. In lessening the impact of these significant rises in valuation, Council has resolved to both implement differential rating and to phase in increases in both the urban and rural rating through the use of Section 1036 of the Local Government Act 1993, Limitation on increases in rates and charges. As Council has resolved to review the present rating methodology in the 2004/2005 financial year, limitations on rates has been assessed at the All Groups Consumer Price Index (annual increase to the end of March 2004) for the 2004/2005 Financial Year.

Council undertakes in terms of Section 1036 of the Local Government Act 1993 to limit increases in the following categories for the Financial Year 2004/2005 –

Township of Charleville Rate Category 1 –	2%
Rate Category 8 – Rural land between 5,000 ha but less than 10,000 ha	2%
Rate Category 9 - Rural land between 10,001ha but less than 20,000 ha	2%
Rate Category 10- Rural land 20,000ha or greater	2%

9.0 The extent physical and social infrastructure costs for new development are to be funded by charges for the development

As a consequence of the *Integrated Planning Act 1997* the Council is required to produce an infrastructure charges plan.

Development of such plan has not been commenced to date and will be undertaken when time permits.

Until such time as the plan comes into force Council's Local Planning Policy - Developer Contributions will be the basis for Council's charging practices.

Headworks Charges for water and sewerage to be determined by Council on an annual basis, will be levied.

Council's intention is that these charges will, so far as practicable, fund the whole of the cost of the provisions of development infrastructure for new development.

## 10.0 Operating capability

Council has again budgeted for a decrease in operating capability. This result is largely due to the difficulties experienced by smaller rural Councils in obtaining sufficient own source revenues to meet ever increasing demands and infrastructure replacement including the road network. This Shire having such a large road network places an enormous strain on Council resources to meet the full cost of replacement and is limited purely to the external funds received to meet this shortfall.

## 11.0 Funding of Depreciation

Council has elected not to fund depreciation expenses in circumstances where the respective assets will not be replaced or external funding sources other than loans will be obtained to fund their replacement. Depreciation is funded to the extent necessary to meet future replacement capital works other than for those asset groups identified below.

Asset groups which the council has elected not to fund are :

**Roads** – owing to the large road infrastructure in the shire and it's current operating capability the Council relies on external grants to further improve and upgrade this infrastructure.

**Aerodromes** – Council currently maintains an infrastructure maintenance reserve for this group of assets, established when handed over from the Commonwealth.

**Emergency Services** – These assets have been provided by grants from the Commonwealth and State Governments and as such, Council would rely on replacement through the same mechanism.

## 12.0 National Competition Policy NCP

Council desires to establish and operate certain activities on a business-like basis where this is likely to benefit the community. This is identified in the Corporate Plan. Accordingly, Council resolves to apply the code of competitive conduct to the following business activities in 2003-2004:

<u>Business Activity</u>	<u>Responsible Officer</u>
Area Promotion and Development)	Director Corporate

Aerodrome Operations	)	Services
Sport, Recreation and Community Facilities)	Director Environment	
Environmental Services & Health	) and Health	
Plant Operations	)	Director Engineering
Private Works Activities	)	Services
Other Roads	)	
Water and Sewerage		Water and Sewerage Manager

## 2. BA Definitions

### **Area Promotion and Development**

This covers the maintenance and operation of the tourism activities, council housing, on-going promotion of the Charleville, Augathella and Morven areas and land development.

### **Aerodrome Operations**

This covers the maintenance and operations of the airstrips at Charleville, Augathella and Morven.

## **Sports, Recreation and Community Facilities**

This covers the maintenance and operation of a wide range of public facilities including showgrounds arena, halls, park areas, racecourse public amenities, cemeteries, caravan parks, and aged care accommodation.

### **Environmental Services and Utilities**

This covers environmental and related Public Health issues, including refuse management.

### **Plant and Equipment Operations**

This will determine a fair and equitable pricing regime based on full cost pricing principles and will apply to both internal and external plant hire arrangements.

### **Other Roads Activities**

This covers government construction and maintenance contract work under sole supplier arrangements and flood damage restoration.

### **Private Works Activities**

These cover the construction, maintenance and upgrading of Council-owned roads and streets and drainage works throughout the Shire as well as work undertaken for developers and ratepayers. The application of the Code of Competitive Conduct provides additional opportunities for operating improvements.

## **Water Supply and Sewerage Services**

The reform consists of the application of full cost pricing and the separation of the component elements of community service obligations and cross subsidies for the systems at Charleville, Morven and Augathella.

## 3. Valuation of Assets

### **Deprival Values**

All assets have been valued according to the deprival value method (the cost to Council if it was deprived of those assets), which has been subject to external audit. Asset lives are continually being reviewed based on an examination to the physical condition of a sample of assets.

### **Adjusted assets**

Council has determined that prices to consumers should only be based on assets that have been efficiently invested by Council. Accordingly, any assets that are in excess of current capacity requirements or could now be constructed or provided more efficiently have been eliminated from the pricing calculations. Similarly, assets that have been financed or provided by third parties (developers or government grants) have been eliminated from pricing calculations.

## 4. Allocation of Overheads and Support Costs

Council Overheads and support costs have been allocated on the basis of the cost drivers shown in the table below. These costs and the cost drivers will be reviewed following the first year of operation.



<b>Corporate Overhead Item</b>	<b>Cost Driver</b>
CEO's OFFICE	Corporate
Governance only	
COUNCIL MEMBERS	Corporate Governance only
COMPUTER OPERATING COSTS	No. PC's at market rental
COUNCIL PROPERTIES	Floor Area at market rental
RATES AND CASHIERS	Rates/Utility revenue levied
PAYROLL, COSTING, TRAINING (Oncosted)	Labour expenditure
FINANCIAL AND ADMIN OTHER	Operating Expenditure
ENGINEERING SERVICES	Operating
Expenditure	

5. Direct and indirect expenditure

All direct and indirect costs shall be included in the costs used to set prices in each of the business activities.

6. Depreciation

For accounting purposes (subject to audit in accordance with Australian Accounting Standards) Council applies the straight-line depreciation method.

For pricing purposes, Council considers that the depreciation amount should reflect the replacement funding required to maintain the asset quality. Therefore, the straight-line depreciation method has been applied for pricing purposes in all business' activities. Funding of depreciation is based on the replacement funding requirements as per engineering analysis.

7. Tax Equivalents

All material tax equivalents have been incorporated into prices where an equivalent organisation in the private sector would be liable. Minor taxes, which would not make a material impact on prices, have not been incorporated, including stamp duty, and bank taxes. Payroll tax and land tax have been examined, and calculations have been brought to account where applicable. All Council rates and charges have been incorporated.

8. Competitive Neutrality Adjustments

Adjustments have been made in the FCP budget for the advantages and disadvantages associated with the business activities being in public ownership. The major material advantage or disadvantage identified is the additional superannuation payments made for local government, amounting to an additional 3 percent of payroll costs. Other advantages or disadvantages not specifically identified have been incorporated in the weighted average cost of capital applied for the rate of return.

9. Rate of return

Target rates of return have been set for each of the BA's and will be reviewed annually. For BA's with significant assets, the target rates of return shall be in accordance with the Department of Local Government (DLGP) Bulletin 06101. For thinly capitalised BA, such as Private Roads Activities or Other Roads, the target rate of return shall be 9% of revenue).

The Budget documents shall include a Full Cost Pricing (FCP) Budget for each BA. This Statement shall compare the Council's adopted budget with the FCP Budget and give appropriate explanations for major difference between the adopted and FCP Budget. For each BA, the FCP Budget shall show the following items:

<b>Revenue</b>
Revenue for services provided to Council
Revenue for service provided to external clients
Community Service Obligations
<b>Total Revenue</b>
Corporate overheads
Labour, Materials and Service
Depreciation
Finance costs
Other
Tax Equivalents
Competitive Neutrality Adjustments
<b>Total expenditure</b>
<b>Surplus / (Deficit)</b>
<b>Return</b>
Assets (Written Down)
Less contribution and optimised assets
Net assets for pricing purposes
<b>Rate of return (Return / Net assets)</b>



## **Landing Charges – Charleville Airport**

That for the purposes of establishing liability for charges a flight by an aircraft may be identified by documentation which includes:-

- (a) Flight strip summary used to compile records of movements of aircraft in relation to aerodromes.
- (b) Messages extracted from the Aeronautical Telecommunication Network
- (c) A flight plan submitted to Air Traffic Control
- (d) Information supplied by the Civil Aviation Authority
- (e) Recordings of messages broadcast to or from the aircraft
- (f) Recordings of movement of aircraft by ground staff (Aerodrome Attendant)

That airport charges are payable by:

- the holder of the certificate of registration for the aircraft as recorded by the Civil Aviation Authority, or;
- where the aircraft is operated under an airline or cargo licence, by the holder of the licence.

That charges and fees are payable by the end of the month in which they are billed, after which they become overdue for payment. That overdue amount attracts a late payment fee calculated as the greater of \$25.00 or 1.5% of the unpaid amount for each month or part month they remain overdue.

That aircraft for which charges are overdue for payment may be prohibited from using the airport, except in a declared emergency.

That Avdata Services be engaged to act as agent for the purpose of collecting airport charges, as per their Terms and Conditions.



## **Policy for the making of Contracts**

In entering into contracts for the carrying out of work, or the supply of goods or services, Council shall have regard to the following principles in the Local Government Act 1993 S.481

- open and effective competition;
- value for money;
- enhancement of the capabilities of local business and industry;
- environmental protection;
- ethical behaviour and fair dealing

Council shall invite written quotations before making a contract for the carrying out of work or the supply goods and services, with regard to the Local Government Act 1993 S485, for purchases between \$10,000.00 and \$100,000.00.

Tenders are required before making a contract for the carrying out of work, or the supply of goods or services, involving a cost of more than \$100,000.00 in line with the Local Government Act 1993 S.484.



## **Registers held by Council**

Register of Councillor's Interests

Register of Investments

Register of Town Planning Consent Permits

Register of Lawful Non-Conforming Uses

Register of Local Planning Policies

Register of Delegations of Authority by Council

Register of Delegations of Authority by the Chief Executive Officer

Contract Register

Register of Enterprises

Register of Interests

Register of Legal Documents

Register of Receipt Book & Receipts

Cemetery Register

Road Register

Building Application Register

Register of Local Laws

Register of Local Laws Policy

Register of Charges

Use of Council Seal



## **Community Financial Statement 2004/2005**

As part of the further development of the reporting requirements, this report is provided to highlight Council's performance and achievements for the 2004/2005 financial year and to provide information about the Council's Financial Statements in a manner easily understood by the general public.

## Our Year in Review

Below is a summary of major activities and projects undertaken to address the key outcomes outlined in the Corporate Plan. Further details of these activities are described in greater detail within the report.

### Key Achievements

#### Roads

- Road and street maintenance \$1.862M
- Shire road & street improvement \$471,000 (including State and Federal Grants )
- Kerbing & Channelling \$41,000
- Continuation of paving works \$82,000

#### Water / Sewerage

- Water maintenance – Morven \$28,535
- Water maintenance – Cville \$48,558
- Water Supply upgrade – Cville \$1.115M
- Upgrade CED ponds – Augathella - \$33,632

#### Other Structures

- Construction of the flood levee bank \$1.682M
- Aurora Estate Stage 2 \$74,000
- Improv. Augathella Ablution Block \$48,000

#### Plant & Equipment / Furniture & Fittings

- Purchase 2 new 140H graders \$690,000
- Purchase new Front End Loader \$172,000
- Purchase of new Backhoe \$135,000
- Purchase 2 new Trucks \$159,000
- Replacemnet of computer equipment \$55,000
- Purchase new 20" telescope \$37,000

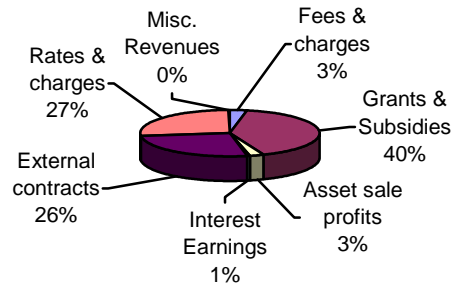
Trade-ins and sales of plant & equipment returned a gain on disposal to the Community of \$351,000 in 2004-2005.

#### Loan Repayments

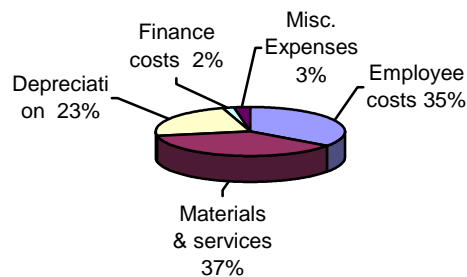
- Total Loan Repayments (Principal only) \$596,000

## Statement of Financial Performance –

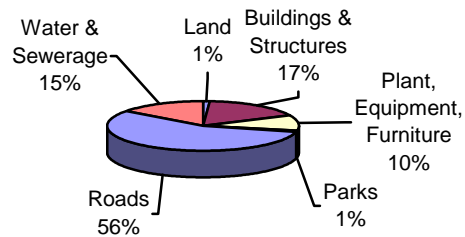
### Yearly Revenues (Money coming into Council)



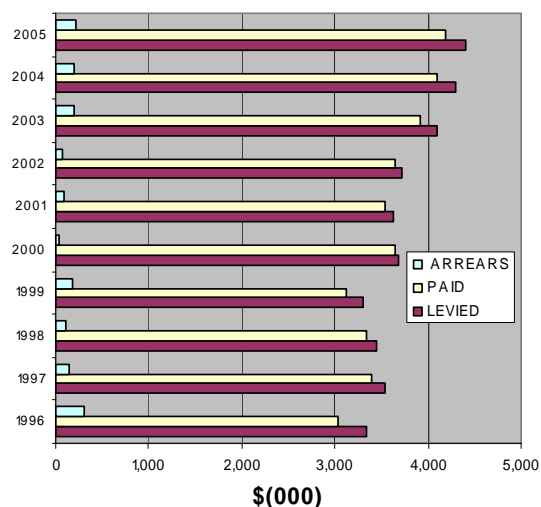
### Yearly Expenses (Money used by Council)



### Breakdown of Community Infrastructure



### 10 Year Rate Trends



**MURWEH SHIRE COUNCIL**  
**ANNUAL FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

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# MURWEH SHIRE COUNCIL

## STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
Revenue from ordinary activities	3	14,839	11,437
Expenses from ordinary activities	4	(13,477)	(11,469)
Borrowing costs	5	(238)	(240)
<b>Result from ordinary activities</b>		<b>1,124</b>	<b>(272)</b>
<b>Net Result</b>		<b>1,124</b>	<b>(272)</b>
Increase (decrease) in the asset revaluation reserve		-	-
<b>TOTAL CHANGE IN COMMUNITY EQUITY</b>		<b>1,124</b>	<b>(272)</b>

The above statement should be read in conjunction with the accompanying notes.

# MURWEH SHIRE COUNCIL

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2005

	Note	2005 \$'000	2004 \$'000
<b>Current Assets</b>			
Cash assets	12	673	2,568
Receivables	14	1,586	661
Inventories	15	228	238
Other financial assets	16	54	50
		<b>2,541</b>	<b>3,517</b>
<b>Non - Current Assets</b>			
Inventories	15	688	646
Property, plant and equipment	17a	56,591	56,726
Capital works in progress	17b	3,341	1,227
		<b>60,620</b>	<b>58,599</b>
<b>TOTAL ASSETS</b>		<b>63,161</b>	<b>62,116</b>
<b>Current Liabilities</b>			
Payables	18	923	581
Tax Liability	19	92	41
Interest bearing liabilities (loans)	20	137	596
Provisions	21	546	537
		<b>1,698</b>	<b>1,755</b>
<b>Non - Current Liabilities</b>			
Interest bearing liabilities (loans)	20	2,667	2,804
Provisions	21	701	586
		<b>3,368</b>	<b>3,390</b>
<b>TOTAL LIABILITIES</b>		<b>5,066</b>	<b>5,145</b>
<b>NET COMMUNITY ASSETS</b>		<b>58,095</b>	<b>56,971</b>
<b>Community Equity</b>			
Asset revaluation reserve	22	30,125	30,125
Other reserves	22,23,24	871	1,260
Retained surplus		27,099	25,586
<b>TOTAL COMMUNITY EQUITY</b>		<b>58,095</b>	<b>56,971</b>

The above statement should be read in conjunction with the accompanying notes.

# MURWEH SHIRE COUNCIL

## STATEMENT OF CASH FLOWS For the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
<b>Cash flows from operating activities:</b>			
Receipts from customers		13,452	11,175
Payments to suppliers and employees		(9,873)	(8,145)
		<b>3,579</b>	<b>3,030</b>
Interest received		80	142
Borrowing costs		(238)	(240)
<b>Net cash inflow (outflow) from operating activities</b>	32	<b>3,421</b>	<b>2,933</b>
<b>Cash flow from investing activities:</b>			
Payments for property, plant and equipment		(5,425)	(2,892)
Payments for land redevelopment		(74)	-
Proceeds from sale of developed land		119	45
Proceeds from sale of property, plant and equipment		660	393
<b>Net cash inflow (outflow) from investing activities</b>		<b>(4,720)</b>	<b>(2,454)</b>
<b>Cash flow from financing activities:</b>			
Proceeds from borrowings		-	-
Repayments of borrowings		(596)	(373)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(596)</b>	<b>(373)</b>
Net increase (decrease) in cash held		(1,895)	106
Cash at beginning of reporting period		2,568	2,462
<b>Cash at end of reporting period</b>		<b>673</b>	<b>2,568</b>

The above statement should be read in conjunction with the accompanying notes.



# MURWEH SHIRE COUNCIL

## STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2005

	Total		Retained Surplus		Asset Revaluation Reserve		Other Reserves	
	2005	2004	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of period	56,971	57,243	25,586	25,355	30,126	30,126	1,260	1,762
Net result for the period	1,124	(272)	1,124	(272)	-	-	-	-
Transfers to reserves	0	-	(31)	(28)	-	-	31	28
Transfers from reserves	0	-	420	531	-	-	(420)	(531)
Transfers between reserves	-	-	-	-	-	-	-	-
Asset revaluation adjustments	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>58,095</b>	<b>56,971</b>	<b>27,099</b>	<b>25,586</b>	<b>30,126</b>	<b>30,126</b>	<b>871</b>	<b>1,260</b>

Note 22

Notes 22, 23 & 24

# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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### 1 Statement of Significant Accounting Policies

These financial statements, which are general purpose financial statements, have been drawn up in accordance with Australian Accounting Standards, Urgent Issues Group consensus views, the Local Government Act 1993 and the Local Government Finance Standard 1994. Except where stated, the financial statements have been prepared in accordance with the historical cost convention. The accounting policies adopted are consistent with those for the previous year and the accrual basis of accounting has been used.

No consolidated financial statements have been prepared for the Murweh Shire Council and its controlled entities for the year ended 30 June 2005 as the controlled entities' transactions are not considered to be material. As such, transactions between Council and its controlled entities have not been eliminated.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report.

#### (a) 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 **Note 31** to the Financial Statements for information purposes only.

#### (b) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). As such, input tax credits receivable and GST payable from/to the Australian Tax Office are recognised and accrued.

#### (c) Inventories

Inventories are valued at the lower of cost and net realisable value and includes, 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.

#### (d) Land held for resale

**(i) Held as an inventory asset** - Land approved by Council for resale and classified as inventory is recognised as a current asset (**Note 15**). It is valued at carrying value on transfer to inventory or cost if acquired as an inventory item, or net realisable value where that is lower. That portion of the land that is not expected to be sold within 12 months is classified as a non-current asset.

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

**(ii) Held as a non-current inventory asset** - Land approved for resale is recorded as part of the Council's inventory assets (**Note 15**) and are valued at lower of cost or net market value based on current market prices of undeveloped land in the vicinity, or in a similar area, having similar characteristics of the land held at the time the land development is proposed and approved by Council.

#### (e) Construction contracts and works in progress

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

# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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### (f) Property, plant and equipment

**(i) Acquisition** - 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 architect's fees and engineering design fees and all other establishment costs. Non-monetary assets, including property, plant and equipment, received in the form of grants or contributions, are recognised as assets and revenues at fair value by Council valuation. 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.

Actual cost is used for the initial recording of all acquisitions of assets unless these have been received as a result of a local government restructure.

Non-monetary assets received in the form of contributions and assets received in a local government restructure, are recognised as assets and revenues at fair value by Council valuation. Fair value means the amount which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**(ii) Non-current assets threshold** - Items of property, plant and equipment with a total value less than the minimum asset recognition threshold identified in (f) (v) are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

**(iii) Capital and operating expenditure** - Wage and material expenditure incurred for the acquisition, construction or enhancement of assets is treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operating capacity of the non-current asset are expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

**(iv) Valuation** - Land, buildings, infrastructure and heritage and cultural assets are measured at fair value in accordance with *AASB 1041 Revaluation of Non-Current Assets* and the *Local Government Finance Standard 1994*. All other non-current assets, principally plant and equipment and intangibles, are measured at cost.

Assets which have a useful life of ten years or less or cost less than \$50,000 are shown in the financial statements at their historical cost less accumulated depreciation.

Non-current physical assets measured at fair value are comprehensively 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. Only those assets, the total values of which are material, compared to the value of the class of assets to which they belong, are comprehensively revalued.

Details of valuers and methods of valuations are disclosed in **Note 17c**.

**(v) Depreciation** - Land is not depreciated as it has an unlimited useful life. Depreciation on 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.

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

Plant and equipment assets which are subject to finance leases are amortised on a straight line basis over the term of the lease, or where it is likely that the Council will obtain ownership of the asset, the expected useful life of the asset to the Council.

Separately identified components of assets are measured on the same basis as the assets to which they relate and are recognised as a separate asset. These items or components may be replaced during the life of the complex asset. Each component is depreciated over its individual life or the life of the complex asset if shorter.

**MURWEH SHIRE COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

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# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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### (f) Property, plant and equipment (continued)

The estimated useful lives of property, plant and equipment are reviewed annually. For each class of depreciable asset the following depreciation rates were used:

ASSETS	Range of estimated useful life in years	Minimum asset recognition
Land (including parks)	Not depreciated	No minimum
Land Improvements	10 - 30	\$5,000
Buildings and Other Structures	10 - 80	\$5,000
Plant and Equipment	03 - 10	\$5,000
Furniture and Fittings	02 - 05	\$2,000
Road Infrastructure	05 - 50	\$5,000
Water Infrastructure	10 - 100	\$5,000
Sewerage Infrastructure	10 - 80	\$5,000

**(vi) Funding of Depreciation** - Council has elected not to fund depreciation expenses in circumstances where the respective assets will not be replaced or external funding sources other than loans will be obtained to fund their replacement. Depreciation is funded to the extent necessary to meet future replacement capital works other than for those asset groups identified below: -

**Roads** - owing to the large road infrastructure in the shire and its current operating capability the Council relies on external grants to further improve and upgrade this infrastructure.

**Aerodromes**- Council has currently maintained an infrastructure maintenance reserve for this asset, established when handed over from the Commonwealth for improvements

**Emergency**- These assets have been provided by grants from the Commonwealth and State Governments and as such Council would rely on replacement through the same mechanism.

### (g) Leases

Leases of plant and equipment under which the Council assumes substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases are classified as operating leases, where substantially all the risks and benefits remain with the lessor, and are charged as expenses in the periods in which they are incurred.

**Finance Leases** are capitalised in that a lease asset and liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense in the accounting period in which they are incurred. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. The asset is amortised on a straight line basis over the term of the lease or where it is likely the Council will obtain ownership of the asset, the life of the asset.

**Operating Leases:** payments are expensed in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

### (h) Investments

Investments are brought to account at net fair value and interest income is recognised as it accrues.

### (i) Receivables

Receivables are due and payable within 30 days and are carried at amounts due.

The collectability of debts is assessed at the reporting date and provision is made for doubtful accounts where it is no longer probable that the amount owing will be collected.

### (j) Other Financial Assets

Other Financial Assets are brought to account at the lower of cost and recoverable amount and are disclosed at the fair values indicated in **Note 16**. Interest and dividend revenues are recognised on an accrual basis.

# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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### (k) Payables

Accounts payable have been recognised as a liability where an obligation to pay for goods and services received can be reliably measured and it is probable the account will have to be paid. This usually occurs at the time of the goods being received or the service being performed. The amount recognised for each creditor is based on purchase or contract costs. These amounts are unsecured and normally settled within 30 days.

### (l) Provisions - employee entitlements

Employee entitlements are accrued for such items as wages and salaries, annual leave, sick leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee entitlements 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.

**(i) Wages and salaries** - A liability for wages and salaries 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 is treated as a creditor of the Council and not as an employee entitlement.

**(ii) Annual leave** - A liability for annual leave is recognised and based on current wage and salary levels with an additional allowance being made for employee on-costs.

**(iii) Superannuation** - The superannuation expense for the reporting period is the amount of the statutory contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in **Note 29**.

**(iv) 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 interest rates attaching, as at the reporting date, to Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value. The value of the liability was calculated using current pay rates with an additional allowance for employee on-costs.

**(v) Sick leave** - A liability for vested sick leave is recognised and based on current wage and salary levels with an additional allowance being made for employee on-costs.

### (m) Interest Bearing liabilities

Loans payable are recognised at the book value of the principal outstanding, interest being expensed or otherwise recognised as it accrues. The value of these loans is disclosed in **Note 25**.

### (n) Rates, grants and other revenue

Rates, grants and other revenue are recognised as revenues when the Council obtains control over assets comprising the contributions. Receivables are recorded at nominal amounts less any provision for doubtful debts. Credit terms are 30 days.

**(i) Rates** - Control over assets acquired from rates is obtained at the commencement of the rating period. Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue at that time. Rates received in advance totaled \$84,455 at 30 June 2005.

**(ii) Grants and subsidies** - Control over granted assets is normally obtained upon their receipt or upon Council becoming unconditionally entitled to the funding.

**(iii) Non-cash contributions** - Non-cash contributions in excess of \$5,000 in value are recognised as revenue and as non-current assets. Non-cash contributions below \$5,000 are recorded as revenue only.

**(iv) Other revenue including contributions** - other revenue is recognised as a receivable when it is probable that the receipt will occur and it can be measured, otherwise the amount is recognised upon receipt. Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts pertaining to those undischarged conditions are carried in the constrained works reserve.

# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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### (o) Components of equity

**(i) Asset revaluation reserve** - The asset revaluation reserve is comprised of adjustments relating to changes in value of assets which arise primarily from changes in the purchasing power of money. Net incremental changes in the carrying value of classes of capital non-current assets, since their initial recognition, are accumulated in this reserve. Where a class of asset is revalued down, without a prior revaluation credit in the asset revaluation reserve, the asset revaluation decrement net of the corresponding adjustment to the accumulated depreciation is treated as an operating expense. Note 22

**(ii) Reserves held for future capital expenditure** - These are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future capital assets needs. In each case the amount relates to a perceived future requirement which is not currently a liability. Notes 22 & 23

**(a) Constrained works reserve** - This reserve is credited with all grants, subsidies and contributions of monetary revenue received during the reported period and constrained for the purpose of funding specific capital expenditure. As the expenditure is incurred on specified capital assets the equivalent funds are transferred to retained surplus. The closing balance reported at the period end represents funds not yet expended and must be retained until expended in the manner specified by the contributor.

**(b) Town water reserve** - This reserve was created to contribute to future funding for new water infrastructure and provide a contingency amount to offset any major unforeseen water supply works which are required.

**(c) Building reserve** - This reserve was created to contribute to future funding for construction of new buildings and provide a contingency amount to offset any major unforeseen infrastructure works which are required.

**(d) Plant renewal and purchases reserve** - This reserve was created to provide future funds for new major road plant and equipment items.

**(iv) Reserves held for future recurrent expenditure** - These are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future recurrent or operating expenditure needs. In each case the amount relates to a perceived future requirement which is not currently a liability. Note 24

**(a) Charleville aerodrome maintenance reserve** - This reserve was created to provide funding to meet unexpected maintenance requirements.

**(b) Non-capital grants reserve** - This reserve was created to provide for funding to meet unexpected maintenance requirements.

**(v) Retained surplus** - This represents amount of Council's net funds not set aside in reserves to meet specific future needs. The main part of this amount is not available for Council to spend as it has already been invested in assets used to provide services.

### (p) National Competition Policy

The Council has reviewed its activities and has decided that it will no longer apply the code of competitive conduct to any of its activities.

### (q) Comparative Figures

Amounts included in the financial statements have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero.

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

### (r) Cash Assets

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked as well as deposits at call with financial institutions. It also includes bank overdrafts and liquid investments with short periods to maturity that are readily convertible to cash at the Council's option and that are subject to a low risk of changes in value.

# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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(s) **Adoption of international financial reporting standards (IFRS)**

The Financial Reporting Council has determined that all entities preparing general purpose financial statements will apply the Australian Equivalents to International Financial Reporting Standards (IFRSs) for reporting periods beginning on or after 1 January 2005.

The Council has assessed the implications of the new reporting requirements on the policies, procedures, systems and financial reports of the Council. Details of the effects of the change are shown in **Note 35**



# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

### 2 a Analysis of results by function

Revenue, expenses and assets have been attributed to the following functions:

	Grants	Revenue Other	Total	Total Expenses	Net Result	Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2005</b>						
Corporate Services	2,131	3,089	5,220	3,058	2,162	11,718
Engineering	3,488	3,800	7,288	7,345	(57)	42,391
Health & Environmental Services	53	461	514	2,270	(1,756)	0
Water & Sewerage Services	385	1,523	1,908	1,133	775	9,059
<b>Total</b>	<b>6,057</b>	<b>8,873</b>	<b>14,930</b>	<b>13,806</b>	<b>1,124</b>	<b>63,168</b>
<b>2004</b>						
Corporate Services	2,081	2,834	4,915	2,836	2,079	12,925
Engineering	1,630	2,875	4,505	5,861	(1,356)	40,685
Health & Environmental Services	123	461	584	1,970	(1,386)	0
Water & Sewerage Services	48	1,422	1,470	1,079	391	8,577
<b>Total</b>	<b>3,882</b>	<b>7,592</b>	<b>11,474</b>	<b>11,746</b>	<b>(272)</b>	<b>62,187</b>
			Note 3	Notes 4 & 5		

### 2 b Component Programs / Functions

#### Corporate Services

Includes general administrative functions (clerical support, records, purchasing, payroll, costing, creditors and payments), strategic support (meetings, policy development, budgeting), human resources management (personnel, recruitment, training and development), public relations, revenue, etc.

#### Engineering Services

Includes construction and maintenance of shire and state controlled roads, stormwater drainage, footpaths, bicycle ways, other private works, street lighting, plant management, engineering development and design.

#### Health/Environmental Services

Includes animal control, pest control, health regulation and compliance, immunisation, environmental monitoring, river management, parks and gardens maintenance, refuse collection, waste management and aged housing management.

#### Water and Sewerage Services

The provision of reticulated untreated bore water and the treatment of sewerage waste water

**MURWEH SHIRE COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

	<i>Note</i>	<b>2005 \$'000</b>	<b>2004 \$'000</b>
<b>3 Revenue from Ordinary Activities</b>			
<b>Operating income:</b>			
General rates #		2,409	2,292
Water		1,029	987
Water excess		46	-
Sewerage		586	563
Cleansing charges		334	322
		<u>4,403</u>	<u>4,164</u>
Less: Discounts		(383)	(371)
Less: Pensioner remissions		(57)	(22)
<b>Net rates and utility charges</b>		<u>3,963</u>	<u>3,771</u>
 Fees and Charges		 454	 390
Sales contracts and Recoverable works		3,871	2,133
Government grants, subsidies, contributions and donations	6(i)	4,290	4,181
Gain on sale of developed land	7	29	8
Interest received from investments		80	142
Other		34	44
<b>Total operating income</b>		<u>12,721</u>	<u>10,669</u>
 <b>Capital income:</b>			
Government grants and contributions	6(ii)	1,767	609
Gain (loss) on the disposal of capital assets	8	351	159
<b>Total capital income</b>		<u>2,118</u>	<u>768</u>
<b>Revenue from ordinary activities</b>		<u>14,839</u>	<u>11,437</u>

# Rates include interest on rates charged on amounts outstanding beyond the expiry of the discount period.

**4 Expenses from ordinary activities**

<b>Operating costs:</b>			
Employee costs	9	4,894	4,313
Materials and services		5,039	3,672
Depreciation and amortisation	10	3,157	3,103
Bank charges		8	8
Other expenses	11	379	373
<b>Total operating before interest expenses</b>		<u>13,477</u>	<u>11,469</u>

**5 Borrowing Costs**

Finance costs charged by Queensland Treasury Corporation		238	240
		<u>238</u>	<u>240</u>

**MURWEH SHIRE COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

	<i>Note</i>	<i>2005 \$'000</i>	<i>2004 \$'000</i>
<b>6 Grants, subsidies, contributions and donations</b>			
<b>(i) Operational government grants, subsidies and contributions are analysed as follows</b>			
Contributions		-	-
Specific project government subsidies and grants		1,227	1,123
General purpose government grants		3,063	3,058
<b>Total recurrent revenue</b>	3	<u>4,290</u>	<u>4,181</u>
<b>(ii) Capital government grants, subsidies and contributions are analysed as follows</b>			
Monetary revenue constrained for capital purposes:			
Government grants and subsidies		1,767	609
Contributions		-	-
Total constrained revenue		<u>1,767</u>	<u>609</u>
Non-monetary revenue		-	-
<b>Total capital revenue</b>	3	<u>1,767</u>	<u>609</u>
<b>7 Gain (loss) on sale of developed land (inventory asset)</b>			
Proceeds from the sale of land developed for resale		119	45
Less: Current cost of developed land sold		(90)	(37)
	3	<u>29</u>	<u>8</u>
<b>8 Gain (loss) on the disposal of non-current assets</b>			
Proceeds from the sale of property, plant & equipment		660	393
Less: Book value of property, plant & equipment sold		(309)	(234)
	3	<u>351</u>	<u>159</u>
<b>9 Employee expenses</b>			
Total wages and salaries		4,726	4,004
Councillors' remuneration		93	118
Annual, sick and long service leave entitlements		124	159
Superannuation	29	<u>441</u>	<u>381</u>
		5,384	4,662
Less: Capitalised employee expenses		(490)	(349)
	4	<u>4,894</u>	<u>4,313</u>

<b>Council Employee Numbers*</b>	<b>2005</b>	<b>2004</b>
Permanent	106	100
Casual	2	8
	<u>108</u>	<u>108</u>

\* Full time equivalents

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

**MURWEH SHIRE COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

	<i>Note</i>	<i>2005 \$'000</i>	<i>2004 \$'000</i>
<b>10 Depreciation and amortisation</b>			
Depreciation and amortisation was charged in respect of:			
Buildings and other structures		427	410
Furniture & fittings, Plant & equipment		1,072	1,009
Parks		7	4
Road infrastructure		1,356	1,385
Water and sewerage infrastructure		295	295
Aerodrome		-	-
	4	<u>3,157</u>	<u>3,103</u>
<b>11 Other expenses</b>			
Included in other expenses are the following:			
Miscellaneous donations		34	15
Donations - RADF		65	81
Auditor's remuneration		24	32
Stock route precepts		170	160
Dingo destruction		45	9
	4	<u>338</u>	<u>297</u>
<b>12 Cash assets</b>			
Cash at bank and on hand		290	449
Deposits at call		383	2,119
		<u>673</u>	<u>2,568</u>
Deposits are held with Queensland Treasury Corporation. The deposits are bearing interest between 5% and 6%. (2004 between 5% and 6%)			
<b>13 Assets subject to a restriction</b>			
Externally imposed expenditure restrictions at the reporting date related to the following cash assets:			
Unspent government grants and subsidies		59	133
Total unspent restricted funds for capital projects		<u>59</u>	<u>133</u>

**MURWEH SHIRE COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
<b>14 Receivables</b>			
<b>Current</b>			
Rates and utility charges		305	266
Government grants and subsidies		89	163
Other debtors		1,198	238
Less: Provision for doubtful debts		(6)	(6)
		<u>1,586</u>	<u>661</u>

Interest is charged on outstanding rates at a rate of 11% per annum compounding daily. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

**15 Inventories**

**Current**

Stores and raw materials		197	127
Floating plant and equipment		31	34
Land held for development and sale	28	-	77
		<u>228</u>	<u>238</u>

**Non-Current**

Land held for development and sale	28	688	646
		<u>688</u>	<u>646</u>

**16 Other financial assets**

**Current**

Prepayments		<u>54</u>	<u>50</u>
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Prepayments all relate to the forthcoming twelve months

**MURWEH SHIRE COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

**17a Property, plant and equipment**

	Land	Buildings & other Structures	Furniture & Fittings, Plant & Equipment	Parks	Road Infrastructure	Water & Sewerage Infrastructure	Aerodrome	Total
<i>Valuation Note</i>	<i>17-c (i)</i>	<i>17-c (ii)</i>	<i>17-c (iii)</i>		<i>17-c (iv)</i>	<i>17-c (v)</i>		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross Values</b>								
Opening balance at cost	54	3,131	9,799	532	1,547	1,087	1,072	17,222
Opening balance at valuation	512	15,085	1,757	-	58,161	16,295	-	91,810
Additions at cost	32	69	2,219		742	269	-	3,331
Disposals	(18)	-	(1,323)	-	-	-	-	(1,341)
Revaluations in period	-	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-	-
Closing balance at cost	67	3,200	12,018	532	1,884	1,351	1,072	20,124
Closing balance at valuation	513	15,085	434	-	58,566	16,300	-	90,898
<b>Total</b>	<b>580</b>	<b>18,285</b>	<b>12,452</b>	<b>532</b>	<b>60,450</b>	<b>17,651</b>	<b>1,072</b>	<b>111,022</b>
<b>Accumulated Depreciation</b>								
Opening balance	-	8,163	6,864	4	27,210	8,993	1,072	52,306
Depreciation provided in period	-	427	1,072	7	1,356	295	-	3,157
Written off on disposal	-	-	(1,032)	-	-	-	-	(1,032)
Adjustment on asset revaluations	-	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>8,590</b>	<b>6,904</b>	<b>11</b>	<b>28,566</b>	<b>9,288</b>	<b>1,072</b>	<b>54,431</b>
<b>Written down value at 30 June 2005</b>	<b>580</b>	<b>9,695</b>	<b>5,548</b>	<b>521</b>	<b>31,884</b>	<b>8,363</b>	<b>-</b>	<b>56,591</b>
<b>Written down value at 30 June 2004</b>	<b>566</b>	<b>10,053</b>	<b>4,693</b>	<b>528</b>	<b>32,498</b>	<b>8,389</b>	<b>-</b>	<b>56,726</b>

**17b Capital Works in Progress**

Balance at 30 June 2005	13	2,599	11	-	22	696	-	3,341
Balance at 30 June 2004	-	940	-	-	99	188	-	1,227

# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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

**(i) Land**

Land was independently valued by Casagrande & Associates Pty Ltd (Commercial & Industrial Valuers) as at 1 January 1996, using QAO guidelines established for the valuation of such assets being at current market value. No valuations have been undertaken since as it is Council's view that there has been no significant movement in land values to date.

The Murweh Shire Council has control of -

- (a) 16888.5 hectares of land that is a reserve under the *Land Act 1994*
- (b) 2471.58 km of roads

Land under infrastructure and reserve land does not have a value for the purpose of the financial statements of Murweh Shire Council.

**(ii) Buildings and other structures**

Buildings

Buildings were independently valued to fair value by The Rushton Group, valuers, as at 30 June 2002.

Other Structures

Council valuation, being current replacement cost as established by Casagrande & Associates Pty Ltd as at 1 January 1996. Current replacement cost is determined on the basis of:

- (a) value is an open market and/or
- (b) depreciated replacement cost.

The basis is determined by the nature and the use of the asset.

**(iii) Furniture and fittings, plant and equipment**

Assets in this class acquired before 1 January 1996 were valued at current replacement cost as established by Casagrande & Associates Pty Ltd as at 1 January 1996.

Assets acquired from 1 January 1996 are recorded at historical cost. As all items in this class have a useful of less than ten years or a holding value of less than \$50,000 no further revaluations have been undertaken.

**(iv) Road infrastructure**

Road infrastructure was independently valued to fair value by Mr. Bryan Radford, qualified engineer, as at 30 June 2002.

**(v) Water and Sewerage Infrastructure**

Water and Sewerage infrastructure was independently valued to fair value by Mr. Bryan Radford, qualified engineer, as at 30 June 2002.

**(vi) Other assets**

Valuation of aerodrome infrastructure being the current replacement cost as provided by the Director of Engineering Services - Murweh Shire Council as at 1 January 1996.

**MURWEH SHIRE COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

	<i>Note</i>	<b>2005</b> <b>\$'000</b>	<b>2004</b> <b>\$'000</b>
<b>18 Payables</b>			
<b>Current</b>			
Creditors		651	348
Accruals		272	233
		<u>923</u>	<u>581</u>
<b>19 Tax Liability</b>			
<b>Current</b>			
Employee related tax payable		99	112
Less: GST receivable		(7)	(71)
		<u>92</u>	<u>41</u>
<b>20 Interest bearing liabilities</b>			
<b>Loans</b>			
Classified as:			
Current		137	596
Non-current		2,667	2,804
		<u>2,804</u>	<u>3,400</u>
<b>21 Provisions for Employee benefits</b>			
<b>Current</b>			
Annual leave		430	392
Long service leave		65	82
Sick leave		51	62
		<u>546</u>	<u>537</u>
<b>Non-current</b>			
Annual Leave		115	95
Sick leave		57	50
Long service leave		529	441
		<u>701</u>	<u>586</u>
<b>22 Movements in reserves</b>			
<b>(a) Asset revaluation reserve - movements in account</b>			
Balance at beginning of period		30,125	30,125
<b>Balance at the reporting date</b>		<u>30,125</u>	<u>30,125</u>
<b>(b) Reserves held for future capital expenditure:</b>			
(i) Constrained works reserve		-	-
(ii) Town Water reserve		220	220
(iii) Building reserve		84	84
(iv) Plant renewal & purchase reserve		-	420
<b>(c) Reserves held for future recurrent expenditure:</b>			
(v) Charleville aerodrome maintenance reserve		508	508
(vi) Non-capital grants reserve		59	28
		<u>871</u>	<u>1,260</u>
<b>23 Movements in capital reserves</b>			
<b>(a) Constrained works reserve</b>			
Balance at beginning of period		-	-
Transfers from the retained surplus grants, subsidies and contributions, constrained for capital purposes, received in period.		-	-
Transfers to retained surplus, funds expended in the period		-	-
<b>Balance at the reporting date</b>		<u>0</u>	<u>0</u>



**MURWEH SHIRE COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

	<i>Note</i>	<b>2005</b> <b>\$'000</b>	<b>2004</b> <b>\$'000</b>
<b>23 Movements in capital reserves (continued)</b>			
<b>(b) Town Water reserve</b>			
Balance at beginning of period		220	420
Transfers from retained surplus, funds for future expenditure		-	-
Transfers to retained surplus, funds expended in the period			(200)
<b>Balance at the reporting date</b>		<b>220</b>	<b>220</b>
<b>(c) Building reserve</b>			
Balance at beginning of period		84	84
Transfers from retained surplus, funds for future expenditure		-	-
Transfers to retained surplus, funds expended in the period		-	-
<b>Balance at the reporting date</b>		<b>84</b>	<b>84</b>
<b>(d) Plant renewal &amp; purchases reserve</b>			
Balance at beginning of period		420	574
Transfers from retained surplus, funds for future expenditure		-	-
Transfers to retained surplus, funds expended in the period		(420)	(154)
<b>Balance at the reporting date</b>		<b>0</b>	<b>420</b>

**24 Reserves held for future recurrent expenditure**

<b>(a) Charleville aerodrome maintenance reserve</b>			
Balance at beginning of period		508	508
Transfers from retained surplus, funds for future expenditure		-	-
Transfers to retained surplus, funds expended in the period		-	-
<b>Balance at the reporting date</b>		<b>508</b>	<b>508</b>
<b>(b) Non-capital grants reserve</b>			
Balance at beginning of period		28	177
Transfers from retained surplus, funds for future expenditure		59	28
Transfers to retained surplus, funds expended in the period		(28)	(177)
<b>Balance at the reporting date</b>		<b>59</b>	<b>28</b>

**25 Loans**

<b>Queensland Treasury Corporation</b>			
Opening Balance		3,400	3,773
Loans raised		-	-
Principal repayments		(596)	(373)
<b>Book value at period end</b>		<b>2,804</b>	<b>3,400</b>

The loan market value at 30 June 2005 is \$2,991,106

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.

The interest rate on Queensland Treasury Corporation borrowings range from 6.14% to 6.66%.

Expected final repayment dates vary from 08 June 2015 to 27 November 2021

Borrowings are all in Australian dollars and are underwritten by the Queensland State Government.

**MURWEH SHIRE COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

	<i>Note</i>	<b>2005</b> <b>\$'000</b>	<b>2004</b> <b>\$'000</b>
<b>26 Commitments for expenditure</b>			
<b>(a) Operating Leases</b>			
Commitment for minimum lease payments in relation to operating leases are payable as follows:			
Within one year		23	55
Later than 1 year but not later than 5 years		-	23
Later than 5 years		-	-
		<b>23</b>	<b>78</b>

**(b) Capital Commitments**

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities, payable:

Ablution Block: Morven	50	65
Ablution Block: Augathella (now completed)	-	46
Warrego River Levee Bank *	900	1,400
Charleville Water Supply Augmentation *	1,176	1,483
	<b>2,126</b>	<b>2,994</b>

\* after deduction of State & Federal Funding

**27 Contingent liabilities**

(a) Council has no claims pending as at 30 June 2005 that will not be adequately covered by insurance.

(b) The Council is a member of the local government self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled because of insufficient funds being available to cover outstanding liabilities. Only Local Government Workcare may call on any part of the guarantee should the above circumstances arise.

The Council's maximum exposure is:

**112      112**

(c) The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or being 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 of any year that a deficit arises. As at June 2004 the financial statements reported an accumulated loss of \$109,102. The board of management has developed a long term financial strategy to address this deficit. As at the reporting date the Council's share of any liability cannot be reliably estimated.

**28 Land held for development and sale**

Opening balance	723	758
Land acquired for development in current period	74	-
Development costs	-	-
Less: cost of land converted to Council Non-Current Asset	(18)	-
Less: cost of developed land sold	(91)	(35)
	<b>688</b>	<b>723</b>
Classified as:		
Current	-	77
Non-current	688	646
	<b>688</b>	<b>723</b>

# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

### 29 Superannuation

The Council contributes to the Local Government Superannuation Fund in respect of certain of its employees to a defined benefit superannuation arrangements and certain of its employees for defined contribution superannuation arrangements in accordance with statutory requirements. All persons becoming permanent employees as from 1 July 1998 contribute to the scheme for defined contribution entitlements; the defined benefit section of the scheme having been closed to new members from that date.

Assets accumulate in the scheme to meet members benefits as they accrue. If that portion of the assets of the scheme intended to support employee's defined benefits is insufficient to satisfy such entitlements payable to scheme beneficiaries then the level and form of such benefits would need to be reviewed.

The Council's liability in respect of defined contribution superannuation arrangements is the amount of contribution that, under the terms of the scheme, is payable to the fund as at the reporting date.

The most recent financial report of the scheme (as at 30 June 2004) was not subject to any audit qualification.

The most recent triennial actuarial investigation was based on scheme asset and membership data as at 1 July 2003 and the actuary advised the scheme is in a sound financial position as defined in the *Superannuation Industry (Supervision) Act and Regulations*.

The amount of superannuation contributions (\$'000) paid by the Council to the scheme during the period was  
**2005 \$441 (2004, \$381)**

### 30 Financial instruments

#### (a) Credit Risk Exposures

The credit risk on financial assets of the Council which have been recognised on the statement of financial position is generally the carrying amount, net of provision for doubtful debts. The Council has no major concentration of credit risk to any single debtor or group of debtors.

#### (b) Interest Rate Risk

The Council's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market rates and maturity periods is set out in the table below. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the Council intends to hold fixed assets and liabilities to maturity.

Financial assets	Note	Floating interest rate		Fixed interest rate		Non-interest bearing		Total	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Cash assets	12	673	2,568					673	2,568
Receivables	14					1,586	661	1,586	661
<b>Financial liabilities</b>									
Payables	18					923	581	923	581
Loans - QTC *	25			2,804	3,400			2,804	3,400
Net financial assets		673	2,568	(2,804)	(3,400)	663	80	(1,468)	(752)

\* QTC denotes Queensland Treasury Corporation

#### (c) Net fair value of financial assets and liabilities

The net fair value of cash, cash equivalents and non-interest bearing monetary financial assets and liabilities of the Council, approximates to their carrying amounts.

The net fair value of other monetary financial assets and liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rate for assets and liabilities with similar risk profiles.

**MURWEH SHIRE COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2005

	<i>Note</i>	<b>2005</b>	<b>2004</b>
		<b>\$'000</b>	<b>\$'000</b>

**31 Trust Funds**

Monies collected or held on behalf of another entity yet to be paid out to or on behalf of that entity  
Security deposits

-	-
46	74
<b>46</b>	<b>74</b>

Murweh Shire Council performs only a custodial role in respect of these monies, and because the monies cannot be used for Council, they are not brought to account in these financial statements.

**32 Reconciliation of result from ordinary activities to net cash inflow (outflow) from operating activities**

Result from ordinary activities	1,124	(272)
<b>Non-cash operating items:</b>		
Depreciation and amortisation	3,157	3,103
	<b>3,157</b>	<b>3,103</b>
<b>Investing and development activities:</b>		
Net (profit) loss on disposal of non current assets	(351)	(159)
Net (profit) loss on sale of land	(29)	(8)
	<b>(380)</b>	<b>(167)</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase) decrease in receivables	(925)	(5)
(Increase) decrease in other operating assets	(72)	97
Increase (decrease) in payables	393	17
Increase (decrease) in employee provisions	124	160
	<b>(480)</b>	<b>269</b>
<b>Net cash inflow from operating activities</b>	<b>3,421</b>	<b>2,933</b>

# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

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### 33 Activities to which the code of competitive conduct applies

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

**(i) Roads business activity means**

(a) 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; or

(b) 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.

**(ii) Business activity means**

(a) trading in goods and services to clients in competition with the private sector, or

(b) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself.

Excluded activities are (a) library services, (b) an activity or part thereof prescribed by legislation.

These business activities are referred to as type 3 activities.

Local governments 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.

**Murweh Shire Council has elected not to apply the code to any activity of the Council. It does not undertake Roads Business Activity as defined above.**

# MURWEH SHIRE COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

### 34 Related Party Disclosure

On the 2nd of July 2003, the Murweh Shire Council (the Council) sponsored the registration of the **Charleville Cosmos Centre Limited** (the Company) a public company limited by guarantee. The Company is a Public Sector Entity as defined in the Financial Administration and Audit Act 1977. The Council is the only member of the Company and has no equity interests in the Company.

The Company provides management services to the Council of a Council owned tourist facility, the Cosmos Centre.

#### Related Transactions:

	2005 \$'000	2004 \$'000
<b>Revenues and Expenses</b>		
Cosmos Centre Ticket Sales: On behalf of the Company, the Council sells entry tickets to the Cosmos Centre. The amount of revenue recognised as at the reporting date from ticket sales is :	15	17
The amount of expenditure recognised as at the reporting date from payments to the Company for ticket sales is:	14	12
Management Fee: The Council pays a quarterly fee to the Company for managing the Cosmos Centre. The amount of expenditure recognised as at the reporting date from payments to the Company for management fees is:	100	148
Other revenue & expenses: The amount of other revenue and expense items recognised as at the reporting date.	-	-
<b>Assets and Liabilities</b>		
The amount of debtors other than trade debtors recognised as at the reporting date:	-	-
The amount of receivables recognised as at the reporting date:	-	-
The amount of payables recognised as at the reporting date:	-	-
The amount of provision for doubtful debts recognised as at the reporting date:	-	-
The percentage equity interest in equity instruments of the Company as at the reporting date:	-	-

With effect from 1st July 2005 the operations will be absorbed into Murweh Shire Councils books as a department of the Local Government.

### 35 Transition to Australian Equivalents to International Financial Reporting Standards (AEIFRS)

Accounting Standard AASB1047 *Disclosing the impact of adopting Australian equivalents to International Financial Reporting Standards* contains a requirement for the financial report for the year ended 30 June 2005 to contain an note explaining and quantifying the impact of the new standards.

A steering committee has been set to assess the impact of the AEIFRS on its financial statements. This committee consists of senior officers of the Council chaired by the Director, Corporate Services. At this stage the impacts cannot be reliably estimated with regard to impairment of assets and any provisions for disposal of long lived assets.

The Council has no intangible assets disclosed in its financial statements

Non-current employees benefits for annual leave and vested sick leave are not materially affected by discounting. No adjustment has therefore been made in the financial statements. Thus there is no material impact of the AEIFRS with regard to employee benefits.

# MURWEH SHIRE COUNCIL

## MANAGEMENT CERTIFICATE

For the year ended 30 June 2005

This general purpose financial report has been prepared pursuant to section 532 of the *Local Government Act 1993*, the *Local Government Finance Standard 1994* (the standard) and other prescribed requirements. In accordance with Section 54 of the Standard we certify -

- (i) the requirements under the *Local Government Act 1993* for the keeping of the accounts have been complied with in all material respects; and
- (ii) the financial statements for the year ended 30 June 2005 and supporting notes present the Council's operating results and financial position as required by *Local Government Act 1993*.

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**Councillor Mark A. O'Brien**  
Mayor

**Date:** \_\_\_\_\_

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**Mr. Chris Blanch**  
Chief Executive Officer

**Date:** \_\_\_\_\_