



Etheridge Shire Council

ANNUAL REPORT 2010-2011





Etheridge
Shire Council

10-11

ANNUAL REPORT

Welcome

to Etheridge Shire Council's
2010 - 2011 Annual Report

This report incorporates audited financial statements for the period July 1, 2010, to June 30, 2011.

The information in this report demonstrates accountability to stakeholders, who include residents and ratepayers, staff, councillors, investors, community groups, government departments and other interested parties.

Copies of the Annual Report

Copies of the 2010-2015 Corporate Plan, this Annual Report and council's financial statements are available free of charge electronically on council's website at: www.etheridge.qld.gov.au

Feedback

Etheridge Shire Council aims to make this Annual Report transparent and easy to read. Council welcomes your feedback and suggestions for improvement.

If you have comments you wish to share, please direct them to council's Director of Corporate & Community Services by phoning 07 4062 1233 or emailing info@etheridge.qld.gov.au

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Etheridge
Shire Council

10-11

ANNUAL REPORT

Introduction

Each year, Etheridge Shire Council produces an annual report. This is a legal requirement, but we also appreciate the opportunity to provide a report to our community on our performance against our corporate and operational plans. It also gives us a chance to highlight our achievements and outline how we are addressing challenges in the Etheridge Shire.

2010-11 saw a number of major activities in Etheridge Shire and significant changes within Etheridge Shire Council, including:

- Development and adoption of the Etheridge Shire Council Corporate Plan 2010-15 (reflecting the visions of the Etheridge community);
- Preparation of Etheridge Shire 2020 Community Plan;
- Preparation of a new long term financial strategy;
- Preparation of a new long term asset management plan;
- Preparation for the compliance of the new *Local Government Act 2009*.

Our Mayor reports more on these activities in his message.

This report has been produced to provide an accurate record of what Council achieved over the past 12 months to meet community expectations and also to celebrate Council's achievements.

The Annual Report is the major accountability tool in Council's corporate governance framework providing non financial and financial information to assess the efficiency, effectiveness and economy of our operations.

Our Regions Profile





39,324
Square kilometres



962
Residents
(as at 30 June 2011)



Value of
Agricultural
Production \$43.7
million
(as at 2005/06)



Average annual
rainfall
819 mm



Main Industries
Agricultural
Mining
Tourism



World class
Natural Features



World class
Mineral
Collection



Five years in the Etheridge Shire

| | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Total Revenue | \$18,939,298 | \$10,501,591 | \$24,019,058 | \$36,782,525 | \$21,022,472 |
| Operating Revenue | \$18,562,019 | \$10,250,114 | \$23,517,869 | \$36,055,888 | \$20,346,432 |
| Operating Expenses | \$8,525,349 | \$10,260,071 | \$21,926,509 | \$24,216,473 | \$32,395,833 |
| Rates Revenue (Net) | \$957,834 | \$1,066,229 | \$1,755,877 | \$1,851,429 | \$1,963,484 |
| Rates Revenue as a % of Total Revenue | 5.2% | 10.4% | 7.5% | 5.1% | 9.3% |
| Total Assets | \$91,713,160 | \$114,905,780 | \$137,492,494 | \$141,683,056 | \$136,283,733 |
| Outstanding Loan Borrowings | \$513,027 | \$486,693 | \$3,559,292 | \$3,159,987 | \$2,741,834 |
| Employee Costs / Total Operating Expenses | 33.2% | 31.8% | 19.7% | 21.4% | 15.0% |
| Number of Employees (includes F/T, P/T & Casual) | 53 Male – 37 Female - 16 | 62 Male – 41 Female – 21 | 83 Male – 59 Female – 24 | 88 Male – 63 Female – 25 | 77 Male – 55 Female – 22 |
| Population (Shire) * | 937 | 932 | 939 | 925 | 962 |

* Population statistics have been sourced from the OESR (Office of Economic & Statistical Research)

Population Statistics

The preliminary estimated resident population of Etheridge Shire Council at 30 June 2008 was 932 people.

Projections prepared by the State Government indicate that by 2016 the expected population of Etheridge Shire Council will be between 760 and 980 people. By 2031 this is expected to change to between 730 to 1,184 people.

The median age of Etheridge Shire Council's population is projected to increase by 15 years from a median age of 39 years in 2006 up to a median age of 54 years in 2031.

Population Projections

| | Projected Population | | |
|------|----------------------|--------|-------|
| | Low | Medium | High |
| 2011 | 813 | 876 | 926 |
| 2016 | 767 | 883 | 980 |
| 2021 | 747 | 900 | 1,026 |
| 2026 | 741 | 929 | 1,098 |
| 2031 | 737 | 968 | 1,184 |

Population Trends

| Year at 30 June | Est. Resident Population |
|-----------------|--------------------------|
| 2002 | 995 |
| 2003 | 965 |
| 2004 | 922 |
| 2005 | 911 |
| 2006 | 900 |
| 2007 | 937 |
| 2008 | 932 |

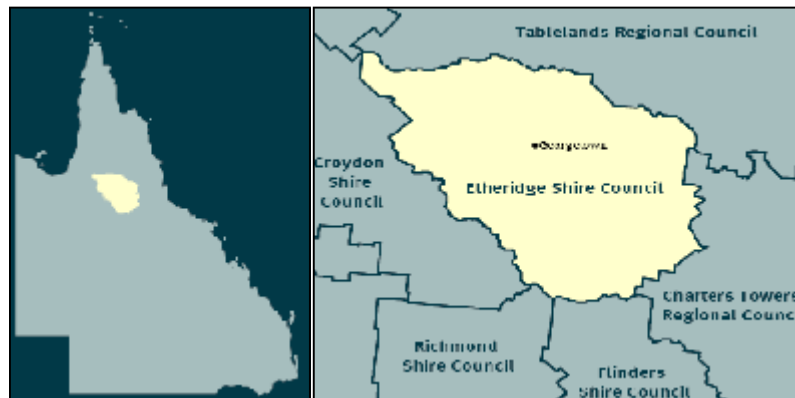
Etheridge Shire Council covers part of Queensland's outback Gulf Savannah region and is bordered by Tablelands & Charters Towers Regional Council's, Flinders, Richmond, Croydon & Carpentaria Shire Councils.

Main Industries:

- Mining
- Agriculture (beef, small crops)
- Tourism

Main Communities

- Georgetown
- Forsayth
- Kidston
- Mt Surpsie
- Einasleyh
- Oak Park





The Etheridge Shire ... the golden heart of the gulf

The early history of the Etheridge Shire is synonymous with famous explorers such as Leichhardt (1844-45), Gregory (1855-56), McKinlay (1862) and Jardine (1864), all of whom traversed the area seeking minerals, timber and good pastoral land.

History also records that in 1869 a young geologist named Richard Daintree explored the area around 41 Mile Creek and the Gilbert and Copperfield rivers, revealing the presence of payable gold. May 1870 saw the establishment of the community of Etheridge, along the banks of the Etheridge River. In November of the same year, this new settlement became known as Georgetown, named after the first gold commissioner in the region, Howard St. George.

The Etheridge Shire covers approximately 40,000 square kilometres of Queensland's Gulf Savannah Region.

It lies over a vast formation of ancient pre-Cambrian rock that is rich in mineral and semi-precious stones and is a Mecca for amateur prospectors.

The Eastern part of the Shire sits on the edge of the immense Undara Lava fields caused by ancient volcanic eruptions in the McBride Plateau some 190,000 years ago. Undara is an Aboriginal term for a 'Long Way'.

The surrounding country is flat wooded savannah grasslands with isolated hills. The whole region is highly regarded by bird watchers; the varied ecosystems providing an ideal habitat for an unusually high number and variety of wading, migratory and resident wood/grassland birds.

The main industries and pastoralism (annual production of approximately \$43M), mining and services (particularly those relating to tourism, which is our most rapidly growing industry).

Shire Population

Etheridge Shire had an estimated population of 936 in 2007. Projections prepared by Department of Local Government indicate that by 2011 the expected population of Etheridge Shire will be 962 and 1,084 people by 2031.



GEORGETOWN

Situated west of the Newcastle Range, Georgetown owes its existence to the gold that was found in the 1870's. Today it acts as the administration location for the Etheridge Shire Council; it's a lovely country town with an abundance of historic remnants from pioneer times.

There are many interesting historical features in Georgetown, from the restored Shire Hall in St George Street (built in 1908 and restored in 1998), Savannah House, the restored ex-clerk of the Courts dwelling in the same street, the Masonic Temple, the Catholic Church (established in 1913), and the cemetery.

Another picturesque mining relic is found 20km west of the town, the Cumberland Chimney which is all that stands of the gold crushing plant.

The Council owned public swimming pool is open all year round in daylight hours and can be accessed by both residents and tourists free of charge.

Georgetown is also home to the Ted Elliot Mineral Collection which was founded by the Etheridge Shire Council in early 2003. The collection is the work of one man and houses over 4500 mineral specimens. The centre also is an accredited yellow Information centre.

For the gold prospector, Flat Creek Station is less than an hour from town, although it is still advisable to check with the Mining Registrar at the Georgetown Court House or at the TerrEstrial Centre for information regarding regulations and licensing requirements for fossicking.

The Etheridge Heritage Park has been developed in the centre of town and has a free electric BBQ amongst shaded trees with a modern public toilet block including a baby change station. There is also a signed walk around the town which is the 'Georgetown River Walk', this walk is ideal to unwind or to take in our local flora and fauna and native bird life.



EINASLEIGH

The township of Einasleigh, originally named Copperfield, was laid out in 1900 by the mining warden on a new township reserve established near the Einasleigh Company's copper mine. Although the company had been formed only in the previous year, already two hotels, a store, a billiard room, and butcher and baker shops were being built and funds were being collected for a school.

The town briefly became the largest population centre in the shire during construction of the Chillagoe Company's Etheridge Railway in the years 1907-10. After the closure of the mine in the 1920s, however, the township almost disappeared and was saved from extinction only by its location on the railway.

Found by Richard Daintree in 1866, the Einasleigh copper deposit was one of the earliest mineral discoveries in north Queensland. It was initially too remote to develop and was abandoned and virtually forgotten after Daintree's death.

The Chillagoe Company rediscovered the Einasleigh shaft when exploring the area and began developing it in 1900 through its subsidiary, the Einasleigh Copper Mines Company. A small blast furnace was erected for smelting in 1902, but until the opening of the Etheridge Railway in 1910 operations proved uneconomical because of high transport costs. The mine closed when the Chillagoe Smelters were shut down in 1914.

Acquired by the Queensland Government in 1919 as part of the assets of the Chillagoe Company, it returned to full production the following year, supplying the reopened Chillagoe Smelters. As the Einasleigh State Mine, it finally closed in 1922 as a result of depleted ore reserves and a post-war drop in the world copper price.

Einasleigh sits on the Eastern edge of the Newcastle Range, on the banks of the Copperfield River. Einasleigh is on the old Chillagoe to Forsayth railway. Once a Copper mining town, it is set among some unusual scenery with flat top hills that rise out of the grasslands



FORSAYTH

Forsayth lies at the end of the old Chillagoe to Forsayth railway, which was originally built to transport gold bearing ore from the Etheridge Goldfield to the crushing batteries of Chillagoe.

Historically rich, Forsayth is one of the few remaining towns of a large number which existed on the Etheridge Goldfields at the turn of the century. Gold nuggets are still found today by amateur prospectors using metal detectors.



Located south of Forsayth is Agate Creek, surrounded by towering sandstone walls, lies the mineral reserve which is set aside for agate fossickers. With rich colours and exceptional quality this area is considered to have some of the best specimens obtainable.

Agate Creek is not just for the prospector but for those interested in archaeology, geology, early European history, flora and fauna, photography and native bird life.



Also south of Forsayth is the well renowned Cobbold Gorge, this unique gorge is hidden away within the rugged sandstone formations of North Queensland. What makes Cobbold Unique from other gorges? This is an amazingly narrow gorge, closing to a sheer two meters in some sections, with magnificent thirty meter cliffs on either side. The gorge itself has a length of six kilometres and consists of many waterholes and rock falls, fortunately there is only 500 meters accessible by flat bottom boat.

OAK PARK/ KIDSTON

The community of Oak Park centres on the Oak Part Amateur Picnic Race Club which was formed in 1904. Facilities at Oak Park include private camping grounds, hot and cold showers, race track and a tennis court.



Located 64 kilometres South West of the Lynd Junction, the Oak Park Community is a very close knit community accustomed to working together to host the Oak Park Picnic Races, a Melbourne Cup Luncheon, Christmas Party and monthly community social events.

Various training events and meetings are also held at Oak Park.





MT.SURPRISE

Ezra Firth took up Mount Surprise sheep run in 1861. Firth converted to cattle after selling his sheep profitably on the new Palmer River Goldfield in 1873. When the Etheridge Railway was built from Almaden to Forsayth in 1910, the Queensland Government resumed a section of the property for Mount Surprise Township. In the same year the Junction Creek telegraph office, built in 1871, was moved to the town.

Mount Surprise developed as an important cattle trucking and telegraph centre for the western section of the Tablelands. The town's importance was reduced as railway traffic from the mining and cattle industries declined in the 1930s. Reconditioning of the railway in 1951 and construction of the Gulf Development Road in the 1960s revitalized Mount Surprise as a livestock trucking centre and, more recently, a tourist stop.

The Mount Surprise Hotel was one of two erected opposite the railway station about 1910 when Mount Surprise was established as a cattle trucking siding on the new Etheridge Railway.

It is the first town within the Gulf Savannah region encountered by visitors travelling from the east. The settlement lives up to its name with a range of adventures including tours to the nearby geological wonders such as the Undara Lava Tubes and fossicking expeditions to O'Brien's Creek.

The Undara Lava field which was caused by ancient volcanic eruptions in the McBride Plateau is now a thriving tourist destination.

For the professional rock hound or amateur collector Mount Surprise also has O'Brien's Creek a mere 37km north west of town. Established in 1995 by the Department of Mines and Energy with the help of the landholder and the Etheridge Shire Council it is now a renowned fossicking area.

Corporate Objectives



Corporate Objectives

Vision

A balanced community with robust economic and environmental assets which supports our youth and the wellbeing of our citizens

Mission

Striving for excellence in planning and building a smart economy focused on long term prosperity, underpinned by education, industry and infrastructure

In 2010 – 11

Etheridge Shire Council:

- a budget of \$47.118 million excluding depreciation
- \$121.282 million in assets
- manages 1,797 kilometres of roads
- maintains 5 cemeteries
- maintains 7 public parks covering 3.94 hectares and 6,685 hectares of reserve land
- manages 1 public library
- manages 1 public aquatic centre
- manages and maintains 3 public halls
- manages 1 childcare centre
- manages a student hostel
- manages and maintains 4 landfill sites
- manages a visitor information centre
- manages 5 aerodromes within the shire (4 are sealed)
- the shires net rateable income for 2010/2011 was \$1.963 million

Mayors Message



Mayors Message

Everyday, Etheridge Shire Council is working on a project, as well as offering a diverse range of services or providing a facility that benefits our region. 2010-2011 was no different – we have seen the workload increase significantly to meet the growing needs of our community.

This Annual Report clearly shows you, as local residents and ratepayers, the progress we have made across the entire region in the past year. The achievements are considerably more impressive when you take into account the impact Tropical Cyclone Yasi had on parts of the shire in February 2011.

Council continued to deliver many of its basic services such as road and footpath maintenance, water and waste collection whilst at the same time faced the challenge of restoring roads, culverts, causeways and providing support to those affected by Tropical Cyclone Yasi.

We celebrated the completion of the \$14.0 million bridge over Einasleigh River along the Gulf Development Road, with the opening of the bridge being performed by the Hon Simon Crean in January 2011. The opening of this bridge will be a huge benefit not only for the residents of Etheridge Shire, but for the wider Gulf communities. The completion of this bridge was very timely, considering the weather events that occurred from December through to March.

Council also worked hard to construct a second bridge over the Copperfield River at Einasleigh with the project almost completed by the 30 June 2011.

Council work crews have also been working hard to complete 4 kilometres of pavement and seal along the Georgetown – Forsayth Road and also another 6 kilometres of pavement and seal along the Forsayth – Einasleigh Road. This was in addition to the continuation of re-sheeting and maintenance programs on shire roads and the ongoing flood damage restoration works which incorporated a number of cement culverts.

Council was also successful in obtaining \$10.0 million to upgrade the Hann Highway through the State Government's funding program called "Safer Roads Sooner". This work will commence from July 2011 and will be ongoing until June 2014.

Council has been active in finalizing the Residential and Industrial land sub-divisions in Georgetown and Forsayth and has also completed the relocation of several houses to the Shire for re-sale, and while I am speaking about land issues, Council has been planning rural-residential sub-divisions, and also working on the release of additional residential land in Mt Surprise and Forsayth. Council has also been negotiating with the Department of Environment and Resource Management regarding additional land acquisitions throughout the shire.

The Gilbert River Irrigation Project is still gaining momentum, with a number of key meetings being conducted over the past 12 months with the State and Federal Governments. Council was fortunate to host the Federal LNP Dam Task Force visit to the shire during May 2011, which saw the LNP Dam Taskforce visit the potential dam site and also meet with the local community to discuss the proposal in an informal manner.

I am also pleased to report that Council's financial position is in a healthy state of affairs, with Council cashing back its capital reserves and also staff provisions as at 30 June 2011.



In reflection, the past year has seen some outstanding achievements considering the events that occurred earlier in the year. I am very proud and pleased with Council's performance over the past 12 months and as a Council we have been united and working as a collaborative unit to improve the way we do business and the way in which decisions are being made. Planning for our future growth is a focus of this council and we need to continue that work. I am immensely proud of what we have achieved in 2010-2011. More needs to be done and the councillors and I are driven to succeed to deliver projects across the region that will benefit the entire community.



In closing, Local Government is continually being pressured to provide assistance and services which were previously the responsibility of State and Federal Government Departments. This is of course placing an increasing pressure on Council's finances and resources. Council has also been asked to participate at an unprecedented level in regional management issues to ensure that future access to vital resources such as water and development opportunities are available in the Shire. I am confident that we will have a great future and with the continual involvement of Council in planning and development on a regional basis, the area can look forward to an increase in development, population and wealth.



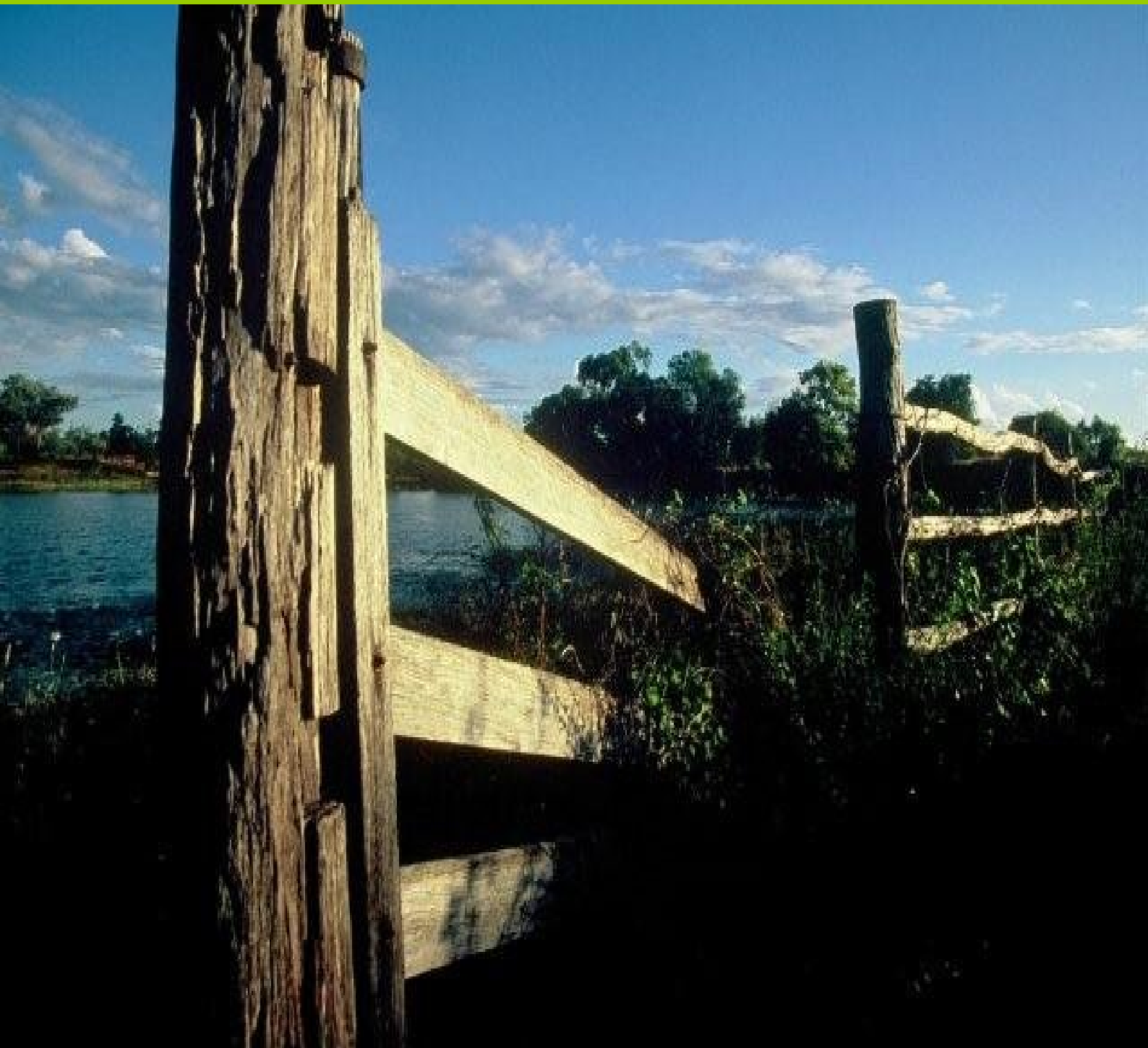
I have been impressed by the professionalism of Council and its staff and within this organisation there is a strong commitment to serve our communities, effectively protect our natural environment and see our towns move forward responsibly.

On behalf of the Councillors and I, we sincerely convey our thanks to the community of Etheridge for your support, confidence and assistance over the past year and together we will achieve great things.



Warren Devlin
MAYOR

Our Councillors





Mayor Cr Warren Devlin

A local businessman and bulk fuel depot operator, Warren has lived and worked in the region for many years in Mining, Tourism and Retail. A progressive and forward thinking man whose driving ambition is to see the shire grow and prosper during his term in office, and as a first term Mayor, Warren brings to the fore many fresh and innovative ideas to carry us into the future.

Deputy Mayor Cr Warren Bethel (appointed to Deputy Mayor as at 19 May 2010)

A grazier and Rodeo Stock Contractor who's family history dates back more than one hundred years in the Etheridge Shire. Previously a councilor with the Croydon Shire Council, Warren brings a balance of traditional rural skilling and temperate modernization in his new role. Warren's strong interest to improve opportunities and skills for young people of the shire provides a much needed rural appreciation to the team.



Cr Neil Butler

Local business owner and president of the Georgetown Golf Club and Georgetown Turf Racing Club, Neil grew up in the area and loves the country lifestyle. Having been a councilor for more than 7 years Neil has witnessed many changes and it is his long term experience and commitment to the Council that make him a greatly valued member of the team.



Cr George Ryan (Deputy Mayor from March 2009 to May 2010)

A grazier who's family has a long association with the Kidston area. George worked for the Kidston Gold Mine whilst building and improving his cattle property. His tough work ethic and a desire to create better life styles for the residents of the shire make him a strong driver in our team.

Cr Noeline Gross

Noeline moved to the region with her family several years ago as the General Manager of the Northern Gulf Resource Management Group, Noeline's dedication to the region and her standing in the community sets a new standard. Noeline brings with her many years of experience in dealing with Local and Federal Government issues and continues to contribute greatly in her new role with the Council.



Our Corporate Structure



Corporate Structure



Communication Links in the Community & Council Partnerships

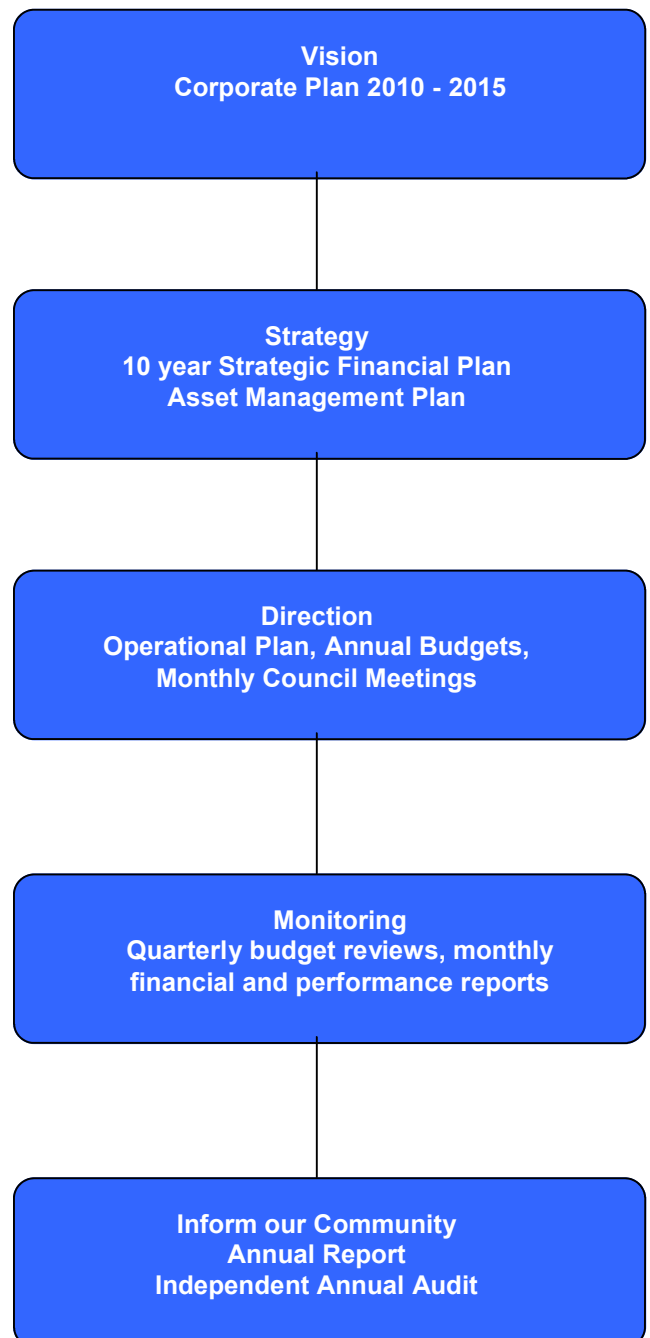


Communication links in the community and council partnership

The dialogue between council and the community is open, transparent and on-going. It is exercised through four-yearly Local Government elections, deputations, correspondence, public meetings and planned consultation on projects and initiatives. More informally, the community's views are submitted through regular meetings and community engagement opportunities, surveys, community participation opportunities at council meetings and contact with councillors.

A formally adopted Community Engagement Policy ensures that all groups - council, community and other spheres of government - are clear about the principles that guide council's efforts to involve the community in the planning and evaluation of council's activities.

Strategic planning framework:



Performance at a Glance



Performance at a glance

The 2010-2015 Corporate Plan is the highest order document within council and, as such, directs and informs all other plans, activities, budgets and policies of council.

Council's strategic priorities are those major opportunities and challenges that our community believes need to be addressed in the Etheridge Shire. The key strategic priorities and their corresponding corporate objectives identified in the corporate plan are:

| Key strategic priority | Corporate objectives |
|---|--|
| Community and Lifestyle | To provide accessible lifestyle choices through the provision of recreational and public facilities and services that will enhance community health, happiness and connections. |
| Economic Development | To stimulate investment for existing and new industries creating a sustainable, diverse economy that is regionally significant. |
| Environmental Sustainability | To ensure environmental assets and ecosystem services are available for future generations. |
| Strategic Planning | To ensure the aspirations and safety of our community will be achieved through collaborative planning and action. |
| Infrastructure Services | To ensure that service delivery and infrastructure is rolled out, maintenance and improvement underpins a healthy and growing economy and a comfortable lifestyle in the gulf region. |
| Commercial Services | To ensure that substantial income is awarded and generated for foundation services, building infrastructure and implementing regional and local priorities. |
| Organisational excellence and Governance | To ensure that we deliver excellence as an organisation, embracing exceptional customer service, valuing staff and promoting ethical standards of practice supported by clear policies and strategies. |

Highlights of the 2010-11 financial year

Einasleigh River Bridge – (Gulf Development Road)

The Gulf Development Road is the main arterial road access for the Gulf communities and is the heartbeat to the economic viability within this region. For Council to undertake this project, it needed to change its strategic thinking from its own backyard to a regional level.

The call to replace the bridge had the full support from a range of stakeholder groups including all six Gulf Shires, (Etheridge, Croydon, Carpentaria, Burke and the two Indigenous Shires of Doomadgee and Mornington Island.

This project was funded through the Federal Government's – Regional and Local Community Infrastructure Program. This funding initiative has given the Gulf communities an all weather access, provided future economic benefits, provided much needed economic stimulus to the region which has been greatly impacted by the Global Financial Crisis.

On the 21st January 2011, the Einasleigh River Bridge was officially opened by the Hon Simon Crean.

Residential and Industrial Land Sub-Divisions

Council has completed the associated works to the residential and industrial sub-divisions during 2010-11. This incorporated the installation of water infrastructure to the sub-divisions and also completing the associated roads within the sub-divisions and having them sealed.

Copperfield River Bridge - Einasleigh

Council was successful in being able to utilize the residual funds from the grant proceeds from the Einasleigh River Bridge to construct a bridge over the Copperfield River to provide an all weather access for the community which utilises this road as a means of connecting to other key arterial road links. This bridge was almost finalized by the 30th June 2011.

Airstrip Lighting

Council has installed airstrip lighting to the runways at Mt Surprise, Einasleigh and Forsayth. This has improved the safety of Council's airstrips which will enable better utilization of the various airstrips during an emergency situation and also provide ability to land aircraft during the night.

Completion of the 2009 Flood Damage Works

During the 2010-11 financial year, council has managed to complete the 2009 flood damage works, which included a number of concrete causeways and floodways. Council has lodged its submission for the 2010 flood damage and also 2011 flood damage. Council has been notified by the Department that Council's 2010 flood damage application was approved.

Community Infrastructure

Council in consultation with the Forsayth Community installed a new barbeque and shelter at the Forsayth Park and also installed soft fall to the playground equipment. In addition, Council also installed lighting to Greens Park, which was also undertaken by consultation with the Georgetown Progress Association. Other projects supported by Council through financial assistance were:

- Upgrade of the water infrastructure at the Einasleigh Sports Reserve;
- Provided financial support to the Oak Park Community with the committee purchasing a new cold room and deep fryer;
- Council donating portable airstrip lighting to the Oak Park Community to be utilized in the event of emergency within that area;
- Council provided financial support to match grant funds that the Mt Surprise Rural Fire Brigade received to assist this group build a new Rural Fire Shed at Mt Surprise.

Community Financial Report





Community financial report

The Community Financial Report is produced each year as part of Council's annual report, to provide members of the community, customers, business partners and employees with a better understanding of Council's financial performance and position over the last financial year. The report uses plain language and pictorial aids such as graphs and tables to give all interested readers and stakeholders an easy to follow summary of the financial statements for the past financial year.

Summary of key financial performance indicators

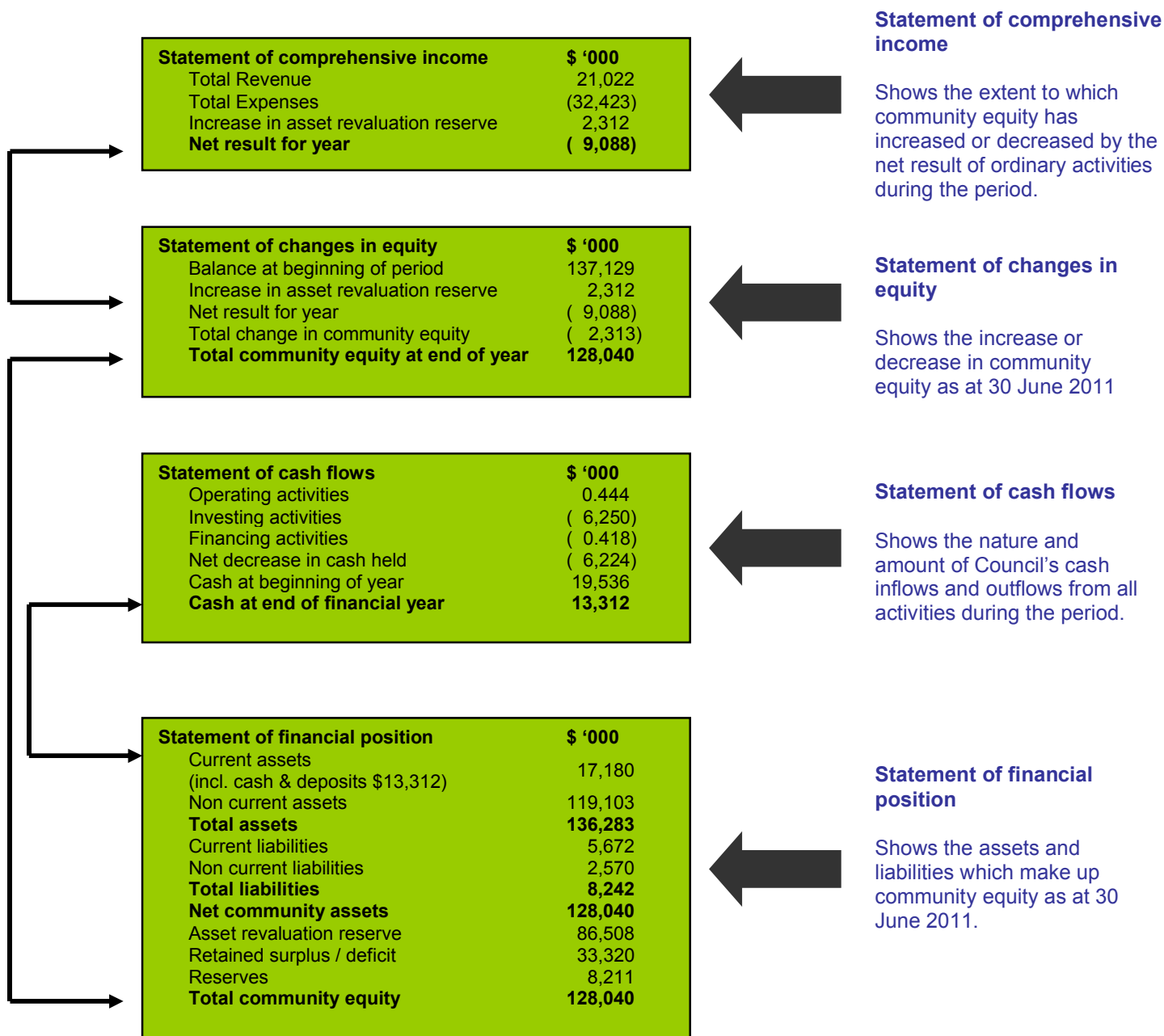
Like any well managed organisation, Council strategically aims to operate within a set of conservative financial parameters to ensure it is financially sustainable in both the short and long term. Council, as part of its financial strategy, has adopted several key financial performance indicators to guide the financial health of the organisation. Throughout the financial year, these indicators are calculated and reported to monthly Council meetings as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed to take corrective action if required.

The following table summarises how Council performed against set targets for the key financial performance indicators established in its financial strategy. In summary, Council achieved or bettered all financial targets, performing strongly in its ability to generate cash from day to day operations, meeting all financial commitments in the financial year and keeping debt to manageable levels. This was achieved while still maintaining the ongoing investment in community infrastructure and services.

financial health indicator

| | Target | Actual Performance |
|---|------------------|--------------------|
| Level of dependence of rate revenue | ≥ 10% | 9.65% |
| Ability to pay our bills (current ratio & or liquidity ratio) | 1 : 1 | 3.02 : 1 |
| Cash balance | ≥ \$2.75 million | \$13.312 million |
| Sustainability ratio | > 1% | 26.95% |

Community financial report



The purpose and interrelation of our four key financial statements (Statement of comprehensive income, Statement of changes in equity, Statement of financial position and Statement of cash flows) is set out in the diagram above, with the full statements and accompanying notes included in "our financial report".

Etheridge Shire Council

Community financial report

Information at a glance

Below is a series of tables and graphs that illustrates Council's major sources of revenue and expenses in addition to the value of Council's assets and liabilities. Comparisons are made between the 2010/11 and 2009/10 financial years.

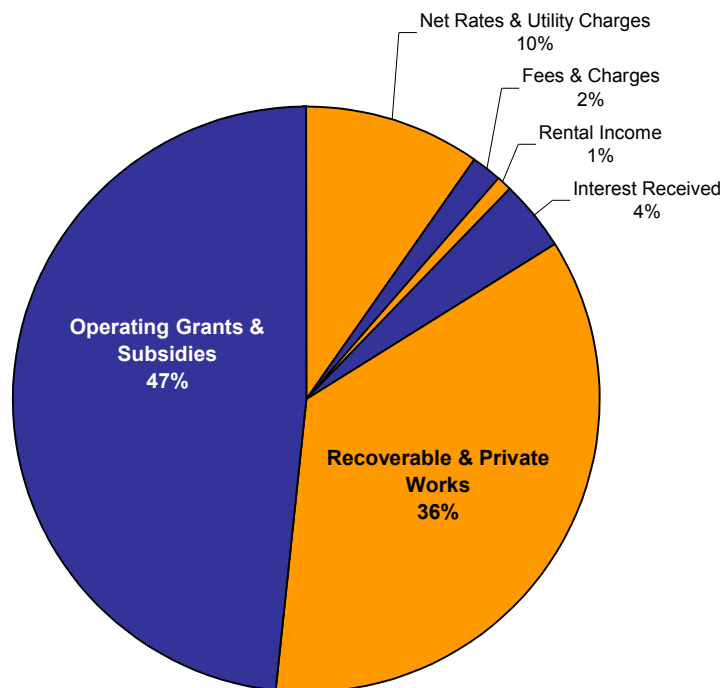
| | 2010/11 (000's) | 2009/10 (000's) |
|--------------------------|--------------------|--------------------|
| Total revenue | 21,022 | 36,782 |
| Total operating revenue | 20,346 | 36,055 |
| Total operating expenses | 32,395 | 24,216 |
| Loan interest costs | 179 | 201 |

Total income received was \$21.022 million. In comparison to the 2009/10 financial year, revenue decreased by \$15.760 million, a 42% decrease. This was due to grant income associated with the Einasleigh River Bridge (RLCIP funds)

Rates and utilities income comprised of \$1.963 million, which equates to 9.65% of total operating revenue. Recoverable and private Works income comprised of \$7.247 million, which equates to 35.6% of total operating revenue. The major source of income was Operating Grants & Subsidies comprising of \$9.820 million, which equates to 48.2% of total operating revenue.

Council earned \$0.806 million or 3.9% of total operating revenue from interest on investments and overdue rates during the financial year.

What were the major sources of income to Council? (Comprehensive Income Statement)



Community financial report

What expenses did Council have to meet? (Comprehensive Income Statement)

Etheridge Shire Council's operating expenses for the 2010/11 financial year totalled \$32.395 million, and increase of 25% from the previous years' expense total of \$24.216. The reason for the increase is due to expenditure pertaining to the Einasleigh River Bridge and the completion of the 2009 flood damage works.

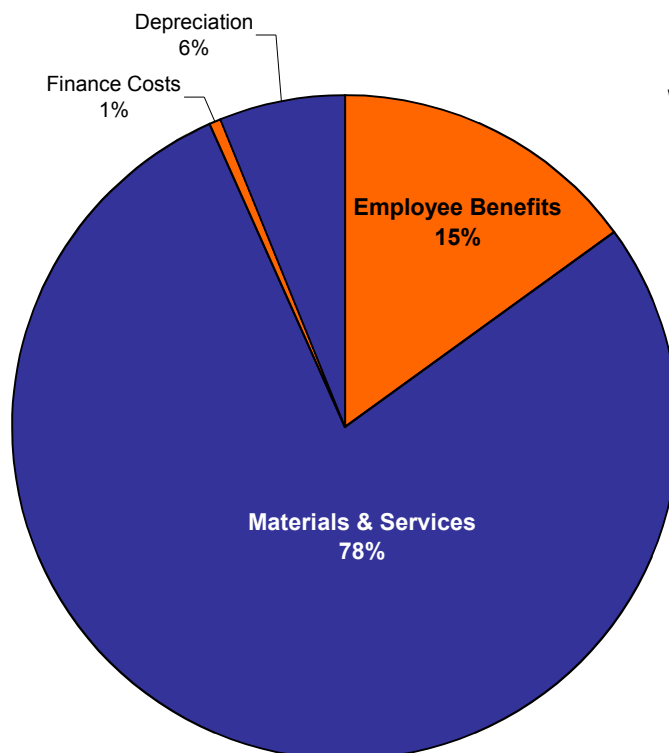
The associated graph illustrates the breakdown of operating expenses between the major categories materials and services, employee costs, finance costs and depreciation.

The largest expense Council has to meet was the payment to suppliers for materials and services \$25.382 million or 78% of total operating costs, employee benefits \$4.882 million or 15% of total operating costs and depreciation \$1.947 million or 6% of total operating costs.

Material and services cost is a very large category of expenses and includes, consultancy, contractor and materials consumed in delivering projects and services to the community including roads, parks, water, footpaths, libraries, pools, sports fields, community halls and town planning just to name a few.

Employee costs includes wages and salaries, annual leave, superannuation, remuneration and allowances paid to elected members.

Depreciation expenses refer to the estimated run down in the value of Council assets due to wear and tear or becoming out of date technically. This includes roads & drainage infrastructure, water infrastructure, buildings and plant and equipment.



Where did our money go?

Etheridge Shire Council

Community financial report

What is the value of the community's assets in Council's care? (Statement of Financial Position)

| | 2010-11 | 2009-10 |
|-------------------|-------------------|-------------------|
| | \$ million | \$ million |
| Total Assets | 136.283 | 141.683 |
| Total Liabilities | 8.242 | 4.553 |
| Cash Held | 13.312 | 19.536 |
| Loan Borrowings | 2.741 | 3.159 |

See financial statements 'Statement of Financial Position' for more information

The value of all assets controlled by Council totaled \$136.283 million as at 30 June 2011. This figure is broken down between current assets of \$17.180 million (13%) and non-current assets of \$119.103 million (87%).

Current assets are those that are readily available to meet expenses and include mainly cash and amounts owed from customers. Cash assets were \$13.312 million and receivables from customers \$2.086 million at the end of the 2010-11 financial year.

Council's property plant and equipment assets of \$119.103 million include freehold land, buildings, road's and drainage, water, plant and equipment and other infrastructure assets.

Liabilities or amounts owing at 30 June 2011 totaled 8.242 million. The largest single debt that Council owed at 30 June 2011 was to Queensland Treasury Corporation (QTC), the state government-owned lending agency from which most local governments and state authorities borrow to finance their large scale infrastructure projects. At the end of the financial year, Council owed QTC a total of \$2.741 million, after repaying \$0.418 million in principal off the various loans during the financial year.

Community financial report

What were the major sources of cash in and cash out? (Statement of Cash Flows)

The table below outlines the main sources of cash receipts and applications of cash payments between 1 July 2010 and 30 June 2011.

| | 2010-11 | 2009-10 |
|---|-------------------|-------------------|
| | \$ million | \$ million |
| Net cash inflow (outflow) from operating activities | 0.444 | 3.779 |
| Net cash inflow (outflow) from investing activities | (6.250) | (3.381) |
| Net cash inflow (outflow) from financing activities | (0.418) | (0.413) |
| Net increase (decrease) in cash held | (6.224) | (1.220) |
| Cash at beginning of reporting period | 19.536 | 19.537 |
| Cash at end of reporting period | 13.312 | 19.536 |

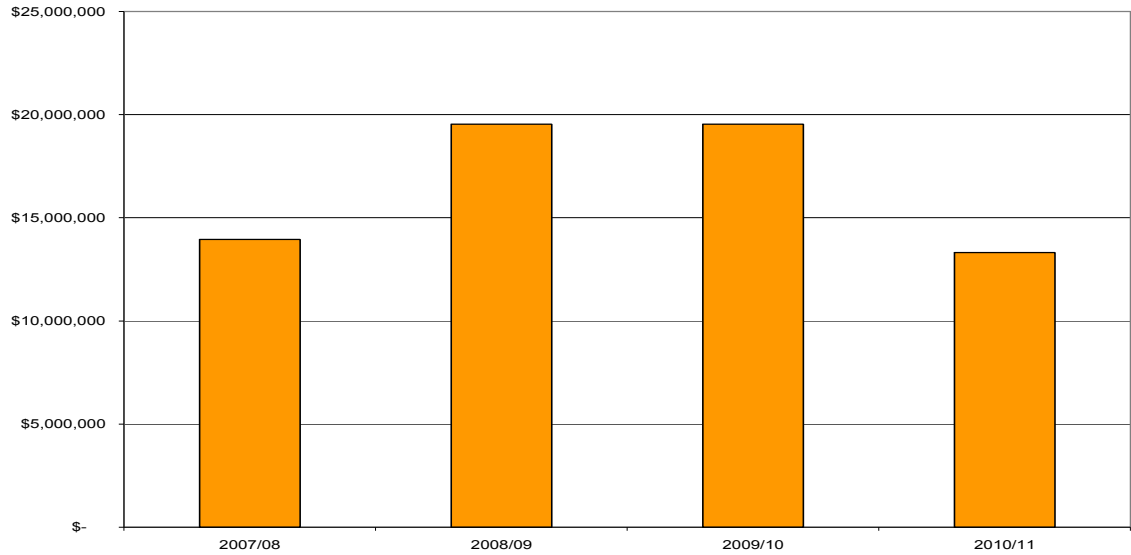
The cash flow statement is summarized into three activities:

- Operating activities, which are normal day-to-day functions of Council. These include receipts of rates, fees and charges and operating grants offset by payments for employees' costs, materials and services and interest costs.
- Investing activities, which include payments for the purchase and construction of property, plant and equipment and proceeds for the sale of surplus assets.
- Financing activities, which are repayments of principal on Council's loans, as well as the inflows from new loans drawn down in the year.

Council started the 2010-11 financial year with \$19.536 million total cash in the bank and ended the year with \$13.312 million, exceeding the target for cash held.

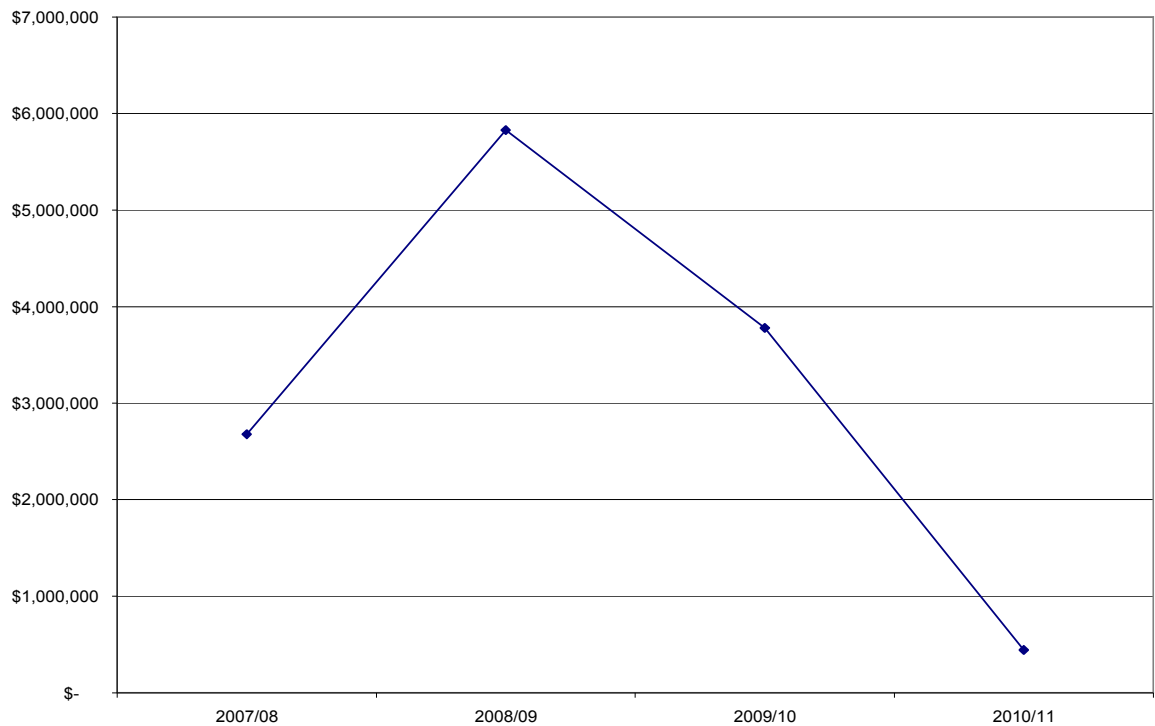
Community financial report

The following graph shows Council's total cash holdings for the past four years.



To maintain its strong financial position on behalf of the community, Council must make enough cash from its day to day operations to fund purchases of property, plant and equipment, repay interest and principal payments on loans and leave enough in reserve for future requirements.

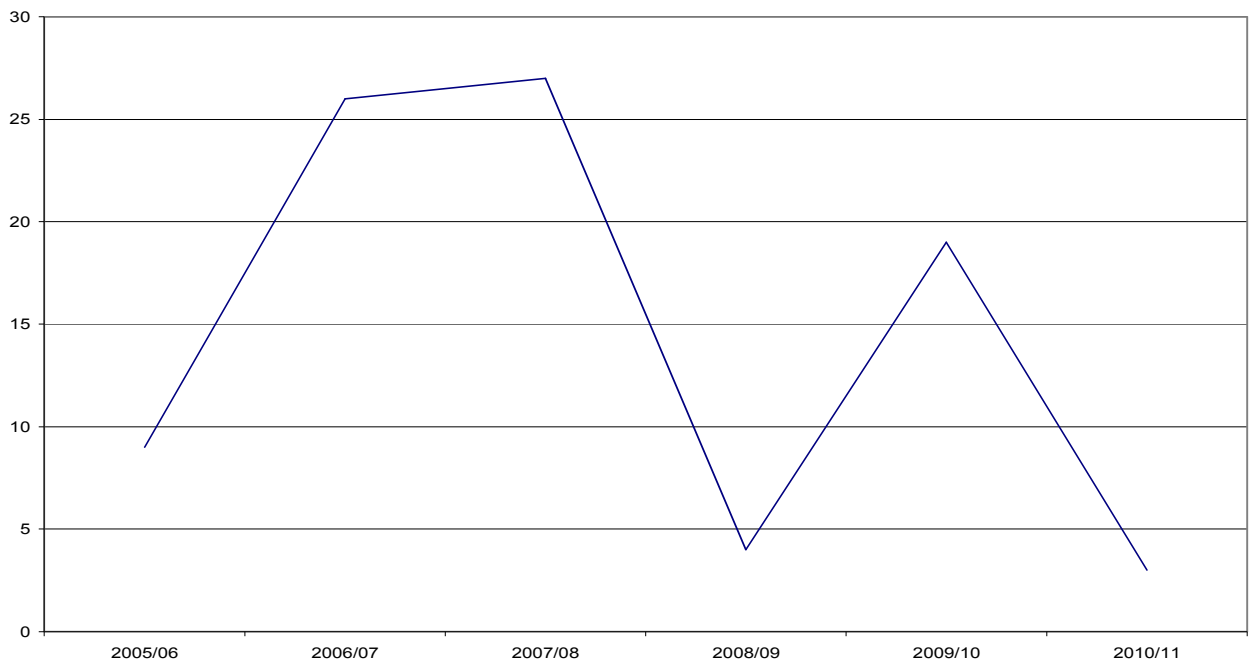
The graph below shows the level of net cash Council has been generating from normal day-to-day operations over the past three years.



Community financial report

An essential requirement for any business, including Council, is its ability to pay bills as when they fall due. A good benchmark for measuring this capacity is called the current asset ratio which is the ratio of current assets to current liabilities.

The following diagram illustrates that the ratio has been greater than 1 for the past five years reaching a healthy level of 3:1 in 2010-11. The ratio has decreased due to the decrease in current assets over the past financial year. In 2009/10 council was holding significant cash reserves mainly to do with grant funds associated with the Einasleigh Bridge. During 2010/11, council has utilised these funds to cover the capital costs associated with the construction of the Einasleigh River Bridge and also the capital costs for the Copperfield River Bridage at Einasleigh. Therefore, council's liquidity was distorted to a degree in the prior financial year, however, council can still meet its current liabilities 3 times based on the 2010/11 operating results.



Community financial report

Key Performance Measures (Financial Ratios)

| Ratio | Definition | Information | Target | Result 2010/2011 |
|---------------------------------|--|---|-----------------------|------------------|
| Working capital ratio | Current assets divided by current liabilities expressed as 1: X, where X = CA/CL. | This is an indicator of the management of working capital (short term financial capital). Measures the extent to which a council has liquid assets available to meet short term financial obligations. | greater than 1:1 | 3.02 : 1 |
| Operating surplus ratio | Net operating surplus divided by total operating revenue. Expressed as a percentage. | This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes. The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of general and other rates net of (excluding) rate rebates. A positive ratio indicates the percentage of total rates available to help fund proposed capital expenditure. If the relevant amount is not required for this purpose in a particular year, it can be held for future capital expenditure needs by either increasing financial assets or preferably, where possible, reducing debt. | between 0% and 15% | -2.59% |
| Net financial liabilities ratio | Total liabilities less current assets divided by total operating revenue. Expressed as a percentage. | This is an indicator of the extent to which the net financial liabilities of a Council can be serviced by its operating revenues. A ratio greater than zero (positive) indicates that total liabilities exceed current assets. These net liabilities must be serviced using operating revenues. A positive value less than 60 per cent indicates the council has the capacity to fund the liabilities and appears to have the capacity to increase its loan borrowings. A positive value greater than 60 per cent indicates the council has limited capacity to increase its loan borrowings. A ratio less than zero (negative) indicate that current assets exceed total liabilities and therefore the council appears to have the capacity to increase its loan borrowings. | Not greater than 60%. | - 44% |

Community financial report

| Ratio | Definition | Information | Target | Result 2009/2010 |
|----------------------------|---|---|---------------------|---------------------|
| Interest coverage ratio | Net interest expense on debt service divided by total operating revenue. Expressed as a %. | This ratio indicates the extent to which a council's operating revenues are committed to interest expenses. As principal repayments are not operating expenses, this ratio demonstrates the extent to which operating revenues are being used to meet the financing charges associated with debt servicing obligations. | Between 0% and 10%. | 0.88% |
| Asset consumption ratio | Written down value of infrastructure assets divided by gross current replacement cost of infrastructure assets. Expressed as a %. | The average proportion of as new value remaining in the infrastructure assets. This ratio shows the written down current value of a council's depreciable assets relative to their as new value in up to date prices. This ratio seeks to highlight the aged condition of a council's stock of physical assets. | Between 40% and 80% | 86% |
| Asset sustainability ratio | Capital expenditure on the replacement of assets (renewals) divided by depreciation expense. Expressed as a %. | This is an approximation of the extent to which the infrastructure assets managed by the council are being replaced as these reach the end of their useful lives. Depreciation expense represents an estimate of the extent to which the infrastructure assets have been consumed in a period. Capital expenditure on renewals (replacing assets that the council already has) is an indicator of the extent to which the infrastructure assets are being replaced. This ratio indicates whether a council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. | greater than 1% | 3.71% |

Summary

During the 2010-11 financial year, Etheridge Shire Council once again delivered a large program of operational and capital works to the community, while still meeting the financial sustainability indicators. Council continued to meet all financial commitments and keep debt at manageable levels. Council continued to generate sufficient cash from its day to day operations in order to meet its financial commitments throughout the financial year. Your Council is in a moderate to strong financial position to deliver the planned program of projects and services throughout the 2011-12 financial year.

Community financial report

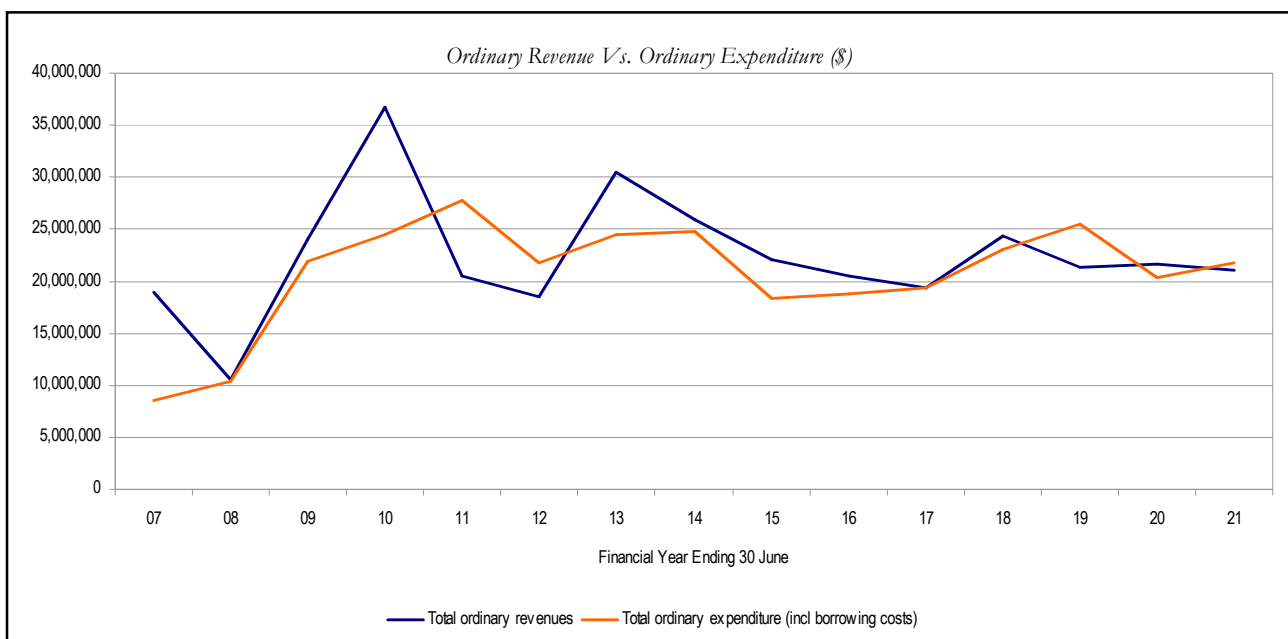
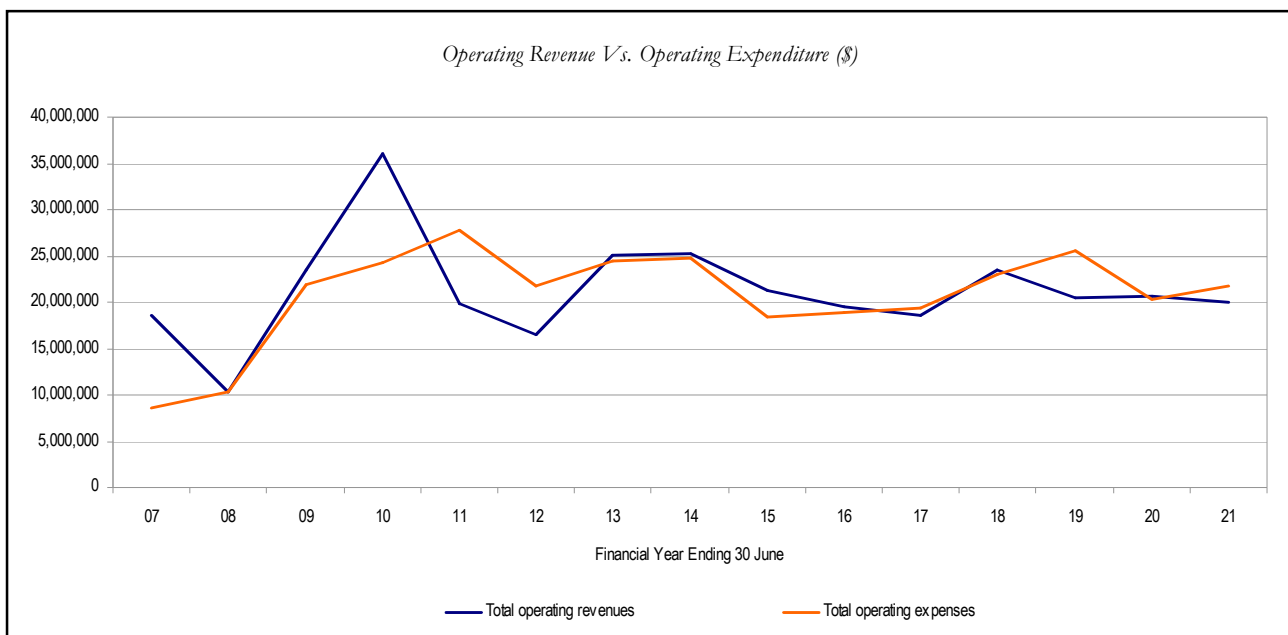
Relevant measures of financial sustainability

The annual report for a financial year must state:

- (a) The relevant measures of financial sustainability for the financial year for which the report has been prepared and the next 9 financial years.

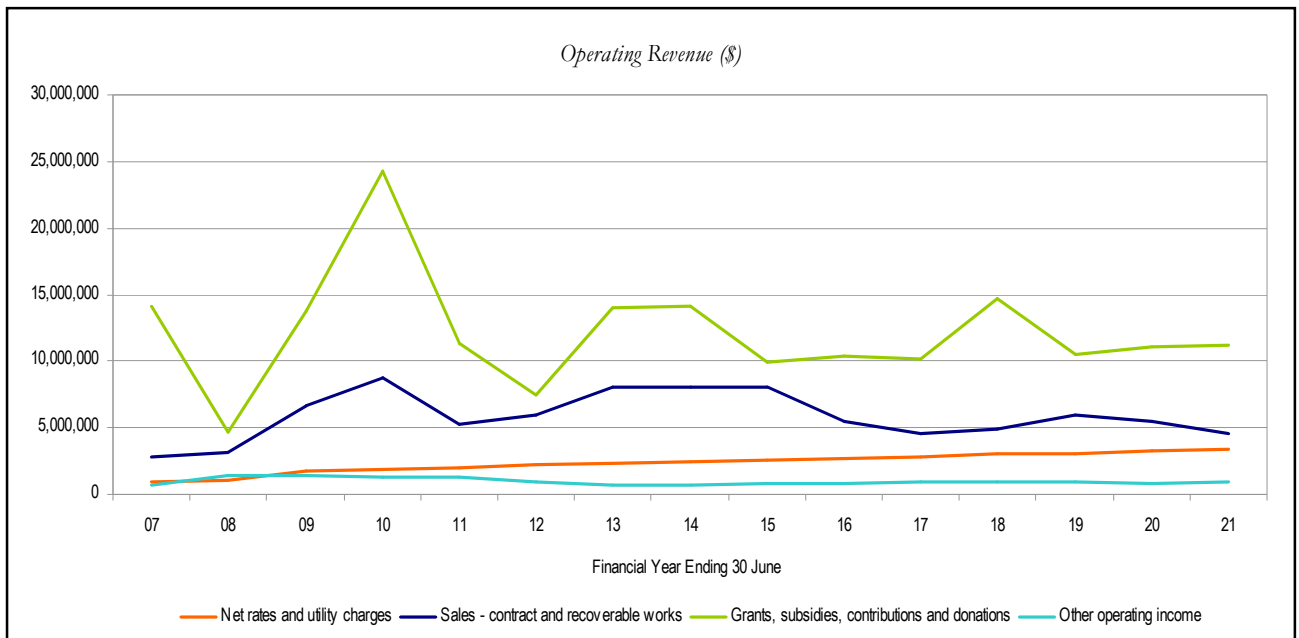
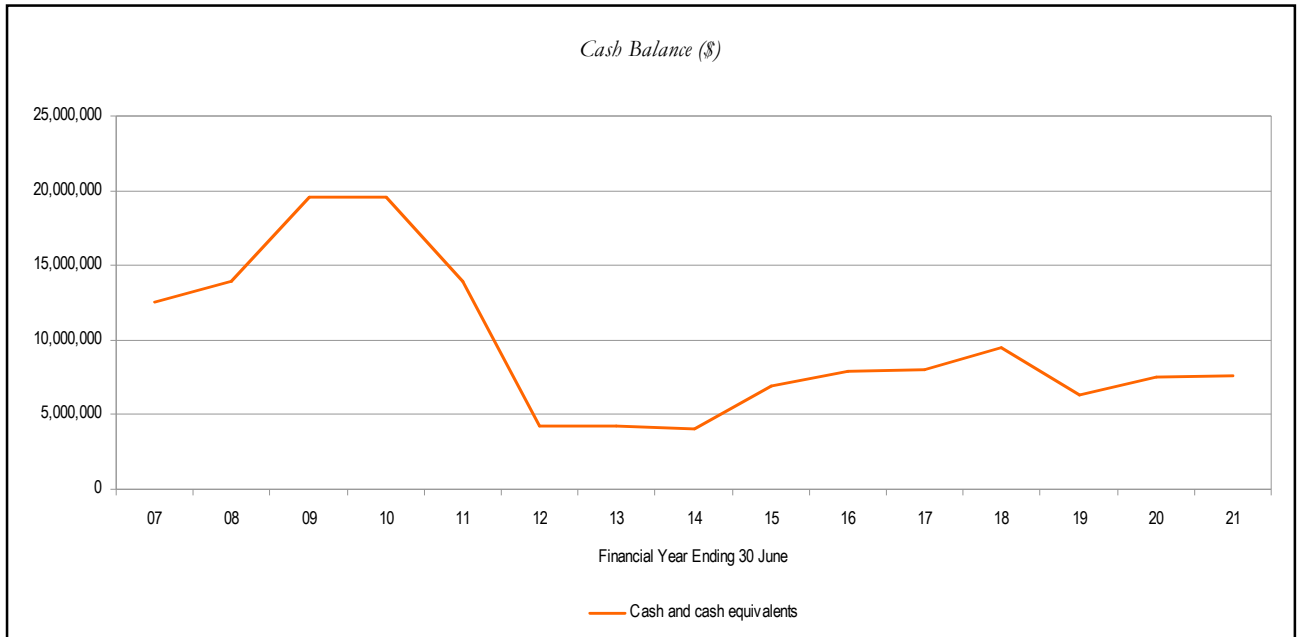
This is contained under S.112 of the Local Government (Finance, Plans & Reporting) Regulation 2010.

The graphs and ratios that are shown on the following pages have been extracted from Council's Long Term Financial Plan



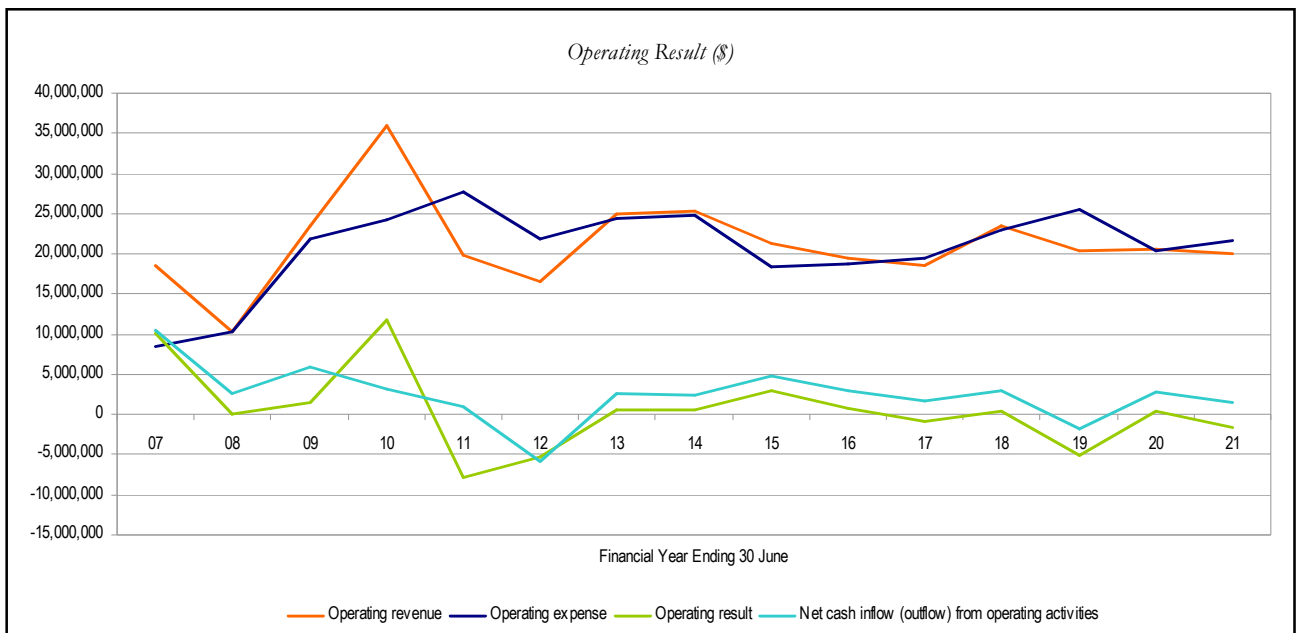
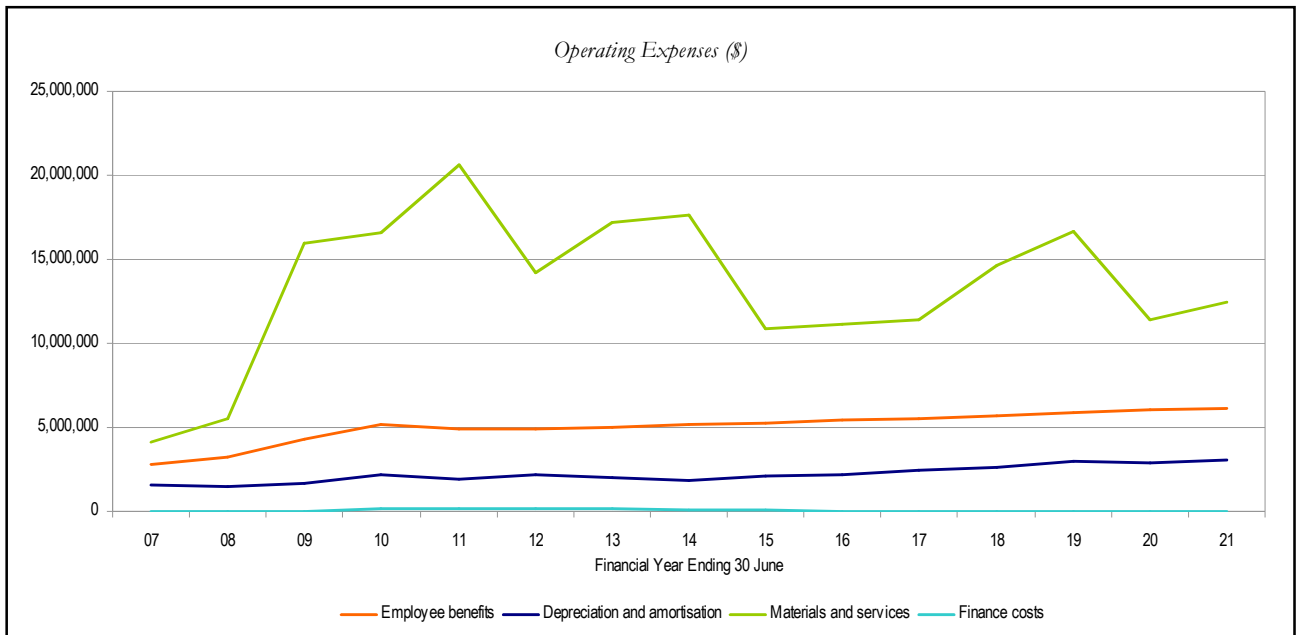
Etheridge Shire Council

Community financial report



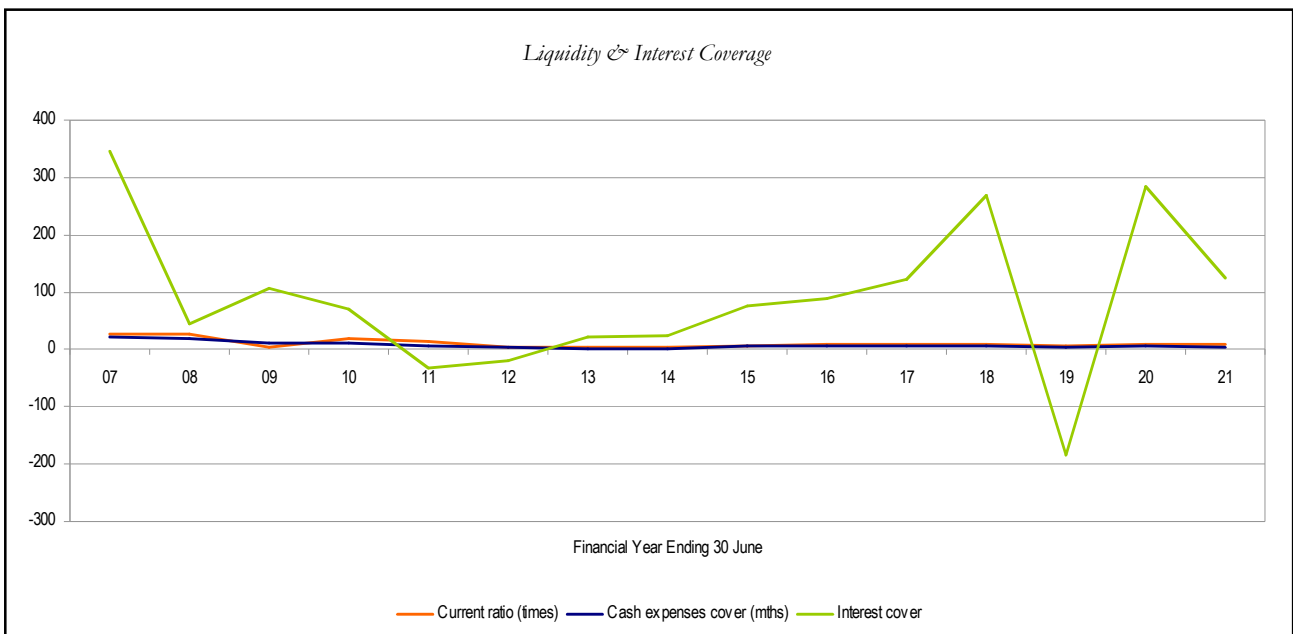
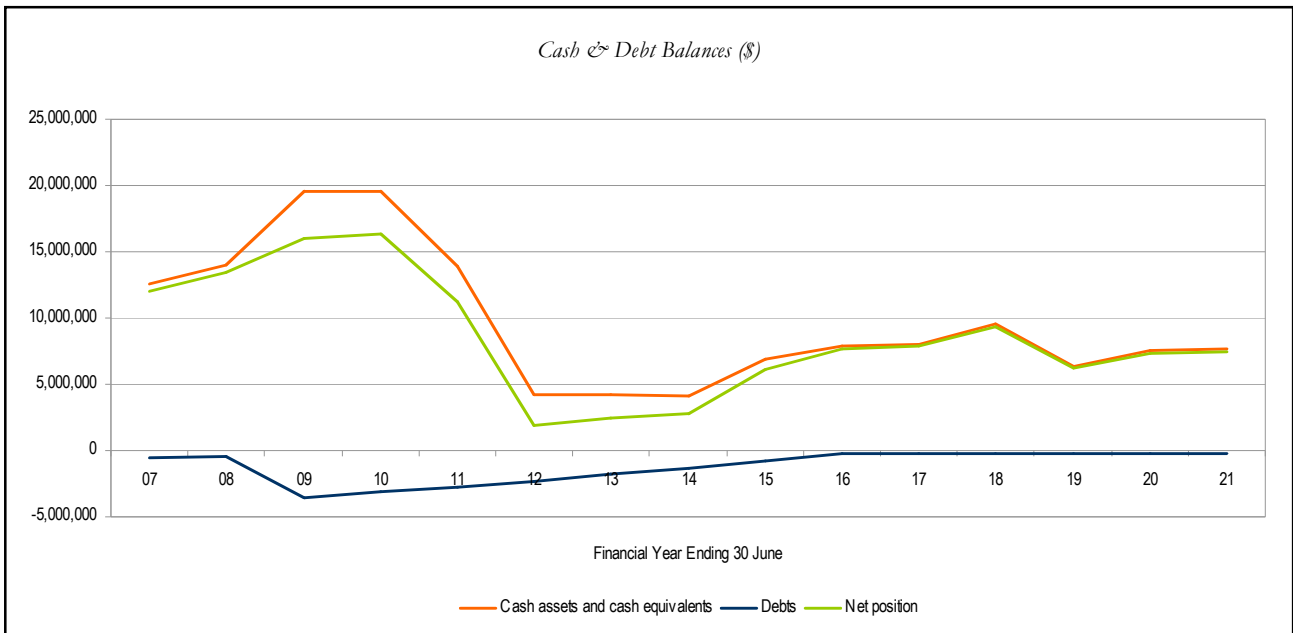
Etheridge Shire Council

Community financial report



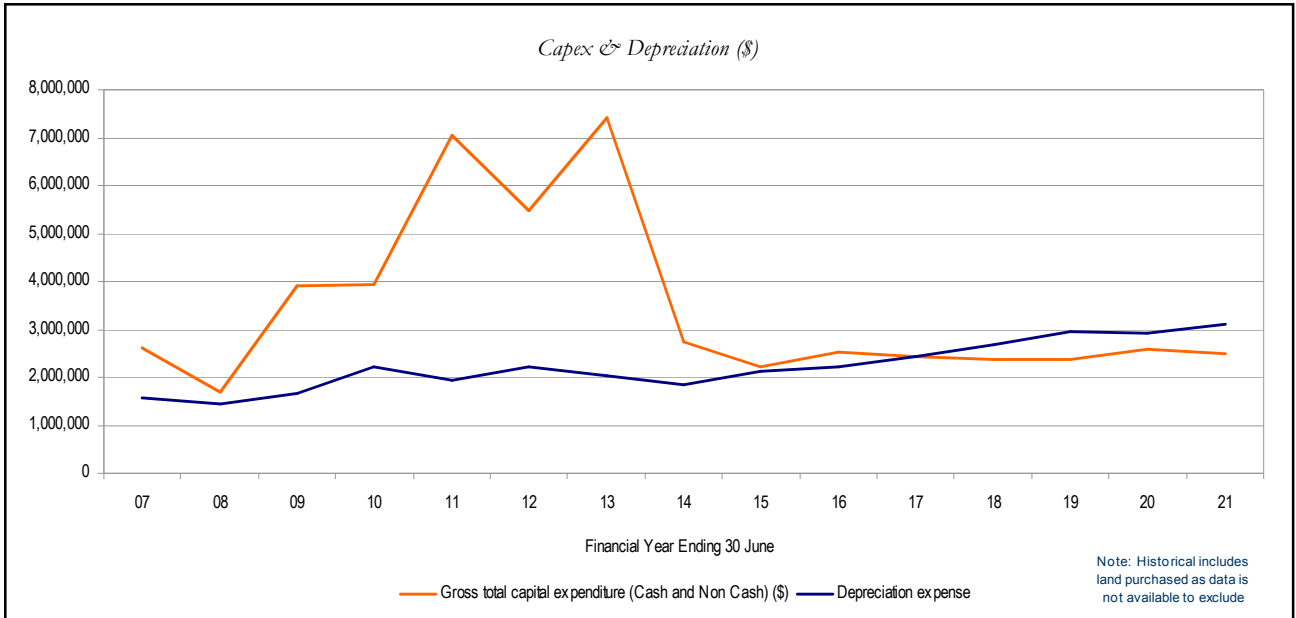
Etheridge Shire Council

Community financial report



Etheridge Shire Council

Community financial report



Corporate Governance



Corporate Governance

General Meetings of Council

The General Meeting of Council is responsible for managing the business of Council. Council must ensure decision making that supports the achievement of the community vision and the corporate plan in accordance with the *Local Government Act 2009* and other legislation.

The Local Government Act requires elected members to declare any material personal interests, in matters before Council and to remove themselves from any discussions or decision making on that matter. For a Councillor to have a material personal interest there must be an expectation of personal benefit gain or loss for the Councillor or an associate. A register listing Councillors material personal interests is maintained.

Councillors Code of Conduct

It is so important the Community has confidence in its Council and Councillors. *The Local Government Act 2009* sets out specific rules Councillors must follow to ensure transparency and accountability, particularly in relation to receiving gifts and conflicts of interest.

Etheridge Shire Council utilises the Councillor Code of Conduct in accordance with the procedures set down in the Act and Regulations and further that Councils existing Code of Conduct was rescinded.

The Code provides Councillors with a frame of reference about their roles, obligations and acceptable behavioural standards.

There are a number of requirements contained within Section 114 of the *Local Government (Finance, Plans & Reporting) Regulation 2010*, that are required to be reported within the Annual Report, regarding complaints made about councillors. Below is a table containing complaints received during the 2010/2011 financial year:

| Councillors | Code of Conduct Breach | Outcome |
|------------------|---|--|
| Cr Warren Bethel | Inappropriate action by a councillor. Matter was referred to the Mayor under S.177(5)(b) of the Act. | Letter of reprimand was issued to the councillor. |
| Cr Warren Devlin | Complaint received regarding the Mayor for inappropriate conduct. Matter referred to the Director General of the Department of Local Government & Planning under S.177(5)(a) of the Act | Matter still being reviewed by the Department of Local Government & Planning as at 30 June 2011. |

Corporate Governance

Remuneration to Councillors

Council resolved on 19 January 2011 in accordance with S.42(5) of the Local Government (Operations) Regulation 2010 to provide remuneration to the Mayor and Councillors in accordance with the Local Government Remuneration Tribunal Report.

Council resolved on 22 January 2009 to adopt the Transitional Expenses Reimbursement Policy for Local Government Councillors as developed by the Department of Local Government.

Councillors Meeting Attendance and Remuneration—2010/2011

| Councillor | Meetings Attended | Remuneration 2010/11 |
|------------------|-------------------|----------------------|
| Cr Warren Devlin | 15 | \$59,547.06 |
| Cr Warren Bethel | 13 | \$31,181.67 |
| Cr George Ryan | 14 | \$36,004.86 |
| Cr Neil Butler | 13 | \$20,437.80 |
| Cr Noeline Gross | 13 | \$19,848.96 |

Remuneration to Senior Staff

The annual report of a local government must state -

- the total remuneration packages that are payable (in the year to which the annual report relates) to senior contract employees; and
- the number of senior contract employees who are being paid each of the total remuneration packages.

A **senior contract employee** is -

- the chief executive officer; or
- any other local government employee who is employed -
 - on a contractual basis; and
 - in a position that reports directly to the chief executive officer.

| |
|--|
| 1 senior contract employee with a total remuneration package in the range of \$125,000 – \$170,500 |
| 1 senior contract employee with a total remuneration package in the range of \$118,565 – \$163,293 |
| 1 senior contract employee with a total remuneration package in the range of \$118,000 – \$165,260 |

Administrative Complaints Process

On the 20 April 2011, Council adopted a new 'Administrative Complaints Policy' which replaced the old General Complaints Policy. The old policy was compliant in relation to the *Local Government Act 1993*, however, with the introduction of the new Local Government Act and in particular the *Local Government (Operations) Regulation 2010*, council was required to review its complaints process and ensure compliance with the new Act and Regulations.

Complaints to be welcomed

- Anyone who is dissatisfied about a decision or other action of the council, a council officer can easily and simply lodge a complaint.
- Complainants are to be provided with information on the complaints process and, if necessary, assistance to make their complaint.
- Each complaint is initially assessed in terms of its seriousness, safety implications, complexity and degree of urgency.
- Council officers will receive complaints in a professional manner and welcome valid feedback as an opportunity for improvement of the council's administrative practices.
- Complaints are to be responded to as quickly as possible and in accordance with the timeframes set out in the complaints process.
- Complainants will not suffer any reprisal from council or its officers for making a complaint.
- Complaints are properly monitored with a view to continuous improvement of the council's business processes.
- If a complainant is not satisfied that a complaint has been satisfactorily resolved, he/she will be informed of any statutory right of review and, if they request, be provided with details of any further review mechanism that is available

The complaints process has been established for resolving complaints by affected persons about administrative action of the council.

However, the complaints process does not apply to a complaint-

1. That relates to competitive neutrality issues;
2. About official misconduct that should be directed to the Crime and Misconduct Commission; made under the *Whistleblowers Protection Act 1994*; or relate to actions of an elected member of Council.

"A complaint is a statement of dissatisfaction regarding the unsatisfactory delivery of a product or service offered by Council or the unsatisfactory conduct of Council officers. A complaint may be received in person, over the phone or by written or documented communication including electronic communication"

A complaint should not be confused with an action request. For example:-

A person may phone and request a pothole in a road be repaired. This is a request for service. If they phone to complain that he/she had requested a pothole be repaired weeks ago and nothing had been done, then this constitutes a complaint.

During the 2011/12 financial year a total of 85 'request for action' were received and 3 complaints. All complaints have been actioned and completed in terms of Councils policy.

Employee Code of Conduct

The Employee Code of Conduct assists Council in maintaining public trust and confidence in the integrity and professionalism of its employees by ensuring all employees maintain and enhance Councils reputation.

Employees are required to display the personal and professional behaviours that could be reasonably expected from persons holding positions that serve the community. More specifically, it requires employees to perform professional duties with care, skill, fairness and diligence. Employees are required to engage in ethical conduct, treat all others with courtesy, respect and with due regard to the rights of others.

The Code of Conduct is taken into account in the development and preparation of Councils Policies and guidelines. All new employees are provided with training regarding their obligations under the Code of Conduct. Any alleged breaches of the code are investigated in accordance with Councils guidelines.

External Audit

Council is audited annually by either the State Government's Queensland Audit Office or a duly authorised representative of the Queensland Audit Office.

This provides a statutory mechanism for external review of Councils financial operations and other corporate matters affecting the sound management of the organisation.

Council has received an "Unqualified Audit" Report for 2010-2011.

Tenders

Changes to Tenders in accordance with S.177(7) of the *Local Government (Finance, Plans & Reporting) Regulation 2010*

Council had no occasion to invite tenderers to change their submissions in the manner contemplated in the Regulation.

Expressions of Interest in Accordance with S.177(6) of the *Local Government (Finance, Plans & Reporting) Regulation 2010*

Council had no occasion to call for Expressions of Interests in accordance with Section 177(6) of the Regulation during the financial year.

Borrowing Policy

As a general principle, Council recognises that loan borrowings for capital works are an important funding source for Local Government and that the full cost of infrastructure should not be borne entirely by present day ratepayers but be contributed to by future ratepayers who will also benefit. Whilst recognising the importance of loan borrowings, Council should not place undue reliance upon loans as a source of income.

Council restrict all borrowings to expenditure on identified capital projects that are considered by Council to be of the highest priority, and which cannot be funded from revenue, as identified by the adopted budget. In no circumstances should council borrow funds for recurrent expenditure.

The basis for determination of the utilisation of loan funds will be as follows:

- Analysis of existing debt levels with a loan servicing cost target of less than 25% in any one year;
- Where capital project for a service that is funded by utility or user charges eg. Water, Waste, is determined to be funded by way of loans, the user charge should reflect the cost of providing the service including the loan servicing costs;
- Other specific capital projects, not funded by user charges, should only be considered for loan funding where the project is considered by Council to be beneficial to the majority of ratepayers;
- The term of any loan should not exceed the expected life of the asset being funded.

| | A | B | C | D | D |
|-----------------------------|---|---------------------|------------------|-----------------------|---|
| FUNCTION DESCRIPTION | EST BOOK DEBT BALANCE 30/06/2011 | QTC INTEREST | QTC ADMIN | QTC REDEMPTION | EST BOOK DEBT BALANCE 30/06/2012 |
| WATER FUNCTIONS | 124,082. | 7,427 | 124.39 | 12,703 | 118,930 |
| DEPOT FUNCTIONS | 273,379 | 17,138 | 274.27 | 45,706 | 245,085 |
| PLANT FUNCTIONS | 2,344,317 | 127,678 | 2,254.69 | 539,685 | 1,934,565 |
| TOTAL ALL FUNDS | 2,741,778 | 152,243 | 2,653.35 | 598,094 | 2,298,580 |

Etheridge Shire Council

Corporate Governance



Corporate Governance

Revenue Policy

The Revenue Policy, adopted annually at the budget meeting governs council's revenue raising activities. The policy provides details on how rates are levied and explains the differential rating system that more fairly shares the burden of rates including differential categories. All water and waste charges are based on this policy, as well as special levies, rate remissions, payments and discounts, and overheads on private work. Copies of the Revenue Policy are available from www.etheridge.qld.gov.au

Special rates and charges

Under Section 119 of the *Local Government (Finance, Plans & Reporting) Regulation 2010*, council is required to provide details of action taken in relation to, and expenditure on, a service facility or activity for which the local government made and levied a special rate or charge for the financial year and a summary of all rebates and concessions allowed by the local government in relation to rates

Special Charge

A special charge was levied on properties within the Forsayth, Einasleigh and Mt Surprise townships for "Waste Management".

The revenue from these rates was used as core funding for the provision of maintenance and operations of all waste management facilities for the towns of Einasleigh, Mt Surprise and Forsayth. The Special Charge will substantially fund the activity, however Council may determine to subsidise the service in view of the high costs of this service provision and the undue hardship that may result if full cost recovery was sought from the special charge.

Rebates and concessions

Council has four different rebates and concessions in relation to rates. These are Pensioner Rates Concession, Rates Remission for non-profit community organisations, Natural Hardship and Economic or Social Incentives. Full details of these rebates and concessions are available within the Revenue Statement from www.etheridge.qld.gov.au

Register of Documents

| Register | Comments |
|---|--|
| Personal Interest of Councillors | Records certain financial and other personal interests of Councillors. Available on written request. Councillors affected must be notified by Chief Executive Officer |
| Personal Interest of Councillors related persons | Restricted access – Councillors |
| Personal Interests of Chief Executive Officer and certain other senior staff. | Restricted access – Councillors and limited range of others permitted by law. |
| Minutes of Council Meetings | Available to any person ten days after the Council Meeting. |
| Delegation of Authority to Mayor or Chief Executive Officer | Available to any person. |
| Corporate Plan and Annual Report | Available to any person. |
| Budget and Operational Plans | Available to any person. |
| Road Register | Available to any person. |
| General Charges | Available to any person. |
| Delegations of Authority made by Chief Executive Officer. | Available to any person. |
| Land Record | Available to any person. A fee is required except for a person's own land or adjoining blocks. |
| Local Laws and Local Law Policies | Available to any person. |
| Town Planning and planning documents | The <i>Integrated Planning Act 1993</i> requires a local government to make a comprehensive range of documents available for inspection and (generally) for purchase. These documents are described in Section 5.7 of the Act. |

Reportable Issues



Reportable Issues

Internal Audit

Council passed a resolution in October 2011 to appoint an Internal Auditor pursuant to Section 155 of the Local Government (Finance, Plans & Reporting) Regulation 2010. It is also a requirement under Section 119(g) of the Local Government (Finance, Plans & Reporting) Regulation 2010, that the annual report has summary of the activities undertaken by the Internal Auditor.

The Internal Audit function represents an integral part of Etheridge Shire Council's governance framework. It is designed to provide the organisation's stakeholders with assurance that business processes are operating appropriately and effectively in accordance with organisational and legislative requirements. The Internal Audit function is designed to assess and evaluate the control measures the organisation has adopted, or plans to adopt, to manage the operational risks to which the local government operations are exposed.

Council has an Internal Audit Policy supporting the creation of an Internal Audit function within the organisation in accordance with Section 155 – Internal Audit or the Local Government (finance Plans & Reporting) Regulation 2010. The Regulation requires that Council must:

Undertake and internal audit each financial year;

- Prepare an internal audit plan after evaluating operational risks and relevant accounting documentation;
- Monitor its implementation of the internal audit plan;
- Prepare and present an internal audit progress report; and
- Twice per financial year, a summary of Internal Audit recommendations and the actions taken by management, if any, in response to the recommendations.

The purpose of Council's Internal Audit function is to objectively evaluate the organisation's business processes, work practices and systems of internal control to report opportunities for improvement to recommend enhancements to improve effectiveness and control.

Internal Audit will operate across all levels of organisation, with the aim of developing practical recommendations to improve the adequacy and effectiveness of Council activities, operations and procedures.

The Internal Audit function reports to the Chief Executive Officer. To ensure the internal audit activity is directed to areas of most benefit, a number of Council processes have been selected for review during 2011-12 and are incorporated into this Internal Audit Plan.

Reportable Issues

To be compliant with the professional standards of the Institute of Internal Audit, Council, through its Internal Audit function will also a Strategic Internal Audit Plan including specific projects and activities that will be undertaken in each year of the next three years. The Annual and Strategic Internal Audit Plan will be reviewed at least annually to ensure they continue to reflect the areas of greatest importance to the organisation.

Composition of the Annual Internal Audit Plan

The following table represents the projects to be delivered during the 2010/11 and 2011/12 financial year. For each project we have included a brief overview of the scope of review and the link to the Corporate Plan. Each project will culminate in the distribution of a report to the Chief Executive Officer.

| Project Description | Overview of Project | Link to Corporate Plan |
|--|--|---|
| Plant Management & Practices | Council has a fleet of heavy plant which it supplements with third party plant hire (wet/dry). The objective of this review is to examine the organisation plant management practices including: Compilation of Plant Rates charged to projects; Utilisation rates of existing Council plant; Extent of and rationale supporting use of external plant hire (wet/dry); and Plant Funding approach including turnover frequency | Objective #6 - Commercial Services Risks -Project Risks -Property / Asset Risk -Financial Risk -Fraud / Property Risk |
| Tender Evaluation Practices | Materials and Services represent a significant portion of Council expenditure annually, much of which arises through the procurement of goods and services of both an operational and capital nature. Higher value procurement carries greater risk for Council due to the level of interest from prospective suppliers locally and regionally and the opportunity unsuccessful tenders to make accusations. A robust tender evaluation process manages reputation, financial and legal risks. The effectiveness of Council's tender evaluation practices associated with major contracts will be examined in this internal audit review | Objective #7 - Organisational Excellence Risks -Reputation Risk -Financial Risk -Property / Asset Risk -Operational Risk -Project Risk |
| Customer Request Management (including Complaint Handling) | The Community makes contact with Council in numerous ways to make requests, report information, request information and register complaints. The accuracy and timeliness of Council's response impacts its reputation and is reliant on the effectiveness of internal processes. The project will review the mechanisms Council have in place for capturing, managing and monitoring service requests, information requests and complaints, including close out procedures. | Objective #7 - Organisational Excellence Risk -Reputation Risk -Insurance Risk -Property / Asset Risk |
| Review of External Works Costing (including RMPC, Main Roads, Flood Damage, Private) | Council undertakes external works on behalf of third parties or in response to State government requests for disaster assistance. Failure to accurately and completely estimate the costs of these projects, including employee and plant charges, and manage them effectively can expose Council to project and financial risks. The internal controls over external works processes from receipt of the initial request to perform external works, materials and labour estimates, project costing and budget financial management, monitoring controls and project/programme governance will be examined. | Objective #5 - Infrastructure Services Risks: -Project Risk -Reputation Risk -Operational Risk / Financial Risk |

Reportable Issues

Right to Information

Requests for information under the Right to Information Act (RTI) must be made on the required form (available on council's website or by contacting Council. During the period 1 July 2010 to 30 June 2011 council received 2 RTI applications. A total of 672 pages were considered and 100 per cent of these were released in full.

Land and Roads prescribed not to have a value

Etheridge Shire Council has control of:

1. 6,689 hectares of reserve land under the Land Act 1994. (Includes Reserves for Parks, Recreation, Water Supply, Rubbish Disposal and Local Government Purposes); and
2. 1,797.1 km of Roads. This land does not have a value in the financial statements.

Business Activities

Activities to which the Code of Competitive Conduct applies.

A "business activity" of a Local Government is divided into two categories:

a) Roads business activity means.

i) The construction or maintenance of State controlled roads for which the Local Government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement; or

ii) Submission of a competitive tender for construction or road maintenance on the Local Government's roads which the Local Government has put out to tender, or called for by another Local Government.

b) Business activity means.

i) Trading in goods and services to clients in competition with the private sector; or

ii) 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.

The Council has resolved not to apply the CCC to the following activities.

- Plant Hire
- Waste Services
- Road Services
- Water Services

Reportable Issues

Principles of Financial Management

To comply with statutory requirements outlined in the Local Government Act and Regulations, Council continually takes into consideration the principles of financial management while at the same time bearing in mind the financial constraints imposed by local economic conditions which are a result of long term drought, commodity prices and the restricted capacity of ratepayers to meet any additional financial commitment.

The financial result for year ending 30 June 2011 and the Auditors Report reflect the effectiveness of the operation of internal control.

The depreciation of non current assets and the amount of funded depreciation demonstrates Council's awareness of the need to have regard for the equity between people presently living in the area and between different generations. Council's corporate and operations plans set out their aims and objectives which together with the implementation of strategic management results in Council becoming very conscious of the importance of ensuring that every effort is made to achieve efficient, effective and proper management of the Local Government in the interests of all people living in the area, and the planning for those who will live in the area in the future.

Overseas Travel

During the 2010 - 2011 financial year there was no overseas travel undertaken by a Councillor and or an Employee of Etheridge Shire Council for business purposes.

Grants to Community Organisations

During the 2009 - 2010 financial year, Council did not implement this policy within its Community Services Section.

Council provides Community Assistance through other mediums such as

- Community Assistance Donations;
- Concessions to Community Groups through Rating

Meeting our Operational Plan Objectives



Meeting our Operational Plan Objectives

Meeting our Operational Plan objectives

Council’s strategic priorities are those major opportunities and challenges that our community believes need to be addressed in the Etheridge Shire. The key strategic priorities and their corresponding corporate objectives identified are listed below.

| Strategic Priority | Objective |
|--|--|
| 1. Community and Lifestyle | To provide accessible lifestyle choices through the provision of recreational and public facilities and services that will enhance community health, happiness and connections. |
| 2. Economic Development | To stimulate investment for existing and new industries creating a sustainable, diverse economy that is regionally significant. |
| 3. Environmental Sustainability | To ensure environmental assets and ecosystem services are available for future generations. |
| 4. Strategic Planning | To ensure the aspirations and safety of our community will be achieved through collaborative planning and action. |
| 5. Infrastructure Services | To ensure that service delivery and infrastructure is rolled out, maintenance and improvement underpins a healthy and growing economy and a comfortable lifestyle in the gulf region. |
| 6. Commercial Services | To ensure that substantial income is awarded and generated for foundation services, building infrastructure and implementing regional and local priorities. |
| 7. Organisational Excellence & Governance | To ensure that we deliver excellence as an organisation, embracing exceptional customer service, valuing staff and promoting ethical standards of practice supported by clear policies and strategies. |



1. Community & Lifestyle - To provide accessible lifestyle choices through the provision of recreational and public facilities and services that will enhance community health, happiness and connections.

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|---|---------------------|---|
| <p>Libraries</p> <ol style="list-style-type: none"> 1. Maintain Library services 2. Maintain Internet services provided through the Shire Library 3. Continue to provide support & training to library staff <p><i>KPM – ensure the provision of dynamic, relevant and accessible leisure and lifelong learning opportunities are provided for.</i></p> | <p>1.3 1.9</p> | <ul style="list-style-type: none"> • Library services have been maintained over the past year, with the centre being open 7 days a week from April through to September and then remaining open 5 days a week from October through to March. The library has completed a number of book exchanges throughout the year with the assistance of State Libraries. • Council's public Internet service has proven to be very popular with the community and also the traveling public. Council has invested capital dollars over the past year with replacing several computers. • Training of library staff is an on-going process for Council. State Libraries have conducted a number of training sessions throughout the year, with Council Staff being an active participant with this training. |
| <p>Cultural Development</p> <ol style="list-style-type: none"> 1. Continue participation in RADF program 2. Maintain Arts & Cultural Policy 3. Implement and Arts Register throughout the Shire <p><i>KPM – provide opportunities for individuals and groups to participate in the Arts & Cultural life of the community and conserve Art & Heritage</i></p> | <p>1.1</p> | <ul style="list-style-type: none"> • The Regional Arts Development Fund (RADF) program has recommenced after a short hiatus. Council has called for a funding round late in the financial year, which received a positive response from the community. In conjunction with the funding round, Council also advertised for members of the community to form a new RADF committee. • Council has rewritten and updated Council's Arts & Cultural Policy which has been endorsed and approved by Council in April 2011. • As part of the role & responsibility of the RADF committee an Arts Register will be implemented. |
| <p>Television & Radio Re-Transmission</p> <ol style="list-style-type: none"> 1. Continue to maintain current services 2. Provide community awareness in relation to Digital Television. <p><i>KPM – provide a reliable re-transmission service to the shire</i></p> | <p>1.1 1.12</p> | <ul style="list-style-type: none"> • Retransmission services for television and radio has been maintained over the past year. Council has had to undertake minor repairs to the infrastructure, with new antennas being installed in Mt Surprise and Einasleigh. • Council has conducted a number of Community Education bulletins to assist the Etheridge Shire residents become digital ready for the impending changes to the way the shire will receive television reception into the future. |
| <p>Cemeteries</p> <ol style="list-style-type: none"> 1. Continue to maintain the Shire's cemeteries 2. Continue to develop and maintain Cemetery Register and Cemetery history 3. Fence the Kidston Cemetery | <p>1.17</p> | <ul style="list-style-type: none"> • Council has undertaken the necessary maintenance to Council's Cemeteries over the past financial year. • Council is still updating the Shire Cemetery registers and Cemetery maps. • Fencing of Kidston Cemetery is yet to commence and has been carried over into the 2011/2012 budget. |
| <p>Emergency Services – SES</p> <ol style="list-style-type: none"> 1. Continue to maintain budget program for SES Group 2. Maintain facilities & upgrade where necessary <p><i>KPM – maintain support for shire emergency service group(s)</i></p> | <p>4.7</p> | <ul style="list-style-type: none"> • Council is still committed in providing financial support to the local SES Group to enable the effective operation of this valuable community service group. EMQ have conducted various training sessions throughout the year to ensure the skills of the group are being maintained. • Council has completed the extensions to the SES building with the new training room fully sheeted and painted. The extensions have been officially opened by the Member for Mt Isa. |

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|--|------------------|---|
| <p>Halls & Public Facilities</p> <ol style="list-style-type: none"> 1. Maintain Public Halls within Georgetown 2. Maintain Public Halls within Einasleigh 3. Maintain Public Halls within Mt Surprise 4. Purchase Tables & Chairs for Georgetown Hall <p><i>KPM – ensure public halls are maintained to promote community participation throughout the shire</i></p> | 5.5 | <ul style="list-style-type: none"> • <u>Georgetown Hall</u> is being maintained. Full maintenance inspection has been carried out. Maintenance is being carried out as and when required. Council has completed repairs to steps and balustrades, re-coated the exterior deck to the hall. • <u>Einasleigh Hall</u> is being maintained. Full maintenance inspection has been carried out. Repairs to the internal ceiling have not commenced and will be carried out in the 2011/12 year. Maintenance is being carried out as and when required. • <u>Mt Surprise Hall</u> is being maintained. Full maintenance inspection has been carried out. Maintenance is being carried out as and when required. • New tables and chairs have been purchased for the Georgetown Hall. • Funding submission has been submitted for the Mt Surprise & Einasleigh halls under the Disability Funding Scheme to provide disabled access to these facilities as per legislative requirements. Funding application has been successful. The associated works will be carried out in the 2011/2012 financial year. |
| <p>Medical Centres</p> <ol style="list-style-type: none"> 1. Maintain Einasleigh Medical Centre 2. Maintain Mt Surprise Medical Centre 3. Undertake extension to the Mt Surprise Medical Centre via grant funding <p><i>KPM – ensure facilities are maintained to ensure that they meet community health requirements</i></p> | 1.8 5.5 | <ul style="list-style-type: none"> • <u>Einasleigh Medical Centre</u> is being maintained. Curtains, Two-way radio & generator have been ordered and installed for the centre, which has been achieved through a grant from the Federal Government. • <u>Mt Surprise Medical Centre</u> is being maintained. • Extension to Mt Surprise Medical Building has been completed which incorporates another 40m2 to the existing building. This now provides this building with a trauma room and also direct wheelchair and trolley access from the ramp to the trauma room. This was funded through the assistance of a Federal Government Grant. |
| <p>Swimming Pool</p> <ol style="list-style-type: none"> 1. Maintain swimming pool facilities for public use 2. Install seating to the swimming pool complex <p><i>KPM – provide facilities to accommodate a diverse range of leisure and recreation activities</i></p> | 1.1 | <ul style="list-style-type: none"> • Georgetown Pool Complex has been maintained throughout the year to ensure that the complex meets the requirements under legislative guidelines for a public pool. • New Seating to the pool complex is yet to commence and has been carried over into the 2011/12 Budget. • Existing seating to the pool has been reallocated back to the pool. |



2. Economic Development - To stimulate investment for existing and new industries creating a sustainable, diverse economy that is regionally significant

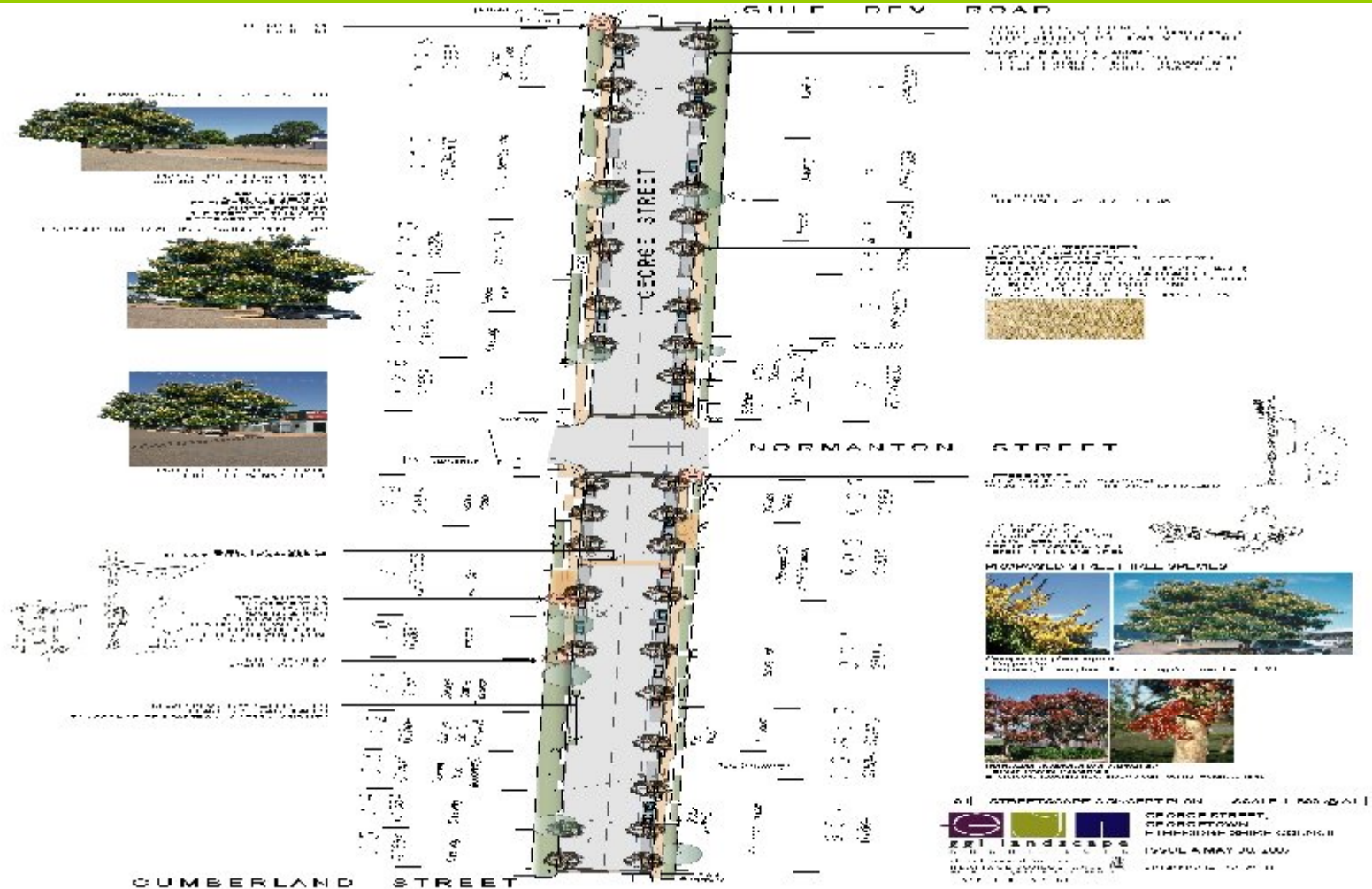
| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|---|-------------------------------------|---|
| <p>Signage</p> <ol style="list-style-type: none"> 1. Upgrade Shire entrance signs 2. Upgrade town entrance signs and or erect information signs for the townships of: <ul style="list-style-type: none"> . Georgertown . Forsayth . Einasleigh . Mt Surprise <p><i>KPM – enhance the shire’s tourist and economic profile by utilizing visual signs and interpretative signs</i></p> | <p>2.7</p> | <ul style="list-style-type: none"> • Council has been developing a number of information signs to be displayed within and also outside the shire to promote the region. Conceptual designs have been prepared at this stage, with further development still required prior to completion and installation. This project is ongoing and has been carried over to the 2011/2012 financial year. • Improvements to the shire entrance signage have commenced, however council is waiting on wording and logos from the Ewamian People to complete a concept design. This enhancement to the entrance signs forms part of the ILUA agreement between Council and the Ewamian People. This project has also been carried over to the 2011/2012 financial year. |
| <p>Land for Resale</p> <ol style="list-style-type: none"> 1. Continue the operational works for the Residential Estate – Georgetown 2. Implement the sale of the Residential Estate - Georgetown 3. Continue the operational works for the Industrial Estate – Georgetown 4. Implement the sale of the Industrial Estate – Georgetown 5. Implement the sale of Residential Estate – Forsayth 6. Undertake the development of the Residential Estate – Mt Surprise 7. Implement the sale of the Residential Estate – Mt Surprise 8. Implement the sale of the Rural-Residential Estate – Georgetown 9. Purchase residential land at Forsayth under ILUA agreement 10. Purchase land at Mt Surprise – Town Reserve | <p>2.9 2.15 2.16</p> | <ul style="list-style-type: none"> • The operational works for the Georgetown Residential Sub-Division has been completed, which incorporated the completion of pavement and seal, installation of water infrastructure and also the installation of power and street lighting. All town planning approvals have been completed and approved by council. The allotments contained within the sub-division have been registered with the Department of Environment & Resource Management. The sale of the residential allotments will be conducted within the 2011/2012 financial year. • The operational works for the Georgetown Industrial estate has been completed with the installation of water infrastructure to the estate. All town planning approvals have been completed and approved by council. The allotments contained within this sub-division have been registered with the Department of Environment & Resource Management. The sale of the industrial allotments will be conducted within the 2011/2012 financial year. • The operational works are completed at the Forsayth Residential Estate. Water to the allotments has been completed. Town Planning application has been approved by Council. Survey Plan has been registered with the Department of Environment & Resource Management. The sale of the residential allotments will be conducted within the 2011/2012 financial year. • Council is still in negotiations with Ergon Energy for a parcel of land located at Mt Surprise to enable council to undertake a 9 lot sub-division within this township. • Council has instigated the process to purchase additional allotments within the Forsayth Township which forms part of the ILUA arrangements between Council and the Ewamian People. • Council has made application to the Department of Environment & Resource Management to acquire ‘unallocated state land’ that surrounds the township of Forsayth for future rural development. |
| <p>Housing Development</p> <ol style="list-style-type: none"> 1. Complete the relocation of houses to Georgetown and Forsayth | <p>5.6</p> | <ul style="list-style-type: none"> • Council has completed the relocation of several houses to the townships of Forsayth and Georgetown. This project was to initiate market confidence within the area and also provide for affordable housing options for the community. |

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|---|--------------------|--|
| <p>Sports & Recreation</p> <ol style="list-style-type: none"> 1. Construct a Multi-Purpose Sports & Recreation Facility – Georgetown 2. Actively pursue funding opportunities for the construction of a Multi-Purpose Sports & Recreation Facility <p><i>KPM – to provide sporting and recreation facilities to promote community participation in response to community needs and expectations</i></p> | <p>2.17</p> | <ul style="list-style-type: none"> • Council has endorsed a resubmission of its original application for a Multi Purpose Sports Centre with an application to be submitted to the Federal Government under the terms of the Regional Australia Funding program. This application will be submitted in the 2011/2012 financial year. |



3. Environmental Sustainability - To provide environmental assets and ecosystem services are available for future generations

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|--|---------------------------|--|
| <p>Environmental Health – Inspection</p> <ol style="list-style-type: none"> 1. Continue regular inspection program for compliance with various Acts / Regulations 2. Continue and maintain education programs for the community to ensure compliance with new and or amended legislation. 3. Continue to provide data to the Department regarding compliance under Councils approved Environmental Licenses <p><i>KPM – improve public health and safety through implementation of regular inspection programs and develop public education programs to improve community knowledge</i></p> | <p>3.1</p> | <ul style="list-style-type: none"> • Council has been proactive during the 2010/2011 financial year, with all Food and Environmental Relevant Activities being licensed and also follow up inspections have also occurred to ensure that all premises are adhering to the conditions of there license but also adhering to the requirements under the respective legislation guidelines. During the year a total 33 license were issued for Food & various ERA licensing. There were no breaches of license conditions during 2011/2012. • Information packs have been sent to all new businesses regarding compliance with Food & Health obligations and furthermore Council's Website has been updated to incorporate updated information. • Council has continued to provide the Department of Environment & Resource Management (EPA Section) with all statutory returns in accordance with the current legislative requirements. |
| <p>Pest Management</p> <ol style="list-style-type: none"> 1. Maintain procedures and compliance with Land Protection (Pest & Stock Route Management) Act 2002 2. Implement pest/plant control program on behalf of Main Roads <p><i>KPM – to provide pest management services to protect the shire from declared pests while having regard to environmental impacts</i></p> | <p>3.8</p> | <ul style="list-style-type: none"> • Council has adopted its new Pest Management Plan during the 2011/2012 financial year. The plan has been sent to the Department for approval. • Council has continued its obligation in eradication of noxious weeds along state and shire roads. • Council has continued its 1080 baiting program to assist rural landowners in the eradication of feral pest as identified within councils pest management plan. • Council has continued its education program for shire residents regarding pest management programs. |
| <p>Waste Management</p> <ol style="list-style-type: none"> 1. Implement the relocation and closure of the Georgetown Landfill site <p><i>KPM – operate sustainable landfill and transfer station sites and waste collection services to ensure protection of the environment and compliance with legislative requirements and develop education programs to educate the public on ways to reduce the pressure on landfills.</i></p> | <p>3.4 5.7</p> | <ul style="list-style-type: none"> • Council is continuing with the implementation of a new landfill for the shire, which is to be located several kilometres from the township of Georgetown along the Georgetown – Forsayth Road. At this stage council is still finalizing its compliance requirements for the Department of Environment & Resource Management and also finalizing its Town Planning Application, which incorporates the Environment Relevant Activity License associated with landfills. Council has approved the purchase of a new waste disposal truck, which should be available by December 2011. The new landfill is progressing with the following items being completed to date: <ul style="list-style-type: none"> • Land tenure has been secured; • Payment for the land has been completed • Survey Plan has been lodged with DERM for registration; • Opening Plan has been completed; • Closure Plan has been completed; • ILUA agreements have been signed awaiting Minister to sign off. • Specifications for a new garbage truck have been agreed upon by Council, and procurement has been undertaken. Delivery date is expected to be in December 2011 |



4. Strategic Planning - The aspirations and safety of our community will be achieved through collaborative planning and action.

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|--|---|---|
| <p>Town Planning</p> <ol style="list-style-type: none"> 1. Continue implementation of planning scheme to meet the requirements of the Sustainable Planning Act 2009. 2. Continue assessment of development applications 3. Undertake the development of Priority Infrastructure Plan 4. Undertake a review of the Town Planning Scheme <p><i>KPM – ensure development accords with Council's planning instruments and complies with the requirements of relevant legislation and ensure an efficient approvals process is maintained to meet statutory timeframes and assessment obligations</i></p> | <p>4.1 4.3 4.6 4.10</p> | <ul style="list-style-type: none"> • Council's IPA Planning scheme is being maintained at present. Council Officers have been attending update sessions with Department of Local Government & Planning regarding the new planning legislation known as SPA. Council is in the process of investigating its options in the development of a new Planning Scheme, to meet the requirements under the new planning legislation. Council has until 2013 to have a new planning scheme developed for the shire. • Council received 6 planning applications for the 2010/2011 financial year. Two of the applications are complex applications (Wind Farm and Landfill). Council has had a number of preliminary assessments with potential developers ranging from Eco-Tourism to a large scale Quarry. • Council has been working of the development of a Priority Infrastructure Plan (PIPs) for the shire, which will be carried forward to the 2011/2012 for completion and adoption. |
| <p>Building</p> <ol style="list-style-type: none"> 1. Continue to maintain compliant with the relevant Acts, Codes & Regulations 2. Investigate a more cost effective method of delivering building & plumbing approvals and inspections 3. Attend training sessions when required 4. Implement public education on building matters <p><i>KPM – ensure that activities undertaken in the shire accord with the relevant building & planning instruments and complies with the requirements of relevant legislation</i></p> | <p>4.3 4.4</p> | <ul style="list-style-type: none"> • Council has completed the development of information packages pertaining to building matters, plus council has been publishing information in the Inform under the heading 'Harry the Hammer' to provide useful and educational information in an informal manner pertaining to building and plumbing issues. In addition, council's website has been updated to incorporate more information relating to building matters. • Council has also complied with the new the Pool legislation by implementing a pool register and also undertaking pool inspection when and where required. Council's building inspector has undertaken the appropriate training and has received formal qualifications to undertake this task. • Council has received 19 building applications for the financial year compared to 5 applications for the previous year. |



5. Infrastructure Services – To provide service delivery and infrastructure roll out, maintenance and improvement underpins a healthy and growing economy and comfortable lifestyle in the gulf region

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|--|-----------------------------|--|
| Road Maintenance (Shire) <ol style="list-style-type: none"> Continue Town Street Maintenance programs Continue Shire Road Maintenance programs <p>KPM – continue to maintain the shires town streets and road network in accordance with advanced asset management principles</p> | 5.3 | <ul style="list-style-type: none"> Council has implemented and completed the Town Street maintenance program as approved by council. Total spent on town street maintenance for the financial year was \$185,000, which incorporates the townships of Georgetown, Forsayth, Einasleigh and Mt Surprise. Council also invested another \$277,000 into the Shire Road Maintenance program. Works planned for 2010/2011 for Town Streets and Shire Road maintenance were achieved with 98% spent against the combined budget allocation. |
| Road Improvements (Shire) <ol style="list-style-type: none"> Continue scheduled re-seal program Continue scheduled re-sheeting program Continue TIDS program Continue R2R program Continue drainage and flood mitigation program Continue Town Street improvements <p>KPM – continue to develop and maintain the shires road network in accordance with advanced asset management principles</p> | 5.3 5.12 5.15 5.16 | <ul style="list-style-type: none"> Council's scheduled re-seal program was completed with council spending \$187,000 within the financial year. Council's scheduled re-sheeting program was also achieved in accordance with the asset management road plans with a further \$416,000 spent throughout the 2010/2011 financial year. TIDS for 2010/2011 has commenced and will continue into the 2011/2012 on the Forsayth-Einasleigh Rd. TIDS for 2009/10 has been completed on the Forsayth – Einasleigh Road. R2R program has commenced with the 2010/2011 allocation being spent prior to the end of the financial year. Council will remain at this allocation and complete the 2011/2012 allocation of R2R funding within the first 2 months of the 2011/2012 financial year. Council has completed the design for the next stage of the upgrade to the Hann Highway. Main Roads has approved the design. Council will commence work on the Hann Highway in September 2012 after the completion of the R2R project. Gravel has been sourced and screened in readiness for the Hann Highway upgrade. Floodways and drainage program has been completed as scheduled for the 2010/2011 financial year. |
| Asset Management <ol style="list-style-type: none"> Continue to implement and develop asset management plans and procedures <p>KPM – continue to develop asset management plans.</p> | 5.1 5.2 | <ul style="list-style-type: none"> Council's Asset Management Plan has commenced and is 90% complete. Once the Asset Management Plan has been completed the plan will be discussed with Council for endorsement along with Council's long term finance plan. |
| Bridges <ol style="list-style-type: none"> Upgrade the bridge crossing over the Copperfield River at Einasleigh Continue the upgrade, construction and project management of the bridge crossing over the Einasleigh River on the Gulf Development Road <p>KPM – ensure the construction and maintenance of the shire's bridges are in accordance with advanced asset management principles</p> | 5.3 5.5 5.15 | <ul style="list-style-type: none"> The majority of the work has been completed on the new Copperfield River Bridge. There are some minor defects that need to be attended to prior to finalizing and signing of on this project. Council has completed the contract for the design and construct for the Einasleigh River Bridge on the Gulf Development Road. The new bridge was officially opened on the 21 January 2011 The removal of the old bridge decks will be undertaking within the 2011/2012 financial year. |
| Road Improvements (Main Roads) <ol style="list-style-type: none"> Continue to work with Main Roads to improve state controlled road networks within the shire | 5.14 5.15 | <ul style="list-style-type: none"> Council has continued its relationship with the Department of main Roads, with continuing its agreement under the RMPC contract. Total spent under this contract for the 2010/2011 financial year was \$781,000. The total value |

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|--|--|--|
| 2. Continue of RMPC expenditure <i>KPM – maintain a partnership with Main Roads for the maintenance and improvement of the States road network within the Shire</i> | | of the RMPC contract is around \$2.0 million over two years. |
| NDRRA (Flood Damage – Shire) 1. Continue to undertake flood damage works – 2009 2. Commence flood damage works – 2010 <i>KPM – maintain the shire’s road network in accordance with advanced asset management principles</i> | 5.3 5.4 | <ul style="list-style-type: none"> • Council has completed all works associated with the 2009 Flood damage claim, with Council spending \$2.948 million in the 2010/2011 financial year in addition, council undertook Main Roads Flood Damage that related to the 2009 events, which saw council undertake \$1.147 million in flood damage works on behalf of Main Roads. • Council has been notified during 2010/2011 from the Department that Councils 2010 Flood Damage submission is approved. The 2010 Flood damage works will commence in the 2011/2012 financial year. • Council has submitted its 2011 Flood Damage submission to the Queensland Reconstruction Authority (QRA). Council is still waiting on the approval. |
| Playground Equipment 1. Install playground softfall at Forsayth Library playground equipment <i>KPM – develop and maintain sporting and recreation facilities to promote community participation</i> | 5.1 1.1 2.5 | <ul style="list-style-type: none"> • Council has completed the installation of Soft Fall to the Forsayth Library Playground. This project was a joint effort between Council and the Forsayth community. |
| Aerodromes 1. Maintain aerodromes and upgrade safety equipment where necessary at Georgetown Airstrip 2. Maintain aerodromes and upgrade safety equipment where necessary at Forsayth Airstrip 3. Maintain aerodromes and upgrade safety equipment where necessary at Einasleigh Airstrip 4. Maintain aerodromes and upgrade safety equipment where necessary at Mt Surprise Airstrip 5. Install new airstrip lighting at Forsayth Airstrip <i>KPM – maintain public airstrips to a level that is in accordance with relevant guidelines and to ensure public safety</i> | 5.5 | <ul style="list-style-type: none"> • Council has installed airstrip lighting to the Mt Surprise and Forsayth Aerodromes, which was possible from a Federal Government Grant under the RLCIP program. • Council has also completed the installation of airstrip lighting to the Einasleigh Aerodrome. This was achieved by utilizing funds under the Town Infrastructure Reserve. |
| Water Supply – Georgetown 1. Continue to update Asset Management Plans 2. Continue Rising & Reticulation System maintenance 3. Continue plant maintenance programs for reservoir and wells 4. Undertake replacement program for meters and | 5.8 5.9 5.10 5.11 | <ul style="list-style-type: none"> • Council is progressing the Asset Management Plans for its water infrastructure for Georgetown and Forsayth. Council is advanced with its mapping of data which is then transferred onto council’s internal GIS systems. • Rising & reticulation maintenance is ongoing for both Georgetown and Forsayth. • Plant maintenance programs for reservoirs and wells are ongoing for both Georgetown and Forsayth. • Replacement program for meters has commenced and will be ongoing for the townships of Georgetown and |

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|---|------------------|---|
| <p>valves</p> <p>5. Maintain Drought management plan for the Georgetown township</p> <p>6. Continue water wise education programs</p> <p>Water Supply – Forsayth</p> <p>7. Continue to update Asset Management Plans</p> <p>8. Continue Rising & Reticulation System maintenance</p> <p>9. Continue plant maintenance programs for reservoir and wells</p> <p>10. Undertake replacement program for meters and valves</p> <p>11. Maintain Drought management plan for the Forsayth township</p> <p>12. Continue water wise education programs</p> <p><i>KPM – ensure maintenance is maintained to enable a sustainable water treatment operation to ensure protection of the environment and compliance with legislative requirements</i></p> | | <p>Forsayth.</p> <ul style="list-style-type: none"> • Drought Management Plan is ongoing. Community education program is ongoing. • Community education regarding water wise is ongoing. <ul style="list-style-type: none"> • Total Expenditure for the Georgetown Water Supply for 2010/2011 was \$119,700 which was 71% against budget allocation for 2010/2011 • Total Expenditure for the Forsayth Water Supply for 2010/2011 was \$171,200 which was 121% against the budget allocation for 2010/2011 • Total Capital expenditure for the Georgetown Water for 2010/2011 was \$138,500 which was 95% against the budget allocation for 2010/2011. • Total Capital expenditure for the Forsayth Water for 2010/2011 was \$27,500 which was 275% against the budget allocation for 2010/2011. <ul style="list-style-type: none"> • The combined water supply of Georgetown and Forsayth with combining maintenance and capital works for the 2010/2011 was \$457,100 which was 98% against the combined budget allocation for Georgetown and Forsayth for 2010/2011 |



6. Commercial Services - Substantial income awarded and generated for foundation services, building infrastructure and implementing regional and local priorities

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|----------------|-------------------------|------------------------------|-----------|----|-----|-----------|----|-----|-------------|----|-----|----------------|----|-----|--------------|----|-----|---------------|----|-----|---------------|----|----|--------------|---|----|---------------|----|----|------------|----|----|------------|----|----|----------|----|----|-----------|----|-----|
| <p>Terrestrial Centre – V.I.C.</p> <ol style="list-style-type: none"> 1. Continue to promote the shire and its attractions 2. Commence updating business plan 3. Installation of an attraction notice board as per V.I.C. accreditation 4. Acquisition of a dual door refreshment fridge <p>KPM – increase the number of tourist visits and tourism business opportunities in the shire in a sustainable manner</p> | <p>6.3 2.5 2.8 2.9</p> | <ul style="list-style-type: none"> • Council continued to promote the Terrestrial Centre and also promote the shires attractions during the 2010/2011 yea • Council continued to place advertisements in key tourist publications to provide the best coverage for the shire. In addition to advertising, council has distributed the shire's tourism brochure throughout Australia. • Council has continued to be compliant with Queensland Tourism and has maintained its accreditation as an authorized Visitor Information Centre (VIC). • Council is in the process of reviewing its business plan for the centre. This document will be completed within the 2011/2012 financial year. • Council has installed an information board at the centre and has also purchased a dual door refrigeration to enable the sale of drinks and light refreshments. • During the 2010/2011 financial year the centre received 11,541 visitors. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Childcare</p> <ol style="list-style-type: none"> 1. Continue agreement with child care services 2. Continue to provide occasional child care services with the view to expanding the hours of child care 3. Continue to seek additional funding for the centre 4. Review and update policies and procedures <p>KPM – support the provision of accessible and affordable child care services</p> | <p>1.14 2.18 6.4</p> | <ul style="list-style-type: none"> • Council has been able to secure its funding agreement for the 2010/2011 financial year for financial support from the Department (DEEDI) • Council has been proactively investigating ways to enhance the service and also provide long day care to the community. Meetings conducted throughout the year have been positive, and council now has a firm direction to make the centre move from limited hours to long day care. Funds have been secured for 2011/2012 to undertake minor improvements to centre. • Business Plan, Policies and children's handbook have been updated throughout the year. • During the 2010/2011 financial year the centre had the following attendance numbers: <u>Georgetown Childcare attendance June 2010 – June 2011</u> <table border="1" data-bbox="810 1263 1487 1682"> <thead> <tr> <th>Month and year</th> <th>Number of Day Operating</th> <th>Number of children Attending</th> </tr> </thead> <tbody> <tr><td>June 2010</td><td>13</td><td>115</td></tr> <tr><td>July 2010</td><td>13</td><td>106</td></tr> <tr><td>August 2010</td><td>12</td><td>132</td></tr> <tr><td>September 2010</td><td>14</td><td>120</td></tr> <tr><td>October 2010</td><td>13</td><td>134</td></tr> <tr><td>November 2010</td><td>12</td><td>124</td></tr> <tr><td>December 2010</td><td>12</td><td>79</td></tr> <tr><td>January 2011</td><td>5</td><td>33</td></tr> <tr><td>February 2011</td><td>10</td><td>66</td></tr> <tr><td>March 2011</td><td>14</td><td>90</td></tr> <tr><td>April 2011</td><td>13</td><td>97</td></tr> <tr><td>May 2011</td><td>12</td><td>92</td></tr> <tr><td>June 2011</td><td>14</td><td>132</td></tr> </tbody> </table> | Month and year | Number of Day Operating | Number of children Attending | June 2010 | 13 | 115 | July 2010 | 13 | 106 | August 2010 | 12 | 132 | September 2010 | 14 | 120 | October 2010 | 13 | 134 | November 2010 | 12 | 124 | December 2010 | 12 | 79 | January 2011 | 5 | 33 | February 2011 | 10 | 66 | March 2011 | 14 | 90 | April 2011 | 13 | 97 | May 2011 | 12 | 92 | June 2011 | 14 | 132 |
| Month and year | Number of Day Operating | Number of children Attending | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June 2010 | 13 | 115 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| June 2011 | 14 | 132 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Student Hostel</p> <ol style="list-style-type: none"> 1. Continue to provide student hostel facilities 2. Undertake a business plan for the centre 3. Continue to seek additional funding for the centre <p>KPM – support the provision of accessible and affordable student hostel services</p> | <p>2.19 6.5</p> | <ul style="list-style-type: none"> • Council has continued to provide a Student Hostel services to the community over the past year. This service enables the primary school age children who live on rural properties throughout the shire the opportunity to attend a school and to be able to interact with other children to enhance there social and learning skills. The centre continued to receive part funding from the government and it also received a capital grant to assist council in maintaining and improving the centre. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



7. Organisational Excellence and Governance - To deliver excellence as an organization, embracing exceptional customer service, valuing staff and promoting ethical standards of practice supported by clear policies and strategies.

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|--|--|--|
| <p>Workplace Health & Safety</p> <ol style="list-style-type: none"> 1. Ensure compliance with Workplace Health & Safety Act 2. Continue to develop, update, implement and maintain Safeplan 3. Continue to identify and carry out specific workplace health & safety training 4. Continue to conduct quarterly Workplace Health & Training meetings <p><i>KPM – ensure the development and implementation of formal risk management programs and procedures are in place to reduce the level of risk exposure</i></p> | <p>7.3 7.17</p> | <ul style="list-style-type: none"> • Council has continued to undertake regular risk reviews within the workplace to remain compliant with the Workplace Health & Safety Act & Regulations. • Fatigue Management training and awareness has commenced and will continue within the 2011/2012 year. • Council is scheduling an audit from our insurers (LGW) regarding workplace health and safety. This audit is scheduled to be undertaken in the 2011/2012 financial year. |
| <p>Information Technology</p> <ol style="list-style-type: none"> 1. Continue to maintain current IT systems 2. Continue to upgrade systems to deal with the flow of information and storage of councils IT records 3. Continue to improve and enhance the website portal <p><i>KPM – improve accessibility to councils services through electronic mediums</i></p> | <p>7.5</p> | <ul style="list-style-type: none"> • Council has invested substantial dollars in maintaining and enhancing the IT systems of Council over the past financial year. Council has replaced several servers. • Council has also commissioned an independent review and audit of its IT systems to identify risks and also prepare council for implementing strategies to overcome any of the identified risks. Council has mapped out a road map over the next 3 years to implement the recommendations from the audit review. • Council's Website portal has been upgraded, and is continually being developed to maximize its use and potential as a means of communicating information to the community. |
| <p>Training & Development</p> <ol style="list-style-type: none"> 1. Continue to implement Human Resource Strategy 2. Maintain staff training and development in line with Human Resource Strategy 3. Maintain budget allocations for Councillors Training & Development 4. Continue traineeship employment program <p><i>KPM – ensure opportunities for Councillors, Staff, Trainees & Apprentices to gain skills and experiences and ensure implementation of staff development and training programs to achieve high levels of performance</i></p> | <p>7.2 7.4</p> | <ul style="list-style-type: none"> • Council has continued to invest in development of its employees to ensure that skills are being maintained. This investment will pay dividends to the community when providing services and information to the community in which we serve. • Council invested \$157,000 into staff development in the 2010/2011 financial year which was 78% of the approved budget allocation. A number of staff have undertaken Diploma's in Local Government, Certificate courses in Civil Construction and Horticulture. • Staff have also attended a number of information sessions and seminars pertaining to Building and Planning, Right to Information, Records Management, Civil Construction, Childcare, Libraries, Disaster Management. |
| <p>Councillors Remuneration & Deputations</p> <ol style="list-style-type: none"> 1. Continue to base remuneration for Councillors in accordance with the Local Government Remuneration Tribunal 2. Provision funds for any changes to the elected member representation 3. Continue to lobby and promote | <p>7.2 2.9 2.10 2.11 2.21</p> | <ul style="list-style-type: none"> • Councillors have been proactive in their endeavors to lobby state and federal members on a range of issues throughout the 2010/2011 financial year. Furthermore, Council has conducted a number of deputations with the community, politicians and key stakeholder groups to ensure that the region does not miss out on opportunities. • Councillors have also attended a number of Key Conferences during 2010/2011 such as the annual LGAQ and NQLGA conferences, Australian Local |

| Operational Plan Action / Outputs | Link to Strategy | Accomplished Outcome(s) |
|---|-----------------------------------|---|
| <p>the shires priorities to State & Federal members</p> <p><i>KPM – ensure the shire is governed effectively, transparently and to ensure that councils priorities and strategic plans are in line with community expectations</i></p> | | <p>Government Association conference and the National LGMA conference which was hosted in Cairns.</p> |
| <p>Communication & Advertising</p> <p>1. Continue to produce Councils Inform Newsletter</p> <p><i>KPM – ensure council is providing effective communication to the community and also supporting community groups</i></p> | <p>7.9 7.12</p> | <p>Council has continued to produce the monthly Inform newsletter, which has been enhanced over the past 12 months to include more information pertaining to Council and Council's operation.</p> |

Audited Financial Statements 2010-2011

