



# Kingarooy Shire Council

## *Annual Report 2003/2004*

*Pioneering the Future ... Remembering the Past ...  
Kingarooy - Centenary 2004*

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## MESSAGE FROM MAYOR AND CHIEF EXECUTIVE OFFICERS

The 2003/04 year has been another challenging one for our community. Whilst reasonable summer rains replenished the urban water supply and also provided some relief for the rural sector, we have again slipped back into drought conditions. Despite the severe impact on our primary industry sector, the urban community continues to show strong growth with record demand for residential land and increasing interest in the commercial sector.

This growth is having a positive effect on the economy of the Shire and is providing increased employment opportunities. With this growth comes a greater demand on Council services and a need to focus on longer term planning to ensure the sustainability of our community. This is being done through introduction of a new town planning scheme, completion of a CBD strategy, adoption of a new strategic plan for economic development and, in the coming year, completion of a longer term (20 year) community vision and growth management plan.

During the year under review the Quadrennial Council elections were conducted. Alan Wieden retired from Council after 16 years service and Graham Wilson also did not seek re-election. It was pleasing to see the electors give a vote of confidence to all sitting Councillors by re-electing them for a further term and we welcome new Councillors Bob Coleman and Wayne Ford who filled the two vacant positions.

A community satisfaction survey was carried out in late 2003. The survey came up with a set of results which show that the community has few real problems with Council's performance and that it is doing a 'quite reasonable' job. We expect the new Council to improve on these results and to address the areas of concern identified in the survey.

Council has continued its focus on our vision – Kingaroy – A Partner in a Strong Vibrant Region – and has taken an active role in regional projects including – Tourism Development, Economic Development, Regional Planning, Native Title Joint Response Project, Natural Resource Management, Recreation and Sport, Regional Waste Management and Sustainable Water Alternatives. There is a very high level of cooperation and collaboration between Councils in the South Burnett.

There is also a greater recognition of the need to plan and co-ordinate at the higher regional level of the Wide Bay Burnett. Council is participating in this process through membership and representation on various organisations and forums including –Area Consultative Committee (ACC), Wide Bay Burnett Regional Organisation of Councils (WBBROC), Wide Bay Burnett Roads Alliance, Burnett Inland Economic Development Organisation (BIEDO), Regional Planning Advisory Committee, (RPAC) and Ministerial Forums.

The year has also been extremely busy with Kingaroy specific projects including – New Council Depot, Heritage Precinct, Implementation of the Medical Strategy, Operation of South Burnett Community Private Hospital (SBCPH), further development of Youth Services, Implementation of Environmental Programs, Urban Renewal Study, commencement of a Community Sustainability Strategy, Education Strategy and more. Information on these projects and others is included in the review of activities contained later in the report.

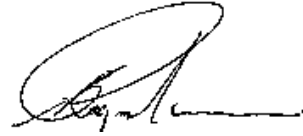
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We would like to acknowledge the support of our community and the many individuals who have contributed in furthering our Mission – To Enhance the Quality of Life for all our Citizens and to Encourage Enterprise and Investment in Kingaroy Shire. As a united and involved community we will prosper and progress into the future.



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R H Turner  
**Chief Executive Officer**



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K R Nunn  
**Mayor**

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## SHIRE PROFILE

It is widely believed that "Kingaroy" originated from the aboriginal name for the "Little Red Ant" which abounds in the area. The Red Ant appears at the top of the Shire's Coat of Arms.

### **LOCATION**

Kingaroy, the regional centre of Queensland's rich South Burnett district, is located some 220 kilometres by road, north-west of Brisbane. Kingaroy Shire, with an area of 2,422 km<sup>2</sup>, lies along the eastern edge of the Great Dividing Range where lies the source of the Boyne and Stuart Rivers, which flow through the Shire, northwards into the Burnett River. Gordonbrook Dam is constructed across the Stuart River and this provides the domestic water supply for Kingaroy.

### **POPULATION**

The major population centre of the Shire is Kingaroy with approximately 8,300 residents, with a total Shire population of 13,140. There are small developed townships at Kumbia (approximately 160 people) and at Wooroolin (approximately 90 people). There are also a number of villages, each with a very small number of residential buildings including Coolabunia, Taabinga Village, Crawford and Memerambi.

### **HISTORY**

The first settlement of Kingaroy area occurred in the 1840's when the British demand for Australian wool led to Australia's first wool boom. The history of the district began with two grazing runs, the Haly Brothers "Taabinga" run, and "Burrandowan", established by Henry Stuart Russell.

The Haly Brothers settled at Taabinga taking up some 305 square miles. They were quick to develop their property, and became widely known among pastoralists of their time.

Henry Stuart Russell, explorer, squatter, author, was one of the early squatters of the Darling Downs before his investigations for sheep land took him up the Queensland coast and inland to the Burnett, where he eventually settled "Burrandowan" in what also was to become part of the Kingaroy Shire.

### **ECONOMIC PROFILE**

The Shire's wealth is based on beef, pigs and a variety of agricultural crops including peanuts, maize, sorghum, navy beans, soya beans, dubosia, olives and stone fruit and to a lesser degree wheat, barley, oats and sunflowers. Wine and aquaculture industries are now contributing to the local economy and are expanding. Smaller secondary industries include agricultural machinery, the processing of kaolin clay, the processing of dubosia and cold pressed oils. Tourism continues to be a growth industry.

### **WORKFORCE PROFILE**

Total labour force figures obtained from 2001 Census Report Queensland published by Queensland Department of Local Government & Planning Incorporating Rural Communities.

Agriculture, Forestry & Fishing	600
Mining	93
Manufacturing	536
Electricity, Gas & Water Supply	194
Construction	265
Wholesale Trade	250
Retail Trade	902
Accommodation, Cafes, Restaurants	180
Transport and Storage	134
Communication Services	50
Finance and Insurance	82
Property and Business Services	275
Government Administration & Defence	152
Education	425
Health and Community Services	514
Cultural & Recreational Services	48
Personal and Other Services	121
Non-classifiable economic units	17
Not stated	8
<b>Total</b>	<b>4,926</b>

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## CORPORATE AND OPERATIONAL PLANS

The Council continues to function under the umbrella of the Corporate and Operational Plans. The Mission Statement, Corporate Values and Adopted Programmes are set out.

A new Corporate Plan was adopted for the period July 2000 to June 2004. Extensive consultation was undertaken with the community and other stakeholders and the vision and direction for these four (4) years reflects their wishes. A mid term review has been carried out and some minor "fine tuning" of the plan has been adopted.

### **MISSION STATEMENT**

OUR VISION      Kingaroy - A partner in a Strong Vibrant Region.

OUR MISSION     To enhance the quality of life for all our citizens and to encourage enterprise and investment in Kingaroy Shire.

### **OUR CORPORATE VALUES**

We are committed to:

*Leadership*      Visionary and ethical leadership pursuing excellence in corporate governance and focussing on the delivery of positive outcomes for our community.

*Quality Service*   The provision of efficient and effective service in a courteous and fair manner.

*Continuous Improvement*   Being creative and innovative, finding new and better ways to deliver our services.

*Caring*             Providing a caring environment in which to live and work.

*Consultation*      Encouraging a high level of co-operation and consultation between Elected Members, Council Staff and the Community.

### **ADOPTED PROGRAMMES**

CORPORATE SERVICES - To provide leadership and efficiently manage the Policy functions and community consultation processes of the Council.

ECONOMIC DEVELOPMENT, TOURISM - To encourage new business and industry to the Shire, to encourage expansion of existing businesses and to promote tourism, which in turn will provide greater employment opportunities.

PLANNING, NATURAL RESOURCE MANAGEMENT - To ensure that the Shire develops in an orderly and responsible manner to enhance the lifestyle of existing and future residents and to liaise with Governments and the Community to manage the Shires Natural Resources in a responsible and ecologically sustainable manner to the benefit of the Shire and the interdependent catchment.

ADMINISTRATION, FINANCE - To efficiently, effectively and economically manage Council's resources in a way that achieves maximum community benefit.

CULTURAL DEVELOPMENT, YOUTH, WELFARE - To provide and maintain facilities and encourage the development of cultural, youth and social activities which improve the lifestyle of the community.

RURAL SERVICES - To provide services to manage the effect of plant and animal pests and to maintain a livestock selling facility.

RECREATION, SPORT - To provide and maintain sporting and recreational facilities and encourage sporting and community groups to develop facilities, events and programs which improve the lifestyle of the community.

WATER, SEWERAGE - To provide public water supplies for Kingaroy, Kumbia and Wooroolin of adequate and reliable quantity and quality and a sewerage Scheme for Kingaroy which meets all Environmental Standards.

ROADS, DRAINAGE, TRANSPORT SERVICES - To develop and maintain the Shire's road and transport infrastructure to enhance the lifestyle of existing and future residents.

ENGINEERING MANAGEMENT SERVICES - To efficiently, effectively and economically manage Engineering assets and infrastructure.

ENVIRONMENTAL HEALTH SERVICES - To maintain and improve the quality of life through appropriate standards of public health and environmental measures.

BUILDING SERVICES - To ensure that all buildings and structures are in accordance with current legislation.

# ORGANISATION CHART

## THE COUNCIL (ELECTED MEMBERS)



CR KR (ROGER) NUNN – MAYOR  
CORPORATE & COMMUNITY SERVICES



CR MA (MAX) LEHMANN – DEPUTY MAYOR  
FINANCIAL SERVICES



CR B J (BERNIE) CARROLL  
RURAL COMMUNITY &  
ENVIRONMENTAL SERVICES



CR MG (MARIE) SHAW  
SOCIAL, CULTURAL



CR KM (KEITH) CAMPBELL  
ENGINEERING SERVICES



CR RC (BOB) COLEMAN  
SPORT, RECREATION, YOUTH,  
EDUCATION



CR TW (TERRY) FLEISCHFRESSER  
HEALTH SERVICES



CR WD (BILL) MOSS  
WELFARE, AGED SERVICES AND  
COMMUNITY SAFETY



CR LJ (LESLEY) TROUT  
PLANNING AND DEVELOPMENT SERVICES

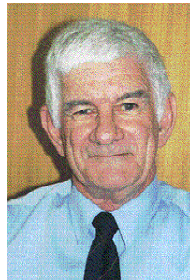


CR WH (WAYNE) FORD  
ADMINISTRATIVE SERVICES



CR CD (CHERYL) DALTON  
WATER & SEWERAGE SERVICES

### CHIEF EXECUTIVE OFFICER



RON TURNER

### EXECUTIVE UNIT

### ADMIN & FINANCE (DIRECTOR)



GARY WALL

### ENGINEERING SERVICES (DIRECTOR)



JOHN KERSNOVSKI

### HEALTH & BUILDING (DIRECTOR)



DARRYL BROOKS

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## REVIEW OF 2003/04 ACTIVITY

The year under review has seen the completion of the term of Council elected in March, 2000. Results from the Community survey indicate that the 2000-2004 Council has raised the bar for future Councils in terms of meeting community expectations. All strategies identified in the Corporate Plan 2000-2004 were actioned and individual projects implemented or commenced.

Comment is made on the following matters addressed in 2003/04:

### **CORPORATE SERVICES**

*Aims to provide leadership and efficiently manage the policy functions and community consultation processes of the Council.*

Council elections were conducted in March 2004 with two new Councillors (Crs Coleman and Ford) elected for their first term. Former Councillors Allan Wieden and Graham Wilson did not seek re-election. Following the elections, portfolios of individual Councillors were reviewed and responsibilities allocated. The new portfolios are indicated in the Organisation Chart.

Council continues to meet on a monthly basis with special meetings being held as required. A total of twelve (12) general meetings and four (4) special meetings were held during the year.

Successful functions conducted during the year included Australia Day Celebrations, Anzac Day Commemoration, Local Government Awareness Week and Meet and Greets in O'Neill Square. Detailed planning for the Centenary Celebrations continued during the year.

Our internet site is still being well received and has a wide range of Council information (including Council minutes), and Community Organisations' contact details. It is regularly updated with information on current and upcoming Council events. Visit us on [www.kingaroy.qld.gov.au](http://www.kingaroy.qld.gov.au).

The Council has continued its focus of attempting to consult with and inform the community on its programs and activities. Consultation methods include community consultation meetings, Council newsletter,

Council's website, Community News in the local newspaper, letterbox drops and many more.

Council has continued its representation on local groups and organisations.

A Community Satisfaction and benchmarking survey was conducted in late 2003. The survey indicates that with a few exceptions, the community is generally satisfied with Councils performance. The results indicate that performance has improved from the previous survey conducted in 1999.

The Kingaroy and Kumbia State Emergency Service Units continued to function during the year and provided valuable support to emergency situations and community functions. The new amenities extension to Headquarters was completed during the year. A new Disaster Management Act was introduced during the year, which will necessitate development of a Local Disaster Management Plan in the coming year. The plan will include provisions to deal with acts of terrorism.

### **ECONOMIC DEVELOPMENT, TOURISM**

*Aims to encourage new business and industry to the Shire to encourage expansion of existing business and to promote tourism, which in turn will provide greater employment opportunities.*

During the year under review Council adopted a new strategic plan for economic development. The new strategy focuses on eight objectives -

To ensure physical infrastructure is in place to sustain development.

To ensure soft infrastructure development (aged care, youth, medical, health, emergency services, social services).

To facilitate partnerships for economic development.

To establish Kingaroy as a leading education centre.

To maintain focus on Kingaroy as a regional centre.

To develop an investment attraction strategy.

To assist with development of trade and export.



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To promote enabling technologies for industry development.

An implementation plan has been developed and resources allocated to action the various strategies. The assistance and cooperation of Federal, State and Local Agencies will be crucial to the success of the implementation.

Council again provided support for the South Burnett Enterprise Centre which continues to operate under the management of South Burnett CTC.

The Medical Workforce Committee conducted a review of the Medical Strategy and noted that most actions from the original strategy had been implemented. A community forum was conducted to again review the needs of the region and an updated strategy was prepared.

The South Burnett Community Private Hospital continues to expand the range of services offered to the community. During the year the upgraded operating theatre was commissioned and the hospital now has the services of two (2) General Surgeons, a Urologist, Gynaecologist, Cardiologist and Paediatrician. Additionally a palliative care unit is being established thanks to generous support from the Queensland Cancer Fund and the Kingaroy Community. Short stay respite care is also now provided from the hospital. Employment is provided for 46 persons. The hospital is operated by Kingaroy Private Hospital Limited, a company limited by guarantee of which the Council is the sole member.

Plans for the establishment of a lifestyle/retirement village complex on the old Council Depot site were put on hold pending the completion of the new depot complex. This project will be pursued in the coming year.

The Urban Renewal/CBD Precinct study was completed during the year. The study involved an assessment of current facilities and uses, identification of deficiencies and options for future enhancement. The result is a Kingaroy Town Centre Strategy which will provide guidance for future development of the CBD.

A retail space analysis will be conducted in the coming year. This study will provide background information on the regional economy and existing retail facilities, forecast

the size of the retail market available in

Kingaroy, and provide economic parameters and guidelines for the growth of retailing in Kingaroy Town Centre in the next 10 years.

Funding was provided to Kingaroy Chamber of Commerce and Industry (KCCI) to assist with the establishment of an Events and Conferencing desk. The Chamber is involved in promoting Kingaroy as a regional conferencing venue and in providing information and assistance to conference organisers. The Meat and Livestock Profit Day conducted during the year was an example of what can be accommodated in Kingaroy. Several major conferences, including Agforce and Queensland Saleyards Association have been confirmed for the coming year. Major events supported in the coming year include Wine and Food in the Park, the Peanut Festival, and Centenary of Kingaroy Celebrations.

#### Visitor Information Centre

The South Burnett Visitor Information Centre – Kingaroy has continued its accreditation with Tourism Queensland, providing statistical information on visitor numbers and origin.

In excess of 16,500 people visited the Centre during the year, an increase of nearly five percent on the previous year.

Great value is taken from 31 volunteers, which includes six Kingaroy State High School student volunteers under an Active Citizen Program. Three Work for the Dole participants were also included in the roster during the year.

Operational improvements included the installation of a Point of Sale register to accurately process sales and monitor stock levels.

Ongoing development of the South Burnett Regional Tourism Website shows an electronic database of tourist attractions, accommodation and services of almost 400. During 2003-2004 the upgraded site received 47,970 visits, an increase of 64% on the previous year.

An upgrade of the Kingaroy tourist map was undertaken with a print run of 15,000. Promotional activity including paid advertising in the South East Queensland Country Touring Guide, Fraser Coast South Burnett Regional Visitors Guide and Country Way publications and representation at consumer travel shows.

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Sponsorship established the first Tourism Ambassador of the Year Award at Kingaroy's annual business awards.

After achieving success for three consecutive years in the Fraser Coast South Burnett Regional Tourism Awards, the Centre earned a place in the Tourism Hall of Fame. Further regional involvement has also been maintained through an Executive position with South Burnett Tourism Association.

The Queensland Information Centres Association 2004 Conference was hosted on the Bunya Mountains, giving Centre Managers state wide the opportunity to learn more about our region.

Funding was obtained through the Federal Government's Sustainable Regions Program in partnership with Hervey Bay City Council to establish a whole of region promotional and development project. The project will include the construction of a new visitor information centre and upgrades to the Heritage Precinct. A planning study of the Heritage Precinct undertaken by John Mongard and Associates in the previous financial year formed the blueprint for the Heritage Precinct upgrade and funding is currently being sought to further the project.

Grant funds obtained on behalf of the Kingaroy Bicentennial Heritage Museum allowed for minor upgrades and establishment of office space.

### Tourism Strategy

The South Burnett Tourism Development Strategy is currently in its second year of implementation thanks to the support from Tarong Mine Community Development Fund and all South Burnett Local Government Authorities. The second year will allow further development of the region through strengthening existing projects and identifying new opportunities.

The Strategy identifies growth markets and capitalises on potential economic benefit for the betterment of the whole region. This recognition acts as the catalysis for continual development, improved tourism knowledge and provides acknowledgment of the economic and social benefits that the whole region can receive from the tourism industry.

Investigations into potential niche tourism markets such as golf, bird watching, conference business and bus group development has resulted in advertisements placed in the Probian Magazine, Golfing Queensland magazine and localised information workshops. Other potential markets

such as food and historic trails are continually being investigated.

Cluster groups have been formed to assist with marketing, referral networks and skills development. The Bunya Mountains Operators and the Hosted Accommodation Group meet quarterly.

A new South Burnett Marketing Brand was developed in conjunction with the South Burnett Wine Industry Association, South Burnett Tourism Association and the South Burnett Local Government Association. This brand allows operators to identify their product with a new, fresh and contemporary regional brand. The three versions of the logo "Uncork, Discover or Taste" allows for all industries and operators to adopt and strengthen this regional identity.

The second edition of the South Burnett Regional Map was produced. 60,000 copies have been distributed through Visitor Information Centres, consumer shows and tourism outlets.

A bi-monthly newsletter is produced to ensure the tourism industry receive up-to-date industry news and information.

Funding to continue the successful Visitor Information Centre Volunteer Training was secured from Tarong Mine Community Development Fund. The Visitor Information Centre Managers co-ordinate activities and meet monthly to discuss cross regional activities.

In conjunction with Fraser Coast South Burnett RTB and Toowoomba & Golden West RTB funding to enhance and develop facilities for the drive tourism market has also been obtained for the Bunya Country Project.

Tourism Ambassador workshops were held throughout the region to reinforce the importance and benefits of tourism to non-tourism specific businesses and the general community. Also the first of the operator familiarisations were conducted in March. These familiarisations will continue throughout the whole South Burnett over the next twelve months.

As the strategy continues to be implemented, the South Burnett will increase its competitive advantage as an essential destination to visit!

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## **ADMINISTRATION AND FINANCE**

*Aims to efficiently, effectively and economically manage Council's resources in a way that achieves maximum community benefit.*

The increased activity in the Shire continues to generate additional administrative activity with around thirteen thousand five hundred (13,500) items of correspondence recorded through Council's Records Management System during the year.

Alternative payment options such as EFTPOS, Bpay and Australia Post continued to prove popular with approximately 50% of ratepayers using these methods rather than coming to the Administration Office to pay their rates. Council continues to investigate various payment options to respond to community demands and has agreed to implement half yearly rate levies commencing 2004/2005.

In 2001/2002 Council's rate arrears reached an unacceptable level of around 8%. Over the last two (2) years our focus has been on reducing this debt to around 3%. It is pleasing to note that outstanding rate arrears for 2003/2004 were around 3.5%.

Council continues to maintain its Rural Property Numbering System and to levy and collect a Rural Fire Levy for those brigades requesting it.

The focus on debt reduction continued during 2003/2004 and is well on track to reduce our debt servicing costs to around 6% of operating income by 2006/2007.

The replacement of Council's financial management computer system (including rating & property) was completed during the year. The upgrade of our computer network and hardware continued in line with our three (3) year Information Technology Strategy to lift our information & telecommunications to current industry standards. Laptop computers were purchased for all Councillors and meeting agendas and minutes are now all undertaken electronically.

## **PLANNING, NATURAL RESOURCE MANAGEMENT**

*Aims to ensure that the Shire develops in an orderly and responsible manner to enhance the*

*lifestyle of existing and future residents and to liaise with Governments and the Community to manage the Shires Natural Resources in a responsible and ecologically sustainable manner to the benefit of the Shire and the interdependent catchment.*

A total of 55 development applications were processed for the year.

Types of approvals included:-

- Accommodation units
- Residential flats
- Residential subdivisions
- Realignment of boundaries
- Commercial premises
- Child Care Centre & extensions
- Motel
- Piggery extensions

Preparation of the new IPA compliant planning scheme continued during the year. The scheme is being prepared in conjunction with the other South Burnett Councils and will provide some uniformity in planning schemes across the region when completed.

## **Natural Resource Management In Kingaroy Shire**

The Shire's Environmental Levy contributes to the development and implementation of highly strategic Natural Resource Management and Environmental projects.

The levy partially funded a Natural Resource Management Officer who coordinated the development and implementation of strategic on-ground projects. The NRM officer has assisted community groups, individual landholders and Council source additional funding through state and federal Government Natural Resource Management and Environmental programs.

Strategic on-ground projects include;

- **Carroll Nature Area Weed Removal program** – 6 people worked on a 6 week program for removing weeds and restoring disturbed areas
- **Kingaroy Shire Green Corps** work team of 10 young people implemented environmental projects such as weed removal, revegetation, and construction of nesting boxes, fencing.

- Support Wooroolin Community Committee develop and implement **Wooroolin Wetland Biodiversity Enhancement and Protection Project**
- Support individual landholders in the development of **Envirofund** applications to source funds for environmental projects on farm
- Support Kingaroy Landcare Group develop and implement Stuart River Envirofund project and **Stuart River Broad Leaf Privet Awareness Program**
- Support **Society for Growing Australian Plants** implement strategic plantings at Carroll Nature Area and Semgreens Road
- Coordinated revegetation activities at Wooroolin Wetland, Gordonbrook Dam foreshores, Stuart River riparian area and maintenance to previous sites
- Coordinated Flora surveys for significant reserves such as Mt Wooroolin, Wooroolin Wetland and Carroll Nature Area
- **Salinity and Water Quality Investigations** in partnership with Burnett Mary Regional Group for Natural Resource Management
- **Kingaroy Community Bottlebrush Nursery** propagated 2000 local native seedlings for 2005 revegetation activities
- Provided 300 native plants to assist individual landholders with salinity and soil erosion projects
- Implementation of **Kingaroy Significant Environmental Area Signage Program** to raise awareness of the areas on roadsides and reserves that contain significant vegetation and habitat
- Implementation of fauna protection activities through the installation of 12 wildlife nesting boxes in environmental reserves

## **CULTURE, DEVELOPMENT, YOUTH, WELFARE**

*Aims to provide and maintain facilities and encourage the development of cultural, youth and social activities which improve the lifestyle of the community.*

the T J O'Neill Library, and replacing them with new books continued, with a total of fifty-six thousand dollars (\$56,000) being spent on the purchase of new books and related material.

Total enrolments at 30 June were approx 7,000. The library continues to provide a valuable service to many residents and non-residents of our Shire.

Loans and renewals for the year totalled around 79,000.

The Art Gallery continued its policy of displaying works by local South Burnett artists with changing displays each month. Approx 42 artists/crafts persons are represented in the gallery with paintings, pottery, woodwork, needlecraft, sculpture and other arts forms.

A total of fourteen (14) proposals were funded from the Regional Arts Development Fund, including attendance at professional development workshops, and assistance with productions and exhibitions.

The installation of electronic operated blinds in the Town Hall was completed during the year, which allows the Hall to be 75% to 80% blacked out. This has already resulted in several major conferences being held in Kingaroy and more planned for next year.

The usual financial assistance was provided to cultural and welfare organisations including, Senior Citizens Welfare Association, Blue Light Disco, Kingaroy Eisteddfod, Boy Scouts, Girl Guides, Meals on Wheels, Salvation Army and others.

Council continued its involvement in the "Breaking the Unemployment Cycle Initiative" through employment of a further nine (9) trainees. A total of 51 trainees have now been provided with training and employment opportunities over the past five (5) years. Council is pleased at the high success rate of our trainees, both in achieving their qualifications and in finding permanent employment.

The Kingaroy Shire Youth Council continues to function with the main focus being on the continued development of a youth park.

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## **RURAL SERVICES**

*Aims to provide services to manage the effect of plant and animal pests and to maintain a livestock selling facility.*

Rural Services, including control of straying livestock and eradication of declared weeds were maintained through implementation of Council's pest management plan.

Further improvements were completed at the Coolabunia Saleyards to satisfy Workplace Health & Safety requirements. Total yardings for the year were:-

- Cattle - 9,515 head

## **RECREATION, SPORT**

*Aims to provide and maintain sporting and recreational facilities and encourage sporting and community groups to develop facilities, events and programs which improve the lifestyle of the community.*

- Upgrading of the electric BBQ's in Lions Park, Rotary Park and Memorial Park was undertaken.
- Upgrading of practise cricket wickets surrounds were completed in Rotary Park and River Road Park.
- Construction of the O'Neill Square Toilet Block was completed and opened for the 2003 Christmas Carnival. The new toilet block is designed to complement the architecture of the O'Neill Square. Funding assistance for this project was received from the Queensland Department of Local Government.
- Development of the Youth Park in Somerset Street continued during the year with the completion of Stage 2 of the Skate Park at a cost of \$66,000. Construction of the BMX track was commenced and tidying up and landscaping of the area was undertaken. CTC Employment Services are to be congratulated for their continued work in the Park during the year, which included the installation of an electric BBQ, a Rage Cage and the installation of a "Skate Alive" unit. Tarong Energy are to be thanked for their

generous donation of this piece of equipment to the Park.

- An application was lodged for funding under the Qld Department of Sport & Recreation's Local Government Development Program 2004 to install a shade structure over 40% of the Skate Park in 2004/2005.
- Attendance figures at the WJ Lang Memorial Swimming Pool for the year under review were:-

Adults	-	16,951
Children	-	30,381

<b>Total:</b>	<b>-</b>	<b>47,332</b>
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Planning for the upgrade of the pool to meet competition standard safe diving depth continued and it is hoped to undertake the work early in 2005.

- The Wooroolin Community Committee were successful in receiving further funding under the Commonwealth Government's "Envirofund" to undertake development of the Wooroolin Wetlands Area. This work involved the construction of walking tracks, a bird hide, installation of interpretive signage and revegetation activities.
- The Kingaroy Indoor Sports Hall, an initiative of the Kingaroy State High School and Council continues to offer excellent indoor facilities to the school and the community. Community use of the facility is always welcome with bookings being made through the school office.
- Varying levels of support were provided to community organisations throughout the year.
- Council continued to participate in regional programs through support of the employment of a Sport & Recreation Officer. This officer, Miss Jody Grant, is based in Wondai and serves the three shires of Kingaroy, Wondai and Nanango.
- A Club Administrators/Volunteers Workshop and a Community Walking and Exercise Program were conducted during the year. Funding for these programs were provided by Sport and Recreation Queensland under the Local Government Development Program.

## **WATER SUPPLY AND SEWERAGE**

*Aims to provide public water supplies for Kingaroy, Kumbia and Wooroolin of adequate and reliable quantity and quality and a sewerage Scheme for Kingaroy which meets all Environmental Standards.*

- The Water Supply Schemes for Kingaroy, Kumbia and Wooroolin were operated and upgraded where possible during the year. Statistics for the year are:-

	<u>Kingaroy</u>	<u>Kumbia</u>	<u>Wooroolin</u>
<i>Approx Pop Served</i>	7,950	210	150
<i>No Connections</i>	4,102	108	68
<i>Water Pumped (ML)</i>	986	19.1	17

- As part of the ten (10) year planning process for Capital Works, planning for the upgrading of the Gordonbrook Treatment Plant which will include additional treatment to improve water taste was commenced.
- Gordonbrook Dam continued to experience high levels of blue green algae infestation during the year. Unfortunately, this necessitated the continued closure of the dam to recreational uses.
- Capital works projects commenced/completed for the year included:-
  - Taylors Rd Reservoir
  - Avoca St Water Main
  - Short St Water Main
  - Kate St, Wooroolin Water Main
- Reducing levels of water in the Gordonbrook Dam as a result of the severe drought being experienced meant that Council had to devote considerable time and resources to investigating an alternative water supply for the town and negotiating with the government to ensure that adequate water was available for the town should the drought continue. As part of these investigations and discussions, an allocation of water was purchased from the Tarong Pipeline Scheme.
- Council continues to operate the Sewerage Scheme for Kingaroy. The Kingaroy Sewerage Scheme has a total of 3,055 connections currently.

- Reviews of the hydraulic capacity of the treatment plant and the town system were completed during the year as well as various planning reports determining the water supply and sewerage infrastructure needs of Kingaroy as it grows.

## **ROADS, DRAINAGE, TRANSPORT SERVICES**

*Aims to develop and maintain the Shire's road and transport infrastructure to enhance the lifestyle of existing and future residents.*

- A total expenditure of approx \$2.859 Million was incurred on road maintenance and construction (excluding Main Roads) for the year. Expenditures were as follows:-

<i>Road &amp; Footpath Maint</i>	<i>\$1.376 Million</i>
<i>Construction of Roads</i>	<i>\$1.455 Million</i>
<i>Construction of Stormwater</i>	
<i>Drainage Schemes</i>	<i>\$28 649</i>
<i>Management of Traffic</i>	
<i>(including parking)</i>	<i>\$0.069 Million</i>
<b>Total</b>	<b>\$2.859 Million</b>

- Road / Drainage / Construction / sRehabilitation Projects commenced / completed during the year include:-
  - Aerodrome/Railway Rd intersection
  - Crawford Boogie Rd Rehabilitation
  - Peterson Drive Widening
  - Somerset St / Alford St Shared Pathway
  - Haly Creek Rd Bridge \*
  - Ironpot Rd Construction \*

\* Indicates "Roads to Recovery" program project.

- Construction of passing lanes on the Bunya Highway between Memerambi and Crawford was undertaken for the Department of Main Roads as an Alliance Contract.
- Provision was made in the budget for the first stage of the upgrading of the Streetlighting in Kingaroy. Unfortunately, as a result of changes in Government Policy re subsidisation of Streetlighting installation, the project was unable to proceed due to a substantial cost increase.

- 
- Investigations and negotiations for an International Pilot Training facility at the airport continued throughout the year.

## **ENGINEERING MANAGEMENT SERVICES**

*Aims to efficiently, effectively and economically manage Engineering assets and infrastructure.*

- Council continued to provide specialist services for use within the organisation, including design services, quality assurance systems, workplace health & safety, and NATA approved soil testing laboratory. Services are also provided to external clients.
- Major items of plant replaced during the year were:-
  - 135Kw VHP Grader
  - Tractor/Mower
  - Rotary hoe
- In order to provide sufficient funds to complete Council's new Depot, funding for plant purchases was substantially reduced for this year.
- Work continues on the construction of Council's new Works Depot in Ivins Street, Kingaroy. The major components of the new Depot, ie the Stores/Amenities and Workshop buildings were undertaken with the principal contract being awarded to Ahrens Engineering. Other contractors for the projects included; Blacks Electrical, C Kackell – Concreting, Dale Cox - Plumbing.

## **ENVIRONMENTAL HEALTH SERVICES**

*Aims to maintain and improve the quality of life through appropriate standards of public health and environmental measures.*

Council continues to administer licencing requirements under various acts for premises within the Shire. A total of three hundred & forty (331) licences were issued during the year following the required inspections.

Council participated in the National Meningococcal C school based vaccination program with all schools being visited. Two (2) family clinics were also offered during the year.

An environmental assessment of the closed Booie and Wooroolin landfills have been completed from funding received under the Landfill Remediation Assessment Program.

The Regional Waste Management Strategy for the South Burnett has now been completed and is in the process of being implemented.

Burials at Shire cemeteries for the year totalled ninety five (95).

Work has commenced during the year on improvements to the Lawn Section of the Taabinga Cemetery. The concrete strips have improved the overall appearance of the cemetery as well as dramatically reducing the time to maintain the lawn section.

The national chemical container collection program known as drumMUSTER has been actively promoted with a good response from residents.

Council has appointed Griffith University to develop the Kingaroy Sustainable Communities Strategy.

Many new initiatives have been introduced in the area of animal management. Such initiatives include the establishment of an off leash area for dogs and school children visiting the RSPCA Education Van.

Numerous complaints were received during the year in relation to dogs/cats and other animals. A total of one hundred & fifty-three (153) impoundings were made.

Council took possession of a side loading refuse compactor for the collection of domestic waste. The truck has provided many benefits including ensuring the service is provided in an efficient and safe manner.

A landfill compactor was purchased for use at the Kingaroy Landfill. The use of this machine will maximise the landfill space that is remaining at the landfill.

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## **BUILDING SERVICES**

*Aims to ensure that all buildings and structures are in accordance with current legislation.*

The following building approvals were issued for the year from both Council and Private Certifiers-

	NUMBER	AMOUNT \$
DWELLINGS - NEW	66	8,460,142
RE-LOCATED	10	118,665
ADDITIONS/ALTERATIONS /REPAIRS	56	999,910
GARAGES/CARPORTS	110	888,675
FARM BUILDINGS	4	70,500
PUBLIC BUILDINGS	6	984,730
BUSINESS PREMISES	26	8,586,868
OUTBUILDINGS	0	0
SWIMMING POOLS	12	133,869
SPECIAL STRUCTURES	7	58,703
TOTALS	<u>297</u>	<u>20,302,062</u>



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# KINGAROY SHIRE COUNCIL



## *Community Financial Report*

### *2003/2004*

The Community Financial Report is designed to give readers a better understanding of the financial performance and the financial position of the Council by providing a summary in easy to understand terms of the financial statements.

The annual financial statements report the actual figures for 2002/2003 and 2003/2004. As the Council has a controlling interest in the Kingaroy Private Hospital Limited (refer Note 30), the columns of the statement show the Council result and a consolidated result, which is the Council and the controlled entity combined.

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## SUMMARY OF ANNUAL FINANCIAL STATEMENTS

### Statement of Financial Performance

This statement is a basic summary of Council's income and expenditure for the year.

### Statement of Financial Position

This statement is divided into Assets, Liabilities and Equity. Assets are what the Council owns. Liabilities are what the Council owes to external creditors and suppliers. Equity is what remains after the Liabilities have been subtracted from the Assets.

### Statement of Changes in Equity

This statement supplements the Statement of Financial Position, showing the changes that have occurred in each element of equity.

### Statement of Cash Flows

This statement tells us where Council obtained cash for the year and where it was applied.

### Notes to the Financial Statements

The number shown in the column to the left of the balances column of the above reports is the number of the note relative to that line in the report. Further details of the balances appearing in the above reports can be obtained by referring to the particular note.

This section also provides an explanation of the various accounting policies of Council.

### Independent Audit Report

This is a report prepared by the independent auditors stating their audit opinion on the Financial Statements of Council.

### Comments on the Financial Statements

#### Community Equity (Statement of Financial Position)

Community equity increased this year by \$4,738,103. This was mainly due to a revaluation of Council's Water and Sewerage assets, which increased these assets net value by approximately \$3,056,206.

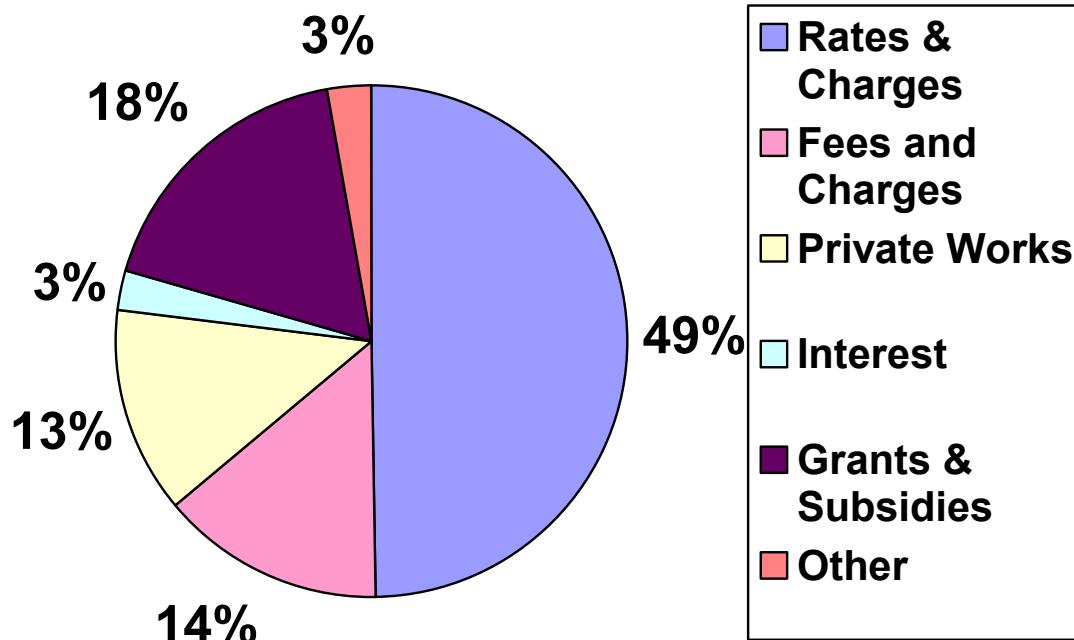
#### Cash at End of Reporting Period (Statement of Cash Flows)

Cash held increased by \$1,163,313 to \$5,112,400 but this amount includes unspent loan monies received in the year as follows:

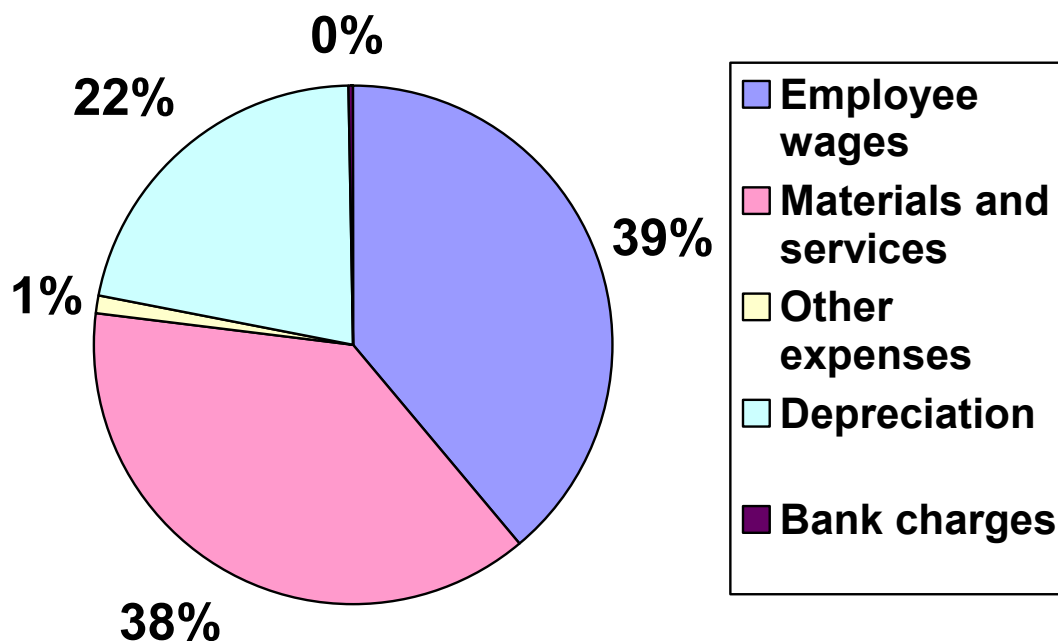
Computerisation	\$ 43,387
Drainage	\$ 19,389
Council Depot	\$268,331
Heritage Precinct	<u>\$171,892</u>
	\$502,999

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### View of Council's Operating Revenue (Note 3)

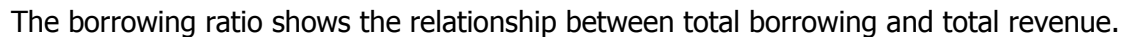


### View of Council's Operating Expenditure (Note 4)



Council has had in place over the last four years a borrowing and loan repayment strategy where borrowing has been restricted to major asset works i.e. Water, Sewerage, Roads and Refuse Collection and the annual principal and interest repayments have been made in bulk in September instead of in four quarterly repayments. This has resulted in a significant reduction in the level of debt and in the next few years a reduction in the debt servicing repayments. This strategy will eventually enable Council to obtain reserves that will allow self-funding of a major share, if not all, of asset purchase and replacement.

The debt servicing ratio shows the percentage of Operating Income used to service debt.



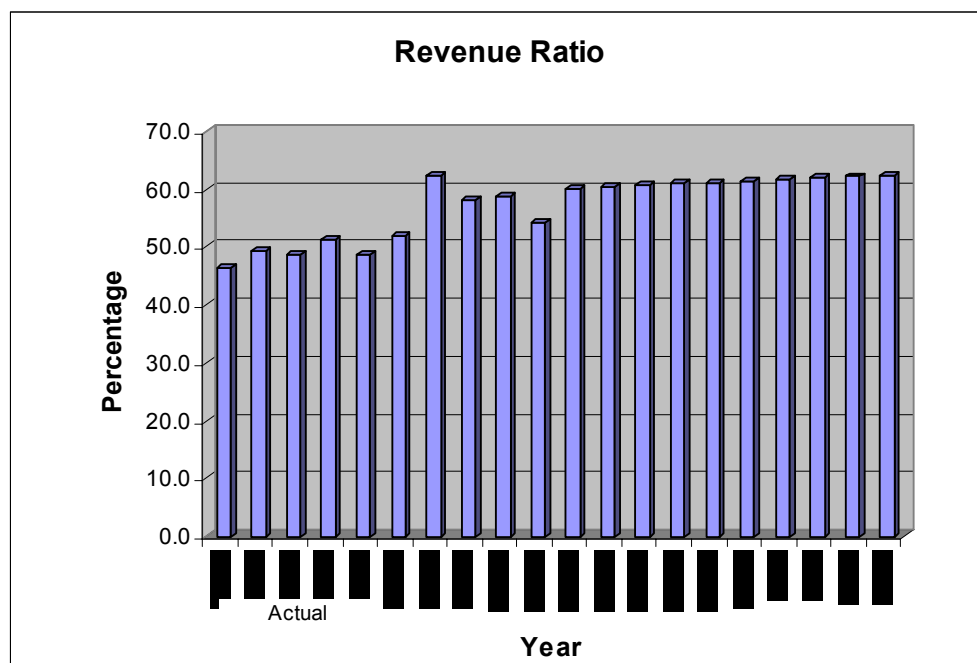
## Revenue

The Revenue Ratio shows the percentage of a council's total operating income (excluding items like capital grants) that is derived from rates and charges. The formula used is:

$$\frac{\text{Net Rates \& Utilities Charges Income}}{\text{Total Operating Income}}$$

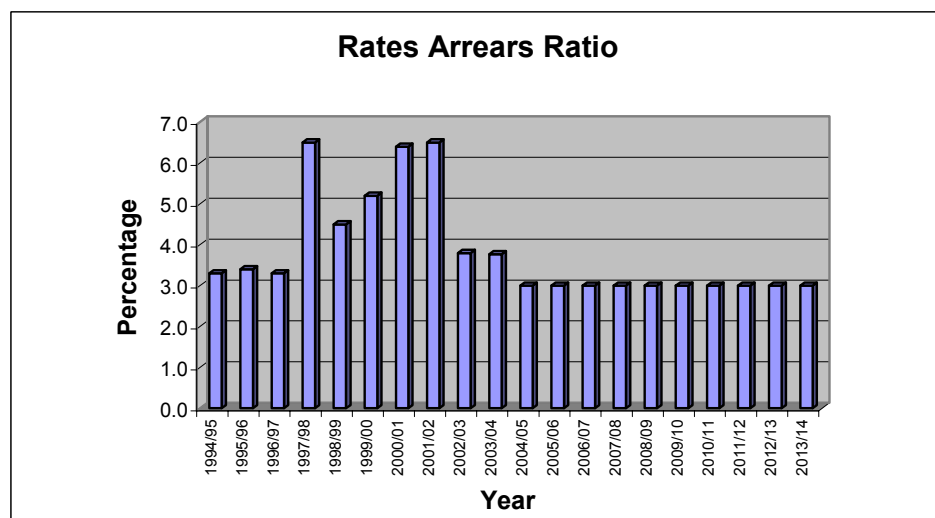
This demonstrates a council's reliance on rate and charges revenue compared with other sources of revenue such as government grants and subsidies or private works.

For councils with a large area and a small population this percentage can be quite small as these councils generally receive relatively high levels of grants and subsidies. For urban councils this percentage can be much higher.



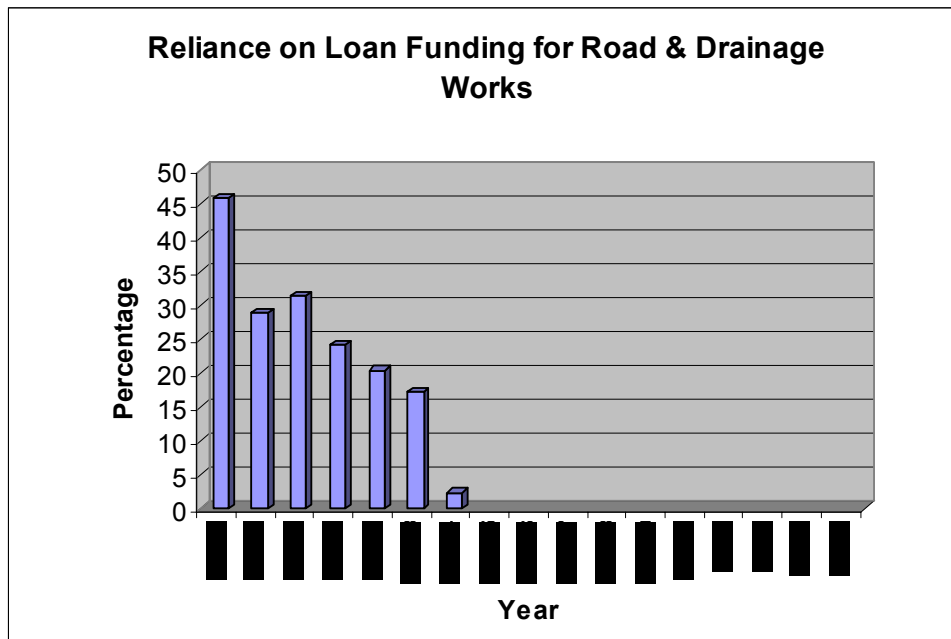
## Rates Arrears

The Rates Arrears Ratio shows the percentage of rates outstanding and consequently the effectiveness of Council's collection of rates and charges.

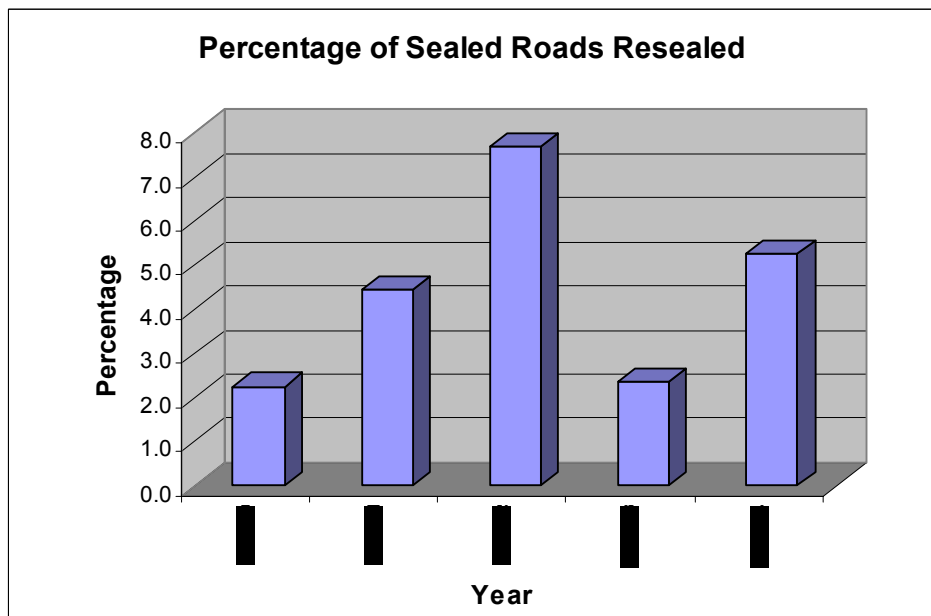


## Road Works

This indicator shows the level of reliance on loan funding to finance road and drainage works. Council's policy of not borrowing for road works is now fully implemented and the Ten (10) Year Capital Works Program makes no provision for any further borrowings for this purpose



This ratio is used to measure the rate at which sealed roads are being resealed. It is generally accepted that, to maintain the sealed network, a ratio of ten percent (10%) per annum is desirable.



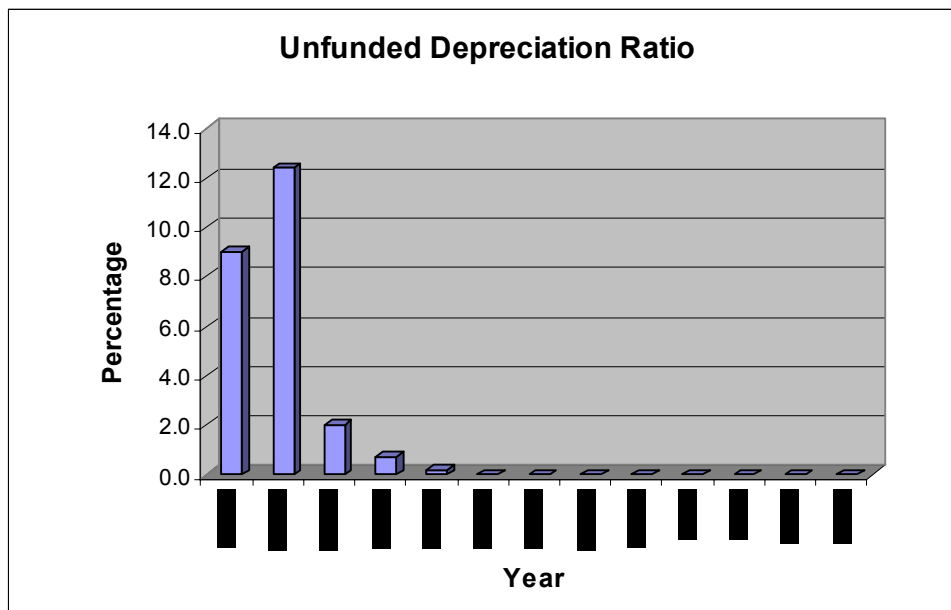
## Depreciation

Council's total depreciation expense for the year was \$2,870,572 (Note 10) all of which was funded.

The "funding" of depreciation creates a pool of cash available for spending on loan redemption, asset purchase and replacement. Council endeavours to fully fund the annual depreciation expense.

This is the percentage of Council's annual depreciation not funded from current revenue. The formula used is:

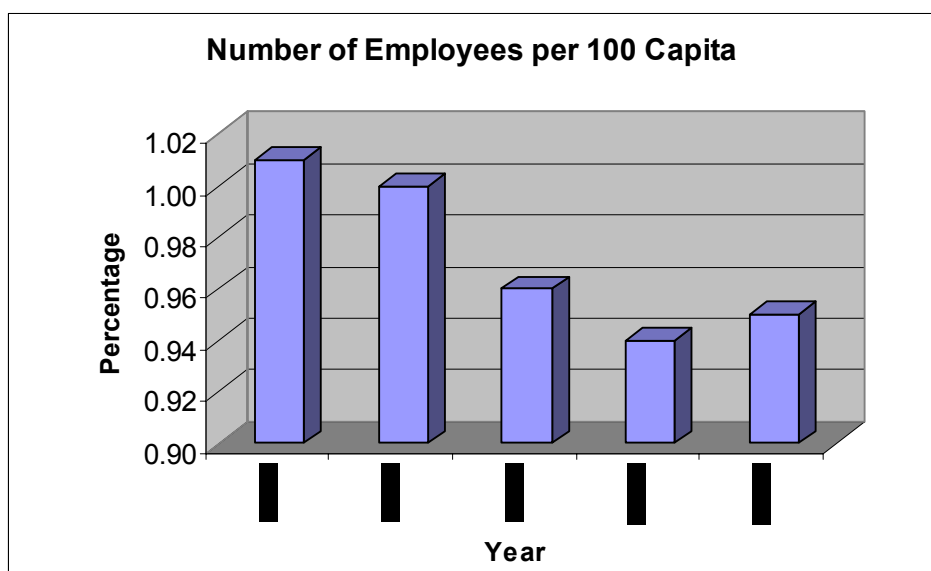
$$\frac{\text{Unfunded Depreciation}}{\text{Depreciation Expense}}$$



## Employment

This ratio is used to measure the level of staff servicing relative to population size.

A "rule of thumb" for Councils of Kingaroy's size is one (1) employee per one hundred (100) population.



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## **MAJOR PROJECTS PLANNED FOR 2004/2005 YEAR**

### **Corporate Services**

Review of Corporate Plan.  
Commence Community Visioning Strategies.

### **Economic Development & Tourism**

Undertake an Urban Renewal Study.  
Commence South Burnett Tourism Strategy – Stage 2.  
Council is embarking upon future economic development strategies that include the following:  
Soft Infrastructure Planning.  
Facilitate partnerships for economic development.  
Establish Kingaroy as a leading education centre.  
Maintain focus on Kingaroy as a regional centre.  
Develop investment attraction strategy.  
Promote enabling technologies for industry development.

### **Planning & Natural Resource Management**

Finalise South Burnett Planning Scheme Review.

### **Administration & Finance**

Finalise installation of New Computer System and upgrade Information Technology services.  
Install electronic customer request service.

### **Cultural Development, Youth & Welfare Services**

Construct new Visitor Information Centre link building.  
Commence improvements at library.  
Relocate art gallery to 1938 Council chambers.  
Replace town hall roof.

### **Rural Services**

Decide on feasibility of Coolabunia Saleyards.

### **Recreation & Sport**

Refurbishment of Kingaroy swimming pool.

### **Kingaroy Water Supply**

Purchase 90 megalitre water allocation from Tarong pipeline.

### **Roads, Drainage & Transport Services**

Finalise Ironpot Road seal extension.

### **Engineering Management Services**

Complete construction of new Council depot and shift from old depot.

### **Health Services**

Commencing the Sustainable Community strategy.  
Investigating options for the implementation of a regional waste management strategy for the South Burnett region.





# KINGAROY SHIRE COUNCIL

## POLICY DOCUMENT

**DEPARTMENT:** Administration and Finance IR: 158514

**PAGE:** 25 of 65

**SECTION:** Rating & Property

**DATE ADOPTED:** 27 May 2004

**MINUTE BOOK NO:** 14569

**POLICY TITLE:** **REVENUE POLICY**

**POLICY OBJECTIVE:** Identify in very broad terms, the principles and strategies that Council will use to raise revenue.

**HEAD OF POWER:** Local Government Act 1993 – Chapter 7 Part 2A

### **POLICY STATEMENT:**

The Local Government Act 1993 requires that Council must adopt by resolution a revenue policy for each financial year. The revenue policy must be prepared and adopted before the start of the financial year for which it has been prepared. This is necessary in order to allow sufficient time for the preparation and adoption of a budget that is consistent with the policy. The revenue policy may be amended by resolution at any time during the financial year for which it was prepared.

The requirements of the Local Government Act 1993 and the Local Government Finance Standard make reference to the matters listed below. The purpose of this revenue policy is to clearly set out the principles that Council has applied in the 2004/2005 financial year for:

- ❖ The making of rates and charges;
- ❖ The levying of rates;
- ❖ The recovery of rates and charges;
- ❖ Concessions for rates and charges.

### **1. PRINCIPLES USED FOR THE MAKING OF RATES AND CHARGES**

The general principle of user pays has been adopted by Council as a guide to determining rates and charges for the 2004/2005 financial year. The aim of this principle is to identify which of Council's services (normally utility charges) will be fully or substantially costed and charged to the consumer of the service. In this way, the cost of the service is spread across only those ratepayers who are using the service.

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Council recognises that it provides certain types of services where the user pays principle is not appropriate, or individual consumers of services cannot be readily identified. In this situation, Council will take a blanket approach and generate revenue by spreading the burden across all ratepayers.

Council will utilise a variety of rating mechanisms to generate the required level of revenue. Council will use a combination of user pays charges, separate rates and charges and differential rates based on the unimproved value of land to fairly and equitably distribute the rate burden across all sectors of the community.

When Council is making Rates and Charges for 2004/2005, consideration will be given to the following:

- (a) The objectives, strategies and actions outlined in Council's Corporate Plan and Operation Plan;
- (b) Council's legislative obligations;
- (c) The needs and expectations of the community as identified by consultation, public meetings and surveys;
- (d) The anticipated cost of providing services; and
- (e) Equity.

As part of this process, Council will also observe the following principles:

- ❖ Transparency of process;
- ❖ Simple and efficient administration;
- ❖ Flexibility to adapt to the state of the local economy.

## **2. PRINCIPLES USED FOR THE LEVYING OF RATES**

In levying rates and charges, Council will apply the following principles:

- (a) Clearly identify what is the Council's responsibility, and what each ratepayer's responsibility is in relation to the rating system;
- (b) Make the levying process as simple and efficient to administer as possible;
- (c) To ensure the timely issuing of rate notices to take into account the financial cycle that ratepayers are accustomed to;
- (d) Equity through flexible payment arrangements for ratepayers who have a lower capacity to pay.

## **3. PRINCIPLES USED FOR THE RECOVERY OF RATES AND CHARGES**

To ensure Council continues to operate efficiently and effectively, payment of all rates and charges in full is required by the due date shown on rate notices. It is Council policy to diligently pursue the collection of overdue rates and charges. However, Council will take into account individual circumstances or the financial hardships faced by relevant ratepayers.

To cater for this, Council has established balanced administrative processes that allow flexibility in ratepayer payment options including payment by regular instalments. At the same time, these processes include a variety of options, including legal action, that allow the effective recovery of overdue rates, depending on the level of resistance experienced.

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In the recovery of rates and charges, Council will be guided by the principles of:

- (a) Transparency by making clear to ratepayers their obligations, and the processes that Council uses to assist them in meeting their financial obligations;
- (b) Making the processes used to recover overdue rates and charges clear, simple to administer and cost effective;
- (c) Capacity to pay when determining appropriate rate arrangements;
- (d) Equity by providing the same treatment to ratepayers in similar circumstances;
- (e) Flexibility by responding as required to changes in the local economy.

#### **4. CONCESSIONS FOR RATES AND CHARGES**

When Council is giving consideration to applying concessions to rates and charges, it will be guided by the following principles:

- (a) Equity with regard to the different levels of capacity to pay within the local community;
- (b) The same treatment to ratepayers in similar circumstances;
- (c) Transparency by making clear the requirements necessary to receive concessions;
- (d) Flexibility to enable Council to respond to local economic issues.

Council may consider granting a class concession in the event of all or part of Kingaroy Shire being declared a natural disaster area by the State Government.

Council grants a remission of general rates to organisations that perform a public service. This concession will take the form of an exemption from paying the minimum general rate levy. Instead, if rateable, these organisations will pay a valuation-based rate that will be less than the minimum general rate. Council reconsiders the schedule of approved public service organisations each year in association with the budget process.

Council grants a remission of general rates to ratepayers who have contiguous land that is valued separately due to their physical location being in different Council benefited areas. These parcels of land would normally be amalgamated and valued together under Section 34 of the Valuation of Land Act and therefore receive an overall valuation reduction. However, due to the above, they remain valued separately by the Department of Natural Resources and Mines, for the sole reason of complying with Council's requirement to levy different Special Rates for defined benefited areas. The concession will take the form of an exemption from paying the minimum general rate levy. Instead, if rateable, these ratepayers will pay a valuation-based rate that will be less than the minimum general rate.

Council grants a remission of general rates to ratepayers who hold Permits to Occupy for water facility purposes. These parcels of land are generally very small in size, are valued separately by the Department of Natural Resources and Mines and have very low valuations that inherently attract the minimum general rate. This concession will take the form of an exemption from paying the minimum general rate levy. Instead, if rateable, these ratepayers will pay a valuation-based rate that will be less than the minimum general rate.

Council grants a remission of rates to ratepayers who are pensioners. The remission is funded under the Queensland Governments Pensioner Rate Subsidy Scheme, but is administered by Council. With the introduction of Half Yearly Rates for the 2004/2005 financial year, Council has discontinued the Extended Discount Scheme for pensioners.

Council grants a remission of sewerage charges to community organisations that operate as non-licensed clubs on an intermittent basis. This concession will take the form of "capping" the amount of sewerage charges each year, regardless of the number of sewerage pedestals the community organisation has installed at its premises.



# KINGAROY SHIRE COUNCIL

## POLICY DOCUMENT

**DEPARTMENT:** Administration & Finance

IR: 164281

**PAGE:** 28 of 65

**SECTION:** Finance

**DATE ADOPTED:** 29 July 2004

**MINUTE BOOK NO:** 14645

**POLICY TITLE:** **BORROWING POLICY**

**POLICY OBJECTIVE:** To explain the planned borrowings for current year and the next two (2) financial years, the purpose of the new borrowings and the repayment terms.

**HEAD OF POWER:** Local Government Act 1993 – Section 502 (1)  
Local Government Finance Standard 1994 – Part 2 Division 4

**POLICY STATEMENT:**

1. New Borrowings planned for current financial year and next two financial years.

<b><i>Purpose</i></b>	<b><i>Amount 2004/2005 \$</i></b>	<b><i>Amount 2005/2006 \$</i></b>	<b><i>Amount 2006/2007 \$</i></b>
Water Supply Projects			
Sewerage Projects	150,000	150,000	
Roadworks Projects			
Plant & Equipment (Refuse)	250,000		
Miscellaneous Capital Works:			
(a) Administration Office		100,000	250,000
(b) Library	200,000		
(c) Town Hall	90,000		225,000
(d) Historical Precinct	250,000	250,000	
(e) Art Gallery	80,000		
(f) Pool	250,000	250,000	
(g) Depot			
(h) Town Centre Development		160,000	
<b><i>Totals</i></b>	<b><i>\$1,270,000</i></b>	<b><i>\$910,000</i></b>	<b><i>\$475,000</i></b>

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2. The purpose of new borrowings.

{Refer to 1. above}

3. The term over which it is planned to repay existing and proposed borrowings.

<b><i>Existing Borrowing Pools</i></b>	<b><i>Remaining Loan Term</i></b>	<b><i>Expected Loan Term</i></b>
3 Year Debt Pool (Prior to 01/07/1999)	2.34 years	0.6 years
12 Year Debt Pool (Since 01/07/1999)	13.84 years	11.77 years
12 Year Debt Pool (Roadworks 2002/2003)	13.87 years	11.95 years
6 Year Debt Pool (Plant 2002/2003)	4.87 years	3.75 years
15 Year Debt Pool (Depot 2002/2003)	18.87 years	16.65 years
15 Year Debt Pool (Depot 2003/2004)	19.99 years	16.88 years
3 Year Debt Pool (Computerisation 2002/2003)	3.87 years	2.83 years
12 Year Debt Pool (South Burnett Community Hospital)	12.66 years	10.52 years
6 Year Debt Pool (Swickers Water Main)	6.99 years	5.93 years
15 Year Debt Pool (Cultural and Heritage Precinct)	19.99 years	16.88 years

4. The term proposed to repay new borrowings

➤ Plant	6 Years
➤ Buildings Water Supply and Sewerage Works	20 Years

5. Repayment terms will be reviewed on an annual basis

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## Councillors' Remuneration

A resolution concerning remuneration to Councillors was passed on 27 June, 2000, reading:-

"That the basis for remuneration of Councillors be:-

A.

. General meeting of the Council - Daily allowance for each sitting day or part thereof

. Committee meeting over four hours - Daily allowance

. Committee and Agenda Group meeting under four hours -75% of daily allowance rounded to nearest dollar

. Authorised inspections:-

(1) Over four hours - daily allowance

(2) Under four hours - 75% of daily allowance rounded to nearest dollar

. Authorised Deputation or Conference (including travelling time) - daily allowance for each day or part thereof

. Council representative on Other Bodies:-

(1) Under four hours - 75% of daily allowance rounded to nearest dollar

(2) Over four hours - daily allowance

. Provided that where more than one meeting is attended on any day, the maximum allowance which a member shall be entitled to receive shall be one daily allowance

B. In addition to the daily allowance in (A) above, members shall be entitled to the following monthly allowances:-

(1) Mayor - Fifteen times the daily allowance

(2) Deputy Mayor - Five times the daily allowance

(3) Councillor - Three times the daily allowance

C. Daily allowance - Payment for one day as per Level 6, Increment 3 of the Local Government Officers' Award, rounded to the nearest dollar

D. A Councillor who provides his own vehicle to attend a meeting, deputation or conference or to make an inspection shall be paid such allowance per kilometre as is prescribed in the Local Government Employees Award - State

E. A Councillor who attends a meeting, deputation or conference or makes an inspection mentioned herein shall be entitled to be paid expenses necessarily incurred by him in attending such meeting, deputation or conference or making such inspection

F. Superannuation is to be provided on the same basis as for local government employees, participation in the scheme to be by election of the Member.

G. A Council vehicle is to be provided for use of the Mayor on Council business.

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## Particulars of Payment

The total remuneration paid to Councillors and superannuation paid on their behalf, was as follows:-

COUNCILLOR	ALLOWANCES \$	EXPENSES \$	SUPERANNUATION \$
Nunn, KR (Mayor)	51,838.00	-	6,220.56
Lehmann, MA (Deputy Mayor)	21,817.00	727.59	2,618.04
Campbell, KM	12,489.00	61.06	1,498.68
Carroll, BJ	11,744.00	1,430.57	1,409.28
Dalton, CD	10,954.00	601.63	1,314.48
Fleischfresser, TW	12,013.00	94.55	1,441.56
Moss, WD	15,955.00	1,889.08	1,914.60
Shaw, MG	12,003.00	98.40	1,440.36
Trout, LJ	11,389.00	387.82	1,366.68
Wieden, AD	11,030.00	82.12	-
Wilson, GMG	7,437.00	28.35	892.44
Coleman, RC	3,784.00	82.26	454.08
Ford, WH	2,992.00	-	-

## Meetings Attended

Details of the number of meetings attended by each Councillor:-

COUNCILLOR	GENERAL / SPECIAL MEETINGS	COUNCIL COMMITTEE/ AGENDA MEETINGS *	MEETINGS OF LOCAL BODIES **
Nunn, KR (Mayor)	16	47	89
Lehmann, MA (Deputy Mayor)	16	20	43
Campbell, KM	16	22	5
Carroll, BJ	16	11	7
Dalton, CD	16	9	4
Fleischfresser, TW	13	9	13
Moss, WD	16	11	40
Shaw, MG	16	19	6
Trout, LJ	16	12	5
Wieden, AD	10	7	24
Wilson, GMG	11	6	1
Coleman, RC	5	3	6
Ford, WH	5	3	1

\* *Includes Council Inspections*

\*\* *Includes District Local Government Association Meetings*

*Note:* (i) *All Councillors attend meetings and make inspections for which no payment is sought or made. These are not officially recorded and are not included in the above statement.*

(ii) *Twelve (12) ordinary General Meetings and four (4) Special Meetings were held during the year.*



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## LOCAL GOVERNMENT'S ACTIVITIES TO IMPLEMENT EQUAL EMPLOYMENT OPPORTUNITY MANAGEMENT PLAN

- \* Statistics for at least the last three (3) years about the number of employees who are members of the target groups and the salary stream and level of the employees.

### Response

Self-identification by target group members has not been enforced over the last three (3) years, consequently statistics are not available. The procedures will be reviewed in the coming year.

- \* Information about consultation with the following groups and the outcome of the consultation -

- (1) trade unions that have members who are, or will be, affected by the EEO management plan;
- (2) the local government's employees, particularly employees who are members of the target groups.

### Response

No specific consultation was carried out with Unions and Staff during the year under review. Employees are provided the opportunity to consult with elected representatives and senior staff on a range of issues at regular forums conducted at the Council's works depot.

- \* Information about activities undertaken by the local government during the past year to eliminate unlawful discrimination against, or harassment of, the local government's employees.

### Response

One case of alleged harassment was reported during the year. The matter was dealt with in accordance with adopted procedures and appropriate action taken.

- \* Information about the local government's forward plan for the implementation of its EEO management plan for the next financial year.

### Response

A review of the plan will be undertaken to confirm its appropriateness. A survey of employees will be undertaken to update required statistics.

- \* Information about any other activities undertaken by the local government to create a positive work environment for the local government's employees.

### Response

Council continued its policy of providing employment for trainees and apprentices. Nine (9) new trainees were engaged during the year. The new employees included five (5) women.

Council continues to conduct regular Councillor/Staff meetings at the workplace where future plans and work programs are presented to employees. The functions are also used as a forum for employees to raise issues of concern or to make suggestions for improvements to work practices. They also encourage a social relationship between all sections of the organisation.

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# FINANCIAL MATTERS

KINGAROY SHIRE COUNCIL



## *Annual Financial Statements*

*2003/2004*

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## KINGAROY SHIRE COUNCIL

### ANNUAL FINANCIAL STATEMENTS

For the period 1 July 2003 to 30 June 2004

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# KINGAROY SHIRE COUNCIL

## Statement of Financial Performance

For the period 1 July 2003 to 30 June 2004

		Consolidated	Council	Consolidated	Council
		2004	2004	2003	2003
		Actual	Actual	Actual	Actual
	Note	\$	\$	\$	\$
Revenue from ordinary activities	3	15,277,580	13,794,782	13,648,687	12,270,653
Expenses from ordinary activities	4	(14,721,551)	(13,218,300)	(12,240,303)	(10,938,662)
Borrowing costs	5	(339,636)	(326,474)	(411,715)	(411,715)
<b>Result from ordinary activities</b>		<b>216,393</b>	<b>250,008</b>	<b>996,669</b>	<b>920,276</b>
Increase (decrease) in the asset revaluation reserve	23 (i)	4,488,095	4,488,095	4,961,675	4,961,675
<b>Change in community equity</b>		<b>4,704,488</b>	<b>4,738,103</b>	<b>5,958,344</b>	<b>5,881,951</b>

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

# KINGAROY SHIRE COUNCIL

## Statement of Financial Position

as at the 30 June 2004

		Consolidated	Council	Consolidated	Council
		2004	2004	2003	2003
		Actual	Actual	Actual	Actual
	Note	\$	\$	\$	\$
<b>Current Assets</b>					
Cash assets	12	4,916,061	5,112,400	4,073,201	3,949,088
Receivables	13 (i)	749,182	645,190	891,722	802,327
Tax assets	14	91,744	91,744	19,485	19,485
Inventories	15	363,492	316,107	339,551	320,817
Other financial assets	16	89,225	52,297	75,203	51,923
		<u>6,209,704</u>	<u>6,217,738</u>	<u>5,399,162</u>	<u>5,143,640</u>
<b>Non-Current Assets</b>					
Receivables	13 (ii)	389	389	8,139	8,139
Property, plant and equipment	17 (a) (b)	106,765,578	106,383,685	104,205,998	104,205,998
Capital works in progress	18	1,941,451	1,941,451	685,869	487,019
		<u>108,707,418</u>	<u>108,325,525</u>	<u>104,900,006</u>	<u>104,701,156</u>
<b>TOTAL ASSETS</b>		<u>114,917,122</u>	<u>114,543,263</u>	<u>110,299,168</u>	<u>109,844,796</u>
<b>Current Liabilities</b>					
Payables	19	783,968	609,484	676,214	448,990
Interest bearing liabilities	20	1,530,995	1,530,995	1,464,732	1,464,732
Provisions	21	1,452,657	1,416,399	1,299,718	1,269,302
Other	22	41,766	41,766	37,896	37,896
		<u>3,809,386</u>	<u>3,598,644</u>	<u>3,478,560</u>	<u>3,220,920</u>
<b>Non-Current Liabilities</b>					
Interest bearing liabilities	20	3,863,607	3,863,607	4,256,834	4,256,834
Provisions	21	79,074	79,074	103,206	103,206
		<u>3,942,681</u>	<u>3,942,681</u>	<u>4,360,040</u>	<u>4,360,040</u>
<b>TOTAL LIABILITIES</b>		<u>7,752,067</u>	<u>7,541,325</u>	<u>7,838,600</u>	<u>7,580,960</u>
<b>NET COMMUNITY ASSETS</b>		<u>107,165,055</u>	<u>107,001,938</u>	<u>102,460,568</u>	<u>102,263,836</u>
<b>Community Equity</b>					
Asset revaluation reserve	23 (i)	9,449,770	9,449,770	4,961,675	4,961,675
Retained surplus	23 (ii)	95,490,283	95,342,762	95,512,853	95,594,665
Other reserves	24	2,225,003	2,209,407	1,986,040	1,707,496
<b>TOTAL COMMUNITY EQUITY</b>		<u>107,165,056</u>	<u>107,001,939</u>	<u>102,460,568</u>	<u>102,263,836</u>

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

# KINGAROY SHIRE COUNCIL

## Statement of Cash Flows

For the period 1 July 2003 to 30 June 2004

		Consolidated	Council	Consolidated	Council
		2004	2004	2003	2003
	Note	\$	\$	\$	\$
<b>Cash flows from operating activities :</b>					
Receipts from customers		15,664,379	14,196,178	13,943,275	12,594,990
Payments to suppliers and employees		(10,972,747)	(9,415,128)	(9,678,801)	(8,558,749)
		4,691,632	4,781,050	4,264,474	4,036,241
Interest received		358,302	358,302	187,165	187,165
Borrowing costs		(339,636)	(326,474)	(411,715)	(411,715)
<b>Net cash inflow (outflow) from operating activities</b>	29	<u>4,710,298</u>	<u>4,812,878</u>	<u>4,039,924</u>	<u>3,811,691</u>
<b>Cash flows from investing activities:</b>					
Payments for property, plant and equipment	17	3,831,635	3,613,763	(2,746,645)	(2,547,795)
Net movement in loans to community organisations	13	6,847	6,847	9,227	9,227
Proceeds from sale of property plant and equipment	8	284,315	284,315	434,402	434,402
<b>Net cash inflow (outflow) from investing activities</b>		<u>3,540,473</u>	<u>3,322,601</u>	<u>(2,303,016)</u>	<u>(2,104,166)</u>
<b>Cash flows from financing activities:</b>					
Proceeds from borrowings	25	1,150,577	1,150,577	1,100,000	1,100,000
Repayment of borrowings	25	(1,477,542)	(1,477,542)	(1,212,123)	(1,212,123)
<b>Net cash inflow (outflow) from financing activities</b>		<u>(326,965)</u>	<u>(326,965)</u>	<u>(112,123)</u>	<u>(112,123)</u>
<b>Net increase (decrease) in cash held</b>		<u>842,861</u>	<u>1,163,313</u>	<u>1,624,785</u>	<u>1,595,402</u>
Cash at beginning of reporting period		4,073,201	3,949,088	2,448,416	2,353,686
<b>Cash at end of reporting period</b>	12	<u><u>4,916,062</u></u>	<u><u>5,112,401</u></u>	<u><u>4,073,201</u></u>	<u><u>3,949,088</u></u>

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

# KINGAROY SHIRE COUNCIL

## Council Statement of Changes in Equity

For the period 1 July 2003 to 30 June 2004

	Total		Retained surplus Note 23 (ii)		Asset revaluation reserve Note 23 (i)		Other Reserves Note 24	
	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
Balance at beginning of period	102,263,836	96,381,885	95,594,665	94,864,216	4,961,675	-	1,707,496	1,517,669
Net result for the period	250,008	920,276	250,008	920,276				
Transfers to reserves	-	-	(1,352,074)	(1,056,969)	-	-	1,352,074	1,056,969
Transfers from reserves	-	-	850,163	867,142	-	-	(850,163)	(867,142)
Asset revaluation adjustment	4,488,095	4,961,675	-	-	4,488,095	4,961,675		
Balance at end of period	107,001,939	102,263,836	95,342,762	95,594,665	9,449,770	4,961,675	2,209,407	1,707,496

## Consolidated Statement of Changes in Equity

For the period 1 July 2003 to 30 June 2004

	Total		Retained surplus Note 23 (ii)		Asset revaluation reserve Note 23 (i)		Other Reserves Note 24	
	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
Balance at beginning of period	102,460,568	96,502,224	95,512,853	94,984,555	4,961,675	-	1,986,040	1,517,669
Net result for the period	216,393	996,669	216,393	996,669				
Transfers to reserves	-	-	(1,455,107)	(1,388,569)			1,455,107	1,388,569
Transfers from reserves	-	-	1,216,144	920,198	-	-	(1,216,144)	(920,198)
Asset revaluation adjustment	4,488,095	4,961,675			4,488,095	4,961,675		
Balance at end of period	107,165,056	102,460,568	95,490,283	95,512,853	9,449,770	4,961,675	2,225,003	1,986,040

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

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# KINGAROY SHIRE COUNCIL

Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

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## 1 Summary of significant accounting policies

The significant accounting policies which have been adopted in the preparation of these financial statements are:

### (i) Basis of preparation

These financial statements, which are general purpose financial statements, have been drawn up in accordance with the Accounting Standards, Urgent Issues Group consensus views, the *Local Government Act 1993* and the *Local Government Finance Standard 1994*. The accrual basis of accounting has been applied in accordance with the convention of historical cost accounting and does not take into account changing money values, or except where stated.

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Kingaroy Shire Council as at the 30 June 2004 and the results of all controlled entities (Kingaroy Private Hospital Limited) for the year 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.

### (ii) Accounting policies

Accounting policies adopted are consistent with those of the previous year except as stated.

Following amendments to the *Local Government Finance Standards 1994*, effective from 9 April 2002, the financial statements are not required to include the Appropriation Statement, Capital Funding Statement, or the Statement of Original Budget compared with Actual Results. A consequence of this change is that the Shire Capital Account is merged with the Accumulated Surplus. Comparatives have been adjusted to accord with this new presentation.

The Council has adopted these amendments to simplify the statements for audit purposes.

### (iii) Taxation

Income of local authorities and public authorities is exempt from income tax due to the provisions of Section 50-25 of the *Income Tax Assessment Act 1997*.

The Council's activities are exempt from all forms of Commonwealth taxation, except for the Fringe Benefits Tax and Goods and Services Tax (GST). These taxes that are payable to and receivable from the Australian Tax Office are recognised and accrued in the financial statements. The cash flow arising from GST receipts from suppliers and payments to providers are included on a gross basis in the statement of cash flows.

### (iv) Trust funds held for outside parties

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

The monies are disclosed in Note 28 to the Financial Statements for information purposes only.

### (v) Property, plant and equipment

#### (a) Non-current assets threshold

Items of computer equipment with a total value of less than \$1,500 and property, plant and equipment with a total value of less than \$5,000, except for land, network assets and fleet items (an aggregate of interrelated assets), are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

#### (b) Capital and operating expenditure

As a general rule, wage and material expenditure incurred for the acquisition or construction of assets is treated as capital expenditure. Expenditure necessarily incurred in maintaining the operational capacity of the non-current asset is expensed as incurred, while expenditure to maintain the assets service potential is capitalised and funded from capital funding sources.



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## KINGAROY SHIRE COUNCIL

### Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

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#### Property, plant and equipment (Continued)

##### (c) Acquisition

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

Non-monetary assets, including property, plant and equipment, received in the form of grants or contributions, are recognised as assets and revenues at fair value by Council valuation.

Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

##### (d) Valuation

Property, plant and equipment recognised, which excludes receivables, inventory land held for resale and cash investments are valued at their fair value except where stated in note . Where there is no active market in the assets, fair value is the replacement cost less depreciation. Where assets are not required and intended to be disposed of, fair value is the anticipated net sale proceeds. Assets recently purchased which have a useful life of ten years or less, or cost less than \$50,000 are shown in the financial statements at their historical cost less accumulated depreciation. Assets within each class of property, plant and equipment are carried at fair value and are required to be revalued as necessary, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date.

Details of valuers and methods of valuation are disclosed in note 17 c.

In revaluing land and buildings, the potential capital gains tax in relation to such assets acquired after 19 September 1985 was not taken into account as the Council is not liable to this tax.

##### (e) Depreciation of property, plant and equipment

All non-current assets with a limited useful life are depreciated over their useful lives to reflect the consumption of their service potential. Depreciation on roads is calculated using a condition based method and on a straight-line basis for other infrastructure assets. The remaining useful life of assets is reviewed annually and range between the following:

Asset Class	Expected Useful Life
Land	Not depreciated
Buildings	40 – 60 yrs
Motor vehicles	8 yrs
Heavy Plant	10 yrs
Minor Plant	6.5 yrs
Computer equipment	3 yrs
Furniture and fittings	10 yrs
Workshop equipment	10 yrs
Road, Bridges and associated works	6 – 48 yrs
Water assets	10 – 150 yrs
Sewerage assets	15 – 80 yrs
Saleyards assets	20 yrs

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.

##### (f) Funding of depreciation

It is the policy of Council to allocate sufficient unrestricted funds, after meeting all other operating expenses, to the full funding of the annual depreciation expense. This will not apply to depreciation on capital assets that the council has resolved not to replace on their ultimate demise. If insufficient funds are available, the council may recover the shortfall in the next years budget allocation or resolve to unfund that portion of the depreciation expense that cannot be funded from available funding sources. Such a resolution will include the proposed steps that will be taken to correct the shortfall in depreciation funding.

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## KINGAROY SHIRE COUNCIL

### Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

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#### (vi) Capital works in progress

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

#### (vii) Leased plant and equipment

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 and amortised on a straight line basis over the term of the lease or where the Council will obtain ownership of the asset, the life of the asset. Other leases are classified as operating leases.

Leases identified as being finance leases are capitalised in that a lease asset and a liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense in the accounting period in which they are incurred. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the Statement of Financial Performance.

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.

In recording and reporting lease arrangements as lessor, the Council records in the Statement of Financial Position the lease premiums related to the asset and records as revenue in the current period the amount of the lease premium which is regarded as have been earned in the current period based on the pattern of benefits received by the lessee.

#### (viii) Inventories

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

#### (ix) Investments

##### (a) Cash investments

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

#### (x) Land held for resale

##### (a) Held as a non-current asset

Land approved for resale is recorded as part of the Council's non-current assets (note ) and is valued at fair value based on current market prices of undeveloped land in the vicinity, or in a similar area, having similar characteristics of the land held at the time the land development is proposed and approved by Council. Any change in the carrying value is reflected in the asset revaluation reserve. The council may reclassify this land to an inventory asset when it determines that this land no longer forms part of the capital assets required to provide a future service delivery.

##### (b) Held as an inventory asset.

Land approved by Council for resale and to be classified as inventory is recognised as a current asset where steps have been taken to ready this land for marketing and it is expected that the properties will be sold within a 12 months period. It is valued at the lower of cost or net realisable value. (refer viii). That portion of the land that is not expected to be sold within 12 months is classified as a non-current asset.

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

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## KINGAROY SHIRE COUNCIL

Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

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### (xi) Employee entitlements

Employee entitlements 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. 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. Should sick leave vest or become vesting with the employee, the liability will be accrued at that time.

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.

#### (a) Wages and salaries

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

#### (b) Annual leave

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

#### (c) Superannuation

The superannuation expense for the reporting period is the amount of the statutory contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 26.

#### (d) Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The interest rates attaching, as at the reporting date, to Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value. The value of the liability was calculated using current pay rates with an additional allowance for employee on-costs.

### (xii) Provision for doubtful debts

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

#### *Credit risk*

The maximum credit risk exposure of receivables as at 30 June is the carrying amount of these assets as shown in Note 13. This credit risk exposure does not take into account that s.1040 of the Local Government Act allows a local government to sell land upon which rates and utility charges were levied to recover rates and charges owing and unpaid for over three years.

The maximum credit risk exposure of loans and advances as at 30 June is the carrying amount of these assets as shown in Note 13.

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## KINGAROY SHIRE COUNCIL

### Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

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#### **(xiii) Rates, grants and other revenue**

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

##### *(a) Rates*

Control over assets acquired from rates is obtained at the commencement of the rating period. Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue at that time.

##### *(b) Grants and subsidies*

Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured.

##### *(c) Non-cash contributions*

Non-cash contributions in excess of \$5,000 in value are recognised as revenue and as non-current assets.

##### *(d) Other revenue including contributions*

Unreceived revenue is recognised as a receivable when it is probable that the receipt will occur and it can be measured, otherwise the amount is recognised upon receipt.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts pertaining to those undischarged conditions are carried in the Constained Works Reserve.

Disclosure of the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period are also reported in Note 27

#### **(xiv) Accounts payable (trade creditors and accruals)**

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

#### **(xv) Loans and borrowings**

Loans and borrowings have been recognised as a liability at their respective book values.

#### **(xvi) Cash**

For purposes of the Statement of Cash Flows, cash includes cash on hand, short term investments and other cash equivalents, which are readily convertible to cash, and which are used in the cash management function on a day-to-day basis, net of borrowings which are integral to the cash management function and which are not subject to a term facility.

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## KINGAROY SHIRE COUNCIL

### Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

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#### (xvii) Components of equity

##### (a) Asset revaluation reserve

The asset revaluation reserve is comprised of adjustments relating to changes in value of assets which arise primarily from changes in the purchasing power of money. Net incremental changes in the carrying value of classes of capital non-current assets, since their initial recognition, are accumulated in this reserve. Where a class of asset is revalued down, without a prior revaluation credit in the asset revaluation reserve, the asset revaluation decrement net of the corresponding adjustment to the accumulated depreciation are debited to the Statement of Financial Performance and then appropriated to the capital account.

##### (b) Reserves held for future capital expenditure

###### *Constrained Works Reserve*

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

###### *Asset Replacement Reserve*

This is a cash backed reserve and represents funds that are accumulated within the Council to meet anticipated future capital assets needs. The amount relates to a perceived future requirement which is not currently a liability.

##### (b) Reserves held for funding future recurrent expenditure:

This reserve is credited with grants, subsidies and contributions of monetary revenue received during the reporting period for the purpose of funding specific recurrent expenditure. The closing balance reported at the period end represents funds not yet expended and must be retained until expended in the manner specified by the contributor.

###### *Carryover Income Reserve*

This reserve was created to meet the Council's anticipated cost of clean up should a major flood occur within the Council's boundaries.

##### (d) Retained surplus

This represents that part of the Council's net funds not required to meet immediate requirements or to meet specific future needs. The balance of this account at the end of each financial year represents the amount available to Council that may be used to offset against expenditure in the following year or, if a deficit, the additional amount of revenue needed to be raised in the following year. In accordance with the Queensland Local Government Finance Standards all Councils must budget to either expend or appropriate all revenue raised by the Council in each financial year.

#### (xviii) National competition policy

The Council has reviewed its activities and has not identified any activities that are business activities. Accordingly, the code of competitive conduct has not been applied to any activity of the Council.

#### (xx) Comparative figures

Where required by Australian Accounting Standards, and to conform with changes in the presentation of certain items in the current year, comparative figures for the preceding year have been reclassified on a basis consistent with current year disclosure.

#### (xxii) Actual figures

All figures in the notes (except where otherwise stated) are actual amounts relating to the years ended 30 June 2004 and 30 June 2003 respectively.

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## KINGAROY SHIRE COUNCIL

Notes to the Financial Statements  
For the period 1 July 2003 to 30 June 2004

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### (xxiii) Adoption of International Financial Reporting Standards (IFRS)

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

These changes will require the council to adopt a number of different accounting policies and to present its financial reports differently for the year ending 30 June 2006 and subsequent years.

To manage the process the council has established an IFRS team which is examining all our accounting practices against the new requirements and establishing what changes we need to make in our accounting systems, what policies we should adopt and how these changes will impact on our reports.

When the new Standards are adopted all comparative amounts will be restated as though the policies which apply to that financial report have always applied (subject to some exceptions). The comparative amounts in the financial report for the year ended 30 June 2006 will therefore be different from the amounts in the financial report for the year ended 30 June 2005. A reconciliation will be included in the notes.

To date the Council has identified the following key differences in accounting policies which will arise from the adoption of the Australian Equivalents to IFRSs.

#### Property, plant and equipment

The main area of impact is in recognition and measurement of property, plant and equipment. It is anticipated that the council will adopt permitted methods which will treat all property, plant and equipment as if it were acquired for its fair value at 30 June 2004. The property, plant and equipment will then be carried at its fair value. The effect of this is that the original cost figure or revaluations before 30 June 2004 will not appear in the financial reports for, or after the year ending 30 June 2006. The future depreciation expense is therefore likely to change as a result of a change in the asset's value and or useful life of the asset.

#### Inventories

The valuation of inventories will change from lower of cost and realisable value to the lower of cost and current replacement cost under the pending AASB 102 Inventories. This may lead to an increase in the valuation shown for inventories.

#### Superannuation scheme

The new provisions will require the council to assess the actuarial value of the liabilities to employees who are on defined benefit superannuation schemes, compare that value with the value of the relevant scheme assets, and account for the difference as an asset or liability.

#### Impairment testing

Most assets will be subject to impairment testing. This will mean the council has to assess whether the benefits to be obtained from the asset (value in use) or its realisable value exceed the value at which it would be shown in the books. If they both fall short the asset will be written down to the higher of those two values. For the council these requirements are less severe than for many organisations as the council carries many of its assets at depreciated replacement cost where this is equivalent to fair value, and this is one of the measures for value in use for a not-for-profit organisation.

#### Provisions for disposal and restoration of long lived assets

The council will need to consider if it has any obligation to meet future costs for the disposal of its long lived assets, or for the restoration of land on which they stand. Any such obligation will be recognised as a liability and added to the cost of the asset. This will impact on depreciation charges during the life of such assets.

#### Investment property

Investment property may be recognised at fair value rather than at depreciated cost. It is not yet known what impact this may have.

# KINGAROY SHIRE COUNCIL

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

### 2 Analysis of results by function

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

Functions	Revenue		Total	Total	Net	Assets
	Grants	Other	revenue	expenses	result	
	2004	2004	Ref- note 6	Ref- note 6	for period	
	\$	\$	\$	\$	\$	\$
Corporate Services	148,940	(30)	148,910	529,895	(380,985)	335,088
Economic Development & Tourism	69,296	186,853	256,149	398,870	(142,721)	1,157,810
Planning & Natural Resource Management	12,453	214,670	227,123	281,818	(54,695)	5,583
Administration and Finance	1,258,440	4,427,854	5,686,294	1,471,725	4,214,569	7,683,880
Cultural Development, Youth & Welfare	232,236	39,563	271,799	719,088	(447,289)	2,714,388
Roads, Drainage & Transport Services	1,247,516	2,196,168	3,443,684	4,163,031	(719,401)	69,400,419
Water Services	-	1,831,246	1,831,246	1,435,425	395,790	17,555,986
Environmental Health Services	6,143	887,446	893,589	1,302,058	(408,469)	1,233,711
Building	-	76,587	76,587	107,137	(30,550)	26,237
Engineering Management Services	10,428	328,684	339,112	881,047	(541,935)	6,244,323
Recreation & Sport	69,648	45,623	115,271	681,053	(565,782)	2,322,671
Sewerage Services	-	732,277	732,277	1,603,041	(870,764)	5,308,964
Rural Services	-	57,056	57,056	254,816	(197,760)	554,203
Total Council	3,055,100	11,023,997	14,079,097	13,829,089	250,008	114,543,263
Controlled entity net of eliminations	168,370	1,314,428	1,482,798	1,516,413	(33,615)	525,613
<b>Total consolidated</b>	<b>3,223,470</b>	<b>12,338,425</b>	<b>15,561,895</b>	<b>15,345,502</b>	<b>216,393</b>	<b>115,068,876</b>

### Prior Year

Functions	Revenue		Total	Expenses	Net	Assets
	Grants	Other	Revenue		result	
	2003	2003	Ref - Note 6	Ref- note 6	for period	
	\$	\$	\$	\$	\$	\$
Corporate Services	61,668	1,818	63,486	446,190	(382,704)	338,911
Economic Development & Tourism	58,910	218,290	277,200	530,093	(252,893)	1,134,563
Planning & Natural Resource Management	-	172,552	172,552	241,438	(68,886)	6,380
Administration and Finance	1,118,212	3,842,491	4,960,703	1,159,823	3,800,880	6,514,087
Cultural Development, Youth & Welfare	233,978	32,858	266,836	661,869	(395,033)	2,643,689
Roads, Drainage & Transport Services	1,250,823	2,043,292	3,294,115	4,065,555	(771,440)	69,810,002
Water Services	80,000	1,572,483	1,652,483	1,362,595	289,888	13,918,828
Environmental Health Services	26,270	776,686	802,956	1,054,638	(251,682)	1,052,701
Building	-	78,623	78,623	92,530	(13,907)	27,973
Engineering Management Services	12,900	423,550	436,450	653,812	(217,362)	5,238,112
Recreation & Sport	22,216	2,751	24,967	465,724	(440,757)	2,103,142
Sewerage Services	-	616,154	616,154	797,380	(181,226)	6,510,260
Rural Services	-	58,530	58,530	253,132	(194,602)	546,148
Total Council	2,864,977	9,840,078	12,705,055	11,784,779	920,276	109,844,796
Controlled entity net of eliminations	412,224	968,123	1,380,347	1,301,641	78,706	609,291
<b>Total consolidate</b>	<b>3,277,201</b>	<b>10,808,201</b>	<b>14,085,402</b>	<b>13,086,420</b>	<b>998,982</b>	<b>110,454,087</b>

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## KINGAROY SHIRE COUNCIL

Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

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### 2 (b) Components of council functions

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

#### **Corporate Services**

To provide leadership and efficiently manage the policy functions and community consultation processes of the Council.

#### **Economic Development & Tourism**

To encourage new business and industry to the Shire, to encourage expansion of existing business and to promote tourism, which in turn will provide greater employment opportunities within the Shire.

#### **Planning & Natural Resource Management**

To ensure that the Shire develops in an orderly, responsible and ecologically sustainable manner which will enhance the lifestyle of present and future residents through consultation with the community and liaison with governments to manage the Shire's natural resources.

#### **Administration and Finance**

To efficiently effectively and economically manage Council's resources in a way that achieves maximum community benefit.

#### **Cultural Development, Youth & Welfare**

To provide and or maintain facilities and encourage the development of recreational, cultural and social activities which improve the lifestyle of the community.

#### **Roads, Drainage & Transport Services**

To develop and maintain the Shire's road and street network and other infrastructure, including the aerodrome and swimming pool.

#### **Water Services**

To provide public water supplies for Kingaroy, Kumbia and Wooroolin of adequate and reliable quantity and quality,

#### **Environmental Health Services**

To maintain and improve the quality of life within the Shire through appropriate standards of public health and environmental control.

#### **Building**

To ensure that all buildings and structures are in accordance with current legislation.

#### **Engineering Management Services**

To efficiently, effectively and economically manage engineering assets and infrastructure.

#### **Recreation & Sport**

To provide and maintain sporting and recreational facilities and to encourage sporting and community groups to develop facilities, events and programs which improve the lifestyle of the community.

#### **Sewerage Services**

To provide an efficient and effective sewerage scheme for Kingaroy which meets all environmental standards.

#### **Rural Services**

To report on income, expenses and assets that the Council has determined can not be allocated or apportioned or apportioned to the functions listed above.



# KINGAROY SHIRE COUNCIL

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

		Consolidated	Council	Consolidated	Council
		2004	2004	2003	2003
		Actual	Actual	Actual	Actual
	Note	\$	\$	\$	\$
<b>3 Ordinary revenue activity comprises:</b>					
<b>Operating income:</b>					
General rates		3,786,739	3,786,739	3,603,422	3,603,422
Separate rates		796,435	796,435	799,798	799,798
Environment Levy		107,223	107,223	104,738	104,738
Water		684,175	684,175	577,017	577,017
Water consumption, rental and sundries		972,652	972,652	940,315	940,315
Sewerage		653,169	653,169	608,079	608,079
Garbage charges		711,525	711,525	644,588	644,588
Total rates and utility charges		7,711,918	7,711,918	7,277,957	7,277,957
Less: Discounts		(601,078)	(601,078)	(550,461)	(550,461)
Net rates and utility charges		7,110,840	7,110,840	6,727,496	6,727,496
Fees and Charges		1,997,022	768,052	1,598,525	665,753
Sales - Contract and recoverable works		1,883,751	1,883,751	1,428,598	1,428,598
Government grants, contributions and donations	7 (i)	2,534,820	2,416,720	2,328,955	2,234,913
Interest received from investments		330,421	330,421	158,179	158,179
Penalty interest from overdue rates and utility charges		31,690	31,690	36,516	36,516
Interest from trading bank interest income		-	-	(1,225)	(1,225)
Other Income		384,470	351,775	330,873	297,835
Total operating income		14,273,014	12,893,249	12,607,917	11,548,065
<b>Capital income</b>					
Government grants and contributions	7 (ii)	1,004,566	901,533	1,040,770	722,588
Gain on the sale of capital assets	8	-	-	-	-
Total capital income		1,004,566	901,533	1,040,770	722,588
<b>Revenue from ordinary activities</b>		<b>15,277,580</b>	<b>13,794,782</b>	<b>13,648,687</b>	<b>12,270,653</b>
<b>4 Ordinary expense activity comprises:</b>					
<b>Operating expenses:</b>					
Employee costs	9	5,225,583	4,350,976	5,236,495	4,426,527
Materials and services		5,095,136	4,501,321	4,088,723	3,597,050
Depreciation	10	2,905,401	2,870,572	2,195,726	2,195,726
Bank charges		23,725	23,725	19,208	19,208
Other expenses	11	156,854	156,854	119,110	119,110
Total operating expenses before interest		13,406,699	11,903,448	11,659,262	10,357,621
<b>Capital expenses</b>					
Loss on the sale of capital assets	8	415,269	415,269	581,041	581,041
Revaluation down of capital assets	17	899,583	899,583	-	-
Total capital expenses		1,314,852	1,314,852	581,041	581,041
<b>Expenses from ordinary activities</b>		<b>14,721,551</b>	<b>13,218,300</b>	<b>12,240,303</b>	<b>10,938,662</b>
<b>5 Borrowing costs</b>					
Finance costs charged by the Queensland Treasury Corporation		326,474	326,474	411,715	411,715
Finance costs relating to other bank loans		13,162	-	-	-
		339,636	326,474	411,715	411,715

# KINGARÖY SHIRE COUNCIL

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

For the period	1 July 2003 to 30 June 2004		Consolidated	Council	Consolidated	Council
			2004	2004	2003	2003
			Actual	Actual	Actual	Actual
	Note		\$	\$	\$	\$
<b>6 Reconciliation of revenues and expenses</b>						
<b>Total revenue for the period was derived from:</b>						
Total ordinary revenues	3		15,277,580	13,794,782	13,648,687	12,270,653
Deduct: Gain from disposal of capital assets sold	8		-	-	-	-
Add: Proceeds from disposal capital assets sold	8		284,315	284,315	434,402	434,402
Revenue per analysis of results by function	2 (a)		15,561,895	14,079,097	14,083,089	12,705,055
<b>Total expenses for the period were incurred as follows:</b>						
Expenses from ordinary activities	4		14,661,150	13,157,899	12,240,303	10,938,662
Borrowing costs	5		339,636	326,474	411,715	411,715
Deduct: Loss from disposal of capital assets sold	8		(415,269)	(415,269)	(581,041)	(581,041)
Add: Book value of capital assets sold	8		699,584	699,584	1,015,443	1,015,443
Expenses per analysis of results by function	2 (a)		15,285,101	13,768,688	13,086,420	11,784,779
<b>Result from ordinary activities</b>			<b>276,794</b>	<b>310,409</b>	<b>996,669</b>	<b>920,276</b>
<b>7 Grants, subsidies, contributions and donations</b>						
(i) Operational government grants, contributions and donations are analysed as follows.						
General purpose grants			1,793,604	1,793,604	1,640,223	1,640,223
State Government subsidies & grants			741,216	623,116	658,332	564,290
Donations of cash			-	-	400	400
Contributions			-	-	30,000	30,000
Total operational revenue	3		2,534,820	2,416,720	2,328,955	2,234,913
(ii) Capital government grants and contributions are analysed as follows.						
Monetary revenue constrained for capital purposes						
State Government subsidies & grants			688,650	638,380	978,646	660,464
Contributions			315,916	263,153	62,124	62,124
Total capital revenue	3		1,004,566	901,533	1,040,770	722,588
<b>8 Gain (loss) on the disposal of capital assets</b>						
(i) Proceeds from the sale of property, plant & equipment						
Less: Book value of property, plant & equipment sold			284,315	284,315	345,133	345,133
			699,584	699,584	905,443	905,443
			(415,269)	(415,269)	(560,310)	(560,310)
(ii) Proceeds from the sale of land						
Less : Book value of land sold			-	-	89,269	89,269
			-	-	110,000	110,000
			-	-	(20,731)	(20,731)
Total gain (loss) on the disposal of capital assets			(415,269)	(415,269)	(581,041)	(581,041)

# KINGAROY SHIRE COUNCIL

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

		Consolidated	Council	Consolidated	Council
		2004	2004	2003	2003
		Actual	Actual	Actual	Actual
	Note	\$	\$	\$	\$
<b>9 Employee costs</b>					
Operational wages and salaries		3,729,520	2,854,913	3,823,309	3,013,341
Councillors' remuneration		175,801	175,801	170,508	170,508
Annual, sick and long service leave entitlements		616,196	616,196	572,790	572,790
Superannuation	26	493,664	493,664	483,049	483,049
		5,015,181	4,140,574	5,049,656	4,239,688
Other employee related expenses		210,402	210,402	186,839	186,839
		5,225,583	4,350,976	5,236,495	4,426,527
Wages and salaries exclude capitalised wages charged to the construction of capital assets.					
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.					
Total Council employees at 30 June :		2004	2004	2003	2003
Administration		46	46	55	55
Depot and outdoors		67	67	71	71
Total full time equivalent staff		113	113	126	126
<b>10 Depreciation</b>					
Road and Bridge Network		634,279	634,279	578,787	578,787
Water		452,150	452,150	405,829	405,829
Sewerage		317,422	317,422	316,850	316,850
Drainage		61,461	61,461	57,755	57,755
Buildings		720,444	720,444	370,234	370,234
Plant and equipment		719,645	684,816	466,271	466,271
		2,905,401	2,870,572	2,195,726	2,195,726
<b>11 Other expenses</b>					
General expenses		128,113	128,113	73,229	73,229
Audit services		28,741	28,741	25,425	25,425
Donations paid		-	-	20,456	20,456
		156,854	156,854	119,110	119,110
<b>12 Cash assets</b>					
Cash at bank and on hand		4,916,061	5,112,400	4,073,201	3,949,088
		4,916,061	5,112,400	4,073,201	3,949,088
<b>Reconciliation to the statement of cash flows</b>					
Cash at the end of the period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:					
Balances as above		4,916,061	5,112,400	4,073,201	3,949,088
Bank overdraft	20	-	-	-	-
Balance per statement of cash flows		4,916,061	5,112,400	4,073,201	3,949,088
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		-			
Unspent government grants and subsidies	24 (i)	-	-	265,126	-
Unspent developer contributions	24 (i)	487,656	472,060	211,220	208,907
Unspent loan monies		502,999	502,999	1,005,000	1,005,000
Total unspent restricted cash for capital projects		990,655	975,059	1,481,346	1,213,907

Cash and deposits at call are held in the ANZ bank in normal savings and business accounts. These deposits are bearing floating interest rates between 3.65% and 4.46%

# KINGAROY SHIRE COUNCIL

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

	Consolidated	Council	Consolidated	Council
	2004	2004	2003	2003
	Actual	Actual	Actual	Actual
Note	\$	\$	\$	\$
<b>13 Receivables</b>				
<b>(i) Current</b>				
Ratable revenue and utility charges	355,313	355,313	282,488	282,488
	<u>355,313</u>	<u>355,313</u>	<u>282,488</u>	<u>282,488</u>
Fees and charges	388,153	283,511	607,580	518,185
Other debtors	11,521	11,521	7,712	7,712
Less: Allowance for doubtful debts	<u>(10,105)</u>	<u>(9,455)</u>	<u>(9,455)</u>	<u>(9,455)</u>
	389,569	285,577	605,837	516,442
Loans and advances	4,300	4,300	3,397	3,397
	<u>749,182</u>	<u>645,190</u>	<u>891,722</u>	<u>802,327</u>
<b>(ii) Non-current</b>				
Loans and advances	389	389	8,139	8,139
	<u>389</u>	<u>389</u>	<u>8,139</u>	<u>8,139</u>
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other				
<b>14 Tax assets</b>				
<b>Current</b>				
GST recoverable	125,235	125,235	62,547	62,547
Less - GST payable	<u>(33,491)</u>	<u>(33,491)</u>	<u>(43,062)</u>	<u>(43,062)</u>
	<u>91,744</u>	<u>91,744</u>	<u>19,485</u>	<u>19,485</u>
<b>15 Inventories</b>				
<b>Current</b>				
Stores, materials and gravel stockpiles	287,080	287,080	309,594	290,860
Plant parts and spares	29,027	29,027	29,957	29,957
Hospital Inventory	<u>47,385</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>363,492</u>	<u>316,107</u>	<u>339,551</u>	<u>320,817</u>
<b>16 Other financial assets</b>				
<b>Current</b>				
Prepayments	89,225	52,297	75,203	51,923
	<u>89,225</u>	<u>52,297</u>	<u>75,203</u>	<u>51,923</u>

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

### 17 (a) Consolidated property, plant and equipment

	Land held for resale	Land and improvements	Buildings	Plant and equipment	Road and Bridge Network	Water	Sewerage	Drainage	Total
Asset Values	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$
Opening gross value at cost	-	-	-	-	-	-	-	-	-
Additions at cost	436,700	6,475,177	19,464,644	7,326,210	79,308,068	28,266,235	15,353,802	4,912,274	161,543,110
Disposals	-	-	190,740	1,424,684	829,368	121,766	9,295	200	2,576,053
Revaluations in period	-	-	(20,000)	(648,192)	(544,463)	(83,300)	-	-	(1,295,955)
	-	-	853,600	221,000	-	9,632,695	2,818,606	-	13,525,901
Closing balance at gross value	436,700	6,475,177	20,488,984	8,323,702	79,592,973	37,937,396	18,181,703	4,912,474	176,349,109
Accumulated Depreciation									
Opening balance	-	-	10,597,011	2,852,185	19,127,913	14,701,550	8,984,294	1,074,159	57,337,112
Depreciation provided in period	-	-	720,444	719,645	634,279	452,150	317,422	61,461	2,905,401
Written off on disposals	-	-	(9,967)	(293,376)	(214,753)	(78,275)	-	-	(596,371)
Adjustment on asset revaluation	-	-	438,600	103,700	-	5,676,900	3,718,189	-	9,937,389
Accumulated depreciation at period end	-	-	11,746,088	3,382,154	19,547,439	20,752,325	13,019,905	1,135,620	69,583,531
Consolidated fair value at 30 June 2004	436,700	6,475,177	8,742,896	4,941,548	60,045,534	17,185,071	5,161,798	3,776,854	106,765,578
Consolidated fair value at 1 July 2003	436,700	6,475,177	8,867,633	4,474,025	60,180,155	13,564,685	6,369,508	3,838,115	104,205,998

# KINGAROY SHIRE COUNCIL

Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

## 17 (b) Council Property, plant and equipment

### Asset Values

Opening gross value at valuation

Additions at cost

Disposals

Revaluations in period

Closing gross value at valuation

Land held for resale	Land and improvements	Buildings	Plant and equipment	Road and Bridge Network	Water	Sewerage	Drainage	Total
2004 \$	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$	2004 \$
436,700	6,475,177	19,464,644	7,326,210	79,308,068	28,266,235	15,353,802	4,912,274	161,543,110
-	-	190,740	1,007,962	829,368	121,766	9,295	200	2,159,331
-	-	(20,000)	(648,192)	(544,463)	(83,300)	-	-	(1,295,955)
-	-	853,600	221,000	-	9,632,696	2,818,606	-	13,525,901
436,700	6,475,177	20,488,984	7,906,980	79,592,973	37,937,397	18,181,703	4,912,474	175,932,387

### Accumulated Depreciation

Opening balance

Depreciation provided in period

Written off on disposals

Adjustment on asset revaluation

Accumulated depreciation at period end

-	10,597,011	2,852,185	19,127,913	14,701,550	8,984,294	1,074,159	57,337,112
-	720,444	684,816	634,279	452,150	317,422	61,461	2,870,572
-	(9,967)	(293,376)	(214,753)	(78,275)	-	-	(596,371)
-	438,600	103,700	-	5,676,900	3,718,189	-	9,937,389
-	11,746,088	3,347,325	19,547,439	20,752,325	13,019,905	1,135,620	69,548,702

Fair value at 30 June 2004

436,700	6,475,177	8,742,896	4,559,655	60,045,534	17,185,071	5,161,798	3,776,854	106,383,685
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Fair value at 1 July 2003

436,700	6,475,177	8,867,633	4,474,025	60,180,155	13,564,685	6,369,508	3,838,115	104,205,998
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## KINGAROY SHIRE COUNCIL

# KINGAROY SHIRE COUNCIL

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

		Consolidated	Council	Consolidated	Council
		2004	2004	2003	2003
		Actual	Actual	Actual	Actual
	Note	\$	\$	\$	\$
<b>17 c. Property, plant and equipment valuations were determined by reference to the following:</b>					
<b>Land</b>					
Council valuation, which was undertaken in May 2002 by Australia Pacific Valuers Pty Ltd in accordance with Queensland Treasury guidelines.					
The Kingaroy Shire Council has control of:					
(a) Land under infrastructure - approximately 1,557km of roads (2001 - 1557km); and					
(b) 1,253ha (2001 - 1253ha) of reserve land that is a reserve under the Land Act 1994					
Land under infrastructure and reserve land does not have a value for the purpose of these financial statements.					
<b>Buildings</b>					
Council valuation, which was undertaken in June 2002 by Australia Pacific Valuers Pty Ltd					
<b>Plant and Equipment</b>					
Council valuation of assets, provided by Australia Pacific Valuers Pty Ltd in June 2002.					
Plant and equipment under the value of \$50,000 and mobile plant and equipment with an expected life of under five years is not revalued.					
<b>Infrastructure</b>					
Current replacement cost for all Water and Sewerage Assets has been provided by the independent valuer John Wilson and Partners Pty Ltd , Consulting Engineers in June 2004.					
Valuation of all other infrastructure assets, being the current replacement cost has been determined by Council's Director of Engineering Services, Mr John Kersnovski. (B.E.Civil, L.G.E., M.I.E.Aust., F.I.M.E. Aust., R.P.E.Q., C.P.) in June 1998.					
<b>18 Capital work in progress</b>		1,941,451	1,941,451	685,869	487,019
		<u>1,941,451</u>	<u>1,941,451</u>	<u>685,869</u>	<u>487,019</u>
<b>19 Payables</b>					
<b>Current</b>					
Creditors and accruals		783,968	609,484	676,214	448,990
		<u>783,968</u>	<u>609,484</u>	<u>676,214</u>	<u>448,990</u>
<b>20 Interest bearing liabilities</b>					
<b>Current</b>					
Loans	25	1,530,995	1,530,995	1,464,732	1,464,732
		<u>1,530,995</u>	<u>1,530,995</u>	<u>1,464,732</u>	<u>1,464,732</u>
<b>Non-Current</b>					
Loans	25	3,863,607	3,863,607	4,256,834	4,256,834
		<u>3,863,607</u>	<u>3,863,607</u>	<u>4,256,834</u>	<u>4,256,834</u>
<b>21 Provisions</b>					
<b>Current</b>					
Employee benefits:					
Annual leave		670,571	634,313	627,339	596,923
Long service leave		782,086	782,086	672,379	672,379
		<u>1,452,657</u>	<u>1,416,399</u>	<u>1,299,718</u>	<u>1,269,302</u>
<b>Non-Current</b>					
Employee benefits:					
Long service leave		79,074	79,074	103,206	103,206
		<u>79,074</u>	<u>79,074</u>	<u>103,206</u>	<u>103,206</u>

# KINGAROY SHIRE COUNCIL

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

	Consolidated	Council	Consolidated	Council
	2004	2004	2003	2003
	Actual	Actual	Actual	Actual
Note	\$	\$	\$	\$
<b>22 Other liabilities</b>				
<b>Current</b>				
Unearned revenue	41,766	41,766	37,896	37,896
	<u>41,766</u>	<u>41,766</u>	<u>37,896</u>	<u>37,896</u>
<b>23 (i) Asset revaluation reserve</b>				
Movements in the asset revaluation reserve were as follows:				
Balance 1 July 2003	4,961,675	4,961,675	-	-
Net adjustment to non-current assets at end of period to reflect a change in current fair value:				
Land and improvements	-	-	425,510	425,510
Buildings	415,000	415,000	3,800,663	3,800,663
Plant and equipment	117,300	117,300	673,802	673,802
Water	3,955,795	3,955,795	-	-
Land held for sale	-	-	61,700	61,700
Balance 30 June 2004	<u>9,449,770</u>	<u>9,449,770</u>	<u>4,961,675</u>	<u>4,961,675</u>
<b>(ii) Asset revaluation reserve analysis</b>				
The closing balance of the asset revaluation reserve is comprised of the following asset categories:				
Capital Land held for sale	61,700	61,700	61,700	61,700
Land and improvements	425,510	425,510	425,510	425,510
Buildings	4,215,663	4,215,663	3,800,663	3,800,663
Plant and equipment	791,102	791,102	673,802	673,802
Water	3,955,795	3,955,795	-	-
	<u>9,449,770</u>	<u>9,449,770</u>	<u>4,961,675</u>	<u>4,961,675</u>
<b>(ii) Retained surplus</b>				
Movements in the retained surplus were as follows:				
Retained surplus at the beginning of financial year	95,512,853	95,594,665	94,984,555	94,864,216
Result from ordinary activities	216,393	250,008	996,669	920,276
Transfers from (to) capital reserves for future capital project funding or from reserves/funds that have been expended:				
Constrained Works Reserve	(11,310)	(263,153)	(267,439)	-
Asset Replacement Reserve	216,231	216,231	(153,106)	(153,106)
Transfers (to) recurrent reserves for future recurrent project funding or from reserves/funds that have been expended:	-	-	-	-
Carryover income reserve	(11,422)	(22,527)	(47,826)	(36,721)
Retained surplus at the end of the financial year	<u>95,490,283</u>	<u>95,342,762</u>	<u>95,512,853</u>	<u>95,594,665</u>



# KINGAROY SHIRE COUNCIL

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

	Consolidated	Council	Consolidated	Council
	2004	2004	2003	2003
	Actual	Actual	Actual	Actual
Note	\$	\$	\$	\$
<b>24 Other Reserves</b>				
(a) Reserves held for funding future capital expenditure:				
(i) Constrained works reserve	487,656	472,060	476,346	208,907
(ii) Asset Replacement reserve	1,533,545	1,533,545	1,317,314	1,317,314
	<u>2,021,201</u>	<u>2,005,605</u>	<u>1,793,660</u>	<u>1,526,221</u>
(b) Reserves held for funding future recurrent expenditure:				
(i) Carryover income reserve	203,802	203,802	192,380	181,275
	<u>203,802</u>	<u>203,802</u>	<u>192,380</u>	<u>181,275</u>
Total reserves	<u>2,225,003</u>	<u>2,209,407</u>	<u>1,986,040</u>	<u>1,707,496</u>
(d) Movements in general reserves are analysed as follows:				
(c) Movements in capital reserves are analysed as follows:				
(i) Constrained works reserve				
Balance 1 July 2003	476,346	208,907	208,907	208,907
Net transfers from (to) retained earnings	11,310	263,153	267,439	-
Balance 30 June 2004	<u>487,656</u>	<u>472,060</u>	<u>476,346</u>	<u>208,907</u>
(ii) Asset Replacement reserve				
Balance 1 July 2003	1,317,314	1,317,314	1,164,208	1,164,208
Net transfers from (to) retained earnings	216,231	216,231	153,106	153,106
Balance 30 June 2004	<u>1,533,545</u>	<u>1,533,545</u>	<u>1,317,314</u>	<u>1,317,314</u>
(d) Movements in recurrent reserves are analysed as follows:				
(i) Carryover income reserve				
Balance 1 July 2003	192,380	181,275	144,554	144,554
Net transfers from (to) retained earnings	11,422	22,527	47,826	36,721
Balance 30 June 2004	<u>203,802</u>	<u>203,802</u>	<u>192,380</u>	<u>181,275</u>
<b>25 Loans</b>				
Queensland Treasury Corporation	<u>5,394,602</u>	<u>5,394,602</u>	<u>5,721,566</u>	<u>5,721,566</u>
Classified as :				
Current	1,530,995	1,530,995	1,464,732	1,464,732
Non-current	<u>3,863,607</u>	<u>3,863,607</u>	<u>4,256,834</u>	<u>4,256,834</u>
	<u>5,394,602</u>	<u>5,394,602</u>	<u>5,721,566</u>	<u>5,721,566</u>
Queensland Treasury Corporation				
Opening balance	5,721,566	5,721,566	5,833,689	5,833,689
Loans raised	1,150,577	1,150,577	1,100,000	1,100,000
Principal repayments	<u>(1,477,542)</u>	<u>(1,477,542)</u>	<u>(1,212,123)</u>	<u>(1,212,123)</u>
Book value at period end	<u>5,394,602</u>	<u>5,394,602</u>	<u>5,721,566</u>	<u>5,721,566</u>

The loan market value at balance date was \$5,389,534. This represents the value of the debt if the Council repaid it at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts. The loans are held in their respective program accounts. The interest rate on Queensland Treasury Corporation borrowings range from 4.29% to 9.04%. Based on the current level of repayments the expected term of total debt is 17.39 years (2003 - 14 years). Borrowings are all in Australian dollars and are underwritten by the Queensland State Government.

# KINGAROY SHIRE COUNCIL

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

	Consolidated	Council	Consolidated	Council
	2004	2004	2003	2003
	Actual	Actual	Actual	Actual
Note	\$	\$	\$	\$

### 26 Superannuation

The Kingaroy Shire Council contributes to the local government superannuation scheme (the scheme). The scheme has both defined benefits and accumulation arrangements, provided for in accordance with statutory requirements. Assets accumulate in the fund to meet member's benefits as they accrue. If that portion of the assets of the plan, intended to support employees' defined benefits, is sufficient to satisfy such entitlements payable to scheme beneficiaries, then the level and form of such benefits would need to be revised. All persons becoming permanent employees as from 1 July 1998 contribute to the scheme for defined contribution entitlements; the defined benefit section of the scheme having been closed to new entrants from that date.

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

The audited general purpose financial statements of the scheme as at 30 June 2003 (the most recent available) which were not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits. No liability for the Council has been recognised as at the reporting date in respect of superannuation benefits for its employees.

The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at the 30 June 2003. 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 amount of superannuation contributions paid by Kingaroy Shire Council to the superannuation scheme in this period for the benefit of employees was:

472,354	472,354	458,601	458,601
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The Kingaroy Shire Council also contributes to the scheme for the benefit of elected members. The amount of contributions paid for this benefit during the reporting period was:

21,310	21,310	24,448	24,448
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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.

### 27 Conditions over contributions

Contributions and grants which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date.

Grants for expenditure on infrastructure	-	-	-	-
Contributions to various capital projects	-	-	-	-
	-	-	-	-

Contributions and Grants which were recognised as revenues in a previous reporting period and were expended during the current reporting period in accordance with the council's obligations.

Grants expended on infrastructure	-	-	-	-
Contributions expended on infrastructure	-	-	-	-
Net increase (decrease) in restricted asset (cash) at period end	-	-	-	-

# KINGAROY SHIRE COUNCIL

## Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

	Consolidated	Council	Consolidated	Council
	2004	2004	2003	2003
	Actual	Actual	Actual	Actual
Note	\$	\$	\$	\$
<b>28 Trust Funds</b>				
Security deposits	162,737	162,737	99,451	99,451
	<u>162,737</u>	<u>162,737</u>	<u>99,451</u>	<u>99,451</u>
The Kingaroy 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.				
<b>29 Reconciliation of result from ordinary activities to net cash inflow (outflow) from operating activities</b>				
Result from ordinary activities	216,393	250,008	996,669	920,276
Non-cash operating items:				
Depreciation and amortisation	2,905,401	2,870,572	2,195,726	2,195,726
	650	-	-	-
Revaluation down of capital assets	899,583	899,583	-	-
	<u>3,805,634</u>	<u>3,770,155</u>	<u>2,195,726</u>	<u>2,195,726</u>
Investing and development activities :				
Net (profit) loss on disposal of non current assets	415,269	415,269	581,041	581,041
Payment for land for sale and development costs in the period	-	-	-	-
	<u>415,269</u>	<u>415,269</u>	<u>581,041</u>	<u>581,041</u>
Changes in operating assets and liabilities :				
(Increase) decrease in receivables	70,534	85,781	(177,253)	(148,604)
(Increase) decrease in other operating assets	(37,963)	4,336	39,930	(13,497)
Increase (decrease) in payables	111,624	164,364	319,432	221,672
Increase (decrease) in employee provisions	128,807	122,965	84,379	55,077
Increase (decrease) in other provisions	-	-	-	-
	<u>273,002</u>	<u>377,446</u>	<u>266,488</u>	<u>114,648</u>
<b>Net cash inflow from operating activities</b>	<u>4,710,298</u>	<u>4,812,878</u>	<u>4,039,924</u>	<u>3,811,691</u>

## 30 Controlled Entity

Kingaroy Shire Council has a controlling interest in the Kingaroy Private Hospital Limited, a company limited by guarantee.

The constitution states that the membership will consist of permanent members and that the Council is the permanent member. The Council is responsible for the appointment of all directors thereby effecting ultimate control of the company's affairs.

The company commenced trading as the South Burnett Community Private Hospital in May 2002. The land and buildings used by the hospital were acquired by the Council in February 2002 and are leased to the company under a six year lease agreement. The Council has also leased computer equipment and software under a three year lease agreement.

The financial results of the company are consolidated into the Council's financial statements.

## 31 Contingent Liability

The Council has entered into an agreement to purchase a right to a 90 Megalitre water allocation along the Tarong Pipeline amounting to \$180,000. This amount was paid on 29 July 2004.

Council is committed to a contract for the construction of a new works depot at a total cost of \$1.4m. As of the reporting date \$1.181m had been paid to the contractors. The balance of the funds will be paid in the 2005 financial year.

## KINGAROY SHIRE COUNCIL

### Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

#### 32 Financial instruments

##### (a) Credit risk exposure

The credit risk on financial assets of the Council (consolidated) which have been recognised on the statement of financial position other than investments in shares, is generally the carrying amount, net of provision for doubtful debts.

The Council (consolidated) has no major concentration of credit risk to any single debtor or group of debtors.

##### (b) 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 from assets and liabilities bearing variable interest rates as the Council (consolidated) intends to hold fixed assets and liabilities to maturity.

Financial Instruments	Note	Floating interest rate		Fixed interest rate		Non-interest bearing		Total	Total
		2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
<b>Financial assets</b>									
Cash assets	12	4,912,361	4,069,701	-	-	3,700	3,500	4,916,061	4,073,201
Receivables	13	-	-	360,002	294,024	389,569	605,837	749,571	899,861
Tax assets	14	-	-	-	-	91,744	19,485	91,744	19,485
		4,912,361	4,069,701	360,002	294,024	485,013	628,822	5,757,376	4,992,547
<b>Financial liabilities</b>									
Payables	19	-	-	-	-	783,968	676,214	783,968	676,214
Loans - QTC *	25	5,394,602	5,721,566	-	-	-	-	5,394,602	5,721,566
		5,394,602	5,721,566	-	-	783,968	676,214	6,178,570	6,397,780
<b>Net financial assets</b>		(482,241)	(1,651,865)	360,002	294,024	(298,955)	(47,392)	(421,194)	(1,405,233)

\* QTC - denotes Queensland Treasury Corporation

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

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

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

The net fair value of non-traded equity investments is an assessment by the Council based on the underlying net assets, future maintainable earnings any special circumstances pertaining to a particular investment.

## KINGAROY SHIRE COUNCIL

Notes to the Financial Statements

For the period 1 July 2003 to 30 June 2004

### 32 National Competition Policy

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

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

##### (a) Roads business activity:

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

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

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

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

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

Water and Sewerage

Refuse Management

Other Roads

The following table summaries the financial results for these, including competitive neutrality adjustments if applicable. Full information is available for inspection at the council offices.

#### (b) Financial performance of activities subject to competition reforms:

	Water and Sewerage		Refuse Management		Other Roads	
	2004	2003	2004	2003	2004	2003
	\$	\$	\$	\$	\$	\$
Revenue for services provided to the Council	-	-	-	-	2,659	1,372
Revenue for services provided to external clients	1,868	3,014	613	616	2,607	3,043
* Community service obligations	207	805	397	117	-	-
	2,075	3,819	1,010	733	5,266	4,415
Less : Expenditure	1,880	2,130	944	704	5,009	4,314
Surplus (deficiency)	195	1,689	66	29	257	101

### 32 National Competition Policy - continued

#### (c) CSO's were paid during the reporting period to the following activities.

Activities	CSO description	Actual
Water and Sewerage	Uneconomical Service Supply	49
	Provision of Treated Effluent to Community Facilities	158
Refuse Management	Public Provision of Dumping Facilities	397

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**KINGAROY SHIRE COUNCIL**

**ANNUAL FINANCIAL STATEMENTS**

For the period 1 July 2003 to 30 June 2004

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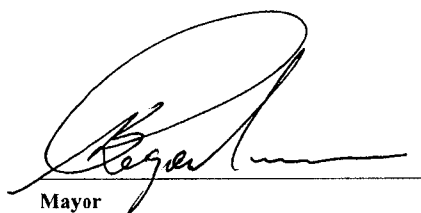
**MANAGEMENT CERTIFICATE**

For the period 1 July 2003 to 30 June 2004

This general purpose financial report has been prepared pursuant to Section 532 of the *Local Government Act 1993*, the *Local Government Finance Standards 1994* ( the Standard ) and other prescribed requirements.

In accordance with Section 54 of the Standard we certify -

- (i) the requirements under the *Local Government Act 1993* for the keeping of the accounts have been complied with in all material respects; and
- (ii) the financial statements for the year ended 30 June 2004 and supporting notes presents the Council's operating results, cash flows and financial position as required by the *Local Government Act 1993*.



Mayor

Date: 25 / 10 / 2004



Chief Executive Officer

Date: 25 / 10 / 2004

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## INDEPENDENT AUDIT REPORT

### TO THE MAYOR OF KINGAROY SHIRE COUNCIL

#### **Matters Relating to the Electronic Presentation of the Audited Financial Statements**

The audit report relates to the financial statements of Kingaroy Shire Council for the financial year ended 30 June 2004 included on Kingaroy Shire Council's web site. The Council is responsible for the integrity of the Kingaroy Shire Council's web site. The audit report refers only to the financial statements identified below and does not include a review of the integrity of this web site or provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements, available from Kingaroy Shire Council, to confirm the information included in the audited financial statements presented on this web site.

These matters also relate to the presentation of the audited financial statements in other electronic media including CD Rom.

#### **Scope**

##### *The Financial Statements*

The financial statements include the consolidated financial statements of the economic entity comprising Kingaroy Shire Council and the entities it controlled at the year's end or from time to time during the year. The financial statements of Kingaroy Shire Council consist of the statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flows, statement to which the code of competitive conduct applies, notes to and forming part of the financial statements and certificates given by the Mayor and Chief Executive Officer for the year ended 30 June 2004.

##### *Council's Responsibility*

The Council is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

##### *Audit Approach*

As required by law, an independent audit was conducted in accordance with QAO Auditing Standards to enable me to provide an independent opinion whether in all material respects the financial statements are presented fairly, in accordance with the prescribed requirements.

##### *Audit procedures included –*

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial statements;
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council;
- obtaining written confirmation regarding the material representations made in conjunction with the audit; and
- reviewing the overall presentation of information in the financial statements.

#### **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 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 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.

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## Audit Opinion

In accordance with s.532 of the *Local Government Act 1993* –

- (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 establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the statements have been drawn up so as to present a true and fair view in accordance with the prescribed accounting standards of the transactions of the Kingaroy Shire Council and the economic entity for the financial year 1 July 2003 to 30 June 2004 and of the financial position as at the end of that year.

R G Hills, CA  
as Delegate of the Auditor-General of Queensland

27<sup>th</sup> October 2004