

# Annual Report

Wondai Shire Council

2006

07



# 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:** 2905

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

**Auditor:** Queensland Audit Office

# What we have achieved... *at a glance*

A total area of 102,000 square metres of Council road was bitumen sealed.



Development was completed for 22 residential allotments at Boondooma Dam.



Council introduced Post BillPay as a payment method for Rates and Water Billing. This allows ratepayers to pay at any Australia Post Office, via the telephone or on the Australia Post Website.

Supervisory training was undertaken by all council staff responsible for managing staff. The training was undertaken over a six month period and was attended by sixteen staff members.

The construction of 20 powered lakeside caravan sites and an additional amenities block and laundry facility at Lake Boondooma Camping and Recreation area was completed. These projects were funded jointly by Council and the Australian Government's Regional Partnership Program. Council hosted an official opening on 9 November 2006 with the Hon Warren Truss MP Federal Member for Wide Bay, Minister for Trade, officially opening the facilities.

Council received a \$500,000 grant under the Rural Living Infrastructure Program (RLIP) for the construction of a new community Hall at Proston.







# Mayor's Message

This year will go down in history because of the significant changes that have been thrust upon Local Government by the Queensland State Government. I would like to thank the public that strongly supported the Council's stand against this impact on our community. I think the majority of residents are extremely happy with the performance of the Council and especially the way the Council works for the community and not against it, as some Councils seem to do. The Local Government reform process that implemented forced shire amalgamations was announced in April 2007 and I believe that this will only result in taking the "local" out of Local Government.

The application for funding for a new Proston Community Hall was successful. The application is to provide a new multipurpose community hall that will meet the present and future needs of the public and will be the community hub for cultural, educational, art, recreational and social activities in the town of Proston and the surrounding rural areas. Council and the Proston community jointly identified the need for this project. A public meeting was held on the 25<sup>th</sup> August 2005 and unanimous support was given for Council to proceed with an application for State Government funding to construct a new community hall.

Continuing on from strong growth in previous years, 2006/07 was again a record year in terms of residential building activity. 150 building applications were approved with the total value in excess of eight million dollars. Alongside this, new construction requests for real estate in Wondai and surrounding districts has remained strong with demand often outstripping supply.

We have also seen significant investment in Council's Industrial Estate with eight new industrial blocks sold over the 2006/07 year. New businesses to be established on these allotments include a concrete batching plant, asphalt plant, engineering works and cabinetmakers. Council has worked closely with industry, government departments and the community to ensure Wondai Shire continues to prosper into the future.

*"This year will go down in history because of the significant changes that have been thrust upon Local Government by the Queensland State Government."*

Tony and Lensie Matthews have been conducting research for the Wondai Shire History Project. Tony has completed an intensive oral history interview with Alan Keates, recently retired CEO who served for 32 years, and a number of other local identities. We were planning to launch the History in January 2010, as this would have been the centenary celebration of Wondai Shire. Now we will be launching a comprehensive 2 volume History of Wondai Shire before the Local Government elections in March 2008 and the amalgamation of Wondai Shire.

A unique residential development has been completed at Boondooma Dam. The estate is only 3.5km from the award winning Lake Boondooma Camping and Recreation area. There are water views from most of the allotments and also a bush-walking trail to the camping and recreation area. A total of 22 fully serviced allotments are on offer with all services such as water, sewerage, electricity, telephone

and sealed roads. Prices of the blocks start at \$68,000, with two allotments already sold.

New powered sites and a toilet block for Lake Boondooma were constructed during the 2006/2007 year. This brings the total of powered sites to 42 which are well utilised especially over the Easter and Christmas holiday season. Wondai Shire Council is very proud of the developments at Lake Boondooma making it one of the major tourism drawcards of the region.

The long awaited redevelopment of the Wondai Hospital and Nursing Care Unit was finally completed in early 2007. Forest View Residential Care Facility offering 46 beds and Wondai Hospital with five beds (four acute and one special needs) is a fantastic asset for the residents of Wondai Shire and surrounding areas. The other major factor in the redevelopment is the superb kitchen and catering area that is located underneath the complex. When this area is fully functioning it will be supplying meals to all of the Queensland Health facilities in the South Burnett region.

Thanks must go to the Councillors and all of our dedicated staff, including CEO Alan Keates, who retired in January, Acting CEO Peter O'May and Deputy CEO Eleanor Sharpe for their commitment to the residents of Wondai Shire.

Cr David Carter  
Mayor



# Chief Executive Officer's Report

2006/2007 was always going to be a year of change for Wondai Shire Council. However, no one could have predicted the significant changes that would be thrust onto local government by the State Government through the scrapping of the *Size Shape and Sustainability* process. In conjunction with the surrounding South Burnett shires, we had been actively (and voluntarily) investigating potential options to deliver cost effective services to our communities. On 17<sup>th</sup> April 2007, Premier Peter Beattie announced the scrapping of the *Size Shape and Sustainability* process and established a 7-member commission to determine the future make up of local government in Queensland. Despite strong opposition, the State Government is ramming through these reforms and we must now focus our attention on ensuring Wondai Shire residents can continue to benefit from a strong, efficient and responsive Council.

Even with the disruption caused by local government reform, 2006/2007 was again a year of strong performance for Wondai Shire Council with a number of significant achievements. With Council's accomplishments highlighted throughout the Annual Report, I will limit my comments here to Council's workforce, who through another year of dedicated service have made such achievements possible.

First of all I must acknowledge Council's previous Chief Executive Officer, Alan Keates OAM PSM, who retired on the 10<sup>th</sup> January 2007 after serving 42 years with Council, 32 of those as Chief Executive Officer. Alan's professional dedicated approach to every task has been inspirational to Wondai Shire workforces for many years and he will be sorely missed. True to Alan's commitment to the

future, he ensured a robust succession planning process was implemented to reduce the impact of his retirement. This allowed my transition from Manager of Corporate, Community & Health Services to Chief Executive Officer to run smoothly and I extend my personal thanks and best wishes to Alan on his retirement.

Whilst 2006/2007 saw significant changes in personnel at Wondai Shire, several initiatives were implemented to ensure Council continues to support a dedicated and highly efficient workforce.

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*"2006/2007 was again a year of strong performance for Wondai Shire Council with a number of significant achievements"*

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Through an enormous amount of work from staff on Council's enterprise bargaining team and in particular Council's Deputy Chief Executive Officer, Eleanor Sharpe, a workplace agreement was lodged with the Office of Employment Advocate in accordance with the new WorkChoices legislation. Wondai Shire was one of very few local governments that successfully implemented such an agreement. This agreement was supported by 93% of staff, indicative of the ongoing ability of Wondai Shire councillors, management and workforce to work together as a team.

A further initiative undertaken by Council was the introduction of a comprehensive supervisors training program, which was undertaken by 16

of Council's management and supervisory team. Investment in our people is seen as a positive strategy in ensuring we continue to develop a workforce committed to delivering a high level of service to the community.

As well as Council's workforce, I must acknowledge and pay tribute to our volunteers who are an integral part of our organisation. The operation and success of all of Council's cultural, community and tourism enterprises is based on the support and commitment of our volunteers. The contribution of these activities to the economic and social growth of our community would not be possible but for the dedication of these volunteers.

I commend Mayor David Carter, Councillors and the entire workforce for another year of strong, responsive service to the Wondai Shire community and extend my personal thanks for all the support I have been given over the year.

With the current local government reforms set to close the curtain on a proud history of service to the community by the Wondai Shire Council, I am confident with the people we have in our organisation we can build on our past successes and develop a Council committed to providing high quality yet cost effective service to the ratepayers and residents of the South Burnett.

Peter O'May  
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.

#### Council's Vision

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

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

#### Council's Goal

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

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

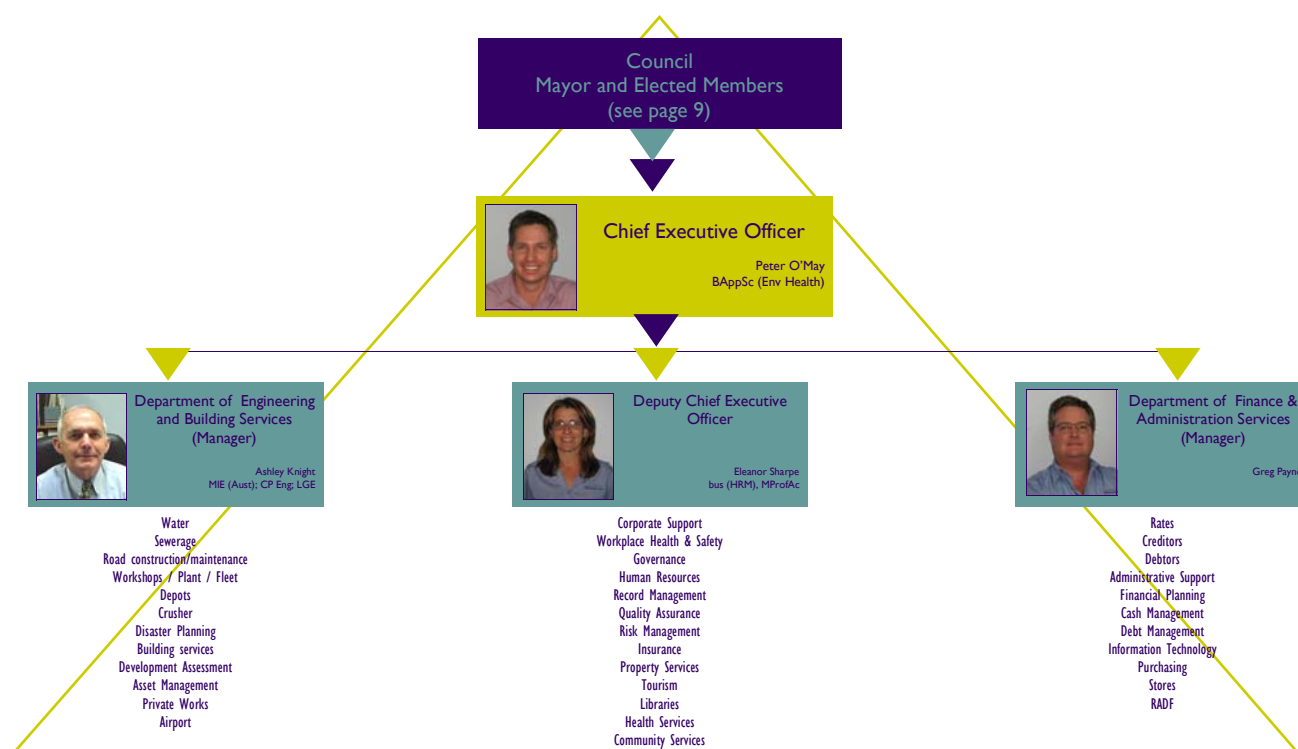
### The Chief Executive Officer

Alan Keates OAM was replaced after 42 years of service by Peter O'May who was previously the Manager of Corporate and Community Services.

The CEO is supported in his role by various 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 2006/07 is shown in the organisation structure chart below.



### Councillors

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

### 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

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

Council and employees have worked collaboratively as part of the enterprise bargaining process to improve productivity and efficiencies in the workplace. Details of our current workforce can be found on page 33.

## 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 currently employs a part-time Workplace Health and Safety Officer.

### **Financial Risk**

Council is required to insure its assets in accordance with the Local Government Act 1993.

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, with this year's auditors being the Queensland Audit Office.

## 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 2006/07 altering 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 *	16	79	30767	-	30767	3844
Cr Wayne Kratzmann	15	17	12098	326	12424	1408
Cr Trish Bird	16	12	8291	332	8623	-
Cr Gil Smith	16	15	8090	8	8098	977
Cr Paul Fletcher	16	2	7430	759	8189	-
Cr Kevin Polzin	16	6	7778	228	8006	933
Cr Bob Mitchell	16	16	8420	286	8706	-
Cr Peter Seiler	16	3	7485	1219	8704	898
Cr Kathy Duff	16	12	7980	2153	10133	-
Cr Greg Boyle	16	7	7760	478	8238	931

\* 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 hanging community needs and expectations.*

## Waste Management and Recycling

### STRATEGIES FOR THIS YEAR

- Review and update Council's Integrated Environmental Management System.
- Purchase of a refuse trailer for use within Proston.
- Review refuse collection services at Lake Boondooma.
- Undertake a public education program for the disposal of waste within Wondai Shire.

### OUTCOMES FOR THIS YEAR

- A new refuse trailer was purchased for use in Wondai. The existing Wondai refuse trailer is now utilised in Proston.
- A new refuse collection service at Boondooma Dam was implemented.
- A new waste oil collection area at the Proston and Wondai landfills was completed.
- Council participated in the Clean Up Australia Day campaign during March 2007. Approximately 20 bags of rubbish were collected in a 2 hour period.
- In March 2007, Council conducted a bulk rubbish collection in the towns of Wondai, Hivesville, Proston, Tingoora and Mondure. Approximately 144 tonne of rubbish was collected.
- New signs for the designated Waste Oil, Batteries, Green Waste, Steel, Glass and Plastic Bottle areas were installed and a large site map was positioned at the front gate of the Wondai Landfill.
- A DrumMuster collection program was conducted with 852 drums being collected.

### PLANS FOR NEXT YEAR

- Continue to review and update Council's Integrated Environmental Management System.
- Prepare site based management plans for all Environmental Protection Agency (EPA) licenced quarries and landfills.
- Undertake ongoing public education programs 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**

- A combined quarterly South Burnett Food Newsletter was sent out to all food businesses in the Shire.
- Articles were submitted to and published in the Barambah Bulletin regarding Pest Weeds, Animal Control and Waste Management.
- Ninety-seven (97) overgrown land notices were sent out to residents who allowed their properties to become overgrown with grass/weeds.
- Maintenance on public facilities was undertaken when necessary. Feedback from the community and public indicated that facilities were maintained at a very high standard.
- Food, Dangerous Goods and Environmentally Relevant Activity inspections were undertaken to ensure compliance with current legislation.

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

- Continue to produce articles for inclusion in the Barambah Bulletin.
- Undertake monthly water samples at Ficks Crossing and Stuart River to support Burnett Mary Regional Group (BMRG) catchment data collection.
- Continue to monitor the quality of reticulated water.
- Continue to undertake inspections as required to meet requirements under any applicable legislation.
- Continue to undertake maintenance as necessary and monitor any feedback received from clients at major public facilities.

### **Animal and Pest Management**

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

- Implementation of the Pest Management Plan.
- Maintenance of animal control in accordance with local laws.
- Provide funding and in kind support to coordinate a South Burnett Aquatic Weed Management Program.

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

- The South Burnett Aquatic Weed Management Program funding application for \$51,816 was approved.
- Council worked in conjunction with Murgon Shire Council and Burnett Catchment Care Association to continue aquatic weed control within Barambah Creek.
- Council implemented charges required under the Land Protection (Pest and Stock Route Management) Act 2002 for stock agistment and stock travel permits.
- A citronella dog collar was purchased for Wondai Shire residents to hire in an effort to control excessive dog barking.
- Several dingo baiting campaigns were conducted during the year. 1115kg of meat was baited.
- A rabbit baiting information session was held at the Hivesville Hall in June. Several people attended the session and a total of 25kg of chopped carrots were distributed.
- A brochure outlining Animal Control issues was sent out to all residents within the residential and rural residential zones in Wondai Shire.
- Council introduced a Dangerous Dog registration fee.
- Six registered and 30 unregistered dogs were impounded. Twenty-five dogs were released. Seventy head of cattle were impounded.

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

- Reviews to be undertaken on the Pest Management Plan.
- Maintenance of animal control in accordance with local laws.
- Undertake a dog registration survey program in the township areas of Wondai, Proston, Tingoorra, Mondure and Hivesville.
- 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 museum buildings and to improve the working environment for volunteer staff.
- Provide an additional storage shed at the Wondai Shire Heritage Museum.
- 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 the Timber Industry Museum and Woodcrafters' Workshop.

### OUTCOMES FOR THIS YEAR

- A total amount of \$16763 was approved for RADF applications throughout the year.
- A bidding sheet was submitted to Arts Queensland for funding to continue the RADF program in 2007/2008. The annual report for 2005/2006 was also completed and submitted to Arts Queensland.
- Council contributed \$1000 towards the installation of outdoor blinds for the undercover area at the rear of the Art Gallery.
- Council provided over \$30000 financial and in kind support to the Wondai Shire Art Gallery, Wondai Heritage Museum, Boondooma Homestead and South Burnett Timber Industry Museum.

### Arts and Cultural Activities (cont)

#### PLANS FOR NEXT YEAR

- Administration of the arts funding (RADF and Council funds) in accordance with CS002 - Arts and Cultural Policy.
- Maintain administrative and financial support for the operation of the Art Gallery.
- Maintain funding levels to provide maintenance of museum buildings and to improve the working environment for volunteer staff.
- Maintain funding to support the position of a caretaker and support ongoing conservation works by the Homestead Committee.
- Maintain administrative and financial support for the operation of timber Industry Museum and Woodcrafters' Workshop.
- Utilise the roof capacity of the Timber Museum to catch rainwater.



### Libraries

#### STRATEGIES FOR THIS YEAR

- Review of Library Internet policies and services.
- Investigate the introduction of an online catalogue at the Shire Libraries.

#### OUTCOMES FOR THIS YEAR

- Wondai and Proston librarians were trained in researching family history (2 day training course).
- Wondai and Proston librarians worked with community groups (schools, police, young mothers) to build partnerships through activities such as storey telling, craft activities, science and library week activities.
- Investigations into the introduction of an online public access catalogue was postponed due to impending amalgamations.

#### PLANS FOR NEXT YEAR

- Provide and plan regular school activities.
- Continue to provide free internet access to shire residents and apply minimal internet usage charges to visitors and tourists.
- Investigate the introduction of an online public access catalogue at the Shire Libraries.
- Review websites and consider establishment of separate Col Morris Public Library Website.
- Provide disabled access to Proston Public Library.





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

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

- Development of a new park area within Parkside residential development.
- Development of the Bore paddock park area.
- Apply for funding to update Council's Sport and Recreation Plan.

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

- Two applications were submitted and approved under the Local Sport and Recreation Program. The first was for funding to upgrade Council's Sport and Recreation Plan. The second was for funding to continue the very successful Exercise Participation Program.
- Work commenced on establishing a park in Parkside Estate.
- U-Plan Landscape Architects were employed to complete a design for the Bore Park Paddock.



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

- Continue development of a new park area within Parkside residential development.
- Continue development of the Bore paddock park area.
- Review and update the Shire's recreation and open space study in conjunction with a consultant.

### Community Halls

#### STRATEGIES FOR THIS YEAR

- Prepare plans and specifications for a new Community Hall at Proston.
- Construct a new Community Hall at Proston, subject to receiving funding under the Rural Living Infrastructure Program.
- Undertake necessary maintenance to shire halls as required.

#### OUTCOMES FOR THIS YEAR

- Council received a \$500,000 grant under the Rural Living Infrastructure Program (RLIP) for the construction of a new community Hall at Proston. Construction was postponed until 2007/08 due to the late approval of this funding.
- Ownership issues in relation to land on which part of Tingoora hall was built have been resolved.

#### PLANS FOR NEXT YEAR

- Construct a new Community Hall at Proston.
- Commence upgrades to the Tingoora Public Hall.
- Review the level of service for community halls in the shire.
- Undertake necessary maintenance to Shire Halls as required.



### 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 including the implementation of a promotional campaign.
- Develop 22 residential allotments at Boondooma Dam.
- Continue regional co-operation and funding to enhance industry development in the South Burnett.

### OUTCOMES FOR THIS YEAR

- Development was completed for 22 residential allotments at Boondooma Dam. Two allotments have been sold to date.
- Interest continues to be strong in the Wondai Industrial Estate with a further 8 parcels of land being sold during 2006/2007.

### PLANS FOR NEXT YEAR

- Develop a marketing strategy for sale of land at the Wondai Industrial Estate.
- Develop a marketing strategy for sale of the residential allotments at Boondooma Dam.
- Continue regional cooperation and funding to enhance industry development in the South Burnett.
- Participate in Queensland's Country Week Expo promoting the benefits of living and working in rural areas.

### 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.
- Development of an additional amenities block and 20 powered caravan sites (lakeside) at Lake Boondooma Camping and Recreation Area.
- Investigate the introduction of an electronic booking system at Lake Boondooma.
- Coordinate the running of the Wondai Garden Expo and Spring Garden Festival including the provision of financial and in kind support.

#### OUTCOMES FOR THIS YEAR

- Council provided significant financial and in kind support towards the Wondai Spring Garden Festival which was held on 30 September 2006 at the Wondai Sportsground.
- The construction of 20 powered lakeside caravan sites and an additional amenities block and laundry facilities at Lake Boondooma Camping and Recreation area was completed. These projects were funded jointly by Council and the Australian Government's Regional Partnership Program. Council hosted an official opening on 9 November 2006 with the Hon Warren Truss MP Federal Member for Wide Bay, Minister for Trade, officially opening the facilities.
- Council continued to contribute to regional tourism promotion through the provision of funding (\$7000) towards a South Burnett Tourism Project Officer.
- The falling dam levels at Lake Boondooma had an adverse affect on the takings throughout 2006/2007. Gross accommodation takings were \$203250 (\$3908 per week) compared with \$235221 (\$4523 per week) the previous year.
- 15157 people visited the Wondai Visitor Information Centre, equating to 42 per day. This compares with 15144 visitors for the previous year which equated to 41 per day. Gross sales and donations for the year totalled \$35130 compared to \$35378 for the previous year.

### Tourism cont.

#### PLANS FOR NEXT YEAR

- Maintain funding to support the ongoing operations of Council owned tourist facilities in the Shire.
- Continue funding for regional tourism promotion.
- Coordinate the running of the Wondai Garden Expo and Spring Garden Festival including the provision of financial and in kind support.





### 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 Transport 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 commenced on a project to rehabilitate and widen a length of 2800 metres of the Mundubbera Dulong road under a Roadworks Performance Contract (RPC) with the Main Roads Department.
- A length of 1600 metres of the Mundubbera Dulong Road was rehabilitated and 750 metres of the Proston Boondooma Road was widened under a Road Maintenance Performance Contract (RMPC) with the Main Roads Department.
- The following projects were completed on local roads of regional significance with funding assistance through the Roads Alliance process:
  - rehabilitation and widening of a length of 1100 metres of Wondai Proston Road.
  - realignment of a substandard horizontal curve on Hivesville Road.
  - rehabilitation of a timber bridge over Barambah Creek on Hivesville Road.
- A length of 1300 metres of Mondure Wheatlands Road was reconstructed and widened with financial assistance under the Transport Infrastructure Development Scheme.
- Projects to rehabilitate and bitumen seal deformed sections of Cushnie Road, West Boondooma Road and Stubbs Armstrong Road were completed.

## **Roads (continued)**

- These projects were completed under the Commonwealth Governments Roads to Recovery Program:
  - a length of 1600 metres of Flats Road was constructed to a bitumen sealed standard.
  - a length of 700 metres of Stonelands Road was constructed to a bitumen sealed standard.
  - widening of Hines Road to a two lane bitumen sealed standard.
- Road widening and kerb and channelling was completed in Collins Street Proston.
- Roadworks associated with Stage 2 of the development of the Wondai Industrial Estate were completed.
- An area of 102000 square metres of Council road was bitumen resealed.
- Routine and programmed maintenance was undertaken on declared roads and Council roads when defects reached agreed intervention levels.
- Tenders were accepted for the purchase of a 42 tonne GCM tipping truck; a 15 tonne GCM tipping truck; and a backhoe in accordance with Council's road construction plant replacement program.

## **PLANS FOR NEXT YEAR**

- Establish programs for the construction and maintenance of the Council Road Network.
- Undertake work on State controlled roads in accordance with RPC and RMPC's.
- Continue works approved under the Transport Infrastructure Development Scheme (TIDS).
- Develop a program for works on Local Roads of Regional Significance (LRRS).
- Investigate options for running of Council Quarry including the purchase of additional land.
- Maintain Council plant and implement a plant replacement program.
- Investigate options for site office at the Wondai Depot for the Works Coordinator and a mobile site office for other jobs.

### Street Lighting

#### STRATEGIES FOR THIS YEAR

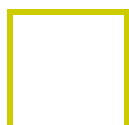
- Develop a plan in conjunction with Ergon Energy to upgrade the level of street lighting in the towns of Proston, Hivesville, Durong and Mondure.

#### OUTCOMES FOR THIS YEAR

- Only minimal improvement in street lighting intensity was achieved.

#### PLANS FOR NEXT 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.



### 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

- Ongoing reviews of the current Development Approval Process and identify options for improvements.
- Implementation of a Town Planning Register.

### OUTCOMES FOR THIS YEAR

- A standing committee to consider planning and development matters relating to outbuildings in excess of 54m<sup>2</sup> was formed, with the committee given delegated authority to make decisions in relation to planning approval for such outbuildings.
- A Town Planning Register was established to record development applications and approvals. This was further expanded over the year to include material change of use applications for previous years.

### PLANS FOR NEXT YEAR

- Ongoing reviews of the current Development Approval Process and identify options for improvements.
- Review options for the continued delivery of in-house Town Planning services.



### 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 undertaken as required by the Qld Building Act and notices issued where legislative requirements were not met.
- 150 applications with a total value of \$8.09 million were processed during the year which included 45 new dwellings, 5 industrial buildings and 5 commercial buildings.

#### PLANS FOR NEXT YEAR

- Timely processing of Building Development applications.
- Review options for the continued delivery of in-house Building Certification services.
- Undertake inspections when breaches are made known to Council.





### 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.
- Monitoring of water quality confirmed that the supply continued to comply with relevant standards throughout the year.
- Remedial work was carried out on two steel water reservoirs located in Wondai and Tingoora.
- A new water clarifier was installed at the Proston Water Treatment Plant.
- Continued drought conditions necessitated regular reviews of the level of water restrictions in all water schemes. Public meetings were held to advise consumers connected to the Proston Rural Water Supply Scheme of a requirement to reduce consumption due to an anticipated reduction in water allocation from Boondooma Dam.

### PLANS FOR NEXT 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.
- Preparation of a System Leakage Management Plan.
- Preparation of a Drought Management Plan.
- Preparation of an Annual Report on Council's Strategic Asset Management Plan (SAMP) and Customer Service Standards (CSS).
- Review Council's Strategic Asset Management Plan (SAMP).

### 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 produced an acceptable level of customer satisfaction during 2006/2007.
- Work continued on routine and programmed maintenance activities on all sewerage schemes.
- A new sewage treatment plant to service the Lake Boondooma residential estate was completed and a testing program was established to monitor the quality of effluent produced.
- Customer Service Standards were prepared for water supply and wastewater services in accordance with the requirements of the Water Act and have been assessed by the Department of Natural Resources as meeting the requirements of Section 425 of the Act.

#### PLANS FOR NEXT 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.
- Prepare Recycled Water Agreements with the Wondai and Proston golf clubs.



### 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 Road Asset Management Database to produce a usable Road Asset Management System.
- Assess the suitability of the maintenance module of confirm software for road maintenance recording and reporting.
- Review and update the current Chart of Accounts.
- Participate in LG Asset.

### OUTCOMES FOR THIS YEAR

- Confirm Asset Management Program was utilised in the 2006/07 audited financial reporting. A full revaluation of Council Road assets was undertaken.
- Creditor EFT payments achieved 69% against a target of 70%. This is up by 14% from 2005/06.
- The review of the current Chart of Accounts was placed on hold due to staff changes as well as council amalgamations.
- An Asset Management Policy was developed.

### PLANS FOR NEXT YEAR

- Training days to be organised for the Confirm Asset Management Program - especially to cover the Asset Valuation function.
- Continued implementation of the LG Asset program.

### Human Resources

#### STRATEGIES FOR THIS YEAR

- Implement recommendations of Workplace Health and Safety Committee and address risks identified through the implementation of the “Safeplan”.
- Progress the implementation of Workchoices legislation in conjunction with the development of a new Enterprise Bargaining Agreement.
- Development of a workforce Training Policy.
- Review and develop employee position descriptions and classifications.
- Develop a modern Equal Employment Opportunity Plan.

#### OUTCOMES FOR THIS YEAR

- Code of Conduct refresher training was undertaken by all employees during September 2006.
- Training was conducted by the Workplace Health and Safety Officer on Work Method Statements.
- Supervisory training was undertaken by all council staff responsible for managing staff. The training was undertaken over a six month period and was attended by sixteen staff members.
- A new Workplace Agreement was developed and came into force on 4 January 2007.
- Work commenced on implementing new position descriptions for all staff.

#### PLANS FOR NEXT YEAR

- Implement recommendations of Workplace Health and Safety Committee and address risks identified through the implementation of the safe plan.
- Commence negotiations for new enterprise bargaining agreement.
- Develop a workforce training policy and a training plan.
- Develop a modern Equal Employment Opportunity Plan.

### Information Technology

#### STRATEGIES FOR THIS YEAR

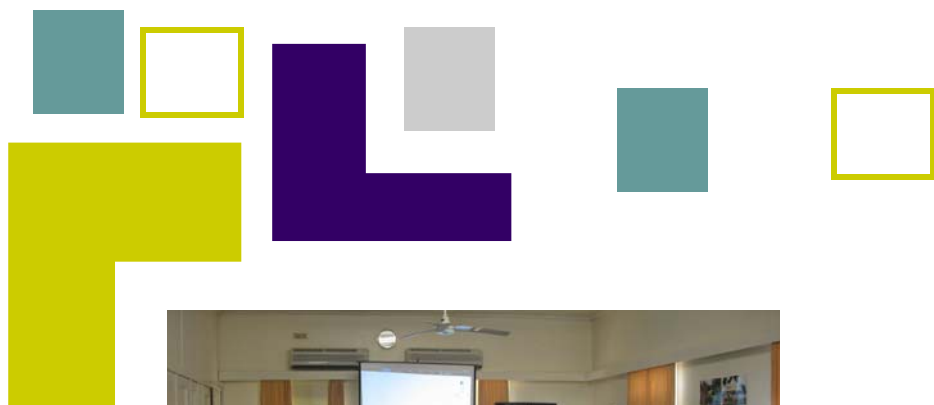
- Review Council's current IT support arrangements.
- Investigate the costs of introducing an electronic records management system.
- Investigate the installation of various infrastructure details on Council's Map Info System.

#### OUTCOMES FOR THIS YEAR

- Due to the impending amalgamation of Council, the investigation of an electronic records management system has been placed on hold.
- Updating infrastructure details on Map Info was placed on hold pending decisions on council amalgamations. The Map Info system software requires a new version of software. Investigations with surrounding Councils indicated no Council was purchasing an upgrade or undertaking training until amalgamation decisions were finalised.

#### PLANS FOR NEXT YEAR

- Review Council's current IT support arrangements.
- Investigate the installation of various infrastructure details on Council's Map Info system.



### **Disaster Management**

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

- Development of a combined Local Disaster Management Plan in partnership with the Shires of the South Burnett.
- Maintain a risk based annual operational plan for timber bridge, culvert and drain maintenance/replacement.
- Identify and develop early warning initiatives for the Barker/Barambah Creek and Boyne/Stuart Rivers.
- 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's draft Local Disaster Management Plan was provided to consultants working for the South Burnett Councils to develop a joint Local Disaster Management Plan.
- Council continued its support of Emergency Services within the shire with funding of \$34,596 provided to the shires Rural Fire Brigades and \$5,350 provided to the local State Emergency Services.

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

- Development of a Combined Local Disaster Management Plan in partnership with the Shires of the South Burnett.
- Maintain a risk based annual operational plan for timber bridge, culvert and drain maintenance/replacement.
- Identify and develop early warning initiatives for the Barker/Barambah Creek and Boyne/Stuart Rivers.
- 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.



## The People who made it all happen!

### ADMINISTRATION

Melanie Hansen  
Peter O'May  
Greg Payne  
Allan Schulz  
Eleanor Sharpe  
Janene Steinhardt  
Andrea Wecker

### HEALTH PARKS & GARDENS

Natasha Benecke  
Paul Bull  
Theo De Boer  
Geoff Dennien  
Reynold Dionysius  
Jim Dunn  
Kerry Hayes  
Alisha Norris  
Les Porter  
Tim Steinhardt  
Allan Trunks

### CONSTRUCTION/MAINTENANCE

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

### LIBRARIES

Janelle Kratzmann  
Margaret Westermann

### TOURISM/CULTURAL

Noreen Brier

### WATER/SEWERAGE

Russell Ellis  
Shane McDowell  
John Rankin  
Ross Trevor  
Len Wilson  
David Yesberg

### WORKSHOP/DEPOT

Zephan Hansen  
William Harrison  
David Jackson

### TRAINEES

Jonathon Hockenhull  
Cassandra Janssens  
Harley Roberts

### ENGINEERING

Angela Hayes  
Ashley Knight  
Dennis Ramke

Council Employees as at 30 June	2007	2006
Administration	7	8
Construction/Maintenance	23	23
Engineering	3	3
Health, Parks and Gardens	11	11
Libraries	2	2
Tourism/Cultural	1	1
Water/Sewerage	6	6
Workshop/Depot	3	4
<b>Total</b>	<b>56</b>	<b>58</b>



### Joint Arrangement for Refuse Collection

Council is party to 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.

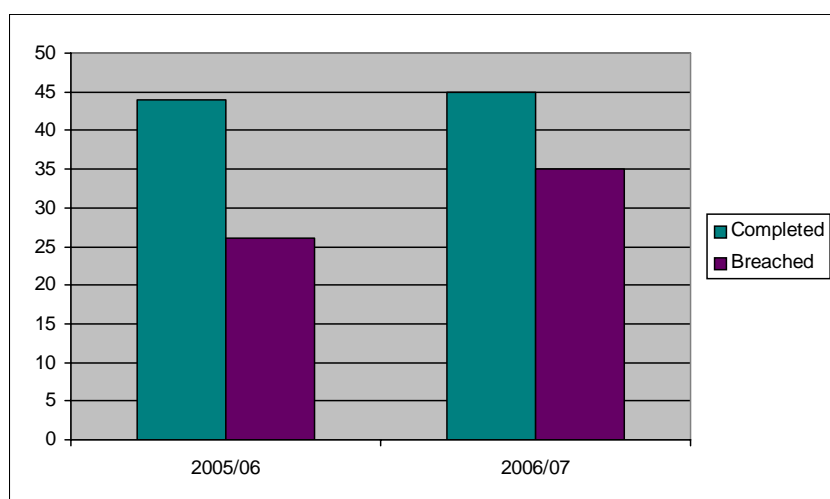
### Other Benefits for Prompt Payment of Rates

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

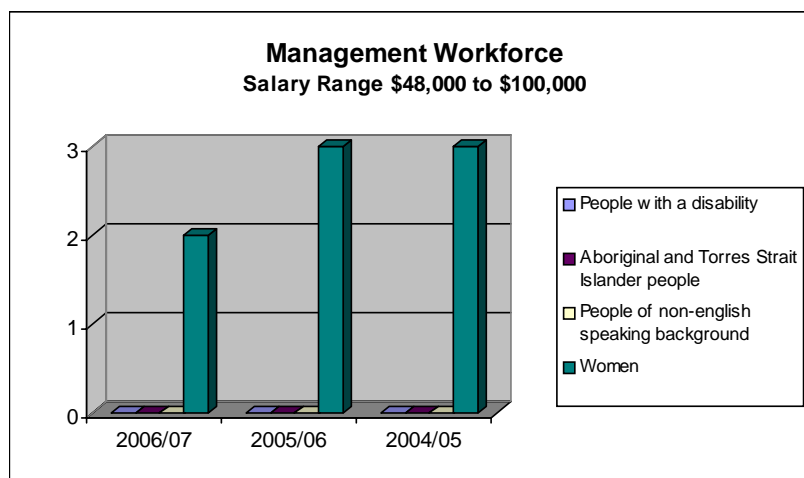
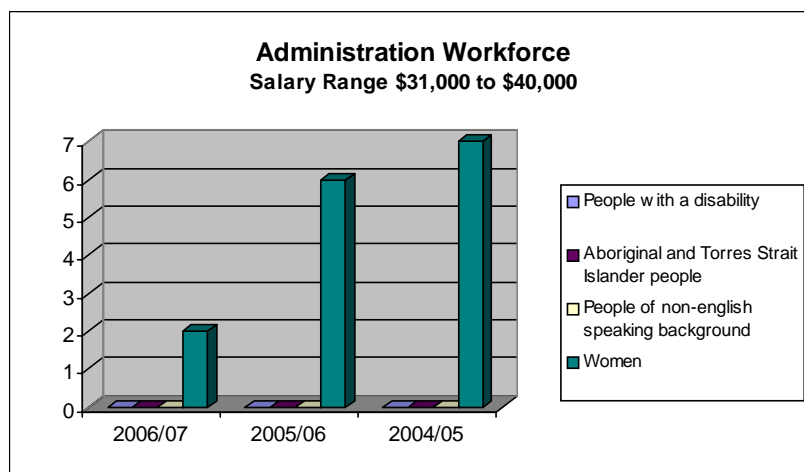
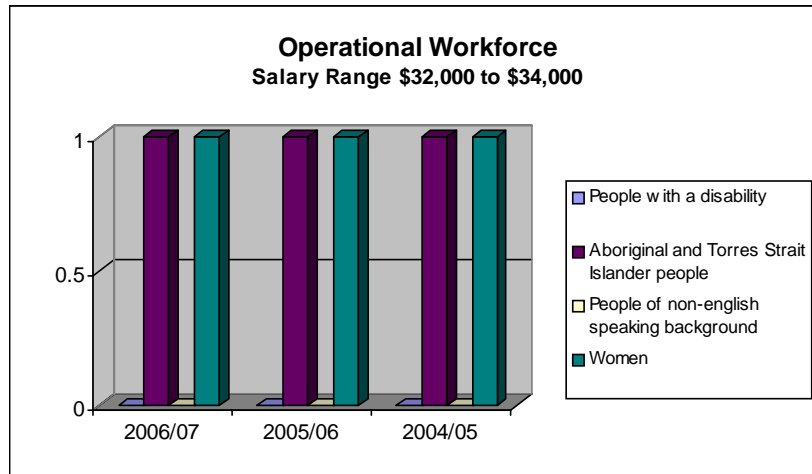
Council allowed property owners who were unable to pay their rates by the due date the opportunity to enter into an arrangement to make regular payments according to an agreed schedule. No recovery action was taken while the arrangement was being maintained. There were 80 arrangements entered into during the year. Of the total arrangements made, by the end of the year 45 were completed and paid in full and 35 arrangements were breached.

### Rate Arrangements



### 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	No. received in 2006/07	No. received in 2005/06
Complaints received under Council's <i>General Complaints Policy – CS001</i>	0	0
Complaints received under Council's <i>General Complaints Policy – CS001</i> that related to alleged breach of Councillors' Code of Conduct	0	0
Complaints about alleged breaches of Councillors' Code of Conduct that were referred to the Conduct Review Panel	0	0
Actual breaches of Councillors' Code of Conduct *	0	0
Complaints made to Ombudsman about decisions made by Council in relation to enforcement of Councillors' Code of Conduct	0	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 268)	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 2004-2008	Available to any person
Operational Plan (Section 513)	To document the goals, strategies and performance indicators set by the Council for the year	Available to any person
Budget (Section 524)	To record the proposed expenditures and revenues required to implement the Council's strategies and goals this year	Available to any person
Building	To document the building activity within the Shire	Available to any person
Statement of Accounts (Section 529)	To record the actual position of the financial accounts, compared to budget predictions, on a monthly basis	Available to any person
Annual Report (Section 535)	To document the financial position and the performance of the Corporate and Operational Plans for the year, as well as other accountabilities both mandatory and discretionary	Available to any person
Local Law Policies (Section 895)	To record all Local Law Policies adopted by Council	Available to any person
Road Register (Section 921)	To show details of roads in the Shire	Available to any person
Fees and Charges Commercial (Section 36(2)c) Regulatory (Section 1071E (2))	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 2006/07 (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>Entertainment and Hospitality</b>		
Various Businesses	Council organised functions (eg: Australia Day, Queensland Day, Local Government Week)	\$3,945
Various Businesses	Catering for Council Meetings and general refreshment supplies for visitors and staff	\$5,543
<b>Total Entertainment and Hospitality</b>		<b>\$9,488</b>
<b>Advertising</b>		
APN Newspapers Pty Ltd	Council notices, job applications, requests for tenders	\$11,794
Crow FM	Tourism promotion and general public announcement ads	\$5,167
Crows Nest Shire Council	Advertising in Country Way publication	\$3,000
Fraser Coast South Burnett Regional Tourism Board	Advertising in regional guide	\$6,430
Queensland Fishing Monthly Pty, Bush N Beach, Travel Media Services	Advertising Lake Boondooma in fishing magazines and Bass to Barra Trail	\$3,245
Wondai Chamber of Commerce	Council notices in Barambah Bulletin	\$2,085
<b>Total Advertising</b>		<b>\$31,721</b>
<b>Grants to Community Organisations</b>		
Boondooma Dam Fish Stocking Association	Grant to assist in the supply of fingerlings	\$7,000
Rural Fire Brigades	Grants to assist in general running costs	\$34,596
RADF recipients	Grants for regional arts development programs	\$17,511
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	\$426
Various recipients	Donations to community groups less than \$1,000	\$23,346
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>\$86,049</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 2008 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.

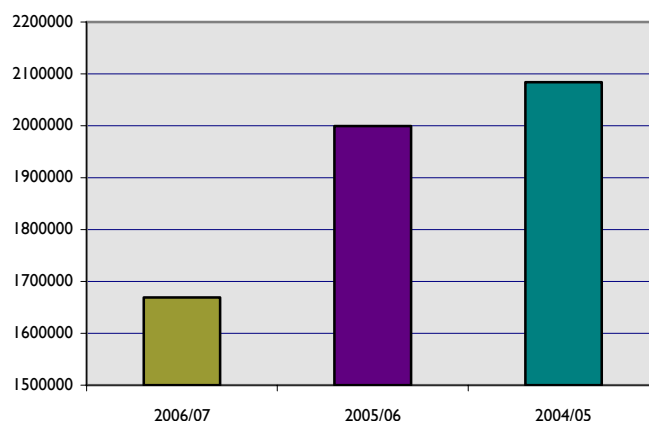
Account	Balance @ 30 June 2007	Remaining Loan Term (years)	Interest Rate
Proston Sewerage	\$11,808	1.85	8.56%
Wondai Sewerage	\$549,541	12.43	5.74%
Wondai Industrial Estate	\$164,226	14.38	5.83%
Shire Roadworks	\$943,812	5.15	5.55%
<b>Total</b>	<b>\$1,669,387</b>		

## Projected borrowings

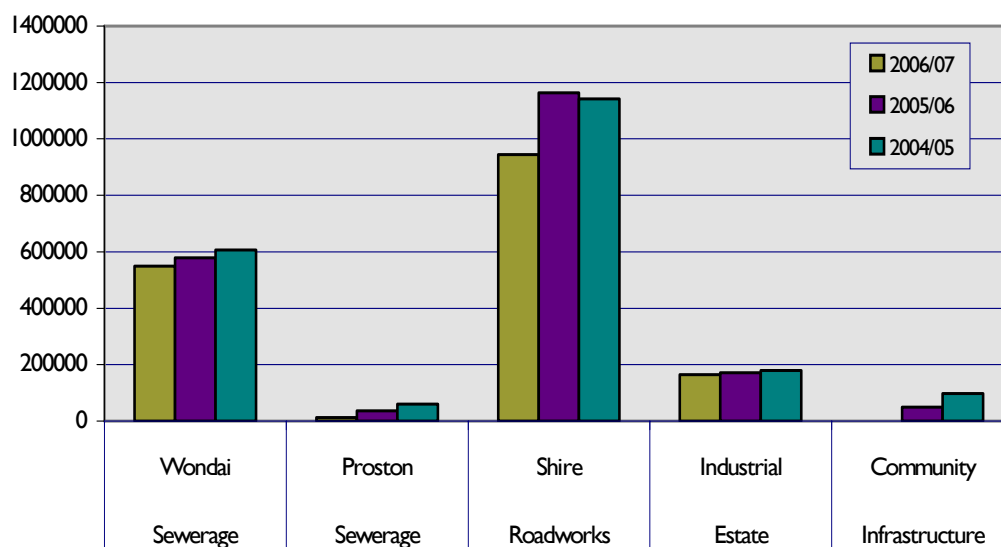
Financial Year	Project	Borrowings	Term
2007/2008	Roadworks	\$400,000*	Six year debt pool
2008/2009	Roadworks	\$200,000	Six year debt pool
2009/2010	Roadworks	\$200,000	Six year debt pool
2010/2011	Roadworks	\$200,000	Six year debt pool

\* \$200,000 from the 2006/07 financial year was not drawn down in that year and therefore has been added to 2007/08.

Loan Indebtedness (total)



Loan Indebtedness (by loan category)



# Community Financial Report

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## What happened to all the money?

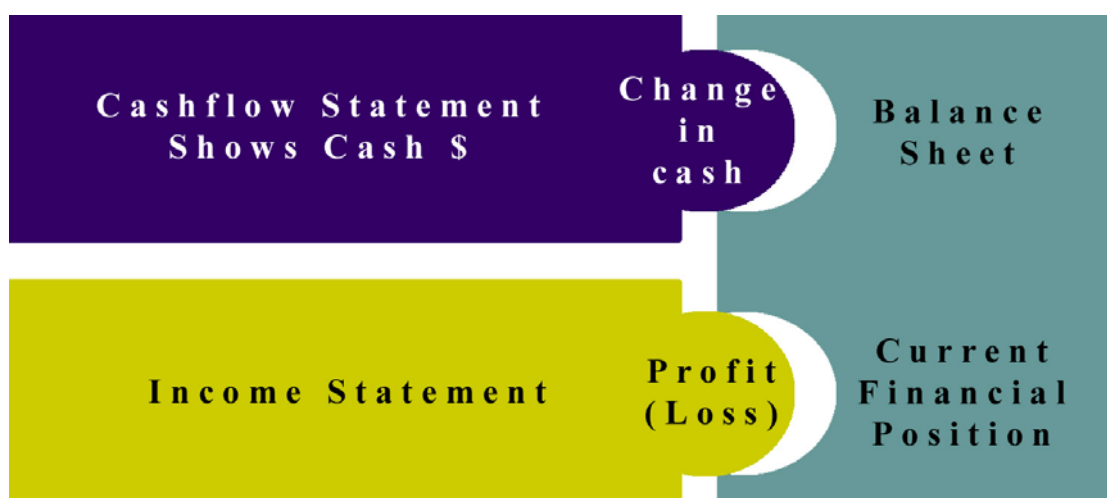
If you find the financial statements a little bit confusing, then read on.

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 50 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.

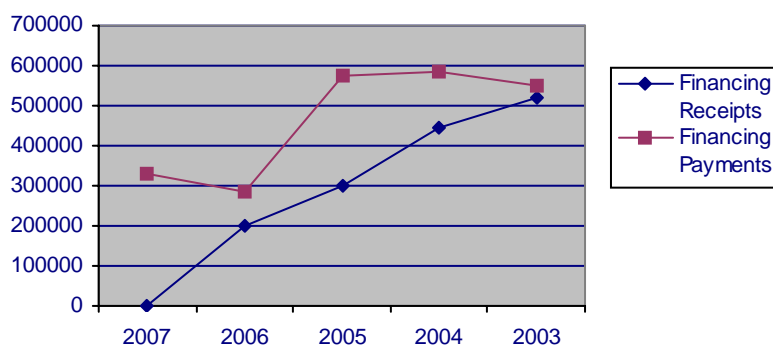
As can be seen by the summary below, we started the year with \$3,500,112 and ended the year with \$2,592,078. This means that for the entire year we received \$908,034 less in cash than we spent. This is due to budgeted land sales at Lake Boondooma not occurring.

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	2007 \$,000	2006 \$,000	2005 \$,000	2004 \$,000	2003 \$,000
Opening Cash Balance	3,500	2,856	1,502	629	449
Net cashflow from Operating Activities	2,255	2,382	3,164	2,208	1,576
Net cashflow from Investing Activities	(2,833)	(1,653)	(1,534)	(1,194)	(1,367)
Net cashflow from Financing Activities	(330)	(85)	(276)	(141)	(29)
Closing Cash Balance	2,592	3,500	2,856	1,502	629

### 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 2006/07 Council did not take out any new loans and repaid \$329,811 in existing loans. In 2007/08 Council only plans to borrow \$400,000 for road-works and will repay close to \$330,000 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 48 of full financial statements)

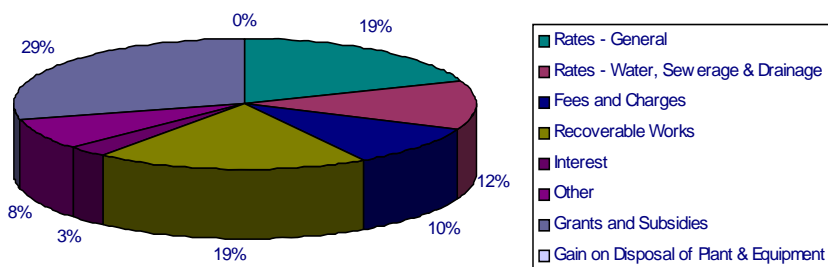
This statement shows if we have made a profit or a loss. Whilst the cashflow statements show how much money goes in and out of your bank account, what if you had a bill for painting your house and you had just not got around to paying it by the end of the year?

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	2007 \$,000	2006 \$,000	2005 \$,000	2004 \$,000	2003 \$,000
Revenue (R)	8,856	8,529	8,080	9,583	7,681
Expenses (E)	(8,734)	(8,192)	(7,568)	(8,443)	(7,932)
Operating Result - Profit/(Loss) (R-E)	122	337	512	1,140	(251)

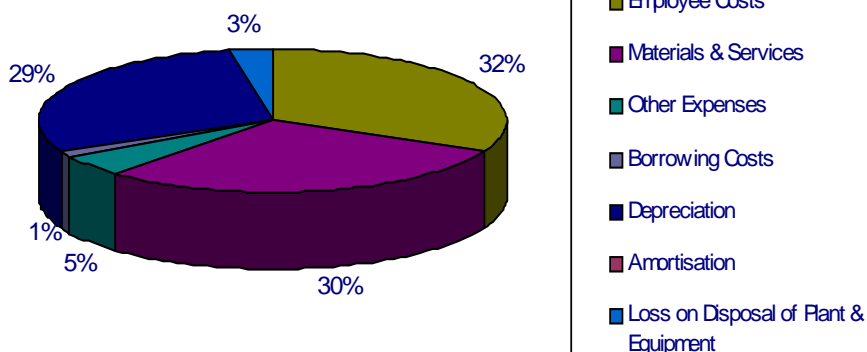
### Where money came from

2006/07 saw grants and subsidies accounting for 34% of revenue, with rates revenue being 29%. Recoverable works for 2006/07 was 18% of revenue and user fees and charges accounted for 9%.



### Where money was spent

Employee costs for 2006/07 accounted for 32% of our expenses compared to 34% last year. Materials and services decreased from 36% to 30%. Depreciation is still a major expense, accounting for 29% of total expenditure.



### Conclusion

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



## Balance Sheet

(Refer to page 49 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.

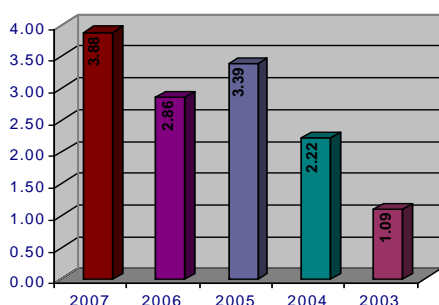
The Balance Sheet is broken down into three areas - what Council owns (Assets), what Council owes (Liabilities) and what Council is worth in dollar terms (Equity). Equity is worked out by taking the total of our liabilities away from our assets.

Snapshot	2007 \$,000	2006 \$,000	2005 \$,000	2004 \$,000	2003 \$,000
<b>Assets (A)</b>	81,913	82,384	63,400	54,737	53,727
<b>Liabilities (L)</b>	(2,501)	(3,358)	(3,047)	(3,326)	(3,457)
<b>Equity (A-L)</b>	79,412	79,026	60,353	51,411	50,270

### Current Ratio

(Current Assets divided by Current Liabilities)

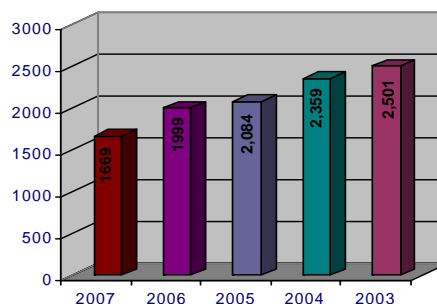
The current ratio measures Council's ability to meet its short-term commitments. A good ratio is considered to be around 1.5:1. Currently, Council's ratio is 3.88:1, which means that we can pay all of our current bills when they fall due.



### Total Loan to Pay

(\$,000)

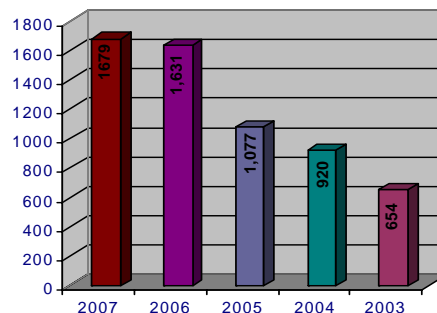
Over the next 4 years, Council will be working towards reducing the amount of money we borrow each year as well as gradually reducing the overall amount we still owe. Refer to Council's Borrowing Policy on page 41 for details on the current loans Council has in 2006/07.



### 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 2006/07 Council transferred an additional \$48,080 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

	2006/07	2005/06	2004/05	2003/04	2002/03
<b>Rate Charges</b>					
Minimum General Rate	\$380	\$360	\$340	\$320	\$300
Rate in the Dollar – Urban	\$0.075	\$0.0119	\$0.0268	\$0.0260	\$0.0250
Rate in the Dollar – Rural	\$0.0125	\$0.0168	\$0.0240	\$0.0233	\$0.0224
Rate in the Dollar - Rural Homesites*	\$0.0101	\$0.0135			
Rate in the Dollar – Other	\$0.0125	\$0.0168	\$0.024	\$0.0233	\$0.0224
Sewerage	\$255	\$245	\$225	\$215	\$205
Effluent Drainage (Proston Scheme)	\$230	\$230	\$230	\$230	\$230
Garbage	\$110	\$100	\$85	\$82	\$75
Water Access	\$196	\$175	\$155	\$130	\$115
Water Consumption–Wondai/Tingoora (per kilo litre)	\$0.85	\$0.80	\$0.74	\$0.70	\$0.65
Water Consumption–Proston (per kilo litre)	\$0.83	\$0.78	\$0.72	\$0.68	\$0.60
<b>Rate Revenue Ratio</b> This means that in 2006/07 rates and charges** made up 31% of Council's recurrent*** revenue.	31.29%	30.96%	30.34%	27.18%	33.75%
<b>Debt Servicing Ratio</b> This means that in 2006/07 Council used 5.34% 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.	5.34%	5.05%	9.06%	9.03%	11.52%
<b>Borrowing Ratio</b> This shows the total money Council borrows for capital purposes as a percentage of recurrent*** revenue	20.41%	25.33%	27.15%	29.40%	40.11%
<b>Rates Arrears Ratio</b> This shows that in 2006/07 Council had outstanding rates totalling 9.38% 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.	9.38%	9.53%	8.33%	11.37%	11.54%
Water Consumption Rate Arrears	38.27%	32.87%	26.46%	29.79%	25.77%
Other Rates Arrears	3.83%	5.10%	4.92%	7.98%	8.64%
<b>Current Ratio</b> 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.	4.48:1	2.93:1	3.39:1	2.22:1	1.09:1
<b>Quick Ratio</b> 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)	3.55:1	2.69:1	3.16:1	2.06:1	0.97:1
<b>Change in Community Equity Ratio</b> This shows the percentage change in net wealth of Council. In 2006/07 Council's assets were revalued. The revaluation attributed to a decrease in the asset revaluation reserve of approximately \$263,000.	-0.49%	30.94%	17.39%	2.27%	-1.13%

\* 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



# Financial Statements

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# Income Statement

For the year ended 30 June 2007

		2007		2006
		\$		\$
	Note			
<b>Revenue</b>				
<b>Operating Revenue</b>				
Rates - General	4	1,562,859		1,485,098
Rates - Water, Sewerage & Drainage	4	996,367		958,086
Fees and Charges	5	827,867		903,498
Recoverable Works	6	1,564,404		1,817,109
Interest	7	225,706		188,731
Other Revenue	9	644,658		273,849
Grants and Subsidies	8	2,357,124		2,265,980
Gain on Disposal of Property, Plant & Equipment	21	0		136,632
<b>Total Operating Revenue</b>		<b>8,178,985</b>		<b>8,028,983</b>
<b>Capital Revenue</b>				
Grants and Subsidies	8	676,809		500,202
		676,809		500,202
<b>Total Revenue</b>		<b>8,855,794</b>		<b>8,529,185</b>
<b>Operating Expenses</b>				
Employee Costs	11	2,787,055		2,810,205
Materials & Services		2,607,776		2,908,245
Other Expenses	12	427,442		466,734
Borrowing Costs	10	107,698		113,661
Depreciation	20	2,539,248		1,888,805
Amortisation	22	5,092		4,781
Loss on Disposal of Property, Plant & Equipment	21	259,693		0
<b>Total Operating Expenses</b>		<b>8,734,004</b>		<b>8,192,431</b>
<b>Net Result</b>		<b>121,790</b>		<b>336,754</b>
The above statement should be read in conjunction with the accompanying notes				

# Balance Sheet

For the year ended 30 June 2007

		2007	2006
		\$	\$
	Note		
<b>Current Assets</b>			
Cash and cash equivalents	13	2,592,078	3,500,112
Trade and other receivables	14	460,575	370,984
Inventories		149,267	83,073
Prepayments		145,420	156,978
Other Financial Assets	22	5,422	5,092
		<b>3,352,762</b>	<b>4,116,239</b>
<b>Non-Current Assets</b>			
Land Inventory/Residential		32,000	32,000
Property, Plant & Equipment	20	78,490,320	77,992,865
Capital Works in Progress		37,556	238,299
Other Financial Assets	22	-	5,423
		<b>78,559,876</b>	<b>78,268,587</b>
<b>Total Assets</b>		<b>81,912,638</b>	<b>82,384,826</b>
<b>Current Liabilities</b>			
Trade and other payables	15	172,717	762,546
Tax Liability	16	47,716	31,683
Interest Bearing Liabilities	17	281,872	329,619
Employee Entitlements	18	362,312	316,447
		<b>864,617</b>	<b>1,440,295</b>
<b>Non-Current Liabilities</b>			
Employee Entitlements	18	248,847	248,017
Interest Bearing Liabilities	17	1,387,515	1,669,579
		<b>1,636,362</b>	<b>1,917,596</b>
<b>Total Liabilities</b>		<b>2,500,979</b>	<b>3,357,891</b>
<b>Net Community Assets</b>		<b>79,411,659</b>	<b>79,026,935</b>
<b>Community Equity</b>			
Retained Surplus		50,064,608	49,990,898
Asset Revaluation Reserve	23	27,668,278	27,405,344
Other Reserves	23	1,678,773	1,630,693
<b>Total Community Equity</b>		<b>79,411,659</b>	<b>79,026,935</b>
<i>The above statement should be read in conjunction with the accompanying notes</i>			

# Cash Flow Statement

For the year ended 30 June 2007

		2007	2006
		\$	\$
	Note		
<b>Cash flows from Operating Activities</b>			
Receipts from Customers and Ratepayers etc.		8,540,495	8,214,542
Payments to Suppliers & Employees		(6,404,009)	(5,907,207)
Interest received		225,706	188,731
Interest on Borrowings		(107,698)	(113,661)
<b>Net Cash Inflow (Outflow) from Operating Activities</b>	19	<b>2,254,494</b>	<b>2,382,405</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds on Disposal of Property, Plant & Equip	21	111,860	258,618
Payments for Property, Plant & Equipment		(2,944,577)	(1,911,711)
<b>Net Cash Inflow (Outflow) from Investing Activities</b>		<b>(2,832,717)</b>	<b>(1,653,093)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Borrowings	17	0	200,000
Repayment of Borrowings	17	(329,811)	(284,872)
<b>Net Cash Inflow (Outflow) from Financing Activities</b>		<b>(329,811)</b>	<b>(84,872)</b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>(908,034)</b>	<b>644,440</b>
Cash at Beginning of Reporting Period		3,500,112	2,855,672
<b>Cash at End of Reporting Period</b>	13	<b>2,592,078</b>	<b>3,500,112</b>
<i>The above statement should be read in conjunction with the accompanying notes</i>			



# Statement of Changes in Equity

For the year ended 30 June 2007

	<b>Total</b>	<b>Retained</b>	<b>Asset</b>	<b>Other</b>
	<b>Community</b>	<b>Surplus</b>	<b>Revaluation</b>	<b>Reserves</b>
	<b>Equity</b>		<b>Reserve</b>	
<b>2006</b>				
Balance at beginning of period	60,352,840	50,207,816	9,068,002	1,077,022
Net result for the period	336,753	336,753	-	-
Transfers from other reserves	-	80,000	-	(80,000)
Transfers to other reserves	-	(633,671)	-	633,671
Asset revaluation adjustment	18,337,342		18,337,342	-
Asset recognition adjustment	-	-	-	-
Balance at end of period	79,026,935	49,990,898	27,405,344	1,630,693
<b>2007</b>				
Balance at beginning of period	79,026,935	49,990,898	27,405,344	1,630,693
Net result for the period	121,790	121,790	-	-
Transfers from other reserves		65,275	-	(65,275)
Transfers to other reserves		(113,355)	-	113,355
Asset revaluation adjustment	262,934	-	262,934	-
Asset recognition adjustment	-	-	-	-
Balance at end of period	79,411,659	50,064,608	27,668,278	1,678,773
			Note 23	Note 23
<b>The above statement should be read in conjunction with the accompanying notes</b>				

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

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# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Preparation**

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

### **Statement of Compliance**

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

This financial report has been prepared under the historical cost convention except for the revaluation of certain non-current assets.

### **Early adoption of new Accounting Standards**

The following versions of the Accounting Standards listed below that have been issued but are not yet effective have not been early adopted by Council.

AASB7  
AASB8  
AASBI01  
AASBI19  
AASBI048  
AASBI049  
AASB2007-1  
AASB2007-2  
AASB2007-3

### **Currency**

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

### **Constitution**

The Wondai Shire Council is constituted under the Local Government Act 1993 and is domiciled in Australia.

### **Date of authorisation**

The financial report was authorised for issue on the date it was submitted to the Auditors for final signature.

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

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 (eg. wages) paid into the Trust Account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements. The monies are disclosed in Note 28 to the financial statements for information purposes only.

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

## **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 current replacement cost 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 current replacement cost; otherwise it is valued at the lower of carrying value on transfer to inventory or current replacement cost. 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.

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

### **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 assets are measured at fair value in accordance with AASB 116 Property, Plant and Equipment. All other non-current assets, principally plant and equipment, 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.

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

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. Details of valuers and methods of valuations are disclosed in Note 20.

## iv) Depreciation

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

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

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

Major spare parts 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.

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

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

Asset	Range of estimated useful life in years
Land	Not depreciated
Buildings	40 – 100
Plant and equipment:	
Fleet vehicles	2 – 10
Fleet machinery	2 – 15
Computer equipment	2 – 10
Other	5 – 20
Infrastructure:	
Roads (sealed) – earthworks, formation	50 – 100
pavement	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

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

**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.

**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**

Wondai Shire Council currently has no finance leases.

**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.

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 recognised at cost in Note 22.

**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 based on current wage and salary levels and includes related employee on-costs.

**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.

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

## **iv) Long Service Leave**

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

## **L) Interest Bearing Liabilities**

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

## **M) Rates, Grants and Other Revenue**

Rates, Grants and Other Revenue are recognised as revenues when the Council obtains control over assets comprising the contributions. 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 earlier, when the Council becomes unconditionally entitled to the grant.

### **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 Property, Plant and Equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in this reserve.

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



# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

## **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) Investments**

Financial institution deposits at call and term deposits are treated as cash equivalents. Interest revenues are recognised on an accrual basis.

## **S) Financial Risk Management**

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

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

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

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

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

## 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										
	2007 Actual \$	2006 Actual \$	2007 Actual \$	2006 Actual \$	2007 Actual \$	2006 Actual \$	2007 Actual \$	2006 Actual \$	2007 Actual \$	2006 Actual \$	2007 Actual \$	2006 Actual \$	2007 Actual \$	2006 Actual \$	2007 Actual \$	2006 Actual \$	2007 Actual \$	2006 Actual \$	2007 Actual \$	
Corporate Services	1,842,069	1,768,737	2,164,882	1,992,553	1,383,597	1,292,625	1,383,597	1,292,625	2,623,354	2,468,665	6,134,412	7,871,403								
Cultural & Community Services	54,549	37,739	68,441	105,069	944,549	821,614	944,549	821,614	(821,559)	(678,806)	8,432,983	8,066,228								
Economic Developmt & Tourism	40,600	95,000	450,658	334,509	439,315	391,277	439,315	391,277	51,943	38,232	1,956,562	2,337,300								
Environment Mgmt & Health Services	-	-	222,814	138,715	647,220	544,782	647,220	544,782	(424,406)	(406,067)	590,477	36,800								
Engineering Services	1,096,715	855,456	1,944,662	2,250,546	3,600,739	3,788,125	3,600,739	3,788,125	(559,362)	(682,123)	34,771,117	33,523,720								
Town Planning, Building & Developmt	-	-	49,863	44,870	45,190	64,985	45,190	64,985	4,673	(20,115)	-	-								
Water & Wastewater Management	0	9,250	920,541	896,741	1,673,394	1,289,023	1,673,394	1,289,023	(752,853)	(383,032)	30,027,087	30,549,375								
<b>Total</b>	<b>3,033,933</b>	<b>2,766,182</b>	<b>5,821,861</b>	<b>5,763,003</b>	<b>8,734,004</b>	<b>8,192,431</b>	<b>8,734,004</b>	<b>8,192,431</b>	<b>121,790</b>	<b>336,754</b>	<b>81,912,638</b>	<b>82,384,826</b>								

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

## (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 except for the announcement of Local Government amalgamations. Wondai Shire Council is to be amalgamated and will form part of the new South Burnett Regional Council.

4) RATES		2007		2006
		\$		\$
<b>General</b>				
Levy		1,886,545		1,781,273
Less Discount Allowed, Pensioner Rebate & Write-offs		(323,686)		(296,175)
		1,562,859		1,485,098
<b>Water, Sewerage &amp; Drainage</b>				
Water Levy		701,185		678,836
Sewerage / Effluent Drainage Levy		272,148		259,920
Cleansing Levy		123,016		106,261
Less Discount Allowed & Write-offs		(99,982)		(86,931)
		996,367		958,086

5) FEES AND CHARGES		2007		2006
		\$		\$
Quarry & Premix Operations		339,313		389,650
Other Charges & Services		488,554		513,848
		827,867		903,498

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

		2007		2006
		\$		\$
6)	<b>RECOVERABLE WORKS</b>			
	Private Works	172,680		407,363
	Main Roads Works	1,391,724		1,409,746
		1,564,404		1,817,109
7)	<b>INTEREST</b>			
	Interest was earned from:			
	Short Term Investments	214,589		177,862
	Overdue Rates and Utility Charges	11,117		10,869
		225,706		188,731
8)	<b>GRANTS, SUBSIDIES AND CONTRIBUTION REVENUE</b>			
	<b>Grants Received</b>			
	General Purpose Operational Grants	1,813,769		1,744,042
	Community Services	115,716		107,209
	Transport – Roads	427,639		414,729
		2,357,124		2,265,980
	Capital Government Grants and Subsidies	676,809		500,202
		3,033,933		2,766,182
9)	<b>OTHER REVENUE</b>			
	Proceeds on Sale of residential allotments (Lake Boondooma)	163,636		0
	Less cost of land development	(2,270)		0
	Profit on sale of residential allotments (Lake Boondooma)	161,366		0
	Proceeds from Sale of Industrial Land	235,202		0
	Less cost of land development	(5,941)		0
	Profit on sale of Industrial Land	229,261		0
	Contributed Assets	80,199		0
	Sundry Income	173,832		273,849
		644,658		273,849
10)	<b>BORROWING COSTS</b>			
	Finance Costs - Queensland Treasury Corporation	107,698		113,661
		107,698		113,661

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

<b>11)</b>	<b>EMPLOYEE COSTS</b>		<b>2007</b>		<b>2006</b>
			<b>\$</b>		<b>\$</b>
	<b>Employee costs included in operating and capital expenditure</b>				
	Wages and Salaries		2,339,108		2,387,566
	Councillors' Remuneration		121,823		126,092
	Annual, Sick and Long Service Leave entitlements		443,355		298,367
	Superannuation Contributions		335,501		350,229
			3,239,787		3,162,254
	Other Employee Related Expenses		30,491		24,106
			3,270,278		3,186,360
	Less: capitalised costs		(483,223)		(376,155)
	Employee costs as per Income Statement		2,787,055		2,810,205
	Total Employees at year end (full time equivalents)				
	Elected members		10		10
	Administration staff		15		15
	Depot & outside staff		43		43
			68		68

<b>12)</b>	<b>OTHER EXPENSES</b>				
	Councillors' Expenses		13,688		9,915
	Audit Fees		24,018		23,273
	Donations to Community Organisations		1,473		3
	Project Service Fees		0		47,521
	Administration Costs		388,263		386,022
			427,442		466,734

<b>13)</b>	<b>CASH ASSETS AND CASH EQUIVALENTS</b>				
	Cash on Hand – petty cash and cash floats		1,375		1,395
	Cash at Bank		2,590,703		3,498,717
			2,592,078		3,500,112

<b>14)</b>	<b>TRADE AND OTHER RECEIVABLES</b>				
	Rates and Utility Charges		227,340		218,699
	Accrued Interest		12,776		14,186
			240,116		232,885
	Other Debtors		191,781		98,421
			431,897		331,306
	Loans		28,678		39,678
			460,575		370,984

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

15)		2007		2006
	<b>PAYABLES</b>	\$		\$
	<b>Current</b>			
	Trade Creditors	96,467		352,129
	Accruals	67,315		45,038
	Sundry Creditors & Payments received in advance	8,935		365,379
		172,717		762,546

16)	<b>TAX LIABILITY</b>			
	<b>Current</b>			
	GST Payable	48,816		52,196
	Employee related Tax Payable	41,531		63,827
	GST Recoverable	(42,631)		(84,340)
		47,716		31,683

17)	<b>INTEREST BEARING LIABILITIES</b>			
	<b>Queensland Treasury Corporation</b>			
	Opening Balance (Book Value)	1,999,198		2,084,070
	Add: Loans Drawn	0		200,000
	Less: Principal Repayments	(329,811)		(284,872)
	<b>Balance at Reporting Date (Book Value)</b>	<b>1,669,387</b>		<b>1,999,198</b>
	Classified as:			
	Current Liability	281,872		329,619
	Non-Current Liability	1,387,515		1,669,579
		1,669,387		1,999,198

QTC borrowings include 3 year, 12 year, 15 year 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 2007. The expected final repayment dates vary from 19 November 2007 to 04 July 2021.

18)	<b>EMPLOYEE ENTITLEMENTS</b>			
	<b>Current</b>			
	Provision for RDO	10,582		11,029
	Provision for Time in Lieu	4,732		1,422
	Provision for Annual Leave	213,870		233,996
	Provision for Long Service Leave	133,128		70,000
		362,312		316,447
	<b>Non-Current</b>			
	Provision for Long Service Leave	248,847		248,017
		248,847		248,017

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

		2007		2006
		\$		\$
19)	<b>Reconciliation of Net Result to Operating Activities</b>			
	Net Result	121,790		336,753
	Non-Cash Operating Items			
	Depreciation	2,539,248		1,888,805
	Amortisation	5,092		4,781
	Gain/Loss on Disposal of Plant & Equipment	259,693		(136,632)
	Changes in Operating Assets and Liabilities			
	Decrease in receivables	-		10,719
	Increase in receivables	(89,591)		-
	Decrease in inventories	-		-
	Increase in inventories	(66,195)		(99,020)
	Increase in prepayments			(19,086)
	Decrease in prepayments	11,558		-
	Increase in payables	-		387,986
	Decrease in payables	(589,829)		-
	Increase in tax liability	16,033		-
	Decrease in tax liability	-		(40,830)
	Increase in provision for employee entitlements	46,695		48,929
	Decrease in land held for resale	-		-
	Net Cash Inflow from Operating Activities	2,254,494		2,382,405



# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

## 20) PROPERTY, PLANT & EQUIPMENT

JUNE 2007	Land and improvements	Buildings	Major Plant	Plant and equipment	Roads and Streets	Bridge Network	Water & Sewerage	Other infrastructure assets	Other Assets	Total
	Revaluation	Revaluation	Revaluation	Cost	Revaluation	Revaluation	Revaluation	-	-	-
Basis of measurement	2007	2007	2007	2007	2007	2007	2007		2007	2007
<b>Asset Values</b>	\$	\$	\$	\$	\$	\$	\$		\$	\$
Opening gross value	1,095,520	13,292,586	-	5,114,526	28,466,235	2,805,176	30,355,193	-	-	81,129,236
Additions at cost	69,078	470,348		435,441	1,443,301	209,190	517,963	-	-	3,145,321
Disposals				(833,845)	(212,647)	(108,871)	(43,200)	-	-	(1,198,563)
Revaluation adjustment to the ARR	152,402				(1,079,683)	421,628		-	-	(505,653)
Closing gross value	1,317,000	13,762,934	-	4,716,122	28,617,206	3,327,123	30,829,956	-	-	82,570,341
<b>Accumulated Depreciation and Impairment</b>										
Opening balance	-	457	-	3,135,694	-	-	220	-	-	3,136,371
Depreciation provided in period		361,293		384,968	693,543	92,439	1,007,005	-	-	2,539,248
Depreciation on disposals				(808,265)	(10,049)	(7,345)	(1,351)	-	-	(827,010)
Revaluation adjustment to the ARR					(683,494)	(85,094)		-	-	(768,588)
Accumulated depreciation at period end	-	361,750	-	2,712,397	-	-	1,005,874	-	-	4,080,021
Book value at period end	1,317,000	13,401,184	-	2,003,725	28,617,206	3,327,123	29,824,082	-	-	78,490,320
Range of estimated useful life in years	Not depreciated	40 - 100	12	2 - 20	10 - 100	50 - 100	20 - 80	-	-	-

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

<b>JUNE 2006</b>										
	Land and improvements	Buildings	Major Plant	Plant and equipment	Roads and Streets	Bridge Network	Water and Sewerage	Other infrastructure assets	Other Assets	Total
Basis of measurement	Revaluation	Revaluation	Revaluation	Cost	Revaluation	Revaluation	Revaluation	-	-	-
	2006	2006	2006	2006	2006	2006	2006		2007	2006
<b>Asset Values</b>	\$	\$	\$	\$	\$	\$	\$		\$	\$
Opening gross value	321,764	15,671,273		4,995,595	44,949,997	-	49,887,650	-	-	115,826,279
Additions at cost	55,172	68,809		569,937	878,336	-	289,475	-	-	1,861,729
Disposals				(451,006)		-	-	-	-	(451,006)
Revaluation adjustment to the ARR	718,584	(2,447,496)					(19,821,932)	-	-	(21,550,844)
Revaluation adjustment to income					(17,362,098)	2,805,176				(14,556,922)
Closing gross value	1,095,520	13,292,586	-	5,114,526	28,466,235	2,805,176	30,355,193	-	-	81,129,236
<b>Accumulated Depreciation and Impairment</b>										
Opening balance	-	5,971,307		3,180,291	18,058,466	-	28,875,680	-	-	56,085,744
Depreciation provided in period	-	100,765		290,172	875,943	-	621,925	-	-	1,888,805
Depreciation on disposals	-			(334,769)		-	-	-	-	(334,769)
Revaluation adjustment to the ARR	-	(6,071,615)					(29,497,385)	-	-	(35,569,000)
Revaluation adjustment to income	-				(18,934,409)					(18,934,409)
Accumulated depreciation at period end	-	457	-	3,135,694	-	-	220	-	-	3,136,371
Book value at period end	1,095,520	13,292,129	-	1,978,832	28,466,235	2,805,176	30,354,973	-	-	77,992,865
							-	-	-	-
Range of estimated useful life in years	Not depreciated	40 - 100	12	2 - 20	10 - 100	50 - 100	20 - 80	-	-	-

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

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

### (1) Land

An internal revaluation of land was conducted as at 30th June 2007.

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. There is no major Property, Plant and Equipment as defined in Policy FR009 - Major Plant and Equipment.

### (4) Roads and Streets

An internal revaluation of Roads and Streets was conducted as at 30th June 2007.

### (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

An internal revaluation of Bridges was conducted as at 30th June 2007.

### (7) Acquisitions

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

21) DISPOSAL OF PROPERTY, PLANT & EQUIPMENT		2007		2006
		\$		\$
Proceeds from Disposal		111,860		258,618
Less carrying amount of assets sold		(371,553)		(121,986)
		(259,693)		136,632

## 22) OTHER FINANCIAL ASSETS

Advances to finance local electricity infrastructure				
Current		5,422		5,092
Non Current		0		5,423
		5,422		10,515
Amortisation expense		5,092		4,781

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

23)	<b>RESERVES</b>		<b>2007</b>		<b>2006</b>
			<b>\$</b>		<b>\$</b>
	<b>Movements in Asset Revaluation Reserve</b>				
	Balance at 1 July 2006		27,405,345		9,068,002
	Net adjustment to non-current assets during period:				
	Land		152,400		660,285
	Buildings and Facilities		0		3,624,118
	Roads and Streets		(396,189)		1,572,311
	Water and Sewerage Infrastructure		0		9,675,453
	Bridges		506,722		2,805,176
			262,933		18,337,343
	<b>Balance at 30 June 2007</b>		<b>27,668,278</b>		<b>27,405,345</b>
	The closing balance is comprised of:				
	Land		849,460		697,060
	Buildings and Facilities		5,807,410		5,807,410
	Roads and Streets		4,914,120		5,310,309
	Water and Sewerage Infrastructure		12,785,390		12,785,390
	Bridges		3,311,898		2,805,176
			27,668,278		27,405,345

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

## Other Reserves

	Wondai Water	Proston Water	Proston Rural Water	Wondai Sewerage	Proston Common Effluent	Waste Management	Tingoorra Water	Future Works	Residential Development	Total Reserves
<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
<b>2007</b>										
Balance at beginning of year	522,140	285,487	125,049	101,038	20,822	105,188	139,769	237,200	94,000	1,630,693
Transfer from accumulated surplus	41,659	14,314	-	22,413	7,855	-	10,508	11,893	4,713	113,355
Utilised for capital expenditure in year	-	-	(29,533)	-	-	(35,742)	-	-	-	(65,275)
Balance at year end	563,799	299,801	95,516	123,451	28,677	69,446	150,277	249,093	98,713	1,678,773

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

<b>24) COMMITMENTS</b>		<b>2007</b>		<b>2006</b>
		<b>\$</b>		<b>\$</b>
<b>Operating Lease Commitments</b>				
Wondai Shire Council had the following obligations under non-cancellable operating leases.				
Not later than one year		25,896		29,419
Later than one year but not later than five years		97,110		58,838
Later than 5 years		-		-
		123,006		88,257
<b>Contractual Commitments</b>				
Council has no contractual commitments for capital expenditure.				

## 25) CONTINGENT LIABILITIES

Council is a member of the local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled or there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should these circumstances arise. The Council's maximum exposure to the Bank Guarantee is \$56,287.77.

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 2006 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

## 26) SUPERANNUATION

The Wondai Shire Council contributes to the Local Government Superannuation Scheme (the scheme). The scheme has two elements referred to as the defined benefits scheme and the accumulation scheme. Both these schemes are defined contribution schemes as defined in the Australian Accounting Standards AASB 119 Employee benefits. Council has no liability to or interest in the scheme other than the payment of the statutory contributions. Any amount by which either scheme is over or under funded would only affect future benefits and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over-or-under-funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2006 (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.

The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at 30th June 2006. The actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet members benefits as they accrue.

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

The amount of superannuation contributions paid by the Wondai Shire Council to the Superannuation Scheme in this period for the benefit of employees was: \$335,501 (2006, \$350,229).

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

<b>27) ASSETS SUBJECT TO RESTRICTION</b>		<b>2007</b>		<b>2006</b>
		<b>\$</b>		<b>\$</b>
Externally imposed expenditure restrictions				
Unspent Government Grants & subsidies		49,421		28,239
Unspent developers' contributions		5,102		5,102
Unspent Loan monies		-		-
Total restricted assets at the reporting date		54,523		33,341

## 28) TRUST FUND

Monies collected or held on behalf of other entities yet to be paid out of or on behalf of those entities.				
House Bonds		45,200		40,200
Development deposits		5,102		5,102
Hall bonds		350		700
Monies held for community organisations		14,233		16,259
Miscellaneous		547		-
Sale of land		54,357		28,721
Tender Deposits		2,000		2,000
		121,789		92,982

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

## 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.



# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

In 2006/2007 the CCC was applied to the following activities:

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

The CSO value is determined by Council, and represents an activity's cost(s) which would not be incurred if the activity's 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:

	2007		2007		2007
	\$		\$		\$
	Roads		Water & Sewerage		Private Works & Plant
Revenue for services to Council	1,145,991		-		1,011,375
External revenue	2,027,933		914,717		172,680
Community Service Obligations	-		1,743,320		-
	3,173,924		2,658,037		1,184,055
Expenditure	3,159,297		1,690,470		823,374
Surplus	14,627		967,567		360,681

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

## 30) FINANCIAL INSTRUMENTS

### (A) Credit Risk

The credit risk on financial assets of the Council which have been recognised on the balance sheet, is general 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.

# Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2007

Financial Instruments	Note	Floating interest rate		Fixed interest rate		Non interest bearing		Total	
		2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
<b>Financial Assets</b>									
Cash assets	13	490,703	248,717	-	-	1,375	1,395	492,078	250,112
Cash investments	13			2,100,000	3,250,000	-	-	2,100,000	3,250,000
Rates receivables	14			240,116	232,885		-	240,116	232,885
Other receivables	14			-	-	220,459	138,099	220,459	138,099
Other financial assets	22			5,422	10,515	-	-	5,422	10,515
<b>Financial Liabilities</b>									
Payables	15	-	-	-	-	172,717	762,546	172,717	762,546
Tax liability	16	-	-	-	-	47,716	31,683	47,716	31,683
Interest bearing liabilities									
- Loans QTC*	17	1,669,387	1,999,198	-	-	-	-	1,669,387	1,999,198
* 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.

# Management Certificate

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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 local government considers the relevant recording and reporting procedures have been complied with in the preparation of the financial statements; and
- (b) the financial statements for the year ended 30 June 2007 and supporting notes presents the Council's income, equity, balance sheet and cashflows as required by the Local Government Act 1993.



**Mayor**



**Chief Executive Officer**

Date: 11th September 2007

Date: 11th September 2007

# Independent Audit Report

## **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 2007 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.*

## **To the Mayor of Wondai Shire Council**

### **Report on the Financial Report**

I have audited the accompanying financial report of Wondai Shire Council, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificate given by the Mayor and Chief Executive Officer of the Wondai Shire Council.

### *The Council's Responsibility for the Financial Report*

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

### *Auditor's Responsibility*

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

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

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

### **Independence**

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

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

### **Auditor's Opinion**

In accordance with the *Local Government Act 1993* I have audited the 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 recording and reporting procedures required for the preparation of this financial report 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 financial performance and cash flows of the Wondai Shire Council for the financial year 1 July 2006 to 30 June 2007 and of the financial position as at the end of that year.

CJ WEH FCOA  
As Delegate of the Auditor-General of Queensland

Queensland Audit Office  
Brisbane

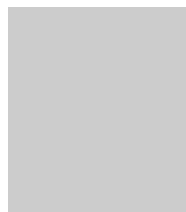
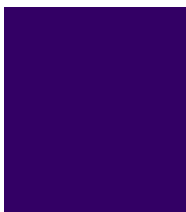
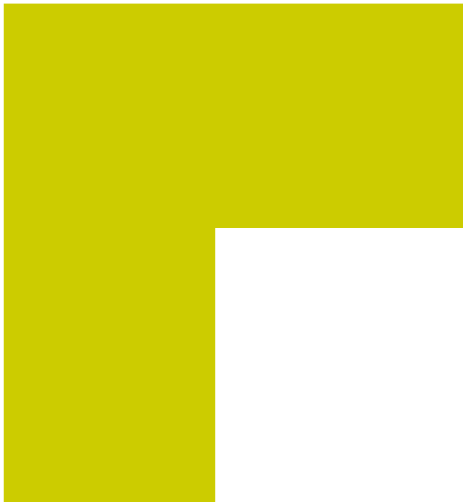


The survey of the township of Wondai was ordered by the Survey Department on 20 May, 1903 and was carried out by a surveyor named Henry St. John Wood on 29 June that year. The site was originally known by several names. Initially it was simply Dingo Creek - named after the large number of dingoes that 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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[www.wondai.qld.gov.au](http://www.wondai.qld.gov.au)