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What makes *Wondai Shire* a winner?

People - Progress - Diversity - Direction

The friendly shire – just ask the judges of the Tidy Towns Award. Thanks to the natural friendly nature of the *people* of the Shire, Wondai has been judged the Wide Bay Burnett's Friendliest Town. A visit to any of our Council owned attractions (Heritage Museum, Art Gallery, Boondooma Homestead, Lake Boondooma, Timber Museum and Visitor Information Centre), will show you why this award is very apt.

Although small in size, with a current population of only 4270, others are now finding out what makes Wondai Shire a winner. This year has seen unprecedented *progress* with the shire experiencing tremendous growth in residential, business and industrial areas. Building approvals for the past year have increased by more than 120% from \$3.4M to over \$7.5M. Even the Council's own residential development (Parkside Estate) attracted an unprecedented response. Sought after –or should we say SOLD OUT! *

Why is this happening in Wondai Shire you ask? Well, the reason is our *diversity*. Wondai Shire appeals to a broad range of people. Live, work, retire or holiday – Wondai Shire has something for everyone AND we are only 2 hours from the Sunshine Coast and 3 hours from Brisbane.

So where to from here? The people and facilities are what makes Wondai Shire a great place to live, work or holiday. Council is committed to supporting our residents and businesses by providing facilities and services that make living and working in the shire both attractive and comfortable. The *direction* Council has set in our new Corporate Plan for 2004-2008 will ensure this happens.

* 36 allotments sold as at 30.06.04 - all sold as at date of publication

What we have

at a glance



- Provided a new skate park facility for our younger residents
- Implemented a new compassionate policy on rate recovery
- Appointed a new Workplace Health and Safety Coordinator in conjunction with Murgon and Kilkivan Shires
- Reconstructed, widened and bitumen sealed a total length of 8 kilometres of existing Council roads and declared main roads
- Installed a new fuel facilities at Lake Boondooma as an additional service for visitors
- Extended the Wondai Shire Art Gallery with the addition of a workshop
- Commenced the extension to the Col Morris Public Library
- Built a new public toilet facility in McKell Park
- Purchased a new John Deere 670CH grader
- Commenced development of 39 residential allotments in Parkside Estate
- Installed a new filtration plant at the Proston swimming pool
- Contributed to upgrade of tennis courts at Chelmsford
- Reduced our debt levels from \$2.5M to \$2.36M
- Installed a new wash and precoat plant at the Wondai Shire quarry.



Mayor's Message

It is my pleasure to introduce you to our Annual Report that highlights our achievements for the 2003/2004 financial year.

Building activity is at an all time high and population growth, due to this expansion, is at the highest level ever seen in our shire's history.

It is very pleasing to see the activity at the Wondai Industrial Estate. This area is an example of a modern and well maintained environment for businesses to establish and grow. It is in full view of the public, but unlike normal industrial estates, actually adds to the picturesque setting of the town.

Property values have risen dramatically in urban areas of the shire. The attraction of our lifestyle, with our ideal living and working conditions and our country hospitality is drawing people to all parts of our wonderful shire. Council has again taken the initiative and commenced development of 39 residential allotments in Parkside Estate to meet the demand.

The boom in tourism to our region is continuing with visitor numbers increasing at the Timber Museum and Wondai Visitor Information Centre. Visitor numbers have also improved at Lake Boondooma Camping and Recreation Area. Tourists and anglers are now well served by the addition of new fuel facilities at Lake Boondooma. This was a much needed addition to the services we are providing and will help to improve one of our shire's major tourist attractions.

Road maintenance and construction has again been a major part of our budget activity. After 10 years of funding from the Main Roads Department, the Tingoora to Durong section of the Chinchilla Wondai Road is finally two lanes. Shire road reseals have been a priority and we will continue to maintain this important infrastructure. The federally funded Roads to Recovery program has enabled us to undertake additional works to improve our road network for the benefit of our shire residents.

"Building activity is at an all time high and population growth, due to this expansion, will be at the highest levels ever seen in our shire's history. "

Consultation with a group of young residents of Wondai township raised the issue of a skate park. This was seen as a much needed facility for our children to provide a safe and appropriate venue for them to gather and practise their skills. Funding was applied for and the building of the skate park was constructed under the watchful eye and direction of some very eager end users.

With the need for additional workshop area in the Wondai Shire Art Gallery, it was agreed by Council

to apply for funding for an extension. This building work has now been completed and will be used for additional office space, storage and work area. Also included in the new Gallery extension is an unloading area which will make the job of unloading vehicles and bringing the art work into the Gallery much easier.

It was certainly my pleasure to be a part of the Testimonial Dinner for past Mayor, Percy Iszlaub. It was a wonderful night and one that I would hope he will not forget. His stewardship and passion over the last 22 years while he was Chairman/ Mayor (36 years member of Council) has seen the shire progress and it is one of the reasons that the council is held in high esteem in the region.

I would like to thank all of the staff for their dedication to the Council and shire. I would like to especially thank Chief Executive Officer, Alan Keates OAM, for his assistance after my election to Mayor and for the smooth transfer into office of the newly elected councillors.

Our shire is very well placed for the future, and with good governance we can look forward to living in a wonderful Wondai Shire.

David Carter
Mayor

Chief Executive Officer's Report



This Annual Report reflects a year of considerable growth particularly in the area of building activity. The value of building approvals were \$7.5M, an increase of \$4.1M or 121 percent on last year, including some 53 new and relocated dwellings.

The increase in building activity has brought with it the need to develop more residential allotments in Wondai and during the year staff successfully marketed the new Council Parkside Residential Estate with all allotments being sold as we go to publication.

Development applications currently before Council include a proposed retirement village with 101 independent living units, a residential estate of 30 allotments and a caravan park. Approval has also been given to develop a further 47 rural residential allotments.

There is no doubt that the present and proposed developments will deliver improved economic benefits to our community.

Tourism continues to play an important role in providing much needed economic benefits to the shire and South Burnett Region. The number of people visiting South Burnett Visitor Information Centres in 2003/04 reveals that Wondai leads the way with 16727 visitors followed by Kingaroy 16572, Murgon 9488 and Nanango 9417.

The Council's South Burnett Timber Industry Museum, Woodcrafters' Workshop, Boondooma Homestead, Lake Boondooma Camping and Recreation Area, Wondai Heritage Museum and Art Gallery are contributing significantly to the growth of tourism in the South Burnett Region. A recent State Government commissioned economic survey has found that visiting anglers to Lake Boondooma are contributing \$3.1M in economic benefits to the region.

"There is no doubt that the present and proposed developments will deliver improved economic benefits to our community."

The decision of past Mayor, Percy Iszlaub AM, and a number of Councillors not to contest the March 2004 election resulted in eight new Councillors being elected/appointed to Council. For the first time in the history of the Council the number of candidates nominated for the election did not exceed the number required to be elected. This resulted in the appointment of one Councillor being made by the Governor in Council.

To the past Council led by Mayor, Percy Iszlaub AM, I would like to place on record my sincere thanks for their assistance and support.

I would also like to congratulate Mayor

David Carter on his election and I look forward to continuing the productive working partnership between Councillors, Staff and the Community.

The adoption of our Corporate Plan for 2004/2008 will allow Council to meet the challenges ahead and pursue our vision "to continue to build an affordable, attractive and well resourced community in which to live and work".

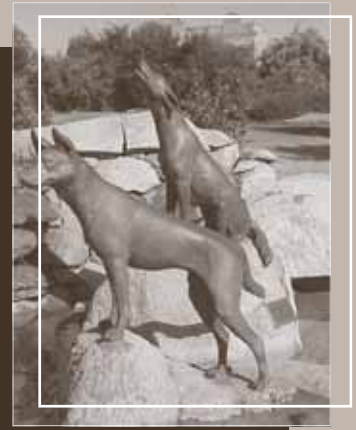
Financial management remains a top priority for Council. This year there has been a marked improvement in our performance and strategies have been put in place to ensure adequate funds are available for the maintenance and replacement of assets in the future.

Resource sharing between Councils continues with the joint employment of a Workplace Health and Safety Co-ordinator between Murgon, Kilkivan and Wondai shires. I would expect that in the future matters such as waste management will also feature collaboration between shires. It is important that we continue to foster regional co-operation that will deliver services in an economical, efficient and effective way.

It is indeed an honour and a privilege for me to lead a dedicated and committed team of Senior Managers and staff who continue to achieve positive outcomes for the Shire.

Alan Keates OAM, FLGMA
Chief Executive Officer

Corporate Governance



Our Vision

Council's vision is to build a better community by working in partnership with residents and regional organisations of Local, State and Federal Governments.

Our Goal

Council's goal is to support the sustainable development of Wondai Shire's economy, which will encourage business opportunities and employment.

Question: How does Council ensure we reach our vision and achieve our goal?

Answer: By having an effective Corporate Governance Framework in place.

So What Is Corporate Governance?

Corporate Governance is the way Wondai Shire Council is managed and directed. It is how Council ensures it is working effectively for YOU as a ratepayer.

Corporate Governance includes the practices, processes and controls that Council adopts to protect and promote the interests of our ratepayers.

For Wondai Shire Council, this means having:

- A) strong leadership,
- B) a supportive management environment,
- C) effective risk management processes, and
- D) proper accountability, evaluation and monitoring of our performance.

Corporate Governance

A) Strong Leadership

The Chief Executive Officer

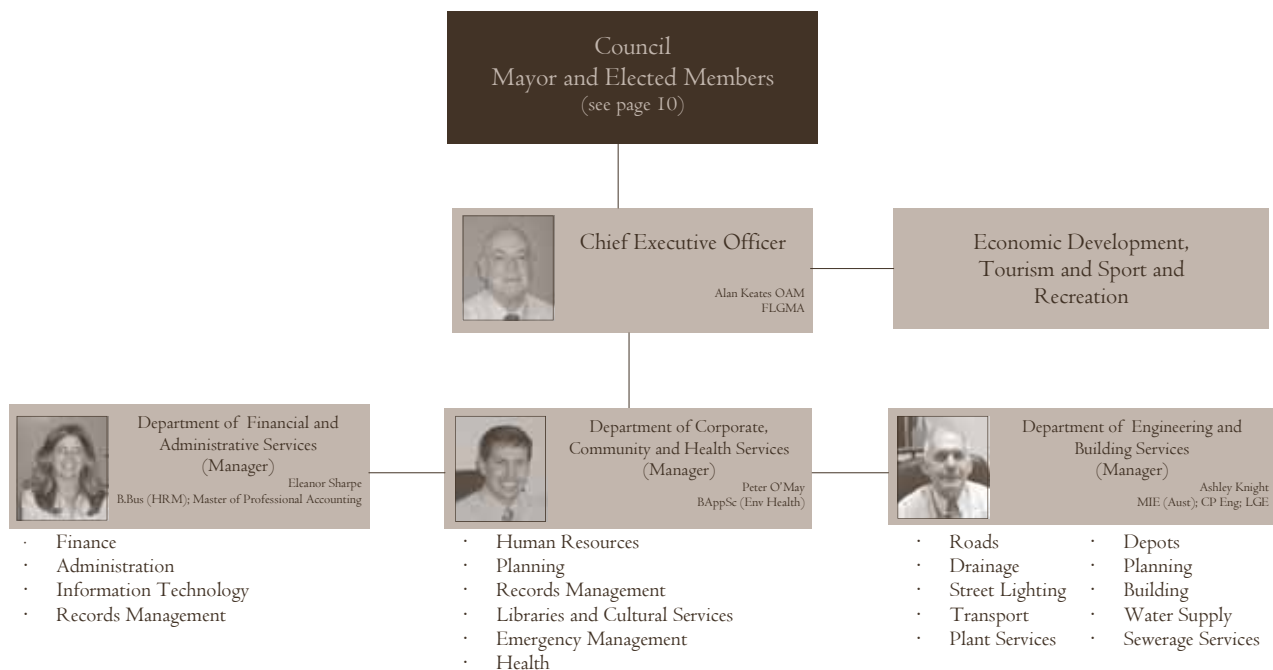
Council's Chief Executive Officer (CEO), Alan Keates OAM, has been with Council for 39 years. The CEO provides strong leadership and advice to management and staff in implementing the decisions of Council.

The CEO is supported in his role by various levels of management. Each month, middle and senior management meet to discuss the progression of the goals in the current Operational Plan. The senior management team for 2003/04 is shown in the organization structure chart below.

Councillors

Under the Local Government Act 1993, councillors are responsible for representing the overall public interest of the shire. They decide the overall vision of Council and subsequently the goals of Council, which then govern the type of facilities and services Council provides for you as a ratepayer.

This year saw the swearing in of a new Council on 7 April 2004. The long career of Percy Iszlaub AM as the Mayor/Councillor for 36 years finished with him choosing not to stand for re-election.



B) A Supportive Management Environment

Planning

With the new Council in place, a Corporate Plan for 2004-2008 has been developed. Each year council also develops an Operational Plan that shows in detail those particular goals Council is focussing on in that 12 month period and strategies to achieve these goals. Of course, these are both flexible documents and are adjusted to accommodate any changes in the Council needs to ensure appropriate services continue to be provided to ratepayers. Both the Corporate

and Operational Plans are available from the Council Office.

The Council's yearly budget is linked directly to the goals and strategies developed in the Operational Plan. Council tables a preliminary budget in April/May each year for the next financial year. A finalised budget is then tabled in July.

Corporate Governance

Staff

As the most important resource in any business, Council is committed to ensuring our workforce are provided with appropriate training to ensure they are able to perform their duties safely and to a high standard. This year, nine employees undertook the electrical awareness course which authorises them to work near power lines. All new staff undertook a general induction program as well as the construction safety induction course if they are required to work in this area.

All employees of Council are bound by our Code of Conduct. This document is provided to all employees during their induction and is a statement of principles to guide employee's behaviour.

Council and employees have worked collaboratively as part of the enterprise bargaining process to improve productivity and efficiencies in the workplace. The agreement for this year was the 4th Enterprise Agreement.

C) Effective Risk Management Processes

Disaster Management

Council is currently developing a new Natural Disaster Mitigation Plan, which identifies potential risks and implements steps to prevent or minimise disasters actually occurring (eg ensure new developments are not built in flood prone areas). A Counter Disaster Plan is also in place that provides guidance in managing a disaster after it occurs (eg bush fires or severe storms).

Council has also developed a Strategic Information Technology Plan which details what needs to be done in the event of a disaster within the council chambers (eg. fire). This ensures that disruptions as a result of a disaster are minimised.

Health and Safety

Council is a member of Local Government Workcare, which is a self insurance scheme for workers' compensation claims. As a requirement of this scheme, Council recently upgraded our Health and Safety Management System called "Safe Plan". Council is also upgrading a number of our work locations to ensure the requirements of the Workplace Health and Safety Act are met.

This year also saw the appointment of a Workplace Health & Safety Officer in conjunction with Murgon and Kilkivan shires.

Financial Risk

Council is required to insure its assets in accordance with the Local Government Act 1993. Like all other industries, Council's insurance costs have significantly increased over the last few years.

An Accounting Manual and Purchasing Policy have been developed to guide staff in the performance of their jobs. Financial Reports are also provided monthly to Council and detail our financial position and performance against projected budgets. Council is also audited once a year, on behalf of the Queensland Audit Office, by external auditors.

D) Proper Accountability, Evaluation and Monitoring of our Performance

Reporting

A report showing our performance against the goals in our Operational Plan is provided to Council on a quarterly basis. In addition, financial reports are tabled at council meetings each month.

An Annual Report (this document) is produced yearly to show the community and other stakeholders how we have performed against our goals and objectives in the Corporate and Operational Plans.

Quality Assurance

Council is also a Quality Assured Supplier meeting the standards required by AS/NZS ISO 9002:1994

Registers and Delegations

The Chief Executive Officer maintains a Register of personal interest for all Councillors and senior officers. The Chief Executive Officer is also responsible for delegating authority to staff and maintaining a register of this delegation.

Councillors



Remuneration:

Council resolution 23 June 2004:

Moved Cr G.L. Smith, Seconded Cr K.N. Polzin that the basis for remuneration of Councillors be adopted as follows:

A Daily Allowance – Shall be calculated at the daily rate of pay of Level 6, increment 3 of the Queensland Local Government Officers Award, rounded to the nearest dollar (presently \$179.00 per day).

B General meetings of the Council – 70 percent of daily allowance rounded to the nearest dollar.

Authorised Inspections

- a) over four hours – daily allowance.
- b) under four hours – 60 percent of daily allowance rounded to nearest dollar.

Authorised deputation or conference (including travelling time)

- a) over four hours – daily allowance
- b) under four hours – 60 percent of daily allowance rounded to the nearest dollar

Council representative or other bodies

- a) over four hours – daily allowance.
- b) under four hours – 60 percent of daily allowance rounded to the nearest dollar.

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.

C Monthly Allowance – To compensate Councillors for attending civic ceremonies, resident enquiries, administration matters, telephone use and general inspections within the Shire. Councillors shall be entitled to the following monthly allowances.
Mayor – 8 times the daily allowance
Deputy Mayor – 3 times the daily allowance
Councillors – 2 times the daily allowance

D Car Allowance – Councillors who provide their 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 (presently 57.08 cents per kilometre).

E Councillors who attend a meeting, deputation or conference or make an inspection mentioned herein shall be entitled to be paid expenses necessarily incurred by them 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 the use of the Mayor on council business

Carried

Councillors

Previous Council (prior 27.03.04)



Councillors Remuneration 01.07.03 - 27.03.04

Councillors Name	Council Meetings Attended	Other Meetings Conferences & Workshops	Meeting Fees & Allowances \$	Travelling Allowance \$	Total Remuneration \$	Superannuation Contributed by Council \$
Cr Percy Iszlaub AM	15	62	18,677	-	18,677	-
Cr David Carter	16	32	10,423	3,431	13,854	1,512
Cr Des Bird	16	2	3,732	175	3,907	552
Cr Bill Etherington	16	7	4,042	947	4,989	-
Cr Merv Hansen	16	7	4,205	350	4,555	-
Cr Clarrie Marquardt	16	11	4,775	223	4,998	-
Cr Graham Pollock	16	23	5,540	239	5,779	802
Cr Gil Smith	16	15	4,483	-	4,483	636
Cr Michael Duff	16	13	5,086	1,635	6,721	734
Cr Margaret Compagnoni	16	10	4,222	-	4,222	-

Present Council

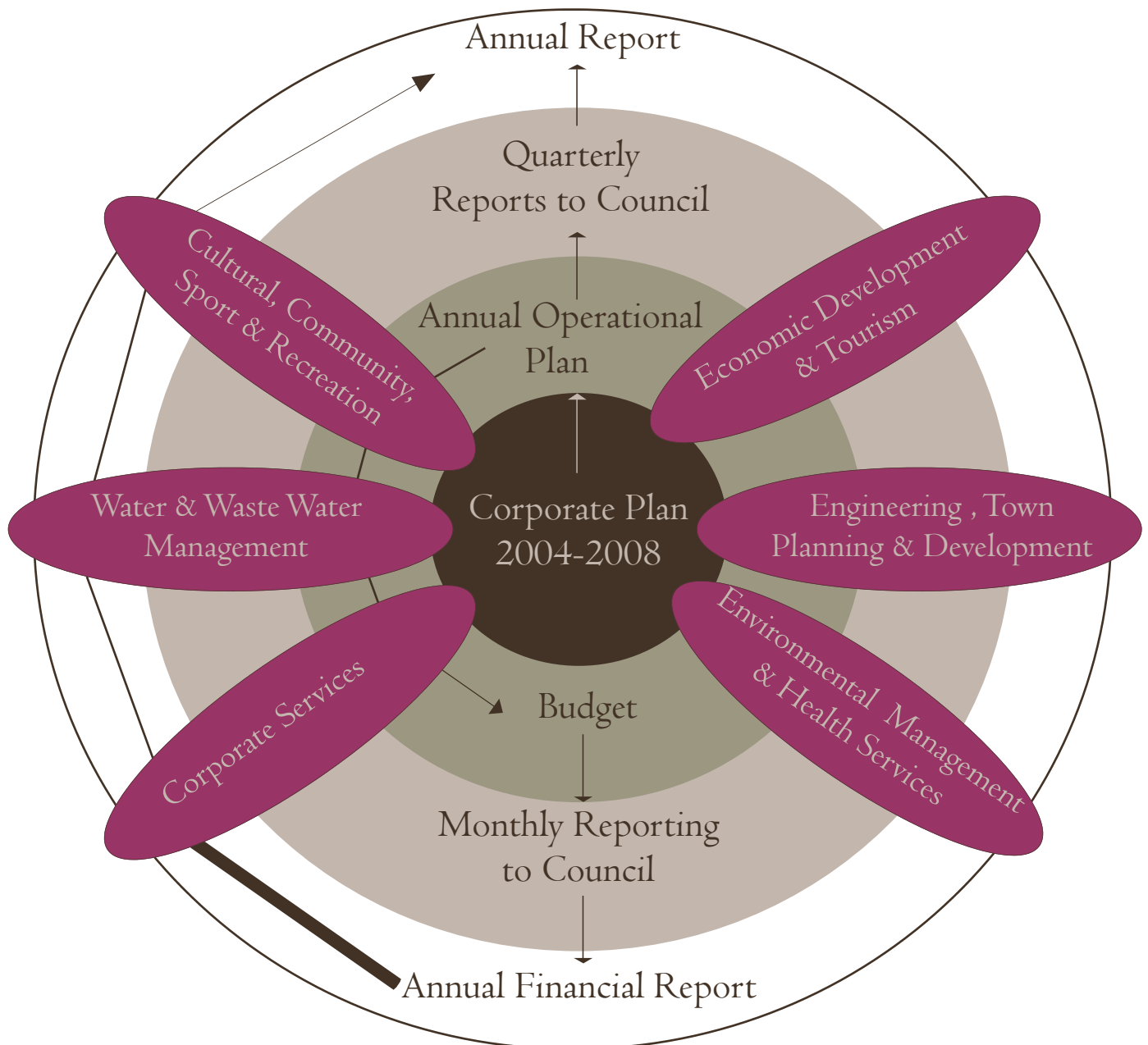


Councillors Remuneration 27.03.04 - 30.06.04

Councillors Name	Council Meetings Attended	Other Meetings Conferences & Workshops	Meeting Fees & Allowances \$	Travelling Allowance \$	Total Remuneration \$	Superannuation Contributed by Council \$
Cr David Carter	6	24	6,943	626	7,569	832
Cr Wayne Kratzmann	6	7	2,510	68	2,578	-
Cr Trish Bird	6	2	1,483	111	1,594	-
Cr Gil Smith	6	8	1,663	-	1,663	198
Cr Paul Fletcher	6	1	1,532	366	1,898	-
Cr Kevin Polzin	6	10	2,168	148	2,316	-
Cr Bob Mitchell	6	10	2,493	103	2,596	-
Cr Peter Seiler	5	-	1,157	320	1,477	-
Cr Kathy Duff	6	3	1,581	738	2,319	-
Cr Greg Boyle	1	-	114	23	137	-

Performance Report

How it all fits together



Performance Report

Corporate Services

To provide cost efficient management of the Council and obtain optimum benefits from available financial resources.

	What we planned to do	What we achieved	Our future plans
Financial Management	<p>Develop Asset Management Database.</p> <p>Provision of usable financial reports to Council.</p>	<p>Plant, infrastructure, building and land assets are now recorded and managed through Council's 'SynergySoft' database.</p> <p>The Roads Alliance System (Confirm), was purchased, training received and the system installed. Data to be transferred in 2004/05.</p> <p>Training was provided to new Councillors on how to read and interpret financial reports.</p>	<p>2004/05 will see the full implementation of the Confirm Database. A full revaluation of all Council's assets will be undertaken and an updated replacement program for all Council's buildings and plant & equipment will be developed.</p> <p>Council will continue to build our cash reserves to ensure we can replace assets as they reach the end of their useful life.</p>
Human Resources	<p>Address health and safety risks identified through implementing our 'SafePlan'.</p> <p>Implement new enterprise bargaining agreement for 2004/05 and 2005/06.</p>	<p>A joint arrangement has been entered into with Murgon and Kilkivan shires to employ a full-time Workplace Health and Safety Officer.</p> <p>Updates were developed to Council's Safety Management System with in excess of 50 standard procedures being implemented.</p> <p>Difficulty in reaching a consensus on the final agreement meant it could not be implemented on 1 July 2004. However, prior to publication of this report, the proposal of 3% or \$24 for the first year has been accepted by employees.</p> <p>Council supports the principles of equal opportunity of employment. Council also strives to apply equity and fairness in appointments to ensure all applicants are assessed on the ability to do the job.</p> <p>Council requires all employees to be committed to a working environment free from discrimination and harassment.</p>	<p>As part of the enterprise bargaining agreement, a joint consultative committee will be commenced prior to December 2004 to progress identified productivity issues.</p> <p>Work will also be completed in 2004/05 on upgrading the Wondai and Preston Depots to meet health and safety standards.</p> <p>A second party external workplace Health and Safety Management audit will be undertaken by Jardine Lloyd Thompson.</p>



Performance Report

	What we planned to do	What we achieved	Our future plans
Information Technology	Develop an implementation plan for new modules of 'SynergySoft'.	Purchasing, receipting and payroll modules have been implemented. All modules we currently require are now implemented.	Work will be undertaken to network the stores and library to our main system through the use of wireless technology.
	Develop a computer contingency plan.	A computer contingency plan has been developed with input being provided by Council's information technology consultant.	Investigations will be undertaken to introduce electronic commerce for payments of council accounts and investigate Bpay options for rates and other payments.
Disaster Management	Review building applications to ensure new requirements are incorporated.	Building permits in rural areas were conditioned to mitigate areas of risk.	<p>The new Planning Scheme will identify natural hazard risk management areas and will include assessment provisions for development in possible bushfire hazard areas and possible drainage or flood plain problem areas.</p> <p>Local Disaster Management Group Meetings will be scheduled in 2004/05.</p> <p>A new Local Disaster Management Plan incorporating counter-terrorism considerations will be developed during 2004/05.</p>
	Rejuvenate the Local Counter Disaster Committee and revise Local Counter Disaster Plan.	Signage management during natural disaster events has been reviewed and appropriate procedures documented.	
	Develop a risk based plan for maintenance and replacement of bridges, culverts and drains.	A programmed hazard reduction procedure has been implemented at the location of narrow timber bridges.	
	Review and implement changes to road closure signage and signage management.		
	Identify and develop early warning initiatives for the Barker/Barambah Creek and Boyne/Stuart Rivers.		
	Identify and consult with Department of Main Roads on state roads and infrastructure affected by significant flooding.		
	Establish a formal location history register of critical natural disaster events.		
	Reduce debris and flammable material in and around river/creek and flood and bush fire prone areas.		
	Identify extent of equipment and personnel that may be used in emergency situations.		



Performance Report

Cultural and Community Services, Sport and Recreation

To encourage and participate in the continuing development of cultural activities and community services and to provide and maintain parks, sporting and recreation facilities.

	What we planned to do	What we achieved	Our future plans
Art and Cultural Activities	<p>Administer the Regional Arts Development Fund.</p> <p>Maintain and provide support to the Wondai Shire Art Gallery, Heritage Museum, Boondooma Homestead and Timber Industry Museum and Woodcrafters' Workshop.</p>	<p>Twelve applications totalling over \$15,708 were approved. Activities included skill development workshops, individual professional development, projects and policy development.</p> <p>Wondai Heritage Museum successfully hosted the South East Queensland Small Museums Conference in September 2003.</p> <p>The Timber Museum won the Heritage and Cultural category of Fraser Coast South Burnett Tourism Awards for Excellence for the third consecutive year.</p> <p>A workshop extension was provided to the Wondai Shire Art Gallery at a cost of \$53,000.</p>	<p>2004/05 will see a focus on maintenance of our facilities with some renovation and repair work being carried out at the Heritage Museum.</p> <p>The Regional Arts Development Fund will continue to run in 2004/05.</p> <p>New policies and guidelines for Arts and Cultural Activities will be developed.</p>
Libraries	Construct Wondai Library Extensions.	Work commenced in June 2004 and is expected to be completed by November 2004.	2004/05 will see a review of library services and processes and a plan developed to deliver improved services.
Parks, Sporting and Recreational Facilities	<p>Maintain parks and gardens to meet community needs.</p> <p>Provide ongoing funding for the South Burnett Sport and Recreation Officer Program.</p>	<p>New shade material was installed over playground equipment in Dingo Creek Park.</p> <p>Feedback from visitors gathered by the Visitor Information Centre was extremely positive.</p> <p>Wondai won the 2004 Tidy Towns Friendly Town Award.</p> <p>Quarterly reports were provided to participating councils on the performance of the Sport and Recreation Program.</p> <p>A new sand filter, automatic dosing system and CO2 dosing equipment was installed at Proston swimming pool.</p> <p>An upgrade of Chelmsford Tennis Court to a synthetic grass surface was completed.</p>	<p>Maintenance of our parks and gardens to meet community needs will continue.</p> <p>Physical activities and educational workshops funded under the Local Government Development Program will continue.</p> <p>Further extensions to the Scott Street walkway/cycleway will be constructed.</p> <p>The Sport and Recreation program will continue to run in 2004/05.</p> <p>A review of the Sport and Recreation Policy will be undertaken.</p> <p>Council's Recreation and Open Space Plan is to be reviewed and updated.</p>
Community Halls	Installation of fire safety provision to Wondai Memorial Hall.	Emergency exit lighting and other modifications were completed to comply with current fire safety standards.	In addition to general maintenance of all shire halls, specific identified maintenance will be conducted at the Proston Hall.

Performance Report

Economic Development and Tourism

To provide opportunities for new and existing businesses and industries to develop and expand and to actively promote tourism which will enhance employment opportunities and provide a strong economic base for the Shire.

	What we planned to do	What we achieved	Our future plans
Economic Development	<p>Maximise employment opportunities by providing incentives for business.</p> <p>Continue regional co-operation and funding to enhance industry development in the South Burnett.</p>	<p>All remaining blocks in Wondai Industrial Estate were sold.</p> <p>Council commenced development of 39 new residential allotments in 'Parkside Estate'. 36 lots were sold as at 30 June 2004.</p>	<p>Stage 2 development of the Wondai Industrial Estate is to be completed during 2004/05.</p> <p>Due to the success of the "Parkside Estate" (all sold as at publication) a further 10 lots are to be developed.</p>
Tourism	<p>Maintain funding to support the ongoing operations of all tourist facilities in the Shire and regional tourism promotion.</p>	<p>16,720 people visited the Wondai Visitor Information Centre which equates to 45 per day. This compares with 16,045 visitors for the previous year.</p> <p>Gross sales and donations at the Visitor Information Centre and Woodcrafters Workshop was \$41,280.</p> <p>Gross accommodation takings at Lake Boondooma were \$193,978 (\$3,730 per week) compared with \$206,520 (\$3,971 per week) the previous year. This difference is due to the decrease in the water level of the dam.</p>	<p>A promotion of Wondai Shire as the "friendly shire" will be undertaken in 2004/05.</p> <p>Upgrades to the facilities at Lake Boondooma are to be conducted if a plan to develop residential blocks at the dam is successful in raising sufficient funding.</p>



Performance Report

Environmental Management and Health Services

To provide a range of environmental health services to the residents of Wondai Shire which are of high quality and relevant to changing community needs and expectations.

	What we planned to do	What we achieved	Our future plans
Waste Management and Recycling	Develop a regional waste management plan in conjunction with Kilkivan, Murgon, Kingaroy and Nanango Shires	A Regional Waste Management Plan was completed in conjunction with other South Burnett Shires.	<p>Changes occurring in the region in this area will mean Council will spend substantial time and effort in developing solutions to the shire's waste management issues, in particular the manning of refuse stations and the closure of current refuse tips.</p> <p>A complete review of Council's IEMS will be completed in consultation with the Environmental Protection Agency to address emerging environmental issues.</p> <p>Continued involvement with the DrumMuster program will assist in removing empty chemical drums from the waste stream.</p> <p>2004/05 will see Council working with other shires in the South Burnett to establish a joint body for the purposes of providing regional waste services.</p>
	Review and update Council's Integrated Environmental Management System (IEMS)	Updates have been included in Council's IEMS.	
	Develop a program to provide waste minimisation and recycling	Wilkesdale and MP Creek dumps were closed as they could no longer be licensed under the Environmental Protection Act. A new transfer station was constructed at Home Creek.	
		An annual bulk rubbish collection was conducted in Wondai, Hivesville, Proston, Tingoorra and Mondure.	
		Council organised a Clean-Up-Australia-Day with 8 residents participating in cleaning the road to the Wondai Refuse Tip and the Bunya Highway leading to Murgon.	
		A DrumMuster collection program was conducted with 1741 drums being collected.	
Public Health	Produce articles for inclusion in the Barambah Bulletin	Articles on topical issues were written for inclusion in the Barambah Bulletin.	A new burial section will be constructed in the Wondai Lawn Cemetery.
	Conduct food hygiene/safety program for food handlers	Individual advice was given to food proprietors through routine inspections of premises.	
	Develop maintenance program for all public facilities	A new toilet block was constructed in McKell Park.	
	Develop plans and costings for the construction of further sections in the Wondai Lawn Cemetery	Plans were developed and \$40,000 allocated in the 2004/05 budget to undertake this work.	

Performance Report

	What we planned to do	What we achieved	Our future plans
Animal and Pest Management	Maintenance of animal control in accordance with local laws.	Council participated in a co-ordinated wild dog-baiting program in an attempt to reduce wild dog numbers. 28 dogs were impounded with 5 of these being registered. The 23 unregistered dogs were registered prior to release.	A co-ordinated wild dog baiting program will continue. An updated Pest-Management plan will be implemented to document Council's strategies on pests, plant and animal control.
	Update Pest Management Plan.	Part A and portions of Part B of the plan have been completed. A committee has been formed with further work to be undertaken in 2004/05.	



(harvesting Salvinia weed)

Performance Report

Engineering Services

To provide, maintain and develop a safe and functional road and drainage system to service the needs of the community now and in the future.

	What we planned to do	What we achieved	Our future plans
Roads	Establish programs for the construction and maintenance of the Council Road Network including shared cycleways and walkways.	<p>A length of 1800m of Mondure-Wheatlands Road was reconstructed and widened.</p> <p>22km of Council's sealed roadways were bitumen resealed.</p> <p>Shared cycleways and walkways in Scott Street Wondai and Collingwood Street Proston were constructed.</p>	<p>Condition data on all Council roads will be collected.</p> <p>Further sections of the Mondure-Wheatlands Road and other priority roads will be widened.</p> <p>The annual bitumen resealing program will continue.</p>
	Carry out work on State controlled roads under contractual arrangements with the Main Roads Department.	<p>The widening project on the Chinchilla-Wondai Road to a two lane standard was completed.</p> <p>A length of 3600m of Mundubbera-Durong Road was reconstructed and widened.</p> <p>57km of main roads were bitumen resealed.</p>	<p>Further shared cycleways and walkways will be constructed in accordance with the Sport and Recreation Policy.</p> <p>Further sections of the Mundubbera-Durong Road and Proston-Boondooma Road will be widened.</p> <p>Continue the maintenance of the declared road network to an acceptable standard.</p>
	Develop Traffic Infrastructure Development Scheme Program.	Routine and programmed maintenance was undertaken on roads when defects had reached intervention levels agreed with Main Roads Department.	Continue to utilise Traffic Infrastructure Development Scheme funding assistance to upgrade priority Council roads.
	Construct plant to wash and precoat bitumen cover aggregate.	<p>Work on the Mondure-Wheatlands Road was completed.</p> <p>Installation of the wash and precoat plant has ensured that the quality of cover aggregate complies with specification requirements.</p>	Prepare a new five year plant replacement program together with funding strategies.
	Maintain Council plant and implement the plant replacement program.	A John Deere model 670CH motor grader was purchased to replace an old model.	
Street Lighting	Develop a plan in conjunction with Ergon Energy to upgrade the level of street lighting in the towns of Proston, Tingoorra, Hivesville, Durong and Mondure	Council is currently waiting for input from Ergon Energy.	A street lighting plan will be developed once input from Ergon Energy has been received.

Performance Report

Planning & Development

To maintain appropriate planning and development controls that will enhance the lifestyle of existing and future residents of the Shire.

	What we planned to do	What we achieved	Our future plans
Planning Scheme	Integrated Planning Act Scheme preparation and implementation.	The fourth draft of the scheme was received which includes individual versions for each shire in the South Burnett.	Following Ministerial sign-off an information forum will be held for Councillors; a display and open day will be arranged for the benefit of the public; and staff training will be held on the contents of the scheme.
Building Development	Timely processing of Building Development applications. Undertake inspections when breaches are made known to Council.	All applications were processed within the statutory decision making period defined under the Integrated Planning Act. 154 applications totalling \$7.5M were processed this year compared to 91 applications totalling \$3.4M for the previous financial year.	A building certification system will be maintained in accordance with the requirements of the Queensland Standard Building Regulation.
Water Supply	Manage the maintenance and operation of the water system. Upgrade and maintain delivery mains, pump stations and reservoirs to meet community demands for water. Meet the requirements of the service provisions of the Water Act 2000. Continue to monitor the quality of water.	A review of Council's Total Management Plan for Water and Sewerage Infrastructure was undertaken to incorporate a Strategic Asset Management Plan and Customer Service Standard. Planned programmed maintenance activities continued to ensure an acceptable level of service. Delivery of a water supply complying with environmental and health standards was achieved. 36 water samples were taken. All samples met the National Health and Medical Research Council <i>Australian Drinking Water Guidelines 1996</i>	Monitor and update Strategic Asset Management Plans as required. Construction of a new storage reservoir at Hivesville to augment the Proston Rural Water Scheme will be undertaken. Water samples will be taken on the basis of 6 to 12 each month.
Sewerage	Manage the maintenance and operation of the sewerage system. Develop capital, maintenance and operational management programs to effectively maintain the service level of the sewerage network.	Planned programmed maintenance activities were undertaken to ensure an acceptable level of service. Quality of effluent discharged from sewerage treatment plants continued to meet environmental standards.	Undertake a hydraulic analysis of the Wondai sewer reticulation network to allow for future development. Implement the environmental monitoring requirements of the management plan for the Wondai Effluent Irrigation Scheme.

Performance Report

The People who made it all happen!

ADMINISTRATION

Melanie Hansen
Alan Keates
Kristy Marshall
Megan McKay
Kathryn Mitchell
Peter O'May
Stephanie Phipps
Allan Schulz
Eleanor Sharpe
Trudy Steinhardt
Andrea Wecker



WATER/SEWERAGE

David Bagley
Shane McDowell
John Schmocker
Len Wilson



ENGINEERING

Ashley Knight
Ashley Newson



WORKSHOP/DEPOT

Sam Eyles
Zephan Hansen
Luke Ogden
Bruno Trappmann



CONSTRUCTION/ MAINTENANCE

Trevor Bailey
Bradley Baker
Ray Beasley
Jack Bradley
William Collins
Raymond Dionysius
Peter Doessel
Kevin Donohue
Ben Fraser
Alan Fuller
Peter Gaffney
Russell Gscheidle
Craig Handford
William Harrison
William Hebblewhite
David Kerkow
Charlie Kuhrt
Max McCormick
Colin Miller
Gary Ogden
Chris O'Rourke
John Potter
Greg Pryor
Shane Van Beek
Shane Weber
Greg Wenck



HEALTH PARKS & GARDENS

Geoff Dennien
Reynold Dionysius
Kingsley Ferris
Mark Gastaldon
Helen Giles
Brad Mendes
Alisha Norris
Ben Pryor
Adam Stephensen
Tim Steinhardt
Martin Suchoronczak
Sonya Trevor
Allan Trunks
Matthew Van Beelen

TOURISM/CULTURAL

Noreen Brier
Beryl Rankin
Mary Andresen



LIBRARIES

Janelle Kratzmann
Christine Roberts
Margaret Westermann

SPORT & RECREATION

Jodie Grant

Council Employees as at 30 June	2003	2004
Administration	13	11
Construction/Maintenance	26	26
Engineering	3	2
Health, Parks and Gardens	16	14
Libraries	3	3
Sport & Recreation	1	1
Tourism/Cultural	3	3
Water/Sewerage	4	4
Workshop/Depot	4	4
Total	73	68

Registers



LIST OF REGISTERS THAT ARE OPEN TO INSPECTION

The following table lists the registers that are kept under the control of the Chief Executive Officer. These are open to inspection, with or without restriction where indicated in the table, as required by the Local Government Act 1993. In some cases, charges may apply for copies or extracts if these are allowable.

Register	Purpose	Access
Personal Interest of Councillors (Section 248)	To record certain financial and other personal interests of Councillors	Available to any person upon written application to the Chief Executive Officer. Relevant Councillor/s must be informed of the application
Personal Interests of Councillors Related Persons (Section 468)	To record certain financial and other personal interests of specified persons related to Councillors	Restricted to Councillors of Wondai Shire Council and persons permitted by law or their agents
Minutes of Council Meetings (Section 468)	To record all the resolutions made by the Council at Ordinary or Special Meetings	Available to any person after the meeting. Also available on Council's website (www.wondai.qld.gov.au).
Corporate Plan (Section 513)	To document the goals, strategies and performance indicators set by the Council for the four year period 2000-2004	Available to any person
Operational Plan (Section 513)	To document the goals, strategies and performance indicators set by the Council for the year.	Available to any person
Budget (Section 524)	To record the proposed expenditures and revenues required to implement the Council's strategies and goals this year	Available to any person
Building	To document the Building Activity within the Shire	Available to any person
Statement of Accounts (Section 529)	To record the actual position of the financial accounts, compared to Budget predictions, on a monthly basis	Available to any person
Annual Report (Section 535)	To document the financial position and the Performance of the Corporate and Operational Plans for the year, as well as other accountabilities both mandatory and discretionary	Available to any person
Local Law Policies (Section 895)	To record all Local Law Policies adopted by Council	Available to any person
Road Register (Section 921)	To show details of roads in the Shire	Available to any person
Fees and Charges Commercial (Section 36(2)c) Regulatory (Section 1071A)	To record the charges set by Council	Available to any person
Land Record (Section 995)	To record details of every parcel of rateable land in the Shire	Available to any person but a fee could apply. Inspection free for owners or lessees of the land or adjacent land, or their agents
Delegations of Authority (Section 1132)	To record all of the Chief Executive Officer's powers and delegations that are further delegated to other employees	Available to any person
Personal Interest of the Chief Executive Officer and other Specified Employees (Section 1140)	To record certain financial and other personal interests of the Chief Executive Officer and certain other employees	Available only to Councillors, the Chief Executive Officer or a person permitted by law or their agent
Contracts	To record contracts undertaken by Council	Available to any person
Legal Documents	To document all legal documents held by Council	Available to any person

Borrowing Policy



Policy Statement

The Wondai Shire Council's debt is managed by the Queensland Treasury Corporation.

The offer to join the Queensland Treasury Corporation debt pool was accepted and approved by Council in November 1993 to take effect from 1 January 1994.

The present debt is split into seven accounts namely General, Community Infrastructure, Proston Sewerage, Rural Electrification, Wondai Sewerage, Roadworks and Industrial Estate.

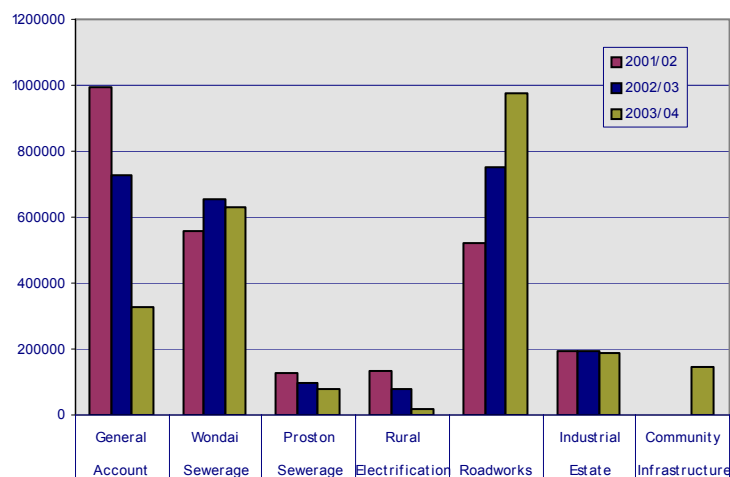
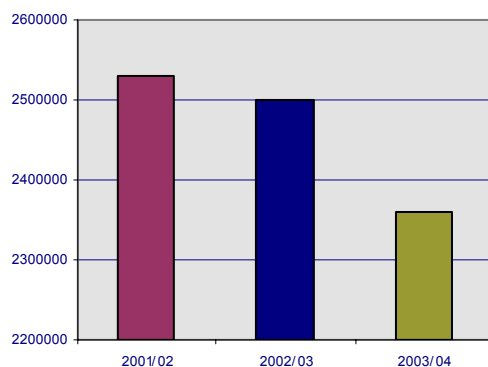
The following schedule details Council future borrowings.

Schedule of Proposed Borrowing

Financial Year	Purpose of Borrowings	Amount	Term
2003/2004	(a) Roadworks	\$300,000	Six year debt pool
	(b) Cultural Activities and Community Amenities	\$200,000	Three year debt pool
2004/2005	(a) Roadworks	\$300,000	Six year debt pool
2005/2006	(a) Roadworks	\$200,000	Six year debt pool

Repayment terms will be reviewed on an annual basis.

Loan Indebtedness



Community Financial Report



Your answer to what the financial reports really mean

Council recognises that not all our ratepayers and clients have an accounting background and interpreting the financial reports can sometimes be confusing. The Community Financial Report (CFR) is designed to supplement the full financial reports and provide a simple explanation on what the reports mean and what the major implications are for Council.

The community financial report is divided into four parts:

- The statement of **Financial Performance** – supplements the report shown on page 36 of the full financial statements
- The statement of **Financial Position** – supplements the report shown on page 37 of the full financial statements
- The statement of **Cashflow** – supplements the report shown on page 39 of the full financial statements
- Other financial information – provides some useful historical figures to compare what has been happening over the last 5 years

We hope this report provides you with an easy to read overview of Council's finances and our strategies to ensure we remain a financially viable Council, whilst continuing to provide the level of service to which ratepayers have become accustomed.

Feedback

If you would like to provide feedback on this community financial report, including areas you feel could be expanded or included in next year's report, please contact or write to:

Eleanor Sharpe
Manager, Financial and Administrative Services
PO Box 42
Wondai 4606

Phone 07 41685155
Fax 07 41685808
Email - finance@wondaishire.com

Community Financial Report

Statement of Financial Performance

(Refer to page 36 of full financial statements)

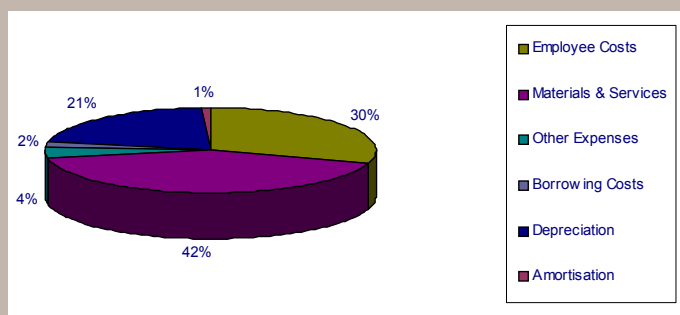
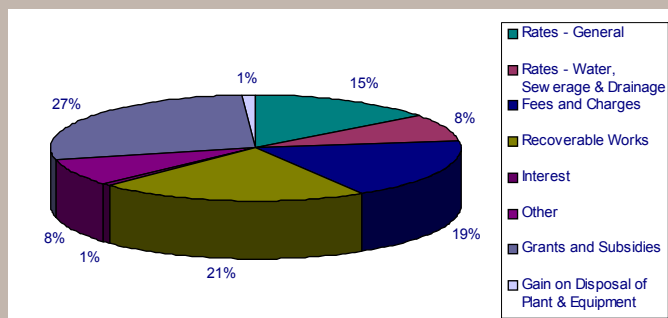
This report shows the *revenue* received and *expenses* incurred by Council over the last 12 months. If we have more *revenue* than *expenses* we make a profit – if our *expenses* are more than our *revenue*, we make a loss. Council made a profit of \$1,140,678 this year compared to a loss of \$251,400 in the previous financial year. This improvement was partly due to revenue from the sale of land at “Parkside Estate”, as well as funds being put aside for future planned asset replacement.

These figures are based on accrual accounting principles. For example, all rates issued are included as revenue even though some have not been paid as at 30 June 2004. The amount not paid would be shown in the Statement of Financial Position as rates receivable.

Snapshot	2000	2001	2002	2003	2004
	\$,000	\$,000	\$,000	\$,000	\$,000
Revenue (R)	5,897	6,924	7,764	7,681	9,583
Expenses (E)	8,959	32,113	9,072	7,932	8,443
Operating Result - Profit/(Loss) (R-E)	(3,062)	(25,189)	(1,308)	(251)	1,140

Where money came from

2003/04 saw grants and subsidies accounting for 27% of revenue, with rates revenue being 23% (compared with 28% last year). Recoverable works increased in 2003/04 from 16% to 21% due to increased works conducted on behalf of the Department of Main Roads.



Where money was spent

Employee costs for 2003/04 accounted for 30% of our expenses compared to 29% last year. Materials and services increased from 39% to 42% as a result of increased works undertaken for the Department of Main Roads. Depreciation is still a major expense area, accounting for 21% of all expenditure.

Conclusion

Council's improved financial performance in 2003/04 is part of Council's strategy to ensure we can maintain and replace our assets in future years. Following approximately 5 years of major capital expenditure, the next 5 years will see Council focusing on maintenance and putting money aside to help replace assets when they reach the end of their useful life.

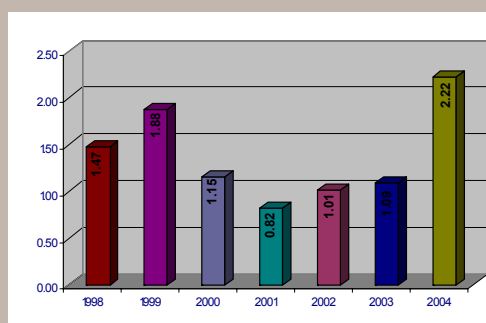
Community Financial Report

Statement of Financial Position

(Refer to page 37 of full financial statements)

This report shows what Council owns (*Assets*) and amounts Council owes to other parties (*Liabilities*) as at the end of the year. The amount left after taking the total liabilities from the total assets is referred to as Equity (*Wealth*).

Snapshot	2000	2001	2002	2003	2004
	\$,000	\$,000	\$,000	\$,000	\$,000
Assets (A)	79,472	55,365	54,205	53,727	54,737
Liabilities (L)	3,251	3,210	3,359	3,457	3,326
Equity (A-L)	76,221	52,155	50,846	50,270	51,411



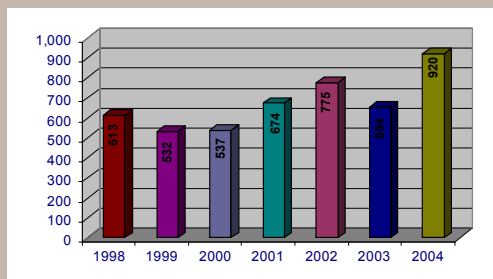
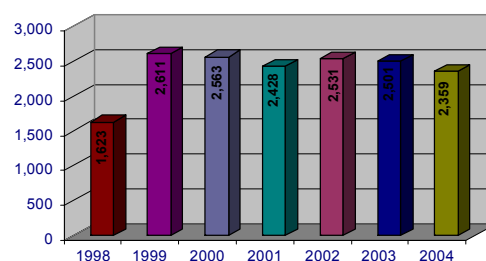
Current Ratio

(Current Assets divided by Current Liabilities)

The current ratio measures Council's ability to meet its short-term commitments. A good ratio is considered to be around 1.5:1. Currently council's ratio is 2.22:1, which means that we can pay all of our current bills if necessary. This ratio is a marked improvement over last year's ratio of 1.09:1, as a result of better financial management and the sale of 36 allotments in "Parkside Estate".

Total Loan to Pay (\$,000)

Over the next 4 years, Council will be working towards reducing the amount of money we borrow each year as well as gradually reducing the overall amount we still owe. Refer to Council's Borrowing Policy on page 22 for details on the current loans Council has in 2003/04.



Equity—Reserves (\$,000)

Council has set up a number of reserves to assist in funding replacement of assets. Details of each reserve can be found on page 57 of the full Financial Report. In 2003/04 Council transferred an additional \$264,000 into our reserve accounts. Through the budget process over the next 4 years, Council will be deliberately building these reserves to ensure we are adequately prepared for long term equipment facilities and infrastructure replacement.

Conclusion

Council's overall financial position is good and future strategies to reduce outstanding loans and build capital reserves will serve to strengthen this position.

Community Financial Report

Statement of Cash Flows

(Refer to page 39 of full financial statements)

This report shows the **actual** cash (unlike the previous report discussed which shows the 'accounting' dollars) that has flowed in and out of the Council. A simple way to look at this is by comparing it to a bank statement. The cash inflows are the amounts that are credited to Council's bank account and cash outflows are those amounts debited to Council's bank account. As would be the case with your personal accounts, Council's aim is to be able to time our income and expenditure to maximise interest we can receive through investments.

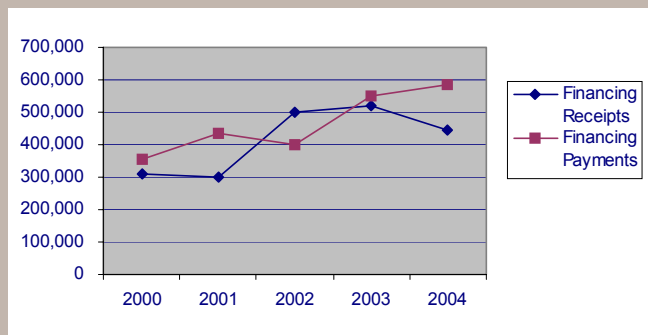
The report is divided into three activities – Investing, Financing and Operating activities.

- *Investing* activities include money Council receives and spends when we buy or sell property plant & equipment.
- *Financing* activities are cash received if Council takes out new loans or cash paid as repayments against loans.
- *Operating* activities include all other areas such as rates, user charges, interest, grants, employee costs, materials and services, interest and administration.

As can be seen from the snapshot below, Council's end of year cash position decreased substantially in 2001. This was due to large outlays in capital expenditure for tourism infrastructure. It can be seen that Council has substantially improved its cash position for 2003/04 to \$1,502,363. This was due to better cash management and Council's strategy to build our reserves.

Snapshot

	2000	2001	2002	2003	2004
	\$,000	\$,000	\$,000	\$,000	\$,000
Opening Cash Balance	1,242	866	388	449	629
Net cashflow from Operating Activities	2,251	1,413	1,741	1,576	2,207
Net cashflow from Investing Activities	(2,580)	(1,755)	(1,781)	(1,367)	(1,194)
Net cashflow from Financing Activities	(47)	(136)	101	(29)	(141)
Closing Cash Balance	866	388	449	629	1,502



Council's Loan Borrowings and Repayments

Council's policy is to ensure the current generation does not pay now for facilities and services that will be used by future generations. In 2003/04 Council took out new loans totalling \$444,000 (\$300,000 - Roadworks and \$144,000 - Community Infrastructure) and repaid \$584,000 in existing loans. In 2004/05 Council only plans to borrow \$300,000 for road-works and will repay close to \$600,000 in existing loans.

Conclusion

Council will continue to monitor our cashflow position with a view to improving our ability to invest funds by building our reserves, timing expenditure appropriately and reducing outstanding loans.

Community Financial Report

Other financial information

	1999/00	2000/01	2001/02	2002/03	2003/04
Rate Charges					
Minimum General Rate	\$245	\$270	\$280	\$300	\$320
Rate in the Dollar – Urban	\$0.0250	\$0.0230	\$0.0240	\$0.0250	\$0.0260
Rate in the Dollar – Rural	\$0.0200	\$0.0205	\$0.0215	\$0.0224	\$0.0233
Rate in the Dollar – Other	\$0.0200	\$0.0205	\$0.0215	\$0.0224	\$0.0233
Sewerage	\$175	\$185	\$195	\$205	\$215
Effluent Drainage (Proston Scheme)	\$230	\$230	\$230	\$230	\$230
Garbage	\$70	\$70	\$70	\$75	\$82
Water Access *	N/a	N/a	\$100	\$115	\$130
Water Consumption–Wondai/Tingoora (per kilo litre) *	N/a	N/a	\$0.60	\$0.65	\$0.70
Water Consumption–Proston (per kilo litre) *	N/a	N/a	\$0.55	\$0.60	\$0.68
Rate Revenue Ratio	37.58%	31.44%	27.44%	29.08%	24.12%
This means that in 2003/04 rates and charges** made up 24% of Council's recurrent*** revenue. This year saw an increase in revenue from roadworks which has resulted in a lower rate revenue ratio.					
Debt Servicing Ratio	10.14%	9.88%	8.01%	9.85%	8.15%
This means that in 2003/04 Council used 8.15% of its recurrent*** revenue to pay for loan interest and principal repayments. Council's aim is to steadily reduce our loan commitments and build our cash reserves, which are used to replace our assets in future.					
Borrowing Ratio	50.09%	39.91%	35.82%	34.53%	26.08%
This shows the total money Council borrows for capital purposes as a percentage of recurrent*** revenue					
Rates Arrears Ratio	9.67%	8.63%	11.66%	11.54%	11.37%
This shows that in 2003/04 Council had outstanding rates totalling 11.37% of the amount that was billed in that year. Council's aim is to reduce this percentage whilst still being mindful of issues such as drought, which impact on ratepayers ability to pay. A breakdown showing water consumption arrears and other rates is shown below.					
Water Consumption Rate Arrears				25.77%	29.79%
Other Rates Arrears				8.64%	7.98%
Working Capital Ratio	1.15 : 1	0.82 : 1	1.01 : 1	1.09 : 1	2.22:1
This shows Council's ability to meet its current liabilities. (A ratio of 1.5:1 is the accepted norm) Council has worked hard to improve this ratio. The dramatic jump from last year is partly due to Parkside Estate. If Parkside Estate was not included our ratio would have been approximately 1.8:1					
Quick Ratio	1.07 : 1	0.74 : 1	0.92 : 1	0.97 : 1	2.06:1
This is similar to the Working Capital Ratio except only cash and receivables (such as outstanding rates) are included in assets. (A ratio of 1:1 is the accepted norm)					
Change in Community Equity Ratio	-3.86%	31.52%	-2.51%	-1.13%	2.27%
This shows the percentage change in net wealth of Council. In 1998/99, Council brought to account approximately \$67mil in assets for the first time, which is why the change in equity was so drastic. In 2000/01, the value of these assets was written down by approximately \$23mil after an independent valuation was performed.					

* Water charges changed to a two part tariff (base access charge and individual water consumption charge) in 2001/02

** Rates and charges – includes General, Cleansing, Water, Sewerage and Drainage rates

***Recurrent Revenue – does not include revenue for capital purposes or gain/loss on sale of Plant and equipment

Revenue Policy



Purpose

The purpose of this Revenue Policy is to set out the principles used by Wondai Shire Council, in 2003/04 for:

- the making of rates and charges,
- the levying of rates,
- the recovery of rates and charges, and
- concessions for rates and charges.

This policy is formulated in accordance with the requirements of the Local Government Act 1993 and the Local Government Finance Standard 1994.

Making of Rates and Charges

The general principle adopted by Council in determining rates and charges for this financial year, shall be that wherever possible, charges will relate directly to the services provided. Examples of services are water supply, sewerage, refuse collection, electricity.

Council adopts a policy of full cost recovery of services wherever possible. Costs that cannot be recovered by specific charges shall be met by the levying of a differential general rate. Council uses revenue raised through the differential general rate to maintain general assets and provide services to the Shire as a whole. In determining how this revenue is raised, Council takes into consideration the following factors:

- the rateable value of the land and the rates which would be payable if only one general rate were adopted,
- equity by taking into consideration the capacity to pay within the local community.
- the level of services provided to that land and the cost of providing the services compared to the rate burden that would apply under a single general rate, and

- the use of the land in so far as it relates to the extent of utilisation of Council's services.

Levying of Rates

Council's Responsibility

Council is responsible for ensuring that funds levied for a specific purpose such as water supply, sewerage etc are expended for these purposes. Council's responsibility also extends to ensuring that all funds levied (including both specific and general charges) are expended in a cost efficient, effective and appropriate manner.

To assist with service continuity, Council rates once per year in August for general rates, refuse, sewerage, water access, fire levy, special electricity and other specific services (referred to as Rates Notice). Since progressing to a user pays water consumption charge, Council bills water consumption on a quarterly basis, being for the 3 months ending March, June, September, December (referred to as Water Consumption Notice). Quarterly billing was implemented to assist ratepayers by spreading payments over a year rather than billing in one lump sum. This system may be reviewed in future years based on feedback received from ratepayers.

Ratepayers' Responsibility

Ratepayers are responsible for ensuring rates are paid by the due date, to ensure Council is able to continue to provide the level of service to which rate payers are accustomed.

Council offers a variety of payment methods for ratepayers, including payment by cash, credit card (in person or by phone), cheque or money order. Ratepayers may also pay rates in advance.

Revenue Policy

Recovery of Rates and Charges

Ratepayers are responsible for ensuring rates and charges are paid by the due date shown on notices. Amounts outstanding 30 days after the due date will incur interest at the rate detailed in the Revenue Statement. This is in accordance with section 1018 of the *Local Government Act 1993*.

Under Section 1039 of the *Local Government Act 1993*, if an overdue rate remains unpaid for a period of three (3) years, Council has the option to legally sell the property to recoup overdue rates. For vacant land or land used solely for commercial purposes, the period in which Council can sell the property is only one (1) year, where Council has obtained a judgement of the court.

Concessions for Rates and Charges

Discount

To encourage prompt payment and to ensure equity, Council offers to all ratepayers a discount on the 'Rates Notice' (excluding interest charges, fire levy and special charge for electricity), if the rates and charges are paid within at least 30 days after the issue of the rates notice. No discount is offered on 'Water Consumption Notices'. The amount of this discount is detailed in the Revenue Statement.

Pensioner Rebate

Ratepayers who are in receipt of a government pension will also receive a rebate on their rates notice to the amount detailed in the Revenue Statement. The total rebate is made up of two amounts. The State Government supplies a rebate amount and the Council also supplies an additional amount.

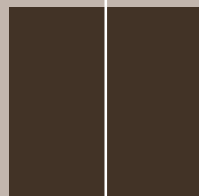
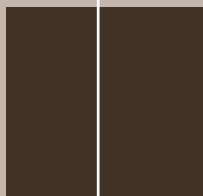
To qualify for this rebate, pensioners must complete a 'Pensioner Rebate Form' each year and provide a photocopy of their pensioner card to Council. A letter to all existing pensioners will be sent out requesting this information automatically each year. New pensioners must contact Council for a copy of the 'Pensioner Rebate Form' to be completed.

Other

Council, on the request of the ratepayer, may also offer other flexible payment arrangements as appropriate. This may be appropriate in times of economic downturn, drought, flood, or when other factors affect individual rate payers.

In accordance with Section 1023 of the Local Government Act 1993, the Council may offer a benefit (other than a discount) as an inducement for the prompt payment of rates.





Revenue State-

The Revenue Statement is formulated in accordance with Section 520A of the Local Government Act 1993 .

GENERAL PRINCIPLE

The General Principle adopted by Council in determining rates and charges for the financial year 2003/2004 shall be that, wherever possible, charges will relate directly to the services provided, eg. Water Supply, Sewerage, Refuse Collection, Electricity etc. Costs which are not able to be recovered by commercial, regulatory or utility charges shall be met by the levying of differential general rates as hereinafter described.

DIFFERENTIAL GENERAL RATES

The Wondai Shire Council has a policy of making and levying differential general rates for the 2003/2004 financial year. The Council is required to raise an amount of revenue it sees as being appropriate to maintain assets and provide services to the Shire as a whole. In deciding how that revenue is raised, the Council is able to take into account the following factors:

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

The scheme will have 6 categories of land:

Category 1 – Urban: all land within the townships of Wondai, Proston, Hivesville, Mondure, Tingoorra and Durong as defined in Section 3 of Local Law No. 1 (Administration). * See appendices a-f

Category 2 – Rural: all land zoned rural under Council's Town Planning Scheme. This land is outside the defined urban areas and is used for rural homesites, agricultural, horticultural and pastoral purposes

Category 3 – Mining and Mineral Processing: all land held

under a mining claim or mining lease

Category 4 – Stock Health Control: land held for stock dip purposes

Category 5 – Pumpsites: land used for irrigation, stock and urban water pumpsites

Category 6 – Other: Land which has not been included in any other category at the time of categorisation and provides a means of rating new classes of land which may come into existence during the year

MINIMUM GENERAL RATES

The Wondai Shire Council will levy a minimum general rate determined during the course of the budget deliberations.

The Minimum General Rates will be determined at a level that takes into account the minimum cost per annum of providing common services which are provided to every rate payer as well as basic general administration costs.

The following categories of land are excluded from the minimum general rate:

Category 3 – Mining and Mineral Processing

Category 4 – Stock Health Control

Category 5 – Pumpsites

It is of the opinion of Council that the differential general rate revenue collected in each of the above categories is sufficient to meet the cost of Local Government Services.

SPECIAL CHARGE

A special charge will be levied on land described in Schedules 1, 2, 3 and 4 ("the identified land") for the purpose of defraying the costs of the supply of an electricity service.

Revenue Statement

The Council is of the opinion that the land in Schedules 1, 2, 3 and 4, Identified Land, will specially benefit from the provision of an electricity service which involves the erection of an 11,000 volt backbone feederline. Landowners will be given the option of a once only payment or to repay the cost of the service over a period of six years for land described in schedules 1, 2 and 3 and for land described in Schedule 4 over a period of five years.

Schedule 1 Identified Land

Lots 9 & 10 RP164803, Lots 15,16,17 RP165149, Lots 18,19,20,21,22,23,24 RP165150, Lots 27,28,29 RP165377, Lots 34,35 RP165404, Lots 39,40,41,42 RP165401, Lots 43,44,46 RP165400, Lots 47,48,50 RP165394, Lot 52 RP165405, Lot 53 RP165394, Lots 55,56,57,58 RP165405.

Schedule 2 Identified Land

Lot 4 RP184428, Lot 5 RP195920, Lots 6 & 7 RP184428, Lots 8,9,11,12,13,14,15,16 RP184429, Lot 17 RP195920, Lots 18,19,20,21,22,23,25,26 RP184429, Lots 27,28,29,30,31 RP184428, Lots 32,33,34,35,36,38,39,40,41,42,43,44,45 RP195920, Lots 1 & 2 RP190111, Lots 3 & 4 RP190110, Lots 5,7,8,9,10, 11,13 RP190113, Lots 15,16,17,18,19,20,21 RP190112, Lots 23 & 24 RP190111, Lot 1 RP198519, Lots 33 & 34 RP885110, Lot 38 BO585, Lots 5,6,7,8,9, 10,11,12,13, 14, 16 RP186756, Lots 19,21,22,23,24,25,26 RP197486, Lots 27,29,32 RP197487, Lots 33,36 RP197488, Lots 38,39,40,42,44 RP197488, Lots 46,47, 49,50,51 RP197487, Lots 54,56,57 RP197486, Lots 2,4, 5,6 RP189079, Lots 4,5,6,7,8,9,10,11,12,13,15 RP183766, Lots 1,2,3,4 RP189028, Lots 5,7,9,10 RP190104, Lots 11,12,13,14,16,17,18,19 RP190105, Lots 20,21,22,23, 24,27,28,29 RP190103.

Schedule 3 Identified Land

Lots 7,8,9,10 RP203757 and Lots 12,13,15,16,17,18 RP203758.

Schedule 4 Identified Land

Lots 36 to 39, Lots 41 to 48, Lots 50 to 52 and Lot 59 on RP202225.

UTILITY CHARGE

Cleansing

The Wondai Shire Council will levy a cleansing charge on the owner of each parcel of occupied land or a structure within the township of Wondai, Proston, Tingoora, Hivesville and Mondure.

When there is more than one structure or land capable of separate occupation a charge will be made for each structure.

For domestic and commercial users, the charge will be for a weekly collection of two 50 litre bins.

Charges for the collection of industrial and bulk waste will be based on volume and frequency of collection. Charges will be made for additional collection from domestic or commercial properties.

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

The proceeds from the charges will fund the costs incurred in the operation of the service.

SEWERAGE

Wondai Sewerage

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

The sewerage charge will be set to recover all of the costs associated with the provision of sewerage and wastewater services provided by Council in the financial year. These costs include loan interest and redemption and the costs of ongoing maintenance and operation of the system including treatment plant operations.

A charge will be set for each pedestal in residential dwellings and residential lots under the Body Corporate and Community Management Act 1997, or another community titles act that is connected to Council's sewerage system.

Where sewerage services are provided to the common property of scheme land within the meaning of the Body Corporate and Community Management Act 1997, the body corporate shall be levied a charge on each pedestal. A concessional rate will be decided by Council for each additional pedestal in a residential dwelling.

Sewerage charges for commercial properties will be on the basis charged for each connected pedestal at an amount equivalent to the residential charge for the first pedestal then for each additional pedestal, urinal or panwasher, at a concessional rate to be decided by Council.

Revenue Statement

On vacant land, where Council is currently able to provide reticulated sewerage services, a charge will be levied. The charge will be determined during the course of the budget deliberations.

Proston Common Effluent Drainage

A Common Effluent Drainage charge will be levied on each rateable property that Council has provided with a common effluent drainage service.

The Common Effluent Drainage charge will be set to recover all the costs associated with the provision of wastewater services provided by Council in the financial year. These costs include loan interest and redemption and the cost of ongoing maintenance and operation of the system.

A charge will be set for each pedestal in a residential dwelling. For the first WC pedestal, a base charge will apply; each additional pedestal will be at a concessional rate to be decided by Council.

Sewerage charges for commercial properties will be on the basis charged for each connected pedestal at an amount equivalent to the residential charge for the first pedestal; then for each additional pedestal, urinal or panwasher, at a concessional rate to be decided by Council.

WATER

Wondai, Proston, Tingoora and Proston Rural Water Schemes

Water charges are determined on a user pay basis and collected to recover the cost of provision of infrastructure and the cost of operating and maintaining the water supply system.

The charges will apply to all consumers of water supplied by the Wondai, Proston, Tingoora and Proston Rural Water Schemes and comprise:

- an annual access charge for all connections to the schemes, and
- A charge for each kilolitre of water consumed.

An access charge for vacant land is also applied to each separately rated parcel of vacant land within the Wondai, Proston and Tingoora water scheme areas which is not currently connected to the Council's reticulated water supply scheme where Council is able to provide a connection. The charge will be 75% of the access charge for a connected property.

It is the view of Council that it is equitable for all users to contribute to the fixed costs of the water supply operation by way of the access charge, while the consumption charge for all water consumed conforms with user pays principles and also provides an incentive for water conservation.

The level of charges is set each year in accordance with the budget.

In the case where there is an undetected leak within the property boundaries or where a meter is found to be faulty, the method of charging contained in Council's Local Law No. 24 (Water Meters) will apply.

Commercial Charges and Regulatory Fees

Commercial charges are reviewed annually and are fixed by resolution of the Council. These charges are subject to the Commonwealth Government's Goods and Services Tax.

Section 1071A of the Local Government Act 1993 provides that a local government may, by local law or resolution, fix a regulatory fee. The Wondai Shire Council fixes the Regulatory Fees by resolution.

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

The regulatory fees fixed by Council relates to the cost of providing the service or facility.

REBATES AND CONCESSIONS

Pensioners

It is Council's policy to provide assistance by way of a remission of rates to pensioners who meet the administrative guidelines for the Queensland Government pensioner rate subsidy scheme. The Council rebate is in addition to the State Government approved pensioner rate subsidy.

Other Remissions and Deferrals

Other remission requests, or rate deferral requests, will be assessed on a case by case basis.

Discounts

To encourage the prompt payment of rates and charges, a discount will be allowed on all rates and charges levied (excluding interest charges, fire levy and special charge for electricity) if the rates and charges are paid at least 30 days after the issue of the rate notices. The discount rate will be determined by resolution at the budget meeting.

Revenue Statement

Other Benefits for Prompt Payment of Rates

In accordance with Section 1023 of the Local Government Act 1993, the Council will offer a benefit (other than a discount) as an inducement for the prompt payment of rates.

Payment by Arrangement

Council will allow property owners who are unable to pay their rates by the due date to enter into an arrangement to make regular payments according to an agreed schedule, with no recovery action being taken while the arrangement is being maintained.

PHYSICAL AND SOCIAL INFRASTRUCTURE COSTS FOR NEW DEVELOPMENT

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

The infrastructure charges plan must, among other things, include:

- a statement of the desired standard of service for the item (ie user benefits, environmental outcomes, engineering standards, planned operational life, etc);
- an evaluation of alternative ways of funding (there may be more efficient ways, such as periodic charges, to fund the item);
- the timing of supply and estimated cost of items; and
- the method used to calculate the charge.

The Council is in the process of developing the plan which is expected to come into force in the 2003/04 financial year. Until such time as the plan comes into force, Council's Local Planning Policy and Developer Contribution Policy will be the basis for Council's charging practices.

OPERATING CAPABILITY

The change in operating capability of the local government is disclosed in the Statement of Financial Position. It reflects the change in total wealth of the Council. Council estimates population and business levels within the Shire will remain static in the foreseeable future. This is reflected in the Corporate Plan of the Council. It is therefore - intended to maintain Operating Capability as its current level.

FUNDING OF DEPRECIATION AND OTHER NON CURRENT ASSETS

Depreciation

It is the policy of Council to allocate sufficient unrestricted funds, after meeting all other ordinary 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 year's budget allocation or resolve to unfund that portion of the depreciation expense. Such a resolution will include the proposed steps that will be taken to correct the shortfall in depreciation funding.

PROVISIONS

Council will ensure funds are available to cover 100% of the current liability in respect of Long Service Leave and Annual Leave.

INTEREST ON OVERDUE RATES AND CHARGES

It is Council's policy to impose interest on rates and charges that remain unpaid 30 days after the due date. The rate of interest will be determined annually by resolution.

OTHER MATTERS CONCERNING RATES AND CHARGES

Collection of Outstanding Rates and Charges

Council requires payment of rates and charges within the specified period and it is Council's policy to pursue the collection of outstanding rates and charges diligently but with due concern for the financial hardship faced by some members of the community.

To this end, Council has established administration processes which allow for the payments of rates and charges by installment and for the selection of various options (including legal action) for the recovery of debt.

Payment in Advance

Council accepts payments in advance by lump sum or by installments. Interest is not payable on any credit balances held.

Shire History



Principal Office: Cnr Scott & Mackenzie Streets, Wondai 4606

PO Box 42, Wondai 4606

Land Area: 3574 Square Kilometres

Resident Population: 4270

Rateable Properties: 2855

Council Bank: Pioneer Permanent Building Society Limited

Auditor: Love & Partners

History:

The Wondai Shire area was first administered by the Barambah Divisional Board in 1879. From 1888 three other governing bodies, namely Kilkivan Divisional Board, Kilkivan Shire Council, and the Wienholt Shire Council, were responsible for the administration of the area now covered by the Wondai Shire. The original area of the Wienholt Shire was reduced by areas being excised for the Kingaroy Shire 1912 and the creation of the Murgon Shire 1914.

On the 1st August 1914, an Order in Council was made altering the name of the Shire of Wienholt to the Shire of Wondai.

Initial settlement of the area was based on the pastoral industry. Agriculture is the predominant economic activity with cattle and pig production and grain growing being the principal rural activities. Tourism is also an important industry to the Shire.

Financial Statements Contents



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Statement of Financial Performance

For the year ended 30 June 2004

		2004	2003
	Note	\$	\$
Operating Revenue			
Rates - General	4	1,417,314	1,356,646
Rates - Water, Sewerage & Drainage	4	764,643	747,594
Fees and Charges	5	1,782,705	1,583,598
Recoverable Works	6	2,015,245	1,210,837
Interest	7	84,552	70,459
Other	27	768,730	3,838
Grants and Subsidies	8	2,642,467	2,678,587
Gain on Disposal of Plant & Equipment	17c	107,732	29,820
Total Operating Revenue		9,583,388	7,681,379
Operating Expenses			
Employee Costs	10	2,531,521	2,366,223
Materials & Services		3,577,950	3,146,647
Other Expenses	11	343,664	384,131
Borrowing Costs	9	140,398	168,469
Depreciation	17a	1,790,594	1,817,093
Amortisation	18	58,583	50,216
Total Operating Expenses		8,442,710	7,932,779
Operating Result from Ordinary Activities		1,140,678	(251,400)
Increase / (Decrease) in Asset Revaluation Reserve	19b	319	(324,690)
Total Change in Community Equity		\$1,140,997	(\$576,090)

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

Statement of Financial Position

As at 30 June 2004

		2004	2003
	Note	\$	\$
Current Assets			
Cash Assets	12	1,502,362	629,443
Receivables	13	1,279,367	650,173
Inventories		100,046	81,732
Prepayments		116,581	80,063
		2,998,357	1,441,411
Non-Current Assets			
Land Held for Resale	17a	213,314	299,317
Property, Plant & Equipment	17a	51,318,990	51,695,085
Capital Works in Progress		180,933	207,604
Electricity Contributions - Intangible	18	25,197	83,780
		51,738,434	52,285,786
Total Assets		54,736,791	53,727,197
Current Liabilities			
Payables		351,083	443,065
Tax Liability	14	132,711	42,182
Interest Bearing Liabilities	15	624,440	596,500
Provisions	16	241,149	237,723
		1,349,384	1,319,470
Non-Current Liabilities			
Provisions	16	240,845	233,592
Interest Bearing Liabilities	15	1,735,479	1,904,048
		1,976,324	2,137,640
Total Liabilities		3,325,708	3,457,110
Net Community Assets		\$51,411,082	\$50,270,087
Community Equity			
Capital	19a	50,012,865	50,012,865
Asset Revaluation Reserve	19b	859,910	859,591
Other Reserves	19c	919,086	654,181
Retained Surplus / (Deficit)		(380,779)	(1,256,550)
Total Community Equity		\$51,411,082	\$50,270,087

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

Statement of Changes in Equity

For the year ended 30 June 2004

	TOTAL		ACCUMULATED SURPLUS/(DEFICIT)		CAPITAL ACCOUNT *		ASSET REVALUATION RESERVE **		OTHER RESERVES ***	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at beginning of year	50,270,087	50,846,177	(1256,550)	(1,110,150)	50,012,865	49,997,409	859,591	1,184,281	654,181	774,637
Net Result for Period	1,140,995	(576,090)	1,140,995	(576,090)	0	0	0	0	0	0
Appropriation to Capital Accounts	0	0	0	0	0	0	0	0	0	0
Appropriation to Reserves	319	0	(264,905)	105,000	0	0	319	0	264,905	(105,000)
Reserves to Capital	0	0	0	0	0	15,456	0	0	0	(15,456)
Asset Revaluation Adjustments	(319)	0	(319)	324,690	0	0	0	(324,690)	0	0
Balance at End of Year	\$51,411,082	\$50,270,087	(\$380,779)	(\$1,256,550)	\$50,012,865	\$50,012,865	\$859,910	\$859,591	\$919,086	\$654,181

* Refer Note 19a

** Refer Note 19b

***Refer Note 19c

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

Statement of Cash Flows

For the year ended 30 June 2004

		2004	2003
	Note	\$	\$
Cash Inflows from Operating Activities			
Rates		2,172,584	2,096,984
Fees and Charges		870,531	1,617,124
Recoverable Works		2,661,582	1,120,028
Interest		88,054	61,252
Grants and Subsidies		2,642,467	2,678,587
Other		768,730	7,082
		9,203,948	7,581,057
Cash Outflows from Operating Activities			
Employee Costs		2,566,379	2,423,043
Materials & Services		3,946,187	2,926,607
Other Expenses		343,664	485,352
Borrowing Costs		140,398	168,469
		6,996,627	6,003,471
Net Cash from Operating Activities	22	\$2,207,321	\$1,577,586
Cash Flows from Investing Activities			
Proceeds on Disposal of Property, Plant & Equip	17c	306,674	200,056
Payments for Property, Plant & Equipment	17a	(1,500,446)	(1,567,493)
Net Movement in Loans to Community Organisations	13	0	(84)
Net Cash from Investing Activities		(\$1,193,772)	(\$1,367,521)
Cash Flows from Financing Activities			
Proceeds from Borrowings	15	444,000	520,000
Repayment of Borrowings	15	(584,629)	(549,717)
Net Cash from Financing Activities		(\$140,629)	(\$29,717)
Net Increase/(Decrease) in Cash Held		872,921	180,348
Cash at Beginning of Reporting Period		629,442	449,094
Cash at End of Reporting Period	12	\$1,502,363	\$629,442

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

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Employee Costs	51
Other Expenses	52
Cash Assets	52
Receivables	52
Tax Liability	52
Interest Bearing Liabilities	53
Provisions	53
Property, Plant & Equipment	54
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Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) **Basis of Accounting**

These financial statements, which are general purpose financial statements, have been drawn up in accordance with Australian Accounting Standards and Urgent Issues Group consensus views. The requirements of the *Local Government Act 1993* and the *Local Government Finance Standard 1994* have also been applied. The accrual basis of accounting has been applied.

(b) **Accounting Policies**

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

(c) **Taxation**

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

(d) **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 of rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (eg. 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 25(b) to the financial statements for information purposes only.

(e) **Property, Plant and Equipment**

(1) Non-Current Assets Threshold

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. Items of 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.

(2) Capital and Operating Expenditure

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

(3) Acquisition

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

Notes to and Forming Part of the Financial Statements For the year ended 30 June 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In the latter case, the assets transferred at no cost, or for a nominal consideration are recognised at their gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciated offset, or at their fair values.

(4) Valuation

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

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

Non-current physical assets measured at fair value are comprehensively revalued where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. Only those assets, the total values of which are material, compared to the value of the class of assets to which they belong, are comprehensively revalued.

Details of valuers and methods are disclosed in Note 17(b).

(5) Funding of Depreciation

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

In 2003-04 Council resolved not to fund an amount of \$21,000 in relation to depreciation. Details of those assets can be found in the councils budget resolution for 2003-04.

(6) Depreciation of Property, Plant and Equipment

Land is not depreciated as it has an unlimited useful life. Depreciation on property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Assets are depreciated from the date of acquisition or in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they related. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council. Major spares purchased specifically for a particular asset that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset	Range of Estimated Useful Life in Years (2002/03)	Range of Estimated Useful Life in Years (2001/02)
Land	Not depreciated	Not depreciated
Buildings & Facilities	10 - 80	10 - 80
Plant & Equipment		
Fleet vehicles (Work Utilities)	3 years (80,000km)	5 years
<i>Fleet vehicles (Other)</i>	2 years (40,000km)	5 years
<i>Fleet machinery</i>	10 - 15	10 - 15
<i>Computer equipment</i>	3 - 5	3 - 5
<i>Other</i>	7 - 15	7 - 15
Infrastructure		
<i>Road network</i>	10 - 80	10 - 40
<i>Water supply network</i>	10 - 70	10 - 50
<i>Sewerage network</i>	10 - 80	10 - 50

(f) Capital Works in Progress

The cost of property, plant and equipment constructed by the Council includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of labour overheads.

(g) Provisions—Employee Benefits

Employee benefits are accrued for such items as wages and salaries, annual leave and long services 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. Where it is expected that leave will be taken in the next 12 months, the liability is treated as a current liability. Otherwise it is treated as non-current.

(1) 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.

(2) Annual Leave

A liability for annual leave is recognised and based on current wage and salary levels and includes related employee on-costs.

(3) Long Service Leave

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

(4) Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan, which provides benefits to its employees. Details of these arrangements are set out in Note 23.

(h) Investments

Investments are brought to account at cost. Interest revenues are recognised as they accrue.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) **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 overhead. Costs are assigned to individual items of stock on the basis of weighted average cost.

(j) **Land held for resale**

(1) Land Held as an Inventory Asset

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

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

(2) Land Held as a Non-Current Inventory Asset

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

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

(k) **Rates, Grants and Other Revenue**

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

(1) Rates

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

(2) Grants and Subsidies

Control over granted assets is normally obtained upon their receipt or, if earlier, when the Council becomes unconditionally entitled to the grant. These amounts are recognised as revenue in the period in which they are received.

(3) Other Revenue including Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts of those contributions are carried in the Constrained Works Reserve. The details are disclosed in Note 25(a). That Note also discloses 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.

(4) Non-Cash Contributions

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) **Cash**

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

(m) **Leases**

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

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 the repayments of principal. The interest components of the lease payments are charged to the Statement of Financial Performance. The asset is amortised on a straight line basis over the term of the lease or where it is likely the Council will obtain ownership of the asset, the life of the asset.

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. Details of operating lease commitments are included in note 20(a).

(n) **Controlled Entities and Joint Ventures**

Council has no interest in unincorporated joint ventures and does not control any other economic entity.

(o) **Payables**

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

(p) **Loans and Borrowings**

Loans and borrowings have been recognised as a liability at their book values. The value of these loans is disclosed in note 15.

(q) **Electricity Contributions - Intangible**

Expenditure in relation to electricity infrastructure costs will be amortised over the period that these costs are recovered by way of levy. Details are shown in note 18.

(r) **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 debt 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 Section 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. No collateral or other security is held in relation to other parties failing to perform their obligations.

Notes to and Forming Part of the Financial Statements For the year ended 30 June 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(s) Components of Equity

(1) Capital Account and Asset Revaluation Reserve

Taken together, these accounts represent the amount of funds currently required and in use by the Council to meet the current level of services to the community and to maintain its conventional assets and infrastructure at existing levels of operating capability.

(a) Capital Account

This account balance is represented by the value of the Council's capital assets, (excluding asset revaluation adjustments), less capital debt as reported in the Statement of Financial Position. The initial net value, at 1 July 1994, of the working capital accounts (excluding cash) were established through this account. Subsequent adjustments to these balances may be made to meet changing working capital cash needs.

(b) Asset Revaluation Reserve

The Asset Revaluation Reserve is comprised of adjustments relating to changes in value of non-current assets that arise primarily from changes in the purchasing power of money. Net incremental changes in the carrying value of classes of non-current assets, since their initial recognition, are accumulated in this reserve.

Where a class of assets is decreased on revaluation, without a prior revaluation increment in the asset revaluation reserve, the asset revaluation decrement net of the corresponding adjustment to the accumulated depreciation is treated as an operating expense.

(2) Reserves

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

(a) Constrained Works Reserve

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

(b) Wondai Water Extension Reserve

This reserve was created to provide a contingency amount to offset any major unforeseen works that are required on the Wondai Water Scheme.

(c) Proston Water Extension Reserve

This reserve was created to provide a contingency amount to offset any major unforeseen works that are required on the Proston Water Scheme.

(d) Proston Rural Water Extension Reserve

This reserve was created to provide a contingency amount to offset any major unforeseen works that are required on the Proston Rural Water Scheme.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Tingoora Water Reserve

This reserve was created to provide a contingency amount to offset any major unforeseen works that are required on the Tingoora Water Scheme.

(f) Cleansing Plant Reserve

This reserve was created to provide a contingency amount to offset any major unforeseen works that are required in relation to the cleansing plant.

(g) Proston Common Effluent Drainage Reserve

This reserve was created to provide a contingency amount to offset any major unforeseen works that are required in relation to the Proston Common Effluent Drainage scheme.

(h) Wondai Sewerage Reserve

This reserves was created to provide a contingency amount to offset any major unforeseen works that are required in relation to the Wondai Sewerage Plant.

(3) Retained Surplus

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

(t) National Competition Policy

Council has reviewed its activities and has identified four that are business activities which Council will implement the Code of Competitive Conduct. The nominated activities are Water and Sewerage, Other Roads, Private Works and Plant.

(u) Comparative Figures

Where necessary to facilitate comparisons, comparative figures for the preceding year have been reclassified to conform with presentation in the current year.

(v) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, settlement on trade debtors being generally required within 30 days from the invoice date. The collectability of receivables is assessed periodically with all known bad debts being written off as at 30 June.

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

(w) Other Financial Assets

Other Financial Assets are brought to account at the lower of cost and recoverable amount and are disclosed at the fair values indicated in Note 20. Interest and dividend revenues are recognised on an accrual basis.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) **Adoption of International Financial Reporting Standards (IFRS)**

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

The Wondai Council has established an IFRS Steering Committee and/or Work Group to assist in the implementation of the new reporting requirements. All Pending Australian Equivalents to IFRSs are being progressively reviewed for possible implications on policies, procedures, systems and financial impacts arising from such changes.

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

- The valuation of inventories will change from the lower of cost and net realisable value as stated in note I(j) to the lower of cost and current replacement cost under pending AASB 102 Inventories. This may lead to an increase in the valuation shown for inventories.
- The introduction of pending AASB 136 Impairment of Assets will require an annual impairment test to be performed on all non-current physical and intangible assets. This may result in a write-down of the value of plant and equipment and intangible assets.

The dollar values of the above changes cannot be reliably estimated at the date of this report.

Notes to and Forming Part of the Financial Statements For the year ended 30 June 2004

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

- (a) Expenses and revenues have been attributed to the following functions/activities, descriptions of which are set out in Note 2(b).

	Revenue			Expenses			Increase in Net Assets			Total Assets		
	Grant and Subsidy Revenue			Other Revenue			Expenses			Resulting from Operations		
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate Services	1,681,947	1,677,295	2,329,230	1,387,017	1,144,324	1,348,413	2,866,853	1,715,899	3,647,516	4,384,265		
Cultural & Community Services	105,474	131,200	100,490	46,077	785,742	621,965	(579,778)	(444,688)	6,138,773	3,959,416		
Economic Development & Tourism	32,000	107,757	264,076	222,292	429,166	369,682	(133,090)	(39,632)	331,218	0		
Environment Mgmt & Health Services	3,315	3,234	116,301	95,706	424,036	443,569	(304,420)	(344,629)	696,688	329,997		
Engineering Services	819,731	759,101	3,296,627	2,484,693	4,489,013	4,035,772	(372,656)	(791,978)	24,880,959	26,154,778		
Town Planning, Building & Development	0	0	39,114	16,326	553,133	21,691	(514,019)	(5,365)	0	0		
Water & Wastewater	0	0	795,084	750,682	617,295	1,091,688	177,788	(341,007)	19,041,637	18,898,743		
Asset Revaluation												
Total	2,642,467	2,678,587	6,940,922	5,002,793	8,442,711	7,932,780	1,140,678	(251,400)	54,736,791	53,727,199		

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

2004
\$

2003
\$

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONT)

(b) **The activities of the Council are categorised into the following broad functions:**

Corporate Services: operation and management of Council chambers and administration; management of Council financial resources, including rates collections.

Cultural & Community Services: management and upgrading of sporting, recreational and community centres; maintaining library services, community halls, swimming pools, parks and cultural activities.

Economic Development & Tourism: management or contributions towards economic development programs and management of tourism facilities.

Environment Management & Health Services: management of refuse services, maintenance of cemeteries, maintenance of public conveniences, keeping and control of animals.

Engineering Services: construction, maintenance and realignment of roads, footpaths, bridges and parking facilities; operation of plant and equipment, workshop, depots and quarry.

Town Planning, Building & Development: development of housing estates; land acquisition, servicing, development and sale.

Water & Wastewater Management: control of Wondai Water Scheme, Wondai Sewerage Scheme, Proston Town and Rural Water Supplies, Proston Effluent Drainage Scheme and Tingoorra Water Scheme; collection, handling, processing and disposal of all waste materials.

3. EVENTS SUBSEQUENT TO THE REPORTING DATE

No events have arisen subsequent to the reporting date, which require mention in these financial statements.

4. RATES

General

Levy	1,646,604	1,574,995
Less Discount Allowed, Pensioner Rebate & Write-offs	(229,290)	(218,346)
	\$1,417,314	\$1,356,646

Water, Sewerage & Drainage

Water Levy	534,615	525,941
Sewerage / Effluent Drainage Levy	220,755	214,157
Cleansing Levy	76,415	69,375
Less Discount Allowed & Write-offs	(67,143)	(61,879)
	\$764,643	\$747,594

Rates Received in Advance (accounted as income)

32,666	27,153
--------	--------

5. FEES AND CHARGES

Plant Hire	1,016,091	1,006,695
Quarry & Premix Operations	262,072	237,287
Other Charges & Services	504,542	339,616
	\$1,782,705	\$1,583,598

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
6. RECOVERABLE WORKS		
Private Works	148,935	70,231
Main Roads Works	1,866,310	1,140,606
	\$2,015,245	\$1,210,837
7. INTEREST		
Interest was earned from:		
Short Term Investments	66,706	50,741
Overdue Rates and Utility Charges	17,846	19,718
	\$84,552	\$70,459
8. GRANTS, SUBSIDIES AND CONTRIBUTION REVENUE		
Grants Received		
General Purpose Operational Grants	1,640,419	1,591,195
Specific Purpose Grants, Subsidies and Contributions		
Community Services	172,537	290,348
Transport – Roads	395,045	382,970
- Aerodromes	3,000	3,600
	\$2,211,001	\$2,268,113
Capital Government Grants and Subsidies	431,466	410,474
	\$2,642,467	\$2,678,587
9. BORROWING COSTS		
Finance Costs - Queensland Treasury Corporation	140,398	168,469
	\$140,398	\$168,469
10. EMPLOYEE COSTS		
Wages and Salaries	2,014,041	1,914,140
Councillors' Remuneration and Expenses	101,598	101,221
Annual, Sick and Long Service Leave Entitlements	262,396	250,926
Superannuation Contributions	299,428	291,769
	2,677,463	2,558,056
Other Employee Related Expenses	30,311	35,386
	2,707,774	2,593,442
Less Capitalised Expenses	(176,253)	(227,219)
	\$2,531,521	\$2,366,223

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
II. OTHER EXPENSES		
Councillors' Expenses	5,448	8,552
Audit Fees	22,699	17,806
Administration Costs	315,517	357,773
	\$343,664	\$384,131
12. CASH ASSETS		
Cash on Hand – petty cash and cash floats	1,150	1,150
Cash at Bank	1,485,657	618,379
Monies Held in Trust	15,555	9,914
	\$1,502,362	\$629,443
13. RECEIVABLES		
Rates and Utility Charges	223,676	214,303
Accrued Interest	25,294	28,795
	\$248,970	\$243,098
Other Debtors	986,578	362,756
Less Provision for Doubtful Debts	0	0
GST Recoverable	0	0
	\$1,235,548	605,854
Loans	43,819	44,319
	\$1,279,367	\$650,173
Interest is charged on outstanding rates and charges at a rate of 11% per annum compounded daily. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges and other debtors.		
Loans are to various community organisations. These assets arise from time to time and are subject to negotiated interest rates. The credit risk on these loans is considered low.		
I4. TAX LIABILITY		
Current		
GST Payable	126,192	50,164
Employee related Tax Payable	62,786	40,234
GST Recoverable	(56,267)	(48,216)
	\$132,711	\$42,182

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
I5. INTEREST BEARING LIABILITIES		
Queensland Treasury Corporation		
Opening Balance (Book Value)	2,500,548	2,530,265
Add Loans Drawn	444,000	520,000
Less Principal Repayments	(584,629)	(549,717)
Balance at Reporting Date (Book Value)	\$2,359,919	\$2,500,548
Classified as:		
Current Liability	624,440	596,500
Non-Current Liability	1,735,479	1,940,048
	\$2,359,919	\$2,500,548

QTC borrowings include 3 Year, 6 Year, 9 Year and 15 Year Debt Pool borrowings.

The interest rates on QTC loans range from 4.62% to 8.61% per annum at 30 June 2004.

Based on the current level of repayments the expected term of total debt is 17 years. (2003 – 18 years)

I6. PROVISIONS		
Current		
Provision for RDO	18,013	33,320
Provision for Annual Leave	183,136	164,403
Provision for Long Service Leave	40,000	40,000
	\$241,149	\$237,723
Non-Current		
Provision for Long Service Leave	\$240,845	\$233,592

Notes to and Forming Part of the Financial Statements For the year ended 30 June 2004

17. PROPERTY, PLANT & EQUIPMENT

(a) Cost, accumulated depreciation and written down values

	Land held for Resale	Land	Buildings & Facilities	Plant & Equipment	Roads	Water	Sewerage	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT COST								
Opening Balance at Cost	0	0	1,980,173	1,286,155	1,893,662	144,108	398,710	5,702,808
Opening Balance at Valuation	299,317	260,100	9,981,700	4,433,727	35,294,000	34,550,000	6,603,200	91,422,044
Additions at Cost	11,000	0	477,023	513,587	459,585	65,923	0	1,527,119
Asset Revaluations	319	0						319
Disposals	(97,322)	(3,000)	(54,121)	(392,849)	0	0	0	(547,292)
Closing Balance at Cost			2,457,196	1,691,410	2,353,247	210,031	398,710	7,110,595
Closing Balance at Valuation	213,314	257,100	9,927,579	4,149,210	35,294,000	34,550,000	6,603,200	90,994,403
Balance at 30 June	\$213,314	\$257,100	\$12,384,775	\$5,840,620	\$37,647,247	\$34,760,031	\$7,001,910	\$98,104,998
ACCUM DEPRECIATION								
Opening Balance	0	0	4,375,217	4,021,620	13,544,583	19,820,990	3,313,920	45,076,330
Claimed in Year	0	0	90,857	231,568	850,496	506,087	111,586	1,790,594
Written off on Disposal	0	0	0	(294,231)	0	0	0	(294,231)
Adjustment on Revaluation	0	0	0	0	0	0	0	0
Balance at 30 June	\$0	\$0	\$4,466,074	\$3,958,958	\$14,395,079	\$20,327,077	\$3,425,506	\$46,572,693
WRITTEN DOWN VALUE at 30 JUNE 2004	\$213,314	\$257,100	\$7,918,701	\$1,881,663	\$23,252,168	\$14,432,954	\$3,576,404	\$51,532,304

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

2004
\$

2003
\$

17. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

(b) Valuations of non-current assets were determined by reference to the following:

(1) Land

Land was valued as at 1 July 2000 by Pacific Valuers, Registered Valuers.

Wondai Shire Council has control of:

- (a) Land under infrastructure—941 km of roads; and
- (b) Reserve Land (Land Act 1994) - 237 ha. This includes 57 ha leased to sporting and community organisations.

Land under infrastructure and reserve land does not have a value for the purpose of Local Government financial statements.

(2) Buildings and Facilities

Buildings were valued as at 1 July 2000 by Australian Pacific Valuers, Registered Valuers.

(3) Plant and Equipment

Plant and equipment is valued as at 1 July 2000 at their current replacement cost by Australian Pacific Valuers, Registered Valuers.

Plant and equipment with a value less than \$50,000 or with a life of less than five years are not revalued.

(4) Roads

Roads were valued as at 1 July 2000 by Australian Pacific Valuers, Registered Valuers.

(5) Infrastructure Assets

Network assets were valued as at 1 July 2000 by Australian Pacific Valuers, Registered Valuers.

(6) Acquisitions

All non-current assets acquired since valuation have been included at cost.

(c) Disposal of Property, Plant and Equipment

Proceeds from Disposal of Property, Plant & Equipment	306,674	200,056
Less:		
Carrying Amount Property Plant & Equipment Sold	(198,941)	(170,236)
	\$107,733	\$29,820

18. ELECTRICITY CONTRIBUTIONS—INTANGIBLE

During the year ended 30 June 1999 the Wondai Shire Council incurred expenditure of \$362,959 in providing electrical infrastructure to rate payers in benefited areas. In addition a further \$23,636 expenditure was incurred in 2002/03 to provide electrical infrastructure to rate payers in McLeans Road. It is proposed to recover this amount by way of levies as specified charges pursuant to Section 971 of the *Local Government Act 1993*. Accordingly the expenditure has been amortised to the extent of the principal components of the levies received.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
I8. ELECTRICITY CONTRIBUTIONS—INTANGIBLE (CONT)		
Expenditure	386,595	386,595
Less Accumulated Amortisation	(361,398)	(302,815)
	\$25,197	\$83,780
I9. CAPITAL AND RESERVES		
(a) Movements in Capital Account		
Balance at 1 July 2003	50,012,865	49,997,409
Total transfers (to) from statement of appropriation	0	
Transferred from reserves for capital funding purposes	0	15,456
Balance at 30 June 2004	\$50,012,865	\$50,012,856
(b) Movements in Asset Revaluation Reserve		
Balance at 1 July 2003	859,591	1,184,281
Net adjustment to capital non-current assets during period:		
Land	319	
Buildings	0	
Plant and Equipment	0	(324,690)
Balance at 30 June 2004	\$859,910	\$859,591

Notes to and Forming Part of the Financial Statements For the year ended 30 June 2004

19. CAPITAL AND RESERVES (CONTINUED)

(c) Reserves

	2004	2003
	\$	\$
Wondai Water Extension Reserve		
Balance at 1 July 2003	288,778	221,391
Transfer from accumulated surplus for future capital expenditure	66,264	67,387
Transfer to capital account for current period capital expenditure		
Balance at 30 June 2004	\$355,042	\$288,778
Proston Water Extension Reserve		
Balance at 1 July 2003	4,183	197,590
Transfer from accumulated surplus for future capital expenditure	109,058	6,593
Transfer to capital account for current period capital expenditure		(200,000)
Balance at 30 June 2004	\$113,241	\$4,183
Wondai Sewerage Plant Reserve		
Balance at 1 July 2003	0	0
Transfer from accumulated surplus for future capital expenditure	19,580	
Transfer to capital account for current period capital expenditure	0	0
Balance at 30 June 2004	\$19,580	\$0
Cleansing Plant Reserve		
Balance at 1 July 2003	25,584	24,758
Transfer from accumulated surplus for future capital expenditure	19,106	826
Transfer to capital account for current period capital expenditure		
Balance at 30 June 2004	\$44,690	\$25,584
Proston Rural Water Extension Reserve		
Balance at 1 July 2003	241,666	233,863
Transfer from accumulated surplus for future capital expenditure	13,565	7,803
Transfer to capital account for current period capital expenditure		
Balance at 30 June 2004	\$255,231	\$241,666
Tingoora Water Reserve		
Balance at 1 July 2003	84,056	71,665
Transfer from accumulated surplus for future capital expenditure	20,274	12,391
Transfer to capital account for current period capital expenditure		
Balance at 30 June 2004	\$104,330	\$84,056
Constrained Works Reserve		
Balance at 1 July 2003	9,914	25,370
Transfer from accumulated surplus for future capital expenditure	5,641	
Transfer to capital account for current period capital expenditure		(15,456)
Balance at 30 June 2004	\$15,555	\$9,914
Proston Common Effluent Drainage Renewal Reserve		
Balance at 1 July 2003	0	0
Transfer from accumulated surplus for future capital expenditure	11,417	
Transfer to capital account for current period capital expenditure	0	0
Balance at 30 June 2004	\$11,417	\$0
TOTAL RESERVES		
Balance at 1 July 2003	654,181	774,637
Transfer from accumulated surplus for future capital expenditure	264,905	95,000
Transfer to capital account for current period capital expenditure	0	(215,456)
Balance at 30 June 2004	\$919,086	\$654,181

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
20. COMMITMENTS		
(a) Operating Lease Commitments		
Wondai Shire Council had the following obligations under non-cancellable operating leases (these obligations are not recognised as liabilities in the statements):		
Not later than one year	28,167	23,898
Later than one year but not later than five years	94,814	15,499
Later than 5 years	0	0
	\$122,981	\$39,397
(b) Contractual Commitments - Capital Expenditure		
Council had obligations under contract for the following expenditure which has not been recognised as liabilities:		
	\$0	\$0

This expenditure is payable within the next twelve months.

21. CONTINGENT LIABILITIES

Council is a member of the local government self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts that may remain should the self insurance licence be cancelled because of insufficient funds being available to cover outstanding liabilities.

Only Local Government Workcare may call on any part of the guarantee should the above circumstances arise.

The Council's maximum exposure is:

\$27,291

\$67,843

The Wondai Shire Council is a member of the local government mutual liability self-insurance pool, LG Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at June 2003 the financial statements reported an accumulated loss of \$2,128,579. The board of management has developed a long term financial strategy to address this deficit. As at the reporting date the Council's share of any liability cannot be reliably estimated.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
22. RECONCILIATION OF RESULT FROM ORDINARY ACTIVITIES TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES		
Operating Results from Ordinary Activities	1,140,678	(251,400)
Non-Cash Operating Items		
Depreciation	1,790,594	1,817,093
Amortisation	58,583	50,216
Gain on Disposal of Plant & Equipment	(107,732)	(29,820)
Changes in Operating Assets and Liabilities		
Increase in receivables, excluding loans	(629,195)	(75,915)
Decrease in inventories	0	(23,681)
Increase in inventories	(18,315)	
Decrease in prepayments	0	
Increase in prepayments	(36,518)	(36,180)
Increase in payables	0	111,330
Decrease in payables	(91,982)	0
Increase in tax liability	90,529	
Decrease in tax liability	0	(6,786)
Increase in provision for employee entitlements	10,679	22,730
Decrease in land held for resale	0	
Net Cash Inflow from Operating Activities	\$2,207,321	\$1,577,587

23. SUPERANNUATION

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

Assets accumulate in the scheme to meet members benefits as they accrue. If that portion of the assets of the scheme intended to support 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 reviewed.

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

The most recent financial report of the scheme (as at 30 June 2003) was not subject to any audit qualification.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

2004
\$

2003
\$

23. SUPERANNUATION (CONTINUED)

The most recent triennial actuarial investigation was based on scheme asset and membership data as at 1 July 2003 and the actuary advised the scheme is in a satisfactory financial position.

The amount of superannuation contributions paid by the Wondai Shire Council to the Local Government Superannuation Fund during the period for the benefit of employees and Councillors was:

\$463,601

\$292,069

The Wondai Shire Council also contributes to the Local Government Superannuation Fund for the benefit of elected members. The amount of contributions paid for this benefit during the reporting period was:

\$5,266

\$7,603

24. FINANCIAL INSTRUMENTS

(a) Credit Risk Exposures

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

(b) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. The exposure of the Council to interest rate risk and the weighted average effective interest rates on financial assets and liabilities is set out in the table following. For interest rates applicable to each class or asset or liability, refer to individual notes to the financial statements.

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

Financial Instruments	Note	Floating Interest Rate		Fixed Interest Rate		Non-Interest Bearing		Total	
		2004	2003	2004	2003	2004	2003	2004	2003
		\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash Assets	12	1,501,212	628,293			1,150	1,150	1,502,362	629,443
Receivables	13			248,970	243,098	1,030,397	407,076	1,279,367	650,174
		1,501,212	628,293	248,970	243,098	1,031,547	408,226	2,781,730	1,279,617
Financial Liabilities									
Payables						351,083	443,065	351,083	443,065
Tax Liability	14					132,711	42,182	132,711	42,182
Loans - QTC	15	2,359,919	2,500,548					2,359,919	2,500,548
		2,359,919	2,500,548	0	0	483,795	485,247	2,843,714	2,985,795
Net Financial Assets		(\$858,707)	(\$1,872,255)	\$248,970	\$243,098	\$547,753	(\$77,021)	(\$61,984)	(\$1,706,178)

(c) Net Fair Value of Financial Assets and Liabilities

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
25. RESTRICTED ASSETS		
(a) Contributions Subject to Conditions		
Contributions, subsidies and grants which were recognised as revenue during the financial year and which were obtained on the condition that they be expended on the acquisition of non-current assets, but had yet to be expended in that manner as at the reporting date were:	5,641	0
Contributions, subsidies and grants which were recognised as revenues in the previous financial year and which were expended during the current financial year in the manner specified by the grantor were:	0	15,456
Net increase/(decrease) in restricted assets for the financial year	5,641	0
Total restricted assets at the reporting date	\$15,555	\$9,914
(b) Trust Funds Held by Council		
Monies collected or held on behalf of other entities yet to be paid out on behalf of that entity. These are not brought to account in the financial statements and are disclosed for information purposes only.	\$54,308	\$23,858

26. ACTIVITIES TO WHICH THE CODE OF COMPETITIVE CONDUCT APPLIES

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

(a) Roads business activity means

(1) the construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement; or

(2) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

(b) Business activity means

(1) trading in goods and services to clients in competition with the private sector; or

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

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

These business activities are referred to as type 3 activities.

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

The Council has resolved to apply the CCC to the following activities:

- Water & Sewerage
- Other Roads
- Private Works & Plant

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2004

2004
\$

2003
\$

27. OTHER REVENUE

Council is developing a new residential estate in Wondai. As at 30 June 2004, 36 of the 39 allotments available were subject to unconditional contracts.

Parkside Residential Estate

Proceeds from sale of Residential Allotments	831,745	0
Less current cost of developing land	(94,745)	0
Profit on sale of Residential Allotments	\$737,000	\$0

Other Revenue

Other	31,730	3,838
Parkside Residential Development	737,000	0
	\$768,730	\$3,838

Management Certificate



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

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





AW Keates
Chief Executive Officer

ID Carter
Mayor

Date

Independent Audit Report To The Mayor of Wondai Shire Council

Matters Relating to the Electronic Presentation of the Audited Financial Statements

The audit report relates to the financial statements of Wondai Shire Council for the financial year ended 30 June 2004 included on Wondai Shire Council's web site. The Council is responsible for the integrity of the Wondai 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 Wondai 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 of Wondai 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 the *QAO Auditing Standards* to enable me to provide an independent opinion whether in all material respects the financial statements present 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.

Audit Opinion

In accordance with section 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 Wondai Shire Council for the financial year 1 July 2003 to 30 June 2004 and of the financial position as at the end of that year.

Brett Buntain CPA
(as Delegate of the Auditor-General of Queensland)

Date