



Wondai Shire Council  
Annual Report 2005/2006





# We are a Shire that values community spirit

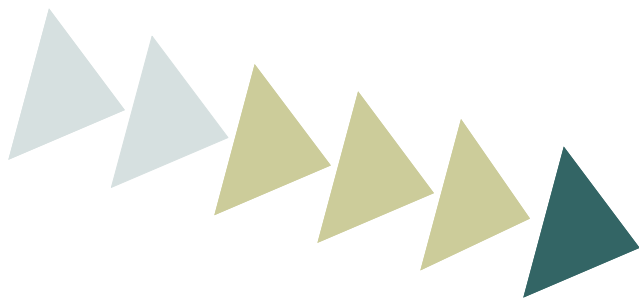
By working together with residents and other Government Organisations, Wondai Council is helping to create a great community in which to live and work.

## WHY BOTHER READING OUR ANNUAL REPORT?

Our Annual Report tells you how Council was managed over the past 12 months. It is our report card on how we performed for this year and provides accountability to ratepayers and other stakeholders of Council.

If you are a ratepayer of our Shire, it tells you how we used the rates you paid this year.

We welcome feedback from stakeholders on this report and also welcome feedback on our performance throughout the year. If you would like to provide any feedback please contact Council on 4169 2555 or email [info@wondaishire.com](mailto:info@wondaishire.com)



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# About Wondai Shire

## 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 in 1912 and the creation of the Murgon Shire in 1914.

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

## Today

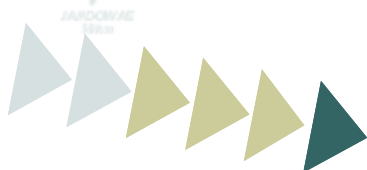
Wondai is located 240km northwest of Brisbane on the Bunya Highway and is 160km from the Sunshine Coast.

The Wondai Shire lies at the geographic and business heart of the South Burnett, a substantial industrial and agricultural region in South East Queensland. The Shire's economy is dominated by agriculture and timber, though it now has a growing tourism sector.

The South Burnett's Regional Economic Development Strategy identified Wondai as a residential area for neighbouring Kingaroy and as a local primary industry service area.

The Shire is well serviced by sporting facilities including golf courses, tennis courts, rifle range, squash courts, lawn bowling rinks, sporting ovals for cricket, soccer and rugby league and swimming pools.

Boondooma Dam, located within the Wondai Shire approximately 3 ½ hours from Brisbane, provides a great tourist destination with camping and recreation activities.



**Principal Office:** Cnr Scott & Mackenzie Streets, Wondai 4606  
PO Box 42, Wondai 4606

**Land Area:** 3574 Square Kilometres

**Resident Population:** 4484

**Rateable Properties:** 2952

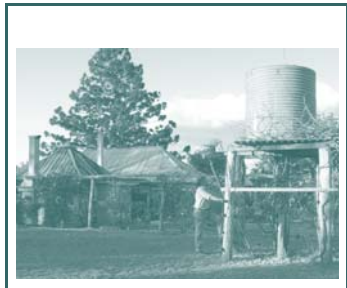
**Council Bank:** Pioneer Permanent Building Society Limited

**Auditor:** Grant Thornton



# What we have achieved...

## at a glance



- A wheelie bin domestic refuse collection service was introduced in conjunction with Kilkivan and Murgon Shire Councils
- New shade structures were constructed at the Wondai Skate Park and Pool
- The Timber Museum was inducted into the Fraser Coast South Burnett Tourism Hall of Fame for winning the Cultural Heritage Tourism category award for 3 consecutive years
- Fraser Coast South Burnett Tourism Awards for Excellence were won by Boondooma Homestead and Wondai Visitor Information Centre
- New playground equipment was installed in McKell Park
- Grants and donations of over \$70,000 were provided to community groups
- Extensions were undertaken to the South Burnett Timber Industry Museum and Wondai Visitor Information Centre to provide office accommodation and storage



# Mayor's Message



Why is Wondai Shire seen as such an attractive place to live and work? The friendly nature of the people plus our modern facilities and services make living and working in the shire both appealing and comfortable. Consequently, we are now seeing an unprecedented increase in our population. Our Council is committed to supporting the community and promoting our shire as a great place to reside and conduct business.

After a long wait and a lot of anticipation, the Proston and district community now have CDMA mobile phone coverage with the official launch of the Telstra Mobile Phone Tower on Friday 15<sup>th</sup> July 2005. This tower would still be years away from installation if not for the great push from our Council. This project has been beneficial not only to the local community but also visitors to this part of our shire.

The launch of a comprehensive history of Wondai Shire will herald our shire's centenary year of 2010. Dr Tony Mathews, who is a historian and very accomplished writer of regional and shire histories, has been commissioned to undertake this project. Tony wrote the two-volume "*Landscapes of Change*" which was published by the South Burnett Local Government Association in 1998. As part of this project, Tony will research and record oral histories of elderly residents in order to preserve these priceless memories before they are lost forever. This research will take up to two years, leaving time for typesetting and printing in 2009 ready for release on 1<sup>st</sup> January 2010.

Wondai Shire was again prominent at the 2005 Fraser Coast South Burnett Tourism Awards. Boondooma Homestead (Heritage/Cultural

Tourism) and Wondai Visitor Information Centre (Tourism Associations/Visitor Information Centres) were winners in their categories, while Wondai's Timber Museum was inducted into the Winners' Hall of Fame. Congratulations to everyone associated with these facilities for their hard work and dedication.

*"The friendly nature of the people plus our modern facilities and services make living and working in the shire both appealing and comfortable."*

Friday 27<sup>th</sup> January 2006 saw Kilkivan, Murgon and Wondai Shires sign a seven year wheelie bin garbage service contract. This is one of the first shared service contracts between councils in Queensland. With the pressure on councils to provide cost effective and efficient services, these types of shared service contracts, I am sure, will become more popular. If councils are working cooperatively together across the region, for the betterment of our residents, then we will all benefit. This new, wheelie bin service, which commenced on 3<sup>rd</sup> March 2006, has been well received and I am delighted at the smooth transition to this modern service.

It was quite a shock when it was announced that the Wondai Garden Festival was being shifted to Murgon. Residents of Wondai Shire certainly opposed this move and at a public meeting it was unanimously decided that Wondai Shire, with the assistance of the Wondai Chamber of Commerce, Wondai Lions Club and the general community, should

conduct Wondai's traditional event in April on the Wondai Sports Ground. It was gratifying to see the large crowd in attendance, as the small committee that was formed to oversee the staging of the event certainly had worked hard to make it a success. Local businesses also had a good weekend with the main streets of Wondai very busy on Saturday morning. Of course this is what it is all about, as the event draws people to our wonderful shire, and our economy benefits in many ways. Thanks to all the supporters and volunteers, as it would not have been possible to hold such a successful event without you.

During January to March 2006, a number of meetings were held with representatives of Murgon and Wondai Shires, SunWater, Department of Natural Resources Mines and Water and irrigator and freshwater fishing representatives to discuss the alarming rate of decline in water levels at Bjelke-Petersen Dam. To enable security of future supply for urban water, a critical water supply strategy was implemented in the Barker Barambah water supply area. Water restrictions have been implemented across the Wondai, Proston and Proston Rural Water Supply schemes to reduce water usage. The future management of these restrictions is essential to maintain our dwindling supply of water.

I would like to take this opportunity to thank all the staff for their dedication to the Council and community. I would like to give special recognition to Chief Executive Officer, Alan Keates OAM, for his assistance and support during the year.

Cr David Carter  
Mayor



# Chief Executive Officer's Report



Local Governments across Queensland have been given the opportunity to self determine structural reform options that will best provide for their long term sustainability. The Wondai Shire Council has joined the voluntary *Size, Shape and Sustainability* review process with other South Burnett Councils to examine:

- size and geographic dimensions;
- management, organisation and operational arrangements;
- financial and accountability arrangements; and
- service delivery mechanisms such as contracting out, and joint arrangements including, enterprises and resource sharing.

This is a very important review and it should be approached with an open mind, the ultimate goal being to deliver better and more cost efficient services to our communities into the future.

To improve our sustainability I believe that it is very important that we continue to work in close partnership with other South Burnett councils and the State and Federal Governments.

During the past two years there has been a marked improvement in Council's financial performance. The challenge for Council is to ensure that long-term financial sustainability strategies are developed and implemented. An important part of this process has commenced with the decision to introduce an asset management system that will allow Council to plan for the maintenance, replacement and renewal of infrastructure.

The continued growth in residential building activities and increasing interest by industry in the Council's

Industrial Estate are indications that the Shire has a positive future ahead of it. In addition to this, the Council has adequate reserves of residential and industrial land to cater for future growth. To sustain the Shire's future growth potential, it will be necessary for the Council to ensure that it has sufficient water allocations. Strategies are being put in place to address this issue.

*"The continued growth in residential building activities and increasing interest by industry in the Council's Industrial Estate are indications that the Shire has a positive future ahead of it."*

This year the Council received funding under the Federal Government's Regional Partnerships Program to develop additional tourist facilities at Lake Boondooma. A new amenities building, laundry facilities and twenty caravan park sites will be opened in November 2006. The Council's Lake Boondooma Camping and Recreation Area, the Visitor Information Centre incorporating the South Burnett Timber Museum and Woodcrafters' Workshop, Boondooma Homestead, the Wondai Heritage Museum and the Wondai Shire Art Gallery are responsible for assisting the development of tourism in the Shire and South Burnett Region.

The Council's continual improvement in the production of its Annual Report was again recognised with the presentation of an Excellence Award at the *Institute of Internal Auditor's 2005*

*Queensland Public Sector Annual Report Awards.*

Finally, after forty-two years of service, thirty-two of these as Shire Clerk / Chief Executive Officer of the Wondai Shire Council, this 2005/2006 report to Council will be my last.

It has been a rewarding experience for me to lead a team of dedicated staff over the years and to look back on the many achievements that have benefited and will continue to benefit the community for years to come.

I would also like to acknowledge the work of our many volunteer organisations in the Wondai Shire with which I have had a close working relationship over many years. Their service to the Shire should never be underestimated.

There will always be challenges for Council to deal with and I believe the Council is fortunate to have a team that will lead it into the 21<sup>st</sup> Century and take it forward to higher levels of achievement and success.

It has indeed been an honour and a privilege for me to be Council's Senior Manager and I am immensely proud that I have served and been a member of the Wondai Shire community.

To Mayor David Carter, councillors and staff, I extend my very best wishes for the future as the Council continues to build on the successes that have been achieved by many people over many years.

Alan Keates OAM, FLGMA  
Chief Executive Officer

# Corporate Governance

## 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 all our stakeholders.

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) a supportive management environment;
- b) strong leadership;
- c) effective risk management processes; and
- d) proper accountability, evaluation and monitoring of our performance.

### A) A Supportive Management Environment

#### Planning

The Corporate Plan 2004-08 guides all Council's actions. The Corporate Plan is developed with Council's Vision and Goal as the focus of what we want to achieve.



Each year, Council develops an Operational Plan that shows in detail those particular goals Council is focussing on in that 12 month period.

Both the Corporate and Operational Plans are available on Council's website - [www.wondai.qld.gov.au](http://www.wondai.qld.gov.au)

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.



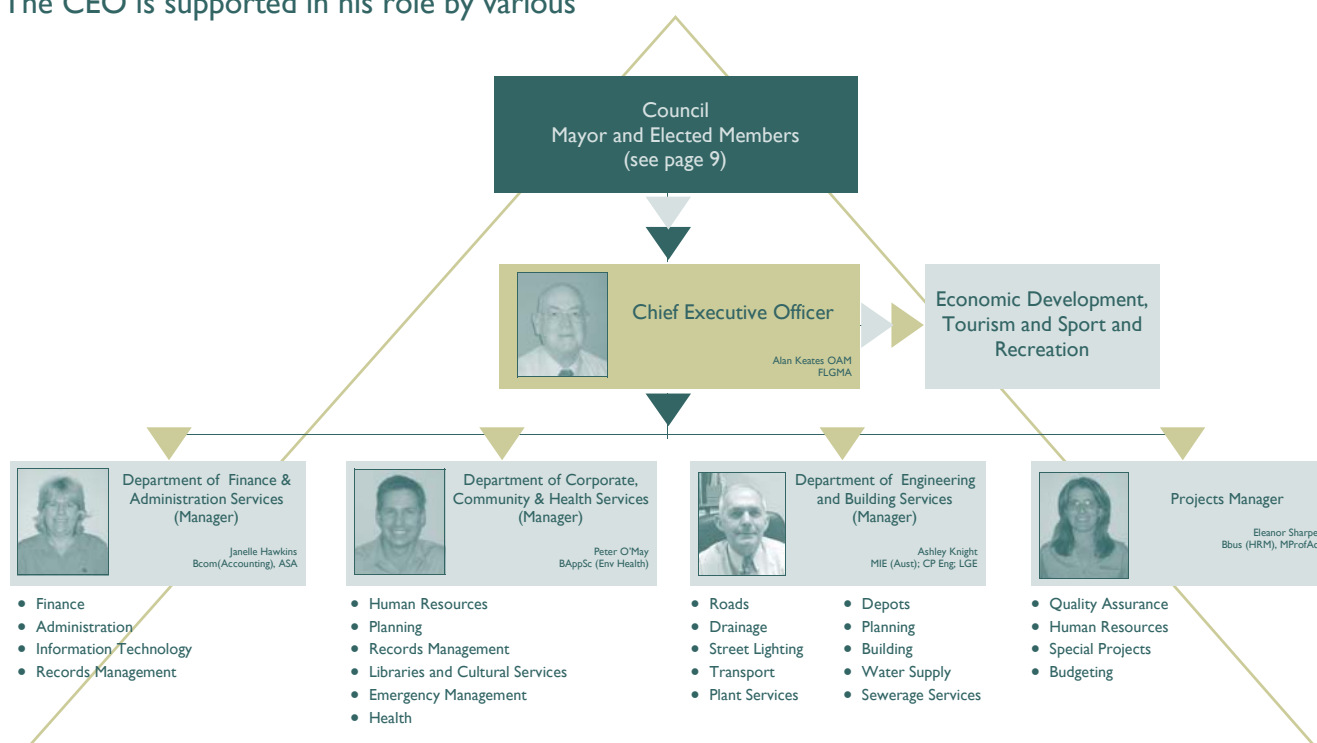
## B) Strong Leadership

### The Chief Executive Officer

Council's Chief Executive Officer (CEO), Alan Keates OAM, has been with Council for 42 years. The CEO provides strong leadership and advice to management and staff in implementing the decisions of Council.

levels of management. After each Council Meeting, middle and senior management meet to discuss the progression of the goals in the current Operational Plan. The senior management team for 2005/06 is shown in the organisation structure chart below.

The CEO is supported in his role by various



### 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 our ratepayers. Details of our current Councillors can be found on page 9.

induction program when they commence work, 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.

### 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 undertake a general

Council and employees have worked collaboratively as part of the enterprise bargaining process to improve productivity and efficiencies in the workplace. Details of our current workforce can be found on page 34.



## C) Effective Risk Management Processes

### **Disaster Management**

Council has developed 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 Local Disaster Management Plan is being developed in conjunction with other councils in the South Burnett. It will provide guidance in being prepared for and managing a disaster after it occurs (eg bush fires or severe storms).

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

### **Health and Safety**

Council is a member of Local Government Workcare, which is a self insurance scheme for workers' compensation claims. As a requirement of this scheme, Council has implemented a Health and Safety Management System called "Safe Plan".

Council is also upgrading a number of our work locations to ensure the requirements of the Workplace Health and Safety Act are met.

Council also employs a Workplace Health and Safety Officer in conjunction with Murgon and Kilkivan Shires.

### **Financial Risk**

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

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

## D) Proper Accountability, Evaluation and Monitoring of our Performance

### **Reporting**

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

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

### **Quality Assurance**

Council is also a Quality Assured Supplier, meeting the standards required by AS/NZS ISO 9002:1994 for all road works.

### **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



Trish Bird



David Carter  
MAYOR



Greg Boyle



Wayne Kratzmann  
DEPUTY MAYOR



Kathy Duff

## COUNCILLOR REMUNERATION

No resolution was made during 2005/06 authorising the payment or provision of remuneration to councillors or members of committees of Wondai Shire Council. The Councillors' remuneration remains as approved by resolution at the Council Meeting of 19 January 2005.

Details of the total remuneration and superannuation paid or provided to each councillor, along with the number of meetings attended by each councillor during the year, are shown below.

Councillors Name	Council Meetings Attended	Other Meetings Conferences & Workshops	Meeting Fees & Allowances \$	Travelling Allowance \$	Total Remuneration \$	Superannuation Contributed by Council \$
Cr David Carter *	17	91	33467	-	33467	3945
Cr Wayne Kratzmann	16	19	12576	288	12864	1509
Cr Trish Bird	16	13	8603	377	9000	-
Cr Gil Smith	17	22	8852	-	8852	1062
Cr Paul Fletcher	17	3	7811	206	8017	-
Cr Kevin Polzin	17	16	8874	399	9273	1065
Cr Bob Mitchell	17	26	9961	439	10399	-
Cr Peter Seiler	15	3	7152	240	7392	858
Cr Kathy Duff	17	17	9189	1039	10228	-
Cr Greg Boyle	17	16	8833	631	9464	1060

\* Car provided for Mayor



Kevin Polzin



Paul Fletcher



Peter Seiler



Bob Mitchell



Gil Smith



# ► Performance Review

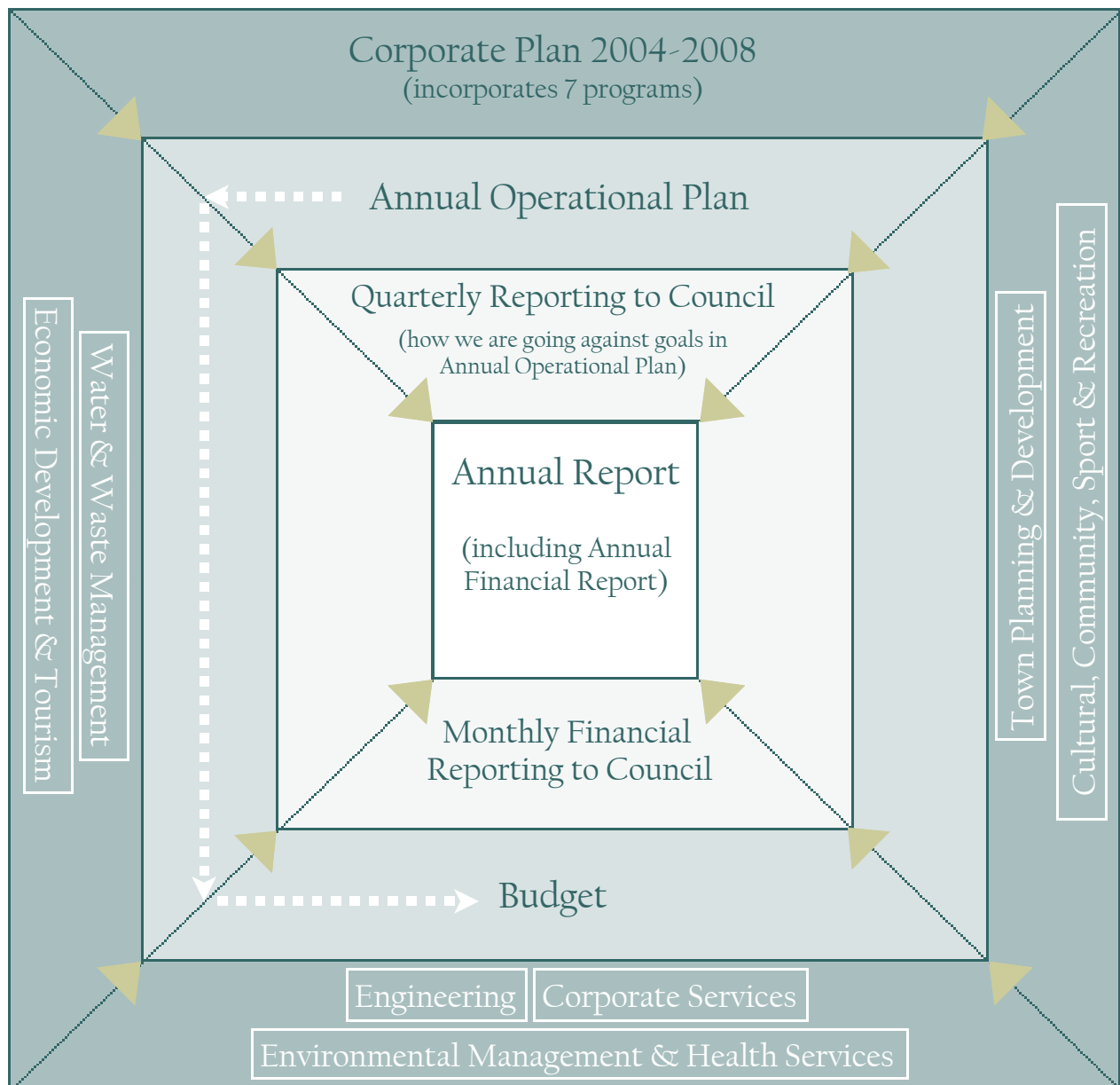
## Program Reports

The Corporate Plan is the document that drives Council. There are seven (7) programs in our Corporate Plan. They are:

- Environmental Management and Health Services
- Cultural, Community, Sport and Recreation
- Economic Development and Tourism
- Engineering
- Town Planning and Development
- Water and Waste Water Management
- Corporate Services



## How it all fits together



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

### Waste Management and Recycling

#### STRATEGIES FOR THIS YEAR

- Review and update Council's Integrated Environmental Management System.
- Investigate the establishment of a landfill site in the Proston area.
- Modify Home Creek Transfer Station to utilise 30m<sup>3</sup> bulk bins.
- Implement a public education program for the disposal of waste within Wondai Shire.
- Establish a wheelie bin domestic refuse collection service.

#### OUTCOMES FOR THIS YEAR

- An engineering consultant was hired to inspect Council landfills and give advice on how we can extend the life and better manage the Proston, Hivesville and Wondai tips. The establishment of a new landfill site in Proston was also investigated by the engineering consultant.
- Council conducted a bulk rubbish collection in the towns of Wondai, Hivesville, Proston, Tingoorra and Mondure during March 2006.
- The Boondooma Tip was closed on 23 January 2006. The closure of this facility was necessary to ensure Council meets its general duty of care under the Environmental Protection legislation.
- In November 2005, Council purchased a 30m<sup>3</sup> bin for the Home Creek Transfer Station.
- A structural engineer was engaged to design the ramp at Home Creek Transfer Station. The design was completed mid February 2006.





### **Waste Management and Recycling (cont)**

- Construction of the new ramp at Home Creek Transfer Station was finalised at the end of June 2006. New opening and closing times were implemented from 8 July 2006.
- Flyers educating the township areas of Wondai, Proston, Tingoora, Mondure and Hivesville on the implementation of a new wheelie bin service were distributed prior to the service commencing.
- On 24 February 2006, the new wheelie bins were delivered to the Shire township residents. The wheelie bin service commenced on 3 March 2006.
- Ongoing reviews and updates of Council's Integrated Environmental Management System continued.

### **PLANS FOR NEXT YEAR**

- Council will continue to review and update the Integrated Environmental Management System.
- A refuse trailer will be purchased for use within Proston.
- The refuse collection services at Lake Boondooma will be reviewed.
- Council will undertake a public education program for the disposal of waste within Wondai Shire.



### Public Health

#### STRATEGIES FOR THIS YEAR

- Produce articles for inclusion in the Barambah Bulletin.
- Undertake maintenance as necessary. Monitor feedback received from clients at major public facilities.
- Undertake inspections as required to meet requirements under any applicable legislation.

#### OUTCOMES FOR THIS YEAR

- Several articles were submitted to the Barambah Bulletin to promote and educate public on environmental health in the Wondai Shire. These included information about the salvinia spray day, straying stock, rubbish collection details and Council's animal local laws within the Shire.
- Daily maintenance was undertaken on public conveniences, recreational and public facilities in the shire.
- 291 overgrown land notices and 16 temporary homes notices were served on residents not complying with Council's Local Laws.
- A new combined South Burnett Food Newsletter was sent out to all food businesses in the Shire. The newsletter informed food businesses of the implementation of the new Food Act on 1 July 2006.
- Routine food, environmental relevant activity, dangerous goods and accommodation inspections were undertaken.

#### PLANS FOR NEXT YEAR

- The inclusion of articles in the Barambah Bulletin will continue.
- Maintenance will continue to be undertaken as necessary on public conveniences and facilities within the Shire.
- Council will continue to undertake inspections to ensure applicable legislative requirements are met with regard to community and public health issues.

### Animal and Pest Management

#### STRATEGIES FOR THIS YEAR

- Implementation of the Pest Management Plan.
- Maintenance of animal control in accordance with local laws.

#### OUTCOMES FOR THIS YEAR

- The Wondai Shire Council Pest Management Plan was adopted by Council in March 2006.
- A coordinated wild dog baiting program was conducted across the South Burnett in September 2005 with bait stations set up at Boondooma Tip and Proston Depot. Another program was conducted in May 2006 with 563kg of meat baited for wild dogs and 20kg of meat baited for pigs.
- Salvinia control has continued within the Barambah Creek area in conjunction with Murgon Shire Council and the Burnett Catchment Care Association.
- The African Lovegrass program was implemented in late 2005, but was put on hold in early 2006 due to constraints from the Department of Main Roads.
- 58 dogs were impounded with 2 of these being registered. 5 cattle/horses were impounded. All unregistered dogs were registered prior to release.

#### PLANS FOR NEXT YEAR

- Council will implement the Pest Management Plan during 2006/2007.
- Maintenance of animal control in accordance with Local Laws will continue.
- Council will provide funding and in kind support to coordinate a South Burnett Aquatic Weed Management Program.





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

### Arts and Cultural Activities

#### STRATEGIES FOR THIS YEAR

- Administer the Regional Arts Development Fund.
- Maintain administrative and financial support for the operation of the Art Gallery.
- Maintain funding levels to provide maintenance of buildings at Wondai Heritage Museum and to improve the working environment for volunteer staff.
- Maintain funding to support the position of a caretaker and support ongoing conservation works by Boondooma Homestead Committee.
- Maintain administrative and financial support for the operation of Timber Industry Museum and Woodcrafters' Workshop.
- Undertake office extension to the South Burnett Timber Industry Museum.

#### OUTCOMES FOR THIS YEAR

- A total amount of \$16,579 (approx. \$9800 on workshops, \$3500 on preservation and restoration works, \$2000 on art show prizes and \$1190 on equipment and software) was approved for RADF applications throughout the year.
- Council provided over \$39,000 financial and in kind support to the Wondai Shire Art Gallery, Wondai Heritage Museum, Boondooma Homestead and South Burnett Timber Industry Museum.
- Renovations were undertaken in the Wondai Shire Art Gallery kitchen and office area.
- An extension to the South Burnett Timber Industry Museum was completed in June 2006, creating a new office and storage room. An official opening and morning tea to recognise the effort of volunteers who help staff the complex was held on the 21 June 2006.

### Arts and Cultural Activities (cont)

#### PLANS FOR NEXT YEAR

- The Regional Arts Development fund will continue throughout 2006/2007.
- Funding and 'inkind' support will continue towards the operation of the Art Gallery.
- An additional storage shed at the Wondai Shire Heritage Museum will be constructed during 2006/2007 and maintenance of existing buildings will be undertaken to improve the working environment for the volunteer staff.
- The Boondooma Homestead Committee conservation works will continue to be supported by Council.
- Council will continue to provide administrative and financial support for the operation of the Timber Industry Museum and Woodcrafters' Workshop.



### Libraries

#### STRATEGIES FOR THIS YEAR

- Review all library services and processes and develop a plan to deliver a process of continuous improvement.
- Undertake renovations at the Proston Public Library to improve the delivery of services to the community.

#### OUTCOMES FOR THIS YEAR

- Library staff have continued to provide monthly reports on the operation of Council's libraries, identifying areas for improvement and advising of projects that have been undertaken.
- Quotations were received for repainting, renewing carpets and installing a new circulation desk as part of the proposed renovations at Proston Library.

#### PLANS FOR NEXT YEAR

- The Libraries' Internet policies and services will be reviewed.
- The introduction of an online catalogue system at the Shire Libraries will be investigated during 2006/2007.
- Complete renovations will be undertaken at the Proston Public Library, including repainting, new floor coverings and the installation of a new circulation desk.





### **Parks, Sporting and Recreation Facilities**

#### **STRATEGIES FOR THIS YEAR**

- Maintain parks and gardens to meet community needs.
- Provide ongoing funding for the South Burnett Sports and Recreation Development Officer Program.

#### **OUTCOMES FOR THIS YEAR**

- New playground equipment was installed in McKell Park.
- The construction of a shared walk/cycle way linking Grant Crescent and Old Wondai Road was completed. This new walkway links to the Wondai Village walkway along Old Wondai Road and then onto the existing network.
- Additional skate equipment and a shade cover were provided at the Wondai Skate Park. These works were subsidised under the Local Government Development Program.
- General maintenance work was undertaken at Wondai and Proston pools prior to reopening for the 2005/06 season.
- A new shade structure was installed at the Wondai swimming pool to provide a shaded area for patrons. Table and chair settings have also been provided within this area.
- Over 160 people participated in a series of exercise classes held within the Shire. The classes included Karate for Women, Body Jam, Aerobics, Tai Chi for Arthritis, Body Balance and Balance/Strength/Stretch.
- The position of Sport and Recreation Officer ceased. This position was jointly funded by Wondai, Kingaroy and Murgon councils.

#### **PLANS FOR NEXT YEAR**

- A new park area within the Parkside Residential Estate will be developed.
- Council will develop a new park in the Bore Paddock Reserve on Old Wondai Road. The existing trees on the reserve are to be retained to preserve the natural character of the area.
- Application for funding to update Council's Sport and Recreation Plan will be applied for.





### Community Halls

#### STRATEGIES FOR THIS YEAR

- Prepare plans and specifications for a new Community Hall at Proston
- Investigate potential funding options for the construction of a new Community Hall at Proston.
- Undertake maintenance at Tingoora Hall.

#### OUTCOMES FOR THIS YEAR

- Plans and specifications for a new Community Hall at Proston were developed and work has commenced on an application to access funding under the Regional Living Infrastructure Program.
- An additional ten tables were purchased for the Wondai Memorial Hall, replacing damaged and deteriorated tables.
- Maintenance at Tingoora Hall has been delayed whilst investigations are undertaken into ownership issues involving the land on which the hall is located.

#### PLANS FOR NEXT YEAR

- The construction of a new Community Hall at Proston will commence subject to funding being received under the Rural Living Infrastructure Program.
- Council will continue to undertake necessary maintenance on Shire halls as required.
- Council will finalise the land ownership issues relating to Tingoora Hall.



**Goal:** 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.

### Economic Development

#### STRATEGIES FOR THIS YEAR

- Continue development on Stage 2 of the Wondai Industrial Estate.
- Develop 22 residential allotments at Lake Boondooma.
- Continue regional co-operation and funding to enhance industry development in the South Burnett.

#### OUTCOMES FOR THIS YEAR

- Development approval was granted for Council to develop 22 residential allotments at Lake Boondooma . Approval was obtained from Department of Natural Resources, Mines & Water for vegetation clearing works associated with the development.
- Stage 2 of the Wondai Industrial Estate was completed and is currently being marketed.

#### PLANS FOR NEXT YEAR

- The marketing of Stage 2 of the Wondai Industrial Estate will continue, including the implementation of a promotional campaign.
- Council will continue the development of 22 residential allotments at Lake Boondooma.
- Regional co-operation and funding to enhance industry development in the South Burnett will continue.

### Tourism

#### STRATEGIES FOR THIS YEAR

- Maintain funding to support the ongoing operations of Council owned tourist facilities in the Shire. Continue funding for regional tourism promotion.

#### OUTCOMES FOR THIS YEAR

- 15,144 people visited the Wondai Visitor Information Centre, equating to 41 per day. This compares with 16,258 visitors for the previous year which equated to 44 per day.
- Gross sales and donations at the Visitor Information Centre and Woodcrafters' Workshop were \$35,378.29.
- Gross accommodation takings at Lake Boondooma were \$235,368 (\$4,526 per week) compared with \$235,768 (\$4,534 per week) the previous year.

#### PLANS FOR NEXT YEAR

- Funding to support Council owned tourist facilities will continue.
- The new amenities block and 20 powered caravan sites at the lakeside camping and recreation area of Lake Boondooma will be completed in 2006/2007.
- An electronic booking system for Lake Boondooma will be investigated.
- Council will continue to coordinate the running of the Wondai Garden Expo.



**Goal:** 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.

### Roads

#### STRATEGIES FOR THIS YEAR

- Establish programs for the construction and maintenance of the Council Road Network including shared cycleways and walkways.
- Undertake work on State controlled roads in accordance with Road Performance Contracts (RPC) and Road Maintenance Performance Contracts (RMPC).
- Develop Traffic Infrastructure Development Scheme (TIDS) program.
- Develop a program for works on Local Roads of Regional Significance (LRRS).
- Maintain Council plant and implement plant replacement program.

#### OUTCOMES FOR THIS YEAR

- Work was completed on a project to widen and bitumen seal a length of 3000 metres of the Mundubbera Durong Road under a Roadworks Performance Contract (RPC) with the Main Roads Department.
- Rehabilitation and widening a length of 2400 metres of the Chinchilla Wondai Road under a RPC.
- Pavement widening of a length of 800 metres of the Proston Boondooma Road under a PRC.
- A length of 1000 metres of McConnel Way was reconstructed and widened with financial assistance under the Traffic Infrastructure Development Scheme.
- Projects to rehabilitate and bitumen seal deformed sections of pavement on Fairdale Road, Transmitter Road, Wesslings Road, Red Hill Road, Swains Road, Stubbs Armstrong Road and West Boondooma Road were completed.
- A project was undertaken to widen the road formation and improve traffic safety on MP Creek Road under the Roads to Recovery Program.
- Additional parking bays were provided in the vicinity of the Wondai Post Office.





## Roads (continued)

- An area of 54000 square metres of Council road pavement was bitumen resealed.
- Routine and programmed maintenance was undertaken on declared roads and Council roads when defects reached agreed intervention levels.
- The construction of a shared cycleway and walkway linking Parkside Residential Estate to Scott Street in Wondai was completed.
- Roadworks associated with Stage 2 of the development of the Wondai Industrial Estate were commenced.
- A four year works program was prepared for projects to be undertaken on local roads of regional significance.
- A new five year road construction plant replacement program was approved by Council and tenders were accepted for the purchase of a 42 tonne GCM tipping truck, a multi-tyred roller and a tractor for grass slashing and road brooming.

## PLANS FOR NEXT YEAR

- Programs will continue to be established for the construction and maintenance of the Council Road Network including shared cycleways and walkways.
- Work on State controlled roads in accordance with RPC and RMPC's will continue.
- Council will continue to develop the TIDS program.
- Development will continue on a program for works on Local Roads of Regional Significance.
- Maintenance will continue on Council plant and the implementation of a plant replacement program will be undertaken.



### Street Lighting

#### STRATEGIES FOR THIS YEAR

- Develop a plan in conjunction with Ergon Energy to upgrade the level of street lighting in the towns of Proston, Hivesville, Durong and Mondure.

#### OUTCOMES FOR THIS YEAR

- Council to meet next year with Ergon Energy to discuss the development of a plan.

#### PLANS FOR NEXT YEAR

- Upgrading of street lighting in the towns of Proston, Hivesville, Durong and Mondure will continue.



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

### Planning Scheme

#### STRATEGIES FOR THIS YEAR

- Implement an Integrated Planning Act (IPA) compliant planning scheme.
- Review the current Development Approval Process and identify options for improvements.

#### OUTCOMES FOR THIS YEAR

- Council adopted an Integrated Planning Act (IPA) compliant planning scheme commencing 5 January 2006.

#### PLANS FOR NEXT YEAR

- Reviews will continue of the current Development Approval Process and options for improvements will be identified.
- A Town Planning Register will be implemented during 2006/2007.



### Building Development

#### STRATEGIES FOR THIS YEAR

- Complete timely processing of Building Development applications.
- Undertake inspections when breaches are made known to Council.

#### OUTCOMES FOR THIS YEAR

- All properly made applications for assessment by Council's building certification unit were decided within the 20 business day decision-making period required under the Integrated Planning Act.
- Inspections were carried out and notices were issued to owners of buildings where the legislative requirements were not met.
- 179 applications, with a total value of \$9.13 million, were processed during the year which included 57 new dwelling, 6 industrial buildings and 9 commercial buildings.

#### PLANS FOR NEXT YEAR

- Council will continue to undertake inspections when breaches of the Building Act are made known to Council.
- Building Development applications will continue to be processed in a accordance with the required legislation.





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

### Water

#### STRATEGIES FOR THIS YEAR

- Manage the maintenance and operation of the water systems.
- Upgrade and maintain delivery mains, pump stations and reservoirs to meet community demands for water.
- Upgrade Proston Town Water Treatment Plant.
- Continue to monitor the quality of water.

#### OUTCOMES FOR THIS YEAR

- Management of the maintenance and operation of water systems has produced an acceptable level of customer satisfaction.
- Expansion of water reticulation infrastructure to service the Wondai Retirement Village and Wondai Industrial estate was completed.
- Monitoring of water quality confirms that supply continues to comply with relevant standards.
- A new 400 kl capacity storage reservoir was constructed to augment the Proston Rural Water Scheme.
- Council's Total Management Plan incorporating a Strategic Asset Management Plan was approved by the Department of Natural Resources and Water.

#### PLANS FOR NEXT YEAR

- Council will continue to manage the maintenance and operation of the water systems to ensure the community demands for water are met.
- Upgrades will be made to the Proston Town Water Treatment Plant
- Council will continue to monitor the quality of the water to ensure it complies with relevant standards.
- Preparation of Customer Service Standards to meet the requirements of the Water Act 2000 and the submission of an annual report of Council's Strategic Asset Management Plan and Customer Service Standards to the Department of Natural Resources and Water will be undertaken.
- A Drought Management Plan will be prepared to meet the requirements of the Water Act.

### Sewerage

#### STRATEGIES FOR THIS YEAR

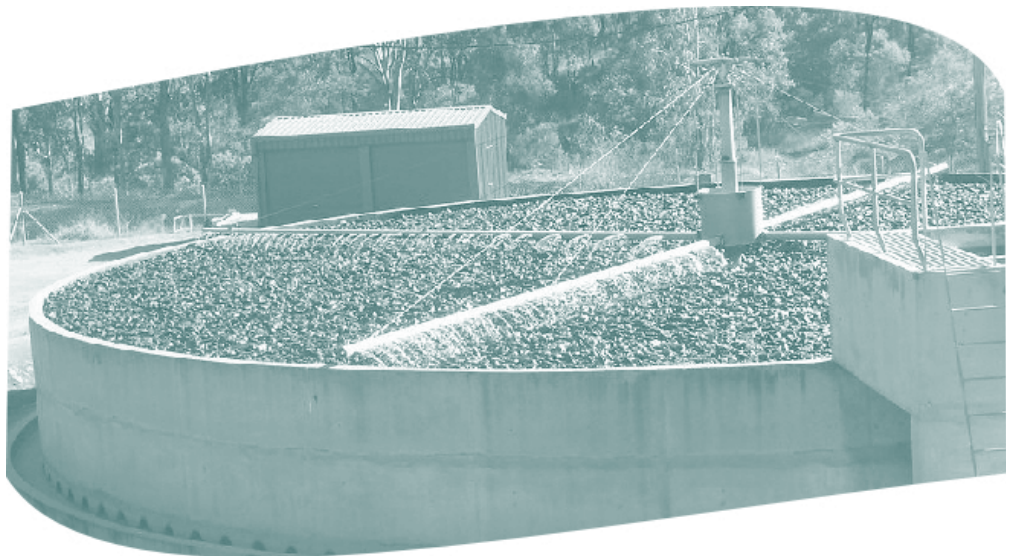
- Manage the maintenance and operation of the sewerage system.
- Develop capital, maintenance and operational management programs to effectively maintain the service level of the sewerage network.

#### OUTCOMES FOR THIS YEAR

- Management of the maintenance and operation of sewerage systems has produced an acceptable level of customer satisfaction.
- Expansion of sewerage reticulation infrastructures to service the Wondai Industrial Estate was completed.
- The performance of major or critical assets continues to be monitored by the Performance Indicators described in the Operation Management Plan contained within Council's Total Management Plan.

#### PLANS FOR NEXT YEAR

- Council will continue to manage and maintain the operation of the sewerage system.
- Effective maintenance of service levels of the sewerage network will be achieved through the development of capital, maintenance and operational management programs.



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

### Financial Management

#### STRATEGIES FOR THIS YEAR

- Continue development of Council's Asset Management Database to produce a usable Asset Management System.
- Continue to refine reports to Council to provide more usable data.
- Develop a replacement program for Buildings and Plant and Equipment.

#### OUTCOMES FOR THIS YEAR

- The revaluation of Council assets was completed. A comprehensive report has been received from Rushton AssetVal Pty Ltd and there has been a substantial increase in asset valuations across all classes of assets.
- Council introduced Electronic Funds Transfer (EFT) as an alternative method of paying creditors. This method of payment has resulted in 55% of Council's payments being processed through EFT. This outcome has also resulted in a reduction of Council's bank fees.
- Council began participating in an Asset Management Improvement Program called LG Asset. An initial workshop was undertaken by Council staff to focus on current asset management activities and develop a 'scorecard' on these activities. This program will continue into next financial year.
- As required by the Local Government Finance Standard 2005, new policies were implemented for Advertising, Entertainment and Hospitality, Grants and Donations to Community Organisations, Internal Audit Committee. Reporting for the first three policies can be found on page 40.

#### PLANS FOR NEXT YEAR

- Council will continue the development of the Road Asset Management Database to produce a usable Road Asset Management System.
- The suitability of the maintenance module of confirm software for road maintenance recording and reporting will be assessed.
- The current Chart of Accounts will be reviewed and updated.
- Council will continue to participate in LG Asset, which is a program designed to develop an asset management policy, plan, strategy and operations plan for Council assets.
- A 70% outcome of payments to creditors using EFT will be targeted.

### Human Resources

#### STRATEGIES FOR THIS YEAR

- Implement recommendations of Workplace Health and Safety Committee and address risks identified through the implementation of the “Safeplan”.
- Continue with the Enterprise Bargaining process with work to be commenced on the next Enterprise Bargaining Agreement.

#### OUTCOMES FOR THIS YEAR

- Inductions were completed with the entire workforce to update employees on Council’s “Safeplan”
- An audit was conducted on Council’s Workplace Health and Safety Management System as part of the 2006 self-insurance licence renewal. An overall outcome of 88% was attained, with an outcome of 70% necessary for the licence renewal.
- Five Enterprise Bargaining meetings were held prior to 30 June 2006 with negotiations expected to be completed in July 2006.
- A formal process has been established to improve communication throughout the Council with issues being able to be raised through workgroup meetings, supervisor meetings or management meetings. This process replaced the Joint Consultative Committee. However, as specific issues arise it may still be necessary to establish a working party to progress these issues.

#### PLANS FOR NEXT YEAR

- The implementation of recommendations from the Workplace Health and Safety Committee and the addressing of risks identified through the safe plan will continue.
- Council will develop a modern Equal Employment Opportunity Plan.
- Council will review and develop employee position descriptions and classifications.
- A policy on staff training will be developed.
- Council will progress the implementation of Work Choices legislation in conjunction with the development of a new Enterprise Bargaining Agreement.



### Information Technology

#### STRATEGIES FOR THIS YEAR

- Identify additional components from Council's computer system that may be utilised in various Council functions (eg Animal Control, Technical Services).
- Investigate the costs of introducing an electronic records management system.
- Investigate the installation of various infrastructure details on Council's Map Info system.

#### OUTCOMES FOR THIS YEAR

- Two new modules for Synergy Soft (Dogs and Customer Complaints) were introduced. Refresher training was also conducted on various modules including payroll, reporting, rates and assets.
- Due to limited resources, the introduction of electronic records management system has been postponed until next year.
- A new digital telephone system was installed which included upgrading to ISDN.

#### PLANS FOR NEXT YEAR

- The current IT support arrangements for Council will be reviewed.
- The costs of introducing an electronic records management system will be investigated.
- Council will investigate the installation of various infrastructure details on Council's Map Info system.



### Disaster Management

#### STRATEGIES FOR THIS YEAR

- Wondai Shire Local Disaster Management Group to meet twice annually to finalise Local Disaster Management Plan.
- Maintain a risk based annual operational plan for timber bridge, culvert and drain maintenance/replacement.
- Review and implement changes to road closure signage and signage management.
- Identify and develop early warning initiatives for the Barker/Barambah Creek and Boyne/Stuart Rivers.
- Identify and consult with Department of Main Roads about state roads and infrastructure affected by significant flooding.
- Establish a formal location history register of critical natural disaster events.
- Reduce debris and flammable material in and around rivers/creeks and flood and bush fire prone areas.
- Identify extent of equipment and personnel that may be used in emergency situations.

#### OUTCOMES FOR THIS YEAR

- Council agreed to participate in a Regional Disaster Management Group and develop a Combined Local Disaster Management Plan in partnership with the other shires of the South Burnett.

#### PLANS FOR NEXT YEAR

- A Combined Local Disaster Management Plan in partnership with the other shires of the South Burnett will be developed during 2006/2007.
- Maintenance of a risk based annual operational plan for timber bridges, culverts and drain maintenance/replacement will continue.
- Council will continue to identify and develop early warning initiatives for the Barker/Barambah Creek and Boyne/Stuart Rivers.
- A formal location history register of critical natural disaster events will be established.
- The reduction of debris and flammable material in and around rivers/creeks and flood and bush fire prone areas will continue.
- Council will identify the extent of equipment and personnel that may be used in emergency situations.

# Performance Review

## The People who made it all happen!

### ADMINISTRATION

Melanie Hansen  
Janelle Hawkins  
Alan Keates OAM  
Peter O'May  
Stephanie Phipps  
Allan Schulz  
Eleanor Sharpe  
Andrea Wecker

### CONSTRUCTION/ MAINTENANCE

Trevor Bailey  
Bradley Baker  
Ray Beasley  
Stephen Bieberitz  
William Collins  
Raymond Dionysius  
Peter Doessel  
Alan Fuller  
Russell Gscheidle  
Craig Handford  
William Hebblewhite  
David Kerkow  
Charlie Kuhrt  
Max McCormick  
Brad Mendes  
Colin Miller  
Gary Ogden  
John Potter  
Greg Pryor  
Rikki Steinhardt  
Shane Van Beek  
Shane Weber  
Greg Wenck

### ENGINEERING

Angela Hayes  
Ashley Knight  
Ashley Newson

Council Employees as at 30 June	2006	2005
Administration	8	9
Construction/Maintenance	23	26
Engineering	3	2
Health, Parks and Gardens	11	13
Libraries	2	2
Sport & Recreation	0	1
Tourism/Cultural	1	1
Water/Sewerage	6	6
Workshop/Depot	4	4
<b>Total</b>	<b>58</b>	<b>64</b>

### TRAINEES

John Burow  
Karlee Garrad  
Danny Litzow  
Kenny Wright

### HEALTH PARKS & GARDENS

Natasha Benecke  
Paul Bull  
Geoff Dennien  
Reynold Dionysius  
Kingsley Ferris  
Helen Giles  
Kerry Hayes  
Alisha Norris  
Les Porter  
Tim Steinhardt  
Allan Trunks

### LIBRARIES

Janelle Kratzmann  
Margaret Westermann

### TOURISM/CULTURAL

Noreen Brier

### WATER/SEWERAGE

Sam Eyles  
Shane McDowell  
John Rankin  
Ross Trevor  
John Schmocker  
Len Wilson

### WORKSHOP/DEPOT

Zephan Hansen  
William Harrison  
Luke Ogden  
Bruno Trappmann

### Joint Arrangement for Refuse Collection

Council entered into a joint arrangement under Section 59 of the Local Government Act 1993, for the purpose of administering the collection and management of refuse within the shire areas of Kilkivan, Murgon and Wondai. A contract commencing 1 March 2006 was awarded to JJ Richards for a period of 7 ½ years for the provision of refuse collection services within Kilkivan, Murgon and Wondai Shires.

### Special Charge

A special charge for the purpose of defraying the costs of the supply of an electricity service was levied on land described as Lots 36 to 39, Lots 41 to 48, Lots 50 to 52 and Lot 59 on RP202225.

Council was of the opinion that the above land will specially benefit from the provision of an electricity service, which involves the erection of an 11,000 volt backbone feeder line. Landowners were given the option of a once only payment or repay the cost of the service over a period of five years.

### 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 were assessed on a case by case basis.





### **Discounts**

To encourage the prompt payment of rates and charges, a discount was allowed on all rates and charges levied (excluding interest charges, fire levy, water consumption and special charge for electricity) if all current and outstanding rates and charges were paid within 30 days after the issue of the rate notices. The discount rate of 15% was determined by resolution at the budget meeting. Approximately 90% of ratepayers paid their rates before the due date.

### **Other Benefits for Prompt Payment of Rates**

In accordance with section 1023 of the Local Government Act 1993, the Council offered a benefit (other than a discount) as an inducement for the prompt payment of rates. All ratepayers who paid prior to the due date were entered into a draw to win one of 100 "Landscapes of Change" books.

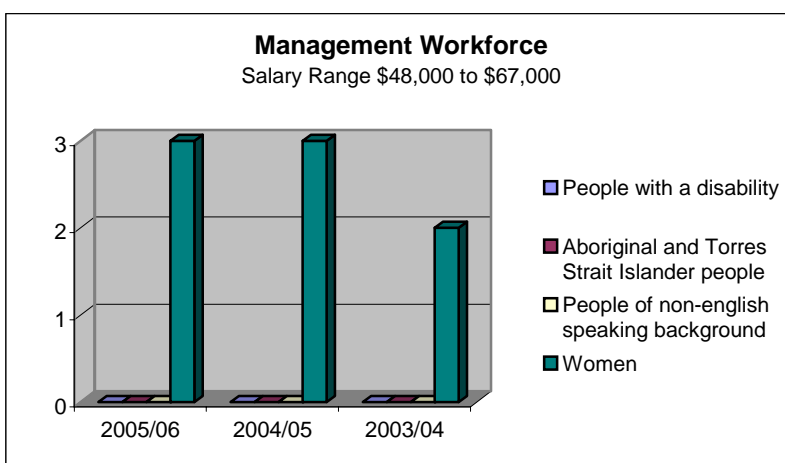
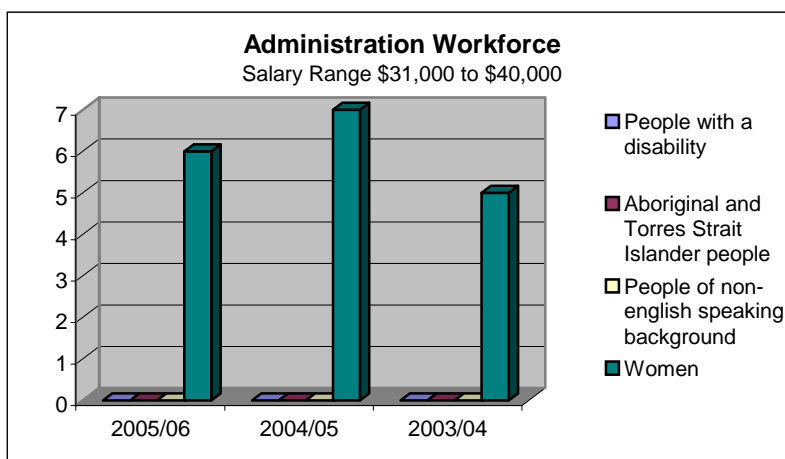
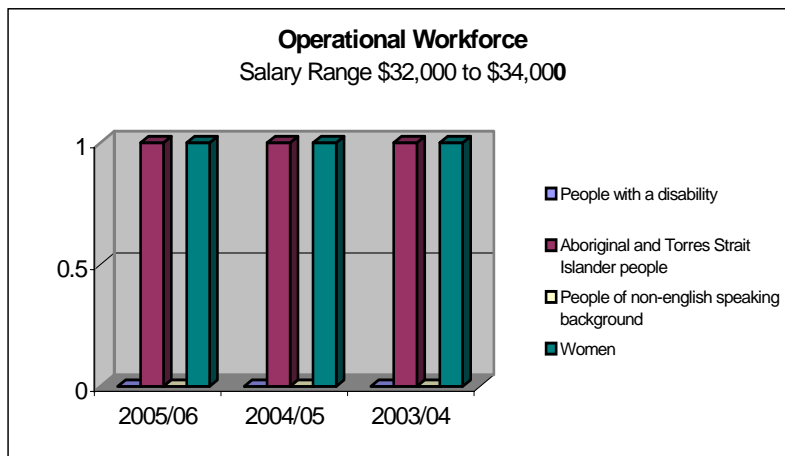
### **Payment by Arrangement**

Council allowed property owners who were unable to pay their rates by the due date the opportunity to enter into an arrangement to make regular payments according to an agreed schedule. No recovery action was taken while the arrangement was being maintained. There were 70 arrangements entered into during the year. Of the total arrangements in place during the year, 21 were completed and paid in full and 49 arrangements were breached. By the end of the financial year, 26 arrangements of the original 49 breached arrangements remained unpaid, resulting in a further 23 arrangements being paid in full.



### Equal Opportunity Employment

The following information is provided in accordance with Section 59 of the Local Government Regulation 2005.



No alterations have been made to Council's Equal Opportunity Management Plan.

### Changes to tenders

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

### Expression of Interest prior to tenders being called

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

### Local Government Owned Corporations

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

### Complaints and decisions - Queensland Competition Authority

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

### General Complaints Policy

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

Details	Number received in 2005/06
Complaints received under Council's <i>General Complaints Policy – CS001</i>	0
Complaints received under Council's <i>General Complaints Policy – CS001</i> that related to alleged breach of Councillors' Code of Conduct	0
Complaints about alleged breaches of Councillors' Code of Conduct that were referred to the Conduct Review Panel	0
Actual breaches of Councillors' Code of Conduct *	0
Complaints made to Ombudsman about decisions made by Council in relation to enforcement of Councillors' Code of Conduct	0
*if breaches occur, the name of the Councillor, along with a description of the breach and any penalty imposed, is required to be reported	

### 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
Corporate Plan (Section 513)	To document the goals, strategies and performance indicators set by the Council for the four year period 2000-2004	Available to any person
Operational Plan (Section 513)	To document the goals, strategies and performance indicators set by the Council for the year	Available to any person
Budget (Section 524)	To record the proposed expenditures and revenues required to implement the Council's strategies and goals this year	Available to any person
Building	To document the building activity within the Shire	Available to any person
Statement of Accounts (Section 529)	To record the actual position of the financial accounts, compared to budget predictions, on a monthly basis	Available to any person
Annual Report (Section 535)	To document the financial position and the performance of the Corporate and Operational Plans for the year, as well as other accountabilities both mandatory and discretionary	Available to any person
Local Law Policies (Section 895)	To record all Local Law Policies adopted by Council	Available to any person
Road Register (Section 921)	To show details of roads in the Shire	Available to any person
Fees and Charges Commercial (Section 36(2)c) Regulatory (Section 1071A)	To record the charges set by Council	Available to any person
Land Record (Section 995)	To record details of every parcel of rateable land in the Shire	Available to any person but a fee could apply. Inspection free for owners or lessees of the land or adjacent land, or their agents
Delegations of Authority (Section 1132)	To record all of the Chief Executive Officer's powers and delegations that are further delegated to other employees	Available to any person
Personal Interest of the Chief Executive Officer and other specified employees (Section 1140)	To record certain financial and other personal interests of the Chief Executive Officer and certain other employees	Available only to Councillors, the Chief Executive Officer or a person permitted by law or their agent
Contracts	To record contracts undertaken by Council	Available to any person
Legal Documents	To document all legal documents held by Council	Available to any person

### Overseas Travel

No Councillors or employees of Council undertook any overseas travel for the financial year 2005/06 (refer Section 24(1)(a) of the Local Government Act 1993).

### Summary of Expenditure for Particular Items

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

Expense Item	Particulars	Amount
<b>Consultants</b>		
GHD Pty Ltd	Development Application assessment and recommendations	\$5,671
	<b>Total Consultant Fees</b>	<b>\$5,671</b>
<b>Entertainment and Hospitality</b>		
Various Businesses	Council organised functions (eg: Australia Day, Queensland Day, Local Government Week)	\$4,445
Various Businesses	Catering for Council Meetings and general refreshment supplies for visitors and staff	\$4,972
	<b>Total Entertainment and Hospitality</b>	<b>\$9,417</b>
<b>Advertising</b>		
APN Newspapers Pty Ltd	Council notices, job applications, requests for tenders	\$9,005
Country Colour Group	Wondai tourist brochure reprint	\$2,571
Crow FM	Tourism promotion and general public announcement ads	\$9,100
Crows Nest Shire Council	Advertising in Country Way publication	\$3,000
Fraser Coast South Burnett Regional Tourism Board	Advertising in regional guide	\$5,925
Queensland Fishing Monthly Pty, Bush N Beach, Travel Media Services	Advertising Lake Boondooma in fishing magazines and Bass to Barra Trail	\$2,145
South Burnett Tourism Association	4 <sup>th</sup> Edition of South Burnett Touring Guide	\$864
Tourism Queensland	SEQC Touring Guide and Endless Summer Publication	\$800
Wondai Chamber of Commerce	Council notices in Barambah Bulletin	\$1,030
	<b>Total Advertising</b>	<b>\$34,440</b>
<b>Grants to Community Organisations</b>		
Boondooma Dam Fish Stocking Association	Grant to assist in the supply of fingerlings	\$7,000
Bush Fire Brigades	Grants to assist in general running costs	\$34,922
Proston PA&H Association	Contribution towards installation of lights at Proston Showgrounds	\$2,500
RADF recipients	Grants for regional arts development programs	\$16,579
South Burnett Race Club	Sponsorship of race day	\$2,200
Various Home and Community Care recipients	Assistance for the elderly and disabled to allow them to remain in their home	\$1,231
Various recipients	Donations to community groups less than \$1,000	\$5,480
Wondai District Band	Assistance to cover costs incurred by members	\$1,000
Wondai Kindergarten	Financial assistance grant	\$1,000
	<b>Total Grants to Community Organisations</b>	<b>\$71,912</b>



# Borrowing Policy

## Debt Management

The Queensland Treasury Corporation manages Wondai Shire Council's debt. Council joined the debt pool on 1 January 1994. The debt is currently split into 5 accounts:

- \* Community Infrastructure
- \* Proston Sewerage
- \* Wondai Sewerage
- \* Wondai Industrial Estate
- \* Shire Roadworks



## Principles

The following sets out the principles on borrowings for the year ended 30 June 2007 and the following four (4) financial years.

- \* Projects funded through external borrowings must comply with the regulatory requirements governing Wondai Shire Council.
- \* Debt will not be used to finance recurrent/operating budget activities.
- \* Capital projects are to be undertaken through a process of evaluation (including risk assessment), prioritisation and review.
- \* The maximum term of any new debt is to be 20 years or matched with the useful life of the asset, whichever is shorter.
- \* Council shall monitor its capacity to pay, to ensure the community is not burdened with unnecessary risk. Repayment terms are reviewed annually.
- \* Council will only borrow for those projects identified in strategic planning documents.

## Current Borrowings

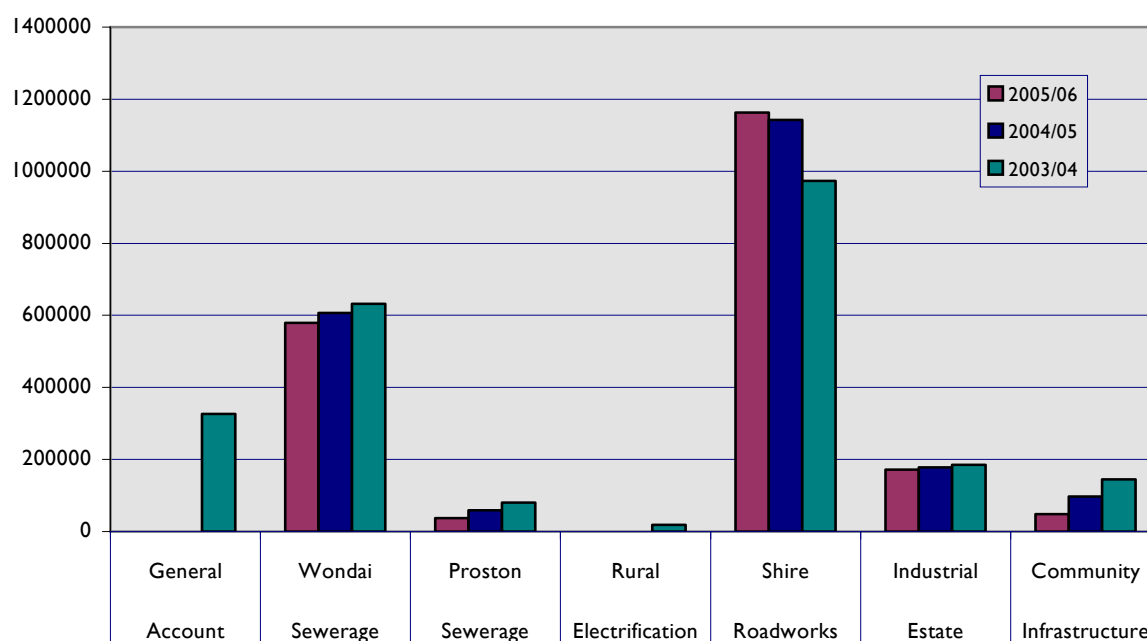
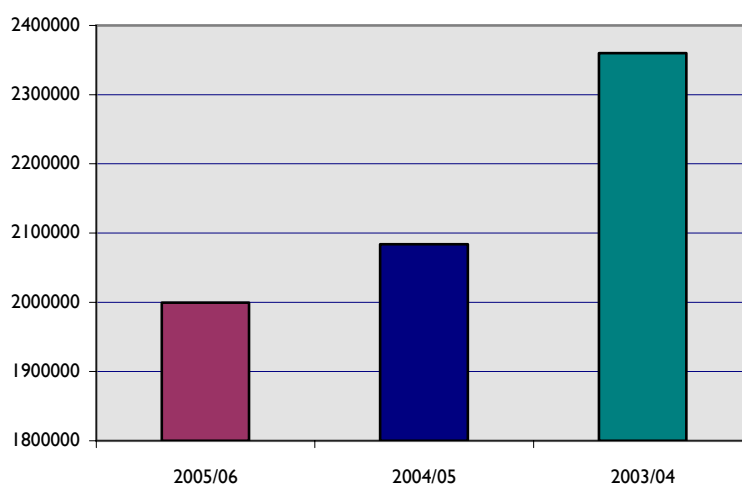
Account	Balance @ 30 June 2006	Remaining Loan Term (years)	Interest Rate
Community Infrastructure	\$48,835.53	0.96	5.79%
Proston Sewerage	\$36,648.47	2.85	8.56%
Wondai Sewerage	\$578,943.56	13.43	5.81%
Wondai Industrial Estate	\$171,518.37	15.38	5.83%
Shire Roadworks	\$1,163,252.47	6.15	5.55%
<b>Total</b>	<b>\$1,999,198.40</b>		

# Borrowing Policy

## Projected borrowings

Financial Year	Project	Borrowings	Term
2006/2007	Roadworks	\$200,000	Six year debt pool
2007/2008	Roadworks	\$200,000	Six year debt pool
2008/2009	No proposed borrowings		
2009/2010	No proposed borrowings		
2010/2011	No proposed borrowings		

Loan Indebtedness





# Community Financial Report

## What happened to all the money?

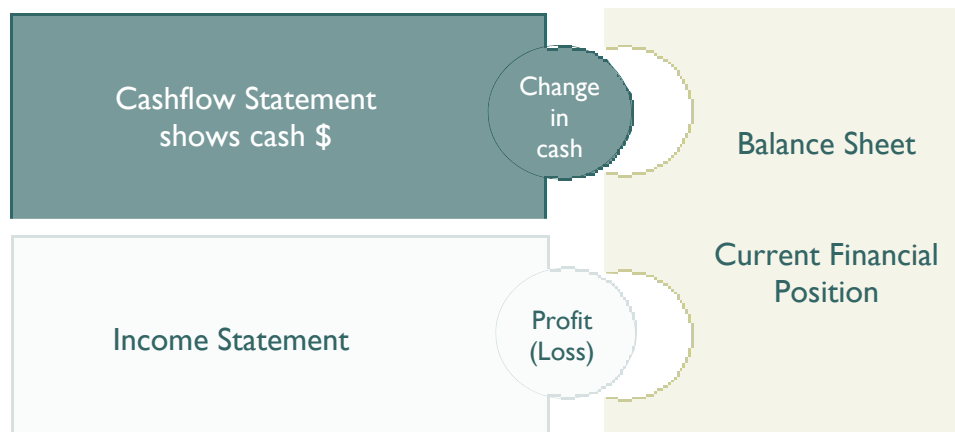
If you find the financial statements a little bit confusing, then read on.

The next few pages provide a simple explanation on what the financial reports actually mean and what the major financial implications are for Council.

Each report in the financial statements provides information on a specific aspect of Council's finances. Together they give an overall big picture of the finances of Council. The three main reports are:

- Cashflow Statement
- Income Statement
- Balance Sheet

Below is a diagram which shows how they fit together:





## Cashflow Statement

(Refer to page 51 of full financial statements)

The cashflow statement is just like your bank statement. If you did a summary of your personal bank statements for 12 months it would be called a cashflow statement.

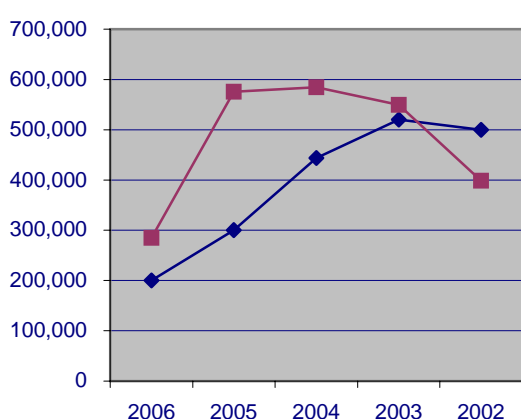
This statement only reports on cash and shows:

- how much money we started the year with,
- where any incoming money came from,
- where any money was spent, and
- how much money we have left at the end of the year.

As can be seen by the summary below, we started the year with \$2,855,672 and ended the year with \$3,500,112. This means that for the entire year we received \$644,440 more in cash than we spent.

You can also see that the report looks at three specific activities: Financing, Investing and Operating. Financing activities are cash received if Council takes out new loans or cash paid as repayments against loans. Investing activities include money Council receives and spends when we buy or sell property, plant and equipment. Operating activities include all other areas such as rates, user charges, interest, grants, employee costs, materials and services, interest and administration.

Snapshot	2006 \$,000	2005 \$,000	2004 \$,000	2003 \$,000	2002 \$,000
Opening Cash Balance	2,856	1,502	629	449	388
Net cashflow from Operating Activities	2,382	3,164	2,208	1,576	1,741
Net cashflow from Investing Activities	(1,653)	(1,534)	(1,194)	(1,367)	(1,781)
Net cashflow from Financing Activities	(85)	(276)	(141)	(29)	101
Closing Cash Balance	3,500	2,856	1,502	629	449



### 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 2005/06 Council took out new loans totalling \$200,000 and repaid \$284,872 in existing loans. In 2006/07 Council only plans to borrow \$200,000 for road-works and will repay close to \$300,000 in existing loans.

### Conclusion

Council's future direction is to maintain a solid cashflow position, with the aim of reducing outstanding loans, and improving revenue and expenditure management.



## Income Statement

(Refer to page 49 of full financial statements)

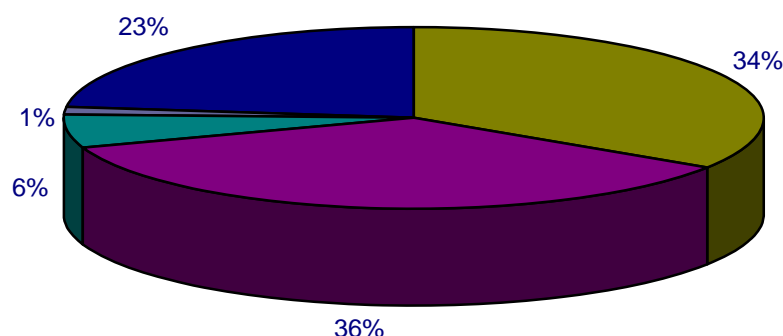
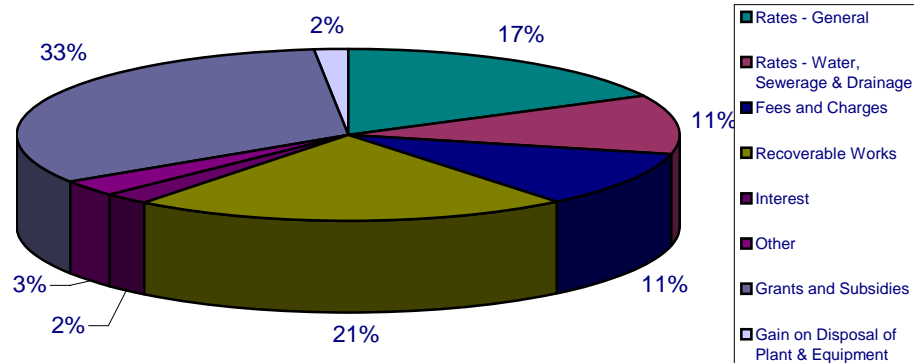
This statement shows if we have made a profit or a loss. Whilst the cashflow statements show how much money goes in and out of your bank account, what if you had a bill for painting your house and you had just not got around to paying it by the end of the year?

The Income Statement takes into account things like the painting bill that really relate to this year, but you won't actually pay it until next year. It shows both cash transactions and non-cash transactions such as depreciation. These figures are based on accrual accounting principles. For example, all rates issued are included as income even though some ratepayers have not paid. The amount not paid would show in the Balance Sheet as an amount owed to Council.

Snapshot	2006 \$,000	2005 \$,000	2004 \$,000	2003 \$,000	2002 \$,000
Revenue (R)	8,529	8,080	9,583	7,681	7,764
Expenses (E)	(8,192)	(7,568)	(8,443)	(7,932)	(9,070)
Operating Result - Profit/(Loss) (R-E)	337	512	1,140	(251)	(1,308)

### Where money came from

2005/06 saw grants and subsidies accounting for 33% of revenue, with rates revenue being 28%. Recoverable works for 2005/06 was 21% of revenue and user fees and charges accounted for 11%.



### Where money was spent

Employee costs for 2005/06 accounted for 34% of our expenses compared to 35% last year. Materials and services increased from 34% to 36%.

Depreciation is still a major expense, accounting for 23% of total expenditure.

### Conclusion

Council will continue with its strategy of resource allocation towards asset maintenance and replacement.



# Community Financial Report

## Balance Sheet

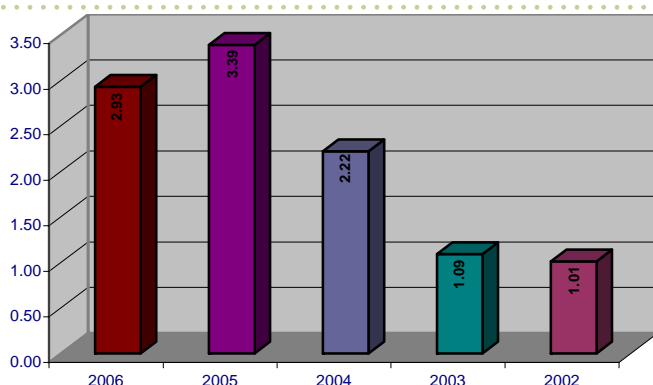
(Refer to page 50 of full financial statements)

The previous two statements showed the activity that has happened for a 12 month period. The Balance Sheet shows what Council's financial position is at the end of the 12 month period.

The Balance Sheet is broken down into three areas - what Council owns (Assets), what Council owes (Liabilities) and what Council is worth in dollar terms (Equity). Equity is worked out by taking the total of our liabilities away from our assets.

### Snapshot

	2006 \$,000	2005 \$,000	2004 \$,000	2003 \$,000	2002 \$,000
<b>Assets (A)</b>	88,181	63,400	54,737	53,727	54,205
<b>Liabilities (L)</b>	(3,358)	(3,047)	(3,326)	(3,457)	(3,359)
<b>Equity (A-L)</b>	84,823	60,353	51,411	50,270	50,846



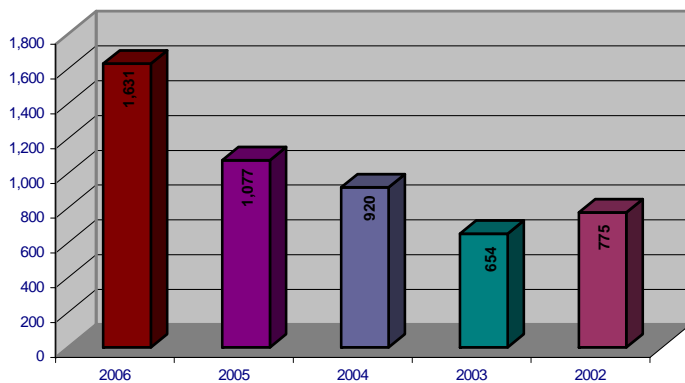
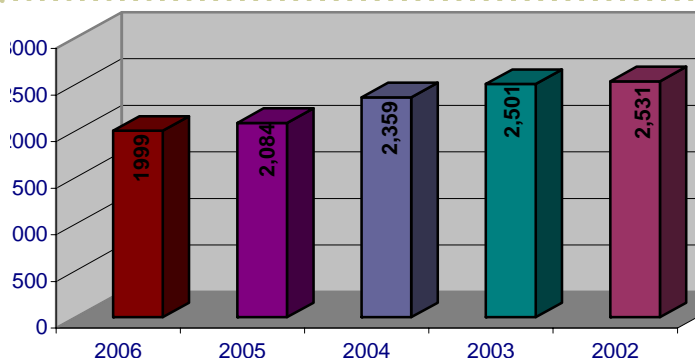
### Current Ratio

(Current Assets divided by Current Liabilities)

The current ratio measures Council's ability to meet its short-term commitments. A good ratio is considered to be around 1.5:1. Currently, Council's ratio is 2.93:1, which means that we can pay all of our current bills when they fall due.

### Total Loan to Pay (\$,000)

Over the next 4 years, Council will be working towards reducing the amount of money we borrow each year as well as gradually reducing the overall amount we still owe. Refer to Council's Borrowing Policy on page 41 for details on the current loans Council has in 2005/06.



### 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 69 of the full Financial Report. In 2005/06 Council transferred an additional \$553,671 into our reserve accounts. Through the budget process, Council will continue to build on these reserves to ensure we are adequately prepared for long term equipment, facilities and infrastructure replacement.

### Conclusion

The future overall financial position of Council is strong and this will continue to strengthen as strategies to reduce existing loans, build reserves and manage infrastructure assets are maintained.



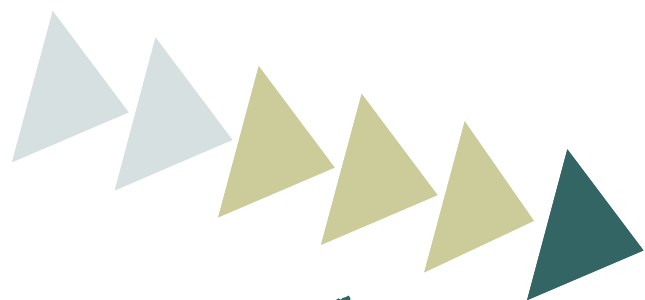
## Other financial information

	2005/06	2004/05	2003/04	2002/03	2001/02
<b>Rate Charges</b>					
Minimum General Rate	\$360	\$340	\$320	\$300	\$280
Rate in the Dollar – Urban	\$0.0119	\$0.0268	\$0.0260	\$0.0250	\$0.0240
Rate in the Dollar – Rural	\$0.0168	\$0.0240	\$0.0233	\$0.0224	\$0.0215
Rate in the Dollar - Rural Homesites*	\$0.0135				
Rate in the Dollar – Other	\$0.0168	\$0.024	\$0.0233	\$0.0224	\$0.0215
Sewerage	\$245	\$225	\$215	\$205	\$195
Effluent Drainage (Proston Scheme)	\$230	\$230	\$230	\$230	\$230
Garbage	\$100	\$85	\$82	\$75	\$70
Water Access	\$175	\$155	\$130	\$115	\$100
Water Consumption–Wondai/Tingoora (per kilo litre)	\$0.80	\$0.74	\$0.70	\$0.65	\$0.60
Water Consumption–Proston (per kilo litre)	\$0.78	\$0.72	\$0.68	\$0.60	\$0.55
<b>Rate Revenue Ratio</b>	30.96%	30.34%	27.18%	33.75%	32.06%
This means that in 2005/06 rates and charges** made up 31% of Council's recurrent*** revenue.					
<b>Debt Servicing Ratio</b>	5.05%	9.06%	9.03%	11.52%	9.37%
This means that in 2005/06 Council used 5.05% 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 the future.					
<b>Borrowing Ratio</b>	25.33%	27.15%	29.40%	40.11%	41.79%
This shows the total money Council borrows for capital purposes as a percentage of recurrent*** revenue					
<b>Rates Arrears Ratio</b>	9.53%	8.33%	11.37%	11.54%	11.66%
This shows that in 2005/06 Council had outstanding rates totalling 9.53% 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	32.87%	26.46%	29.79%	25.77%	
Other Rates Arrears	5.10%	4.92%	7.98%	8.64%	
<b>Current Ratio</b>	2.93:1	3.39:1	2.22:1	1.09:1	1.01 : 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.					
<b>Quick Ratio</b>	2.69:1	3.16:1	2.06:1	0.97:1	0.92 : 1
This is similar to the Current Ratio except only cash and receivables (such as outstanding rates) are included in assets. (A ratio of 1:1 is the accepted norm)					
<b>Change in Community Equity Ratio</b>	40.54%	17.39%	2.27%	-1.13%	-2.51%
This shows the percentage change in net wealth of Council. In 2005/06 Council's assets were revalued. The revaluation attributed to an increase in the asset revaluation reserve of approximately \$24m.					

\* A new category - Rural Homesites was created in 2005/06.

\*\* 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



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# Income Statement

For the year ended 30 June 2006

		2006 \$	2005 \$
	Note		
<b>Revenue</b>			
<b>Operating Revenue</b>			
Rates - General	4	1,485,098	1,426,702
Rates - Water, Sewerage & Drainage	4	958,086	901,842
Fees and Charges	5	903,498	833,409
Recoverable Works	6	1,817,109	1,845,825
Interest	7	188,731	149,720
Other	9	273,849	311,713
Grants and Subsidies	8	2,265,980	2,206,309
Gain on Disposal of Plant & Equipment	21	136,632	100,832
<b>Total Operating Revenue</b>		<b>8,028,983</b>	<b>7,776,352</b>
<b>Capital Revenue</b>			
Grants and Subsidies	8	500,202	303,428
		500,202	303,428
<b>Total Revenue</b>		<b>8,529,185</b>	<b>8,079,780</b>
<b>Operating Expenses</b>			
Employee Costs	11	2,810,205	2,634,036
Materials & Services		2,894,464	2,581,177
Other Expenses	12	480,516	398,980
Borrowing Costs	10	113,661	119,821
Depreciation	20	1,888,805	1,823,945
Amortisation	22	4,781	9,901
<b>Total Operating Expenses</b>		<b>8,192,432</b>	<b>7,567,860</b>
<b>Net Result</b>		<b>336,753</b>	<b>511,920</b>
Increase / (Decrease) in Asset Revaluation Reserve	23	24,133,140	8,502,633
Increase / (Decrease) in Asset Recognition		-	(72,795)
<b>Total Change in Community Equity</b>		<b>\$24,469,893</b>	<b>\$8,941,758</b>

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

# Balance Sheet

For the year ended 30 June 2006

		2006 \$	2005 \$
	Note		
<b>Current Assets</b>			
Cash and cash equivalents	13	3,500,112	2,855,672
Trade and other receivables	14	370,984	381,703
Inventories		191,993	92,974
Prepayments		156,978	137,892
		<b>4,220,067</b>	<b>3,468,241</b>
<b>Non-Current Assets</b>			
Land held for Resale	20	1,150,000	192,292
Property, Plant & Equipment	20	82,561,743	59,675,372
Capital Works in Progress		238,299	48,317
Other Financial Assets	22	10,515	15,296
		<b>83,960,557</b>	<b>59,931,277</b>
<b>Total Assets</b>		<b>88,180,624</b>	<b>63,399,518</b>
<b>Current Liabilities</b>			
Trade and other payables	15	762,546	374,560
Tax Liability	16	31,683	72,513
Interest Bearing Liabilities	17	329,619	285,222
Employee Entitlements	18	316,447	290,880
		<b>1,440,295</b>	<b>1,023,175</b>
<b>Non-Current Liabilities</b>			
Employee Entitlements	18	248,017	224,655
Interest Bearing Liabilities	17	1,669,579	1,798,848
		<b>1,917,596</b>	<b>2,023,503</b>
<b>Total Liabilities</b>		<b>3,357,891</b>	<b>3,046,678</b>
<b>Net Community Assets</b>		<b>84,822,733</b>	<b>\$60,352,840</b>
<b>Community Equity</b>			
Retained Surplus		49,696,357	49,913,275
Asset Revaluation Reserve	23	33,495,683	9,362,543
Other Reserves	23	1,630,693	1,077,022
<b>Total Community Equity</b>		<b>84,822,733</b>	<b>\$60,352,840</b>

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



# Cash Flow Statement

For the year ended 30 June 2006

	Note	2006 \$	2005 \$
<b>Cash flows from Operating Activities</b>			
Receipts from Customers and Ratepayers etc.		8,214,542	9,080,004
Payments to Suppliers & Employees		(5,907,207)	(5,946,759)
Interest received		188,731	149,720
Interest on Borrowings		(113,661)	(119,821)
<b>Net Cash Inflow (Outflow) from Operating Activities</b>	<b>19</b>	<b>2,382,405</b>	<b>3,163,144</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds on Disposal of Property, Plant & Equip	21	258,618	308,212
Payments for Property, Plant & Equipment		(1,911,711)	(1,842,196)
<b>Net Cash Inflow (Outflow) from Investing Activities</b>		<b>(1,653,093)</b>	<b>(1,533,984)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Borrowings	17	200,000	300,000
Repayment of Borrowings	17	(284,872)	(575,850)
<b>Net Cash Inflow (Outflow) from Financing Activities</b>		<b>(84,872)</b>	<b>(275,850)</b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>644,440</b>	<b>1,353,310</b>
Cash at Beginning of Reporting Period		2,855,672	1,502,362
<b>Cash at End of Reporting Period</b>	<b>13</b>	<b>3,500,112</b>	<b>2,855,672</b>

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

# Statement of Changes in Equity

For the year ended 30 June 2006

	Total Community Equity	Retained Surplus	Asset Revaluation Reserve	Other Reserves
<b>2005</b>				
Balance at beginning of period	51,411,082	49,632,086	859,910	919,086
Net result for the period	511,920	511,920	-	-
Transfers from reserves	-	69,800	-	(69,800)
Transfers to reserves	-	(227,736)	-	227,736
Asset revaluation adjustment	8,502,633	-	8,502,633	-
Asset recognition adjustment	(72,795)	(72,795)	-	-
Balance at end of period	<u>60,352,840</u>	<u>49,913,275</u>	<u>9,362,543</u>	<u>1,077,022</u>
<b>2006</b>				
Balance at beginning of period	60,352,840	49,913,275	9,362,543	1,077,022
Net result for the period	336,753	336,753	-	-
Transfers from reserves	-	80,000	-	(80,000)
Transfers to reserves	-	(633,671)	-	633,671
Asset revaluation adjustment	24,133,140	-	24,133,140	-
Asset recognition adjustment	-	-	-	-
Balance at end of period	<u>84,822,733</u>	<u>49,696,357</u>	<u>33,495,683</u>	<u>1,630,693</u>

Note 23

Note 23

*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 2006

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Borrowing Costs	62
Employee Costs	63
Other Expenses	63
Cash and Cash Equivalents	63
Trade and Other Receivables	63
Trade and Other Payables	64
Tax Liability	64
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For the year ended 30 June 2006

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS) for the first time. The disclosures required by AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards, concerning the transition from previous Generally Accepted Accounting Principles (GAAP) to AEIFRS and other policy changes are provided in Note 31.

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

This financial report has been prepared as a general purpose financial report and complies with the requirements of the Local Government Act 1993, the Local Government Finance Standard 2005 and the Australian Accounting Standards including AAS27.

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

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 Note 28 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 asset and the balance as a current inventory asset.

Profit arising upon sale of land is recognised in the Income Statement 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.



For the year ended 30 June 2006

## **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**

Acquisition 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.

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 2005. All other non-current assets, principally plant and equipment and intangibles, are measured at cost.

Major plant and equipment are recorded at fair value in the financial statements as stated in Council's Major Plant and Equipment Policy (FR009) version 1. All other plant and equipment are recorded in the financial statements at cost or deemed 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.

Land, buildings and infrastructure have been revalued in the financial statements. The valuation methodology used by the valuers during the revaluation was fair value. The fair value was determined using the following approaches:

- \* quoted market price in an active and liquid market,
- \* the price the asset could be exchanged between knowledgeable willing parties in an arms length transaction,
- \* depreciated replacement cost.

### **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.





## For the year ended 30 June 2006

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

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

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

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, over 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.

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 pavement	50 - 100 20 - 50
Seal	10 - 15
Roads (gravel)	10 – 50
Roads (formed only)	10 - 50
Water supply	20 – 80
Sewerage	20 – 80
Bridges	50 – 100
Landfill siteworks	50
Other assets:	
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.



For the year ended 30 June 2006

## **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**

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 Income Statement. 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.

### **Operating leases**

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

## **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 22. 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) Employee Entitlements**

Employee entitlements are accrued for such items as wages and salaries, annual leave, rostered day off, time in lieu 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 payable of the Council and not as an employee entitlement.

### **ii) Annual Leave**

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



For the year ended 30 June 2006

### **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 26.

### **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 book 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 Future 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.



For the year ended 30 June 2006

## **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 Common Effluent Reserve
- .. Waste Management Reserve
- .. Tingoora Water Reserve
- .. Future Works Reserve
- .. Residential Development 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 29.

## **P) Rounding and Comparatives**

Amounts included in the financial statements have been rounded to the nearest \$1.

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

## **Q) Cash and Cash Equivalents**

For the purposes of the Balance Sheet and the Cash Flow Statement, cash assets include all cash and cheques receipted but not banked as well as deposits at call with financial institutions. It also includes bank overdrafts and liquid investments with short periods to maturity that are readily convertible to cash at the Council's option 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 established a Steering Committee to assist in the implementation of the new reporting requirements. All AEIFRS's were 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 31.



For the year ended 30 June 2006

2) **FUNCTIONS/ACTIVITIES OF THE COUNCIL**  
(a) **Functional Analysis**

	Revenue				Expenses				Increase in Net Assets				Total Assets	
	Grant and Subsidy Revenue		Other Revenue		Expenses		Resulting from Operations		2005		2006		2005	
	2006 Actual \$	2005 Actual \$	2006 Actual \$	2005 Actual \$	2006 Actual \$	2005 Actual \$	2006 Actual \$	2005 Actual \$	2006 Actual \$	2005 Actual \$	2006 Actual \$	2005 Actual \$	2006 Actual \$	2005 Actual \$
Corporate Services	1,768,737	1,687,994	1,992,553	1,968,516	1,292,625	3,032,678	2,468,665	623,832	7,871,403	3,226,877				
Cultural & Community Services	37,739	143,500	105,069	85,203	821,614	634,790	(678,806)	(406,087)	8,066,228	7,658,345				
Economic Developmt & Tourism	95,000	8,000	334,509	322,392	391,277	410,381	38,232	(79,989)	2,337,300	894,224				
Environment Mgmt & Health Services	-	-	138,715	133,667	544,782	470,619	(406,067)	(336,952)	36,800	688,342				
Engineering Services	855,456	670,243	2,250,546	2,125,799	3,788,125	2,299,353	(682,123)	496,689	39,319,519	28,722,715				
Town Planning, Building & Developmt	-	-	44,870	50,935	64,985	54,662	(20,115)	(3,727)	-	-				
Water & Wastewater Management	9,250	-	896,741	883,531	1,289,024	665,377	(383,033)	218,154	30,549,374	22,209,015				
<b>Total</b>	<b>2,766,182</b>	<b>2,509,737</b>	<b>5,763,003</b>	<b>5,570,043</b>	<b>8,192,432</b>	<b>7,567,860</b>	<b>336,753</b>	<b>511,920</b>	<b>88,180,624</b>	<b>63,399,518</b>				





For the year ended 30 June 2006

**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

	2006 \$	2005 \$
<b>General</b>		
Levy	1,781,273	1,674,171
Less Discount Allowed, Pensioner Rebate & Write-offs	(296,175)	(247,469)
	<u>1,485,098</u>	<u>1,426,702</u>
<b>Water, Sewerage &amp; Drainage</b>		
Water Levy	678,836	660,929
Sewerage / Effluent Drainage Levy	259,920	233,243
Cleansing Levy	106,261	85,063
Less Discount Allowed & Write-offs	(86,931)	(77,393)
	<u>958,086</u>	<u>901,842</u>

### 5) FEES AND CHARGES

Plant Hire	-	-
Quarry & Premix Operations	389,650	277,406
Other Charges & Services	513,848	556,003
	<u>903,498</u>	<u>833,409</u>



For the year ended 30 June 2006

## 6) RECOVERABLE WORKS

	2006	2005
	\$	\$
Private Works	407,363	370,475
Main Roads Works	1,409,746	1,475,350
	<u>1,817,109</u>	<u>1,845,825</u>

## 7) INTEREST

Interest was earned from:

Short Term Investments	177,862	135,806
Overdue Rates and Utility Charges	10,869	13,914
	<u>188,731</u>	<u>149,720</u>

## 8) GRANTS, SUBSIDIES AND CONTRIBUTION REVENUE

### Grants Received

General Purpose Operational Grants	1,744,042	1,655,394
Specific Purpose Grants, Subsidies and Contributions	-	-
Community Services	107,209	156,677
Transport – Roads	414,729	394,238
	<u>2,265,980</u>	<u>2,206,309</u>
Capital Government Grants and Subsidies	500,202	303,428
	<u>2,766,182</u>	<u>2,509,737</u>

## 9) OTHER REVENUE

Profit on Sale of residential allotments	-	251,027
Sundry Income	273,849	60,686
	<u>273,849</u>	<u>311,713</u>

## 10) BORROWING COSTS

Finance Costs - Queensland Treasury Corporation	113,661	119,821
	<u>113,661</u>	<u>119,821</u>





For the year ended 30 June 2006

## 11) EMPLOYEE COSTS

	2006 \$	2005 \$
<b>Employee costs included in operating and capital expenditure</b>		
Wages and Salaries	2,387,566	2,238,747
Councillors' Remuneration	126,092	127,515
Annual, Sick and Long Service Leave entitlements	298,367	281,630
Superannuation Contributions	350,229	303,860
	<u>3,162,254</u>	<u>2,951,752</u>
Other Employee Related Expenses	24,106	23,253
	<u>3,186,360</u>	<u>2,975,005</u>
Less: capitalised costs	(376,155)	(340,969)
Employee costs as per Income Statement	<u>2,810,205</u>	<u>2,634,036</u>
 <b>Total Employees at year end (full time equivalents)</b>		
Elected members	10	10
Administration staff	15	17
Depot & outside staff	43	47
	<u>68</u>	<u>74</u>

## 12) OTHER EXPENSES

Councillors' Expenses	9,915	7,305
Audit Fees	23,273	29,817
Donations to Community Organisations	13,785	6,533
Project Service Fees	47,521	9,711
Administration Costs	386,022	345,614
	<u>480,516</u>	<u>398,980</u>

## 13) CASH AND CASH EQUIVALENTS

Cash on Hand – petty cash and cash floats	1,395	1,125
Cash at Bank	3,498,717	2,854,547
	<u>3,500,112</u>	<u>2,855,672</u>

## 14) TRADE AND OTHER RECEIVABLES

Rates and Utility Charges	218,699	183,116
Accrued Interest	14,186	13,125
	<u>232,885</u>	<u>196,241</u>
 Other Debtors	98,421	164,212
Less Provision for Doubtful Debts	-	-
	<u>331,306</u>	<u>360,453</u>
 Loans	39,678	21,250
	<u>370,984</u>	<u>381,703</u>





For the year ended 30 June 2006

	2006 \$	2005 \$
<b>15) TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade Creditors	352,129	321,659
Accruals	45,038	52,901
Sundry Creditors & Payments received in advance	365,379	-
	<u>762,546</u>	<u>374,560</u>
<b>16) TAX LIABILITY</b>		
<b>Current</b>		
GST Payable	52,196	55,864
Employee related Tax Payable	63,827	66,721
GST Recoverable	(84,340)	(50,072)
	<u>31,683</u>	<u>72,513</u>
<b>17) INTEREST BEARING LIABILITIES</b>		
<b>Queensland Treasury Corporation</b>		
Opening Balance (Book Value)	2,084,070	2,359,920
Add Loans Drawn	200,000	300,000
Less: Principal Repayments	(284,872)	(575,850)
	<u>1,999,198</u>	<u>2,084,069</u>
<b>Balance at Reporting Date (Book Value)</b>		
Classified as:		
Current Liability	329,619	285,222
Non-Current Liability	1,669,579	1,798,848
	<u>1,999,198</u>	<u>2,084,070</u>
<p>QTC borrowings include 3 year, 6 year, 12 year, 15 year Fixed Rate Debt Pool and Floating Rate Debt Pool  The interest rates on QTC loans range from 5.55% to 8.56% per annum at 30th June 2006.  The expected final repayment dates vary from 1 June 2007 to 11 July 2021.</p>		
<b>18) EMPLOYEE ENTITLEMENTS</b>		
<b>Current</b>		
Provision for RDO	11,029	12,767
Provision for Time in Lieu	1,422	-
Provision for Annual Leave	233,996	208,113
Provision for Long Service Leave	70,000	70,000
	<u>316,447</u>	<u>290,880</u>
<b>Non-Current</b>		
Provision for Long Service Leave	248,017	224,655
	<u>248,017</u>	<u>224,655</u>



For the year ended 30 June 2006

**19) RECONCILIATION of RESULT from ORDINARY ACTIVITIES to NET CASH FLOW**

	2006 \$	2005 \$
Operating Results from Ordinary Activities	336,753	511,920
Non-Cash Operating Items		
Depreciation	1,888,805	1,823,945
Amortisation	4,781	9,901
Gain on Disposal of Plant & Equipment	(136,632)	(100,832)
Transfer of Capital Work in Progress to expenses	-	111,800
Industrial estate expense off set against disposal gain	-	(49,387)
Assets recognised	-	(24,455)
Changes in Operating Assets and Liabilities		
Decrease in receivables, excluding loans	10,719	897,671
Increase in receivables, excluding loans	-	-
Decrease in inventories	(99,020)	7,072
Increase in inventories	-	-
Increase in prepayments	(19,086)	(21,311)
Increase in payables	387,986	23,477
Decrease in payables	-	-
Increase in tax liability	-	-
Decrease in tax liability	(40,830)	(60,198)
Increase in provision for employee entitlements	48,929	33,541
Decrease in land held for resale	-	-
Net Cash Inflow from Operating Activities	<u>2,382,405</u>	<u>3,163,144</u>







For the year ended 30 June 2006

## 20) PROPERTY, PLANT & EQUIPMENT

June 2006	Land for Council Use @ Cost	Land for Council Use @ Val	Land for Resale @ Cost	Land for Resale @ Val	Buildings & Facilities @ Cost	Buildings & Facilities @ Val	Plant & Equipment @ Cost	Roads & Streets @ Cost	Roads & Streets @ Val	Bridges @ Val	Water & Sewerage @ Cost	Water & Sewerage @ Val	TOTAL
<b>Gross Asset Values</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance at Cost	3,500	-	65,164	-	2,507,330	-	1,985,680	3,125,830	-	-	1,120,201	-	8,807,705
Opening Balance at Deemed Cost	-	-	-	-	-	-	3,009,915	-	-	-	-	-	3,009,915
Opening Balance at Valuation	-	253,100	-	127,128	-	13,163,943	-	-	41,824,167	-	-	48,767,449	104,135,787
Additions at Cost	55,172	-	-	-	68,809	-	569,937	878,336	-	-	289,475	-	1,861,729
Asset Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Recognitions	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Revaluations	(58,672)	842,420	(65,164)	1,168,621	(2,561,953)	114,457	-	(3,125,830)	(10,994,777)	4,137,300	(1,294,341)	(18,527,591)	(30,365,530)
Transfer to Inventory	-	-	-	(140,000)	-	-	-	-	-	-	-	-	(140,000)
Disposals	-	-	-	(5,749)	-	-	(451,006)	-	-	-	-	-	(456,755)
<b>Closing Balance at Cost</b>	-	-	-	-	14,186	-	2,435,206	878,336	-	-	115,335	-	3,443,063
<b>Closing Balance at Deemed Cost</b>	-	-	-	-	-	-	2,679,320	-	-	-	-	-	2,679,320
<b>Closing Balance at Valuation</b>	-	1,095,520	-	1,150,000	-	13,278,400	-	-	30,829,390	4,137,300	-	30,239,858	80,730,468
<b>Balance at 30 June</b>	-	1,095,520	-	1,150,000	14,186	13,278,400	5,114,526	878,336	30,829,390	4,137,300	115,335	30,239,858	86,852,851
<b>Accumulated Depreciation</b>													
Opening Balance	-	-	-	-	86,801	5,884,506	3,180,291	175,288	17,883,178	-	26,636	28,849,044	56,085,744
Claimed in Year	-	-	-	-	22,792	77,973	290,172	71,520	804,423	-	17,692	604,233	1,888,805
Asset Recognitions	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Reclassification	-	-	-	-	-	-	-	-	-	-	-	-	-
Written off on Disposal	-	-	-	-	-	-	(334,769)	-	-	-	-	-	(334,769)
Adjustment on Revaluation	-	-	-	-	(109,136)	(5,962,479)	-	(242,071)	(18,687,601)	-	(44,108)	(29,453,277)	(54,498,672)
<b>Balance at 30 June</b>	-	-	-	-	457	-	3,135,694	4,737	-	-	220	-	3,141,108
<b>Book Value 30 June 2006</b>	-	1,095,520	-	1,150,000	13,729	13,278,400	1,978,832	873,599	30,829,390	4,137,300	115,115	30,239,858	83,711,743

# Notes to and Forming Part of the Financial Statements



For the year ended 30 June 2006

June 2005	Land for Council Use @ Cost	Land for Council Use @ Val	Land for Resale @ Cost	Land for Resale @ Val	Buildings & Facilities @ Cost	Buildings & Facilities @ Val	Plant & Equipment @ Cost	Roads & Streets @ Cost	Roads & Streets @ Val	Bridges @ Val	Water & Sewerage @ Cost	Water & Sewerage @ Val	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross Asset Values</b>													
Opening Balance at Cost	-	-	-	-	2,403,074	-	1,691,414	2,353,248	-	-	608,742	-	7,056,478
Opening Balance at Deemed Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening Balance at Valuation	-	257,100	87,164	126,150	-	9,981,700	4,149,210	-	35,294,000	-	-	41,153,200	91,048,524
Additions at Cost	3,500	-	-	-	109,802	-	465,669	772,582	-	-	511,459	-	1,863,012
Asset Reclassifications	-	(4,000)	-	4,000	-	-	-	-	-	-	-	-	-
Asset Recognitions	-	-	-	-	-	24,454	(158,250)	-	-	-	-	-	(133,796)
Asset Revaluations	-	-	-	-	-	3,152,243	(710,495)	-	6,530,168	-	-	7,614,249	16,586,165
Transfer to Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(22,000)	(3,022)	-	-	(441,952)	-	-	-	-	-	(466,974)
<b>Closing Balance at Cost</b>	<b>3,500</b>	<b>-</b>	<b>65,164</b>	<b>-</b>	<b>2,512,876</b>	<b>-</b>	<b>1,985,680</b>	<b>3,125,830</b>	<b>-</b>	<b>-</b>	<b>1,120,201</b>	<b>-</b>	<b>8813,251</b>
<b>Closing Balance at Deemed Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Balance at Valuation</b>	<b>-</b>	<b>253,100</b>	<b>-</b>	<b>127,128</b>	<b>-</b>	<b>13,158,397</b>	<b>3,009,915</b>	<b>-</b>	<b>41,824,168</b>	<b>-</b>	<b>-</b>	<b>48,767,449</b>	<b>107,140,157</b>
<b>Balance at 30 June</b>	<b>3,500</b>	<b>253,100</b>	<b>65,164</b>	<b>127,128</b>	<b>2,512,876</b>	<b>13,158,397</b>	<b>4,995,595</b>	<b>3,125,830</b>	<b>41,824,168</b>	<b>-</b>	<b>1,120,201</b>	<b>48,767,449</b>	<b>115,953,408</b>
<b>Accumulated Depreciation</b>													
Opening Balance	-	-	-	-	68,058	4,398,026	3,958,956	108,493	14,286,586	-	17,739	23,734,844	46,572,702
Claimed in Year	-	-	-	-	18,745	77,373	237,827	66,796	804,423	-	8,897	609,888	1,823,949
Asset Recognitions	-	-	-	-	-	-	(85,455)	-	-	-	-	-	(85,455)
Asset Reclassification	-	-	-	-	-	-	-	-	-	-	-	-	-
Written off on Disposal	-	-	-	-	-	-	(308,981)	-	-	-	-	-	(308,981)
Adjustment on Revaluation	-	-	-	-	-	1,409,106	(622,056)	-	2,792,169	-	-	4,504,312	8,083,531
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,801</b>	<b>5,884,506</b>	<b>3,180,291</b>	<b>175,288</b>	<b>17,883,178</b>	<b>-</b>	<b>26,636</b>	<b>28,849,044</b>	<b>56,085,746</b>
<b>Book Value 30 June 2005</b>	<b>3,500</b>	<b>253,100</b>	<b>65,164</b>	<b>127,128</b>	<b>2,426,075</b>	<b>7,273,891</b>	<b>1,815,304</b>	<b>2,950,542</b>	<b>23,940,990</b>	<b>-</b>	<b>1,093,565</b>	<b>19,918,405</b>	<b>59,867,662</b>



## For the year ended 30 June 2006

### Valuations of non-current assets were determined as follows

#### (1) Land

Land was revalued as at 30 June 2006 by Rushton AssetVal Pty Ltd, Registered Valuers.

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

#### (2) Buildings and Facilities

Buildings were revalued as at 30 June 2006 by Rushton AssetVal Pty Ltd, Registered Valuers. Additions for this class of asset have been recorded at cost in the financial statements.

#### (3) Plant and Equipment

Plant and equipment were not revalued and remain at cost or deemed cost.

#### (4) Roads and Streets

Roads were revalued as at 30 June 2006 by Rushton AssetVal Pty Ltd, Registered Valuers. Additions for this class of asset have been recorded at cost in the financial statements.

#### (5) Infrastructure Assets

Network assets were revalued as at 30 June 2006 by Rushton AssetVal Pty Ltd, Registered Valuers. Additions for this class of asset have been recorded at cost in the financial statements.

#### (6) Bridges

Bridges were valued as at 30 June 2006 by Rushton AssetVal Pty Ltd, Registered Valuers. This asset class has not previously been recognised and is now brought to account.

#### (7) Acquisitions

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

### 21) DISPOSAL OF PROPERTY, PLANT & EQUIPMENT

	2006	2005
	\$	\$
Proceeds from Disposal	258,618	308,212
Less carrying amount of assets sold	(121,986)	(207,380)
	<u>136,632</u>	<u>100,832</u>

### 22) OTHER FINANCIAL ASSETS

#### Advances to finance local electricity infrastructure

Current	5,092	4,781
Non Current	5,423	10,515
	<u>10,515</u>	<u>15,296</u>
Amortisation expense	4,781	9,901





For the year ended 30 June 2006

## 23) RESERVES

	2006	2005
	\$	\$
<b>Movements in Asset Revaluation Reserve</b>		
Balance at 1 July 2005	9,362,543	859,910
Net adjustment to non-current assets during period:		
Land	1,887,204	-
Buildings and Facilities	3,624,118	1,743,137
Plant and Equipment	-	(88,439)
Roads and Streets	4,809,065	3,737,998
Water and Sewerage Infrastructure	9,675,453	3,109,937
Bridges	4,137,300	-
	<u>24,133,140</u>	<u>8,502,633</u>
<b>Balance at 30 June 2006</b>	<u>33,495,683</u>	<u>9,362,543</u>
The closing balance is comprised of:		
Land	1,923,980	36,775
Buildings and Facilities	5,807,410	2,183,292
Plant and Equipment	294,541	294,541
Roads and Streets	8,547,062	3,737,998
Water and Sewerage Infrastructure	12,785,390	3,109,937
Bridges	4,137,300	-
	<u>33,495,683</u>	<u>9,362,543</u>





For the year ended 30 June 2006

## Other Reserves

	Wondai Water		Proston Water		Proston Rural Water		Wondai Sewerage		Proston Common Effluent		Waste Management		Tingoor Water		Future Works		Residential Development		Total Reserves	
<b>2005</b>																				
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	
<b>2006</b>																				
Balance at beginning of year	418,359	224,543			195,259		50,018		12,022		47,059		113,383		16,379		-		1,077,022	
Transfer from accumulated surplus	103,781	60,944			9,790		51,020		8,800		58,129		26,386		220,821		94,000		633,671	
Utilised for capital expenditure in year	-	-	-		(80,000)		-		-		-		-		-		-		(80,000)	
Balance at year end	522,140	285,487			125,049		101,038		20,822		105,188		139,769		237,200		94,000		1,630,693	







For the year ended 30 June 2006

## 24) COMMITMENTS

	2006	2005
	\$	\$
<b>Operating Lease Commitments</b>		
Wondai Shire Council had the following obligations under non-cancellable operating leases.		
Not later than one year	29,419	29,419
Later than one year but not later than five years	58,838	88,257
Later than 5 years	-	-
	<u>88,257</u>	<u>117,676</u>

### Contractual Commitments

Council has no contractual commitments for capital expenditure.

## 25) 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 \$62,229.26 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 2005 the financial statements reported net assets of approximately \$2.9m.

## 26) 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 2005 (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: \$350,229 (2005, \$303,860).

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.



For the year ended 30 June 2006

## 27) ASSETS SUBJECT TO RESTRICTION

	2006 \$	2005 \$
Externally imposed expenditure restrictions		
Unspent Government Grants & subsidies	28,239	111,623
Unspent developers' contributions	5,102	15,555
Unspent Loan monies	-	-
Total restricted assets at the reporting date	<u>33,341</u>	<u>127,178</u>

## 28) TRUST FUND

House Bonds	40,200	73,200
Development deposits	5,102	50,462
Hall bonds	700	130
Monies held for community organisations	16,259	127,625
Miscellaneous	-	15,653
Sale of land	28,721	41,603
Tender Deposits	2,000	2,000
	<u>92,982</u>	<u>310,673</u>

## 29) 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:

#### A) Roads business activity:

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

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

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

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

..Other Roads  
 ..Water and Sewerage  
 ..Private Works and Plant operations



For the year ended 30 June 2006

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:**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
	<b>Water &amp; Sewerage</b>	<b>Private Works &amp; Plant</b>
Revenue for services to Council	-	1,003,658
External revenue	958,087	501,829
Community Service obligations	1,302,657	-
	<u>2,260,744</u>	<u>1,505,487</u>
Expenditure	1,611,683	1,180,121
Surplus	<u>649,061</u>	<u>325,366</u>

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





For the year ended 30 June 2006

## 30) 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	
		2006	2005	2006	2005	2006	2005	2006	2005
		\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>									
Cash assets	13	248,717	1,154,547	-	-	1,395	1,125	250,112	1,155,672
Cash investments	13	-	-	3,250,000	1,700,000	-	-	3,250,000	1,700,000
Rates receivables	14	-	-	232,885	196,241	-	-	232,885	196,241
Other receivables	14	-	-	-	-	138,099	185,462	138,099	185,462
Tax assets		-	-	-	-	-	-	-	-
Other financial assets	22	-	-	10,515	15,296	-	-	10,515	15,296
<b>Financial Liabilities</b>									
Payables	15	-	-	-	-	762,546	374,560	762,546	374,560
Tax liability	16	-	-	-	-	31,683	72,513	31,683	72,513
Interest bearing liabilities									
- Loans QTC*	17	1,999,198	2,084,070	-	-	-	-	1,999,198	2,084,070

\* QTC denotes Queensland Treasury Corporation

### C) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash, cash equivalents and non-interest bearing monetary financial assets and liabilities 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.



For the year ended 30 June 2006

**31) TRANSITION TO AUSTRALIAN EQUIVALENTS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS**

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

Wondai Shire Council has undertaken a financial assessment of the provisions which may be required for restoration of landfill and quarry sites and at this stage is unaware of any material impact to its provisions 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 no material adjustments were required to this years statements.

***Property, plant and equipment***

Council has adopted methods which measure Land, Buildings, Major Plant and Infrastructure on the revaluation basis. Plant and equipment is measured at its depreciated actual or deemed cost.

In summary no adjustments were necessary due to the adoption of IFRS in the reporting period.



# 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 2005 (the Standard) and other prescribed requirements.

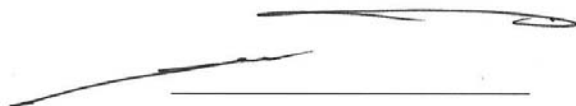
In accordance with Section 48 of the Standard we certify:-

- (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 2006 and supporting notes presents the Council's operating results, cash flows and financial position as required by the Local Government Act 1993.



Mayor

Date: 12 SEP 2006



Chief Executive Officer

Date: 12 SEP 2006



# 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 2006 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 report*

The financial report of Wondai Shire Council consist of the Income Statement, Balance Sheet, Cashflow Statement and the Statement of Changes in Equity, notes to and forming part of the financial report and Management Certificate given by the Mayor and the Chief Executive Officer for the year ended 30 June 2006.

### *Council's responsibility*

The Council is responsible for the preparation and true and fair presentation of the financial report, 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*, which incorporate the Australian Auditing Standards, to enable me to provide an independent opinion whether in all material respects the financial report is presented fairly, in accordance with the prescribed requirements.

### *Audit procedures included -*

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial report;
- 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 report.

## **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 audit powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

## **Audit Opinion**

In accordance with section 532 of the *Local Government Act 1993* I have audited the Council's financial report, and -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report has 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 2005 to 30 June 2006 and of the financial position as at the end of that year.

DJ Carroll ACA  
(as Delegate of the Auditor-General of Queensland, Brisbane)

\_\_\_\_\_  
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, an aboriginal name for dingoes or wild dogs.



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