

WONDAI SHIRE COUNCIL
ANNUAL REPORT
2004/2005



Who should read our Annual Report?

YOU should, if you:-

- want to know how Council uses the rates you pay each year;
- want to establish and build a business where business is encouraged and supported by Council;
- are thinking about moving from the hustle and bustle of a larger centre, but still want to be close enough for a quick trip to Brisbane or the Sunshine Coast;
- want to know about a shire where quality of life is important and supported by Council through the provision of quality facilities and services; or
- want to “Discover the Diversity of Wondai Shire”!

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Wondai Shire

Community Spirit Growth Diversity

... the Friendly Shire

Following Wondai's recognition in 2004 as the Friendliest Town in the Wide Bay Burnett, the town of Wondai was presented with another prestigious award in the 2005 Ergon Energy Tidy Towns Competition. Wondai was awarded the Community Action Award recognising outstanding community organisation and pride - expressed through civic, cultural and environmental activities.

The operation of many Wondai Shire attractions including the Art Gallery, Heritage Museum, Boondooma Homestead and the Timber Museum and Visitor Information Centre relies on volunteers. The support given by members of the community to successfully run such attractions can not be understated, with this award due recognition of the strong relationship between Wondai Shire and the community.

Coupled with this relationship the self-belief that exists within the Wondai Shire resulted in another record year of growth. Residential building activity within the Shire continued to surge ahead with Council completing Stage 2 of Parkside Estate with demand again outpacing supply.

With Wondai Shire appealing to a broad range of people there is something for everyone. Whether to live, work, holiday or retire, Wondai Shire continues to offer first class facilities with that friendly rural atmosphere.

The direction and leadership Wondai Shire Council provides through the implementation of its Corporate Plan for 2004-2008 will continue to provide the framework to build an affordable, attractive and well resourced community in which to live and work.

With Wondai Shire Council committed to supporting the shire's residents and businesses the future of the Wondai Shire is assured.

What we have Achieved

- Completed the extension to the Col Morris Public Library
- Purchased a new John Deere 670CH grader
- Commenced development of Stage 2 at Parkside Estate
- Reduced our debt levels from \$2.36M to \$2.08M
- Installed 16 Street Lights in the Town of Tingoora
- Constructed a shared cycleway and walkway in Scott Street Wondai
- Bitumen resealed a length of 32 km of state controlled roads.
- Repainted the Odd Fellows Hall at the Wondai Heritage Museum
- Installed new fans and lights in the Supper Room of the Proston Town Hall
- Commenced recording of Road information onto the Roads Alliance System
- Constructed a new burial section at the Wondai Lawn Cemetery





Mayor's Message

What makes Wondai Shire a winner? Thanks to the natural friendly nature of the people of the shire, Wondai was judged the Wide Bay Burnett's Friendliest Town. Although small in size, with a current population of 4400, others are now finding out what makes our shire a winner. Wondai Shire appeals to a broad range of people with something for everyone. Council is committed to supporting residents and business by providing facilities and services that make living and working in the Shire both attractive and comfortable. This award has given us the opportunity to promote Wondai as a great place to live as well as visit.

Our attractions have been recognised as among the best in the region. Lake Boondooma Camping and Recreation Area was presented with the prestigious Regional Attraction Award at the 2004 Fraser Coast South Burnett Tourism Awards. Lake Boondooma is certainly a major drawcard to our region and will only grow in stature with this award. The Timber Museum again won the Heritage and Cultural Tourism Award and the Wondai Visitor Information Centre was successful in the Tourism Association/Visitor Information Centre category.

A major outbreak of the waterweed *Salvinia* occurred in Barambah Creek during the year. This was a major concern to land holders and irrigators in the area between Ficks Crossing and Byee. Council staff have done a considerable amount of work to contain the infestation. Council hired a

mechanical harvester to remove the majority of the weed prior to chemical control. This method was seen as preferable to controlling the entire infestation with herbicides.

A new reservoir for the Proston Rural Water Scheme was constructed. This 400 kilolitre concrete tank will assist in reducing some of the supply issues that we have in very hot weather. The total cost with the tank and associated pipe work was \$85,000.

"Council is committed to supporting residents and business by providing facilities and services that make living and working in the shire both attractive and comfortable."

Any advertising we can get for our area is going to benefit us in the long term. It is just amazing the response we had to an article, written by Glenis Green, in the Courier Mail on Saturday 5th March 2005. Our great life style was well portrayed and the photo of the main street just added to the positive aspects of the article.

Parkside Estate is further evidence of the growing popularity of our region. Owing to continued interest following the sale of the initial 39 blocks, Council decided to continue with developing another 10 blocks - all of which were also sold within days of being placed on the market.

I was certainly very pleased with the

response to the Ministerial Forum that was held in Wondai in April 2005. The event showcased the South Burnett, our Shire and especially the town of Wondai. It just goes to show that we can do it as good or even better than the major centers. We certainly made a lasting impression on Margaret Keech, the State Minister for Tourism, Fair Trading and Wine Industry Development.

During the year Council introduced and participated in community consultation on a Waste Management Five Year Strategy Discussion Paper. The purpose of the Discussion Paper was to make the community aware of the current condition and operation of existing waste management sites and the costs associated with their maintenance, as well as identify options for the future. The imposition of stringent environmental guidelines, workplace, health and safety requirements and the ever increasing threat of public liability all impact on Council's ability to continue to provide waste management services to the community in a sensible and cost effective manner.

I would like to thank all 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 during the year.

Cr David Carter
Mayor

Chief Executive Officer's Report



It has been another year of considerable growth particularly in the area of residential building activity. The value of building approvals were \$10M, an increase of \$2.5M or 33 percent on last year, including 45 new dwellings and 19 dwelling units in stage one of the Wondai Retirement Village.

The Council's promotion of the Shire as a great place to live, work or holiday is having the effect of turning "Sea Change" into a "Tree Change".

The response from all staff in meeting the challenges associated with the ongoing development in the Shire has been supportive and positive and one of which Council can be justifiably proud.

The road ahead for Local Government will be challenging. Structural reform of Local Government will be a priority for all councils to address during 2005/2006 and it is important that the Council works in partnership with other South Burnett councils to further improve our sustainability. It has always been a priority of Council to foster regional co-operation that will deliver services in an economical, efficient and effective way. An example of this is a decision taken by the Wondai, Murgon and Kilkivan shires to enter into a joint arrangement for waste collection, transportation and disposal services that will commence in March 2006. Present human resources sharing arrangements that include Sport and Recreation, Workplace Health and Safety and Tourism are proving beneficial to all participating councils.

Our financial position continues to improve and, with careful management and long term strategic planning, I believe that Council will have the ability to both maintain existing infrastructure and provide new infrastructure where necessary, while at the same time continuing to deliver a high standard of essential services.

"Council-operated tourism enterprises continue to contribute significantly to the economic growth of the Wondai Shire and South Burnett region."

During the year the Council undertook a major review of its Waste Management Strategy that involved input from the community with meetings being held throughout the Shire. Ongoing community involvement is encouraged to assist Council in the review of its strategies, goals and objectives.

This year the Council's IPA (Integrated Planning Act) Planning Scheme went on public display. I would expect that the Planning Scheme will receive State Government approval and be adopted by Council before the end of 2005. In particular, I would like to express my sincere appreciation to Ashley Knight, Manager of Engineering and Building Services, for his dedication and commitment to the project. The plan will provide the blue print for future development of the Shire.

Council-operated tourism enterprises continue to contribute significantly to the economic growth of the Wondai Shire and South Burnett region. I express my sincere thanks to all managers and volunteers of these facilities. I am also extremely grateful to all members of the community who serve on Council management advisory committees and rural fire brigades. Their assistance in delivering services to the Shire is most appreciated.

Council's continued improvement with the production of the Annual Report was recognised with the presentation of an Excellence Award and the President's Special Recognition Award at the annual "Institute of Internal Auditor's 2004 Queensland Public Sector Annual Report Awards".

My sincere thanks go to the Mayor, David Carter, and Councillors for their leadership and support. I would also like to thank Senior Managers and staff for their dedication and commitment to the Shire. It is indeed an honour and privilege for me to lead such a dedicated and committed team.

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

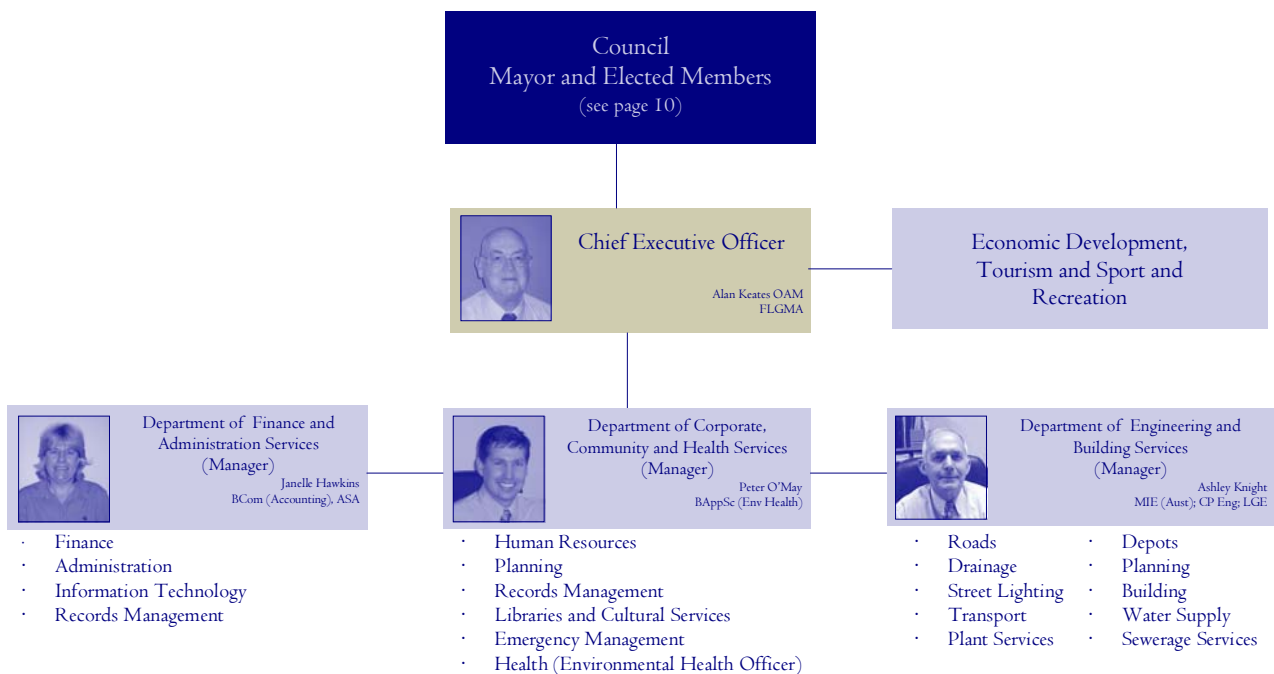
The Chief Executive Officer

Council's Chief Executive Officer (CEO), Alan Keates OAM, has been with Council for 40 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 2004/05 is shown in the organisation 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.



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 Council's needs, to ensure appropriate services continue to be provided to ratepayers.

Copies of 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. 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 employees' 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

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, providing 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.

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.

Health and Safety

Council is a member of Local Government Workcare, 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

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 19 January 2005:

Moved Cr KA Duff, Seconded Cr GA Boyle that the basis for remuneration of Councillors be:

- | | |
|--|--|
| <p>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).</p> <p>B - General Meeting of the Council - daily allowance rounded to the nearest dollar.</p> <p>- Authorised Inspections – 30 percent of daily allowance rounded to nearest dollar.</p> <p>- Conferences (including travelling time)</p> <p style="margin-left: 20px;">a) over four hours – daily allowance</p> <p style="margin-left: 20px;">b) under four hours – 60 percent of daily allowance rounded to the nearest dollar</p> <p>- Other Meetings, Deputations, Workshops & Interviews authorised by Council (including travelling time)</p> <p style="margin-left: 20px;">a) over six hours – daily allowance.</p> <p style="margin-left: 20px;">b) between four and six hours – 60 percent of daily allowance rounded to the nearest dollar.</p> <p style="margin-left: 20px;">c) under four hours – 30 percent of daily allowance rounded to the nearest dollar.</p> | <p>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:</p> <p style="margin-left: 40px;">Mayor – 8 times the daily allowance</p> <p style="margin-left: 40px;">Deputy Mayor – 3 times the daily allowance</p> <p style="margin-left: 40px;">Councillors – 2 times the daily allowance</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>G - A council vehicle is to be provided for the use of the Mayor on council business.</p> |
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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.

Carried

Councillors



David Carter
MAYOR



Wayne Kratzmann
DEPUTY MAYOR



Trish Bird



Greg Boyle



Kathy Duff



Paul Fletcher



Bob Mitchell



Kevin Polzin



Peter Seiler



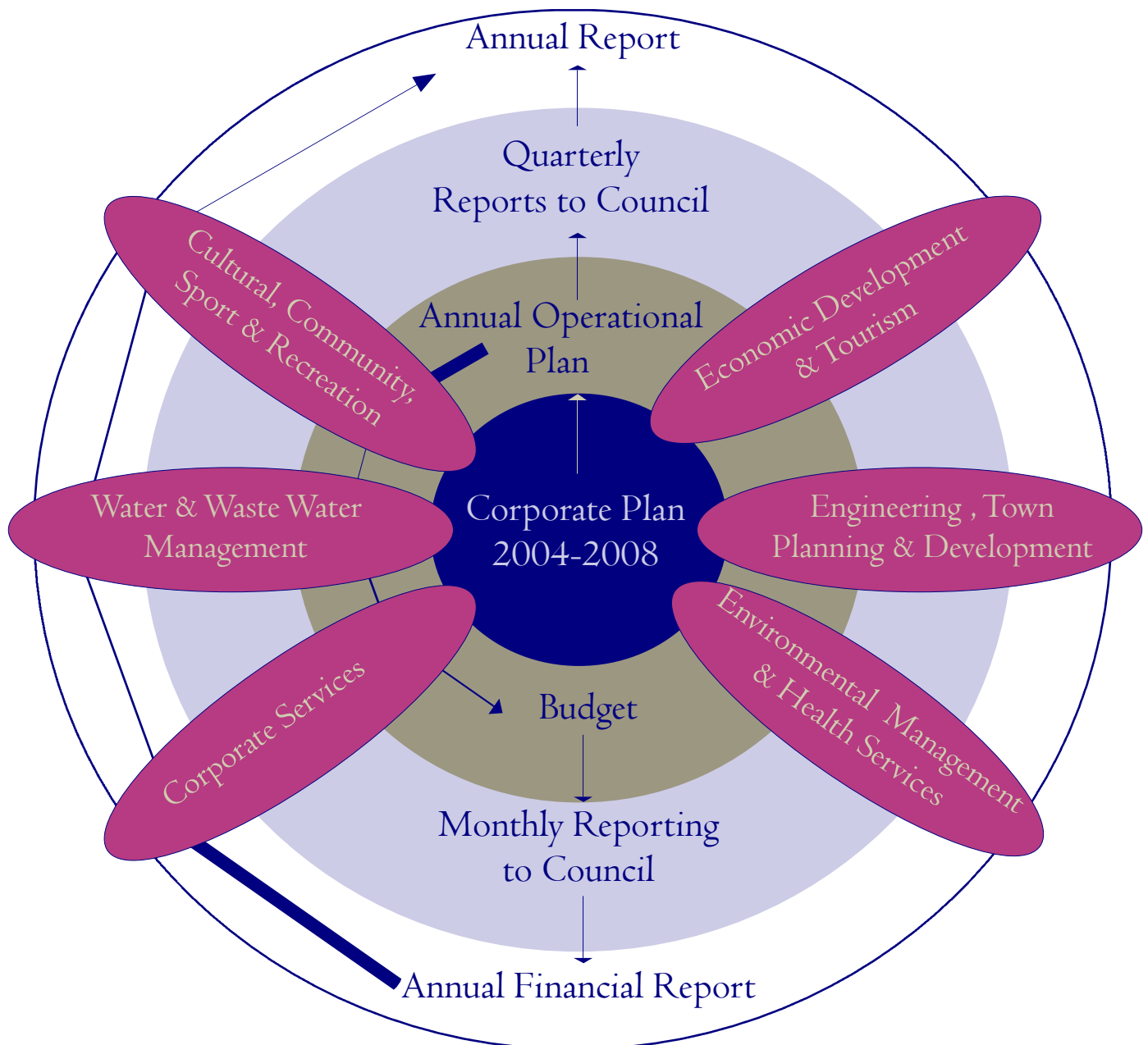
Gil Smith

Councillors Remuneration

Councillors Name	Council Meetings Attended	Other Meetings Conferences & Workshops	Meeting Fees & Allowances \$	Travelling Allowance \$	Total Remuneration \$	Superannuation Contributed by Council \$
Cr David Carter	19	61	31,125	0	31,125	3,741
Cr Wayne Kratzmann	18	23	13,805	366	14,171	808
Cr Trish Bird	19	11	8,475	483	8,958	-
Cr Gil Smith	18	25	9,244	0	9,244	1,109
Cr Paul Fletcher	19	4	7,934	238	8,172	-
Cr Kevin Polzin	19	18	9,565	429	9,994	1,304
Cr Bob Mitchell	19	30	9,973	358	10,331	-
Cr Peter Seiler	19	3	7,922	426	8,348	732
Cr Kathy Duff	19	13	8,561	1,240	9,801	-
Cr Greg Boyle	19	5	7,992	589	8,581	470

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>Continue development of Council's Asset Management database to produce a usable Asset Management System.</p> <p>Continue to refine reports to Council to provide more usable data.</p> <p>Develop a replacement program for Buildings and Plant and Equipment.</p>	<p>Council has commenced the recording of road information onto the Roads Alliance System (Confirm).</p> <p>Council developed more user friendly reports to Councillors.</p> <p>Council has begun developing a replacement program for Buildings, Plant and Equipment and this will continue into 2006.</p>	<p>Development of Council's Asset Management database to produce a usable Asset Management System will continue in 2005/2006.</p> <p>Continue to refine reports to Council to provide more usable data.</p> <p>Developments on a replacement program for Buildings and Plant and Equipment will continue.</p>
Human Resources	<p>Implement recommendations of Workplace Health and Safety Committee and address health and safety risks identified through implementing our 'SafePlan'.</p> <p>Implement new Enterprise Bargaining Agreement.</p> <p>Form a joint consultative committee to investigate issues that are outside the Enterprise Bargaining Agreement process.</p>	<p>The Workplace Health and Safety Committee continued to meet, with monthly hazard inspections being undertaken. An external audit was also undertaken to identify any deficiencies in Council's Workplace Health and Safety management system 'SafePlan'.</p> <p>New Enterprise Bargaining Agreements were certified with both State and Federal employees. Both agreements will remain in force until 30 June 2006.</p> <p>A joint consultative committee was established with management and employee representatives meeting to discuss relevant workplace issues.</p>	<p>Upgrades to both Wondai and Proston Depots are scheduled to ensure current Workplace Health and Safety standards are maintained.</p> <p>Work will commence on drafting new Enterprise Bargaining Agreements for implementation in July 2006.</p>



Performance Report

	What we planned to do	What we achieved	Our future plans
Information Technology	Investigate the introduction of electronic commerce for payment of Council accounts and investigate Bpay options for rates and other payments.	<p>The introduction of Bpay facilities has commenced and will be fully operational by April 2006.</p> <p>The electronic commerce for the payment of Council accounts commenced in June 2005. The response to this payment process from Council's suppliers/creditors has been very positive.</p>	<p>Identification of additional components from Council's computer system that may be utilised in various Council functions will be undertaken.</p> <p>Investigations will be undertaken into the cost of introducing an electronic records management system.</p> <p>Investigations will be made into the installation of various infrastructure details on Council's Map Info System.</p>
Disaster Management	<p>Review building applications to ensure new requirements are incorporated.</p> <p>Form a new Local Counter Disaster Committee and revise the Local Disaster Management Plan.</p> <p>Develop a risk based plan for maintenance and replacement of bridges, culverts and drains.</p> <p>Review and implement changes to road closure signage and signage management.</p> <p>Identify and develop early warning initiatives for the Barker/Barambah Creek and Boyne/Stuart Rivers.</p> <p>Identify and consult with Department of Main Roads on state roads and infrastructure affected by significant flooding.</p> <p>Establish a formal location history register of critical natural disaster events.</p> <p>Reduce debris and flammable material in and around river/creek and flood and bush fire prone areas.</p> <p>Identify extent of equipment and personnel that may be used in emergency situations.</p>	<p>The Wondai Shire Local Disaster Management Group was formed at a meeting held on 4 November 2004.</p> <p>A review of the current plan was undertaken with a draft Local Disaster Management Plan presented to members on 21 April 2005.</p>	<p>Local Disaster Management Group Meetings will be scheduled twice annually to finalise the Local Disaster Management Plan.</p> <p>To complete and implement a new Local Disaster Management Plan.</p>

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	Administer the Regional Arts Development Fund.	Twenty-three applications totalling over \$16,385 were approved. Activities included skill development workshops, individual professional development and projects.	The Regional Arts Development Fund will continue to run in 2005/2006. An office extension is planned to provide additional space at the South Burnett Region Timber Industry Museum.
	Maintain and provide support to the Wondai Shire Art Gallery, Heritage Museum, Boondooma Homestead and Timber Industry Museum and Woodcrafters' Workshop.	Administrative support was given to all Council's management committees. All Council's facilities received ongoing maintenance, along with the repainting of the Odd Fellows Hall at the Wondai Heritage Museum.	
Libraries	Complete Wondai Library Extensions.	An extension to the Wondai Library was undertaken with the construction of a new counter, work area and designated computer room.	Renovations will be undertaken at the Proston Public Library to improve the delivery of services to the community.
	Review all library services and processes and develop a plan to deliver a process of continuous improvement.	Monthly reports including statistics were completed for both Wondai and Proston Libraries.	
Parks, Sporting and Recreational Facilities	Maintain parks and gardens to meet community needs.	The parks and gardens were maintained at a high standard.	Parks and gardens will continue to be maintained. A new playground will be installed in McKell Park.
	Provide ongoing funding for the South Burnett Sport and Recreation Officer Program.	Quarterly reports were provided to participating councils on the performance of the Sport and Recreation Program.	
Community Halls	Undertake maintenance work identified for the Proston Public Hall.	Upgrades to the electrical circuits at Proston Hall were authorised in conjunction with the installation of new fans and lights in the supper room.	Potential funding options for the construction of a new community hall at Proston will be investigated.



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>22 residential allotments will be developed at Boondooma Dam during 2005/06.</p>
Tourism	<p>Maintain funding to support the ongoing operations of all tourist facilities in the Shire and regional tourism promotion.</p>	<p>16,258 people visited the Wondai Visitor Information Centre which equates to 44 per day. This compares with 16,720 visitors for the previous year which equates to 45 per day.</p> <p>Gross sales and donations at the Visitor Information Centre and Woodcrafters' Workshop were \$37,138.</p> <p>Gross accommodation takings at Lake Boondooma were \$235,768 (\$4,534 per week) compared with \$193,978 (\$3,730 per week) the previous year.</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	Review and update Council's Integrated Environmental Management System (IEMS)	A review was conducted on the IEMS.	The Home Creek Transfer Station will be modified to utilise 30m ³ bulk bins.
	Investigate the establishment of further transfer stations and a landfill site in the Proston area.	<p>A five year Waste Management Strategy was produced for the whole Shire of Wondai.</p> <p>An annual bulk rubbish collection was conducted in Wondai, Hivesville, Proston, Tingoora and Mondure.</p> <p>Council organised a Clean-Up-Australia-Day with 17 residents participating in cleaning the road to the Wondai Refuse Tip from Mackenzie Street.</p> <p>A DrumMuster collection program was conducted with 367 drums being collected.</p>	<p>A public education program for the disposal of waste within Wondai Shire will be implemented.</p> <p>A wheelie bin domestic refuse collection service will be established during 2005/06.</p> <p>Involvement in the DrumMuster program will continue in the months of May and November.</p>
Public Health	Produce articles for inclusion in the Barambah Bulletin.	Articles on topical issues were written for inclusion in the Barambah Bulletin.	Articles will continue to be included in the Barambah Bulletin throughout 2005/06.
	Undertake maintenance as necessary and monitor feedback received from clients of major public facilities.	Necessary maintenance was undertaken on public facilities throughout the Shire.	Inspections of Health and Environmental Relevant Activity premises will be undertaken.
	Undertake inspections as required to meet Workplace Health and Safety Regulations.	Inspections were made when required and necessary maintenance was undertaken.	
	Construct a new burial section in the Wondai Lawn Cemetery.	A new burial section was constructed in the Wondai Lawn Cemetery.	
Animal and Pest Management	Maintenance of animal control in accordance with local laws.	53 dogs were impounded with 4 of these being registered. The unregistered dogs were registered prior to release.	Local Laws will continue to be enforced.
	Update Pest Management Plan.	A draft Pest Management Plan was submitted to the Minister.	The Pest Management Plan will be implemented during 2005/06.



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	<p>Establish programs for the construction and maintenance of the Council Road Network, including shared cycleways and walkways.</p> <p>Carry out work on state controlled roads in accordance with Road Performance Contractors and Road Maintenance Performance Contractors.</p> <p>Develop Traffic Infrastructure Development Scheme Program.</p> <p>Maintain Council plant and implement the plant replacement program.</p>	<p>A length of 2000 metres of Greenview Road was widened.</p> <p>A length of 2300 metres of Covertly Road was formed and gravelled with drainage improvements.</p> <p>Road rehabilitation and kerb channeling undertaken on residential streets.</p> <p>Shared cycleway and walkway was constructed in Scott Street Wondai.</p> <p>A project was commenced to construct and widen a length of 3000 metres of the Mundubbera-Durong Road.</p> <p>A length of 800 metres of the Proston-Boondooma Road was widened.</p> <p>A length of 32 kilometres of state controlled roads were bitumen resealed.</p> <p>7300 square metres of deformed road pavement were rehabilitated under a Traffic Infrastructure Development Scheme subsidy.</p> <p>A length of 1300 metres of Mondure-Wheatlands Road was reconstructed and widened.</p> <p>A John Deere model 670CH motor grader was purchased to replace an old model.</p>	<p>Updating condition data on Council roads.</p> <p>Widening of high priority narrow bitumen roads.</p> <p>Drainage improvements in residential streets.</p> <p>Construction of shared cycleways and walkways 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 maintenance of the declared road network to an acceptable standard.</p> <p>Continue to utilise Traffic Infrastructure Development Scheme funding assistance to upgrade priority Council roads.</p> <p>A new five year plant replacement program together with funding strategies will be prepared.</p>
Street Lighting	<p>Develop a plan in conjunction with Ergon Energy to upgrade the level of street lighting in the towns of Proston, Tingoora, Hivesville, Durong and Mondure.</p>	<p>16 street lights were installed in the town of Tingoora.</p>	<p>Development and implementation of a street lighting plan will continue.</p>

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.	Council's Draft Integrated Planning Act Scheme was submitted to the Minister for Local Government, Sport and Recreation for the Second State Interest Check.	Reviews will be undertaken on the current Development Approval Process to identify options for improvement.
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. 187 applications totalling \$10.06M were processed this year compared to 154 applications totalling \$7.5M for the previous financial year.	A building certification system will be maintained in accordance with the requirements of the Queensland Standard Building Regulation.

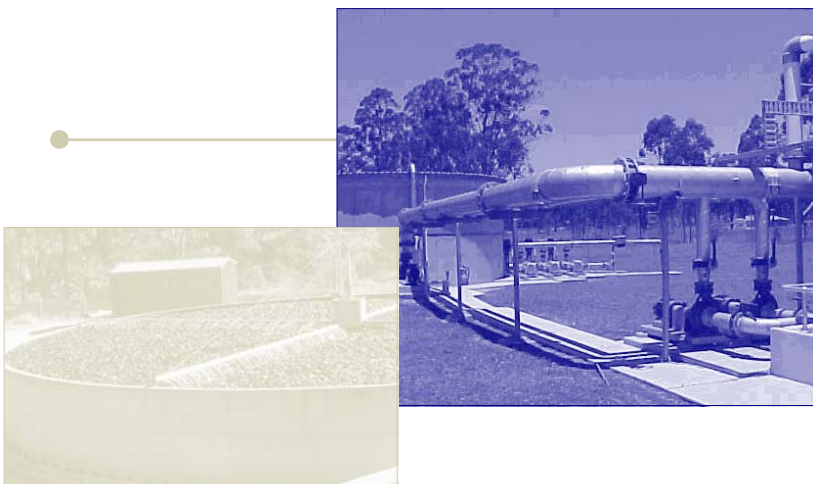


Performance Report

Water and Wastewater Management

To ensure that existing water supply and sewerage systems are maintained and upgraded to meet the future needs of the community.

	What we planned to do	What we achieved	Our future plans
Water Supply	Manage the maintenance and operation of the water system.	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.	Upgrades will be made to the Proston Town Water Treatment Plant.
	Upgrade and maintain delivery mains, pump stations and reservoirs to meet community demands for water.	Planned programmed maintenance activities continued to ensure an acceptable level of service.	Monitor and update Strategic Asset Management Plans.
	Meet the requirements of the service provisions of the Water Act 2000.	Delivery of a water supply complying with environmental and health standards was achieved.	Construct a new storage Reservoir to augment the Proston Rural Water Scheme.
	Continue to monitor the quality of water.	39 water samples were taken to monitor the quality of the water throughout the Shire. An acceptable level was maintained according to the National Health and Medical Research Council <i>Australian Drinking Water Guidelines 1996</i> .	Maintenance of customer service standards to conform with Council's Total Management Plan.
Sewerage	Manage the maintenance and operation of the sewerage system.	Planned programmed maintenance activities were undertaken to ensure an acceptable level of service.	Undertake a hydraulic analysis of the Wondai sewer reticulation network to plan for future development.
	Develop capital, maintenance and operational management programs to effectively maintain the service level of the sewerage network.	Quality of effluent discharged from sewerage treatment plants continued to meet environmental standards.	Maintenance of customer service standards to conform with Council's Total Management Plan.



Performance Report

The People who made it all happen!

ADMINISTRATION

Alice Harrison
Angela Hayes
Janelle Hawkins
Lucia Johnson
Alan Keates
Peter O'May
Stephanie Phipps
Allan Schulz
Andrea Wecker



TOURISM/ CULTURAL

Noreen Brier
Kerie Dewey



CONSTRUCTION/ MAINTENANCE

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



SPORT & RECREATION

Jodie Grant

ENGINEERING

Ashley Knight
Ashley Newson



LIBRARIES

Janelle Kratzmann
Lois McDougall
Christine Roberts
Margaret Westermann



WATER/ SEWERAGE

Sam Eyles
Shane McDowell
Jeffrey Parnell
Trevor Ross
John Schmocker
Len Wilson

HEALTH PARKS & GARDENS

Natasha Benecke
Geoffrey Borninkhof
Paul Bull
Matthew Cutler
Geoff Dennien
Reynold Dionysius
Kingsley Ferris
Mark Gastaldon
Helen Giles
Brad Mendes
Alisha Norris
Tim Steinhardt
Allan Trunks



WORKSHOP/ DEPOT

Zephan Hansen
William Harrison
Luke Ogden
Bruno Trappmann

Council Employees as at 30 June	2004	2005
Administration	11	9
Construction/Maintenance	26	27
Engineering	2	2
Health, Parks and Gardens	14	13
Libraries	3	4
Sport & Recreation	1	1
Tourism/Cultural	3	2
Water/Sewerage	4	6
Workshop/Depot	4	4
Total	68	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 2004-2008	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 five accounts namely Community Infrastructure, Proston Sewerage, Wondai Sewerage, Roadworks and Industrial Estate.

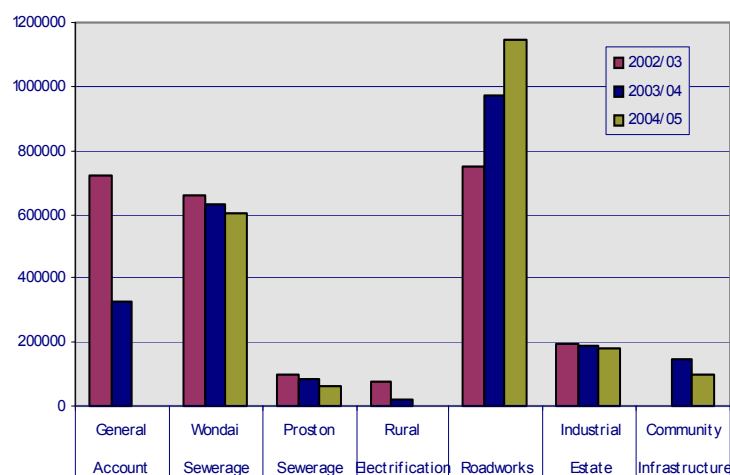
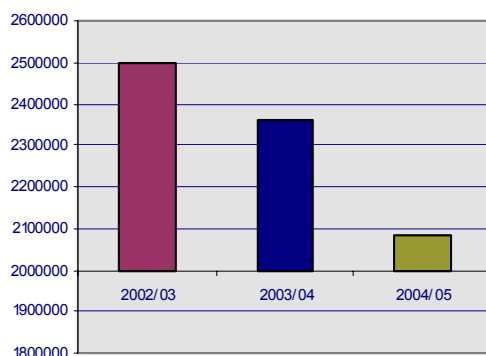
The following schedule details Council future borrowings.

Schedule of Proposed Borrowing

Financial Year	Purpose of Borrowings	Amount	Term
2004/2005	Roadworks	\$300,000	Six year debt pool
2005/2006	Roadworks	\$250,000	Six year debt pool
2006/2007	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 provides 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:

Janelle Hawkins
Manager, Finance and Administration 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 \$511,920 for the year ending June 2005.

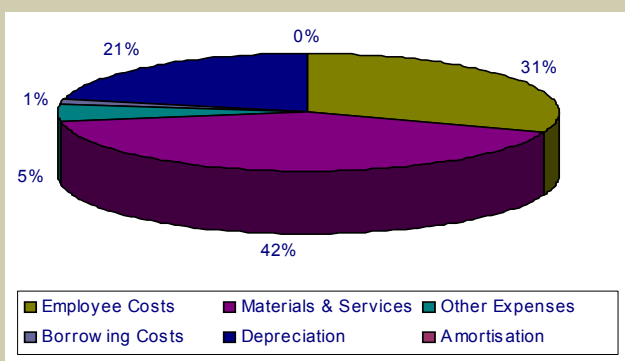
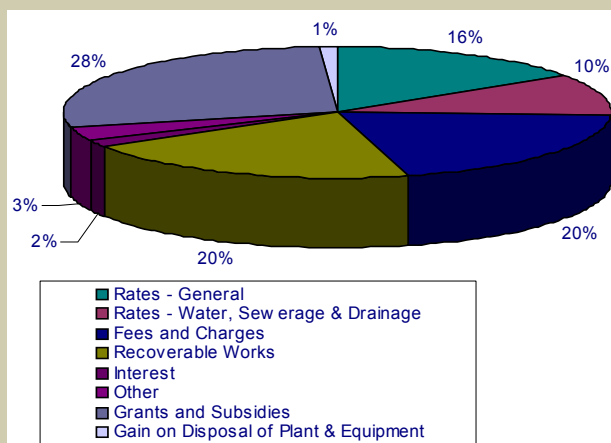
These figures are based on accrual accounting principles. For example, all rates issued are included as revenue even though some have not been paid as at 30 June 2005. The amount not paid would be shown in the Statement of Financial Position as rates receivable.

Snapshot

	2001 \$,000	2002 \$,000	2003 \$,000	2004 \$,000	2005 \$,000
Revenue (R)	6,924	7,764	7,681	9,583	9,095
Expenses (E)	32,113	9,072	7,932	8,443	8,583
Operating Result - Profit/(Loss) (R-E)	(25,189)	(1,308)	(251)	1,140	512

Where money came from

2004/05 saw grants and subsidies accounting for 28% of revenue, with rates revenue being 26% (compared with 23% last year). Recoverable works remains constant at 20% for 2004/05.



Where money was spent

Employee costs for 2004/05 accounted for 31% of our expenses compared to 30% last year. Materials and services remained constant at 42%. Depreciation is still a major expense area, accounting for 21% of all expenditure.

Conclusion

Council's strategy over the next 4 years will see a focus on asset maintenance and resource allocation towards asset replacement when they reach the end of their useful life. The financial performance in 2004/05 will provide a foundation for this strategy.

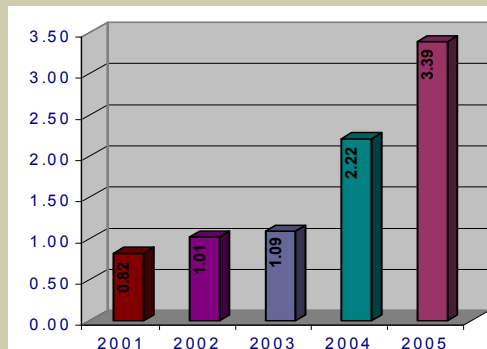
Community Financial Report

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	2001 \$,000	2002 \$,000	2003 \$,000	2004 \$,000	2005 \$,000
Assets (A)	55,365	54,205	53,727	54,737	54,897
Liabilities (L)	3,210	3,359	3,457	3,326	3,047
Equity (A-L)	52,155	50,846	50,270	51,411	51,850



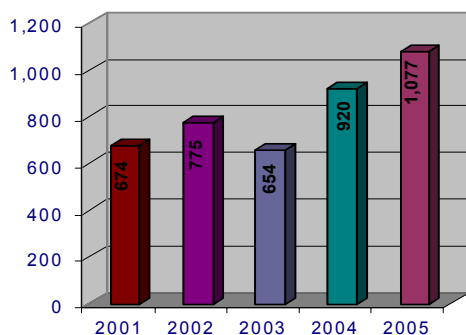
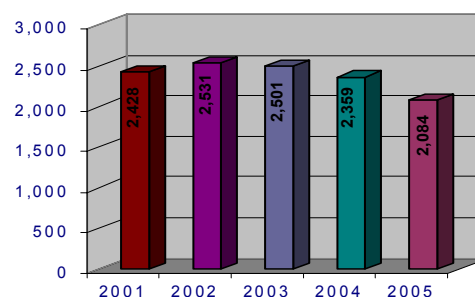
Current Ratio

(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 3.39:1, which means that we can pay all of our current bills if necessary. This ratio continues to improve over the previous year (2.22:1). This is as a result of better financial management and the sale of Stage 2 of "Parkside Estate".

Total Loan to Pay (\$,000)

Over the next 3 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 2004/05.



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 55 of the full Financial Report. In 2004/05 Council transferred an additional \$158,000 into our reserve accounts. Through the budget process over the next 3 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 on reserves will only serve to strengthen this position.

Community Financial Report

Statement of Cash Flows

(Refer to page 38 of full financial statements)

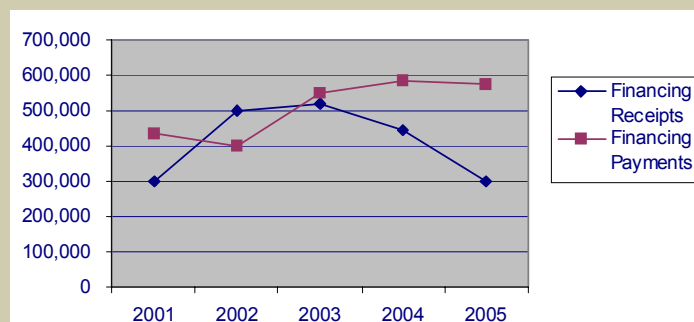
This report shows the **actual** cash (unlike the previous report discussed which shows the 'accounting' dollars) that has flowed in and out of the Council. A simple way to look at this is by comparing it to a bank statement. The cash inflows are the amounts that are credited to Council's bank account 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 position at year's end has substantially increased from 2004. This is largely due to the focus on rate arrears, debtor management and cost minimisation.

Snapshot	2001	2002	2003	2004	2005
	\$,000	\$,000	\$,000	\$,000	\$,000
Opening Cash Balance	866	388	449	629	1,502
Net cashflow from Operating Activities	1,413	1,741	1,576	2,207	3,163
Net cashflow from Investing Activities	(1,755)	(1,781)	(1,367)	(1,194)	(1,534)
Net cashflow from Financing Activities	(136)	101	(29)	(141)	(276)
Closing Cash Balance	388	449	629	1,502	2,855



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 2004/05 Council took out new loans totalling \$300,000 for Roadworks and repaid \$575,849 in existing loans. In 2005/06 Council only plans to borrow \$250,000 for road-works and will repay approximately \$324,000.

Conclusion

Council will continue to monitor our cashflow position with a view to improvement through activities such as reducing outstanding loans, and revenue and expenditure management.

Community Financial Report

Other financial information

	2000/01	2001/02	2002/03	2003/04	2004/05
Rate Charges					
Minimum General Rate	\$270	\$280	\$300	\$320	\$340
Rate in the Dollar – Urban	\$0.0230	\$0.0240	\$0.0250	\$0.0260	\$0.0268
Rate in the Dollar – Rural	\$0.0205	\$0.0215	\$0.0224	\$0.0233	\$0.0240
Rate in the Dollar – Other	\$0.0205	\$0.0215	\$0.0224	\$0.0233	\$0.024
Sewerage	\$185	\$195	\$205	\$215	\$225
Effluent Drainage (Proston Scheme)	\$230	\$230	\$230	\$230	\$230
Garbage	\$70	\$70	\$75	\$82	\$85
Water Access *	n/a	\$100	\$115	\$130	\$155
Water Consumption–Wondai/Tingoorra (per kilo litre) *	n/a	\$0.60	\$0.65	\$0.70	\$0.74
Water Consumption–Proston (per kilo litre) *	n/a	\$0.55	\$0.60	\$0.68	\$0.72
Rate Revenue Ratio	31.44%	27.44%	29.08%	24.12%	26.80%
This means that in 2004/05 rates and charges** made up 27% of Council's recurrent*** revenue.					
Debt Servicing Ratio	9.88%	8.01%	9.85%	8.15%	8.01%
This means that in 2004/05 Council used 8.01% 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	39.91%	35.82%	34.53%	26.08%	23.98%
This shows the total money Council borrows for capital purposes as a percentage of recurrent*** revenue					
Rates Arrears Ratio	8.63%	11.66%	11.54%	11.37%	8.33%
This shows that in 2004/05 Council had outstanding rates totalling 8.33% of the amount that was billed in that year. Council's aim is to continue to reduce this percentage whilst still being mindful of environmental and economic issues 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%	26.46%
Other Rates Arrears			8.64%	7.98%	4.04%
Working Capital Ratio	0.82 : 1	1.01 : 1	1.09 : 1	2.22:1	3.39:1
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, and will continue to do so in the future.					
Quick Ratio	0.74 : 1	0.92 : 1	0.97 : 1	2.06:1	3.16:1
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	31.52%	-2.51%	-1.13%	2.27%	0.85%
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

The purpose of this revenue policy is to set out the principles used by Wondai Shire Council in 2004/05 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 ratepayers 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 all current and outstanding 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 a 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 ratepayers.

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 Statement

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 2004/2005 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 2004/2005 financial year. The Council is required to raise an amount of revenue it sees as being appropriate to maintain assets and provide services to the Shire as a whole. In deciding how that revenue is raised, the Council is able to take into account the following factors:

- the 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, Tingoora and Dulong as defined in Section 3 of Local Law No. 1 (Administration).

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 Rate 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 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.

Revenue Statement

SPECIAL CHARGE

A special charge will be levied on land described in Schedule 4 (“the identified land”) for the purpose of defraying the costs of the supply of an electricity service.

The Council is of the opinion that the land in Schedule 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 five years.

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.

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.

Revenue Statement

WATER

Wondai, Proston, Tingoorra 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, Tingoorra 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 Tingoorra 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

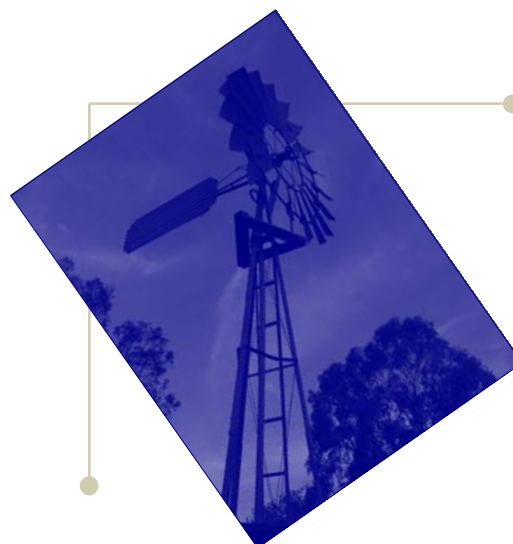
To encourage the prompt payment of rates and charges, a discount will be allowed on all rates and charges levied (excluding interest charges, fire levy and special charge for electricity) if all current and outstanding rates are paid within at least 30 days after the issue of the rate notices. The discount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

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.



Revenue Statement

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 2004/05 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 Performance. It reflects the change in total wealth of the Council. Council estimates population and business levels within the Shire will grow steadily over the next five years. Whilst some changes may be required to our sewerage and water infrastructure, this will be funded from increased revenue resulting from increased development in the Shire. This is reflected in the Corporate Plan of the Council.

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: 2801

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.

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Statement of Financial Performance

For the year ended 30 June 2005

		2005	2004
		\$	\$
	Note		
Operating Revenue			
Rates - General	4	1,426,702	1,417,314
Rates - Water, Sewerage & Drainage	4	901,842	764,643
Fees and Charges	5	1,848,751	1,782,705
Recoverable Works	6	1,845,825	2,015,245
Interest	7	149,720	84,552
Other	9	311,713	768,730
Grants and Subsidies	8	2,509,737	2,642,467
Gain on Disposal of Plant & Equipment	20	100,832	107,732
Total Operating Revenue		9,095,122	9,583,388
Operating Expenses			
Employee Costs	11	2,634,036	2,531,521
Materials & Services		3,596,519	3,577,950
Other Expenses	12	398,980	343,664
Borrowing Costs	10	119,821	140,398
Depreciation	19	1,823,945	1,790,594
Amortisation	21	9,901	58,583
Total Operating Expenses		8,583,202	8,442,710
Net Result		511,920	1,140,678
Increase / (Decrease) in Asset Revaluation Reserve	22	8,502,634	319
Increase / (Decrease) in Asset Recognition		(72,795)	0
Total Change in Community Equity		\$8,941,759	\$1,140,997

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

Statement of Financial Position

As at 30 June 2005

		2005	2004
		\$	\$
	Note		
Current Assets			
Cash Assets	13	2,855,672	1,502,362
Receivables	14	381,703	1,279,367
Inventories		92,974	100,046
Prepayments		137,892	116,581
		3,468,241	2,998,356
Non-Current Assets			
Land Held for Resale	19	192,292	213,314
Property, Plant & Equipment	19	59,675,372	51,318,990
Capital Works in Progress		48,317	180,933
Other Financial Assets	21	15,296	25,197
		59,931,277	51,738,434
Total Assets		63,399,518	54,736,790
Current Liabilities			
Payables		374,560	351,083
Tax Liability	15	72,513	132,711
Interest Bearing Liabilities	16	285,222	624,440
Provisions	17	290,880	241,149
		1,023,175	1,349,383
Non-Current Liabilities			
Provisions	17	224,655	240,845
Interest Bearing Liabilities	16	1,798,848	1,735,479
		2,023,503	1,976,324
Total Liabilities		3,046,678	3,325,707
Net Community Assets		60,352,840	\$51,411,083
Community Equity			
Retained Surplus		49,913,275	49,632,086
Asset Revaluation Reserve	22	9,362,543	859,910
Other Reserves	22	1,077,022	919,086
Total Community Equity		60,352,840	\$51,411,082

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

Statement of Cash Flows

For the year ended 30 June 2005

		2005	2004
		\$	\$
	Note		
Cash flows from Operating Activities			
Receipts from Customers and Ratepayers etc.		10,095,346	9,115,894
Payments to Suppliers & Employees		(6,962,101)	(6,856,230)
Interest received		149,720	88,054
Interest on Borrowings		(119,821)	(140,398)
Net Cash Inflow (Outflow) from Operating Activities	18	3,163,144	2,207,320
Cash Flows from Investing Activities			
Proceeds on Disposal of Property, Plant & Equip	20	308,212	306,674
Payments for Property, Plant & Equipment		(1,842,197)	(1,500,446)
Net Cash Inflow (Outflow) from Investing Activities		(1,533,985)	(1,193,772)
Cash Flows from Financing Activities			
Proceeds from Borrowings	16	300,000	444,000
Repayment of Borrowings	16	(575,849)	(584,629)
Net Cash Inflow (Outflow) from Financing Activities		(275,849)	(140,629)
Net Increase/(Decrease) in Cash Held		1,353,310	872,921
Cash at Beginning of Reporting Period		1,502,362	629,441
Cash at End of Reporting Period	13	2,855,672	1,502,362

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

Statement of Changes in Equity

For the year ended 30 June 2005

	Total Community Equity	Retained Surplus	Asset Revaluation Reserve	Other Reserves
2005				
Balance at beginning of period	51,411,082	49,632,086	859,910	919,086
Net result for the period	511,920	511,920	0	0
Transfers from reserves	0	69,800	0	(69,800)
Transfers to reserves	0	(227,736)	0	227,736
Asset revaluation adjustment	8,502,634	0	8,502,634	0
Asset recognition adjustment	(72,795)	(72,795)	0	0
Balance at end of period	60,352,840	49,913,275	9,362,544	1,077,022
2004				
Balance at beginning of period	50,270,087	48,756,315	859,591	654,181
Net result for the period	1,140,995	1,140,995	0	0
Transfers from reserves	0	0	0	0
Transfers to reserves	0	(264,905)	0	264,905
Asset revaluation adjustment	0	(319)	319	0
Balance at end of period	51,411,082	49,632,086	859,910	919,086
			Note 22	Note 22

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

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Borrowing Costs	49
Employee Costs	50
Other Expenses	50
Cash Assets	50
Receivables	50
Tax Liability	51
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Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Wondai Shire Council as at 30 June 2005 and the results of all controlled entities for the year then ended. The Council and its controlled entities together form the economic entity which is referred to in this financial report as the consolidated entity.

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

(a) **Trust Funds Held for Outside Parties**

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

(b) **Taxation**

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

(c) **Inventories**

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

Wondai Shire Council does not recognise treated water as inventory because it is considered the value is not material and the cost of calculating that value would outweigh the benefits obtained from recognising it.

(d) **Land Held for Resale**

Land approved by council for resale is classified as inventory. If acquired as an inventory item the land is valued at the lower of cost or net realisable value; otherwise it is valued at the lower of carrying value on transfer to inventory or net realisable value. That portion of the land that is not expected to be sold within 12 months is classified as a non-current inventory asset and the balance as a 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.

(e) **Construction Contracts and Work in Progress**

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

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

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 (an aggregate of interrelated assets), and fleet items are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

(i) **Acquisition of Assets**

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

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

Actual cost is used for the initial recording of all acquisitions of assets other than contributed assets or assets received as a result of a local government restructure.

(ii) **Capital and operating expenditure**

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

(iii) **Valuation**

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

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

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

Assets at fair value have been revalued using the IPD (implicit price deflator) index. Those assets at historical cost have not been revalued. Details of valuers and methods of valuations are disclosed in Note I9.

(iv) **Depreciation**

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

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

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

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

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

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

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

Asset	Range of estimated useful life in years
Land	Not depreciated
Buildings	40 – 100
Plant and equipment:	
Fleet vehicles	2 – 10
Fleet machinery	2 – 15
Computer equipment	2 – 10
Other	5 – 20
Infrastructure:	
Roads (sealed) – earthworks, formation	100-200
pavement	20-40
seal	5-10
Roads (gravel)	10 – 100
Roads (formed only)	80 - 100
Water supply	20 – 80
Sewerage	20 – 80
Bridges	50 – 100
Landfill siteworks	50
Other assets:	
Library books	3 – 7
Sports fields infrastructure, pools and ancillary assets	10 – 60

(v) Unfunded Depreciation

Wondai Shire 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.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

(g) Leases

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

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. Lease liabilities are reduced by 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. Contingent rentals are written off as an expense in the accounting period in which they are incurred.

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.

(h) 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 provision being made for doubtful debts. All known bad debts were written-off 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.

(i) 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 21. Interest and dividend revenues are recognised on an accrual basis.

(j) Payables

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

(k) Provisions—Employee Benefits

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

(i) Salaries and Wages

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

(ii) Annual Leave

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

(iii) Superannuation

The superannuation expense for the reporting period is the amount of the contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 25.

(iv) Long Service Leave

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

(l) Interest Bearing Liabilities

Loans payable are recognised at the market value of the principal outstanding, interest being expensed or otherwise recognised as it accrues.

(m) Rates, Grants and Other Revenue

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

(i) Rates

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

(ii) 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.

(iii) Non-Cash Contributions

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

(iv) Other Revenue including Contributions

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

(n) Components of Equity

(i) Asset Revaluation Reserve

The asset revaluation reserve is comprised of adjustments relating to changes in value of non-current assets which 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.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

(ii) Other Reserves

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

- .. Wondai Water Reserve
- .. Proston Water Reserve
- .. Proston Rural Water Reserve
- .. Wondai Sewerage Reserve
- .. Proston Sewerage Reserve
- .. Cleansing Plant Reserve
- .. Tingoora Water Reserve
- .. Constrained Works Reserve

(iii) 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.

(o) National Competition Policy

The Council has reviewed its activities and has identified four activities that are business activities. Details of these activities can be found in Note 28.

(p) Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$I .

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

(q) Cash Assets

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

(r) Adoption of Australian Equivalents to International Financial Reporting Standards (AEIFRS)

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

The Wondai Shire Council has established an AEIFRS Steering Committee to assist in the implementation of the new reporting requirements. All AEIFRSs have been reviewed for possible implications on policies, procedures, systems and financial impacts arising from such changes.

Details of the effects of the change are shown in Note 30.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

2 FUNCTIONS/ACTIVITIES OF THE COUNCIL

(a) Functional Analysis

	Revenue						Expenses						Increase in Net Assets						Total Assets	
	Grant and Subsidy Revenue			Other Revenue			Expenses			Expenses			Resulting from Operations							
	2005 Actual	2004 Actual	2005 Actual	2005 Actual	2004 Actual	2005 Actual	2005 Actual	2004 Actual	2005 Actual	2004 Actual	2005 Actual	2004 Actual	2005 Actual	2004 Actual	2005 Actual	2005 Actual	2004 Actual	2005 Actual	2004 Actual	2005 Actual
Corporate Services	1,687,994	1,681,947	1,968,515	2,329,230	2,329,230	3,032,677	1,144,324	623,832	2,866,853	3,226,877	3,647,516									
Cultural & Community Services	143,500	105,474	85,203	100,490	100,490	634,790	785,742	(406,087)	(579,778)	7,658,345	6,138,773									
Economic Developmt & Tourism	8,000	32,000	322,392	264,076	264,076	410,381	429,166	(79,989)	(133,090)	894,224	331,218									
Environment Mgmt & Health Services	0	3,315	133,667	116,301	116,301	470,619	424,036	(336,952)	(304,420)	688,342	696,688									
Engineering Services	670,243	819,731	3,141,141	3,296,627	3,296,627	3,314,695	4,489,013	496,689	(372,656)	28,722,715	24,880,959									
Town Planning, Building & Developmt	0	0	50,935	39,114	39,114	54,662	553,133	(3,727)	(514,019)	0	0									
Water & Wastewater	0	0	883,531	795,084	795,084	665,377	617,295	218,154	177,788	22,209,015	19,041,637									
Total	2,509,737	2,642,467	6,585,385	6,940,922	6,940,922	8,583,202	8,442,709	511,920	1,140,678	63,399,518	54,736,791									

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

(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 of 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 Tingoora 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

		2005		2004
		\$		\$
General				
Levy		1,674,171		1,646,604
Less Discount Allowed, Pensioner Rebate & Write-offs		(247,469)		(229,290)
		1,426,702		1,417,314
Water, Sewerage & Drainage				
Water Levy		660,929		534,615
Sewerage / Effluent Drainage Levy		233,243		220,755
Cleansing Levy		85,063		76,415
Less Discount Allowed & Write-offs		(77,393)		(67,143)
		901,842		764,642

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

2005	2004
\$	\$

5. FEES AND CHARGES

Plant Hire	1,015,342	1,016,091
Quarry & Premix Operations	277,406	262,072
Other Charges & Services	556,003	504,542
	1,848,751	1,782,705

6. RECOVERABLE WORKS

Private Works	370,475	148,935
Main Roads Works	1,475,350	1,866,310
	1,845,825	2,015,245

7. INTEREST

Interest was earned from:		
Short Term Investments	135,806	66,706
Overdue Rates and Utility Charges	13,914	17,846
	149,720	84,552

8. GRANTS, SUBSIDIES AND CONTRIBUTIONS REVENUE

Grants Received		
General Purpose Operational Grants	1,655,394	1,640,419
Specific Purpose Grants, Subsidies and Contributions	0	0
Community Services	156,677	172,537
Transport – Roads	394,238	395,045
Transport - Aerodrome	0	3,000
	2,206,309	2,211,001
Capital Government Grants and Subsidies	303,428	431,466
	2,509,737	2,642,467

9. OTHER REVENUE

Profit on Sale of residential allotments	251,027	737,000
Sundry Income	60,686	31,730
	311,713	768,730

10. BORROWING COSTS

Finance Costs - Queensland Treasury Corporation	119,821	140,398
	119,821	140,398

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

2005	2004
\$	\$

II. EMPLOYEE COSTS

Employee costs included in operating and capital expenditure			
Wages and Salaries		2,238,747	2,014,041
Councillors' Remuneration		127,515	101,598
Annual, Sick and Long Service Leave Entitlements		281,630	262,396
Superannuation Contributions		303,860	299,428
		2,951,752	2,677,463
Other Employee Related Expenses		23,253	30,311
		2,975,005	2,707,774
Less: capitalised costs		340,969	176,253
Employee costs per Statement of Financial Performance		2,634,036	2,531,521
Total Employees at year end (full time equivalents)			
Elected members		10	10
Administration staff		17	18
Depot & outside staff		47	46
		74	74

12. OTHER EXPENSES

Councillors' Expenses		7,305	5,448
Audit Fees		29,817	22,699
Administration Costs		361,858	315,517
		398,980	343,664

13. CASH ASSETS

Cash on Hand – petty cash and cash floats		1,125	1,150
Cash at Bank		2,854,547	1,501,212
		2,855,672	1,502,362

14. RECEIVABLES

Rates and Utility Charges		183,116	223,676
Accrued Interest		13,125	25,294
		196,241	248,970
Other Debtors		164,212	986,578
Less Provision for Doubtful Debts		0	0
		360,453	1,235,548
Loans		21,250	43,819
		381,703	1,279,367

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

2005	2004
\$	\$

15. TAX LIABILITY

Current			
GST Payable		55,864	126,192
Employee related Tax Payable		66,721	62,786
GST Recoverable		(50,072)	(56,267)
		72,513	132,711

16. INTEREST BEARING LIABILITIES

Queensland Treasury Corporation			
Opening Balance (Book Value)		2,359,920	2,500,548
Add Loans Drawn		300,000	444,000
Less: Principal Repayments		(575,849)	(584,629)
Balance at Reporting Date (Book Value)		2,084,071	2,359,919
Classified as:			
Current Liability		285,222	624,440
Non-Current Liability		1,798,848	1,735,479
		2,084,071	2,359,919
QTC borrowings include 3 Year, 6 Year and 15 Year Debt Pool borrowings.			
The interest rates on QTC loans range from 5.46% to 8.41% per annum at 30 June 2005.			
The expected final repayment dates vary from 1 June 2007 to 15 July 2021.			

17. PROVISIONS

Current			
Provision for RDO		12,767	18,013
Provision for Annual Leave		208,113	183,136
Provision for Long Service Leave		70,000	40,000
		290,880	241,149
Non-Current			
Provision for Long Service Leave		224,655	240,845
		224,655	240,845

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

2005	2004
\$	\$

18. RECONCILIATION OF RESULT FROM ORDINARY ACTIVITIES TO NET CASH FLOW

Operating Results from Ordinary Activities	511,920	1,140,678
Non-Cash Operating Items		
Depreciation	1,823,952	1,790,594
Amortisation	9,901	58,583
Gain on Disposal of Plant & Equipment	(100,832)	(107,732)
Transfer of Capital Work in Progress to expenses	111,800	0
Industrial estate expense off set against disposal gain	(49,387)	0
Assets recognised	(24,455)	0
Changes in Operating Assets and Liabilities		
Decrease in receivables, excluding loans	897,664	0
Increase in receivables, excluding loans	0	(629,195)
Decrease in inventories	7,072	0
Increase in inventories	0	(18,315)
Increase in prepayments	(21,311)	(36,518)
Increase in payables	23,477	0
Decrease in payables	0	(91,982)
Increase in tax liability	0	90,529
Decrease in tax liability	(60,198)	0
Increase in provision for employee entitlements	33,541	10,679
Net Cash Inflow from Operating Activities	3,163,144	2,207,321

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

19. PROPERTY, PLANT AND EQUIPMENT

	Land held for Council Use	Other Land	Buildings & Facilities	Plant & Equipment	Roads	Water	Sewerage	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Gross Asset Values								
Opening Balance at Cost	-	-	2,403,074	1,691,414	2,353,248	210,032	398,710	7,056,478
Opening Balance at Valuation	257,100	213,314	9,981,700	4,149,210	35,294,000	34,550,000	6,603,200	91,048,524
Additions at Cost	3,500	-	109,802	465,669	772,582	271,459	240,000	1,863,012
Asset Reclassifications	(4,000)	4,000	-	-	-	6,600	(6,600)	-
Asset Recognitions	-	-	24,454	(158,250)	-	-	-	(133,796)
Asset Revaluations	-	-	3,152,243	(710,495)	6,530,168	6,393,732	1,220,517	16,586,165
Disposals	-	(25,022)	-	(441,952)	-	-	-	(466,974)
Closing Balance at Cost	3,500	65,164	2,507,330	1,985,681	3,125,830	481,491	638,710	8,807,706
Closing Balance at Valuation	253,100	127,128	13,163,943	3,009,915	41,824,168	40,950,332	7,817,116	107,145,702
Balance at 30 June	256,600	192,292	15,671,273	4,995,596	44,949,998	41,431,823	8,455,827	115,953,409
Accumulated Depreciation								
Opening Balance	-	-	4,466,074	3,958,956	14,395,079	20,327,077	3,425,506	46,572,692
Claimed in Year	-	-	96,127	237,827	871,219	506,985	111,787	1,823,945
Asset Recognitions	-	-	-	(85,455)	-	-	-	(85,455)
Asset Reclassification	-	-	-	-	-	554	(541)	13
Written off on Disposal	-	-	-	(308,981)	-	-	-	(308,981)
Adjustment on Revaluation	-	-	1,409,106	(622,056)	2,792,169	3,783,622	720,690	8,083,531
Balance at 30 June	-	-	5,971,307	3,180,291	18,058,467	24,618,238	4,257,442	56,085,745
Book Value 30 June 2005	256,600	192,292	9,699,965	1,815,305	26,891,531	16,813,585	4,198,385	59,867,664
Book Value 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 2005

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuations of non-current assets were determined as follows:

(i) Land

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

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

(ii) Buildings and Facilities

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

(iii) Plant and Equipment

Plant and equipment were 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.

(iv) Roads

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

(v) Infrastructure Assets

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

(vi) Acquisitions

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

20. DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	2005	2004
	\$	\$
Proceeds from Disposal	308,212	306,674
Less carrying amount of assets sold	(207,380)	(198,941)
	100,832	107,733

21. OTHER FINANCIAL ASSETS

Advances to finance local electricity infrastructure			
Current	4,781	9,901	
Non Current	10,515	15,296	
	15,296	25,197	
Amortisation for the year - \$9,901 (2004 - \$58,583)			

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

22. RESERVES

2005	2004
\$	\$

Movements in Asset Revaluation Reserve			
Balance at 1 July 2004	859,910		859,591
Net adjustment to non-current assets during period:			
Land	0		319
Buildings & Facilities	1,743,137		0
Plant & Equipment	(88,439)		0
Roads	3,737,998		0
Water & Sewerage Infrastructure	3,109,937		0
	8,502,634		319
Balance at 30 June 2005	9,362,543		859,910

The closing balance is comprised of:			
Land	36,775		36,775
Buildings & Facilities	2,183,292		440,155
Plant & Equipment	294,541		382,980
Roads	3,737,998		0
Water & Sewerage Infrastructure	3,109,937		0
	9,362,543		859,910

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

22. RESERVES (CONTINUED)

Other Reserves

	Wondai Water	Proston Water	Proston Rural Water	Wondai Sewerage	Proston Sewerage	Cleansing Plant	Tingoor Water	Constrained Works	Total Reserves
2005									
Balance at beginning of year	355,042	113,241	255,231	19,580	11,417	44,690	104,330	15,555	919,086
Transfer from accumulated surplus	63,317	111,302	9,828	30,438	605	2,369	9,053	824	227,736
Utilised for capital expenditure in year			(69,800)						(69,800)
Balance at year end	418,359	224,543	195,259	50,018	12,022	47,059	113,383	16,379	1,077,022
2004									
Balance at beginning of year	288,778	4,183	241,666	0	0	25,584	84,056	9,914	654,181
Transfer from accumulated surplus	66,264	109,058	13,565	19,580	11,417	19,106	20,274	5,641	264,905
Utilised for capital expenditure in year									
Balance at year end	355,042	113,241	255,231	19,580	11,417	44,690	104,330	15,555	919,086

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

23. COMMITMENTS

	2005	2004
	\$	\$
Operating Lease Commitments		
Wondai Shire Council had the following obligations under non-cancellable operating leases		
Not later than one year	29,419	28,167
Later than one year but not later than five years	88,257	94,814
Later than 5 years	0	0
	117,676	122,981
Contractual Commitments		
Council has no contractual commitments for capital expenditure		

24. 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 in the sum of \$27,291 to cover bad debts that may remain should the self insurance licence be cancelled or insufficient funds be available to cover outstanding liabilities. Workcover Queensland may call on any part or all of the guarantee should these circumstances arise.

The Wondai Shire Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at June 2004 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.

25. SUPERANNUATION

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

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

The audited general purpose financial report of the scheme as at 30 June 2004 (the most recent available) which were not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits. No liability for the Council has been recognised as at the reporting date in respect of superannuation benefits for its employees.

The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at the 1st July 2003. The actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet members benefits as they accrue.

The amount of superannuation contributions paid by the Wondai Shire Council to the Superannuation Scheme in the period for the benefit of employees was: \$448,740 (2004, \$463,601).

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

26. ASSETS SUBJECT TO RESTRICTION

	2005	2004
	\$	\$
Externally imposed expenditure restrictions		
Unspent Government Grants & subsidies	111,623	0
Unspent developers' contributions	15,555	15,555
Unspent Loan monies	0	0
Total restricted assets at the reporting date	127,178	15,555

27. TRUST FUND

House Bonds	73,200	26,200
Development deposits	50,462	0
Hall bonds	130	350
Monies held for community organisations	127,625	12,872
Miscellaneous	15,653	18,493
Sale of land	41,603	9,949
Tender Deposits	2,000	2,000
	310,673	69,864

28. NATIONAL COMPETITION POLICY

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

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

(i) Roads business activity:

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

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

- (a) trading in goods and services to clients in competition with the private sector, or
- (b) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself. Excluded activities are (1) library services, and (2) an activity or part thereof prescribed by legislation.

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

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

Other Roads
Water and Sewerage
Private Works & Plant Operations

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

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

(b) **Financial performance of activities subject to competition reform:**

		Water & Sewerage	Private Works & Plant
Revenue for services to Council		-	1,015,295
External revenue		898,857	370,643
Community Service obligations		1,429,066	-
		2,327,923	1,385,938
Expenditure		1,349,580	869,462
Surplus		978,343	516,476

CSO's include pensioner rebates, costs of uneconomic residential connections, Fire Department supplies and effluent water to golf course.

29. FINANCIAL INSTRUMENTS

(a) **Credit Risk**

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

(b) **Interest Rate Risk**

The council's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market rates and the weighted average interest rate by maturity periods is set out in the table below.

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	
		2005	2004	2005	2004	2005	2004	2005	2004
		\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash assets	13	1,170,102	1,501,212	-	-	1,125	1,150	1,171,227	1,502,362
Cash investments	13	-	-	1,700,000	-	-	-	1,700,000	-
Rates receivables	14	-	-	196,242	248,970	-	-	196,242	248,970
Other receivables	14	-	-	-	-	185,462	1,030,397	185,462	1,030,397
Tax assets									
Other financial assets	21	-	-	15,296	-	-	-	15,296	-
Financial Liabilities									
Payables		-	-	-	-	374,560	351,083	374,560	351,083
Tax liability	15	-	-	-	-	72,513	132,711	72,513	132,711
Interest bearing liabilities									
- Loans QTC*	16	2,084,071	2,359,919	-	-	-	-	2,084,071	2,359,919
* QTC denotes Queensland Treasury Corporation									

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2005

(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 approximates their carrying values.

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

30. TRANSITION TO AUSTRALIAN EQUIVALENTS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Restoration of long lived assets

Wondai Shire Council is currently undertaking a financial assessment of the provisions which may be required for restoration of landfill and quarry sites. Due to the complex considerations required for this exercise, it is unable at this stage, to establish the affects on these statements if these standards were to be applied at this reporting date.

Impairment

Council is unaware of any material impairment of assets at this stage.

Intangible Assets

No intangible assets are capitalised in the Council's books.


Employee Benefits


It is Council's view that there would be no material adjustments to this years statements if the standards were applied now.

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 2005 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

31 OCT 2005 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 2005 included on Wondai Shire Council's web site. The Council is responsible for the integrity of the Wondai Shire Council 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 2005.

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 -
- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - 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 2004 to 30 June 2005 and of the financial position as at the end of that year.



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

31/10/05

Date



The survey of the township of Wondai was ordered by the Survey Department on 20 May, 1903 and was carried out by a surveyor named Henry St. John Wood on 29 June that year. The site was originally known by several names, initially it was simply Dingo Creek - named after the large number of dingoes that were then roaming the area, but the embryonic township itself was at first known as Bushnell - after local resident Joseph James Bushnell, but almost immediately renamed Wondai, the aboriginal name for dingoes or wild dogs.



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