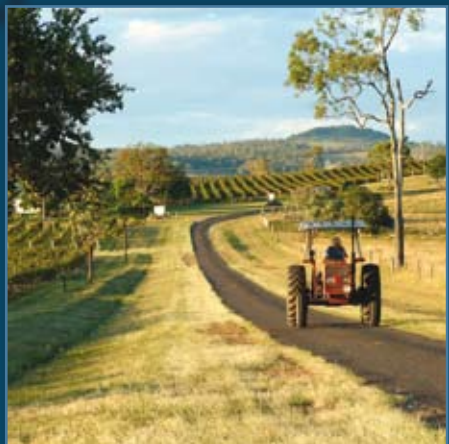
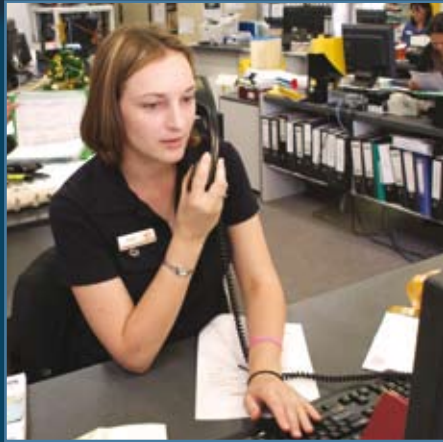


2007 - 2008



Murgon Shire Council
Annual Report



Murgon Shire is located 270 km north-west of Brisbane and covers an area of 698sq km.

Our Shire is home to some of Queensland's largest vineyards and offers residents & visitors a unique country lifestyle.

About Our Report

Council is proud to report our performance to our community in the 2007/2008 Annual Report. This Report had been produced entirely in-house and Council would like to take this opportunity to acknowledge the contributions made by staff. This Annual Report will be printed in-house and available on disc or to download from the website www.southburnett.qld.gov.au.

Contents

	pg
Welcome	3
Together Today, Stronger Tomorrow.....	4
Our Strategic Direction	5
Mayors Message	7
Chief Executive Officers Report	8
At a Glance	9
Performance Highlights	10
Financial Snapshot	11
Our Shire at a Glance	12
Our Proud Past	14
Corporate Governance	15
Working Together	18
Our Organisational Structure	19
Elected Representatives	20
Our People	23
Supporting Our Staff	24
Our Performance	26
Community Financial Report	31
Statutory Requirements	35
Financial Statements	42
Feedback Form	73
Key Council Contacts	74

End of an Era

Local government reform is bringing an end to our local government service spanning 94 years and as a region our journey is taking on a new direction. Our 2007/2008 Annual Report reports on our performance from July 2007 to 15 March 2008 when Murgon Shire Council will merge with the Kingaroy, Murgon and Wondai Shire Councils to form the new South Burnett Regional Council. Although it is not mandatory for Queensland Local Governments to include all information displayed throughout our report, we felt it was beneficial both to our community and for historical purposes to compile as much information as possible for our last Annual Report.

Target Audience

This Report is primarily produced for our community, however it also provides important information to others such as local businesses, non-government organisations, potential funding bodies and sponsors, and the State and Federal Government. The report highlights our performance, the challenges we have faced and the future initiatives we have planned. It also provides Council staff with a reflection on the working year, our progress and achievements and the valuable contribution they have made to the community and our shire.

Improving our Reporting

Murgon Shire Council have adopted a new report structure and improved content for the 2007/2008 Annual Report. Together we have strived for best practise - transparent and accountable reporting for our community.

Feedback

Your comments and feedback on the content, structure and readability of our Annual Report is important to our organisation. Should you wish to comment on the new format please complete the Feedback form in the back of this report.

About Us

Our Elected Council

Our Mayor and six Councillors, are elected for four year terms. Meetings are held on the third Wednesday of the month.

Our Budget

In 2007-2008 the Council's operating budget totalled \$7 million, with a small capital budget allowance for emergency capital works only.

	2007-08
Assets	43,287,481
Revenue	9,279,011
Expenditure	7,344,000
Depreciation	1,928,540
Reserves	469,800

Our History

Murgon was gazetted as a shire from 16 January 1914 being constituted from lands that previously come under the control of both the Weinholt and Kilkivan Shires. Murgon Shire was divided into three divisions and held their first election on the 3 February 1914.

Our Staff

Murgon Shire Council employed 51 personnel in 2007-2008 including 7 elected representatives.

	2007-08	2006-07
Elected Representatives	7	7
Administrative Staff	12	17
Depot & Outdoor Staff	32	35

Our Volunteers

Volunteers contribute enormously to the success of various functions of Council. Without their generosity, our range of services offered in these areas would be limited and we offer our thanks for their community spirit. Council has volunteers contributing to the operations of the Visitor Information Centre, State Emergency Services and Library services.

Legislation

Significant Legislation in Local Government
Council must comply with a great deal of legislation, all of which is aimed at providing better corporate governance outcomes for the community. These include:

- » Local government Act 1993 (Queensland)
- » Freedom of Information Act
- » Crime and Misconduct Act
- » Judicial Review Act
- » Public Sector Ethics Act
- » Trade Practices Act
- » Environmental Protection Act
- » Integrated Planning Act
- » Transport Infrastructure Amendment Act
- » Health Act
- » Food Act and Regulations
- » Dangerous Goods (Safety Management) Act and Regulations
- » Land Protection (Pest and Stock Route Management) Act

Welcome

Welcome to the Murgon Shire Council Annual Report for 2007/2008. Celebrating 94 years of Murgon Shire this year, it is with great pleasure and sadness that Council presents to the community this report on the performance and achievements to 14 March 2008.

This Annual Report sadly signifies the end of Murgon Shire Council as we amalgamate with the shires of Kingaroy, Nanango and Wondai to form the South Burnett Regional Council, under the state wide Local Government Reform program instigated by the Queensland State Government.

While annual reporting is a mandatory requirement of the Local Government Act, Council embraces this requirement as an opportunity to demonstrate its commitment to open, transparent and accountable governance.

Together with the community we were a focused, stronger shire, now joining with our regional neighbours to work together in providing a prominent future for all.





Together Today, for a Stronger Tomorrow.....

On 17 April 2007, the State Government announced the Local Government Reform program in Queensland. The Queensland Government committed to allowing local councils to lead the change process through the formation of a Local Transition Committee and the appointment of an Interim Chief Executive Officer occurring in the later part of 2007.

Murgon Shire Council has enjoyed excellent working relationships with other councils in the region, primarily through its membership of the South Burnett Local Government Association. Our community of interest has enabled the South Burnett councils to work together for mutual benefit, and through the Size, Shape and Sustainability process had already embarked on the development of a resource-sharing program.

As we approach local government elections on 15 March 2008, it is timely that we look back on our past of rich heritage and strong community identity, and be proud of our achievements. The future of the South Burnett region relies on the cooperation of our communities, on the innovation and vision of our council leaders and the continued dedication of our staff.

The merging of four shire councils into a single organisation marks the end of an era, and the establishment of a new local government authority, in the South Burnett Regional Council. The sadness associated with losing traditional shire borders is tempered by a sense of excitement as we prepare for the challenges ahead.

South Burnett Local Transition Committee

Local Transition Committees (LTCs) were the body responsible for overseeing the local level change processes required to successfully transition existing councils to new councils in the lead up to the March 15 2008 local government elections.

Membership of the South Burnett LTC was as follows:

Cr Roger Nunn	Kingaroy Shire Council
Cr Cheryl Dalton	Kingaroy Shire Council
Cr Reg McCallum	Nanango Shire Council
Cr Roslyn Gregor	Nanango Shire Council
Cr Peter Angel	Murgon Shire Council
Cr Raelene Dennis	Murgon Shire Council
Cr David Carter (Chairman)	Wondai Shire Council
Cr Wayne Kratzmann	Wondai Shire Council
Mr Danny Reeves	Australian Workers Union
Ms Maree Duffy	Australian Workers Union
Mr Rohan Crotty	Queensland Council of Trade Unions

The Local Transition Committee's role was to transition existing Councils towards new arrangements up until the conclusion of the Local Government election on 15 March 2008. The South Burnett Local Transition Committee developed and agreed to a number of transition principles as follows:

- » Building future capacity
- » Maintain and improve existing services
- » Our people / staff are important
- » Each council and worksite is equally important
- » Working towards a shared vision
- » Red tape reduction
- » Community and staff engagement is important
- » Respect for communities and each other
- » Preserve communities identity and signature events
- » Our communities are important

The committee appointed Mr Shane Gray to the position of Interim CEO to manage the transition together with drafting and implementing the Transition Action Plan (TAP). The transition planning process commenced with the scope of identifying operational arrangements required to ensure operational capability and service delivery from the changeover day, and strategic priorities that may require interim consideration. The TAP was designed to provide a guide to ensuring business as usual at the conclusion of the election.

Staff working groups have mapped key information and identified the actions necessary to achieve the required and recommended key deliverable as required by the Local Government Reform Transition Action Plan guidelines. The substantial amount of data collected by the working groups has created a framework for the executive team of the South Burnett Regional Council to transition to a shared vision of one Council, one region, building on valued traditions.



Our Strategic Direction



Our Strategic Direction

Councils Corporate Plan identifies our strategic direction and provides the overall framework for the establishment of policies and the various functions of Council. Councils corporate plan forms the basis of operational planning and includes an assessment of both local and regional issues; a statement of Councils strategic direction and objectives; key strategies for achieving Councils objectives.

Our Vision

Council's Vision is to create a shire that is a leading regional centre where responsible economic development and progress are promoted in an environment that encapsulates a quality rural lifestyle with natural beauty for the enjoyment of our residents and visitors.

Our Mission

Is to develop an environment that encourages economic development that includes:

- » *Residential Growth*
- » *Commercial and Industrial Expansion*
- » *Enhancement and Diversification of Rural Industries*
- » *Promotion and development of Murgon Shire as an attractive tourist destination*
- » To promote our shire as a place where a quality lifestyle is a way of life.
- » To expand Murgon as a leading regional centre for commerce, industry, recreation and local government

Our Values

- Our residents and their needs and opinions
- Our volunteers and community organisations
- Our employees
- Our businesses and their requirement to remain viable
- Our environment and the need for responsible and sustainable development and preservation
- Our visitors and their needs
- Our relationship with adjoining shires
- Our cultural heritage and the need to preserve it for future generations
- Our ethics and integrity when making decisions for the future benefit of the community and respect our statutory and regulatory functions



Mayors Message

It is with mixed feelings of sadness and excitement that I report to you for the last time as Mayor of the former Murgon Shire Council. As the amalgamation process unfolds I can see that there will be benefits for the community and region yet it is an undeniable fact that a certain part of the life and spirit that was Murgon has been forever lost. If that is for the greater good then the overall benefit is a plus and it said that time heals all wounds.

My Council, the very last Council of the former Murgon Shire, took some very courageous steps, not always acceptable to the local community, to remedy the adverse financial situation that Council had been gradually falling into over many years. There is no doubt that following these decisions and the resulting action the Shire was on the mend and given more time was headed towards prosperity and security for the residents, ratepayers and citizens. Regrettably the amalgamation process never allowed the recovery to be completed by my Council.

Murgon township and district is and always has been a most desirable location in which to live and work, in which to retire to or somewhere to bring up a family and Murgon and district will play a significant role in the new South Burnett Regional Council.

On behalf of all the people of this area I wish the newly to be elected Mayor and his team of elected Councillors all the very best as they tackle the many challenges that lie ahead in the transition process and I also wish the former Murgon Shire staff good luck and success as they join with the other 350 employees of the new Council in building a new regional local government

Finally can I thank most sincerely my very hardworking and loyal team of councillors who supported me with all those difficult decisions and made the task so much easier.

Mayor Peter Angel

Murgon and district will play a significant role in the new South Burnett Regional Council.



Chief Executive Officers Report

It is an honour of great historical significance to be the person responsible for presenting this, the final comment by a Chief Executive Officer for the last Annual Report of the Murgon Shire Council. As we all know Murgon was joined with Nanango, Wondai and Kingaroy to create the South Burnett Regional Council on 15 March 2008

Murgon Shire was formed in 1904 and for over one hundred years has been the local government for a prosperous centre for the primary industry pursuits of dairy and beef cattle farming and the timber industry. The busy town of Murgon has developed on the back of these industries and more recently tourism, wineries, olives and other intensive horticultural activities.

Unfortunately over recent times, the Council allowed their enthusiasm for progress and development to overwhelm the realities of budget bottom lines and the limited shire rate base and council consequently found itself in financial difficulties. This was highlighted when QTC reported on Council's financial position as part of the Size, Shape, Sustainability Project with a report card of "financially distressed".

In 2007 the brave council of the day took big steps to rectify this situation and Council was well on the way to recovery when the State Government forced amalgamations throughout the State.

Despite initial resistance Council embraced the new scenario and the

people of Murgon and district have now become part of a dynamic and progressive South Burnett Region.

History will show that Murgon as a town and district with its unique flavour and style, will survive and prosper under the new administration.

The biggest challenge for all the people of the South Burnett is to overcome petty parochialisms and learn to be proud of this dynamic and growing region. I am sure that the marvellous residents of Murgon will be proud participants in this process and that Murgon will play a vital role in the new South Burnett Regional Council

Peter Hackshaw

History will show that Murgon as a town and district with its unique flavour and style, will survive and prosper under the new administration.



At a Glance



Performance Highlights

- ✓ Tidy Towns Outstanding Commitment Award for 29 years consecutive entries 1978 -2007
- ✓ Implemented plan to sell non core council assets as part of a strategic plan for the future sustainability of Murgon Shire Council.
 - Commenced negotiations for the sale of Castra Retirement Home - Aged Care Facility to an organisation vetted by the Australian Government
 - Gumnut now managed by South Burnett CTC
 - Sale of Commercial Premises Stephen Street - Medical Centre
 - Commenced negotiations for the sale of Murgon Saleyards
- ✓ Continued shared service arrangements - refuse collection agreement between Murgon, Wondai and Kilkivan Shire Councils.
- ✓ Commenced TMP for sewerage and water infrastructure - draft plan completed.
- ✓ Continued financial support for local 'Murgon Moments' community news.
- ✓ Gained financial assistance from State and Federal Governments and Mater Hospital to reopen the Murgon swimming pool after considerable community support.
- ✓ Participation in the Local Transition Committee planning for amalgamation with our neighbouring Councils.
- ✓ Continued in kind support for community events including the annual Christmas Fair.
- ✓ Continued immunisation clinics for local school students
- ✓ Australia Day and awards ceremony celebrations on 26 January 2008.
- ✓ Continued beautification of parks and gardens throughout the shire.



Financial Snapshot

With the announcement of amalgamations commencing on the 15 March the financial statements contained in this report are only for the period 1 July 2007 to 14 March 2008. not the normal twelve month financial reporting year. Due to the shorter reporting period for 2007/08, the comparative financial information provided throughout this report will be slightly distorted.

	07/08	06/07
Operating Revenue	6,573,080	9,491,971
Capital Revenue	(162,615)	190,547
Operating Expenditure	6,124,444	10,655,290
Capital Expenditure	322,916	1,071,773
Net Results from Ordinary Activities	(146,319)	(974,772)
Total Assets	46,447,252	46,755,694
Total Liabilities	2,380,185	2,219,081
Total Equity	43,642,170	44,536,613
Cash Balances	3,692,420	1,812,737
Depreciation	1,516,567	2,179,950
Reserves	1,142,728	439,823
Debt Balances	NIL	28,890

YEARLY REVIEW	2007/08
Population	3,456
Shire Area (sq. km)	698 sq km
Rateable properties	1963
Total length of roads (km)	370 km
Total sealed roads (km)	198 km
Total gravelled roads (km)	130 km
Total formed roads (km)	20 km
Total unformed roads (km)	22 km
Rates Revenue	\$2,863,580
Expected Term of Debt	N/A
Rate Arrears Ratio	11.7%
Unfunded Depreciation	Nil
Premises connected to water	1061
Premises connected to sewerage	991
Number of Refuse Services	1344
Residential Refuse Services	1075
Commercial Refuse Services	231
Public Refuse Services	38
Building Permits	41
Plumbing Permits	18
Development Applications	21
Material Change of Use Applications	12
Re-configuration Applications	8
Operational Works Applications	1
Library Membership	1330
Adult Library Members	1028
Junior Library Members	302
Registered Dogs	439
No. Dingoes Claimed	16
No. of Outdoor Staff	30
No. of Indoor Staff	18
No. of Employees	48
No. of Councillors	7



Our Shire



Our Shire At a Glance

Shire Demographics

Shire Area: 698sq km

Shire Population: 3,456

Males: 1,704

Females: 1,752

People of Indigenous Origin: 315

People of Non-Indigenous Origin: 2,924

People of Indigenous status not stated: 218

Birthplace Australia: 3,013

Median Weekly Household Income: \$500 - \$649

Our Agriculture

Murgon Shire has 65,177ha dedicated to agricultural practices. Beef and dairy cattle are important to the local economy as are pigs, poultry, grain growing and peanut production. The South Burnett Meat Works Cooperative has operated since 1962 and supplies both domestic and overseas markets. The Murgon Leather Company processes more than 5000 hides per week.

Our Natural Resources

The terrain of the shire includes small plateau areas with undulating low hills to rolling low hills with some steep areas associated with scarps. Soils to the west are predominately deep, dark and brown cracking clays (black earths brown clays with areas of gradational and texture contrast soils with brown clay sub soils). Soils to the north are shallow to moderately deep dark cracking clays, some linear gilgai, to shallow stony lithosols on steeper slopes.

Areas of sandstone deep to moderately deep, texture contrast soils with yellow and brown sub-soils and minor areas of lithosols, siliceous sands and euchrozems exist to the south and south-west. There are areas of high grade carboniferous limestone from a north-north-west trending belt 7.3 km long on Barambah Creek. Quarries provide earthy dolomite and road construction materials.

Our Climate

The shires climate is sub-tropical and sub-humid. Rainfall tends to be more concentrated during the warmer October to March period with a fair degree of rainfall variability. Median rainfall is 782 mm. There are occasional frosts from May through to September. The severity and occurrence vary with low-lying areas experiencing heavier and more frequent frosts.

Our Tourism

Tourism in association with primary industries offers numerous opportunities and is an industry of growth within our Shire. The town of Murgon is well situated and is serviced by road and rail links with easy access from major coastal areas provided by road. There are a number of interesting tourist attractions of appeal to the weekend drive tourist market already operational in both Murgon and nearby Cherbourg. Existing accommodation includes hotel-motel, host farm and caravan parks, all appealing to different sectors of the market. There appears to be no hostel-style accommodation at this stage. Potential also exists for an arts colony/ summer school-type activities as the area has some very talented artists within its midst and affords a vast array of interesting subjects and spectacular views from various vantage points.

The Bjelke-Petersen Dam and the Yallakool Tourist Park on the dam's foreshores are located 12km from the centre of Murgon's CBD. Key centres of the South Burnett wine trail (such as Redgate and Moffatdale) are located 15km to 20km from the CBD of Murgon.

Our Wineries

The wine industry has rapidly expanded within the region. Many Wineries have been awarded gold, silver and bronze medals for their wines and plantings within our shire.

Murgon is located approximately
270 km north-west of Brisbane;
91km south-west of Gympie; and 151 km
south-west of Maryborough. We share
borders with the shires of Wondai,
Cherbourg & Kilkivan



Our Proud Past

The first settlers of European descent to arrive in Murgon Shire were two pastoralists named Ferriter and Uhr. In 1843 they took up land in the area which is now known as "Barambah Station". Barambah is believed to come from an Aboriginal word meaning "a place where water ripples" while Murgon derived its name from a lily pond located on the station.

Ferriter and Uhr originally decided to graze sheep on Barambah Station and acquired stocks from New South Wales. But sheep did poorly and they were soon replaced by cattle. The rich, fertile land soon enticed agriculture and dairying as well. Logging also was a prosperous industry in the area for a long time as there were vast quantities of millable timber.

The first house was built in Murgon in 1904 by Mr G W Nutt and was called "Castra". This building has since been removed from its original location and incorporated in the grounds of the Queensland Dairy Museum, where it can still be seen today.

Another early construction - the current Barambah Homestead - was built on Barambah Station in 1905. It features superb wide verandahs and an unusual hexagonal corner pavilion. The building has been listed by the National Trust.

The town itself didn't start to develop until the early years of the 20th century, though, when railways were first laid down. As the large properties were broken up into smaller units, the increase in the local population led to the survey and sale of town lots in 1906. A butter factory was opened in 1913 and a grain shed was built the following year.

The Cherbourg Aboriginal Community is located 4.8 km from Murgon and was also established in 1904. This community also played a decisive role in the development of Murgon and the Barambah region.

Cherbourg came into existence when the Queensland State Government of the times forced Aborigines from 21 different groups to live together in the settlement, including the remnants of the decimated Fraser Island tribe. Somehow, over the years these widely differing groups have managed to work together so that now the town, with a population of 1600 and a school which has a student population of nearly 300 is a huge success.

In March 1987 the Queensland State Government announced that it would build a new dam outside Murgon to service the demand for reliable town water supplies from the residents of Murgon, Cherbourg and nearby Wondai; from local industry and from farmers who wanted to irrigate their crops.

The Dam was constructed over an 18 month period and officially opened to the public in March of 1989. Shortly afterwards, Murgon Shire Council began developing the Yallakool Tourist Park on the foreshores of Lake Barambah (as the dam is also sometimes known).

Today the Bjelke-Petersen Dam is renowned as one of the finest inland waterways in the State, and the Yallakool Tourist Park plays host to up to 60,000 visitors each year. The dam is also the 18th largest in Queensland and has a holding capacity of almost 135,000 megalitres when it's completely full.

Murgon was primarily an agricultural town throughout most of the 20th century, and primary industries still form a large part of the Shire's economy today. The South Burnett Meat Works - a major employer in the town - has operated since 1962. The meatworks originally started as a co-operative service facility for the area but has since progressed to become a major processor of beef for both the domestic and overseas markets.

The Murgon Leather company - another major employer - has also operated in the town since the 1990s and now exports a wide range of tannery products all over the world. In 2003 it won the Premier of Queensland's Regional Exporter of the Year award: one of the most prestigious export awards in the State.

However, the development of the Bjelke-Petersen Dam soon led to the establishment of large grape and olive plantations in the district in the early 1990s. And the result of this is that today both the wine industry and aquatic tourism play an increasingly important role in our Shire's economy too.



Corporate Governance



Corporate Governance

Good Corporate Governance encompasses the structure, systems and processes by which we direct Council's business practices both strategically and in the day to day delivery of services to the community.

Role of Councillors

Our shire covers an area of 698 square kilometres and represented by 7 Councillors (one Mayor and six Councillors) who were elected by the Shire residents in March 2004. Councillors were elected for a four year term. Council has adopted a 'Portfolio' system to fairly distribute the corporate governance duties of Councillors amongst all 7 Councillors. The Portfolio system also allows Councillors to specialise in areas of Council's functions and services that are of interest to them. All voters throughout the shire elect the Mayor. Our seven elected members represent their community to ensure the good rule and governance of their electoral area. In summary, councillors are responsible for:

- » Planning for the delivery of services to the community
- » Strategic planning for the future of the community
- » Making local laws
- » Adopting and implementing policy
- » Administering local government
- » Enforcing legislation

Each Councillor participates in the process of formulating, adopting and reviewing our Corporate and Operational Plans. Councillors have regular meetings to make decisions and to discuss local issues. Councillors focus on the policy directions of the local government, not the internal day-to-day administration of the local government. The role of councillors is to make decisions, which council officers can then implement on their behalf.

Role of the Mayor

The mayor has the duties of a councillor with the added responsibility of:

- » Running Council meetings
- » Representing the local government at civic or ceremonial functions

Role of Chief Executive Officer

Our Chief Executive Officer provides leadership to our organisation and is responsible for ensuring Council's local laws, decisions and policies are implemented in line with the Local Government Act 1993, relevant legislation and Councils Corporate and Operational Plans. The Chief Executive Officer is also responsible for providing timely professional advice to Council and managing a professional relationship with the Mayor and Councillors.

How Council Plans

Primarily, there are three documents Council develops to guide its decisions and performance. These documents are:

Corporate Plan

Council's Corporate Plan establishes the overall policy framework for all the activities of the Council. It has a focus of 5 years, though it is reviewed annually to ensure that it remains relevant and current to the Council and the Community of the day.

Operational Plan

The purpose of the Operational Plan is to 'operationalise' Council's Corporate Plan for the immediate 12 to 24 months. It works in conjunction with the Budget (the third strategic document) to outline the specific goals and objectives Council wishes to achieve over the short term.

Council develops the Operational Plan prior to the year it relates to, and is reviewed quarterly to ensure that it remains relevant and current to the priorities of Council as the year unfolds.

The Budget

If the Operational Plan 'operationalises' the specific goals and objectives of Council, then the Budget 'finances' them. In other words, the Operational Plan sets the service standards and expenditure outcomes of Council and the Budget provides the mechanism by which Council determines its revenue raising methods (such as grants, rates and fees and charges) to meet the expected costs of Council's operations.

Council reviews its budget quarterly to ensure that expenditures are in line with project parameters and service standards, and that revenues are received in time to meet commitments.



Sometimes Council's strategies, goals, objectives and finances are affected by influences outside of Council's control and at times not of Council's choosing. As such, Council continually reviews its Corporate Plan, Operational Plan and Budget to ensure they remain current and relevant to its needs.

All three of these documents are available for inspection or purchase by members of the public.

Code of Conduct

The Local Government Act 1993 (the Act) provides a regulatory framework for the adoption and enforcement of councillor codes of conduct in Queensland.

Murgon Shire Council has a Councillor Code of Conduct that is in accordance with the procedures set down in the Act. It provides Councillors with a frame of reference about their roles, obligations and acceptable standards of behaviour.

Council also has a general complaints process in accordance with Section 501D and requirements set out in Section 501E of the Act. It provides the procedural framework of resolving complaints about administrative action or breaches of the code of conduct by a Councillor.

In accordance with the requirements of Section 534(1)(j) of the Act, for the Councillor's Code of Conduct, and Section 501E(1)(j) of the Act for general complaints process a report on compliance for 2007-08 is included on page 41.

Performance Monitoring and Reporting

Performance monitoring and reporting are ongoing processes throughout the financial year. Monthly and quarterly reports are provided to Council to monitor the efficiency and effectiveness of all operations. Quarterly assessments and reporting on the implementation of Council's Corporate and Operational Plans are important to ensure we are working towards achieving our goals. On conclusion of the financial year Council prepares an Annual Report. Designed to showcase Council's achievements, the report assesses Council's success in achieving the goals detailed in the Corporate and Operational Plans from an operational and financial perspective.

External Audit

Moore Stephens were the auditors appointed by the Queensland Auditor General to audit Murgon Shire Council for the period 1 July 2007 to 14 March 2008. This provides a statutory mechanism for an external review of Council's financial operations and other corporate matters affecting the management of the organisation.

Risk Management

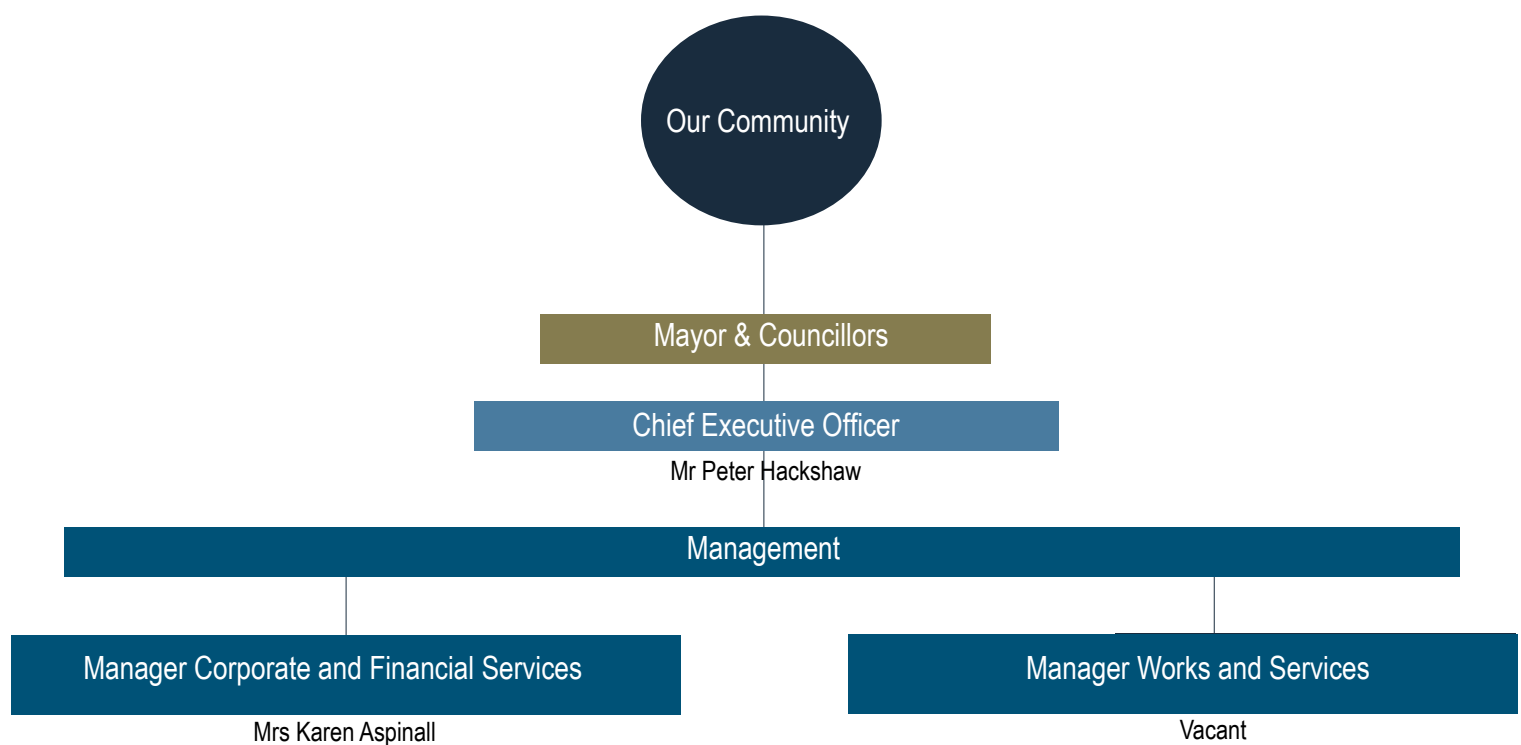
The Local Government Act, 1993 indemnifies Councillors against civil liability for any actions completed honestly and without negligence. Any liability for those actions is the responsibility of the local government. Murgon Shire Council has public liability and professional indemnity insurance for this purpose. Murgon Shire Council employs a Workplace Health and Safety Officer to monitor Council's workplace operations. A Workplace Health and Safety Committee made up of Councillor and staff representation from all operational areas monitors incidents in the workplace and recommends preventative action.



Working Together



Our Organisational Structure



Working Together

Murgon Shire Council is constituted by 7 Councillors (one Mayor and six Councillors) who were elected by the Shire residents in March 2004. Councillors are elected for a four year term, with the next quadrennial elections taking place in March 2008 for positions on the new South Burnett Regional Council.

Council has adopted a 'Portfolio' system to fairly distribute the corporate governance duties of Councillors amongst all 7 Councillors. The Portfolio system also allows Councillors to specialise in areas of Council's functions and services that are of interest to them.

This section highlights the details and portfolio responsibilities pertaining to each elected member.



Cr Peter Angel

Mayor

2005 - 2008

Councillor Peter Angel was elected to Murgon Shire Council on 10 December 2005, he was appointed Mayor on 13 December 2005. His portfolio includes the following details and responsibilities:

- » Barambah Community Services
- » Corporate Governance
- » Economic Development
- » Shire Promotion
- » Elections
- » Governance
- » Local Government Association & WBBROC
- » Castra Retirement Home Ltd
- » Organics Reclaimed Pty Ltd
- » BP Dam Enterprises
- » Events
- » Road Alliance
- » BIEDO



Cr Raelene Dennis

Deputy Mayor

2000 - 2008

Portfolio: Water & Waste Management & Emergency Services

- » Water Augmentation - Murgon
- » Water Augmentation - BP Dam
- » Sewerage Aug. Murgon & BP Dam
- » Refuse Management
- » State Emergency Service



Cr Brian Mobbs

2004 - 2008

Portfolio: Administration, Human Resources & Finance

- » Accounting & Finance
- » Administration - General
- » Insurances
- » Personnel & Industrial

Committee Representation

- » Economic Development Committee
- » Murgon Business & Development Board
- » Police Liaison Committee



Cr Robert Eisenmenger

1982 - 2008 (*Appointed 1996*)

Portfolio: Sport, Recreation & Environment

- » Parks & Reserves
- » Natural Resources
- » Sport & Recreation
- » The Pulse
- » BP Dam Day Recreational Facilities
- » Fish Management Committee



Cr Richard (Ritchie)

1997 - 2008

Portfolio: Health, Building, Housing & Planning

- » Building Control
- » Health Administration
- » Land, Property & Council Housing
- » Planning & Development
- » Pioneer Place
- » Park View Units
- » Animal Control
- » Cemeteries



Cr Graham Burges

2000 - 2008

Portfolio: Works, Plant & Rural Services

- » Roads & Transport
- » Plant & Equipment
- » Noxious Weeds & Pests
- » Saleyards
- » Road Alliance



Cr Cynthia Hatchett

1997 - 2008 (*Appointed 1996*)

Portfolio: Tourism, Community Support & Culture

- » Community Support & Services
- » Tourism Promotion
- » Visitor Information Centre
- » Murgon Caravan Park
- » Library Services
- » Public Halls
- » RADF
- » Museum
- » Aboriginal
- » Schools & Education



Our People



Our People

Council is proud to offer employees diverse opportunities for employment, varying from professional and technical, to administrative or operational positions, in either full time, regular part time or casual employment. Council provides staff with opportunities to grow within their roles through challenging and rewarding career advancement whilst offering a dynamic, fair and flexible work place.

Working within Council provides staff with the ability to contribute to our local community as well as develop an outstanding career with skills and experience highly regarded and sought after within the private sector.

Staff Age Profile

Council is an equal opportunity employer. The age demographic of Murgon Shire Council's employees ranges from (youngest employees age) through to (oldest employees age). The staff age profile as at 15 March 2008 is displayed below:

Age Group	no. Employees
15-24	1
25-44	17
45-64	25
65+	5

Recognising Our Staff

Council appreciates the valuable contribution made by staff in the provision of services to the community by acknowledging their service achievement with Murgon Shire Council

- » The milestone of 46 years service was achieved by Trevor (Jack) Otto
- » The milestone of 38 years service was achieved by Nev Weier.
- » The milestone of 33 years service was achieved by Ian Bunch.
- » The milestone of 30 years service was achieved by Ashley Stanton.
- » The milestone of 28 years service was achieved by David Carmichael.
- » The milestone of 19 years service was achieved by Ronald Thorne.
- » The milestone of 18 years service was achieved by Alwyn Waldron.
- » The milestone of 13 years service was achieved by Raymond Hope, Annette Roderick and Chris Denne.
- » The milestone of 12 years service was achieved by Rolin Fennel and Raymond Currie.
- » The milestone of 10 years service was achieved by Linda Bauer.

Superannuation Contributions

In accordance with the *Local Government Act 1993*, Council provides 12% employer contributions with permanent employees being obliged to contribute 6% of salary. As negotiated in prior enterprise agreements employees are able to salary sacrifice a component of their wage to superannuation if they choose.

Council Employees at a Glance

Administration Staff	12
Engineering & Construction Staff	32
Total	44



Supporting Our Staff

During the transition planning process our people have been a strong driving force continuously working together and around the clock to ensure the best possible outcomes for our community and our region during the transition to South Burnett Regional Council.

The transition planning process commenced with the scope of identifying operational arrangements required to ensure operational capability and service delivery from the 15 March, 2008 and to identify strategic priorities that may require interim consideration.

An Employment Sub-Committee was formed and the LTC endorsed the establishment of Staff Working Groups for each strategy area including:

- » Governance
- » Financial Management
- » Communications
- » Information Management
- » Engineering Services
- » Environmental Services and Natural Resources Management
- » Development Services
- » Community Services
- » Service Delivery
- » Human Resources Management

These Working Groups included employees from all merging entities and involved the enormous task of mapping all key information and identifying the actions necessary to achieve the required and recommended key deliverables which are mandatory to the Local Government Report Transition Action Plan guidelines.

The substantial amount of data collected by each of the working groups is what created the framework for the Interim Chief Executive Officer and executive team of the South Burnett Regional Council to transition to a shared vision of one Council, one region, building on valued traditions. Nanango Shire Council would like to take this opportunity to acknowledge all staff for their continued support and dedication throughout this challenging transition period. Council understands the workload the amalgamation created on its employees and would like to thank them for their continued commitment.

Job Security Program

The Queensland Government announced a job security program for Council employees and has extended a commitment to the security of employment (other than for performance issues) for three years from the 2008 elections held on 15 March. The Local Transition Committee and all four amalgamating Councils will honour this commitment to staff throughout the change process.

Workforce Transition Code of Practice 2007

The purpose and objective of the Code is to provide minimum enforceable employment standards and practices that are consistent and equitable that will apply to councils during the period of local government reform transition; to provide fair treatment for employees and a dispute resolution mechanism.

The code is based on essential principles defined in Section 159ZH of the Local Government Act 1993 as:

- Service delivery levels should be maintained or enhanced; and
- Work locations should not be changed.

This code provides protection against employee termination or forced redundancy as a consequence of the reform up until 16 March 2011, ensuring that an employee's current conditions of employment including the Enterprise Bargaining Agreement, Workplace Agreement or Award will transmit to the new council. Chief Executive Officers are excluded from the employment security protection provided by this code, however the retention of employment for current CEO's will be maximised using redeployment wherever possible.

All new employees will be appointed in accordance with the terms and conditions of the council just as before reform had occurred. New employees are also entitled to the benefits of the code.

Interim Staffing Strategy

The Employment Sub-Committee identified the need to endorse an Interim Staffing Strategy from March to November 2008 to assist the new organisation with the management of the changes and the implementation of the Transition Action Plan initiatives.



The purpose of the Interim Staffing Strategy is to:

- » Maintain a sound working environment and service delivery;
- » Provide advice to all Council employees regarding roles, responsibilities and reporting arrangements;
- » Facilitate the successful transition of employees into the new Council;
- » Develop Human Resources Policies and Procedures.

Enterprise Bargaining Agreement

Councils current Enterprise Bargaining Agreement will remain in place with no amendments to terms and conditions until a new Agreement is prepared. The Local Government Workplace Transition Code of Practice 2007 will supplement the existing Enterprise Bargaining Agreement, Workplace Agreement or Award for reform related employment matters only.

A new Enterprise Bargaining Agreement must be prepared within 12 months of the changeover date in accordance with the state industrial laws and certified in the Queensland Industrial Relations Commission.

The Local Government Employment Group (formally the Local Transition Committee Employment Sub Committee) will negotiate a new agreement for the new Council.

The terms and conditions of the new agreement must be based on the principle that there will be no *disadvantage* on an *overall* basis to employees existing terms and conditions of employment.

Organisational Structure

The interim Chief Executive Officer for South Burnett Regional Council and the Local Transition Committee have together developed an organisational structure that has facilitated the appointment of two tiers of management with five directorates. Interim Directors have been appointed to continue the transition process and consolidate the hard work undertaken by staff and the working groups to ensure a smooth transition. These directorates are listed below:

- » Governance & Future Direction
- » Corporate Services
- » Infrastructure Services
- » Sustainability
- » Lifestyle & Culture

The appointment of Interim Directors and Managers has occurred

with applications opened to all Chief Executive Officers and council staff across the South Burnett. These positions will take full effect immediately after the Local Government elections on 15 March 2008.

Employment Assistance Program

Council, the Local Transition Committee and Interim Chief Executive Officer are committed to supporting our staff during the transition process and have demonstrated this commitment by engaging and funding an external counselling service, Assure Programs to provide staff with an Employee Assistance Program (EAP).

The Employee Assistance Program (EAP) is a free, confidential and voluntary counselling service provided as a resource to all employees of the merging four entities and their immediate family. The aim of the program is to assist with the resolution of personal and work related problems which may affect an employees work performance or quality of life.

The Employee Assistance Program is not a compulsory service and can be accessed on the telephone or face to face with an Assure Programs local provider.



Our Performance



Our Year in Review

As we work through each financial year, it is easy to lose sight of what we have achieved as we turn our attention to the next challenge. This is especially the case this year as Murgon Shire Council merged into the South Burnett Regional Council on 15 March. It therefore comes as a pleasant surprise when we tally up our achievements, and wonder at how much we have achieved in the course of 12 months. 2007-2008 has been no different in this respect.

Although it is not mandatory for Queensland Local Governments to include a reviewed or our performance with regards to our operational and corporate plans due to amalgamations, we felt it was beneficial both to our community and for historical purposes to compile as much information as possible for our last Annual Report.

This year has been the turning point for Murgon Shire Council, as the efforts of the past two years to transform Murgon Shire Council into a financially sustainable organisation has progressed. Council's cashflow situation has improved substantially and reserves for asset renewal and replacement have increased

significantly. In late 2005 Council's cash position shrank to the point that Council could not afford to repair or replace infrastructure assets as the need arose, whilst maintaining its usual service delivery to the community. Council was required to obtain an overdraft facility just to meet operational needs.

When faced with this situation, Council commissioned a comprehensive operational review of all services to reduce unnecessary costs, identify and implement efficiency measures, and improve service delivery to our customer base. This operational review commenced early 2006. Many of the recommendations coming from the review have been implemented and this has contributed to an improved financial status pre-amalgamation.

Governance, Controlled Entities, Enterprises and Economic Development

The governance function of local government relates to how we as a Council manage our corporate affairs, such as corporate and operational planning, the holding of Council meetings and the general management of Council's services by the elected members. Naturally, the governance function is regulated by a myriad of laws and regulations with which we have to comply, and it is pleasing to note that we have continued to operate within the legislation.

Administration, Human Resources and Finance

Council's Finance Staff have worked hard in managing Council's financial affairs to ensure industry best practice. This has been a challenging year as we worked to improving council's financial position by implementing the recommendations of the Queensland Treasury Corporation's Financial Sustainability Review. After completing an internal comprehensive review of all operations in early 2006, Councils has been implementing strategies with a view for improved financial sustainability. Central to the strategy was the decision to dispose of assets that were considered non core Council business. This saw negotiations commencing for the sale of Murgon Saleyards and Castra Retirement Home.

The administration function is usually the first point of contact the public have with Council. As such, Council has continued to pay particular attention to continuing to improve our 'customer service' as well as behind the scenes processes, to ensure that customers receive friendly, effective service.

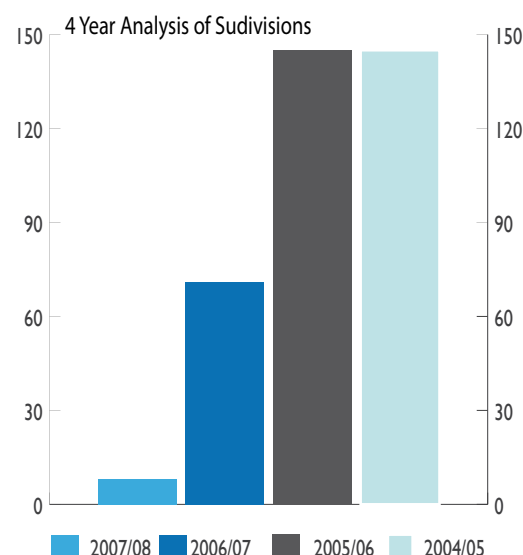
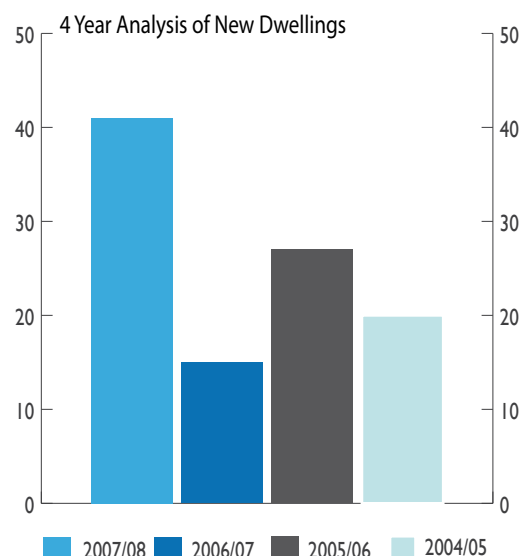
Health, Building , Housing and Planning

Under various Commonwealth and State legislation, Council has a dual role, firstly to abide by the laws in offering our services to the shire and secondly to enforce the laws and regulations throughout the Shire. Council continues to diligently fulfil both roles.

The growth Murgon experienced during the 2006/2007 period has slowed, consequently, the number of applications for subdivisions declined in the period to 14 March 2008.

Council received the following applications:

	07/08	06/07	05/06	04/05
Construction of new Dwellings	41	15	27	20
Create new allotments (subdivisions)	8	71	145	145
Material Change of Use	12	5	14	



Tourism, Community Support and Culture

Council maintains an active role in the Shire's cultural activities. The Dermot Tiernan Memorial Library, continued to offer shire residents access to its stock of books, as well as requesting additional books from the State Library. Murgon participates in the inter-library lending program offering residents access to a wider range of books and library resources. The RADF Committee continues to support the development of Arts on the Shire.

Tourism continues to play a major part in the Shire's economy. As part of Council's commitment to reforming its financial viability Council is considering the options available for its prime tourist attraction Yallakool Tourist Park.

Water

Murgon's water is supplied from Council's Weir on Barambah Creek, sourced from Bjelke Petersen Dam. Rainfalls this year has replenished the water supply but we are still in urgent need of substantial rainfall to bring the dam out of the critical level.

The Water Treatment Plant struggles at times of low dam levels, to produce water which is visually acceptable although the quality continues to meet the Australian Drinking Water Guidelines.

Ageing infrastructure continues to create problems with water quality and reliability of supply. However, on-going preventative maintenance programs are in place to remedy these problems. These include the progressive replacement of valves, hydrants and water services, together with pumps and mains, with a view to ensuring reliability well into the future.

During the year, limited structural repairs were undertaken to water infrastructure. Future work will include the refurbishment of the filters and the installation of a backwash recycling system, the backwash water having previously been run to waste. In the long term, it is envisaged a new treatment plant, at an approximate cost of between 2 to 3 million dollars will be commissioned.

Sewerage

The Sewerage Treatment Plant, despite its age, currently operates satisfactorily and within the current environmental licence. As Murgon expands, a future upgrade will be required. Normally the sewage effluent is recycled and it is envisaged that this will continue into the future, providing the reuse of a valuable asset and reducing environmental impacts.

Refuse collection

The refuse collection and disposal service is also operating satisfactorily with bulk collection being provided by JJ Richards under a long-term agreement between Murgon, Wondai and Kilkivan Shires; this arrangement will continue post amalgamation. The existing refuse tips at Borchert's Hill and Cloyna have been maintained to EPA standards.

Number of Refuse Services

	07/08
Refuse Bins	
» 1 cum	7
» 2 cum	2
» 3 cum	12
Recycle Bins	
» 1 cum	3
» 2 cum	4
» 3 cum	5
240L Residential Services	1075
240L Commercial Services	231
240L Public Place Bins	38

Works

Council maintains approximately 189 km of sealed roads and some 125 km of gravel roads with a combined value of approximately \$20 million. To relieve the pressure on finances, work undertaken concentrated mainly on maintenance of Council's roads and emergency capital works (to the value of \$90,000). Other works included Main Roads maintenance under the RMPC and specific contracts.

Plant

Major plant continued to perform satisfactorily during the year although significant items have surpassed their economic replacement dates. As a result of significant financial constraints no major plant was replaced; however \$60,00 was spent on urgent replacements.

Rural Services

Council is active in the rural Services area with stock route administration and pest and weed control. During 2006 - 2007, Murgon Shire spent \$66,500 in controlling noxious weeds and pests. The shire also partners with Wondai Shire and landholders to control Salvinia and other declared pests.

Murgon State Emergency Service

Murgon State Emergency Service Group is a dynamic and dedicated team of men and women of all ages and from all walks of life, who come together each week for training, so we can better assist those in times of need.

Approximately a dozen volunteers contribute a vast wealth of knowledge and experience, trained in such areas as Senior first Aid and Traffic Control, we have instructors in Flood Boat, Landsearch, First Aid, Traffic Control, Height Safety, Communications, Vertical Rescue and Storm Damage.

Their commitment and time to Murgon and surrounding communities is a voluntary and contributed approximately 1564 man/women hours to the community. They are there for us all, 24 hours a day 7 days a week, come rain hail or shine.

Throughout the year they have assisted in Land search, Traffic Control, and Local Events. In September Murgon was asked to host the District Conference with over 50 delegates and their partners, we were happy to take up the challenge as it gave us a chance to showcase the beautiful South Burnett region. While the conference took place Belinda Gangemi organised wine tours and sightseeing trips of our district. We found that there was little known about the South Burnett especially Murgon and the surrounding areas, but with the information package given by the Wondai Information Centre, people have a better understanding of our home, and many have remarked that they will return.

The State Government, Emergency Management Queensland contributes \$3,000.00 per annum to help maintain our local SES and gratefully appreciated public donations to help in keeping the unit operational.

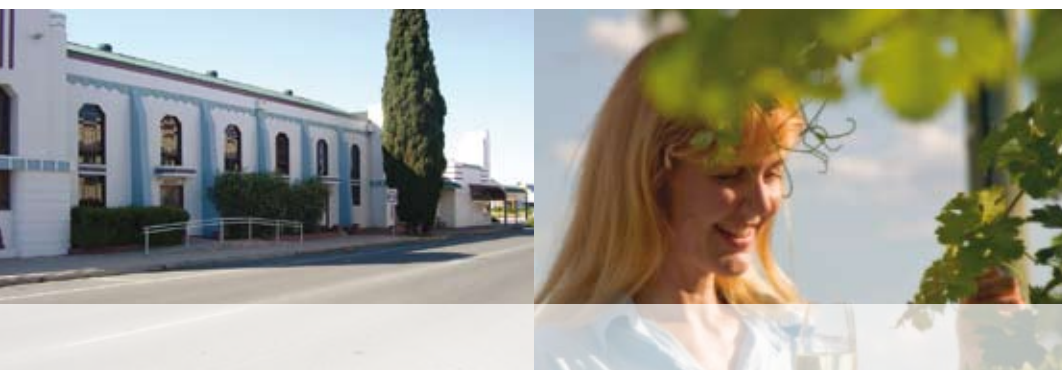
We have a large community within Murgon and surroundings areas and new members are always welcome by contacting Council for further details.

Sport, Recreation and Environment

The Pulse of Murgon continues to be Council's hub for sport and recreation activities. Council as implemented operating procedures that has seen operating costs substantially reduced. However, Council is still considering other options available to further improving the financial viability of the Pulse.



Community Financial Report



Community Financial Report

The Community Financial Report provides the community with Council's financial position and performance for the 2007/2008 financial year in a simplified format.

The following simplified reports are generated from the audited financial statements to assist the reader in interpreting Council's financial position and performance for the past year.

The following series of tables and graphs have been generated to display Council's major sources of revenue and expenses in addition to the value of Council's assets and liabilities. Comparisons have been displayed between the 2006/2007 and 2007/2008 financial years.

Income Statement

Revenue - Expenses = Operating Results

Information at a Glance	2007/08 (\$'000)	2006/07 (\$'000)	2005/06 (\$'000)
Revenue	6,573	9,502	9,583
Expenses	6,556	10,657	16,358
Operating Result Profit/Loss (Revenue - Expenses)	(146)	(975)	(6,775)
Number of Rateable Properties	1963	-	-

The Income Statement (table above) details the revenue sources less expenses to display a net result from the ordinary activities for the financial year ended 14 March 2008.

The financial statements are prepared using the principles of accrual accounting. This means that expenses incurred but not paid by us and revenue earned but not yet received by us, are all included in this year's income statement.

The amount yet to be paid for the expenses incurred will appear in the Balance Sheet as a liability (i.e. accounts payable) and revenue yet to be received will appear as a current asset.

Revenue Sources

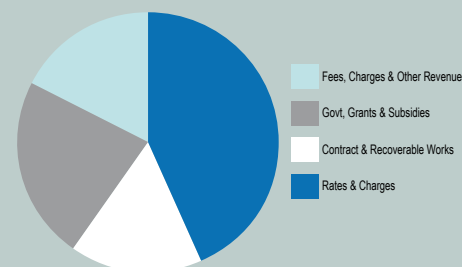
What were the major sources of income to Council?

The largest contributor to Council's consolidated revenue is the rates and charges which equalled \$2.86 million, or 43% of the total revenue for the year. The major sources of rates income include, general rates, charges for water access, water consumption, waste water and water disposal. This compares to a similar rate income of \$2.84 million or 29% of total consolidated revenue for the 2006-07 financial year.

Fees and charges totalled \$750,000 or 11% of total revenue in 2007-08 compared to \$951,000 of total revenue in 2006-07 financial year.

Council received \$1.5 million or 23% of total revenue from Government grants and subsidies. This compares to \$2.7 million received in 2006-07.

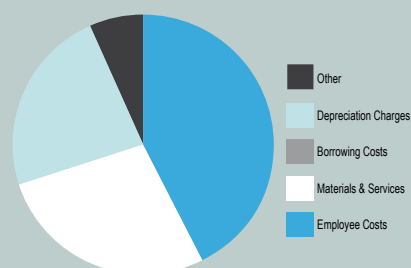
Where the funds came from 07-08
Revenue 2007/2008



What the Community Earned	2007/08 (\$'000)	2006/07 (\$'000)
Rates and Charges net after discounts	2,864	2,839
Contract and Recoverable Works	1,075	2,249
Government Grants and Subsidies	1,501	2,944
Fees, Charges and other Revenue	1,133	1,650
Net Result for the Period	\$6,410	\$9,682

Where the funds used 07-08

Revenue 2007/2008



What the Community Spent	2007/08 (\$000)	2006/07 (\$000)
Employee Costs	2,803	4,180
Materials and Services	1,797	4,251
Borrowing Costs	7	45
Depreciation Charges	1,517	2,180
Other	432	-
Net Result for the Period	6,557	10,657

What is the value of the Communities assets in Council's care?

Our Net Community Worth

What Council Owns	2007/08 (\$000)	2006/07 (\$000)
Cash Assets	3,692	1,813
Trade and other receivables	940	435
Inventories	28	104
Property, Plant and Equipment	41,787	44,414
Total Assets	46,447	46,756

Less What Council Owes		
Trade and Other Payables	2,380	2,191
Borrowings	-	28
Total Liabilities	2,380	2,219

Net Community Worth	43,642	44,536
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Expenditure

What expenses did Council have to meet?

Employee costs were \$2.8 million, this was a decrease of 34% compared to the \$4.1 million from the 2006-07 year. This decrease was due to the financial reporting year being reduced to approximately nine months due to amalgamation. Employee costs includes the expense of wages, salaries, annual leave, long service leave, superannuation and allowances.

Expenditure on materials and services for the 2007-08 year was \$1.8 million, a decrease from the \$4.2 million spent in the 2006-07 financial year. Again the result of a reduction in the term of the reporting year, due to amalgamation. The materials and services costs are a very large category of expenses and include consultancy, contractors and materials used in meeting goals and activities included in the operational plan, designed to benefit the community.

Depreciation costs on all Council assets decreased to \$1.5 million for 2007-08 due to the shorter reporting period. Depreciation is the estimated decrease in the value of assets usually created as a result of wear and tear or age.

Balance Sheet

What is the value of the community's assets in Council's care?

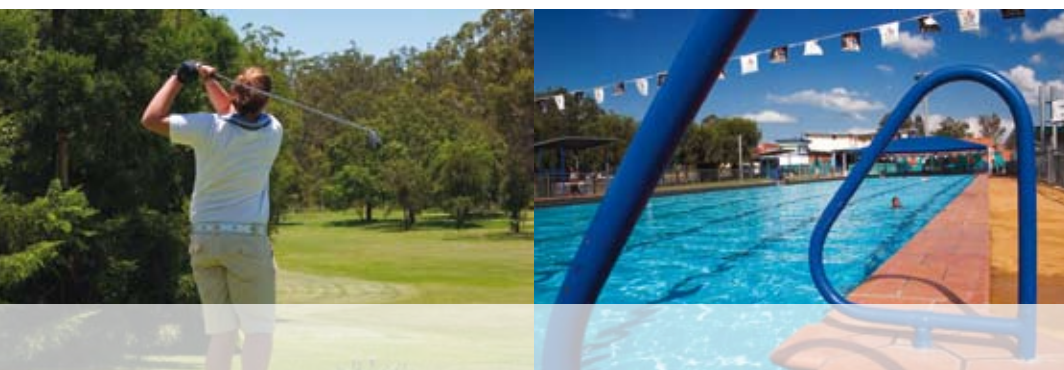
This year the Balance Sheet reports on Council's financial position as at 14 March 2008. It shows the value of what Council owns, which are Council assets, and it details what Council owes and our liabilities. Councils equity is the net value of what Council owns less its liabilities. The movements of particular categories of assets, liabilities and equity is possible by comparing financial balances between years i.e. 2006-07 and 2007-08.

Current assets are those that are readily available to meet expenses and include mainly cash and amounts owed to Council from customers. At the 14 March 2008, Council had a total of \$3.7 million of cash assets compared to \$1.8 million at 30 June 2007.

Councils property, plant and equipment assets of \$41.7 million includes freehold land, roadworks, storm water drainage, water, waste water, park, plant, equipment and all infrastructure assets.

How much does Council owe in loan borrowings for purchases or assets?

Council had no borrowings at the 14 March 2008 and was debt free.



Our Four Year Analysis

The following simplified graphs display a four year analysis of the communities equity, councils current assets, non current assets and total liabilities. For more detailed information please refer to the Financial Statements on page 45 of this report.

Councils current assets are calculated by adding the cash assets with the receivables and the inventories.

Councils non current assets are calculated by adding the property assets with plant assets, furniture assets, road assets and utility assets.

Councils total liabilities are calculated by adding the payables and employee provisions.

The formula for determining the community equity is [current assets = non current assets] - total liabilities = community equity.

Statement of Cashflow

The Statement of Cashflows measures the inflow and outflow of cash to and from Council within the financial year. The statement also summarises this information for three types of activities:

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

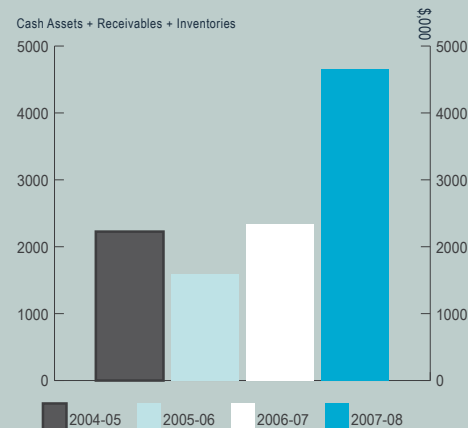
Council began the financial year with total cash at the bank of \$1.8 million and ended the year with \$3.7 million. The table below essentially is a mirror copy grouping and totalling all of the transactions included in the bank statement for the year in summary:-

What were the major sources of cash in and out?

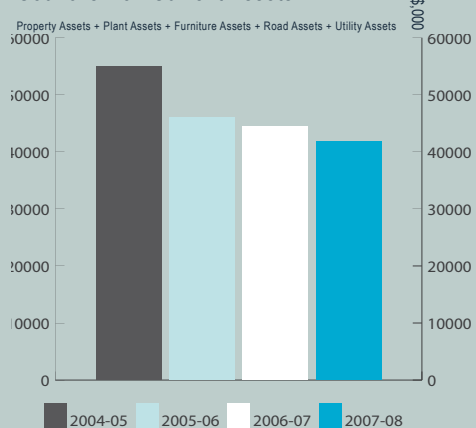
Statement of Cashflow

Cashflow from Operating Activities	2007/08 (\$000)	2006/07 (\$000)
Cash Inflows <small>[Rates - Grants - Term Deposit Interest - Other Services]</small>	394	9,282
Cash Outflows <small>[Payments to Employees and Suppliers]</small>	(4,724)	(8,269)
Net Cash Generated from Operating Activities	1,669	1,103
Cashflow from Investing Activities		
Proceeds from Borrowings	-	-
Proceeds from Sale of Plant/Equipment	-	-
Loan Advances to Community Organisations	-	-
Loan Redemption	29	32
Capital Cost of Property-Plant-Roads and Utilities	(239)	407
Increase in Cash for the Year	1,880	664
Cash at Start of Year	1,813	1,148
Cash at End of Year	3,692	1,812

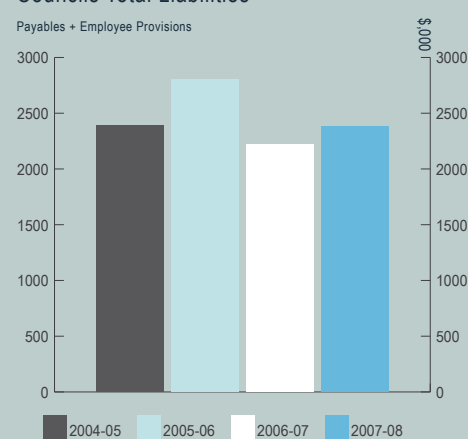
Councils Current Assets



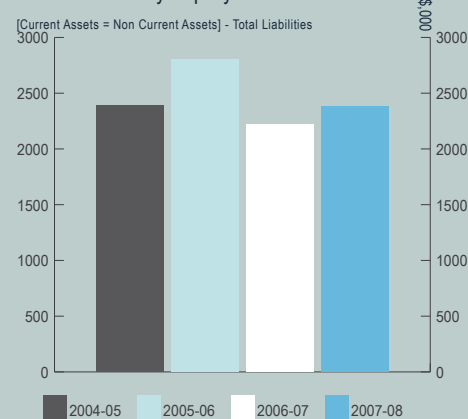
Councils Non Current Assets



Councils Total Liabilities



Our Community Equity



Capital Works Expenditure	2008 (\$000)	2007 (\$000)
Road, Street and Bridge Construction	91	617
Water Supply Infrastructure	32	196
Plant and Equipment Acquisitions	60	10
Recreation and Sport	-	-
Office Equipment	-	5
Sewerage Infrastructure	-	-
Community Buildings	140	244
Refuse Tip, Transfer Stations/Sheds (other assets)	-	-
Loan Redemption	-	-
	323	1,072

Revenue Ratio	2008	2007	2006
The percentage of recurrent revenue derived from rates and charges.	43%	29%	35%

Council dependency on grants is fairly high in the event of any decrease Council would have to seriously consider relative rate increases, work methods and levels of community services provided.

Working Capital Ratio	2008	2007	2006
The ability of Council to meet all current requirements.	1.8:1	1.7:1	8:1

A good ratio is considered to be 2:1 which means that Council is in a very sound position to meet all current commitments.

Rates Arrears Ratio	2008	2007	2006
The effectiveness of collection of rates and charges.	8.59%	7%	5%

Councils outstanding rates are unusually high due to the shorter reporting period. Council anticipates that should Nanango Shire Council had continued to operate until 30 June, the rates in arrears ratio would have been comparable to the previous year. Council has continued to use debt collection agencies throughout the year.

Unfunded Depreciation Ratio	2008	2007	2006
The percentage of annual depreciation not funded from current revenue.	Nil	938	2,079



Statutory Information

Revenue Policy

This policy is formulated in accordance with the requirements of Part 2A Chapter 7 of the Local Government Act 1993 and section 12 of the Local Government Finance Standard 2005.

The Policy outlines the principles used by Council in raising revenue.

RATING

General Rates:

The amount of revenue raised through the levy of a general rate shall be sufficient to fund the operational, capital and provisional costs of the functions of Council, net of income gained through other sources. Council shall consider the economic and environmental circumstances being experienced by the Shire in setting its Rates and Charges.

The general rate shall be charged as a rate in the dollar on the unimproved value of rateable land and the application of a minimum general rate.

Council will adopt a Differential Rating System for the purposes of equitably levying rates throughout the shire. Rating categories shall be developed and used as a means of fairly recovering the cost of services against the users / beneficiaries of those services.

A Minimum General Rate shall be implemented in recognition that many of the services provided by Council should be funded equally by each differential category amongst landholders, recognising that each rate category and ratepayer receives a minimum level of service irrespective of the location of their property.

The Minimum General Rate, shall apply to all lands with the exception of those assessments exempted by the revenue statement.

UTILITY CHARGES

Sewerage Charges

Council will set the level of sewerage charges at a level where the operation of the sewerage service will be self funding. This shall include the renewal and replacement of infrastructure assets, both within the current financial year and into the future.

A sewerage charge will be levied on each rateable property within the serviced area, both vacant and occupied, that is connected or is capable of connection to the sewer scheme.

Charges will be based on a user pays system with levies being set for vacant land, first pedestal and subsequent pedestals.

Cleansing Charges

Council shall set cleansing charges to raise sufficient income to ensure the refuse collection and disposal service is self funding. This shall include the renewal and replacement of land infrastructure assets, both within the current financial year and into the future. The charge will be based on the cost of providing a refuse removal and disposal service in designated urban, rural residential and rural areas of the Shire (the serviced area).

Water Charges

Council shall set water charges to raise sufficient income to ensure the water operations are self funding. This shall include the renewal and replacement of infrastructure assets, both within the current financial year and into the future.

Water charges will be levied on each rateable property, both vacant

and occupied, that Council has provided or is able to provide with water services (that is the serviced area).

Water charges will be set on the basis of a two-part tariff with a base (access) charge, and a Usage charge, entitling the user to a minimum allocation of water of 100KI per connection with a volumetric charge for each kilolitre of water consumed above the minimum allocation. Recognising that identified major industries use a significant quantity of water, Council shall apply a volumetric charge only on these connections.

SPECIAL RATE

Rural Fire Levy

With the Shire being divided into four fire boundaries (one Urban Brigade and three Volunteer Rural Fire Brigades), Council will levy a special rate (Rural Fire Levy) on the respective serviced districts to recover funds to finance the Volunteer Rural Fire Brigades. The amount of each Special Rate will depend upon the financial requirements of each Brigade in light of their operational and strategic requirements, meaning that the Rural Fire Levy may differ from Brigade District to Brigade District.

The Urban Brigade will continue to be the responsibility of the Queensland Fire and Rescue Authority, on whose behalf Council will continue to collect the State Fire Levy.

SEPARATE RATES AND CHARGES

Environmental Levy

Council shall levy a separate Rate - Environmental Levy for the purposes of meeting the operational costs of its Rural Land Protection Activities, which include but not limited to: -

- » Control of noxious weeds and pests throughout the Shire;
- » Participation in regional initiatives to combat the spread of noxious weeds and pests;
- » Preparation, activation and review of its Pest Management Plan; and
- » Any other activity or service designed to improve, enhance or mitigate the effects upon the Shire's environment.

The Environmental Levy shall be levied upon all rateable assessments within the Shire, recognising that all rateable properties shall derive benefit from Council's actions in improving, enhancing and mitigating damaging effects upon the Shire's environment.

Refuse Management Levy

Council shall levy a Separate Charge – Refuse Management Levy, to cover the costs associated with operating its landfills throughout the Shire. This charge is designed to complement the refuse collection and disposal utility charge, but is distinctly different in the respect that it recognises that all rateable properties within the shire generate refuse that must be disposed of in a landfill site, whether or not it is collected and transported to a landfill via Council or its contractor.

The Refuse Management Levy shall be levied upon all rateable assessments in the Shire.

Proceeds from the Refuse Management Levy shall be applied to the following activities, but this shall not be deemed to be exhaustive: -

- » Land fill operations and maintenance
- » Compliance actions under Council Environmental Licence
- » Landfill Rehabilitation (both in current year and in future years)

- » Acquisition and preparation of future landfill sites (within or outside the Shire)
- » Participation in Regional Waste Disposal strategies and actions

REBATES AND CONCESSIONS

Pensioner Concession

As a concession, and in accordance with Section 1034 of the Local Government Act - 1993, Council will allow all recipients of the State Government Pensioner Rate Subsidy a rate rebate in accordance with the following:

1. Remissions shall only be granted in respect of the property to which the state government pensioner subsidy applies.
2. Applications for remission of rates shall be made in the approved form.

Applications shall be lodged by 30 th June, for the subsequent year. In exceptional circumstances, late applications may be accepted up to 14 days prior to the issue of rate notices, provided completed applications are lodged in person. Applications received after the levy will not be back dated and will apply from the next levy only.

Remission of Rates

Upon written application, Council may exempt land from General Rates where such land is used primarily for community (non-business and not for profit) use. Council will have regard to the s1033 of the Local Government Act 1993 when granting exemption remissions under this section of the policy.

RATING IN GENERAL

Rates Adjustments

Where a rate adjustment is due to be charged, as a result of an amended valuation, Council will not charge where the gross adjustment does not offset the cost of charging and recovering such rate. This amount will be kept to a minimum to ensure that rates are charged equitably. As a guide, a threshold figure of \$50 will be used to determine whether a supplementary or amended rate notice shall be forwarded to the ratepayer.

Discount

Council will grant a discount on all General Rates, Sewerage Charges, Garbage Charges and Water Charges to encourage the early payment of rates.

Issue of Rate Notices

Council shall rate twice yearly, at a time suitable to Council, having regard to the economic and environmental factors affecting the Shire.

Interest on Overdue Rates and Charges

Council will levy interest on overdue rates and charges in accordance with the provisions of the Local Government Act 1993.

Payment By Instalments

Council will accept part payments of rates, however, it will not enter into formal arrangements for the payment of rates by instalments.

Payment In Advance

Council will accept payments in advance of the levy of rates.

Sundry Write Offs

Council delegates authority to the Chief Executive Officer to write off

sundry amounts outstanding where deemed appropriate and valuing no greater than fifty (\$50) per assessment.

Recovery of Unpaid Amounts of Rates and Charges

Council will recover Rates and Charges as follows: -

- » Rates and Charges in Arrears less than twelve (12) months from the date of levy

Immediately following the close of Discount, Council shall write to each ratepayer that has outstanding rates and charges to advise that they have missed discount and that their rate assessment is in arrears, attracting interest, compounding daily, and requesting payment in full.

- » Rates and Charges in Arrears greater than twelve (12) months from the date of levy

Once an assessment becomes twelve (12) months or more in Arrears, Council shall refer the assessment to its debt collectors, for their attention to recover the outstanding rates. Council shall authorise the debt collection agency to pursue the debts through to the point of initiating legal action within a Magistrate Court. Council shall consider any recommendation made by its debt collection agency to pursue legal action in a Magistrates Court, on a case by case basis, and upon merit either initiate action, or not.

- » Rates and Charges in Arrears greater than 3 years from the date of levy

Once an assessment falls in arrears of three (3) or more years, Council will resort to recovery action pursuant to Division 3, Part 7, Chapter 14 of the Local Government Act 1993 – Sale of Land for Overdue Rates. Council shall review annually a list of assessments that fall into this category, and resolve to initiate sale unless there is compelling hardship or exceptional circumstances. Council acknowledges that once it initiates sale proceedings, the process can not stop unless the rates and charges are settled or alternately the land is sold or acquired following a public auction.

General Charges

Council will review its Schedule of Fees and Charges, Sundry Leases and Agreements, Private Works Charges and Development Contributions annually. Fees and Charges will be fixed at levels generally considered reasonable in the circumstances, with the view of user pays covering the cost of the service or benefit. Council recognises that full cost recovery may not be possible for some functions, such as in the circumstances of providing an incentive to use a particular service, or lack of economies of scale.

Business Activities

Pursuant to s 765 of the Local Government Act 1993, Council has reviewed its business activities and has not identified any activities that fall under the definition of a 'business activity' to which the Code of Competitive Conduct must apply.

POLICY DETAILS

This policy was adopted by Council on 20th June 2007.

This policy shall commence on 1st July 2007 and expire on 30 th June 2008.

Councillor Remuneration Policy

1. Purpose and Effect of Policy

The purpose of this policy is to provide for reasonable and adequate remuneration for Councillors for their time spent in attending to Council business.

The effect of the policy is that remuneration shall be paid pursuant to the formula and basis of payment as set out below, for services and time spent in attending to Council business, including attendance at:

- a. General and Special Meetings;
- b. Meetings of other bodies on which Council is represented and any Standing Committee and other Committee Meetings of Council which Council may from time to time convene or authorise; and
- c. Conferences, seminars, other meetings, discussions, delegations, workshops, inspections and any other activity which is consistent with Council's corporate or operational plans, including time travelling to and from same.

This policy:

- » has effect pursuant to s237 of Part 3 of Chapter 4 of the Local Government Act 1993;
- » Will commence on 1st July 2004; and
- » Will remain in effect until otherwise altered by the Council pursuant to the Act.

2. Formula and Basis of Remuneration

Definitions

For the purposes of this policy -

"All inclusive" allowance" means remuneration for all services and time spent in attending to Council business, other than benefits and remuneration specified in subparagraphs 2(a)(ii) and 2(d) to 2(i) inclusive.

"Daily allowance" means the amount equivalent to eight (8) hours at the ordinary hourly rate (excluding allowances) of Level 8 (eight) Increment 3 (three) of the General Salary Scale as prescribed for the time being under the Queensland Local Government (Officers) Award 1998, rounded up to the nearest whole dollar. At the adoption of this policy the "daily allowance" equates to \$230 and is subject to change from time to time as National Wages Decisions are applied to the award.

a. Mayor's Monthly Allowance

- i. The Mayor shall be paid an 'all inclusive' allowance of 15 (fifteen) times the daily allowance, per month.
- ii. In addition the Mayor shall be paid an allowance of \$5,000 per annum while the Mayor occupies a directorship of Organics Reclaimed Pty Ltd (ACN 097 579 096) (under the company's shareholders agreement of which Council is a party).

b. Deputy Mayor's Monthly Allowance

The Deputy Mayor shall be paid an 'all inclusive' allowance of 7 (seven) times the daily allowance, per month.

c. Other Councillors' Monthly Allowance

All Councillors, other than the Mayor and Deputy Mayor, shall be paid an 'all inclusive' allowance of 5½ (five and one-half) times the daily allowance, per month.

d. Special Projects and Conferences over Extended Periods

In addition to the above, Councillors shall be paid daily allowances for the number of full days spent attending special projects and conferences which extend over a continuous period of two or more days, provided that such attendances have been authorised by prior resolution of the Council.

e. Standard Travelling Allowances

All Councillors, except the Mayor, shall be paid a standard travelling allowance for travelling in their private vehicles (within the Shire) for official purposes as follows:

- i. \$50 per month for Councillors who reside up to 10km from the Council Chambers;
- ii. \$80 per month for Councillors who reside more than 10km from the Council Chambers.

f. Mayoral Vehicle

The Council shall provide the Mayor with an official vehicle for official use, and private use in accordance with the default conditions of Council's private use policy.

g. Out-of-pocket expenses

Councillors shall be reimbursed for reasonable out-of-pocket expenses actually and necessarily incurred in attendances authorised under this policy; such expenses to be verified by receipts / supporting documentation.

h. Professional Development

Each Councillor will be eligible for reimbursement to a maximum of \$1,500 pa for costs incurred whilst undertaking professional development activities. A Councillor prior to undertaking any professional development activity is to seek approval from the Mayor and Chief Executive Officer before reimbursement of any expenses is given.

i. Use of Councillors Vehicles for Council Business

Where Elected Members are required to use their private vehicles for travel on authorised Council business, outside the Shire, they shall be paid, in addition to other remuneration entitlements, a motor vehicle mileage allowance equivalent to the mileage allowance paid under the Local Government Officers' Award 1998.

j. Superannuation and Additional Remuneration for Non-contributing Councillors

Pursuant to s.238 of the Act, Council will make contributions to existing voluntary superannuation schemes that meet the requirements of the Commonwealth Superannuation Act, in which Councillors elect to participate, the proportion of such contributions to be on the same basis as contributions payable by the Council for its standard permanent employees, up to a maximum contribution by Council of 8% of the Councillor's all inclusive allowances.

3. Superannuation for Councillors (AD 14/4)

Councillors seeking to participate in the voluntary superannuation option are required to complete and return the appropriate forms for implementation.

4. Summary Schedule of Remuneration

Payment Category	Mayor	Deputy Mayor	Councillor
Total Annual Allowance	\$ 41,400	\$ 19,320	\$ 15,180
Estimated Travel Allowance	\$ 0	\$ 600	\$ 600
Estimated Totals	\$ 41,400	\$ 19,920	\$ 15,780

Note: The above schedule is indicative of estimated remuneration for each type of elected representative. However, remuneration may be subject to minor changes due to varying circumstances such as attendance at authorised functions and conferences. Benefits such as motor vehicles, directorships, conference attendances, professional development, superannuation, increased travelling distance etc are not included.

Councillor Remuneration

Councillor	General Meetings Attended	Committee Meetings Attended	Remuneration
Cr P Angel	9	8	\$34980.33
Cr R Dennis	9	8	\$15081.88
Cr B Mobbs	8	6	\$11941.92
Cr R O'Neill	8	7	\$11941.92
Cr G Burgess	6	2	\$11941.92
Cr C Hatchett	9	7	\$11941.92
Cr R Eisenmenger	8	7	\$12199.93
Total Remuneration			\$110 029.82

Borrowing Policy

Policy on Borrowings 2007/08 and 2008/09 to 2011/2012

On the 18 July 2007 Council adopted the following borrowing policy to be reviewed on 1 July 2008.

BACKGROUND:

Council is required under Section 4 of the Local Government Finance Standard to adopt a Policy on Borrowings. Section 8 of the Local Government Finance Standard requires the Policy on Borrowings to address certain matters, namely: -

- » New borrowings planned for the current financial year and the next 4 financial years;
- » The purpose of the borrowings
- » The time over which the borrowings will be repaid

POLICY OBJECTIVES:

The purpose of this Policy is to: -

- » Identify borrowings that will be undertaken in the financial year(s) to which the Policy relates; and

- » Propose the term of identified borrowings over which they will be redeemed.

POLICY STATEMENT:

2006-07 Financial Year

Murgon Shire Council does not propose to undertake any loans during 2007/08 Financial Year unless for emergent repairs/ replacement to community infrastructure, such as water or sewerage infrastructure.

2008-2009 to 2011-2012 Financial Years

At this time, Council does not have any fixed plans to borrow funds in the 2008-09 to 2011-12 Financial Years.

However, Council is conscious of the age of its Water and Sewerage Infrastructure assets and will consider borrowing, as one of many means to fund the replacement of vital components of these assets, as their useful life draws to a close. In the event that Council does borrow to fund the replacement of core components of the assets, it will seek to match the term of the loan to the life of the component replaced.

POLICY PROCEDURES:

Loans proposed for any one financial year must be included in Council's adopted Budget for the respective financial year. Upon adoption of the Budget, Council shall formally apply to the Department of Local Government, Planning, Sport and Recreation for the Loan. The Mayor and Chief Executive Officer shall be authorised to negotiate terms and execute the loan undertaking documents.

This shall not limit Council's actions in foreshadowing new loan undertakings to the Department, for example but not limited to, the Council's 5-Year Forward Capital Works Program and / or 10-Year Cash Flow Forecasts.

ANTICIPATED OUTCOMES:

Compliance with the Local Government Finance Standard, and suitable loan undertakings to meet Council's future capital works program needs.

Purchasing Policy

Council has adopted a Purchasing Policy under which it acquires its goods and services. This policy is designed to compliment Council's requirements under the Local Government Act, and the principles of:

- » Open and effective competition;
- » Value for money;
- » Enhancements of the capabilities of local businesses and industry; Environmental protection; and
- » Ethical behaviour and fair dealing.

Within its Purchasing Policy, Council has established a local preference arrangement for local suppliers. Preference is given to local suppliers on a sliding scale, and is dependant upon the value of goods and services. No preference is giving to goods or services exceeding \$100,000 in value.

Equal Employment Opportunity

Council is an equal opportunity employer and embraces the principles of merit based employment as enshrined in the Local Government Act and Regulations, as well as all other anti-discrimination legislation. To complement these principles, Council has adopted an EEO Policy and Management Plan to guide Council's employees in staff selection and recruitment, behaviour toward one another and behaviour toward members of the public. Council reviews its Equal Employment Opportunity Policy and Management Plan annually. Copies of Council's EEO Policy and EEO Management Plan are obtainable from the Council Office.

Code of Conduct

Following the amendment of the Local Government Act in 2005, Murgon Shire Council has adopted the Model Code of Conduct or Councillors. Since the adoption of the Model Code of Conduct, Council has not received any complaints over alleged Code breaches by its elected members.

In addition to the Model Code of Conduct for Councillors, Council has also implemented a Code of Conduct, pursuant to the Public Sector Ethics Act 1994, to regulate the conduct of its workforce. Copies of the Code of Conduct are given to staff upon commencement of duties, and continuing staff are trained annually in its implementation.

Copies of both Codes of Conduct are available for inspection at the Council Office.

Council Controlled Reserves

Council currently holds 48 reserves for various purposes, having a total area of 189.6 ha. As Reserve Land is held in trust by Council, Council is only able to use the land in accordance with the purpose for which it has been set aside. Consequently Council does not value this and for the purposes of reporting it as a Community Asset in its Annual Financial Statements.

Council Controlled Roads

Council currently services 369 km of dedicated road.

Local Government Owned Corporations

Council has not corporatised any significant business activities into a Local Government Owned Corporation for the purposes of Section 600 of the Local Government Act. Consequently it has no:

- » Activities that were accredited with the Queensland Competition Authority;
- » Activities for which the Queensland Competition Authority is a referee; and
- » LGOCs or shareholder delegates pursuant to s.643.

National Competition Policy & Competitive Neutrality

Council reports as follows in relation to matters relating to implementation of National Competition Policy, pursuant to the relevant sections of the Local Government Act:

- a. s.581 Council has no commercialised business units
- b. s.847 There were no current and completed complaint investigations.
- c. s.768 Pursuant to Section 766(4) of the Local Government Act,

Council resolved during 2005/06 to no longer apply the Code of Competitive Conduct to its (voluntarily) identified Type 3 Business activities as, on review, it was found that they no longer fell within the definition of 'Business Activity' (Section 762). Council's formerly identified Business Activities were: -

- » Water Supply;
- » Sewerage;
- » Refuse Management;
- » Plant;
- » Other Roads;
- » Tourism; and Commercial Properties.

Freedom of Information

Council is an agency to which the Freedom of Information Act 1992 applies, in that members of the public may make application to Council under the Freedom of Information Act to access documents and information. People wishing to access information under the Act must make written application to the Chief Executive Officer, on the prescribed form with the applicable application fee.

In 2007/08, Council received no applications under the Freedom of Information Act 1992.

This Annual Report satisfies the requirements of s 18 of the Freedom of Information Act 1992.

Changes to Tenders

No tenderers were invited to change their tender to take account of any changes to tender specifications. (refer Section 488(2) of the Local Government Act 1993).

Expression of interest prior to tenders being called

No expressions of interest were called prior to inviting tenders. (refer Section 489 (1) of the Local Government Act 1993).

Local Government Owned Corporations

Murgon Shire Council does not have any Local Government Owned Corporations. (refer Section 643 of the Local Government Act 1993)

Complaints and decisions – Queensland Competition Authority

No complaints were made or investigations held in relation to Competitive Neutrality. (refer Section 847 of the Local Government Act 1993)

General Complaints Policy

Council introduced a new general complaints policy in 2005/06. It is a requirement of the Local Government Act 1993 that we provide the following summary each year on complaints received.

Details	No. received in 2007/08
Complaints received under Council's General Complaints Policy – CS001	0
Complaints received under Council's General Complaints Policy – CS001 that related to alleged breach of Councillors' Code of Conduct	0
Complaints about alleged breaches of Councillors' Code of Conduct that were referred to the Conduct Review Panel	0
Actual breaches of Councillors' Code of Conduct *	0
Complaints made to Ombudsman about decisions made by Council in relation to enforcement of Councillors' Code of Conduct	0

*if breaches occur, the name of the Councillor, along with a description of the breach and any penalty imposed, is required to be reported

Summary of Expenditure for Particular Items

The following summary of expenditure is provided in accordance with Section 24(1) (b) of the Local Government Act 1993:

Services provided	Details	Amount
Consultants	Accounting Services	\$30,111
	Town Planning	\$26,500
Advertising	Various creditors	\$23,923
Donations and grants to community organisations	Murgon Sports Foundation	\$30,000

Registers Open and Available for Inspection

The following registers are maintained by Council and are open and available for public inspection: -

Register	Purpose	How to Access
Road Register	A record of all Council's road categorised by type	The Road Register is available for public inspection at the Council Office
Land Record	A record of all property parcels contained within the Shire of Murgon.	The Land Record is available for public inspection at the Council Office. Fees may apply for written extracts (rate searches).
Schedule of Fees and Charges	The schedule contains a list of all Fees and Charges Council applies to services it provides to the community	A copy of the Schedule is available from the Council Office for inspection or purchase.
Legal Documents Register	A record of all legal documents held by Council	The Register is available for inspection at the Council Office
Register of Delegations	A record of all Delegations made by Council to the Chief Executive Officer or by the Chief Executive Officer to subordinate staff.	The Register is available for inspection at the Council Office.
Personal Interests of Councillors and Councillor's Related Persons	To record the financial and 'other personal' interests of Councillors and related persons.	Access to Councillors personal interest statements may be available upon written request to the Chief Executive Officer.
Personal Interests of the Chief Executive Officer and Specified Employees.	To record the financial and 'other personal' interests of the Chief Executive Officer and Senior Executive Staff.	Access is only available to the Mayor and Councillors of Murgon Shire Council.
Local Law and Local Law Policy Register	A Register containing all of Council's Local Laws and Local Law Policies.	Members of the public are able to inspect the Register at the Council Office. Copies of Council's Local Laws and Local Law Policies may also be purchased.
Policy Register	A Register containing all of Council's Policies	The Register is open for inspection at the Council Office.
Building Register	A Register of all Building Applications made in the Shire.	The Register is open for inspection at the Council Office.
Register of Enterprises	A Register of all Enterprises that Council has acquired or entered into under Section 496 of the Local Government Act	The Register is open for inspection at the Council Office

In addition the following Documents are available for public inspection and / or purchase: -

- » Minutes of Council's Meetings
- » Corporate Plan
- » Operational Plan
- » Budget
- » Annual Report (including Council's Annual Financial Statement)
- » Town Plan



Financial Statements

Financial Statements

For the period ended 14 March 2008

Contents

	pg
Income Statement	44
Balance Sheet	45
Statement of Changes in Equity	46
Cash Flow Statement	48
Notes to the Financial Statements	49
1 Basis of preparation	49
2 Summary of Significant Accounting Policies	50
3 Analysis of results by function	54
4 Revenue analysis	56
5 Grants, subsidies, contributions and donations	56
6 Capital income	57
7 Employee benefits	57
8 Materials and services	57
9 Finance costs	58
10 Depreciation and amortisation	58
12 Cash and cash equivalents	59
13 Trade and other receivables	59
14 Inventories	59
15 Other financial assets	59
16 Equity investments	59
17 Investment property	59
18 Property, plant and equipment	60
19 Capital work in progress	64
20 Trade and other payables	64
21 Borrowings	65
22 Asset revaluation reserve	65
23 Retained surplus	65
24 Other reserves	66
25 Commitments for expenditure	66
26 Contingent liabilities	67
27 Events after balance date	27
28 Superannuation	67
29 Trust funds	67
30 Reconciliation of result from ordinary activities to net cash inflow (outflow)	68
31 Financial instruments	69
Management Certificate	70
Independent Auditors Report	71

Income Statement

For the period 1 July 2007 to 14 March 2008

		Consolidated		Council	
	Notes	14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$
For the period ended 14 March 2008					
Revenue					
Recurrent revenue					
Net rate and utility charges	4 (a)	2,863,580	2,839,287	2,863,580	2,839,287
Fees and charges	4 (b)	758,267	951,398	428,865	633,220
Rental income	4 (c)	124,863	324,412	124,863	324,412
Interest received	4 (d)	104,168	98,906	50,798	25,869
Sales - contract and recoverable works	4 (e)	1,075,240	2,249,816	1,075,240	2,249,813
Profit from investments	4 (f)	-	-	(234)	(107,381)
Other recurrent income	4 (g)	145,552	263,521	-	-
Grants, subsidies, contributions and donations	5 (a)	1,501,408	2,764,634	988,682	2,036,865
		6,573,079	9,491,971	5,531,795	8,002,085
Capital revenue					
Grants, subsidies, contributions and donations	5 (b)	-	10,500	-	10,500
		-	10,500	-	10,500
Total revenue		6,573,080	9,502,471	5,531,795	8,012,585
Capital income	6	(162,615)	180,047	(213,235)	196,218
Total income		6,410,464	9,682,518	5,318,560	8,208,803
Expenses					
Employee benefits	7	(2,803,482)	(4,180,967)	(2,099,817)	(3,130,349)
Materials and services	8	(1,797,221)	(4,251,230)	(1,542,013)	(3,874,174)
Finance costs	9	(7,174)	(45,143)	(6,671)	(43,871)
Depreciation and amortisation	10	(1,516,567)	(2,179,950)	(1,431,391)	(2,043,925)
Total recurrent expenses		(6,124,444)	(10,657,290)	(5,079,892)	(9,092,319)
Capital expenses					
Impairment losses	11	(432,339)	-	-	-
		(432,339)	-	-	-
Total expenses		(6,556,783)	(10,657,290)	(5,079,892)	(9,092,319)
Net result attributable to council		(146,319)	(974,772)	(238,668)	(883,516)

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

Balance Sheet

As at 14 March 2008

			Consolidated			Council				
	Notes		14-Mar-08 Actual \$		30-Jun-07 Actual \$		14-Mar-08 Actual \$		30-Jun-07 Actual \$	
ASSETS										
Current Assets										
Cash and cash equivalents	12		3,692,420		1,812,737		2,352,463		566,520	
Trade and other receivables	13		834,103		394,883		832,779		386,045	
Inventories	14		27,430		104,209		27,430		104,209	
Other financial assets	15		105,998		29,765		92,190		25,228	
Total current assets			4,659,951		2,341,594		3,304,861		1,082,002	
Non-Current Assets										
Investments	16		-		-		928		1,162	
Investment property	17		74,938		-		74,938		-	
Property, plant and equipment	18		41,710,329		44,399,193		40,192,047		42,769,037	
Capital works in progress	19		2,035		14,907		2,035		14,907	
Total non-current assets			41,787,301		44,414,100		40,269,948		42,785,106	
TOTAL ASSETS			46,447,252		46,755,694		43,574,809		43,867,108	
LIABILITIES										
Current Liabilities										
Trade and other payables	20		2,038,336		1,964,805		828,775		699,190	
Borrowings	21		-		28,890		-		28,890	
Total current liabilities			2,038,336		1,993,695		828,775		728,080	
Non-current Liabilities										
Trade and other payables	20		341,849		225,386		314,622		198,159	
Borrowings	21		-		-		-		-	
Total non-current liabilities			341,849		225,386		314,622		198,159	
TOTAL LIABILITIES			2,380,185		2,219,081		1,143,397		926,239	
NET COMMUNITY ASSETS			44,067,067		44,536,613		42,431,412		42,940,869	
Community Equity										
Retained surplus/(deficiency)	23		35,085,867		35,935,090		35,100,706		35,559,038	
Asset revaluation reserve	22		7,413,575		8,161,700		6,343,906		7,092,031	
Other reserves	24		1,142,728		439,823		986,800		289,800	
TOTAL COMMUNITY EQUITY			43,642,170		44,536,613		42,431,412		42,940,869	

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

Statement of Changes in Equity

For the period 1 July 2007 to 14 March 2008

Consolidated

	Asset Revaluation reserve \$	Retained Surplus \$	Other Reserves \$	Total \$
Notes	22	23	24	
Balance at 30 June 2006	8,161,700	36,951,555	398,130	45,511,385
Changes in Equity for the year ended 30 June 2007				
Revaluations of property, plant and equipment	-			-
Available for sale investments:	-			-
Valuation gains/(losses)	-			-
Transferred to income statement on sale	-			-
Net income recognised directly in equity	-			-
Net income recognised directly in equity	-	-	-	-
Surplus for the period		(974,772)		(974,772)
Total recognised income and expense	-	(974,772)	-	(974,772)
Transfers to and from reserves				
Transfers to general reserves		(41,693)	41,693	-
Transfers from general reserves		-	-	-
Total transfers to and from reserves	-	(41,693)	41,693	-
Balance at 30 June 2006	8,161,700	35,935,090	439,823	44,536,613
Changes in Equity for the period 1 July 2007 to 14 March 2008				
Revaluations of property, plant and equipment	-			-
Available for sale investments:	-			-
Valuation gains/(losses)	-			-
Transferred to income statement on sale	-			-
Impairment Losses	(748,125)			(748,125)
Net income recognised directly in equity	(748,125)	-	-	(748,125)
Surplus for the period		(146,319)		(146,319)
Total recognised income and expense	(748,125)	(146,319)	-	(894,444)
Transfers to and from reserves				
Transfers to general reserves		(802,905)	802,905	-
Transfers from general reserves		100,000	(100,000)	-
Total transfers to and from reserves		(702,905)	(702,905)	
Balance at 14 March 2008	7,413,575	35,085,867	1,142,728	43,642,170

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

Statement of Changes in Equity

For the period 1 July 2007 to 14 March 2008

Council

	Asset Revaluation reserve \$	Retained surplus \$	Other Reserves \$	Total \$
Notes	22	23	24	
Balance at 30 June 2007	7,092,031	36,442,554	289,800	43,824,385
Changes in Equity for the year ended 30 June 2007				
Revaluations of property, plant and equipment	-			-
Available for sale investments:	-			-
Valuation gains/(losses)	-			-
Transferred to income statement on sale	-			-
Net income recognised directly in equity	-			-
Net income recognised directly in equity	-	-	-	-
Surplus for the period		(883,516)		(883,516)
Total recognised income and expense	-	(883,516)	-	(883,516)
Transfers to and from reserves				
Transfers to general reserves				
Transfers from general reserves				
Total transfers to and from reserves	-	-	-	-
Balance at 30 June 2007	7,092,031	33,559,038	289,800	42,940,869
Changes in Equity for the period 1 July 2007 to 14 March 2008				
Revaluations of property, plant and equipment	-			
Available for sale investments:	-			
Valuation gains/(losses)	-			
Transferred to income statement on sale	-			
Impairment Losses	(748,125)			(748,125)
Net income recognised directly in equity	(748,125)	-	-	(748,125)
Surplus for the period		238,668		238,668
Total recognised income and expense	(748,125)	238,668	-	(509,457)
Transfers to and from reserves				
Transfers to general reserves		(797,000)	797,000	-
Transfers from general reserves		100,000	(100,000)	-
Total transfers to and from reserves	-	(697,000)	697,000	-
Balance at 14 March 2008	6,343,906	35,100,706	986,800	42,431,412

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

Cash Flow Statement

For the period 1 July 2007 to 14 March 2008

		Consolidated		Council	
	Notes	14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$
Cash flows from operating activities:					
For the period ended 14 March 2008		6,269,709	9,272,592	4,969,377	7,972,260
Payments to suppliers and employees		(4,723,460)	(8,252,926)	(3,401,629)	(7,147,653)
		1,546,249	1,019,666	1,567,748	824,607
Interest received		123,835	98,906	50,798	25,869
Borrowing costs		(894)	(15,752)	(824)	(15,682)
Net cash inflow (outflow) from operating activities		1,669,190	1,102,820	1,617,222	834,794
Cash flows from investing activities:					
Payments for property, plant and equipment		(320,182)	(959,476)	(310,044)	(949,338)
Proceeds from sale of property, plant and Equipment		559,564	552,890	507,154	500,480
Net cash inflow (outflow) from investing activities		239,383	(406,586)	197,111	(448,858)
Cash flows from financing activities					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		(28,890)	(31,951)	(28,890)	(31,951)
Net cash inflow (outflow) from financing activities		(28,890)	(31,951)	(28,890)	(31,951)
Net increase (decrease) in cash held		1,879,683	664,283	1,785,943	353,985
Cash at beginning of reporting period		1,812,737	1,148,454	566,520	212,535
Cash at end of reporting period	12	3,692,420	1,812,737	2,352,463	566,520

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

Notes to the Financial Statements

For the period 1 July 2007 to 14 March 2008

1. Basis of preparation For the period ended 14 March 2008

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and comply with the requirements of the Local Government Act 1993, the Local Government Finance Standard 2005.

Under the provisions of the Local Government Reform Act 2007, the Murgon Shire Council was abolished at midnight on 14 March 2008. All the Council's business, including all assets and liabilities were transferred to the South Burnett Regional Council (SBRC) immediately before change over day at the values reported in these financial statements in accordance with the Local Government Reform Implementation Regulation 2008. The Murgon Shire Council is, therefore, not a going concern.

Even though the Murgon Shire Council is not a going concern the basis of preparation of these financial statements is consistent with the going concern basis because of the way in which the Council's assets have been transferred.

1.02 Statement of Compliance

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied this Report does not comply with IFRS. The main impact is in the offsetting of revaluation and impairment gains and losses within a class of assets.

Except where otherwise stated, this financial report has been prepared in accordance with the historical cost basis.

1.03 Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Murgon Council as at 14 March 2008 and the results of all controlled entities for the period then ended. The Council and its controlled entities together form the economic entity which is referred to in this financial report as the consolidated entity.

In the process of reporting the Council as a single economic entity, all transactions with entities controlled by the Council have been eliminated.

1.04 Adoption of new Accounting Standards

AASB7 applies for the first time this year. This standard relates to the presentation of information and does not impact on the result or position disclosed. The following Australian Accounting Standards, issued on the dates shown, are not mandatory for the financial year 2007-08 and have not been applied.

AASB8 Operating Segments (Feb 2007)

AASB101 Presentation of Financial Statements (September 2007)

AASB123 Borrowing Costs (June 2007)

AASB1004 Contributions (December 2007)

AASB1051 Land under Roads (December 2007)

AASB1052 Disaggregated Disclosures (December 2007)

AASB2007-03 Amendments to Australian Accounting Standards arising from AASB8 (February 2007)

AASB2007-06 Amendments to Australian Accounting Standards arising from AASB123 (June 2007)

AASB2007-08 Amendments to Australian Accounting Standards arising from AASB101 (September 2007)

AASB2007-09 Amendments to Australian Accounting Standards arising from the review of AAS27, AAS29 and AAS31 (December 2007)

AASB Interpretation 1038 Contributions by Owners made to Wholly-Owned Public Sector Entities

It is not expected that the new standards would have made a substantial difference to the results if they had applied to this accounting period. Most of the changes are matters of presentation.

1.05 Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

The estimates and assumptions that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are referred to in the appropriate notes to the financial statements.

1.06 Currency

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

1.07 Constitution

The Murgon Council is constituted under the Queensland Local Government Act 1993 and is domiciled in Australia.

1.08 Date of authorisation

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

The Local Government has the power to amend the Financial Report after it is authorised for issue until the adoption of the report by the Local Government as part of the Annual Report.

2. Summary of Significant Accounting Policies

2.01 Rates, Grants and Other Revenue

Rates, Grants and Other Revenue are recognised as revenue on receipt of funds or earlier unconditional entitlement to the funds.

i. Rates

Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue in the period in which they are received.

ii. Grants and Subsidies

Where the Council has an obligation to use a grant or subsidy in a particular manner the amount is recognised as revenue on receipt. An equivalent amount is placed in the constrained works reserve until the obligation is satisfied.

iii. Non-Cash Contributions

Non-cash contributions in excess of the recognition thresholds set out in note 2.09 in value, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue only.

iv. Other Revenue Including Contributions

Other Revenue is recognised as a receivable when it is probable that it will be received and the amount is known, otherwise the amount is recognised upon receipt.

2.02 Cash and Cash Equivalents

"For the purposes of the Balance Sheet and the Cash Flow Statement, cash assets include all cash and cheques receipted but not banked as well as deposits at call with financial institutions. It also includes bank overdrafts and liquid investments with short periods to maturity that are readily convertible to cash at the Council's option without penalty and that are subject to a low risk of changes in value."

The Council considers all its term deposits, being for periods of less than one year to be cash equivalents.

2.03 Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, settlement on trade debtors being generally required within 30 days from the invoice date.

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

All known bad debts were written-off against the provision for impairment at 14 March. Subsequent recoveries of amounts previously written off are credited against other expense in the income statement.

Loans and advances are recognised at cost. Terms are usually a maximum of five years with interest charged at commercial rates. Security is not normally obtained.

2.04 Other Financial Assets

Other Financial Assets are recognised at cost.

2.05 Inventories

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

Inventories held for distribution are:

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

These goods are valued at the lower of cost and replacement cost."

2.06 Land Held for Resale

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

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

2.07 Investments

Financial institution deposits at call and term deposits are treated as cash equivalents.

Interest and dividend revenues are recognised on an accrual basis.

The controlled entity is accounted for at cost in the Council's separate financial statements.

2.08 Investment Property

Investment property, which is property held for the primary purpose of earning rentals and/or capital appreciation, is initially recognised at cost including transaction costs. Where investment property is acquired at no or nominal cost it is recognised at fair value. Investment property is subsequently carried at fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in the income statement for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

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

2.09 Property, Plant and Equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Council has adopted the following recognition thresholds for different asset classes. Items which have a value below the set amount are expensed.

- a. land - \$1
- b. plant and equipment - \$5,000
- c. all other classes of asset - \$10,000

i. Major Plant

The Council has determined that plant which has an individual cost in excess of \$1,000,000 is of high value to the Council. Plant which meets this criteria is major plant if it is prone to a high degree of price fluctuations or in danger of becoming obsolete.

ii. Acquisition of Assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

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

iii. Capital and operating expenditure

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

iv. Valuation

Land, buildings, infrastructure and heritage and cultural assets are measured on the revaluation basis, at fair value, in accordance with AASB116 Property, Plant and Equipment and the Local Government Finance Standard 2005. All other non-current assets, principally plant and equipment and intangibles, are measured at cost.

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This revaluation may involve the application of a suitable index to the cost elements of each asset, or may involve an independent assessment of the value. Only those assets, the total values of which are material, compared to the value of the class of assets to which they belong, are comprehensively revalued.

Details of valuers and methods of valuations are disclosed in Note 18(c).

Plant and equipment, other than major plant and equipment, are measured at depreciated cost. The carrying amounts for plant and equipment measured at depreciated cost should not differ materially from their fair value.

v. Depreciation

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

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

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

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

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

The estimated useful lives of property, plant and equipment are reviewed annually. Details of the range of useful lives for each class of asset are shown in note 18.

vii. Unfunded Depreciation

Murgon Council has elected not to fund depreciation expenses for assets that will not be replaced or external funding sources other than loans will be obtained to fund their replacement. Depreciation is funded to the extent necessary to meet future replacement capital works.

2.10 Capital Work in Progress

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

2.11 Impairment

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

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

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

2.12 Leases

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

i. Finance leases

Finance leases are capitalised in that a lease asset and a liability equal to the fair value of the leased property (or the present value of the minimum lease payments, if lower) are recorded at the inception of the lease. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged as finance costs. The asset is accounted for on the same basis as other assets of the same class. Contingent rentals are written off as an expense in the accounting period in which they are incurred.

ii. Operating leases

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

2.13 Payables

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

2.14 Liabilities - Employee Benefits

Employee benefits are accrued for such items as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee entitlements are assessed at each reporting date. Where it is expected that the leave will be taken in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

i. Salaries and Wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability is treated as a payable and not as a provision.

ii. Annual Leave

A liability for annual leave is recognised for services rendered by employees to balance date. The current portion is based on current wage and salary levels and includes related employee on-costs. The non current portion is based on projected future wage and salary levels and related employee on-costs discounted to present values. This liability is treated as a payable and not as a provision.

iii. Sick Leave

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

iv. Superannuation

The superannuation expense for the reporting period is the amount of the contribution the local government makes to the superannuation plan which provides benefits to its employees.

Details of those arrangements are set out in Note 28.

v. Long Service Leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The interest rates attaching as at the reporting date, to Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value. The value of the liability was calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. This liability is treated as a payable and not as a provision.

2.15 Borrowings

Loans payable are measured at amortised cost. Interest is recognised as it accrues.

Borrowing costs are treated as an expense and not capitalised.

2.16 Asset Revaluation Reserve

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

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

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

When an asset is disposed of the amount in the reserve in respect of that asset is retained in the reserve.

2.17 Reserves

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

i. Buildings reserve

This reserve is held by Castra Retirement Home Limited, a wholly owned Council entity, and represents amounts set aside for the future replacement of buildings.

ii. Water reserve

This reserve represents the amount of Council's net funds set aside to meet future water infrastructure needs.

iii. Sewerage reserve

This reserve represents the amount of Council's net funds set aside to meet future sewerage infrastructure needs.

iv. Employee entitlements reserve

This reserve represents the amount of Council's net funds set aside to fund employee entitlements as they are claimed.

v. Bridge replacement reserve

This reserve represents the amount of Council's funds required for the purpose of performing determined works.

2.18 Retained Surplus

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

2.19 Financial Risk Management

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

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia and are for a period of less than one year.

The Council does not invest in derivatives or other risky investments.

When the Council borrows, it borrows from the Queensland Treasury Corporation unless another financial institution can offer a more beneficial rate, taking into account any risk."

Details of financial instruments and the associated risks are shown at note 31.

2.20 Trust Funds Held for Outside Parties

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

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

2.21 Taxation

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

"The controlled entity of the Council pays an income tax equivalent to the Council in accordance with the requirements of the Local Government Act 1993.

Where an activity of the controlled entity of the Council is subject to the National Tax Equivalents Regime, the income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income. These transactions are eliminated upon consolidation."

3. Analysis of results by function

For the period 1 July 2007 to 14 March 2008

	Revenue		Total	Total	Net Results for Period	Assets
	Grants 14-Mar-08 \$	Other 14-Mar-08 \$	Revenue 14-Mar-08 \$	Expenses 14-Mar-08 \$	14-Mar-08 \$	14-Mar-08 \$
<i>For the period ended 14 March 2008</i>						
Functions						
Governance, Controlled Entities	-	4,684	4,684	361,576	(356,892)	2,353,169
Administration, HR, Finance	845,139	1,509,735	2,354,874	1,069,329	1,285,546	3,698,405
Health, Building, Planning	-	224,880	224,880	164,978	59,902	1,962,706
Community, Tourism, Culture	-	18,679	18,679	147,679	(129,001)	1,031,978
Works, Plant, Rural Services	65,898	1,093,255	1,159,154	1,688,961	(529,807)	20,789,425
Sport, Recreation, Environment	42,000	63,328	105,328	643,993	(538,665)	6,041,116
Waste, Water, Sewerage	35,644	1,415,317	1,450,962	1,003,375	447,586	7,698,009
Total Council	988,682	4,329,878	5,318,560	5,079,892	238,668	43,574,809
Controlled entity net of eliminations	-	-	-	-	-	-
Total Consolidated	988,682	4,329,878	5,318,560	5,079,892	238,668	43,574,809

	Revenue		Total	Total	Net Results for Period	Assets
	Grants 30-Jun-07 \$	Other 30-Jun-07 \$	Revenue 30-Jun-07 \$	Expenses 30-Jun-07 \$	30-Jun-07 \$	30-Jun-07 \$
<i>Prior Year</i>						
Functions						
Governance, Controlled Entities	110,255	91,709	201,964	867,225	(665,261)	3,078,853
Administration, HR, Finance	1,123,307	1,394,679	2,517,986	1,294,979	1,223,007	1,427,048
Health, Building, Planning	(10,048)	254,399	244,351	275,858	(31,507)	2,109,249
Community, Tourism, Culture	1,235	29,045	30,280	275,221	(244,941)	1,652,211
Works, Plant, Rural Services	620,754	1,163,759	1,784,513	2,447,386	(662,873)	21,367,873
Sport, Recreation, Environment	7,273	120,171	127,444	971,098	(843,654)	6,311,346
Waste, Water, Sewerage	194,592	1,523,070	1,717,662	1,375,949	341,713	7,920,527
Total Council	2,047,368	4,576,833	6,624,201	7,507,717	(883,516)	43,867,107
Controlled entity net of eliminations	727,769	745,946	1,473,715	1,564,971	(91,256)	2,888,587
Total Consolidated	2,775,137	5,322,779	8,097,916	9,072,688	(974,772)	46,755,694

3(b) Components of council functions

For the period ended 14 March 2008

Governance, Controlled Entities

Includes controlled entities, corporate governance, economic development, elections and shire promotion.

Administration, HR, Finance

Includes revenue, purchasing, creditors and payments, payroll, costing, budgeting.

Includes personnel, records, recruitment, training and development, public relations.

Health, Building, Housing, Planning

Includes strategic (town) planning, subdivisional and building application administration.

Includes animal control, pest control and health regulation and compliance.

Includes building related inspectorial services and community housing.

Tourism, Community, Culture

Includes library, visitor information centre, caravan park, museum and halls.

Includes RADF

Works, Plant, Rural Services

Includes construction and maintenance of roads, stormwater drainage, footpaths and bicycle ways.

Includes saleyards, plant and equipment.

Sport, Recreation, Environment

Includes parks and gardens administration and maintenance.

Includes sporting facilities and natural resources.

Waste, Water, Sewerage

Includes sewerage treatment and disposal.

Includes refuse collection, disposal and recycling.

Includes water distribution, water pumping stations and reticulation.

Notes to the Financial Statements

For the period 1 July 2007 to 14 March 2008

For the period ended 14 March 2008

		Consolidated		Council	
	Notes	14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$
For the period ended 14 March 2008					
4. Revenue					
a. Rates and Charges					
General rates		1,698,852	1,598,564	1,698,852	1,598,564
Water		309,932	207,307	309,932	207,307
Water consumption, rental and sundries		270,527	592,696	270,527	592,696
Sewerage		585,761	528,856	585,761	528,856
Garbage charges		289,366	244,067	289,366	244,067
Total rates and utility charge revenue		3,154,438	3,171,490	3,154,438	3,171,490
Less: Discounts		(275,029)	(315,544)	(275,029)	(315,544)
Less: Pensioner remissions		(15,829)	(16,659)	(15,829)	(16,659)
Net rates and utility charges		2,863,580	2,839,287	2,863,580	2,839,287
b. Fees and charges					
Fees and charges		758,267	951,398	428,865	633,220
		758,267	951,398	428,865	633,220
c. Rental Income					
Rental income		124,863	324,412	124,863	324,412
d. Interest received					
Interest received from investments		87,728	83,794	34,358	10,757
Interest from overdue rates and utility charges		16,440	15,112	16,440	15,112
		104,168	98,906	50,798	25,869
e. Sales - contract and recoverable works					
Contract and recoverable works		1,075,240	2,249,813	1,075,240	2,249,813
		1,075,240	2,249,813	1,075,240	2,249,813
f. Profit from investments					
Profit from wholly owned ventures - Organics Reclaimed Pty Ltd		-	-	(234)	(107,381)
				(234)	(107,381)
5. Grants, subsidies, contributions and donations					
a. Recurrent - government grants and subsidies, other contributions and donations are analysed as follows.					
General purpose grants		1,357,091	1,783,847	845,139	1,063,813
State government subsidies and grants		143,543	958,143	143,543	958,143
Donations		774	7,735	-	-
Contributions		-	14,909	-	14,909
Total recurrent revenue		1,501,408	2,764,634	988,682	2,036,865
b. Capital - government grants and subsidies, and other contributions are analysed as follows.					
State government subsidies and grants		-	10,500	-	10,500
Contributions		-	-	-	-
Total capital revenue		-	10,500	-	10,500

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

	Notes	Consolidated		Council	
		14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$
For the period ended 14 March 2008					
6. Capital income					
Gain (loss) on the disposal of non-current assets					
Proceeds from the sale of property, plant and equipment		534,197	552,890	507,154	500,480
Less: Book value of disposed items		(696,813)	(372,843)	(720,390)	(304,262)
Total gain (loss) on the disposal of non-current assets		(162,615)	180,047	(213,235)	196,218

Gain (loss) on the disposal of non-current assets					
Proceeds from the sale of property, plant and equipment					
Less: Book value of disposed items					
Total gain (loss) on the disposal of non-current assets					

7. Employee Benefits					
Total staff wages and salaries		2,107,856	3,500,308	1,540,820	2,635,823
Councillors' remuneration		104,157	151,605	104,157	151,605
Annual, sick and long service leave entitlements		356,095	348,689	308,218	254,826
Superannuation	28	251,498	359,503	174,376	279,106
		2,819,606	4,360,105	2,127,571	3,321,360
Other employee related expenses		231,606	319,926	219,976	308,053
		3,051,212	4,680,031	2,347,547	3,629,413
Less : Capitalised employee expenses		(247,730)	(499,064)	(247,730)	(499,064)
		2,803,482	4,180,967	2,099,817	3,130,349

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.					
Total Council employees at the reporting date:				14-Mar-08	30-Jun-08
Elected members				7	7
Administration staff				12	17
Depot and outdoors staff				32	35
Total full time equivalent employees				51	59

8. Materials and services					
Audit services		46,635	60,050	41,670	38,410
Community and cultural		388,393	641,646	138,143	286,230
Donations paid		30,534	2,562	30,535	2,562
Health and environmental		214,633	366,742	214,634	366,742
Rental property expenses		31,412	50,368	31,413	50,368
Road infrastructure		191,161	394,380	191,162	394,380
Sport and recreation		278,226	569,336	278,227	569,336
Water and sewerage infrastructure		419,349	548,609	419,350	548,609
Other material and services		196,878	1,617,536	196,879	1,617,536
		1,797,221	4,251,230	1,542,013	3,874,174

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

For the period ended 14 March 2008

	Notes	Consolidated		Council	
		14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$
9. Finance costs					
Finance costs charged by the Queensland Treasury Corporation		824	15,682	824	15,682
Finance costs relating to other bank loans		-	70	-	-
Bank charges		5,756	8,190	5,253	6,988
Bad and doubtful debts		595	21,201	595	21,201
		7,174	45,143	6,671	43,871

10. Depreciation and amortisation					
Depreciation of non-current assets					
Buildings and land improvements		601,720	863,683	544,610	781,478
Plant and equipment		129,300	220,846	101,234	167,026
Road, drainage and bridge network		536,901	747,105	536,901	747,105
Water		156,981	219,124	156,981	219,124
Sewerage		91,665	129,192	91,665	129,192
Total depreciation of non current assets		1,516,567	2,179,950	1,431,391	2,043,925

Unfunded Depreciation					
Accumulated Unfunded Depreciation					
<p>The accumulated un-funded depreciation represents the accumulated shortfall in funding being provided from operating revenue to replace the assets at some future time.</p> <p>It is anticipated external borrowings will be required as the assets are replaced resulting in higher future operating costs. Recognition of un-funded depreciation represents a decline in the capital value of the shire.</p> <p>Net adjusted unfunded depreciation is calculated by taking the gross unfunded depreciation and deducting the amount of depreciation that will not require funding due to either non-replacement of the asset; contributions becoming available for funding the replacement; the replacement asset will cost less than the existing asset or the engineers assessment of depreciation funding is less than the depreciation expense in the period.</p> <p>The gross unfunded depreciation across all assets for the period is \$0 (2007 - \$1,160,409).</p> <p>The net adjusted unfunded depreciation across all assets for the period is \$0 (2007 - \$938,421)</p>					

11. Loss on impairment					
a. Impairment losses arose in respect of the "Castra Retirement Home Limited" assets.		497,864	-	497,864	-
A contract was entered on the 12th March 2008 to sell facility assets for the value of \$1. The settlement date is due on 12th May 2008. Listed assets had a value before recognition of the impairment of \$497,864.					
b. Impairment losses also arose in respect of the "Barambah Community Services Limited" (Gumnut Place) assets.		250,261	-	250,261	-
A contract was entered into on 14th March 2008 to hand ownership of the facility to a community organisation for the value of \$1. The assets had a value before recognition of the impairment of \$250,261.					
		748,125	-	748,125	-
Impairment losses treated as capital expense		-	-	-	-
Impairment loss set against asset revaluation reserve	22	748,125	-	748,125	-
	18	748,125	-	748,125	-

Notes on the Balance Sheet

		Consolidated		Council	
	Notes	14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$
For the period ended 14 March 2008					
12. Cash and cash equivalents					
Cash at bank and on hand		163,050	196,383	5,184	50,115
Deposits at call		3,735,204	1,616,354	2,553,113	516,405
Less Bank overdraft		(205,834)	-	(205,834)	-
Balance per cash flow statement		3,692,420	1,812,737	2,352,463	566,520

Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:					
Unspent government grants and subsidies		151,350	27,086	151,350	27,086
Total unspent restricted cash for project expenditure		151,350	27,086	151,350	27,086

'Cash at bank are held in the Commonwealth Bank of Australia in normal term deposits and business cheque accounts.

13. Trade and other receivables					
a. Current					
Rateable revenue and utility charges		336,646	200,401	336,646	200,401
Interest receivable		-	7154	-	2350
Other debtors		475,955	188,263	475,063	184,229
Less Provision for doubtful debts		-	-	-	-
GST recoverable		21,503	(935)	21,070	(935)
		834,103	394,883	832,779	386,045

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors.

14. Inventories					
a. Current					
Inventories for consumption:					
Stores and raw materials		2,368	4,209	2,368	4,209
Total inventories for consumption		2,368	4,209	2,368	4,209

Valued at the lower of cost and selling price less cost to sell.

Land purchased for development and sale		25,062	100,000	25,062	100,000
Total current inventories		27,430	104,209	27,430	104,209

15. Other financial assets					
Current					
Prepayments		105,998	29,765	92,190	25,228
		105,998	29,765	92,190	25,228

16. Equity investments					
Wholly owned ventures - Organics Reclaimed Pty Ltd		-	-	928	1,162
		-	-	928	1,162

17. Investment property					
Fair value at beginning of period					
Land held for future development and sale		74,938	-	74,938	-
Fair value at end of period		74,938	-	74,938	-

At balance date there were no contractual obligations to purchase, construct or develop investment property.

18 (a) Consolidated property, plant and equipment

For the period 1 July 2007 to 14 March 2008

For the period ended 14 March 2008	14-Mar-08 Actual \$	Buildings & Land Imps 14-Mar-08 Actual \$	Plant and equipment 14-Mar-08 Actual \$	Road Network 14-Mar-08 Actual \$	Water 14-Mar-08 Actual \$	Sewerage 14-Mar-08 Actual \$	Total 14-Mar-08 Actual \$
Asset Values							
Opening gross value at cost	-	-	5,270,087	-	-	-	5,270,087
Opening gross value at valuation	1,440,720	34,779,772	-	32,690,559	10,172,464	7,591,999	86,675,514
Additions at cost	-	140,000	59,612	90,577	32,727	-	322,916
Disposals	(31,050)	(1,195,043)	(2,327,189)	-	-	-	(3,553,282)
Revaluation adjustment to the ARR	-	-	-	-	-	-	-
Revaluation adjustment to Income	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-
Assets transferred to Investment Property	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-
Closing gross value	1,409,670	33,724,729	3,002,510	32,781,136	10,205,191	7,591,999	88,715,235

Accumulated Depreciation and Impairment							
Opening balance	-	20,327,320	4,215,431	12,789,332	4,934,098	5,280,227	47,546,408
Depreciation provided in period	-	601,720	132,421	536,901	156,981	91,665	1,519,688
Depreciation on disposals	-	(571,305)	(2,238,010)	-	-	-	(2,809,315)
Revaluation adjustment to the ARR	-	-	-	-	-	-	-
Impairment adjustment to the ARR	258,749	489,376	-	-	-	-	748,125
Impairment adjustment to Income	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-
Assets transferred to Investment Property	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-
Accumulated depreciation at period end	258,749	20,847,111	2,109,843	13,326,233	5,091,079	5,371,892	47,004,907
Consolidate Consolidated book value at period end book value at period end	1,150,921	12,877,618	892,667	19,454,903	5,114,112	2,220,107	41,710,329

Range of estimated useful life in years

Not
Depreciated

40 - 100

2 - 20

5 - 100

20 - 80

20 - 60

18 (b) Council property, plant and equipment

For the period 1 July 2007 to 14 March 2008

For the period ended 14 March 2008

Asset Values		Buildings & Land Imps	Plant and equipment	Road Network	Water	Sewerage	Total
	14-Mar-08 Actual \$	14-Mar-08 Actual \$	14-Mar-08 Actual \$	14-Mar-08 Actual \$	14-Mar-08 Actual \$	14-Mar-08 Actual \$	14-Mar-08 Actual \$
Opening gross value at cost	-	243,922	4,827,305	616,571	196,638	4,504	5,888,940
Opening gross value at valuation	1,440,720	32,666,076	-	32,073,988	9,975,826	7,587,495	83,744,105
Additions at cost	-	140,000	59,612	90,577	32,727	-	322,916
Disposals	(31,050)	(1,195,043)	(2,262,882)	-	-	-	(3,488,975)
Revaluation adjustment to the ARR	-	-	-	-	-	-	-
Revaluation adjustment to Income	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-
Assets transferred to Investment Property	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-
Closing gross value	1,409,670	31,854,955	2,624,035	32,781,136	10,205,191	7,591,999	86,466,986

Accumulated Depreciation and Impairment							
Opening balance	-	19,974,007	3,886,344	12,789,332	4,934,098	5,280,227	46,864,008
Depreciation provided in period	-	544,610	101,234	536,901	156,981	91,665	1,431,391
Depreciation on disposals	-	(571,305)	(2,197,280)	-	-	-	(2,768,585)
Revaluation adjustment to the ARR	-	-	-	-	-	-	-
Impairment adjustment to the ARR	258,749	489,376	-	-	-	-	748,125
Impairment adjustment to Income	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-
Assets transferred to Investment Property	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-
Accumulated depreciation at period end	258,749	20,436,688	1,790,298	13,326,233	5,091,079	5,371,892	46,274,939
Total written down value at period end	1,150,921	11,418,267	833,737	19,454,903	5,114,112	2,220,107	40,192,047
Range of estimated useful life in years	Not Depreciated	40 - 100	2 - 20	5 - 100	10 - 60	20 - 60	-

18 (c) Consolidated property, plant and equipment - prior year

For the period 1 July 2007 to 14 March 2008

Asset Values		Buildings & Land Imps	Plant and equipment	Road Network	Water	Sewerage	Total
	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$
Opening gross value at cost	-	-	5,827,611	-	-	-	5,827,611
Opening gross value at valuation	1,597,515	34,860,717	-	32,073,988	9,975,826	7,587,495	86,095,541
Additions at cost	-	243,922	10,138	616,571	196,638	4,504	1,071,773
Disposals	(156,795)	(324,867)	(567,662)	-	-	-	(1,049,324)
Revaluation adjustment to the ARR	-	-	-	-	-	-	-
Revaluation adjustment to Income	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-
Assets transferred to Investment Property	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-
Closing gross value	1,440,720	34,779,772	5,270,087	32,690,559	10,172,464	7,591,999	91,945,601

Accumulated Depreciation and Impairment		Buildings & Land Imps	Plant and equipment	Road Network	Water	Sewerage	Total
	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$
Opening balance	-	19,625,128	4,509,575	12,042,227	4,714,974	5,151,035	46,042,939
Depreciation provided in period	-	863,683	220,846	747,105	219,124	129,192	2,179,950
Depreciation on disposals	-	(161,491)	(514,990)	-	-	-	(676,481)
Revaluation adjustment to the ARR	-	-	-	-	-	-	-
Impairment adjustment to the ARR	-	-	-	-	-	-	-
Impairment adjustment to Income	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-
Assets transferred to Investment Property	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-
Accumulated depreciation at period end	-	20,327,320	4,215,431	12,789,332	4,934,098	5,280,227	47,546,408
Total written down value at period end	1,440,720	14,452,452	1,054,656	19,901,227	5,238,366	2,311,772	44,399,193
Range of estimated useful life in years	Not Depreciated	40 - 100	2 - 20	5 - 100	20 - 80	20 - 60	-

18 (d) Council property, plant and equipment - prior year

For the period 1 July 2007 to 14 March 2008

Asset Values		Buildings & Land Imps	Plant and equipment	Road Network	Water	Sewerage	Total
	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$
Opening gross value at cost	-	-	5,344,398	-	-	-	5,344,398
Opening gross value at valuation	1,582,515	32,957,610	-	32,073,988	9,975,826	7,587,495	84,177,434
Additions at cost	-	243,922	-	616,571	196,638	4,504	1,061,635
Disposals	(141,795)	(291,534)	(517,093)	-	-	-	(950,422)
Revaluation adjustment to the ARR	-	-	-	-	-	-	-
Revaluation adjustment to Income	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-
Assets transferred to Investment Property	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-
Closing gross value	1,440,720	32,909,998	4,827,305	32,690,559	10,172,464	7,591,999	89,633,045

Accumulated Depreciation and Impairment		Buildings & Land Imps	Plant and equipment	Road Network	Water	Sewerage	Total
	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$	30-Jun-07 Actual \$
Opening balance	-	19,347,238	4,210,769	12,042,227	4,714,974	5,151,035	45,466,243
Depreciation provided in period	-	781,478	167,026	747,105	219,124	129,192	2,043,925
Depreciation on disposals	-	(154,709)	(491,451)	-	-	-	(646,160)
Revaluation adjustment to the ARR	-	-	-	-	-	-	-
Impairment adjustment to the ARR	-	-	-	-	-	-	-
Impairment adjustment to Income	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-
Assets transferred to Investment Property	-	-	-	-	-	-	-
Internal transfers	-	-	-	-	-	-	-
Accumulated depreciation at period end	-	19,974,007	3,886,344	12,789,332	4,934,098	5,280,227	46,864,008
Total written down value at period end	1,440,720	12,935,991	940,961	19,901,227	5,238,366	2,311,772	42,769,037
Range of estimated useful life in years	Not Depreciated	40 - 100	2 - 20	5 - 100	20 - 80	20 - 60	-

For the period ended 14 March 2008

Notes	Consolidated		Council	
	14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$

18. (e) Property, plant and equipment valuations were determined by reference to the following:

Land				
Land was valued by Rushtons Pty Ltd independent valuers as at 30 June 2005. Land was revalued using cost indices as at 30 June 2006. The indices used were obtained from the Australian Bureau of Statistics report ABS Cat. No 8755.0.				
Land under infrastructure and reserve land does not have a value for the purpose of the Murgon Shire Council's financial statements.				

Buildings and Land Improvements				
Buildings and land improvements were valued by Rushtons Pty Ltd independent valuers as at 30 June 2005. Buildings and land improvements have been revalued using cost indices as at 30 June 2006. The indices used were obtained from the Australian Bureau of Statistics report ABS Cat. No 8755.0. Buildings have been included at their written down current replacement cost.				

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

Road Infrastructure				
Road, Drainage and other infrastructure assets were valued by Farr Evrat Engineers Pty Ltd as at 30 June 2006. These assets have been included at their written down current replacement cost.				

Water and Sewerage Infrastructure				
Water and Sewerage Infrastructure assets were valued by Farr Evrat Engineers Pty Ltd as at 30 June 2006. These assets have been included at their written down current replacement cost.				

19. Capital work in progress

		2,035	14,907	2,035	14,907
		2,035	14,907	2,035	14,907

20. Trade and other payables

Current					
Creditors and accruals		437,839	395,584	398,035	333,583
Unearned revenue		174,446	56,677	174,446	56,677
Entry contributions		1,082,239	1,093,920	-	-
Annual leave		216,557	222,711	162,562	159,902
Long service leave		107,514	178,123	73,991	134,697
Other employee entitlements		19,740	17,790	19,740	14,331
		2,038,336	1,964,805	828,775	699,190

Non Current					
Annual leave		119,707	113,430	107,636	101,359
Long service leave		222,142	111,956	206,986	96,800
		341,849	225,386	314,622	198,159

Employee benefit entitlements are calculated at current pay levels as adjusted for inflation and likely future changes in salary level.

These estimates are then adjusted for the probability of the employee remaining in the council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value.

For the period ended 14 March 2008

		Consolidated		Council	
	Notes	14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$
For the period ended 14 March 2008					
21. Borrowings					
Queensland Treasury Corporation					
Opening balance		28,890	60,841	28,890	60,841
Loans raised		-	-	-	-
Principal repayments		(28,890)	(31,951)	(28,890)	(31,951)
Book value at period end		-	28,890	-	28,890
Classified as :					
Current		-	28890	-	28890
Non-current		-	-	-	-
			28890		28890
22. Asset revaluation reserve					
(i) Movements in the asset revaluation reserve were as follows:					
Balance at beginning of period		8,161,700	8,161,700	7,092,031	7,092,031
Impairment provision	11				
Land		(258,749)	-	(258,749)	-
Buildings and improvements		(489,376)		(489,376)	
Balance at end of the year		7,413,575	8,161,700	6,343,906	7,092,031
(ii) Asset revaluation reserve analysis					
The closing balance of the asset revaluation reserve is comprised of the following asset categories:					
Land		452,181	710,930	452,181	710,930
Buildings and improvements		5,572,031	6,061,407	4,502,362	4,991,738
Road, drainage and bridge network		-	-	-	-
Water		1,378,138	1,378,138	1,378,138	1,378,138
Sewerage		11,225	11,225	11,225	11,225
		7,413,575	8,161,700	6,343,906	7,092,031
23. Retained surplus					
Movements in the retained surplus were as follows:					
Retained surplus/(deficit) at the beginning of financial year		35,935,090	36,951,555	35,559,038	36,442,554
Result from ordinary activities		(146,319)	(974,772)	238,668	(883,516)
Transfers (to) from capital reserves for future capital project 'funding, or from reserves funds that have been expended:	24				
Buildings reserve					
Water reserve		(5,905)	(41,693)		
Sewerage reserve		(472,000)	-	(472,000)	-
Employee entitlements reserve		-	-	-	-
Constrained works reserve		100,000	-	100,000	-
		(325,000)	-	(325,000)	-
Retained surplus at the end of the financial year		35,085,867	35,935,090	35,100,706	35,559,038

For the period ended 14 March 2008

		Consolidated		Council	
	Notes	14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$
For the period ended 14 March 2008					
24. Other reserves					
(a) Summary of reserves held for funding future expenditure:					
(i) Buildings reserve		155,928	150,023	-	-
(ii) Water reserve		541,300	69,300	541,300	69,300
(iii) Sewerage reserve		120,500	120,500	120,500	120,500
(iv) Employee entitlements reserve		-	100,000	-	100,000
(v) Bridge replacement reserve		325,000	-	325,000	-
		1,142,728	439,823	986,800	289,800
(b) Movements in capital reserves are analysed as follows:					
(i) Buildings reserve					
Balance at the beginning of period		150,023	108,330	-	-
Transfer from retained earnings for future expenditure		5,905	41,693	-	-
Transfer to the retained earnings		-		-	-
Balance at the end of period		155,928	150,023	-	-
(ii) Water reserve					
Balance at the beginning of period		69,300	69,300	69,300	69,300
Transfer from retained earnings for future expenditure		472,000	-	472,000	-
Transfer to the retained earnings		-	-	-	-
Balance at the end of period		541,300	69,300	541,300	69,300
(iii) Sewerage reserve					
Balance at the beginning of period		120,500	120,500	120,500	120,500
Transfer from retained earnings for future expenditure		-	-	-	-
Transfer to the retained earnings		-	-	-	-
Balance at the end of period		120,500	120,500	120,500	120,500
(v) Bridge replacement reserve					
Balance at the beginning of period		-	-	-	-
Transfer from retained earnings for future expenditure		325,000	-	325,000	-
Transfer to the retained earnings		-	-	-	-
Balance at the end of period		325,000	-	325,000	-
25. Commitments for expenditure					
(a) Operating leases					
Minimum lease payments in relation to non-cancellable operating leases are as follows:					
Within one year		32,500	32,500	32,500	32,500
One to five years		130,000	162,500	130,000	162,500
		162,500	195,000	162,500	195,000
Council entered into a Fifty year (50) lease over the Yallakool Tourist Park on 12 April 2001 and is due to expire on 12 April 2051.					
(b) Contractual Commitments					
Contractual commitments at balance date but not recognised in the financial statements are as follows:					
Garbage collection contract expires September 2013		903,892	1,015,138	903,892	1,015,138
		903,892	1,015,138	903,892	1,015,138

For the period ended 14 March 2008

Notes	Consolidated		Council	
	14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$

26. Contingent liabilities

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

Local Government Workcare				
Murgon Shire Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$69,678.				

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

As at 30 June 2007 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

27. Events after balance date

There were no material adjusting events after the balance date.

The Council ceased to exist immediately after 14 March 2008 and its assets, liabilities and business were transferred to South Burnett Regional Council. This is not considered to be an adjusting event as it does not impact on Murgon Shire Council immediately before the transfer.

The transfer to South Burnett Regional Council does not give rise to any impairment as any change in the use of the assets would be the result of a decision made after cessation by South Burnett Regional Council.

28. Superannuation

Murgon Shire Council contributes to the local government superannuation scheme (the scheme). The scheme has two elements referred to as the defined benefits scheme and the accumulation scheme.

Both these schemes are defined contribution schemes as defined in the Australian Accounting Standard AASB119 Employee Benefits. Council has no liability to or interest in the scheme other than the payment of the statutory contributions.

Any amount by which either scheme is over or under funded would only affect future benefits and is not an asset or liability of the council.

Accordingly there is no recognition in the financial statements of any over- or under-funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2007 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits.

The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at the 30 June 2007. The actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet members benefits as they accrue.

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

The amount of superannuation contributions paid by Murgon Shire Council to the superannuation scheme in this period for the benefit of employees was:	251,498	359,503	174,376	279,106
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29. Trust funds

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	48,269	51,808	48,269	51,808
Security deposits	52,575	21,159	52,575	21,159
	100,843	72,967	100,843	72,967

The Murgon Shire Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.

For the period ended 14 March 2008

		Consolidated		Council	
	Notes	14-Mar-08 Actual \$	30-Jun-07 Actual \$	14-Mar-08 Actual \$	30-Jun-07 Actual \$
For the period ended 14 March 2008					
30. Reconciliation of result from ordinary activities to net cash inflow (outflow) from operating activities					
Result from ordinary activities		(146,319)	(974,772)	238,668	(883,516)
Non-cash operating items:					
Depreciation and amortisation		1,516,567	2,179,950	1,431,391	2,043,925
Revaluation down of property, plant and equipment		-	-	-	-
		1,516,567	2,179,95	1,431,39	2,043,925
Investing and development activities :					
Net (profit) loss on disposal of non current assets		162,615	(180,047)	213,235	(196,218)
Impairment losses		432,339	-	-	-
Loss on investments				234	107,381
		594,954	(180,047)	213,469	(88,837)
Changes in operating assets and liabilities :					
(Increase) decrease in receivables		(459,784)	(113,537)	(446,734)	(114,981)
(Increase) decrease in other operating assets		(32,753)	25,149	(65,120)	(6,856)
Increase (decrease) in payables		196,525	166,077	246,048	(114,941)
Increase (decrease) in other provisions		-	-	-	-
Increase (decrease) in other liabilities		-	-	-	-
		(296,012)	77,689	(265,806)	(236,778)
Net cash inflow from operating activities		1,669,190	1,102,820	1,617,722	834,794

31 Financial instruments

For the period ended 14 March 2008

On 24 July 2007, an overdraft facility with the Queensland Treasury Corporation was approved with a limit of \$500,000 and was subject to a number of conditions. This facility expired on 31st January 2008

The bank overdraft is a book overdraft as a result of unpresented cheques.

b. Unsecured borrowings

The unsecured borrowings are provided by Queensland Treasury Corporation.

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period.

Council made a final loan repayment on 22 January 2008, and as at 14 March 2008 Council's loan borrowings are nil.

c. Interest rate risk

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

Exposure arises predominantly through borrowings from Queensland Treasury Corporation and investments held with financial institutions. The risk in borrowing is effectively managed by borrowing from Queensland Treasury Corporation and having access to a mix of fixed and floating funding sources such that the desired interest rate risk exposure can be constructed.

	Note	Floating interest rate		Fixed interest rate		Non-interest bearing		Total	
Financial Instruments		14-Mar-08 \$	30-Jun-07 \$	14-Mar-08 \$	30-Jun-07 \$	14-Mar-08 \$	30-Jun-07 \$	14-Mar-08 \$	30-Jun-07 \$
Financial assets									
Cash assets and cash equivalents	12	3,692,420	1,616,354	-	-	-	196,383	3,692,420	1,812,737
Receivables	13	-	-	336,646	200,401	497,458	194,482	834,103	394,883
Prepayments	15	-	-	-	-	105,998	29,765	105,998	29,765
		3,692,420	1,616,354	336,646	200,401	603,455	420,630	4,632,521	2,237,385
Weighted average interest rate		5.5%	5.5%	11.0%	11.0%				
Financial liabilities									
Payables	20	-	-	-	-	2,380,185	2,190,191	2,380,185	2,190,191
Loans - QTC *	21	-	28,890	-	-	-	-	-	28,890
		-	28,890	-	-	2,380,185	2,190,191	2,380,185	2,219,081
Weighted average interest rate			6.3%						
Net financial assets		3,692,420	1,587,464	336,646	200,401	(1,776,730)	(1,769,561)	2,252,336	18,304

* QTC - denotes Queensland Treasury Corporation

d. Credit risk

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

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

In other cases the Council assesses the credit risk before providing goods and services and applies normal business credit protection procedures to minimise the risk. The Council is exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC) and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counter parties. Deposits are capital guaranteed. Other investments are held with highly rated/regulated banks and financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote.

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

e. Liquidity risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities. The Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from Queensland Treasury Corporation for capital works. The Corporation manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

MURGON SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

For the period 1 July 2007 to 14 March 2008

MANAGEMENT CERTIFICATE

For the period ended 14 March 2008

This general purpose financial report of the Murgon Shire Council has been prepared by South Burnett Regional Council pursuant to Section 532 of the *Local Government Act 1993 (as amended)*, the *Local Government Finance Standard 2005*, Section 33 of the *Local Government Regorm Implementation Regulation 2008* and other prescribed requirements.

We certify that:-

- (i) the relevant recording and reporting procedures have been complied with in preparation of the final financial statements; and
- (ii) the final financial statements for the final period 1 July 2007 to 14 March 2008 and supporting notes present the former Murgon Shire Council's income, equity, balance sheet and cash flows as required by the *Local Government Act 1993*.



I D Carter

Mayor

South Burnett Regional Council

Date: 27, 11, 2008



Tony Hayward

Chief Executive Officer

South Burnett Regional Council

Date: 27, 11, 2008

INDEPENDENT AUDITOR'S REPORT

To the Mayor of South Burnett Regional Council

Report on the Final Financial Report

I have audited the accompanying final financial report of the former Murgon Shire Council, which comprises the balance sheet as at 14 March 2008, and the income statement, statement of changes in equity and cash flow statement for the final period ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Mayor and Chief Executive Officer for the consolidated entity comprising the former Council and the entities it controlled at the final period's end and from time to time during the final period.

The New Regional Council's Responsibility for the Final Financial Report

The new Regional Council is responsible for the preparation and fair presentation of the final financial report in accordance with the *Local Government Act 1993*, *Local Government Finance Standard 2005* and the *Local Government Reform Implementation Regulation 2008* including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the final financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

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

Auditor's Opinion

In accordance with the *Local Government Act 1993* I have audited the former Council's final financial report, and—

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion —
 - (i) the prescribed requirements in respect of the recording and reporting procedures required for the preparation of this final financial report have been complied with in all material respects; and
 - (ii) the final financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the former Murgon Shire Council and the consolidated entity for the final period 1 July 2007 to 14 March 2008 and of the financial position as at the end of that final period.

Emphasis of Matter – Local Government Amalgamation

Without qualification to the opinion expressed above, attention is drawn to Note 27 in the final financial report which identifies that pursuant to Chapter 3, Part 1B of the *Local Government Act 1993* and in accordance with *Local Government Report Implementation Regulation 2008*, the former Murgon Shire Council was amalgamated into the new South Burnett Regional Council effective from 15 March 2008. All assets and liabilities of the former Council immediately before the changeover day were transferred to the new Council on the changeover day at the values reported in the balance sheet, in accordance with the requirements of the Regulation. Accordingly, this final financial report has been prepared on a basis that is consistent with a going concern basis.



RICHARD LINDLEY FCA
(as Delegate of the Auditor-General of Queensland)
Toowoomba, Queensland

Date : 9 December 2008

Feedback Form

We want to hear your views on the Annual Report so we can continually improve our reporting to the community. We would appreciate your feedback by completing this survey and returning to:

Chief Executive Officer
Governance Section
South Burnett Regional Council
PO Box 336
Kingaroy Qld 4610

Name:

Organisation:

Postal Address:

Email:

Content:

How would you rate the usefulness of the information?

Excellent

Good

Satisfactory

Poor

☐☐☐☐

How would you rate the degree of detail provided?

☐☐☐☐

How could the information be made more useful?

Structure:

How would you rate the grouping of information in each section?

Excellent

Good

Satisfactory

Poor

☐☐☐☐

How would you rate the sequencing of the sections?

☐☐☐☐

How could grouping and sequencing be improved?

Style and Design:

How would you rate the style of writing?

Excellent

Good

Satisfactory

Poor

☐☐☐☐

How would you rate the clarity of information in tables and graphs?

☐☐☐☐

How could the style and design be improved?

Overall rating of the report:

Please provide an overall rating of this report.

☐☐☐☐

Stakeholder:

Please indicate what stakeholder group you belong to (tick appropriate category)

- ☐ Resident
- ☐ Ratepayer
- ☐ Customer
- ☐ Community Organisation
- ☐ Local Government
- ☐ Government Department
- ☐ Potential Investor
- ☐ Industry Organisation

Any other suggestions for improvement:

Thank you for your feedback



KEY COUNCIL CONTACTS

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Council Offices:	Murgon Administration Office 42 Stephens Street West, Murgon Qld 4605 ph: (07) 4169 9000 fax: (07) 4168 2627
Murgon Shire Libraries:	Dermot Tiernan Memorial Library 2/43 Stephen Street West, Murgon Qld 4605 ph: (07) 4169 9018
Recreational Facilities:	The Pulse of Murgon McAllister Street, Murgon Qld 4605 ph: (07) 4168 1889 Yallakool Park Barambah Road, Murgon Qld 4605 ph: (07) 4168 4746 The Murgon Jubilee Swimming Centre 101 Gore Street, Murgon Qld 4605 ph: (07) 4168 1754
Museums:	Murgon Dairy and Heritage Museum Sommerville Street, Murgon Qld 4605 ph: (07) 4168 1892
Visitor Information Centres:	Murgon Visitor Information Centre Lamb Street, Murgon Qld 4605 ph: (07) 4168 3864
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Email Address:	info@southburnett.qld.gov.au