

# ANNUAL REPORT

| 2009 - 2010 |



**BUNDABERG**  
REGIONAL COUNCIL



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## Introduction

Welcome to the Bundaberg Regional Council's second Annual Report.

This report provides important information to our community, business and investors regarding Council's financial performance over the 12 month period.

In preparing the annual report Council has made note of the legislative requirement and hopes that the report provides a clearer picture to the community about how well Council is performing financially and its ability to provide services to the community.





Lorraine Pyefinch

## MAYOR'S REPORT

This past 12 months has been very challenging from a financial point of view – not only locally – but nationally and internationally.

While we have weathered the impact of the Global Financial Crisis much better than many other communities, we are very mindful of the capacity of our residents to absorb increases in the cost of living.

Our specific challenges this year have included:

- The ongoing cost of amalgamation and confirmation that the state government will not provide any additional financial assistance to reimburse the estimated \$14.7M we spent in bringing together four (4) separate Councils.
- The removal or reduction of state government funding programs and subsidies for essential infrastructure such as water and sewerage treatment plants will have a major impact on this Council meeting new environmental standards and providing capacity for an expected 3% growth in population in years to come.
- Increasing standards for environmental compliance - particularly in the area of waste management; and the treating of water and sewerage - has meant the cost to provide these services has increased.
- Land revaluations by the Department of Environment and Resource Management in March this year has resulted in significant variations within rating categories across our region.
- Significant increases in operational costs – particularly in energy costs such as fuel and electricity have also impacted on our budget.
- Substantial variations across the region as rating categories continue to be aligned post amalgamation.
- The construction and maintenance costs of new and existing Council assets have continued to increase at a rate much higher than CPI.
- The new Local Government Act and associated Regulations - which took effect on 1 July 2010 places a greater emphasis on financial sustainability and asset management. The introduction of new systems and additional reporting mechanisms to achieve this comes at a cost to ratepayers.
- The impact of flooding at the start of 2010 has placed additional strain on our capital works program to repair damaged roads and bridges across our region.
- And the ever increasing expectations within our community for more Council services; more infrastructure and more facilities will continue to challenge Council to deliver value for money to our ratepayers.

Over the past two (2) years, the cost of Local Government Reform and the need to address urgent issues inherited through amalgamation has placed enormous strain on our financial resources.

Despite these challenges, Council continues to work towards the goals in the Corporate Plan to provide essential infrastructure and services so that our community continues to develop as a vibrant, inclusive and caring community.

It is also important that we have a well-managed and healthy environment and a strong regional economy.

Our pledge is to be a responsive, cohesive, sustainable, ethical and accountable Council and we are determined to reduce our current operating deficit and return to a balanced budget by 2011/2012.

We look forward to continuing our work with the community to deliver much needed facilities and services to our residents.





Peter Byrne

## CEO'S REPORT

The strategic actions of Council over the past two years in undertaking extensive planning and consolidating its systems and processes provided a solid platform for Council's activities throughout the 2009-2010 financial year.

The many positive outcomes that are detailed in this report clearly signifies Council's commitment to address the numerous challenges and the growing expectations of the community.

To facilitate the active collaboration with the community, Council developed a comprehensive Stakeholder Engagement Plan which will be critical to guiding this process into the future. During the year Council engaged with the community on a broad range of issues including the Childers & District Social Development Plan, the Sport & Recreation Strategy and the Gin Gin Streetscape Redevelopment. Council also commenced the development of a long-term community plan "Bundaberg Region 2031". This document will reflect the uniqueness and diversity of our many local communities and will define the long-term vision for our region. Work has also commenced on the major project of formulating a new regional Planning Scheme to guide development of our region into the next decade.

Long-term financial sustainability remains a key goal for Council and this year a significant reduction in the operational deficit was achieved. To further assist in attaining this goal a comprehensive review of operational service delivery was undertaken. The review had a clear focus on administration/service centres, depots, fleet management and stores. A number of initiatives to reduce costs and improve operational processes were identified and a full assessment of the initiatives is currently being undertaken prior to implementation. These initiatives when implemented will complement the many operational efficiencies already achieved including the establishment of teams with particular expertise that work across the region and the more effective use of plant and equipment.

The future for the region is exciting with a new Statutory Regional Plan for the Wide Bay Burnett currently being formulated. Indications are that the Bundaberg Region will experience significant growth over the next 20 years and the commencement of a major infrastructure program by Council in the year ahead, particularly in the areas of water, sewerage and waste management, will be central to facilitating this growth and development.

I wish to acknowledge the strong leadership and support provided by the Mayor and Councillors in this rapidly changing local government environment. I also thank the Executive Management Team and Council's skilled workforce for their dedication and proactive approach to ensuring the strategies detailed in Council's Corporate Plan are delivered.

## About The Region

The Bundaberg Region, strategically situated at the southern end of the Great Barrier Reef and stretching from the Burrum River to Baffle Creek, is comprised of 6,451 sq kms and is home to more than 95,000 people, with our population expected to grow to over 141,000 people within twenty-five years. Collectively, we are renowned for the friendliness of our residents, superb climate, affordable cost of living, first-class facilities, and relaxed lifestyle.

Abundant potential exists for a new wave of investment opportunities, given our close proximity to South East Queensland. The excellent water, transport and other infrastructure, including a progressive sea port, a regional airport and aerospace precinct, to facilitate the attraction of jet services to link the Bundaberg region direct to southern capitals. The Bundaberg region is rapidly progressing to be a destination of choice – for residents, visitors and investors.

## Our Vision

“ Bundaberg Region –  
Vibrant, Progressive, Connected  
and Sustainable ”

During this reporting period Bundaberg Regional Council has created its vision for the next five (5) years by the way of the Bundaberg Regional Council Corporate Plan 2009-2014. The corporate plan was created after Council had undertaken extensive public consultation which took in a wide range of views from local communities.

The Corporate Plan provides the necessary strategic direction for the Council to plan and undertake business and service delivery over the next five (5) years. Council’s clear goal is to have a vibrant, inclusive and caring community that has a sustainable, managed and healthy environment. With this there is a need to have a strong and sustainable regional economy and a responsive, cohesive, sustainable, ethical and accountable Council.







## Vital Region Statistics of the Local Government Area

**Estimated resident population by age, by local government area,  
Bundaberg Regional Council, 30 June 2010.**

| AGE GROUPS      | BUNDABERG REGION | % OF TOTAL PERSONS IN REGION | QLD       | % OF TOTAL PERSONS IN QLD |
|-----------------|------------------|------------------------------|-----------|---------------------------|
| 0-14 years      | 18,989           | 20.0                         | 888,785   | 20.1                      |
| 15-24 years     | 11,512           | 12.1                         | 632,714   | 14.3                      |
| 25-44 years     | 21,642           | 22.7                         | 1,255,696 | 28.4                      |
| 45-64 years     | 26,173           | 27.5                         | 1,102,156 | 24.9                      |
| 65 years & over | 16,816           | 17.7                         | 545,752   | 12.3                      |

Source: Australian Bureau of Statistics, Population Estimates by Age and Sex, Australia and States (Cat. no. 3235.0)





### Estimated resident population by urban centre/locality, Bundaberg Regional, 30 June 2010

| URBAN CENTRE/ LOCALITY     | ESTIMATED RESIDENT POPULATION | AREA KM <sup>2</sup> | POPULATION DENSITY PERSONS/KM <sup>2</sup> |
|----------------------------|-------------------------------|----------------------|--|
| Bundaberg                  | 52,371                        | 104.4                | 501.6                                      |
| Bargara                    | 6,814                         | 9.3                  | 732.7                                      |
| Burnett Heads              | 2,739                         | 9.8                  | 279.5                                      |
| Innes Park                 | 2,093                         | 10.1                 | 207.2                                      |
| Moore Park Beach           | 1,910                         | 17.5                 | 109.1                                      |
| Childers                   | 1,559                         | 2.5                  | 623.6                                      |
| Coral Cove (L)             | 1,097                         | 2.4                  | 457.1                                      |
| Gin Gin (L)                | 945                           | 4.4                  | 214.8                                      |
| Elliott Heads (L)          | 922                           | 1.6                  | 576.2                                      |
| Woodgate Beach             | 951                           | 2.5                  | 380.4                                      |
| Sloping Hummock (L)        | 561                           | 0.6                  | 935.0                                      |
| Apple Tree Creek (L)       | 537                           | 8.6                  | 62.4                                       |
| Cordalba                   | 325                           | 1.3                  | 250  |
| Bundaberg Regional Council | 95,132                        | 6,449.1              | 14.8                                       |
| Queensland                 | 4,425,103                     | 1,734,173.9          | 2.6  |

L = Locality

Source: Australian Bureau of Statistics, Regional Population Growth (Cat no. 3218.0) and unpublished data.

## About Council

The elected members of the Regional Council consist of one (1) Mayor and 10 Councillors who were elected on the 15 March 2008 for a four (4) year term.

Council operates an Ordinary Meeting every three (3) weeks which the Mayor is chairperson and a Planning Committee which meets every two (2) weeks where the Portfolio Councillor is the Chairperson. Meeting times, dates and location can be found on Council's web site.

All meetings are held at Council's chambers situated at 190 Bourbong Street, Bundaberg with a meeting every quarter being held at one (1) of the other service centres or a location determined by Council.

Council's role as a local authority is to make local laws and policies that ensure good rule and governance.

Your Council also has the responsibility to provide direct services to the community through the supply of services such as water, wastewater, cleansing, recreational facilities and community services.

Council's main source of revenue comes from rates, charges and fees which go towards carrying out works that are required by the community. Council obtains other sources of funds from Financial Assistance Grants from the Federal Government, the raising of loans for capital work such as water treatment and wastewater treatment plants.



# ELECTED MEMBERS' PROFILE



**Cr Lorraine Pyefinch**  
Mayor

Born and bred in the Bundaberg region, Lorraine started her career as a nurse, graduating at Bundaberg Base Hospital. She was first elected to local government in 1994 and served two (2) terms as a Councillor. In 2004 she was once again elected onto Council. In March 2008 Lorraine was elected the first Mayor of the new Bundaberg Regional Council and holds the Portfolio of Strategic Projects, which includes Economic Development, Tourism and Major Events.

Lorraine is an Executive Member of the Local Government Association of Queensland and the Urban Local Government Association; a member of Wide Bay Burnett Regional Development Australia and the Wide Bay Australia International Airshow Board. As well as her nursing qualifications, Lorraine recently completed a Masters Degree in Management.

**Cr Alan Bush**  
Representative for Division 1 -  
Water and Wastewater Portfolio

Alan represents Division 1 covering Moore Park Beach, North Bundaberg, Avondale, Yandaran, Winfield, Sharon and Burnett Downs.

Prior to being elected on Council in 2008, Alan was a past Councillor with the Gooburrum Shire Council between 1988 and 1994 and the Burnett Shire Council between 1994 and 2000. He has held many committee positions in the community and now represents Council on a number of community committees.

Alan is also the portfolio spokesman for Water and Wastewater and is currently a member of the Moore Park Beach Lions Club, Tegege Hall Committee, Avondale Football Club, Group Leader of the Yandaran SES and Officer of the Avondale Rural Fire Brigade.



**Cr Tony Ricciardi**  
Deputy Mayor and Representative for Division 2 -  
Waste and Recycling Portfolio

Tony has been in local government since 1992 and was Deputy Mayor of Isis Shire Council, before becoming Deputy Mayor of Bundaberg Regional Council when amalgamation occurred in March 2008.

Tony is the representative for Council on the Burnett Mary Regional Group for Natural Resource Management and is a third generation farmer and was born and educated in Childers and is married to Kath and has 3 sons. They live at beautiful Woodgate.





### **Cr Wayne Honor** **Representative for Division 3 - Roads and Drainage Portfolio**

Wayne is Councillor for Division 3, covering an area of 3,749 sq kms in the hinterland of the Bundaberg Regional Council. Wayne holds the portfolio of Roads and Drainage Infrastructure and is also a member of the Planning and Development Committee. Wayne spent four (4) years as a Councillor in the previous Kolan Shire Council, working in the area of Community Services and Finance. Before becoming a Councillor he was involved in a number of community committees including schools and agriculture.

His interests include community, art, sustainable farming practices as well as developing a Droughtmaster Stud cattle herd with his wife. He enjoys clay target and small bore rifle shooting. Wayne is keen to build on the achievements of Council to date and looks forward to contributing to the further development and prosperity of our culturally and geographically diverse region.

### **Cr Mary Wilkinson** **Representative for Division 4 - Health and Environmental Services Portfolio**

Mary has had an extensive background in management, marketing, promotion and development including 19 and half years as Councillor on Bundaberg City Council (8 years as Chairman of Health and Environment Services) and 18 years in hospitality and shopping centre management.

Mary has held many positions on community, local government or regional committees and is the Council representative for Division 4, which encompasses all the inner City of West, Central, some South, Milbank, and inner North and of course, the CBD. Her portfolio is Health and Environment and covers Health, Regulatory and Environmental Services.

Mary believes Council has achieved so much since amalgamation and is very excited about the next two (2) years.





**Cr Greg Barnes**  
Representative for Division 5 - Finance Portfolio

Greg was first elected to the former Burnett Shire Council in March 2000 and re-elected in 2004. In 2008 he was elected to the new Bundaberg Regional Council and assigned the Finance Portfolio.

Greg has considerable experience in the tourism industry having owned and operated a dive shop and charter boat business at Bargara prior to entering local government. He is the President of the Coral Coast Chamber of Commerce and Tourism and the Chair of Bundaberg North Burnett Tourism.

As the representative for Division 5 Greg has a strong affinity with the coastal townships of Bargara, Innes Park North, Innes Park and Coral Cove. He resides at Bargara with Isobel, his wife of 32 years and they have two (2) adult children now living on the Gold Coast.

**Cr Danny Rowleson**  
Representative for Division 6 -  
Natural Resource Management Portfolio

Danny lives at Burnett Heads with his wife Rhonda and both share an ambition to improve the quality of life across the Bundaberg Region. Danny believes his Natural Resource Management Portfolio provides him with an opportunity of a lifetime to make a contribution towards a more sustainable regional future. Danny believes our Council is working well in difficult circumstances and is excited by the opportunity available to this Council to create a solid platform of local government in this region.





**Cr Ross Sommerfeld**  
Representative for Division 7 -  
Planning and Development Portfolio

Ross was born and raised in Bundaberg. He has more than 25 years experience as a Consulting Surveyor with 21 of those years being Principal of his own business and also is the owner of the West Bundaberg NewsMail delivery run for the past 9 years.

Ross has been actively involved in a number of community and sporting groups over the years and still is a current member of the Bundaberg Croquet Club and a life member of Across The Waves Cricket Club.

He is married to Linda and has three (3) adult children and one (1) grandchild.

Ross represents Division 7 which broadly covers the airport, Svensson Heights, Norville and Thabeban. Ross is Chairman of Planning and Development, a portfolio he finds most rewarding and closely aligned with his previous role as a Consulting Surveyor. He says that although he represents Division 7, he is committed to the whole region along with his fellow Councillors.

**Cr David Batt**  
Representative for Division 8 -  
Governance Portfolio

David is a third generation Bundaberg resident and is married with two (2) daughters. He has been a Police Officer for 20 years rising to the rank of Sergeant before being elected for his first term in local government. David has a “Diploma in Policing” as well as an “Advanced Diploma in Investigative Practices” and was the Manager of the Bundaberg PCYC for over two (2) years before his successful election as the Division 8 Representative for the newly formed Bundaberg Regional Council. David has a passion for Sport and Recreation in the local community and is involved in many local community organisations.

Division 8 covers a large area of the former Bundaberg City Council, including the areas of Avoca and Branyan within the boundaries of the Isis Highway and the Burnett River.

In his first term in Council David has the portfolio of Governance where he has been able to work hard on his election catchphrase “For Accountability”. He is looking forward to the challenges and consulting with the Community in the next 12 months to bring Council’s Community Plan ‘Bundaberg Region 2031’ into effect. He will also continue to be an active member of a hard working team that is passionate about making the Bundaberg Regional Council the envy of local government across Queensland.







### **Cr Judy Peters**

**Representative for Division 9 -  
Community and Arts Portfolio 'the people services part of  
Council'**

Judy served as a Councillor on Bundaberg City Council. Elected in March 2008 as a Councillor for Bundaberg Regional Council, and now with 16 years experience, Judy represents Division 9 and holds the Community and Arts Portfolio 'the people services part of Council'. Judy is a member of a number of community groups, as well as serving in various Local Government Executive positions.

To keep her focus on the needs of her community Judy has undertaken a Diploma in Local Government (Administration), a Diploma of Business (Frontline Management) and has also undertaken a Certificate IV in Training and Assessment.

Judy has previously owned and operated a shipping services business for 11 years from the Port of Bundaberg and also held the position of Director/ Deputy Chairman Bundaberg Port Authority for 14 years.

Creating opportunities for others to achieve, is Judy's goal.

### **Cr Lynne Forgan**

**Representative for Division 10 -  
Social and Recreation Portfolio**

Lynne is the representative for Division 10 covering the areas of South Bundaberg, Walkervale and Avenell Heights.

With the diversity of our region, it enables Lynne to work with a variety of organisations in her Portfolio of Social and Recreation, this includes swimming pools, halls and facilities, showgrounds, libraries, Moncrieff Theatre, sport and recreation and museums.

Lynne, a qualified hairdresser, married to Gilbert, a mother of two (2) and a grandmother of five (5), bringing more than 25 years business experience to Council. As a business owner, having worked both in and on her business, she understands all facets of business operation.

Lynne is actively involved within the community, having served on many and varied organisations and taken active rolls on committees, and holds a Certificate IV in Governance and Diploma of Local Government Administration.

Current committee involvements - Police Citizen Youth Club, Wide Bay Volunteers, President North Bundaberg Lions Club, President of the Bundy in Bloom Combined Lions Street Carnival, along with being Council's appointed representative on several committees.



# EXECUTIVE LEADERSHIP GROUP

## **Peter Byrne**

### Chief Executive Officer

Peter was the interim Chief Executive Officer during the transition period for amalgamation and was appointed Chief Executive Officer of the Bundaberg Regional Council in May 2008. He has an extensive career in local government having commenced with Bundaberg City Council in 1972 as a Cost Clerk. On qualifying as a Public Health Inspector, Peter worked for the next 20 years in the environmental health field and managed the Health and Environmental Services Department for several years prior to his appointment as Chief Executive Officer of Bundaberg City Council in 1995. Peter has a Diploma Public Health Inspectors Qld and a Graduate Diploma Management- Public (UCQ). He is a member of Local Government Managers Australia and a Fellow of Environmental Health Australia.

## **Allan Shorter**

### Director Finance

B.Bus (Local Government), Grad. Diploma (Local Government Management) ALGMA (CPDP) and ALGA

Allan has 32 years experience in Local Government, working with 6 urban, coastal and rural multi-purpose Councils in New South Wales and Queensland, including the last 20 years in senior management positions. Allan is committed to encouraging and facilitating a team oriented culture and to ensuring Council's current and long term financial sustainability.

## **Andrew Fullton**

### Director Planning and Development Services

MBA(Tech. Mgmt.), B.E.(Civil), MIE Aust, CPEng, NPER, RPEQ

Andrew has 19 years experience within Local Government, 14 years within Senior Management. Prior to this, Andrew's background was as an Engineer within the construction industry and Commonwealth Government.



## **Glenn Hart**

Director Governance

B. Bus (Local Government and Human Resources); MPA; ASA; AIMM

Glenn has over 27 years of Queensland Local Government experience and has been a senior Council manager in Councils for more than four (4) years. Glenn has also held senior positions in the Ipswich City Council and Moreton Shire Council before moving to the Bundaberg region and focuses on providing the best value-added internal services to create a strong, accountable and sustainable organisation.

## **Greg Savage**

Director Health and Environmental Services

Diploma of Public Health, Bachelor of Applied Science (Environmental Health), Fellow of Environmental Health Australia.

Greg has over 34 years experience in local government, with 32 years in the Bundaberg region. Greg has been the head of the former Bundaberg City Council Health and Environmental Services Department since 1996, and continues this role in the new Bundaberg Regional Council.

## **John Clerke**

Director - Community and Cultural Services

B.Bus (Public Administration – Majoring in Local Government and Accounting), Diploma in Local Government Management, Local Government Clerk's Certificate, MLMGA.

John has several years experience in private enterprise and over 30 years experience in Local Government. He has worked for the largest local government in Australia, Brisbane City Council; before moving to the small rural Council of Esk Shire which rapidly developed to a medium size local government. Following his period as Deputy Shire Clerk, at Esk, he took up a position with the former Bundaberg City Council 15 years ago; and prior to amalgamation the Director of Corporate and Community Services. The former Bundaberg City Council appointed him as Acting CEO whilst Mr Peter Byrne was seconded as interim CEO of Bundaberg Regional Council Local Transition Committee. John with his broad experience has a strong strategic vision to deliver community, cultural and customer services to residents and visitors to our local government.

## **Wayne Cunningham**

Director - Infrastructure Services

BE (Hons) (Qld) CP Eng RPEQ LGE

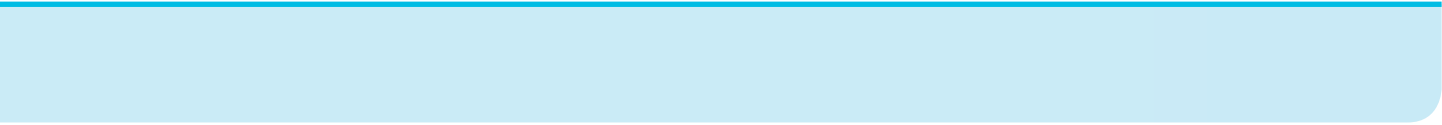
Wayne has over 43 years local government experience having commenced his career as a Cadet Engineer with Bundaberg City Council. Wayne was promoted to the position of Manager in 1992 and guides Infrastructure Services in the provision of quality infrastructure that meets the region's current and future needs.

*Executive Leadership Group left to right: John Clerke, Greg Savage, Andrew Fulton, Peter Byrne, Wayne Cunningham, Allan Shorter, Glenn Hart*

# Bundaberg Regional Council Management Structure

CHIEF EXECUTIVE OFFICER **Peter Byrne**





**DIRECTOR PLANNING & DEVELOPMENT**  
Andrew Fulton

**MANAGER BUILDING & PLUMBING SERVICES**  
Stephen Curran

**MANAGER PLANNING (CITY & HINTERLAND)**  
Rob Thompson

**MANAGER PLANNING (COASTAL)**  
Wayne Phillips

**MANAGER STRATEGIC PLANNING**  
Evan Fritz

**MANAGER SUSTAINABLE DEVELOPMENT**  
Frank Nastasi

**MANAGER ECONOMIC DEVELOPMENT**  
Naomi Searle

**DIRECTOR INFRASTRUCTURE**  
Wayne Cunningham

**GROUP MANAGER WATER & WASTEWATER**  
Tom McLaughlin

**GROUP MANAGER SUPPORT SERVICES**  
Michael Egan

**GROUP MANAGER ROADS & DRAINAGE**  
Peter Jensen

**MANAGER WATER & WASTE WATER PROCESS & OPERATION**  
Jeff Rohdman

**MANAGER WATER & WASTEWATER PROJECTS**  
David Gill

**MANAGER WATER & WASTEWATER INFRASTRUCTURE PLANNING**  
Harry Ballinger

**MANAGER ROAD & DRAINAGE PLANNING**  
Johannes Bezuidenhout

**MANAGER ROADS & DRAINAGE SERVICES**  
Ross Lituri

**OPERATIONS MANAGER ROADS & DRAINAGE**  
Adam Wyatt

**DISTRICT ENGINEER COASTAL**  
Allan Griffiths

**DISTRICT ENGINEER HINTERLAND**  
Tony Wright

**MANAGER ASSETS**  
Wayne Eddy

**MANAGER DESIGN**  
Dwayne Honor

**MANAGER FLEET SERVICES**  
Andrew Railz

**MANAGER TRADE SERVICES & DEPOTS**  
Terry Hartnett

**MANAGER BUILDING PROJECTS**  
Jim Whittaker

# ACHIEVEMENTS BY DIRECTORATE



# COMMUNITY AND CULTURAL SERVICES

The Directorate has delivered numerous community, cultural, arts and lifestyle services to the region. These services include: community development, cultural activities, sport and recreation, swimming pools, community events, support for community groups, community care, libraries, arts and cultural initiatives, museums, theatre and cinema, venues and facilities, youth services, disaster management and planning, state emergency services, after school care, neighbourhood centres, HACC services, pensioner units, aged care facility, social, youth and aged planning.

## Cultural Activities

### Bundaberg Regional Art Gallery (BRAG)

BRAG welcomed over 22,000 people through its doors over the last financial year, and serviced more than 8,000 through outreach services. 8 Exhibition series were held, with a total of over 27 unique exhibitions being displayed including works by local and national artists, and touring shows from major institutions such as an Albert Namtjera Exhibition on loan from the Queensland Art Gallery. 32 very successful workshops were held over this period for children and adults, on subjects ranging from digital photography to tradition sculpture.

The Gallery has over 45 active and dedicated volunteers, who give their time to the community through their input into the gallery and its programs. The gallery also celebrated its 1st birthday since its very successful rebranding during this period.

### Childers Gallery

During 2009/2010 the Childers Gallery became part of Bundaberg Regional Art Gallery, and the staff and core of almost 20 volunteers are actively working on the gallery. The gallery is now showing exhibitions every 6 weeks of local and touring arts, and has a mission to work with the memorial to the backpackers fire, also housed in this gallery.

In 2010 a very moving 10 year anniversary remembrance event was hosted in the gallery, and the original artist responsible for the memorial did a clean and refurbishment of the memorial.

### Regional Arts Development Funding (RADF)

3 rounds of Regional Arts Funding were distributed, equating to over \$66,000 to the community. The focus of the grant is for artists and projects that develop the community. Projects were varied and included art workshops, attendance at summer schools for artists, elements of a didgeridoo festival and a writers retreat among others.

### Public Art

This period saw major work on cleaning and repair, as well as documentation of major public art across the entire region.

### Art Collection

Over 2009/2010 Council gained Cultural Gift Recipient Status from the Australian Taxation Office, meaning that artists and patrons can donate works to the collection and claim a 100% tax benefit. Due to this, the community gained several significant works this period, which are held at the BRAG for the community.



## Moncrieff Theatre

### General

The Moncrieff Theatre is an airconditioned raked seating entertainment venue with a capacity of 865, with candy bar and liquor bar facilities. Ongoing maintenance and refurbishments are made within the allocated budget.

### Stage Shows

2009/2010 brought a range of diverse touring stage shows including comedy, international ballets, country artists, childrens' shows, pop and rock concerts and plays.

Accumulative stage show attendance was 34,493 patrons over 71 performances.

Local dance concerts included Ignite, Encore and Tots & Teens which proved to be well supported and successful.

Each year the Moncrieff Theatre plays host to school concerts, graduations, speech nights and also the Wide Bay & Central Queensland University Graduation Awards.

### Cinema

The most successful cinema product is the holiday product, such as Harry Potter 4, Ice Age 3 and Avatar.

Accumulative cinema attendance was 17,075 with 889 cinema sessions. Keeping in mind the stage show performances were up much higher than usual, therefore limiting the number of cinema sessions.

The Moncrieff Theatre's \$8.80 cinema admission price has proved to be very affordable for its patrons. Our limited release screenings are also very popular and in high demand. Fundraising events are held on a regular basis with snacks and a movie and prove to be very successful for the fundraising organisation and the venue.

Free Pensioner Morning Tea & Movie Morning is run usually the first Wednesday of every month, providing there are no stage show commitments.

## Library Service

Bundaberg Regional Library Service has four (4) branches across the district. The main branch is in Bundaberg, with other branches located in Gin Gin, Childers and Woodgate. Our Libraries are friendly and welcoming and stock a large range of fiction, non-fiction, DVDs, CDs, junior, youth, and large print resources. Free internet access via the library internet PCs or the wireless hotspot is also available.

Bundaberg Regional Library Service is a very busy service, with over 43,300 members. Well over 1 million items were issued during 2009/2010 with a total book stock of 160, 939 items.

### Special events

The Bundaberg Regional Library Service holds special events throughout the year including author visits and book sales. Our second Booked Festival of Authors was held in May. Four (4) popular Australian children's authors visited the library on Sunday, 16 May 2010 to talk about their life and writing. About 100 people came to the event and excellent feedback was received, not only from the audience but also from the authors who attended.





A very successful Book Sale was held in January 2010. Donations and old book stock were sorted, stored, and then sold at the Book Sale which was held in the Civic Centre. The library organises this sale in conjunction with the Rotary Club of Bundaberg East and the profits are shared. Monies raised from this event are used for library and community projects.

## Future

The Bundaberg Regional Library Service continues to grow. The library remains a popular place for residents and visitors alike with something for everyone available at the library.

## Venues and Facilities

The Venues and Facilities Section is responsible for four (4) service centres, five (5) other Council office buildings, 43 various community facilities, four (4) swimming pools, three (3) showgrounds, one (1) racecourse, several commercial facilities, multi-purpose grounds at Kendalls Road, Salter Oval, museums and historical villages, various sporting and recreational facilities, rental properties and leased properties and lease renewals.

A Regional Community Hall Booking System is now in operation and booking forms are issued at each of the service centres for hire of community halls in their respective areas.

A list of all community facilities has been compiled providing full details of the ownership and operation of each facility, and specific leasing or occupancy tenures and arrangements in place for each one.

During the period, financial support was provided to operators of a number of the community halls.

## Community Facilities

Over the 2009/2010 period extensive upgrade works were undertaken at several community facilities at Apple Tree Creek Sports Grounds, Boolboonda Hall, Buxton Hall, Coral Coast Cottage, Coronation Hall, Elliott Heads Hall, Goodnight Scrub Hall, National Fitness Hall, Norville Hall, Wallaville Hall, Waterloo Hall, and Woodgate Hall.

- Office spaces were constructed at the rear of the Civic Centre for Bundaberg Community Development and Yonder Project staff;
- A disability access ramp was installed at the Civic Centre's main entrance;
- A trolley jack was purchased for the Civic Centre to assist staff in moving the heavy table trolleys around the centre and reducing the risk of injury;
- The main electrical switch board was upgraded at the Moore Park Beach Community Hall;
- The Bargara Cultural and Community Centre commenced operations in May 2010.

## Commercial Facilities

Various commercial leases were renewed and building maintenance undertaken at City Y Childcare Centre, Moore Park Beach Kiosk, Riverside Cruz Café, Rowers Restaurant and Wallville Kindergarten.

## Museums and Historical Villages

Refurbishment work was carried out at the Gin Gin Historical Village caretaker residence and maintenance work was carried out at the Childers Firehouse Potters building.

## Service Centres and Other Council Office Buildings

Safety walkways and fall arrest systems were installed on the roofing of the Bundaberg Administration Centre and the Governance Building.

Electronic security access systems were installed at the Bundaberg Administration Centre and the Governance Building.

A snake deterrent system was installed at the Bargara Service Centre.

## Show grounds

The Bundaberg Showgrounds main electrical switch board was upgraded and other power supply improvements were carried out at the facility. Three (3) unsafe grandstands were also demolished.

The Childers Showgrounds light tower switch boards were upgraded and isolation switches fitted to each light tower.

Gin Gin Show Grounds had a new kitchen/catering facility installed and a men's activity shed opened.

## Sport and Recreation Facilities

Maintenance work was carried out at the Childers and Bargara tennis courts.

Preparation works were completed at the Childers Gee Street Oval and it is now available to sporting groups for hire through the Isis District State High School.

The Bundaberg Recreational Precinct Canteen barbeques were upgraded to meet current indoor gas equipment regulations and a temporary horse riding area has been set up for the Bundaberg Pony Club.

Bundaberg Rugby League constructed a new storage shed at Salter Oval.



## Swimming Pools

Highlights for Council's swimming pools include: a new pool vacuum machine for Anzac Pool, amenities, pumps, and filtration equipment upgrades at Childers Pool, and new pool blankets at the Gin Gin Pool.

## Rental Properties

Tenancy agreements were renewed for three (3) of Council's rental properties.

## Regional and Local Community Infrastructure Program

Bundaberg Regional Council acknowledges the financial support provided by the Commonwealth Government to undertake works to various facilities through the Regional and Local Community Infrastructure Program (RLCIP).

## Community Care and Social Development Branch

With activities and initiatives ranging from neighbourhood centres and community, youth and cultural development; sport and recreation; community events and financial assistance; care and respite services; children's services; residential aged care and seniors housing, the branch has continued to provide excellent and diverse service to our community.

## Community Development Section

Significant progress was made in development of the first Regional Social Development Strategy. Broad consultation was completed for the Childers district, which did not have current social plan strategies. This work combined with revisions of existing Social, Community and Health Plans across the Bundaberg Region provides the major strategic framework for community development activities for several years.

Sector reference networks have continued for seniors, mental health, learning communities, families, youth and disabilities areas and expanded to incorporate representatives across the region. Special projects focused on Adult Learners Week; new youth committees; and Seniors and Carers Expo. "Diz Biz" and "In the Loop" newsletters continued to gather and disseminate vital information for community organisations across the region and the regions community directory underwent regular review and distribution as well as an improved Council website presence.

## Special Projects

### Yonder Project

During the year the Bundaberg region was selected to participate in the Yonder Project as part of the KITE Program. The project aims at working with disadvantaged and/or primary schools students who have difficulties in communicating with their teacher, fellow students and the community. The project uses drama to assist the children to express themselves and culminates in a concert at the Moncrieff Theatre. Council provides in-kind support including the use of the Moncrieff Theatre, desk space and other support. The project has \$350,000 funding over three (3) years. Special appreciation goes to Adrienne Jones and Natasha Budd from Arts Queensland, Principals and teaching staff at the schools involved with the project.

## Regional Stages

Council was successful in receiving a grant for \$300,000 over three (3) years, under the Regional Stages Program, which aims to improve and achieve outcomes and activities for cultural development in regional areas of Queensland. Council acknowledges the significant support from Creative Regions Incorporated.

## CRUSH Festival

October 2009 saw the inaugural CRUSH Festival, which is a month long celebration and participation in cultural events and activities throughout the region.

## Community Events Section

Support for the region's community groups and events through donations, financial assistance and in-kind programs. This support enabled many community groups and Council itself, to host events such as Australia Day celebrations, ANZAC Day Services and Carols by Candlelight celebrations, Tidy Towns program and celebration of many other local community events.

## Sport and Recreation

A wide range of financial support initiatives and hosting of sporting events benefited the region and included international tennis and bowls events. Development of the first Region-wide Sport and Recreation Strategy saw community consultation for all districts completed and a draft plan ready for community comment. The regional sporting organisation contacts directory and regular "Recreate" newsletters continued to provide benefits for local organisations, with over 300 local clubs now on the contacts list.

## Community Care

Within the branch are four (4) funded and accredited home and community care services; Gracie Dixon Respite Centre, Kolan Community Options, Isis Community Care and Childers Meals on Wheels. These services are located respectively in Bundaberg, Gin Gin and Childers. Home and community care services are available to eligible residents. These services include centre based respite or domestic assistance, social support, personal care, day respite, home maintenance and transport services to frail aged persons, younger people with a disability and personal carers.

The services are operated under service funding agreements between the Department of Communities, Home and Community Care Program and Bundaberg Regional Council and is a joint Federal Government and State Government funded program.

- Gracie Dixon Centre provided 43,229 hours of service to 209 people and 99 carers during the year;
- The day respite service in Bargara delivered 652.5 hours for 19 clients;
- Isis community care provided services to 126 clients in Childers;
- Kolan community options assisted 91 clients with 5,029 hours of service, 794 transport trips plus 1 client with 457 hours of disability services.

This year the Gracie Dixon Respite Centre initiated day respite activities at Council's Bundaberg seniors village which has provided activity and craft options for those residents and complements the day respite activities at Bargara.



## Neighbourhood Centres

Council operates two (2) Centres, one (1) in Childers and one (1) in Gin Gin, as well as the Community Development office in Bundaberg. The centres are partly funded through the Department of Communities and have exceeded all service agreement targets for the year.

These centres continue to support the community in the areas of information and referral, community support and education. Each centre provides a service hub through room hire for professional services; job-find brokers and counselling services. Through circumstances of rural isolation, high unemployment and current difficult economic times, the centre's support local residents and organisations. The Childers centre also assists many needy families through funding from the Department of Families Housing Community Services and Indigenous Affairs and the Emergency Relief Program.

The Childers centre was able to complete development of a conference and training room utilising funding from the Department of Communities and Council and will in 2010 commence a day respite expansion for Home and Community Care (HACC) services managed through the centre.

Both neighbourhood centres accessed funding during the year to implement free seniors broadband services, which include internet access and tutoring for seniors.

## Child and Family Services

In Childers, the Isis Child and Family Support Program funded partly through the Department of Employment Education and Work Relations has continued to provide many essential services to children and families within the community, offering a large array of family and parenting workshops, support groups and playgroups.

Isis Outside School Hours Care operates from the Childers State School grounds and met new legislative obligations under the Building Code of Australia for licensing under the Department of Employment Education and Work Relations, through the Office of Early Education and Child Care. This service has been successful in maintaining funding for an Active After School Care Program, funded through Queensland Sport and Recreation, allowing the service to excel in activity programs available to local families.

## Seniors Housing

Council operates and maintains 52 independent living units for seniors, in Bundaberg and Gin Gin. These units are long term public housing and link to the Department of Housing wait lists. The units have operated at 100% occupancy throughout the year. Each tenant has a lease with Council in accordance with the Residential Tenancies Act.

Council was awarded funding under the Federal Nation Building Program to construct four (4) new units in Bundaberg, and four (4) new units in Gin Gin in 2010. Design work is well advanced for this project.

## Residential Aged Care

Council owns a 21 room low care residential facility at Gin Gin. The Kolan Gardens Aged Care Facility celebrated its 6th anniversary in 2010. This facility has continued at 100% occupancy since it opened in 2004. Council has in place a management lease with Churches of Christ Care that provides all nursing and care services on behalf of Council at the facility. The facility achieved renewed Federal accreditation in 2010 for a three (3) year period with maximum compliance against the national aged care standards.

Council has approval for 14 high care places at the facility and is currently researching options for capital funding for this development.



## Disaster Management

Council is responsible for disaster management and responses. To achieve its goals and outcomes in this area, Council maintains a structure and provides resources to assist the community during times of natural disasters. The Mayor, Cr Lorraine Pyefinch is the Chair of the Bundaberg Regional Council Local Disaster Management Group with Council's Director of Community and Cultural Services, Mr John Clerke being the Executive Officer of the group. Cr David Batt is Council's spokesperson for Disaster Management. The Mayor and Mr Clerke are also members of the District Disaster Management Group which is headed by Superintendent Anne MacDonald.

Mr Mal Churchill is Council's Disaster Management Officer, and is responsible for assisting with the development of Disaster Management Sub Plans and arranging and coordinating various disaster exercises and meetings.

Mr Clerke and Mr Churchill were appointed to the State Government Storm Surge Evacuation Planning Reference Group, along with representatives from Emergency Management Queensland, Cairns Regional Council, Cassowary Coast Regional Council, Fraser Coast Regional Council and Gold Coast City Council. The outcome of the project resulted in guidelines and a template for local governments to assist in developing Storm Surge Evacuation Plans.

## Local State Emergency Services (SES)

Council maintains 11 Local State Emergency Services Groups by providing the buildings, vehicles and equipment and 99% of the funding to operate the groups. Mr Bill Daniells is employed by Council as the full time Local Controller for the Bundaberg Local SES, and is responsible for 8 of the 11 local SES groups. Mr John Cottam and Mr Ray McDonough hold the honorary positions of Local Controllers for the Childers and Gin Gin Districts respectively.

## Disaster Events

### Fires

In October 2009, one of the states worst bushfires occurred in the Gaeta region of Bundaberg Regional Council and the north eastern portion of North Burnett Regional Council. The fire caused significant stock loss and damage to property, fortunately, no houses were lost. Extensive resources were deployed by the Queensland Fire and Rescue Service and both Councils provided support with the provision of water tankards and earth moving equipment. Following the fires, an appeal was launched through the Bendigo Bank with a number of applications being received seeking financial assistance. Council would like to express its appreciation to those generous people and organisations who donated to the cause.

### Pandemic Influenza

The outbreak in the northern hemisphere saw a strain of Pandemic Influenza, known as Swine Flu, reaching the southern hemisphere in November 2009. Queensland Health became the lead agency to cope with this deadly strain of the virus. All response agencies, including Council, were required to prepare for the impact of the disease by the development of contingency plans and business continuity plans. Fortunately the plans were not enacted due to the high levels of precautions that were put into place including a wide vaccination program.

### Floods

Early in March 2010, following a long period of rain, the region saw major flooding which resulted in over 5 million dollars of damage to Council infrastructure. Paradise Dam, with 300,000 megalitre storage, is located on the Burnett River, spanning both Bundaberg and North Burnett Regional Council areas. The heavy rain saw the spillway overtopped for the first time since the dam was completed in November 2005.

### Cyclones

Later in March, Cyclone Ilou, which threatened the Queensland coastline, appeared to be tracking directly to the Bundaberg Regional Council coastline. Due to a weather change, the cyclone altered course and crossed the coast at Mackay. Whilst Mackay was damaged, there was no loss of life.

### Shen Neng 1

In April 2010, the bulk coal carrier Shen Neng 1, ran aground on the Great Barrier Reef, off the coast of Rockhampton. Whilst the reef was damaged, only an exceptionally small amount of oil was spilt, which was cleaned up straight away. With no means of propulsion it was decided that it was too dangerous to tow the ship to Gladstone harbour for repairs. Various options were considered and it was finally resolved that the ship be towed for anchorage off Fraser Island. As a result of the event, the Local and District Disaster Management Groups for Rockhampton, Bundaberg and Fraser Coast were activated. After approximately 20,000 tonnes of coal being offloaded, the Shen Neng 1 was finally towed back to China.

Council's sincerest appreciation goes to Council staff, Police, Fire, Ambulance, local SES and other response agencies involved with the above events.

Special mention is made for the roles that the Department of Communities undertake for Community Recovery Planning and Management and to Emergency Management Queensland for Co-ordination and advice. Appreciation is also conveyed to Mr Don Patterson, Project Officer, Storm Tide Evacuation Project.

# FINANCE



## Strategic Finance

The 2009/2010 year presented many challenges to Council as it was still adjusting to amalgamation changes as well as coping with the implications of the global financial crisis. The establishment of the 2010/2011 budget in addition to conducting quarterly budget reviews throughout the 2009/2010 year were critical in Council's recovery from the significant budget deficit that had resulted in the previous 2008/2009 year.

Strategic Finance continued to carry out the vital internal financial audit function in addition to maintaining and monitoring the budget adopted by Council.

### Undertake 10 Year Forward Financial Modelling in Accordance with Queensland Treasury Corporation (QTC) Guidelines

Council elected to engage Queensland Treasury Corporation to undertake a Financial Sustainability Review in order to assess Council's capacity to meet its financial commitments in the short, medium and long term. This involved Council completing a Ten Year Forecast of all operational and capital activities and discussions with key Council officers. Based on the historical performance and forecast financial outcomes in addition to a review of business drivers, regional economic information and impact testing on the various forecasts, Queensland Treasury Corporation will finalise their findings at some stage in the 2010/2011 year.

### Undertake Quarterly Review of Finance Directorate Budget

Council's budget was reviewed on a quarterly basis and presented to Council for adoption.

### Performance Manager and Business Intelligence

Council is currently in the implementation stage for two (2) new software packages, Performance Manager and Business Intelligence. Performance Manager is a strategic planning and organisational performance management and reporting tool designed specifically for the needs of local government. Business Intelligence will replace the current Budget and Reporting System (BARS) budgeting software and includes greater flexibility in budget preparation and reporting.

## Financial Support

Financial support has been provided to many of Council's departments to assist in a range of issues ranging from payroll, reviewing and inputting budgets, business cases, financial policies and procedures and general financial advice.



## Future Business Planning

Future business planning assistance was provided to the Economic Development Department to assess the financial implications of the Bundaberg Airport.

## Financial Accounting

Provide sufficient funds for asset replacement with adopted policies.

Council is working towards identifying the funds required for asset replacement. Council has realigned the former Councils' assets with new asset hierarchies, definitions and condition rating; installed a new version of the asset management software; completed a desktop revaluation to 1 July 2009; and applied a new depreciation methodology in 2010.

Council was unable to fully fund this depreciation in 2010 due to budget constraints.

Fund depreciation in accordance with revenue policy and provide for asset replacement in line with asset management plans.

The Asset Management Policy was submitted to Council by the Asset Engineer, for consideration and adoption.

The asset management team is continuing to research and develop Council's Asset Management Plan and associated process pending the release of the new Local Government Act 2009 Regulations.

**Assets are recorded and maintained in the financial asset management system in accordance with asset management policy and that appropriate stocktakes are carried out.**

**Key Performance Indicator** - Conduct annual stocktake of Council assets. Prepare five (5) year budget forecasts. Complete 10 year forward budget estimates for Total Management Plan and Queensland Treasury Corporation Reviews.

- (a) Council has completed a full revaluation in 2008/2009 and processed a desktop revaluation as at 1 July 2009;
- (b) Rolling stocktakes commenced in 2010 with land, intangibles, plant and equipment assets classes;
- (c) Detailed Asset Replacement Programs, based on service levels and condition assessments are expected to be completed over the next two (2) years to 2012;
- (d) 10 year Asset Replacement Program was provided for the current year's financial forecast from the asset management system. This information was based on historical data and will have a low confidence rating. The confidence rating will improve as Service Levels are developed and regular condition assessments implemented over the next couple of years. This replacement program provided the 10 year forecast budget for the QTC review.

**Provide relevant and timely monthly, quarterly and annual reports to Council.**

**Key Performance Indicator** - Monthly, quarterly and annual reports provided to Council in the appropriate timeframes.

- Financial summary provided to Council on a monthly basis.
- Reviewing options and indicators for quarterly and six (6) monthly reporting over the next 12 months.
- Development of acceptable KPI's will be available for adoption by Council in 2010/2011.

### Finance reporting completed within statutory requirements.

**Key Performance Indicator** - Audit Office audit satisfied.

The Annual Financial Statements were audited without qualification on 12 November 2009. The Community Finance Report was adopted as part of the Annual Report in November 2009 and complies with the statutory requirements.

The audit timetable for 2010 has been negotiated with the Auditor and the interim audit was completed in June 2010.

## Revenue Management

The 2009/2010 financial year was another challenging one. Having merged all the different service charges from the amalgamating Councils in the first year of amalgamation, Council turned its attention to the general rating categories. Council devised a method of merging the rating categories from the former Councils, mostly over a three (3) year period, with some extended to a 7 year period where variances were very large. This continued Council's key aim of bringing together the four (4) different rating structures of the amalgamated Councils into a uniform fair and equitable rating structure, and was a major achievement for the group. Other notable achievements in this period include;

- Issuing half-yearly rate notices for all relevant rates and charges;
- Developing and implementing revenue systems, policies and procedures to establish parameters in which the Revenue Section operates;
- Providing comments and suggestions to the State government on the content of the new Local Government Act 2009;
- Managing, developing and implementing the State government revaluation of all land in the region;
- Improving Council's rating software structure by implementing four-digit multi-purpose land use codes;



- Improving Council's water meter reading procedure by inputting location codes on all meter reading records and streamlining the procedure to provide for a regular flow of meter reads;
- Reducing Council's rates debt through ongoing monitoring of debt recovery systems and practices;
- Automating the production of property searches which halved the production time and provided an enhanced service for ratepayers;
- Automating Council's Fees and Charges Register to facilitate effective and efficient production;
- Producing the 2010/2011 revenue budget whilst taking account of the multi-level parameters of amalgamation, revaluation and increased costs.

## Commercial

### Payroll

Over the last financial year the Payroll Section has been involved with the following projects:

- Ensuring all employees are paid in a timely manner;
- Working with the Human Resources Section to standardise forms, create position codes for Council hierarchy using the new Human Resources Program;
- Standardising timesheets over the whole organisation;
- The centralisation of all payroll staff to the Bundaberg Office (in progress);
- Over the next 12 months it is planned to have all payroll procedures imputed in to Council's Integrated Management System.

### Accounts Payable

- Pay all suppliers /vendors within the terms of Council and in a timely manner;
- To endeavour to convert all payments to electronic funds transfer instead of cheques;
- Upskill accounts payable staff in the use of various programs and ongoing training in the application of the Good and Services Tax (GST);
- Train all Council staff in the requirements of the accounts payable system to ensure payments are made in a timely fashion.

### Procurement/Store

- Ensure Council obtains best value for money;
- Assist with the completion of all tender documentation as required and attend all tender openings;
- Review and process all orders placed to ensure they comply with Councils procurement policy;
- Over the next 12 months it is planned to have new programs installed and functioning for on line requisitions and purchase cards.

# GOVERNANCE

Manage the governance requirements of the organisation and the delivery of a suite of governance services which support the business and legislative imperatives of Council. This includes change management, organisation performance management, policy formation, information systems management, human resources management, workplace health and safety, quality assurance systems, risk management, customer service and records management.

Council has also embarked on the creation of a Community Plan which will when completed set down its future strategic direction for the next 20 years. Extensive community engagement has commenced with a view to completing the Community Plan by May 2011.

## Human Resources

The activities of the Human Resources Section have been centred around change management with managers and employees being involved in this process. The aim of the change management process is to enable Council to provide and deliver an enhanced service to the community.

### Management and Supervisor Training

The section has designed and delivered management and supervisor training in 14 key management areas with over 130 staff trained in a number of these key management areas.

### Staff Survey

Once again the section conducted the annual staff survey with the survey indicating an improvement of staff morale.

### Performance Appraisals

Performance appraisals are conducted on an ongoing annual basis with over 75% of the employees having undertaken a review during the year.

### Leadership Support

The Human Resources Section is a team of three (3) highly qualified Human Resources professionals who offer daily advice and guidance to all levels of management on staff performance management, management techniques, industrial relations and training.

### Efficiencies

The section has applied sound financial responsibility with a number of efficiency initiatives implemented during the year with the most noteworthy of the initiatives being the use of the internet and auto response for employment applications. 95% of applications are received via email with the author receiving an auto response when the application is lodged. This has seen a reduction in the overall expenditure for the section this financial year.

### Work Experience Students

The section has also placed 71 work experience students with Council in the 2009/2010 financial year and is committed to continuing this service to the community.





## Business Information Services

### Geographic Information Services (G.I.S.)

The GIS team has consolidated the four (4) former Council's spatial information into our GIS system in addition to consolidating our expertise with the new Environmental Systems Research Institute Inc. (ESRI) product. The Council has entered into a joint project with the Department of Environment and Resource Management to acquire new aerial imagery over the entire Council area. This includes high resolution imagery over a majority of the populated areas and lower resolution imagery over the entire Council area. The new imagery will replace the existing 2005 and 2006 imagery.

### IT Business Support

During the 2009/2010 year the Business Support Services (BIS) team moved from a largely reactive maintenance to a forward looking planned maintenance model. The team was met with new challenges ranging from audit compliance, preventive maintenance and budget constraints. With the new year came a strategy to turnover 20% of Council client hardware, which has resulted in around 70 new client PC's on desks.

The Business Support team have also worked hard at developing efficient solutions to retire and archive old systems with automated tasks for rolling systems into the Bundaberg Regional Council environment. This has resulted in a much more manageable and cohesive standard operating environment better enabling staff to efficiently complete their job function. This has also better equipped BIS support team members to deliver consistent outcomes in a more timely fashion for stakeholders. The support team has also addressed the reliability and service levels to satellite offices this year, resolving many issues by consolidating hardware and equipment to create a more manageable and stable environment for those remote staff.

### IT Infrastructure

Major improvements have been undertaken on connectivity between the Bundaberg Administration Centre and the Council's Service Centres and Depots. This includes the installation of a fibre optic link between the Bundaberg Administration Centre, Moncrieff Theatre, Bundaberg Regional Arts Gallery and the Councillor's Quay Street Office. Improvements in the network have also been gained with upgraded links to a number of Council's remote facilities including the Bundaberg Airport, Childers Service Centre (and adjoining sites), Burnett Heads Holiday Park. These network improvements have been coinciding with the implementation of a fault tolerant microwave link between the Bundaberg Administration Centre and the Bargara Service Centre. It is anticipated this link will be officially commissioned in the 2010/2011 financial year. This link uses the new 27 metre communications tower that was constructed on the Hummock.

### Corporate Applications

Corporate reporting functions are being enhanced with the installation of Business Intelligence and Performance Management software. Council's agenda and minute software has been updated to streamline the creation and delivery of business papers. The system also saves a significant amount of printing which reduces cost to Council and provides a more green friendly solution.

A major upgrade to the Records Management software was implemented. This upgrade delivered increased functionality to all users and increased their ability to register and maintain records. Further improvements are expected to be gained as the new records system is fully integrated into the Council.

The Enterprise System was updated to a portal environment as a prerequisite to the future upgrade of the system in the 2010/2011 financial year.

## Corporate Support

### Workplace Health and Safety

The past year saw Workplace Health and Safety move past the consolidation stage of the previous year. It was important to establish a firm foundation on which to build a vibrant and pragmatic workplace health and safety system, but as with many projects it is the earlier work which is critical yet sometimes goes unnoticed.

The new Council needed a responsive and accountable structure upon which to base its new workplace health and safety activities. This takes time and the team has been determined to build a “best practice” model whilst never losing sight of our statutory responsibilities. A critical part of this is to ensure we have communication flowing both from the organisation’s Executive but equally important, from the workforce back.

Following extensive consultations and general feedback, the team redesigned the committee and meeting structure to open up the flow of communication and arranged extensive training of workplace health and safety representatives to ensure they were fully aware of their roles. It is important to note that these workers are often exposed to more physical risk but also they have a great depth of knowledge which was previously not being tapped.

The revamped committee structure comprises a Corporate Safety Committee and 7 Area Safety Committees which each meet on a six (6) weekly basis. Representatives of the area committees have a standing invitation to attend the corporate meeting.

There has been a great acceptance of the structure and as the process matures from an organisational perspective we are confident further improvements can be made.

Already focus is centering on identifying and setting more strategic objectives. The attendance of Workplace Health and Safety Officers at the area safety committees also allows us to push our message out to the workforce, but importantly, to establish a rapport with safety representatives, management and the wider workforce.

### Right to Information (formerly Freedom of Information)

On 1 July 2009 the Right to Information Act took effect. It replaced the Freedom of Information Act and has as an underlying theme to “push” information out from Council, rather than wait for some person to apply for access to it. Importantly it requires Council to publish certain information on its web page, which in turn further promotes openness in our decision making.

In the reporting period Council received 16 formal applications for access to documentation. Nearly 500 folios were considered and access was granted in full to well over 90 per cent of these. Access was granted with some information deleted to all but two (2) of the balance of documents.

In all, this means that documents were available in some form in over 99 percent of cases. Information and documentation can be exempted from being made available if it is in the public interest to not disclose the document. In most cases where Council does not release information it relates to the name of a complainant or may be subject to legal professional privilege.

### Quality Assurance

Council is working towards achieving quality system certification of its administration and service delivery processes associated with road construction and maintenance of state controlled roads. Our customer, the Department of Transport and Main Roads (TMR) will audit our quality management system in the near future. Shortly after amalgamation, Council invited TMR to carry out a diagnostic audit of the four (4) former Councils’ quality management systems to identify the particular strengths and revealed weakness of each quality management system. A quality improvement plan was developed and approved by TMR before being progressively implemented over the past 24 months.

## Risk Management

Council operates in a complex and dynamic environment where there is a plethora of expectations, demands, legislative requirements and interests which constantly need to be assessed and managed. In all our operations there is an inherent risk in undertaking an activity in a certain way or electing to not undertake some works at all.

As a large organisation it is important that Council has in place a sophisticated process to manage these risks. We can not operate in a vacuum where there is no risk, instead we are intent on developing an appropriate process where we accept and mitigate our exposure. To this end we have instituted an "Audit Committee" that as part of its charter considers the business environment in which we operate. The Committee meets quarterly.

In order to more formally recognise the process of risk management the Corporate Support area is also developing an "Organisational Risk Register" which will be an integral part in raising the awareness of risk throughout the wider Council.

"Risk" as a particular discipline is also being incorporated into Council management tools such as the newly developed "Project Management" tool.

In the near future the organisation will be putting even more focus on this multi-disciplined area.

## Policy Development

### Internal Auditing

Council has established and implemented an internal quality audit program with scheduled audits of various management systems occurring each quarter. The purpose of these audits is to check whether the established systems are being put into practice and to ascertain how well they are working. Any weakness or deficiency in our management systems identified during auditing is reported to management as a request for corrective action. As part of their oversight responsibilities the Internal Audit and Risk Committee monitor the internal quality auditing process to ensure it is enhancing corporate governance and generating actions to optimise Council's performance.

## Administration

Council's Administration section deals with front line customer service, the internal call centre function, Council's records management and the preparation of leases for Council facilities that are leased to other entities.

In the 12 months to 30 June 2010 - 95,493 calls were handled by Council's internal call centre based at the Bargara Service Centre with support provided from the Bundaberg Administration Centre and Childers and Gin Gin Service Centres.

An electronic customer request system is used to allocate, trace and manage tasks assigned to various departments, with 52,288 customer requests registered over the 12 month period.

A customer satisfaction tracking survey was undertaken for Council. The survey questions were closely aligned to Council's Corporate Plan and provided feedback from a cross section of the general community to identify community satisfaction with Council's service provision, community programs and projects. The results of the survey are posted on Council's web site and will be used to benchmark future customer satisfaction surveys.

In the 12 months ended 30 June 2010 the records section registered 35,606 documents into Council's electronic document management system, created 1,777 files, archived 676 boxes of documents into archive facilities and carried out authorised destruction of 109 confidential bins of documents where documents had exceeded the retention period set down by Queensland State Archives. A new records archive facility was established at 78 Woongarra Street to provide for quick retrieval of building records for the Bundaberg Administration Centre.







## HEALTH AND ENVIRONMENTAL SERVICES

### Waste and Recycling

Waste and Recycling Services provides a high standard service for both waste and recycling collection and waste disposal. This drive to provide the best service can benefit the community as a whole through the use of the latest waste collection vehicles, the operation of the materials recycling facility to create employment opportunities for disabled workers, the development of award winning landfill facilities and the implementation of environmental monitoring programs.

The waste and recycling collection program attends to over 56,000 bin services per week, utilising 14 modern waste collection vehicles (this equates to a weekly charge of \$3.30 per service and includes disposal). A contractor is engaged for a portion of the area and provides around 2,000 of these services per week.

Improvements have been made across all landfills in relation to environmental compliance and general operational standards. A new contract for the monitoring of groundwater and surface waters around all facilities has been let. This will provide an early warning service at all facilities in relation to environmental impacts should they occur.

Council's 12 waste management facilities operate in accordance with compliance conditions as set by the Department of Environmental Resource Management to avoid undue environmental impacts. They provide a range of disposal and recycling options for the region. Council continues to stay abreast of developing technologies and resource recovery options.

Council continues to support environmental awareness campaigns such as National Recycling Week, Clean Up Australia Day, World Environment Day, Drum Muster, Mobil Muster and the Close the Loop Printer Cartridge Recovery Scheme.

### Environmental Services

The Environmental Services Section of Council coordinates construction, maintenance and community service activities in parks and gardens, beaches and foreshores and cemeteries.

The region's beautiful parks play an important role in the quality lifestyle of residents and the enjoyment of visitors. With 330 dedicated parks and reserves and over 3,500 hectares of passive and active recreational space, Council applied considerable resources to maintenance and improvements. The year saw \$7.7 million expended in parks operation, repairs and maintenance including \$830,000 on public amenities (toilets).



Maintenance and improvement programs included:

- Gardens, trees and lawns in parks and urban street environments;
- Parks infrastructure including picnic shelters, boardwalks, seats, picnic tables, shade, barbecues, pathways, lighting and play equipment;
- Botanic Gardens and Alexandra Park Zoo;
- Public amenities' provision, cleaning and maintenance;
- Support for community organisations and events;
- Roads environment enhancement - including street tree management, greening programs, roundabout plantings, CBD and streetscape gardens.

Major improvements were made to parks and gardens with \$1.1 million expenditure on numerous capital projects including:

- Lighting and security cameras at Lake Ellen Heritage Hub Park, Bundaberg;
- Chinese pavilion and gardens in the Botanic Gardens, Bundaberg;
- New amenities block at Kentucky Blue Grass Park, Branyan;
- New amenities block, Smiths Crossing, Avondale;
- Reconstruction of a shelter shed at the Basin, Bargara;
- Events power supply box, Neilson Park Amphitheatre, Bargara;
- New lighting in Bob Neilson Park, Moore Park Beach;
- Playground enhancement, Wallaville;
- New barbecues at Monduran Dam, Gin Gin;
- Construction started for new skate facility, Innes Park;
- New riverside walkway and access bridge at Burnett Downs, Sharon;
- New pathway, ocean viewing decks and picnic seating, Woodgate.

The region's beaches and foreshores were maintained to provide for safe and enjoyable coastal and river access while providing protection of the natural area and wildlife. Following coastal damage and flooding caused by Cyclone Ului and rain depressions, in March 2010, major cleanup and repairs to beaches, access paths and vehicle accesses were required.

Water safety was enhanced by the provision of lifeguard services at six (6) local beaches; and proactive programs were undertaken including water safety signage and annual school based education.

Council is the managing authority for 19 public boat ramps and undertakes regular inspection, maintenance, and improvements. A new pontoon funded by the State government has commenced at Riverview. Council provided bitumen sealing to part of Riverview car park and access road. A new boat ramp at Kirbys Wall, Kalkie has also commenced with Council to provide a new sealed carpark in 2010/2011. A new sealed carpark and landscaping was completed at Bundaberg North Lions Park, for the recently reconstructed boat ramp. Designs have commenced for a viewing deck for this area.

Public jetties are also provided and maintained by Council on the Burnett River.

Administrative control and maintenance of 9 cemeteries and several historical sites, lone graves and family sites has been undertaken.

The cemetery records of all the areas are being compiled into an electronic database that will be accessible to the public on the Bundaberg Regional Council website. Funding was obtained to assist continuing lone grave research and restoration of graves.

Beautification and planning of the region's cemeteries is in constant progress with the aim to create an environment that is serene and tranquil. This year, a new amenities facility was constructed at Gin Gin Cemetery. Installation of solar powered security lighting in the Bundaberg Cemetery has commenced. The administration and reception building in Bundaberg Cemetery has received some minor renovation improvements.

## Natural Resources

Council endeavours to manage the Bundaberg region's natural resources for the protection and enhancement of our landscapes important environmental values. The Bundaberg region has a diverse range of native fauna and flora, waterways and wetlands.

The Natural Resources Section of Council covers four (4) main areas of natural resource and environmental management; land protection, wetlands and waterways, natural areas and coastal management.

Council's Land Protection Unit uses advanced mapping and surveying technology to track infestations of declared weeds and pests, and offers technical assistance and advice to landholders on integrated pest management options to achieve effective weed and pest management outcomes. Field days and demonstrations on the best management practice for the control of various declared weeds and pests are held in different areas within the region throughout the year, with the key event being Weedbuster Week.

Council has developed the Mangrove Management Strategy which is integral to Council carrying out operations and services in the Burnett River, whilst maintaining important fish habitats. The area of waterway covered by the strategy is set to expand into additional areas such as the Kolan and Elliott Rivers. Several large-scale riparian buffer plantings have been carried out throughout the region as part of National Tree Day to protect and enhance the values of our important waterways.

Council works closely with the community, volunteers and trainee programs to conduct land management practices in reserve areas under the control of Council. The recently formed Community Conservation Advisory Group will further strengthen the support and communication between Council and the community.

The Bundaberg region is home to over 100 kilometres of coastline. Marine wildlife and migratory shorebirds frequent our region's coastal areas, making our region home to some of the most internationally important roostings and feeding sites. Council commissioned a study at Elliott Heads to determine the best management options for this area, and provide a basis for a Shoreline Erosion Management Plan to protect the important values of this area.

The Natural Resources Section aims to achieve best management practice standards across all areas of the natural environment.

## Health and Regulatory Services

The Health and Regulatory Services Program focuses on protecting the well-being of the community by maintaining a high standard of food hygiene, immunisation, public health education, animal management and environmental monitoring.

## Licensing/Inspections/Audits

Environmental Health Officers undertake regular inspections of relevant premises to ensure that high health and environmental standards are maintained. Council administered the licensing and registration of 1819 premises under the provisions of State legislation and Local Laws. These include food premises, accommodation premises, environmentally relevant activities and fuel storages.



## Education

The PetPEP animal education program has been delivered to primary schools located throughout the region. Food hygiene training courses are delivered throughout the region on a monthly basis. Additional courses are offered subject to demand.

## Immunisation

Council offered free childhood and high risk population immunisation in accordance with the National Immunisation Program (QLD) and a staff immunisation program. In addition, Council coordinated and operated school based clinics across the region on behalf of Queensland Health.

## Vector Control

Council treats known biting midge breeding areas utilising barrier treatments. Vector control programs are conducted on an “as needs” basis.

## Regulated Parking

A system of regulated parking is implemented in areas of high demand to facilitate ease of access and turnover of available on-street parking resources.



## INFRASTRUCTURE SERVICES

Infrastructure Services constructs and maintains infrastructure to provide essential services to meet the current and future needs of the Bundaberg region comprising roadworks, stormwater drainage, bridges, pathways and water and wastewater reticulation. Infrastructure Services also provides comprehensive support in the areas of design, asset management, building construction and trades such as electrical, mechanical, painting, carpenters, fitters and plumbers/drainers.

In the 2009/2010 financial year, Infrastructure Services carried out new works in the order of \$15,000,000 for roadworks and \$12,000,000 for water and wastewater.

### Roads and Drainage

Council has approximately 3,000 kilometres of constructed roads in its area and over 1,750 kilometres of these roads are sealed. The roads and drainage work crews maintain this road network so that it provides safe travel for motorists. The work crews operate out of Council depots located at Gin Gin, Childers, Kalkie, Sharon and East Bundaberg.

As well as maintaining and upgrading our road network, the roads and drainage work crews also maintain the stormwater drainage systems and the network pathways across the region. Council undertakes contract maintenance work for the Department of Transport and Main Roads on the state controlled road network and undertakes civil works for private entities and other Council departments.

Some of the major capital roadworks projects completed during the year included:

- \$4.4 million overlay, resheeting and reseal program;
- Monduran Road, Gin Gin - widening from the Bruce Highway;
- Sharon State School car parking area;
- Raines Road, Sharon – sealing project;
- Reconstruct Bargara Roads - Moodies, Watsons and Woongarra Scenic Drive;
- Foleys Road, North Gregory – full construction;
- Lucketts Road, Childers – shoulder sealing;
- Harbour Esplanade, Burnett Heads - construction east of Wallace Creek;
- Barolin/George Streets, Bundaberg - roundabout reconstruction;
- Palm Court, Moore Park Beach – drainage improvements;
- Mildren Street, Gin Gin – trunk drainage;
- Goodwood Road, Bundaberg – detention basin;
- Parklands, Branyan – outlet drainage.

## Water and Sewerage

Council provides water and wastewater services to approximately 86,000 residents throughout the Bundaberg region. Major centres offered these services include Bundaberg City, Bargara, Childers, Gin Gin and Woodgate.

This section operates and maintains a significant proportion of Council's total assets. These assets include water treatment plants, wastewater treatment plants, pumping stations and network assets with an approximate asset value of \$480 million.

Council's standards are categorised by the continuity and quality of water supply and the effective transport of wastewater. Council's performance in these areas has highlighted the emphasis on maintenance and asset renewals during the year.

Council continues to meet its targets for long term continuity of water and wastewater services.

The following major projects were completed during 2009/2010 financial year:

- Improvements to the sewerage network in Bargara along Woongarra Scenic Drive;
- Enhancement of the Water and Wastewater SCADA/Telemetry system for Bundaberg City;
- Concept planning for the provision of sewerage for Bundaberg and the coastal areas;
- Continuation of a program to refurbish Council owned water bores to improve reliability;
- Gahans Road sewerage extension to accommodate future growth in the East Bundaberg catchment;
- Re-surveying of the sewerage infrastructure in Gin Gin;
- Replacement of old and faulty water valves and hydrants in Childers to improve fire fighting capabilities.

## Support Services

Infrastructure Support Services provides management of assets, building projects, design and survey, fleet and trade services and offers advice, assistance maintenance and construction services across Council's operational sections.

Assets Management have continued implementation of the Assetic Asset Management Software for Council's \$1.85 billion of assets, with priority implementation of data collection, maintenance scheduling and modelling in the areas of roads, drainage and sewerage.

The section has also commenced development of Asset Management Plans for all asset classes required under the Local Government Act.

Building Projects provided project management support for completion of the following:

- Terminal and runway upgrade and extension works of Bundaberg Regional Airport;
- Major alterations to Council's buildings and facilities;
- Council's Q150 Projects for the Bargara Cultural and Community Centre and Childers War Memorial works;
- Relocation of Bundaberg Clay Target Club;



- Non-directional beacon relocation at Bundaberg Regional Airport;
- Restoration of the Sussex Street water tower; and
- 19 RLCIP funded projects including:
  - Disabled lift to School of Arts building;
  - Construction of toilet block at Kentucky Bluegrass;
  - Upgrades to community halls, swimming pools and sports grounds;
  - Bicycle track at Lake Ellen Heritage Hub;
  - Construction of bridge on turtle trail linking Bargara and Burnett Heads; and
  - Construction of exhibition area for “Denizens of the Deep” woodcarvings.

In addition, the Building Project Construction section assisted with 265 minor construction/maintenance jobs supporting operational sections across the organisation and several large general projects including Childers War Memorial; Childers Streetscape; Gin Gin Streetscape (current project); Chinese Pavilion; Botanic Gardens; and Gahans Road Sewer Pump Station.

Design and Survey sections have completed their investigation and design portfolio for approved roads capital works, in addition to their normal work on Council’s capital and maintenance programs for roads and drainage, special projects, water, sewerage, parks and facilities. Designs for significant projects included work on the Bundaberg Aero-Precinct; district boat ramp facilities at Kalkie; Riverview and North Bundaberg; approaches to Wallace Creek Bridge and various upgrades to water and sewerage treatment and pumping facilities.

Fleet Services has managed and maintained 1,568 units (637 Major Plant valued at \$22,250,633 and 931 Minor Plant valued at \$1,381,784) and continued development and implementation of the fleet asset management system with a strong focus to protect Council investment in this area.

During 2009/2010, fleet services concentrated on flexibility and co-ordination in the operations of its six (6) mechanical workshops with purchasing low loaders and tilt tray trucks to aid in shifting plant within the region. This equipment will facilitate reduction in the number of plant units in the future. 160 fleet items (78 major and 82 minor) were purchased or replaced during the 2009/2010 year.

Trade Services section undertook almost 3,600 jobs in 2009/2010 providing extensive support work in maintenance and minor construction projects in the areas of water and wastewater processing, pumping, building, refrigeration and air-conditioning across electrical (1,681), communication (106), metal trades (1,173), painting (183) and project supervision (454).

A significant project for trade services was the completion of the new communications tower on the Sloping Hummock and installation of a new system of repeaters between Qunaba, Mt Watalgan and Mt Goonaneman to provide a total two-way radio system coverage to the regional Council area.

The first stage of a multi-year project to install an integrated control and monitoring system (SCADA) for Council’s water operations (involving electrical, instrumentation and metering installations) was also completed.

Trade Services co-ordinated and performed hundreds of mandatory compliance checks of electrical, mechanical, gas, lifting and emergency installations across the organisation on behalf of operations and Workplace Health and Safety.



# PLANNING AND DEVELOPMENT SERVICES

The Planning and Development Directorate focuses on the sustainable development and future economic well-being of the region. Its charter includes land use planning, regulation of new development including building, the facilitation of Regional Strategic Projects as well as undertaking economic development and tourism initiatives.

Sections within Planning and Development include Planning, Sustainable Development, Building & Plumbing Services and Economic Development (incorporating Strategic Projects and Tourism). A brief overview of these key areas for 2009/2010 is provided below:-

## Planning Assessment

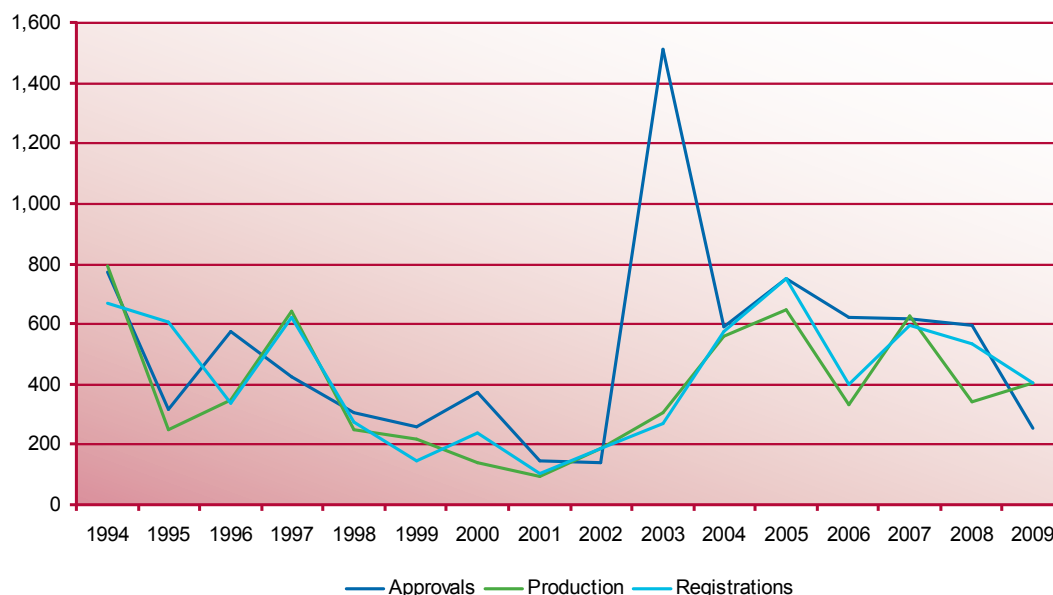
The impact of the global financial crisis has been reflected in lower than average levels of development within the region in the last twelve (12) months. This has been compounded by the development industry awaiting the release of the State Government Wide Bay Burnett Regional Plan 2031 due in the later part of 2010.

461 Planning Applications were processed during the 2009/2010 period as compared to 628 during 2008/2009.

Council has sought to be more responsive to the needs of the development industry and has met regularly with local representatives of the Urban Development Institute of Australia to listen to its concerns.

Council recognises that sustainable urban development is a significant contributor to the region's economic well-being and prosperity. To foster efficiency and enable the community to have better access to planning information, Council has partnered with the Housing Affordability Fund, Electronic Development Assessment Team to further implement electronic application lodgment, approval and planning information systems which will soon be available through Council's website.

The following graph indicates urban residential land development activity in the Bundaberg Region, year to December 2009:-





## Strategic Planning

Council’s vision to ensure a prosperous and sustainable development for the future has been strengthened with the creation of a Strategic Planning Unit within the Planning and Development Directorate this year. This section’s primary task is to manage the drafting of a new Planning Scheme which will drive regional development into the next decade. The Strategic Planning section is working closely with the “Bundaberg Region 2031 Community Plan” group to ensure the community’s visions are facilitated by the new Planning Scheme.

It is expected that the new Scheme will be available to the public in approximately two (2) years.

## Sustainable Development

Sustainable Development manages the construction of development works undertaken within the region.

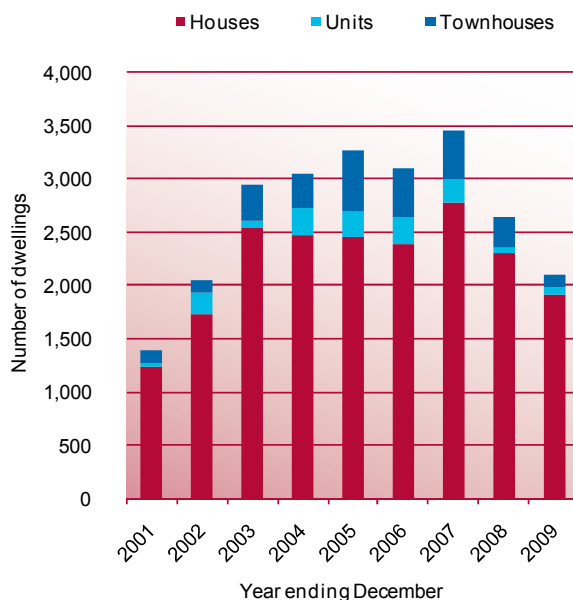
The following significant projects were constructed in 2009/2010:-

- One Mile Crossing Estate – off Jealous Road
- Parklands Estate, Stage 8 – off Isis Highway
- Kensington, Stage 4 – off Johanna Boulevard
- Childers Shining Estate – Childers

## Building and Plumbing Services

The Building Certification Group assessed 2480 building applications with a constructed value of \$273,731,523 for 2009/2010. Council has been selected to be part of a pilot project to develop a system for electronic lodgment and approval of plumbing and drainage applications. This is an exciting step forward for the plumbing industry. The adjacent table provides an indication of building activity within Bundaberg Region as compared to other Regional areas during the last decade.

### Dwelling approvals by type, Wide Bay Burnett (WBB)



## Economic Development

Council's Economic Development section continues to experience extremely busy times with many projects coming to fruition across the region. The Bundaberg Regional Economic Development Strategy 2009-2014 provides clear direction for economic activities across the region and as such is seen as a key reportable tool for Council.

Key outcomes for 2009/2010 include:

- Completion of the runway upgrade at the Bundaberg Regional Airport;
- Construction of the upgrade of the Bundaberg Regional Airport terminal to cater for jet services;
- Completion of the design for a 34 lot commercial and industrial subdivision located within the Bundaberg Regional Aviation and Aerospace Precinct;
- Commencement of construction of the Gin Gin Streetscape, with Council successfully securing State and Federal Government funding of \$750,000 and \$1,800,000 respectively;
- Completion of the Childers War Memorial upgrade;
- Design and erection of 'Discover the Spirit' entry statements across the region;
- Upgrade of facilities within the Botanic Gardens to in order to develop quality tourism product across the region.

In conjunction with the Port of Bundaberg, Council continues to fund the Bundaberg Region Futures Program to provide economic development advice and support through the identification and facilitation of business and industry opportunities to result in new economic growth. In addition, Council continues to fund the Sister Cities Program and has developed specific programs and initiatives aimed at maximising economic opportunities between the regions.

Council's Events Development section have also endured a busy period with the successful staging of Council run events, including the Childers Festival of Cultures and Chinese New Year, and the support of externally driven events, including the Bundaberg Multicultural Festival, Bundy Thunder and Wide Bay International Airshow. The Events Development section plays an integral role in attracting key events to the region and works with the community to maximise the economic benefits of events within the region. In 2009 Council was successful in its bid to host the 2011 Australian Jazz Convention.



## Tourism

The Bundaberg Regional Council's Tourism section used innovation and best practice to grow its range of successful commercial business entities, amid a highly challenging year. A year in which the tourism industry struggled with global, national and local financial constraints.

The Hinkler Hall of Aviation, Council's spectacular aviation adventure experience and visitor attraction, continued operation and expanded its community appeal with greater linkages with other local attractions. This culminated in the development and launch of a local attraction passport. Several thousand local residents, visitors and tourists have enjoyed a tour of the facility located in the Bundaberg Botanic Gardens, and commercial outlets The Aviator's Store and Café 1928.

The commercial accommodation service provider Bundaberg Holiday Parks achieved a record-breaking year for caravan site and cabin reservations. The business unit operates holiday parks in the Bundaberg CBD ('Finemore Holiday Park'), and at prime coastal locations including Burnett Heads ('Burnett Heads Lighthouse Holiday Park'), Elliott Heads ('Elliott Heads Holiday Park') and Miara ('Miara Holiday Park'). In addition, a permit-based bush camping facility is operated at Norval Park.

Council continued its support of accredited visitor information services within the Bundaberg region, operating the highly popular 7 day Childers Visitor Information Centre and funding operation of the Gin Gin Visitor Information Centre.



## Key Statistics On Organisation Performance

The information provided below displays statistical evidence and trends on the volume of work undertaken by Council in specific service delivery areas that contribute to our vision of a Vibrant, Progressive, Connected and Sustainable region.

| INDICATORS                                 | 2006/07   | 2007/08  | 2008/09   | 2009/10   | ANALYSIS   |
|--|-----------|--|---|---|--|
| Library Membership                         | 31,900*   | 34,203   | 39,227  | 43,349  |  |
| Library items borrowed                     | 1,102,696 | 1,040,124  | 1,074,002   | 1,091,716   |  |
| Art Centre visits                          | 15,962    | 18,360   | 26,206  | 22,487  |  |
| Development applications received          | N/A       | Planning - 1137<br>Operational Works - 136<br>Building - 2363<br>Plumbing - 1048 | Planning - 1127<br>Operational Works - 105<br>Building - 2520<br>Plumbing - 935 | Planning - 519<br>Operational Works - 161<br>Building - 2728<br>Plumbing - 1022 | Application numbers have remained similar to last financial year figures   |
| Employment rate of total Region population | N/A       | N/A  | 92.2%   | 92.9%   | 2006 Census  |
| Total kerb side waste placed into landfill | N/A       | 19,194   | 21,753  | 22,500  |  |
| Total kerb side waste recycled             | 3,585     | 4,164  | 4,682   | 4,918   |  |
| Customer Service Request                   | N/A       | N/A  | 79,477  | 52,288  |  |
| Correspondence received by Council         | N/A       | N/A  | 52,865  | 35,606  |  |
| Staff turn over                            | N/A       | N/A  | 6.6%  | 9.01%   | As a business we have just commenced collecting exit interview questionnaires. To date no trends have been identified. |



## Internal Audit and Risk Management

Council's Internal Audit and Risk Committee is an advisory committee established in accordance with its charter, under Council's Audit and Risk Management Policy. It complements the relationship between internal audit and the wider organisation, safeguarding internal audit's independence and further increasing the internal audit function's effectiveness and value to Council.

The committee provides a review and monitoring function over Council's corporate assurance, audit, risk management and corporate governance activities and arrangements. The committee reports to Council through the General Committee, on issues within its charter. At 30 June 2010, membership of the Audit Committee comprised;

Mayor L Pyefinch, Chairman,  
Cr G Barnes Finance Portfolio spokesperson,  
Cr D Batt Governance Portfolio spokesperson,  
Mr D Green External Community Representative,  
Ms S Barletta External Community Representative,  
Mr P Byrne Chief Executive Officer (advisory only), and  
Mr G Hart Director Governance (advisory only).

The Audit and Risk Committee is also attended by representatives from both the internal and external audit providers. During the reporting year Council appointed Ulton Group as Council's contracted Internal Audit Firm. The internal auditors have conducted five (5) audits during the financial year with the reports being presented to the committee.

The committee has also established a three (3) year audit plan and a number of Internal Quality Audit teams with the aim of enhancing current work processes. The teams have completed their first round of audits and the findings will be presented to the committee at the August 2010 meeting.

The internal audit and risk committee has held three (3) meetings and attended Audit and Risk Management training. At these meetings the committee reviewed the external audit management letter. The external audit was conducted by the Queensland Audit Office assigned auditors, Deloitte Touche Tohmatsu who made 17 audit recommendations of which 16 have been finalised with the final recommendation being 85% complete.

## Public Participation

During the period to June 2010, members of the public had a number of opportunities to put forward their views on particular issues by way of:

1. Deputations – With the permission of the Mayor, a member of the public may be given the opportunity to address Council personally or on behalf of a group of residents on a matter within the jurisdiction of the Council;
2. Where a development application requires impact assessment and is required to be publicly notified the general public are invited to provide comment or representation in respect of the proposal to Council;
3. Petitions – Written petitions can be addressed to any elected member for presentation to Council on any issue within the Council's jurisdiction;
4. Written Requests – A member of the public can write to the Chief Executive Officer on any Council policy, activity or service;

5. Elected Members – Members of the public can contact their elected representative to discuss any issue relevant to Council;
6. Consultative Groups – Council has established a number of Consultative Groups to seek feedback from the public;
7. Public Participation – Council has established an internet site [www.bundaberg.qld.gov.au](http://www.bundaberg.qld.gov.au) which the public are welcome to provide feedback to Council and ask for information on the range of Council services.

Members of the public who wish to raise an issue or require a response to a particular matter are invited to forward a letter addressed to the Chief Executive Officer marked 'Public Participation' outlining their concerns.

Council's Ordinary Meetings were held at various "regional" centres during the year, including Elliott Heads and Boolboonda, Wallaville and Woodgate. At each of these meetings, a Community Consultation Forum was held after the meeting, so residents could talk to the Councillor of their choice. These one-on-one meetings are also available after each Ordinary Meeting held in the main Bundaberg Council Chambers.

## Community Consultation

The Council consults with local residents, community groups and industries on particular issues that affect them and their community or the region as a whole. Council has conducted a number of community consultations up to June 2010.

The Childers Community Plan was a major Council project, where the community was consulted, through a written survey and public meetings where residents could have their say.

The Gin Gin Streetscape was another major project where Council encouraged residents' feedback. A Focus Group, made up of all interested residents, reviewed all elements of the landscape design, including layouts, site restrictions, tree and plant varieties coupled with the proposed solutions and opportunities to the identified community concerns and issues. Council's gardeners and landscape architect continue to work with community volunteers on tree and plant variety selections and placements.

Council has a "Bright Ideas" Box at Hinkler Central Shopping Centre in Bundaberg, where residents are encouraged to submit their "bright ideas" for the region. The box was installed in December 2009 and, up to 30 June 2010, 118 submissions were received. Council's website also has a "Have your Say" online forum. Councillors also attended local markets during the year so residents could talk to them about issues they are interested in.

Residents and industries were also invited to attend consultative meetings throughout the year to discuss with the Mayor and Councillors matters of concern and community interest.

Council has also set up a Community Conservation Advisory Group, with representatives of the region's various conservation groups.

A consultant was engaged to consult with the community in relation to the development of a management plan for Innes Park. The consultation process has been completed and a plan adopted by Council.

Consultation has been made regularly with airport operators through the Airport Users Group that has assisted with the effective operation of the various stakeholders who use the airport.

Councillors together with Senior Council Officers have consulted with the Development Industry through regular meetings with the Urban Development Institute of Australia (UDIA) Consultation Group.

Presentations by the Manager Economic Development have been made on various projects to the Bundaberg, Gin Gin and Childers Chambers of Commerce.



Local Government Finance Standard requires the following details:

## Overseas Travel

**Overseas travel undertaken during the financial year by a Councillor or employee of the local government—**

No Councillors or employees undertook Council funded overseas travel during the financial year.

**Services rendered by a consultant, summarised by reference to categories of services are:**

- Community and Cultural \$23,163.27
- Executive Services \$nil
- Finance \$104,623.62
- Governance \$59,068.17
- Health \$274,558.60
- Infrastructure \$116,560.41
- Planning and Develop \$304,976.75

## Entertainment or Hospitality Services

Entertainment and hospitality services cost totalled \$2,334.15

## Advertising

Advertising costs for public notices, positions vacant, road closures and land sales totalled \$87,627.49

## Grants to Community Organisations

Donations to the community totalled \$662,261.41



## Councillors Remuneration

Councillors' remuneration table 1 July 2009 to 30 June 2010

| COUNCILLOR   | GROSS SALARY**      | SUPERANNUATION CONTRIBUTIONS | CONFERENCES AND OTHERS | HOME INTERNET MOBILE PHONE | MILEAGE            | TOTAL                 |
|--------------|---------------------|------------------------------|------------------------|----------------------------|--------------------|-----------------------|
| L Pyefinch   | \$130,421.00        | \$15,650.52                  | \$12,059.93            | \$1,789.59                 | nil                | \$159,921.04          |
| A Bush       | \$82,230.00         | \$9,867.60                   | \$1,776.90             | \$1,385.92                 | \$10,000.00        | \$105,260.42          |
| T Ricciardi  | \$92,580.00         | \$11,109.60                  | \$16,443.91*           | \$2,158.79                 | \$4,823.52         | \$127,115.82          |
| W Honor      | \$82,230.00         | \$9,867.60                   | \$14,094.45*           | \$1,759.17                 | \$6,424.77         | \$114,375.99          |
| M Wilkinson  | \$82,230.00         | \$9,867.60                   | nil                    | \$797.62                   | nil                | \$92,895.22           |
| G Barnes     | \$82,230.00         | \$9,867.60                   | \$1,575.76             | \$1,784.56                 | \$6,899.55         | \$102,357.47          |
| D Rowleson   | \$82,230.00         | \$9,867.60                   | \$29.06                | \$1,334.31                 | \$8,700.00         | \$102,160.97          |
| R Sommerfeld | \$82,230.00         | \$9,867.60                   | \$4,617.16             | \$1,259.35                 | \$4,843.26         | \$102,817.37          |
| D Batt       | \$82,230.00         | \$9,867.60                   | \$3,440.00             | \$1,078.93                 | \$4,789.62         | \$101,406.15          |
| J Peters     | \$82,230.00         | \$9,867.60                   | \$12,768.16*           | \$1,214.46                 | \$817.65           | \$106,897.87          |
| L Forgan     | \$82,230.00         | \$9,867.60                   | \$4,093.94             | \$1,444.01                 | \$4,269.28         | \$101,904.83          |
|              | <b>\$963,071.00</b> | <b>\$115,568.52</b>          | <b>\$70,899.27</b>     | <b>\$16,006.71</b>         | <b>\$51,567.65</b> | <b>\$1,217,113.15</b> |

\*Includes Council supplied motor vehicle costs and Councillor contribution to running costs.

\*\*Mayor and Councillors remuneration paid in accordance with Remuneration Tribunal [HTTP://dip.qld.gov.au](http://dip.qld.gov.au)

## Total of Meetings attended July 2009 to June 2010

| COUNCILLOR                                | L PYEFINCH | A BUSH | T RICCIARDI | W HONOR | M WILKINSON | G BARNES | D ROWLESON | R SOMMERFELD | D BATT | J PETERS | L FORGAN |
|---|------------|--------|-------------|---------|-------------|----------|------------|--------------|--------|----------|----------|
| ORDINARY MEETINGS                         | 16         | 17     | 15          | 16      | 14          | 16       | 17         | 16           | 16     | 16       | 17       |
| PLANNING & DEVELOPMENT COMMITTEE MEETINGS | -          | -      | 22          | 26      | 22          | 27       | -          | 26           | -      | -        | -        |
| SPECIAL MEETINGS                          | 3          | 3      | 3           | 3       | 3           | 3        | 3          | 3            | 3      | 3        | 3        |
| TOTAL MEETINGS                            | 19         | 20     | 40          | 45      | 39          | 46       | 20         | 45           | 19     | 19       | 20       |

## Appointments To Committees and Other Bodies To June 2010

| NAME OF COMMITTEE / OTHER BODIES                                     | COUNCILLORS   |
|--|---|
| Local Disaster Management Group                                      | Cr. L. Pyefinch<br>Cr. D. Batt  |
| Bundaberg Regional Council Audit and Risk Committee                  | Cr. L. Pyefinch<br>Cr. G. Barnes<br>Cr. D Batt<br>(Cr. A. Bush and<br>Cr. M. Wilkinson - proxies) |
| Wide Bay Burnett Regional Water Supply Strategy Management Committee | Cr. A. Bush   |
| Wide Bay Burnett Regional Planning Advisory Committee                | Cr. L. Pyefinch<br>(Cr. R. Sommerfeld – proxy)  |
| Wide Bay Burnett Regional Roads Group                                | Cr. L. Pyefinch<br>Cr. W. Honor   |
| Urban Local Government Association                                   | Cr. L. Pyefinch   |
| Bundaberg Area Committee Crime Stoppers Queensland                   | Cr. W. Honor<br>Cr. G. Barnes<br>Cr. L. Forgan  |
| Life Education Bundaberg   | Cr. L. Forgan   |
| Bundaberg Region Limited   | Cr. L. Pyefinch<br>Cr. G. Barnes  |
| Bundaberg and District Vector Control Committee                      | Cr. M. Wilkinson<br>Cr. D. Rowleson   |
| Bundaberg Groundwater Area Advisory Committee                        | Cr. A. Bush<br>Cr. T. Ricciardi<br>(Cr. W. Honor – proxy)   |
| Hinkler Hall of Aviation Advisory Committee                          | Cr. L. Pyefinch<br>Cr. L. Forgan  |
| Bundaberg Toy Library  | Cr. L. Forgan   |

## Equal Employment Opportunity

Bundaberg Regional Council is committed to this philosophy throughout its management and operations and strives to be an Employer of first choice. Employment Opportunity Plan is supported by anti-discrimination, harassment and bullying policies which include the principles of Equal Employment Opportunity.

Through these initiatives Council is committed to enhancing the current gender and age balance across all job groups in the Council. Council also has a number of job share working arrangements and a number of staff taking advantage of Council's maternity incentives and flexible working arrangements. Council has sourced grant funding to attract and support 'at risk' target employment categories. Council also employs a number of trainees, apprentices and long term unemployed personnel.

Employment status and staff age and department are:

### Employment Status

| GENDER  | FULL TIME | PART TIME | CASUAL | TOTAL |
|---------|-----------|-----------|--------|-------|
| Females | 170       | 21        | 46     | 237   |
| Male    | 608       | 5         | 34     | 647   |
| Total   | 778       | 26        | 80     | 884   |

### Employee Age Group

| AGE    | <24 | 25-34 | 35-44 | 45-54 | 55-65 | >65 |
|--------|-----|-------|-------|-------|-------|-----|
| Male   | 47  | 82    | 136   | 237   | 127   | 18  |
| Female | 44  | 47    | 52    | 62    | 31    | 1   |





## Code of Conduct for Staff - Public Service Ethics Act 1994

In accordance with the Public Sector Ethics Act 1994 Council is required to prepare and report on a Code of Conduct for its employees. The Bundaberg Regional Council resolved in 2008 to establish a Code of Conduct and ensure that all employees are aware of their responsibilities in the code, Council has carried out the following;

- Placed the Employees Code of Conduct on Council's intranet site;
- Placed copies of the Employees Code of Conduct at all depots and offices;
- Undertaken training of all staff and is a regular component in the education of new employees.

## Councillors' Code of Conduct

In accordance with the Local Government Act 1993, elected members can either adopt a Code of Conduct or automatically fall under the Code of Conduct provided by the State Government. Bundaberg Regional Council applies the State Government model Code of Conduct for Councillors and complies with the obligations stated therein.

As well a register listing Councillors' material personal interests is also maintained. The Local Government Act 1993 requires elected members to declare any material personal interest in matters before Council and to remove themselves from any discussions or decision making on that matter. For a Councillor to have a material personal interest, there must be a personal benefit or gain received by the Councillor or a related person. For the reporting period there have been no breaches of the Code of Conduct by a Councillor.

## Registers open for inspection by members of the public

- Annual Budget
- Annual Report
- Land Record of Rateable Land
- Corporate and Operational Plans
- Council minutes
- Councillors' register of interests
- Council policies
- Delegations of authority
- Fees and charges (regulatory fees and other charges)
- Local law and subordinate local laws
- NCP business activities
- Statement of affairs

## Code of competitive conduct for business activities

In accordance with Local Government and Industrial Relations Amendment Act 2008, Council was not required to comply with sections 547 and 555 of the Local Government Act 1993 until 1 July 2009.

However Council elected to identify the following Business activities of our local government business entities to 30 June 2009 as:

### **Type 3 Business units:**

- Recoverable works (Main Roads) “other roads”
- Refuse Operations
- Caravan Parks
- Building Certification
- The Moncrieff Theatre

### **Type 2 Business units:**

- Water Business Unit
- Sewerage Business Unit

Council did not apply the code of competitive conduct and it will review its operations and identify Business units after 1 July 2009.

It is no longer proposed that the Moncrieff Theatre be considered a ‘competitive’ business activity for the purposes of formally applying National Competition Policy reforms on the basis that it is primarily non-commercial in nature, incurs relatively low levels of competition, the costs of applying the reforms outweigh the benefits, the activity is fundamentally operated as a community service funded largely by the general rate rather than relying on business revenues, and no commercial returns are expected from the activity.

It is no longer proposed that the Other Roads activity be considered a ‘competitive’ business activity for the purposes of formally applying NCP reforms given that it essentially provides an internal service to Council operations and meets the requirements of Main Roads under sole supplier arrangements. Further, no Competitive Roadworks activity is deemed to exist given that Council does not competitively tender nor actively seek out private roadworks.

### **Public Benefit Assessment – Waste & Recycling Activities and Water & Wastewater Activities:**

Council engaged AEC Group to undertake a Public Benefit Assessment of its Waste & Recycling Activities and Water & Waste Water Activities. These activities constitute financially significant Type 2 business activities under the relevant National Competition Policy provisions of the Local Government Act. Accordingly, a Public Benefit Assessment was required to be undertaken to review the appropriateness of adopting either Full Cost Pricing where the business remains a Council service or a Commercialised Business Unit where it would become a separate business unit within Council’s corporate structure. The Public Benefit Assessment demonstrated that when comparing the net community benefit of the available reform options, the adoption of the Full Cost Pricing business model provides the greatest net community benefit when compared with the Commercialised Business Unit business model.

## Competitive Neutrality Complaints

Under Section 847 of the Local Government Act 1993, no complaints were received.

## Tenders and Expressions of Interest

There were no changes to tenders pursuant to Section 488(2) of the Local Government Act 1993. There were no resolutions made by Council in relation to expressions of interest under Section 489(1) of the Local Government Act 1993 during the period.

## General Complaints Process Disclosures up to June 2010

The Local Government Act 1993 requires Council to have in place a General Complaints Process to investigate complaints regarding Council processes and to an extent, decisions. The process does not necessarily provide a review into the merits of a decision, nor question Council's role as a Decision Maker, but instead is a measure to ensure there has been compliance with process and natural justice.

It does not replace a person's legal recourse to external agencies such as the Office of the Information Commissioner, the Ombudsman, the Local Government Minister or their Department, Tribunals or Courts, but rather should act as a system of internal review.

In the 2009/2010 year there were two (2) applications for review under the General Complaints Process.

## Land

Council has control over approximately 5,036 ha of parkland (which includes 144ha leased to recreational groups). The parks include land owned by Council and Crown Reserves, for which Council is the trustee. Areas of some parks are leased to local clubs and associations.

Council also controls 2,989 km of roads on land defined under the Land Act 1994. (Roads not owned by Council)

## Reimbursement of Expenses and Provision of Facilities for Councillors Policy and Resolution.

At the commencement of the current Council term March 2008 the Councillors were governed by the State Government Interim Reimbursement of Expenses and Provision of Facilities for Councillors guidelines. This would remain until such time as Council adopted an approved Reimbursement of Expenses and Provision of Facilities for Councillors Policy.

Council passed a resolution adopting the Reimbursement of Expenses and Provision of Facilities for Councillors Policy

- (a) The Reimbursement of Expenses and Provision of Facilities for Councillors Policy (as detailed on the ten (10) pages) appended to this Report) be adopted by Council.
- (b) Council authorise the payment of reasonable expenses incurred and the provision of facilities to Councillors in accordance with the Reimbursement of Expenses and Provision of Facilities for Councillors' Policy as adopted by Council.

Council's General Meeting of 19 May 2009 G.1

The Reimbursement of Expenses and Provision of Facilities for Councillors Policy



# REIMBURSEMENT OF EXPENSES AND PROVISION OF FACILITIES FOR COUNCILLORS GOVERNANCE POLICY

## 1.0 Intent

To ensure compliance with statutory requirements and community expectations relating to the payment or reimbursement of legitimate expenses and the provision of facilities for the Bundaberg Regional Council Councillors while carrying out their duties and responsibilities.

To ensure that Councillors have the facilities and support necessary to perform their civic duties as elected representatives of their local communities.

## 2.0 Scope

The policy applies to Bundaberg Regional Council Councillors and Mayor.

## 3.0 Policy Objectives

The purpose of the policy is to ensure that the Mayor, Deputy Mayor and Councillors can receive reimbursement of reasonable expenses and be provided with necessary facilities in performance of their role.

## 4.0 Policy Objectives

### Background

The payment and/or reimbursement of expenses and the provision of facilities for Councillors must only be for the actual cost of legitimate business use and in accordance with *The Local Government Act 1993* (the Act) and the Guidelines for Councils:

Reimbursement of Expenses and Provision of Facilities for Mayors and Councillors (the Guidelines) as issued by the Queensland Department of Local Government Sport and Recreation (the Department).

Councillors should not be financially disadvantaged when carrying out the requirements of the role of Councillor and should be fairly and reasonably compensated in accordance with statutory requirements and community expectations.

The payment and/or reimbursement of expenses and provision of facilities for Councillors:

- is to be open and transparent, prudent, responsible, acceptable to the community and in accordance with statutory requirements;
- based on ensuring economy and efficiency; and
- subject to budget provisions.

Council must give public notice of the expenses reimbursement policy by publishing a public notice about the policy after it has been adopted. The public notice must be published in a newspaper circulating in the local government area as soon as practicable after adopting the expenses reimbursement policy.



Council's annual report must contain a copy of the policy and a copy of any resolution made during the year authorising payment of expenses or provision of facilities to Councillors. Council's annual report must also contain particulars about the expenses that were reimbursed, and the facilities that were provided to Councillors.

Councillors incurring expenses should not gain personal funds as a result of their role serving the community. All reimbursement of expenses or provision of facilities must be for legitimate business use only, that is, to enable Councillors to effectively and efficiently carry out their civic duties. Facilities and resources provided to Councillors by Council are for the sole use of. Councillors in undertaking their duties and must be used responsibly and appropriately. Spouses, partners and family members of Councillors are not entitled to reimbursement of expenses or to have access to facilities allocated to Councillors.

Failure to comply with this policy or misappropriation of expenses or facilities may be a breach of the Councillor Code of Conduct and/or an offence under the Criminal Code 1899.

## Definitions

**Council Business** means official business conducted on behalf of, and/or approved by Council or Mayor or Chief Executive Officer, where a Councillor is required to undertake certain tasks to satisfy legislative requirements or achieve business continuity for the Council. Council business should result in a benefit being achieved either for Council, the local government area or the community.

Council business includes functions that are a statutory requirement of the Councillor's role or are officially recorded in minutes or other public records. This might also include, attending an event or function to perform official duties or as an official Council representative, such as:

- ceremonial openings of buildings or facilities;
- fetes and carnivals;
- annual or presentation dinners;
- public meetings;
- private meetings arranged through official Council channels (i.e. documented in official records or diary for the purpose of conducting bona fide discussions of business of Council; and
  - At the meetings of the local government or its committees that the Councillor is entitled to or asked to attend, or at which the Councillor has business for a resident of the local government's area; and
  - At inspections or deputations, conferences and meetings at which the Councillor's attendance is permitted by the local government; and
  - At official functions organised for the local government; and
  - On residents of the area for the purpose of local government business.
  - Gathering of information by a Councillor necessary to inform him or her of an incident of interest to Council or which properly falls within the responsibility of Council.

**Councillors** include Councillors, the Mayor and Deputy Mayor.

**Civic duties** means Council business.

**Discretionary training** is any training that is not determined by the Mayor or Chief Executive Officer as "mandatory".

**Expenses** refers to expenses described in the guidelines.

**Facilities** refer to the facilities deemed necessary to assist Councillors in their role as shown in the guidelines.

**Mandatory training** is any training that the Mayor or Chief Executive Officer determines that Councillors must attend.

**Meal allowance** is the daily amount allowed for meals while travelling on Council business.

**Official capacity** refers to activities undertaken while on Council business.

**Public record** is any record created, received or kept in an official capacity.

**Representing Council** - A Councillor is representing Council when the Mayor or Chief Executive Officer determines that the Councillor is to attend an event or function as a representative of Council.

**Travel advance** is a cash payment paid in advance for anticipated expenses associated with travelling on Council business. A travel advance may include expenses for meals, accommodation and incidentals. All expenses must be reconciled at the return of the travel.

## 4.1 Expenses

The following expenses refer to actual expenses deemed necessary for Council business. Councillors are only entitled to payment/reimbursement for the expenses contained in the categories listed below.

### 4.1 Council Business

Where Councillors are attending to Council business such as meetings, functions or other activities in an official capacity, Council will pay for the approved expenses associated with that activity.

#### 4.1.1 Representing Council at Events and Conferences

Councillors may be required to attend a range of events and functions as part of their role in attending to Council business. Councillors may, for example, be required to attend significant sporting and other community events in an official capacity.

Where the Mayor has approved that a Councillor is required to attend an event or conference either regionally or nationally as a delegate of Council, Council will pay for expenses associated with attending that event. In the case of the Mayor being required to attend an event or conference either regionally or nationally as a delegate of Council the Chief Executive Officer can approve the attendance and Council will pay for expenses associated with attending that event.

Attendance at international conferences must be approved by Council.

#### 4.1.2 Professional Development

The payment of expenses for professional development requires Council approval.

##### 4.1.2.1 Mandatory Training

Councillors must attend training where the Mayor approves and where the Mayor is attending, the Chief Executive Officer approves, that all Councillors or a class of Councillors (e.g. newly elected Councillors) are to attend training courses, workshops, seminars or conferences for skill development related to a Councillor's role. Council will meet all costs.

Examples of mandatory training include, but are not limited to, training for Councillor induction, code of conduct, meeting procedures and legislative obligations.

##### 4.1.2.2 Discretionary Training

A Councillor can attend a conference, workshop or training that has been identified as relevant to their role (other than mandatory training as outlined above). The Mayor can approve and where the Mayor is attending, the Chief Executive Officer may approve such training.

The funding limit for discretionary training is \$5,000 for each Councillor during their four (4) year term in office.

### **4.1.3 Travel Costs**

Councillors may incur travel costs for a number of reasons including attendance at conferences, training or workshops.

In general, the most cost effective form of travel must be used. Councillors may request to travel using their own private vehicle for business purposes and claim a kilometre allowance based on log book details to substantiate their claim.

### **4.1.4 Accommodation**

When attending conferences, Councillors must take advantage of any package provided by conference organisers and therefore, stay in the recommended accommodation unless prior approval has been granted by the Mayor, and where the Mayor is attending the Chief Executive Officer has approved. In all other cases, the Mayor must decide, and where the Mayor is attending the Chief Executive Officer must decide what are legitimate accommodation costs for the purpose of reimbursement.

Councillors may receive up to \$20.00 per day to cover incidental costs incurred while travelling and staying away from home overnight.

### **4.1.5 Meals**

Councillors may claim for the reimbursement of each actual cost per meal when travelling for business related purposes.

Alternatively, Councillors may be paid a daily meal allowance of:

- Breakfast \$20.00
- Lunch \$30.00
- Dinner \$40.00

### **4.1.6 Hospitality Expenses**

Where Councillors incur hospitality expenses while conducting Council business, apart from official civic receptions organised by the Council, the maximum amount that may be reimbursed is:

- \$500.00 per annum for each Councillor; and
- \$6,000.00 per annum for the Mayor.

Where the Mayor has delegated the attendance at a function on the Mayor's behalf to another Councillor, any costs incurred by the Councillor for that function are to be charged against the Mayor's hospitality expense account.

Hospitality expenses related to official receptions and other functions organised by Council officers are met from relevant approved budgets.

### **4.1.7 Cab Charge and Public Transport**

Councillors may claim for cab charge facilities or reimbursement for public transport tickets (rail, bus, ferry) to attend on official Council business only.

## 4.2 Facilities

Facilities provided for Councillors must be deemed necessary and required to assist Councillors in their official capacity. In accordance with statutory provisions, Council may only provide Councillors with the facilities listed below.

All facilities provided to Councillors remain the property of Council and must be accounted for during annual equipment audits. The facilities must be returned to Council when the Councillor's term expires, unless Council agrees to dispose of the facility in some other manner.

### 4.2.1 Administrative Tools and Council Office Amenities

#### 4.2.1.1 Office Space and Access to Meeting Rooms

Council provides office accommodation and access to meeting rooms for Councillors.

The standard of Councillor office accommodation is as approved by the Chief Executive Officer. Furniture and fittings for Councillor offices will be of a standard to allow Councillors to adequately undertake their roles as a Councillor. In general, rooms provided for Councillor use will be located at Council owned or controlled premises such as libraries, community centres or branch offices.

#### 4.2.1.2 Secretarial/Administrative Support

Council will provide administrative support for Councillors with Councillor Support Staff employed under Council's usual terms and conditions of employment.. Relief staff will be provided where practical and shall be subject to budgetary and operational constraints.

The Mayor is entitled to a full time Executive Assistant under Council's usual terms of employment.

#### 4.2.1.3 Computer for Business Use

Councillors are provided with a desktop or a laptop computer for Council business use at the Councillor's office.

Where a Councillor is provided with a desktop computer at the Councillor's office, Council will approve a desktop computer for the Councillor's home office if required.

Where a Councillor is provided with a laptop computer, Council will provide a docking station and monitor for the Councillor's office and the Councillor's home office if required.

The standard of computer shall be similar to that available to Council managers, including provision of wireless/remote access to Council's information technology system.

#### 4.2.1.4 Landline (Councillor Offices)

Councillors are provided with a Council landline telephone and internet access for business use.

#### 4.2.1.5 Fax and/or Scanner (Councillor Offices)

Councillors are provided with a shared facsimile and scanner for business use at the Councillor's office.

#### 4.2.1.6 Printer, Photocopier, Paper Shredder (Councillor Offices)

Councillors are entitled to a printer, paper shredder and shared photocopier for business use at the Councillor's office.

Councillors will be entitled to a printer at the Councillor's home office if required. The standard of printer will be similar to that available to Council managers.

#### **4.2.1.7 Stationery**

Councillors are provided with Council stationery for official purposes only. Council stationery (such as letterhead) is not to be converted or modified in any way and may only be used for carrying out the functions of the role of Councillor. Stationery does not include any form of advertising or promotional material produced by Council.

Stationery will be provided similar to that available to Council managers.

#### **4.2.1.8 Publications**

Councillors are provided with copies of relevant legislation, books and journals considered necessary for undertaking their duties.

Where possible, these items will be provided in electronic format. Publications approved by the Mayor and where the Mayor is requesting a publication, approved by the Chief Executive Officer, Council will meet the costs of such publications.

#### **4.2.1.9 Other Administrative Necessities**

Subject to Council approval, Councillors may be provided with any other administrative necessities to meet the business of Council.

#### **4.2.1.10 Advertising**

Council will not reimburse or provide funds, services or facilities for the purposes of advertising for Councillors.

#### **4.2.1.11 Community Consultation**

Councillors may use facilities provided to correspond with community representatives for the purpose of clarifying issues that are relevant to their portfolio, division or the region in general.

Where a Councillor chooses to undertake further community consultation on a particular matter, in addition to that approved by Council, the Councillor is responsible for those costs.

### **4.2.2 Home Office**

Councillors may be provided with home office equipment comprising a computer, or laptop docking station, facsimile machine, printer and internet access for business use only.

Where Council does not provide an internet connection at the Councillor's residence the Council will reimburse 50% of the monthly internet costs to the Councillor.

### **4.2.3 Maintenance Costs of any Council Owned Equipment**

Council will cover all ongoing maintenance costs associated with Council owned equipment to ensure it is operating for optimal professional use.

### **4.2.4 Name Badge, Uniform and Safety Equipment**

Councillors will be provided with a name badge and jacket as well as being provided with any safety equipment such as overalls, safety helmets or glasses, as required, in their role.

## 4.2.5 Vehicles, Fuel and Parking

### 4.2.5.1 Mileage on Private Vehicle

A Councillor who uses their private motor vehicle for official Council business will be paid a monthly mileage allowance in accordance with the Australian Tax Office business use of motor vehicle cents per kilometre method and kilometre rate applicable at time of travel.

A Councillor who uses their private vehicle for Council business will undertake a monthly reconciliation of Council business mileage for the private vehicle and seek reimbursement from Council for the actual mileage amount incurred for the month.

The mileage allowance reimbursement will be paid up to a maximum of \$10,000 (6 cylinder vehicle) and \$8,700 (4 cylinder vehicle) per annum. Should the Councillor exceed the maximum amount they may elect to be supplied with a Council provided vehicle.

Council will provide a GPS device (e.g. Navman) for use by Councillor.

### 4.2.5.2 Council Owned Vehicle

Councillors may be provided with a Council owned vehicle for official business, with access to private use of that vehicle being subject to reimbursement to Council for expenses (see below) associated with the private use of the vehicle.

- (1) The expense for private use shall be calculated such that the contribution by the Councillor will be either:
  - 2% of the Councillor's annual remuneration (excluding the amalgamation loading) or
  - based on actual private use of the vehicle for the month with the private use reimbursement calculated in accordance with the Australian Tax Office business use of motor vehicle cents per kilometre method and kilometre rate applicable at time of travel.

Councillors must advise the Chief Executive Officer of which contribution method they choose.

- (2) Vehicles provided will be in accordance with Council's fleet management practices and Use of Council Vehicle Policy and will be purchased or leased ensuring a low carbon footprint.

All vehicles are to be approved by the Chief Executive Officer or their delegate.

- (3) All fuel and maintenance costs will be paid by Council.
- (4) Council will provide parking facilities for Councillors at their base office locations. Council will provide parking facilities for all Councillors at Council buildings for the purpose of Committee and Ordinary Council meetings.
- (5) Council will provide a GPS device (e.g. Navman) to each vehicle.
- (6) Where a Council motor vehicle is provided to a Councillor, the Use of Council Vehicles Policy is applicable to the use of the vehicle.



#### **4.2.6 Telecommunication Needs**

Councillors will be provided with a mobile telephone or a hand held PDA palm pilot device (e.g. Blackberry).

Council will pay for all costs associated with the business use. Any personal calls made by the Councillor must be reimbursed to Council. In this context, Council acknowledges that, in principle, it will accept prima facie 5% of the total call charges for a mobile telephone being considered as personal calls and therefore subject to reimbursement to the Council by the Councillor. This principle is subject to review, on a case by case basis should it become evident to the Chief Executive Officer that 5% is reasonably insufficient to cover the actual personal calls for any specific telephone account.

Alternatively, a Councillor may elect to undertake a detailed review of each monthly telephone account and provide reimbursement to Council for the actual amount incurred for private use.

Council will pay for the cost of home internet access for business use only.

#### **4.2.7 Legal Costs and Insurance Cover**

Council may decide, pursuant to s240 of *The Local Government Act 1993*, to cover costs incurred through any inquiry, investigation, hearing or legal proceedings into the conduct of a Councillor, or arising out of, or in connection with the Councillor's performance of his/her civic functions.

Councillors will be covered under Council insurance policies while discharging civic duties. Specifically, insurance cover will be provided for public liability, professional indemnity, Councillor's liability, personal accident and/or workers compensation, international and domestic travel insurance.

#### **4.2.8 Credit Card**

A credit card may be made available to the Mayor and Deputy Mayor and will be issued with the approval of the Chief Executive Officer. The credit card should only be used for extraordinary business expenses directly related to the Mayor or Deputy Mayor attending to Councils business.

Personal expenses not related to the business of Council must not be charged to the credit card.

A statement of expenses including all receipts must be used to reconcile all credit card expenditure and must be submitted to the Chief Executive Officer within seven (7) days of receiving the credit card statement.

#### **4.2.9 Provision of Meals**

Councillors will be provided with light meals and morning and afternoon teas if they are required to attend statutory or other prescribed Council meetings that extend over these meal periods.

#### **4.2.10 Non Allowable Expenses**

Requests for payment/reimbursement of expenses associated with the following will not be paid or reimbursed:

- unreasonable alcohol expenses (a glass of alcoholic beverage with a meal is not considered unreasonable).
- unreasonable personal telephone expenses (a short daily telephone call to home would not be considered unreasonable).
- toiletries
- mini bar purchases
- traffic infringements
- laundering or dry cleaning
- airline membership
- in flight and in house movies
- expenses incurred by or on behalf of others such as partners, family members and associates

## 5.0 Controls

This policy is in compliance with the Guidelines for Councils - Reimbursement of Expenses and Provisions of Facilities for Mayors and Councillors issued by the Chief Executive of the Department of Infrastructure and Planning and *The Local Government Act 1993*.

## 6.0 Effective From

The Councillor's Expenses Reimbursement and Provision of Facilities Policy was adopted by Bundaberg Regional Council on the 19 May 2009 (Item G1).

## 7.0 Associated Documents

*Local Government Act*

Guidelines for Councils - Reimbursement of Expenses and Provisions of Facilities for Mayors and Councillors

GP-3-005 Use of Council Vehicles Governance Policy

# REVENUE GOVERNANCE POLICY

## 1.0 Intent

To set the principles which Council will use for:

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

Whilst observing these principles Council may apply any of the relevant provisions of the Local Government Act, Local Government Finance Standard and Local Government Regulation relating to formulating, levying, applying concessions and recovery in its system of Rates and Charges.

## 2.0 Scope

This policy applies to the making of rates and charges, the levying of rates, the recovery of rates and charges, and concessions for rates and charges.

## 3.0 Policy Objectives

To meet the requirements of legislation including section 513 of the Local Government Act 1993.

Transparency, Simplicity, Equity, Fiscal Responsibility, Efficiency and Flexibility in making of rates and charges, levying of rates, recovery of rates and charges, and concessions for rates and charges.





## 4.0 Policy

### 4.1 Principles used for the making of Rates and Charges

In deciding the General rate, Council will consider the total projected expenditure and other revenues from providing its services to the community.

Where possible, Council will be guided by the principle of user pays for the making of rates and charges for Water, Sewerage and Cleansing to minimise the impact of rating on the efficiency of the local economy.

In accordance with the Fire and Rescue Services Act 1990, Council is required to collect a fire levy on behalf of the Queensland Fire and Rescue Services. The levy is not a Council charge and the funds collected are remitted to the Queensland Fire and Rescue Services.

Council will also have regard to the principles of:-

- Having in place a rating regime that is simple and inexpensive to administer;
- Equity by taking account of the different levels of capacity to pay within the local community;
- Flexibility to take account of changes in the local economy.
- Transparency in the making of rates and charges;

In determining rates and charges the Council will have regard to reserves held or desired to be held in respect of asset replacement and/or specific purpose reserve funds. Reserves will be used for designated purposes, funding of “internal” loans when surplus reserves are available, and balancing of under or over expenditure against against. the original budget estimates.

In making water service charges the Council may consider the community benefits (health, safety, city aesthetics, etc) gained by classes of landowners using this service.

## 4.2 Principles used for the levying of Rates

In levying rates Council will apply the principles of:

- Making clear what is the Council's responsibility to the rating system and each ratepayers' responsibilities in paying for the levy, ability to enjoy prompt payment discount and the application of interest for overdue rates;
- Making the levying system simple, efficient, and inexpensive to administer in order to minimise costs;
- Making clear the method of calculating the sums payable by a ratepayer;
- Empathy through flexible payment arrangements for Ratepayers experiencing financial difficulty in meeting their rating obligation;
- Discounting certain levies for payment by the due date;
- Timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy.

## 4.3 Principles used for the recovery of Rates and Charges

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. It will be guided by the principles of:

- Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them meet their financial obligations;
- Making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective;
- Capacity to pay in determining appropriate arrangements for different sectors of the community;
- Equity by having regard to providing the same treatment for ratepayers with similar circumstances;
- Flexibility by responding where necessary to changes in the local economy.

## 4.4 Rebates and Concessions for Rates and Charges

Statutory provision exists for the Council to remit or postpone rates in certain circumstances. These provisions are detailed in Part 6, Chapter 14 of the Local Government Act of 1993.

In considering the application of concessions, Council will be guided by the principles of:

- The same treatment for ratepayers with similar circumstances;
- Transparency by making clear the requirements necessary to receive concessions;
- Flexibility to allow Council to respond to local economic issues.
- Equity by having regard to the different levels of capacity to pay within the local community.

Consideration may be given by Council to granting a concession to a class of landowner without the need for an individual application (e.g. in the event an area is declared a natural disaster area by the State Government).

## 5.0 Controls

Section 513 of the Local Government Act 1993 requires the following in regard to a Local Government's Revenue Policy:

### ***“513A Preparation and adoption of revenue policy***

- (1) A local government must, for each financial year, prepare and, by resolution, adopt a revenue policy.*
- (2) The local government must ensure each revenue policy is prepared and adopted in enough time, before the start of the financial year for which it is prepared, to allow preparation and adoption of a budget for the financial year consistent with the policy.*
- (3) When the policy is adopted by the local government, it becomes the local government's revenue policy for the financial year for which it is prepared.*

### **513B Requirements and content of revenue policy**

- (1) A local government's revenue policy, or an amendment of its revenue policy, must comply with the Local Government Finance Standards.*
- (2) The revenue policy must, if, under section 1035A, the local government intends to remit rates or defer payment of rates for the financial year, state the purpose of the remittance or deferral.*
- (3) A local government may, by resolution, amend its revenue policy for a financial year at any time before the financial year ends.*

### **513C Copies of revenue policy to be available for inspection and purchase**

*A local government must-*

- (a) ensure its revenue policy is open to inspection; and*
- (b) make copies available for purchase at its public office at a price not more than the cost to the local government of producing the copy and, if a copy is supplied to a purchaser by post, the cost of postage.”*

## 6.0 Effective From

The Revenue Policy was adopted by Bundaberg Regional Council on 4 August 2008, Special Budgetary Meeting .

This Policy is effective from 4 August 2008.

## 7.0 Associated Documents

Local Government Act

GP-3-038 Revenue Statement Governance Policy



# REVENUE STATEMENT GOVERNANCE POLICY

## 1.0 Intent

To establish:

- How Rates and Charges are determined, including the extent that Rates and Charges relate to relevant costs;
- Details on all rebates and concessions;
- Details on any limitations on Rates and Charges;
- The extent to which physical and social infrastructure costs for new development are to be funded by charges for the development;
- Whether it is intended to maintain, decrease or increase the operating capability of the local government and the extent to which it may be decreased or increased;
- Whether depreciation, and other non-cash expenses, are to be fully funded.

## 2.0 Scope

This policy applies to the making of Rates and Charges, the levying of rates, the recovery of Rates and Charges, and concessions for Rates and Charges.

## 3.0 Policy Objectives

This Statement deals with the reasoning applied by Council in fixing Rates and Charges and if applicable, how the Council applies user pays principles to utility and general charges. Generally, this statement does not deal with specific dollar amounts.

This Revenue Statement specifically addresses the legislative requirements in respect of those matters detailed above. The Statement provides reasons why Council levies its Rates and Charges, why and how rebates and concessions are provided, and any limitations on these matters. Where appropriate, the basis for calculation of the various Rates and Charges may be shown.

## 4.0 Policy

### 4.1 The Determination of Rates and Charges:

The Bundaberg Regional Council for any financial year will, as properly planned to meet requirements, make and levy:-

- Differential General Rates;
- Minimum General Rates;
- Special Rates and Charges (generally across specific benefitted or serviced areas of the Region); and
- Utility Charges.

In respect of utility charges, the Council will, as properly planned to meet requirements, make and levy such charges for:

- Supplying water services;
- Supplying sewerage services; and
- Supplying cleansing services.

By resolution, the Council will for any financial year, fix Regulatory and Non-Regulatory Charges for services and facilities supplied by the Council pursuant to Sections 36 and 1071A of The Local Government Act 1993. In accordance with the Act, a Register of the Council's Regulatory and Non-Regulatory charges will be kept at the Public Administration Office at 186-190 Bourbong Street, Bundaberg Central, and its Service Centres at Bargara, Childers and Gin Gin.

In determining rates and charges the Council will have regard to reserves held or desired to be held in respect of asset replacement and/or specific purpose reserve funds. Reserves will be used for designated purposes, funding of "internal" loans when surplus reserves are available, and balancing of under or over expenditure against the original budget estimates.

### 4.2 General Rates / Differential General Rates

General Rates are principally allocated to rateable properties in the Regional area based on the Unimproved Capital Value (UCV) as supplied by the Lands Division of the Department of Natural Resources and Water. General Rates are used to fund the general operations of Council after allowing for the income from all other Rates and Charges. The term "rateable land" is defined by Section 957(1) of The Local Government Act 1993.

Other relevant terms used in Council's differential rating criteria are defined as follows:-

- 'Primary Council Land Use Code' - shall mean - A two-character code recorded in Council's rating files as a local Government Code which identifies the principle use of the land;
- 'Secondary Council Land Use Code' - shall mean - A two-character code used in conjunction with the Primary Council Land Use code to indicate a particular land use.
- 'Strata Title Residential Property' 'Strata Title Residential Use' - shall mean - Lots, which would have a Primary Council Land Use Code of 8 or 9, created under the provisions of The Building Units and Group Titles Act 1980 or The Body Corporate and Community Management Act 1997.

Council will make and levy Differential General Rates for the Financial Year ending 30th June 2010, on all Rateable Land in the Local Government Area.

In accordance with Section 983 of the Local Government Act 1993, Council categorises all rateable land into 22 categories (Column 1), determines the criteria by which the land is to be categorised (Column 2) and pursuant to Sections 978 and 979(2) of The Local Government Act 1993, identifies the categories in which rateable parcels of land are included (Column 3) in accordance with the following table:-

|  |   |   |
|--|---|---|
| <p><b>1</b><br/><b>Urban Residential Land</b></p>            | <p>Land that is used for Urban Residential purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of Urban Residential purposes.</p>  | <p>Land to which any of the following Primary Council Land Use Codes applies:-<br/><i>Code Description</i><br/>01 Vacant Urban Land<br/>02 Single Unit Dwelling<br/>03 Multi Unit Dwelling - Flats<br/>08 Building Units (Primary Use Only)<br/>09 Group Title (Primary Use Only)<br/>72 Section 25 Valuation</p>   |
| <p><b>2</b><br/><b>Rural Residential Land</b></p>            | <p>Land located within the area of the former Bundaberg City, Burnett Shire or Isis Shire Councils, that is used for Rural Residential purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of Rural Residential purposes</p>   | <p>Land to which any of the following Primary Council Land Use Codes applies:-<br/><i>Code Description</i><br/>04 Vacant - Large House site<br/>05 Dwelling - Large House site<br/>06 Outbuildings<br/>72 Section 25 Valuation</p>  |
| <p><b>3</b><br/><b>Rural Residential Land (Kolan)</b></p>    | <p>Land located within the area of the former Kolan Shire Council that is used for Rural Residential purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of Rural Residential purposes</p>   | <p>Land to which any of the following Primary Council Land Use Codes applies:-<br/><i>Code Description</i><br/>04 Vacant - Large House site<br/>05 Dwelling - Large House site<br/>06 Outbuildings<br/>72 Section 25 Valuation</p>  |
| <p><b>4</b><br/><b>Bundaberg Strata Title Properties</b></p> | <p>Land located within the area of the former Bundaberg City Council that is used for multidwelling residential purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of multidwelling residential purposes</p>  | <p>Land to which any of the Primary Council Land Use Code applies:-<br/><i>Code Description</i><br/>08 Building Units (Primary Use Only)<br/>09 Group Title (Primary Use Only)</p>  |
| <p><b>5</b><br/><b>Central Coastal Towns</b></p>             | <p>Land that is:-<br/>(a) Used for residential purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of residential purposes; and<br/>(b) Within the townships of Bargara, Burnett Heads, Elliott Heads, Innes Park and Moore Park except those having frontage to the Pacific Ocean</p> | <p>Lands depicted on Council's Differential Rating Map Nos. 1 to 5 to which any of the following Primary Council Land Use Code applies:-<br/><i>Code Description</i><br/>01 Vacant Urban Land<br/>02 Single Unit Dwelling<br/>03 Multi Unit Dwelling - Flats<br/>04 Vacant - Large House site<br/>05 Dwelling - Large House site<br/>06 Outbuildings<br/>08 Building Units (Primary Use Only)<br/>09 Group Title (Primary Use Only)<br/>72 Section 25 Valuation</p> |

|   |  |   |
|---|--|---|
| <p><b>6</b><br/><b>Other Coastal Towns</b></p>      | <p>Land that is:-<br/>(a) Used for residential purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of residential purposes; and<br/>(b) Within the townships of Woodgate, Buxton, Walkers Point, Coonarr or Winfield except those having frontage to the Pacific Ocean</p>            | <p>Land depicted on Council's Differential Rating Map Nos. 6 to 10 to which any of the following Primary Council Land Use Code applies:-<br/><i>Code Description</i><br/>01 Vacant Urban Land<br/>02 Single Unit Dwelling<br/>03 Multi Unit Dwelling - Flats<br/>04 Vacant - Large Housesite<br/>05 Dwelling - Large Housesite<br/>06 Outbuildings<br/>08 Building Units (Primary Use Only)<br/>09 Group Title (Primary Use Only)<br/>72 Section 25 Valuation</p>             |
| <p><b>7</b><br/><b>Central Urban Oceanfront</b></p> | <p>Land that has frontage to the Pacific Ocean or roads fronting the Pacific Ocean within the townships of Bargara, Burnett Heads, Elliott Heads, Innes Park, Moore Park; and is used for residential purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of residential purposes</p> | <p>Land that is depicted on Council's Differential Rating Map Nos. 11 to 28 to which any of the following Primary Council Land Use Codes applies:-<br/><i>Code Description</i><br/>01 Vacant Urban Land<br/>02 Single Unit Dwelling<br/>03 Multi Unit Dwelling - Flats<br/>04 Vacant - Large House site<br/>05 Dwelling - Large House site<br/>06 Outbuildings<br/>08 Building Units (Primary Use Only)<br/>09 Group Title (Primary Use Only)<br/>72 Section 25 Valuation</p> |
| <p><b>8</b><br/><b>Subdivisions</b></p>             | <p>Deleted</p>   | <p>Deleted</p>  |





## 9 Agricultural Land

Land located within the area of the former Bundaberg City or Burnett Shire Councils that is used for agricultural purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of agricultural purposes

Land to which any of the following Primary Council Land Use Codes applies:-

*Code Description*

- 60 Sheep Grazing - Dry
- 61 Sheep Breeding
- 62 Not Allocated
- 63 Not Allocated
- 64 Cattle Grazing & Breeding
- 65 Cattle Breeding & Fattening
- 66 Cattle Fattening
- 67 Goats
- 68 Milk - Quota
- 69 Milk - No Quota
- 70 Cream
- 71 Oil Seeds
- 73 Grains
- 74 Turf Farms
- 75 Sugar Cane
- 76 Tobacco
- 77 Cotton
- 78 Rice
- 79 Orchards
- 80 Tropical Fruits
- 81 Pineapple
- 82 Vineyards
- 83 Small Crops & Fodder - Irrigated
- 84 Small Crops & Fodder - Non Irrigated
- 85 Pigs
- 86 Horses
- 87 Poultry
- 88 Forestry & Logs
- 89 Animals - Special
- 90 Stratum
- 93 Peanuts



**10**  
**Agricultural Land (Isis)**

Land located within the area of the former Isis Shire Council that is used for agricultural purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of agricultural purposes

Land to which any of the following Primary Council Land Use Codes applies:-

- Code Description*
- 60 Sheep Grazing - Dry
  - 61 Sheep Breeding
  - 62 Not Allocated
  - 63 Not Allocated
  - 64 Cattle Grazing & Breeding
  - 65 Cattle Breeding & Fattening
  - 66 Cattle Fattening
  - 67 Goats
  - 68 Milk - Quota
  - 69 Milk - No Quota
  - 70 Cream
  - 71 Oil Seeds
  - 73 Grains
  - 74 Turf Farms
  - 75 Sugar Cane
  - 76 Tobacco
  - 77 Cotton
  - 78 Rice
  - 79 Orchards
  - 80 Tropical Fruits
  - 81 Pineapple
  - 82 Vineyards
  - 83 Small Crops & Fodder - Irrigated
  - 84 Small Crops & Fodder - Non Irrigated
  - 85 Pigs
  - 86 Horses
  - 87 Poultry
  - 88 Forestry & Logs
  - 89 Animals - Special
  - 90 Stratum
  - 93 Peanuts

**11**  
**Agricultural Land (Kolan)**

Land located within the area of the former Kolan Shire Council that is used for agricultural purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of agricultural purposes

Land to which any of the following Primary Council Land Use Codes applies:-

- Code Description*
- 60 Sheep Grazing - Dry
  - 61 Sheep Breeding
  - 62 Not Allocated
  - 63 Not Allocated
  - 64 Cattle Grazing & Breeding
  - 65 Cattle Breeding & Fattening
  - 66 Cattle Fattening
  - 67 Goats
  - 68 Milk - Quota
  - 69 Milk - No Quota
  - 70 Cream
  - 71 Oil Seeds
  - 73 Grains
  - 74 Turf Farms
  - 75 Sugar Cane
  - 76 Tobacco
  - 77 Cotton
  - 78 Rice
  - 79 Orchards
  - 80 Tropical Fruits
  - 81 Pineapple
  - 82 Vineyards
  - 83 Small Crops & Fodder - Irrigated
  - 84 Small Crops & Fodder - Non Irrigated
  - 85 Pigs
  - 86 Horses
  - 87 Poultry
  - 88 Forestry & Logs
  - 89 Animals - Special
  - 90 Stratum
  - 93 Peanuts

**12**  
**Bundaberg Commercial**  
**Land**

Land located within the area of the former Bundaberg City Council that is used for commercial purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of commercial purposes

Land to which any of the following Primary Council Land Use Codes applies:-

*Code Description*

- 07 Guest House/Private Hotel (Accommodation with shared facilities)
- 08 Strata Title (Non Residential Use)
- 10 Combined Multi Dwelling and Shops
- 11 Shop - Single
- 12 Construction Site - Commercial
- 13 Shopping Group (2 to 6 Shops)
- 14 Shopping - Main Retail (Central Business District)
- 15 Shopping - Secondary Retail (Fringe Central Business District)
- 16 Drive-In Shopping Centre
- 17 Restaurant
- 18 Tourist Attraction
- 20 Marina
- 21 Residential Institution - Non Medical
- 22 Car Park
- 23 Retail Warehouse
- 24 Sales Area (Outdoor)
- 25 Offices
- 26 Funeral Parlour
- 27 Private Hospital/ Convalescent Home
- 28 Warehouse and Bulk Stores
- 30 Service Station
- 38 Advertising Hoarding
- 41 Child Care
- 42 Tavern/Hotel
- 43 Motel
- 44 Nursery (Plants)
- 45 Theatres and Cinemas
- 46 Drive-In Theatre
- 47 Club - Licensed/Sport/Run as a business
- 49 Caravan Park

# 13

## Other Coastal Towns Commercial Land

Land located within the townships of Woodgate, Buxton, Walkers Point, Coonarr or Winfield that is used for commercial purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of commercial purposes

Land to which any of the following Primary Council Land Use Code applies:-

*Code Description*

- 07 Guest House/Private Hotel (Accommodation with shared facilities)
- 08 Strata Title (Non Residential Use)
- 10 Combined Multi Dwelling and Shops
- 11 Shop - Single
- 12 Construction Site - Commercial
- 13 Shopping Group (2 to 6 Shops)
- 14 Shopping - Main Retail (Central Business District)
- 15 Shopping - Secondary Retail (Fringe Central Business District)
- 16 Drive-In Shopping Centre
- 17 Restaurant
- 18 Tourist Attraction
- 20 Marina
- 21 Residential Institution - Non Medical
- 22 Car Park
- 23 Retail Warehouse
- 24 Sales Area (Outdoor)
- 25 Offices
- 26 Funeral Parlour
- 27 Private Hospital/ Convalescent Home
- 28 Warehouse and Bulk Stores
- 30 Service Station
- 38 Advertising Hoarding
- 41 Child Care
- 42 Tavern/Hotel
- 43 Motel
- 44 Nursery (Plants)
- 45 Theatres and Cinemas
- 46 Drive-In Theatre
- 47 Club - Licensed/Sport/Run as a business
- 49 Caravan Park



|   |   |  |
|---|---|--|
| <p><b>14</b><br/><b>Other Commercial Land</b></p>         | <p>Land that is not included in any other category and is used for commercial purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of commercial purposes</p>   | <p>Land to which any of the following Primary Council Land Use Code applies:-<br/><i>Code Description</i><br/>07 Guest House/Private Hotel (Accommodation with shared facilities)<br/>08 Strata Title (Non Residential Use)<br/>10 Combined Multi Dwelling and Shops<br/>11 Shop - Single<br/>12 Construction Site - Commercial<br/>13 Shopping Group (2 to 6 Shops)<br/>14 Shopping - Main Retail (Central Business District)<br/>15 Shopping - Secondary Retail (Fringe Central Business District)<br/>16 Drive-In Shopping Centre<br/>17 Restaurant<br/>18 Tourist Attraction<br/>20 Marina<br/>21 Residential Institution - Non Medical<br/>22 Car Park<br/>23 Retail Warehouse<br/>24 Sales Area (Outdoor)<br/>25 Offices<br/>26 Funeral Parlour<br/>27 Private Hospital/ Convalescent Home<br/>28 Warehouse and Bulk Stores<br/>30 Service Station<br/>38 Advertising Hoarding<br/>41 Child Care<br/>42 Tavern/Hotel<br/>43 Motel<br/>44 Nursery (Plants)<br/>45 Theatres and Cinemas<br/>46 Drive-In Theatre<br/>47 Club - Licensed/Sport/Run as a business<br/>49 Caravan Park</p> |
| <p><b>15</b><br/><b>Major Drivein Shopping Centre</b></p> | <p>Land that is used for a drive-in shopping centre with more than 20,000m<sup>2</sup> gross floor area, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of drive-in shopping centre with more than 20,000m<sup>2</sup> gross floor area</p> | <p>Land to which any of the following Primary Council Land Use Code applies:-<br/>Drive-In Shopping Centre with more than 20,000 square metres Gross Floor Area.</p>   |
| <p><b>16</b><br/><b>Industrial Land</b></p>               | <p>Land that is:-<br/>(a) Used for industrial purposes or has the potential predominant use by virtue of its improvements or activities conducted upon the land of industrial purposes; and<br/>(b) Is not Category 19 Land (Heavy Industry).</p>   | <p>Land to which any of the following Primary Council Land Use Codes applies:-<br/><i>Code Description</i><br/>29 Transport Terminal<br/>31 Oil/Fuel Depot and Refinery<br/>32 Wharves, Jetties and barge landing<br/>33 Outdoor Storage Area<br/>34 Cold Stores - Iceworks<br/>35 General Industry<br/>36 Light Industry<br/>37 Noxious/Offence Industry<br/>39 Harbour Industry<br/>40 Extractive Industry<br/>91 Transformers<br/>95 Reservoirs, Dams, Bores</p>  |

|   |  |  |
|---|--|--|
| <p><b>17</b><br/><b>Industrial Land (Isis)</b></p>  | <p>Land that is located within the area of the former Isis Shire Council that is:-<br/>(a) Used for industrial purposes or has the potential predominant use by virtue of its improvements or activities conducted upon the land of industrial purposes; and<br/>(b) Is not Category 19 Land (Heavy Industry).</p> | <p>Land to which any of the following Primary Council Land Use Codes applies:-<br/><i>Code Description</i><br/>29 Transport Terminal<br/>31 Oil/Fuel Depot and Refinery<br/>32 Wharves, Jetties and barge landing<br/>33 Outdoor Storage Area<br/>34 Cold Stores - Iceworks<br/>35 General Industry<br/>36 Light Industry<br/>37 Noxious/Offence Industry<br/>39 Harbour Industry<br/>40 Extractive Industry<br/>91 Transformers<br/>95 Reservoirs, Dams, Bores</p>  |
| <p><b>18</b><br/><b>Extractive/<br/>Transformers/<br/>Substations/<br/>Communication Towers</b></p> | <p>Land that is used for industrial purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of industrial purposes</p>  | <p>Land to which any of the following Primary Council Land Use Codes applies:-<br/><i>Code Description</i><br/>40 Extractive Industry<br/>91 Transformers / Substations<br/>Communication Towers</p>   |
| <p><b>19</b><br/><b>Heavy Industry</b></p>  | <p>Land that is used for heavy industrial purposes, such as for example - a cogeneration plant or sugar mill, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of heavy industrial purposes.</p>   | <p>Land to which any of the following Primary Council Land Use Codes and Secondary Council Land Use Codes applies:-<br/><i>Primay Code Secondary Code Description</i><br/>35 01 General Industry/<br/>Cogeneration Plant<br/>75 99 Sugar Cane/Sugar Mill</p>   |
| <p><b>20</b><br/><b>Other</b></p>   | <p>Land that is not included in any other rating category.</p>   | <p>This Criteria will only apply where the land is not included in any other rating category, including the following specific land use codes which are not included in any other category:-<br/><i>Code Description</i><br/>19 Walkway<br/>48 Non-Licensed Sports Club/ Facilities<br/>50 Other Clubs (Non-Business)<br/>51 Religious<br/>52 Cemeteries<br/>53 Commonwealth (Secondary Use Only)<br/>54 State (Secondary Land Use Only)<br/>55 Library<br/>56 Showgrounds/Racecourse, Airfield<br/>57 Parks, Gardens<br/>58 Educational - Including Kindergarten<br/>59 Local Authority (Secondary Use Only)<br/>92 Defence Force Establishments<br/>94 Vacant Rural Land (excluding Codes 1&amp;4)<br/>96 Public Hospitals<br/>97 Welfare Homes/Institutions<br/>99 Community Protection Centres</p> |

**21**  
**Residential Riverfront**  
**(Burnett)**

Land that has frontage to rivers or roads fronting rivers in Burnett Downs or River Park, and is used for residential purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land or residential purposes.

Lands depicted on Council's Differential Rating Map Nos. 11 and 12 to which any of the following Primary Council Land Use Code applies:  
*Code Description*  
01 Vacant Urban Land  
02 Single Unit Dwelling  
03 Multi Unit Dwelling - Flats  
04 Vacant - Large House site  
05 Dwelling - Large House site  
06 Outbuildings  
08 Building Units (Primary Use Only)  
09 Group Title (Primary Use Only)  
72 Section 25 Valuation

**22**  
**Residential Coastal**  
**Riverfront (Burnett)**

Land that has frontage to the rivers or roads fronting rivers in Corser Street, Burnett Heads or McIntosh Street, Elliott Heads, and is used for residential purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of residential purposes.

Lands depicted on Council's Differential Rating Map Nos. 2 and 3 to which any of the following Primary Council Land Use Code applies:  
*Code Description*  
01 Vacant Urban Land  
02 Single Unit Dwelling  
03 Multi Unit Dwelling - Flats  
04 Vacant - Large House site  
05 Dwelling - Large House site  
06 Outbuildings  
08 Building Units (Primary Use Only)  
09 Group Title (Primary Use Only)  
72 Section 25 Valuation

**23**  
**Other Urban Oceanfront**

Land that has frontage to the Pacific Ocean or roads fronting the Pacific Ocean within the townships of Woodgate Beach or Coonarr and is used for residential purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of residential purposes.

Lands depicted on Council's Differential Rating Map Nos. 6 to 9 to which any of the following Primary Council Land Use Code applied:  
*Code Description*  
01 Vacant Urban Land  
02 Single Unit Dwelling  
03 Multi Unit Dwelling - Flats  
04 Vacant - Large House site  
05 Dwelling - Large House site  
06 Outbuildings  
08 Building Units (Primary Use Only)  
09 Group Title (Primary Use Only)  
72 Section 25 Valuation

Subdivisions: Subdivided land in terms of Section 25 of the Valuation of Land Act 1944 that has a Primary Council Land Use Code of 72 will be placed into the category that it would normally be situated. The concession applicable will be applied.

Land that is:

- (a) a parcel of land which is one of the parts into which land has been subdivided; and
- (b) the person who subdivided the land (the "subdivider") is the owner of the parcel; and
- (c) the parcel is not developed land.

In accordance with Section 983 of The Local Government Act 1993, owners of rateable land will be informed of the category in which the land has been included and that they have the right of objection to the category their land is included in. All objections shall be submitted to the Chief Executive Officer, Bundaberg Regional Council, and the only basis for objection shall be that at the date of issue of the rate notice having regard to the criteria adopted by Council, the land should be in another rating category.

## 4.3 Minimum General Rates

Each year the Council will make and levy a minimum general rate per rateable assessment irrespective of the unimproved capital value. The minimum general rate is levied to:-

- Provide a minimum contribution from all properties situated within the Region;
- Ensure that general rate revenue from lower valued properties within the Region results in a more equitable contribution from such properties towards the costs of services funded by general rates.

## 4.4 Separate Rates and Charges

Each year the Council will determine the necessity to make and levy a separate Rate or Charge which will be applied across the whole Regional area, for the general benefit of the community of the Region, to separately identify funds required for the aforementioned services.

## 4.5 Special Rates and Charges

Each year the Council will determine the necessity to make and levy a special Rate or Charge which will be applied across specific benefitted areas to repay the cost of works undertaken for the sole benefit of such areas.

Council currently levies special charges for the following specific purposes:-

- to finance the reconstruction of the single lane timber bridge over the agricultural drain on Nortons Road;
- to provide drainage to the Moore Park Drainage Scheme defined area; • to fund the cost of the capital construction of Sewerage Extensions in Rieck and Manning Streets, Gin Gin; and
- to provide for purchase, maintenance and operation of rural fire fighting equipment to specified Rural Fire Brigade Districts within the region. Discount will not be applicable to Special Rates and Charges.

## 4.6 Urban Fire Levy

In accordance with The Fire and Rescue Service Act 1990, Council is required to collect an Urban Fire levy on behalf of the Queensland Fire and Rescue Service.

The Levy is not a Council Rate or Charge and the Funds collected are remitted to the Queensland Fire and Rescue Service. However, Council is entitled to an Administration Fee for collecting this Levy, as prescribed by The Fire and Rescue Service Regulation No. 1 2009. Discount will not be applicable to the Urban Fire Levy.

## 4.7 Utility Charges

### 4.7.1 Water Charges

The Council levies Water Charges on properties in the Defined Water Supply Areas to recover the full costs of the Water Supply operation including a return to the Community on the assets employed.

Pursuant to Sections 963 and 973 of The Local Government Act 1993, the following Water Charges shall be made and levied for each financial year:-

#### (1) Water Access Charge

A common Access Charge, for same sized meters, applies in all areas receiving a Potable Water Supply.

Vacant lands situated in the Water Area and not serviced with a Water Connection are charged 100% of the basic 20mm charge.

Single residential properties are levied a 100% charge based on the size of the water meter serving the property, since the meter size determines the potential volume of water used.

Where multiple lots are included on the one assessment Council does not levy a Water Access Charge for each allotment, e.g. house and vacant lot together - only one (1) water access charge equal to 100% is levied or where there are multiple vacant lots on the one assessment - only one (1) water access charge equal to 100% is levied.

Blocks of flats attract a levy of 100% of one (1) water access charge for each parcel based on the size of the meter/s servicing the block of flats.

Properties with multiple connections are charged an access for each connection. Body Corporate properties are charged one (1) water access charge equal to 100% of the basic 20mm charge for each body corporate unit and each unit owner is levied separately for the charge.

A concessional water access charge equal to a 20mm service is levied for each registered "Dedicated Fire Service" connection even though the actual size of the connection is usually larger.

A concession is applied to unlicensed/restricted sporting clubs which have more than one (1) connection. These are levied one (1) Water Access Charge equal to 100% for each connection but Council provides a concession equal to the difference between the aforementioned charge and one (1) Access Charge for their largest meter per assessment and no charges for the other connections.

For the reduced service areas of Burnett Downs, Sylvan Woods and Upper Hummock the following special arrangements will apply:

- **Burnett Downs** - Council identifies Burnett Downs Yard Water Supply properties, as defined in Water Rating Index Map Number 29883 dated July 2009, as a separate class of consumers, where consumers are provided with water and services at an amount below full cost.
- **Sylvan Woods** - Council identifies Sylvan Woods non-potable constant flow water supply properties, as defined in Water Rating Index Map Number 29883 dated July 2009, as a separate class of consumers, where consumers are provided with water and services which are restricted in volume and pressure of supply.
- **Upper Hummock** - Council identifies the Upper Hummock potable water supply to those properties defined in Water Rating Map Number 29883 dated July 2009, as a separate class of consumers, where consumers are provided with water and services which are restricted in volume and pressure of supply.

An Access Charge shall apply to all premises on metered connection according to the water meter size/s serving the premises.



## **(2) Water Consumption Charge**

Water consumption is levied half-yearly for the readings undertaken prior to 31 December and prior to the 30th June. Generally, the consumption within each six (6) month reading period will be levied on a Tiered Charging System as set out hereunder:-

- A Charge per Kilolitre will be set by Council each year for the former Bundaberg City Council area; the former Burnett Shire, Isis Shire and Kolan Shire Council areas, and for Burnett Downs Yard / Sylvan Woods / Upper Hummock Water Supply..
- Where an assessment comprises multiple metered lots or services, the Charge shall be the standard tariff multiplied by the number of metered connections or services.
- Where an assessment comprises a Body Corporate situation, Council will charge as per the provisions of The Body Corporate and Community Management Act 1997.
- For measurement of water use for Charging purposes for the period 1st July 2009 to 30th June 2010 Subsection 11 of Section 973 of The Local Government Act 1993 shall apply to the reading of meters based on the nominal initial meter reading date of 30th June 2009 and the nominal final reading date of 30 June 2010.
- Council reserves the right to read and levy Water Consumption at intervals other than six (6) monthly for specific connections as required

## **(3) Dedicated Fire Services**

Water from Registered Dedicated Fire Services is for Fire Emergencies and Testing Purposes only and no Charge will be levied for the first 10 Kilolitres in each six (6) month reading period. However, to prevent misuse of these services, Council will impose a Penalty Charge per Kilolitre for consumption greater than 10 kilolitres in each six (6) month reading period of 10 times the normal Residential Charge per Kilolitre at the 2nd Tier Rate, unless evidence is provided proving the water was used in a Fire Emergency.

## **(4) Community Service Obligations**

Pursuant to Sections 1031 and 1033(1)(b) of The Local Government Act 1993:

- (a) That Council recognise Unlicensed / Restricted Sporting Clubs as providing a Community Service in the interest of recreation and the Region's aesthetics and that this service be identified as a Community Service Obligation.
- (b) That Council charge Unlicensed / Restricted Sporting Clubs a Water Access Charge for its largest connection on each Assessment, and that no Access Charge be levied for additional meters.
- (c) That Unlicensed / Restricted Sporting Clubs with an area:
  - up to 3.3 hectares - be entitled to 3,600 Kilolitres of Water per annum, free of Consumption Charges;
  - greater than 3.3 hectares - be entitled to 6.000 Kilolitres of water per annum, free of consumption charges.
- (d) Provided that the following Clubs, identified as requiring higher water allocations based on area and level of use, be entitled to the following kilolitres of water per annum, free of consumption charges:
  - Junior Cricket Association and North Bundaberg Australian Rules Football Club - 9,600 kilolitres at Kendall Flat;
  - Bundaberg Football (Soccer) Federation - 9,600 kilolitres at Martens Ovan;
  - Trustees Hinkler Park (Hockey) - 9,600 kilolitres at Hinkler Park; and 3,600 kilolitres at Special Lease 1209;

- Bundaberg Rugby League Ltd - 9,000 kilolitres at Salter Oval (see note below);
- Bundaberg Touch Association - 9,600 kilolitres at Touch Association Grounds.

(NOTE: Provided that the Bundaberg Rugby League Ltd and the Bundaberg Cricket Association pool their entitlements at Salter Oval and be levied on one Rates Notice).

- (e) That Water Consumption per Assessment in excess of these entitlements be levied for the first 366 kilolitres at the 1st Tier rate;
- (f) Provided that upon the installation of the new “Water Based” Hockey Playing Surface, water consumption for the Trustees Hinkler Park (Hockey) in excess of its Annual Entitlement, be at the rate of \$0.50 per Kilolitre (Note: This arrangement is to apply for a period of five (5) years from the date of installation).
- (g) That unused entitlements not carry forward into the following Financial Year.

Council grants this remission on the basis that Restricted Sporting Clubs are entities whose objects do not include the making of a profit.

Council delegates to the Chief Executive Officer the power, pursuant to Section 1035 of The Local Government Act 1993 to determine applications made for this remission.

#### **(5) Carlyle Gardens Retirement Village**

Carlyle Gardens Retirement Village will be charged a Water Consumption Charge in accordance with the special arrangement made with the former Burnett Shire Council.

#### **(6) Water Meters Registering Inaccurately**

Pursuant to Sections 1031 and 1033(1)(b) of The Local Government Act 1993 if the Council is satisfied that a water meter ceases to register, or is reported to be out of order or registering inaccurately (through no fault of the Ratepayer), justifies the exercise by Council of the power to remit Water Consumption Charge equalling an average of the quantity used during the previous accurate period of measurement.

Council grants this remission on the basis that to require the Ratepayer to pay full charges for Consumption in circumstances where a water meter ceases to register, or is reported to be out of order, or registering inaccurately (through no fault of the Ratepayer) would result in hardship.

Council delegates to the Chief Executive Officer the power, pursuant to Section 1035 of The Local Government Act 1993 to determine Applications made for this remission (in accordance with the Water Leak Relief Policy adopted by Council at its Meeting of 17th March 2009).

#### **(7) Extended area of application of charges**

These charges apply to the declared service areas (water) show on the maps identified above, and also to:

- All new lots created under a development approval for which all approval conditions have been completed, and which as part of their conditions of approval included a requirement for connection to reticulated water supply;
- Any other lot which is connected to reticulated water supply;
- Any other lot, where Council resolves that the lot becomes able, by reason of extension of the water supply system, to be connected to reticulated water supply.

That is, to all lots within any extension of any of the areas serviced by reticulated water supply where such areas are approved by Council. The charges apply in every case where service is provided or available, regardless of whether or not, or the time at which formal amendment is made to the declared service area.

#### **(8) Service connections outside declared service areas (Water)**

Any approved water service connections, which are located outside the declared service area (water), will have access and use charges applied in the same manner and at equivalent charges to the use as would apply were they to lie within the declared service area to which they are connected.

### **4.7.2 Sewerage Charges**

#### **(1) Declared Service Area - Sewerage**

The Council levies Sewerage Charges on properties in the Defined Sewerage Service Areas to recover the full costs of the Sewerage operation including a return to the Community on the assets employed.

#### **(2) Service Provider (Sewerage)**

The Service Provider within the declared service area/s (Sewerage) shall be Bundaberg Regional Council through its Infrastructure Services (Water and Sewerage Operations) Section.

#### **(3) Sewerage Charges**

Sewerage Charges are levied on all properties within the defined sewerage area to cover the cost of:-

- Sewage collection and treatment;
- The disposal of effluent and bio-solids.

The same amount of rates is charged to connected properties and non-connected properties within the defined sewerage area. The reason for this is that the major portion of Council's costs associated with providing a sewerage service is in the provision and maintenance of capital infrastructure (pipes, processing plant etc.) and these costs must be financed whether or not a property is actually connected to the sewerage system.

Pursuant to Sections 963 and 973 of The Local Government Act 1993 the following Sewerage Charges shall be made and levied for each financial year:-

- Single residential properties are levied a 100% charge for the first pedestal only. No additional charges apply for extra pedestals.
- Flats, units and strata title properties are levied a 100% charge per flat, unit or strata title unit, for the first pedestal only. No additional charges apply for extra pedestals.
- Where multiple lots are included on the one assessment Council does not levy a sewerage charge for each allotment, e.g. House and vacant lot together - only One (1) sewerage charge equal to 100% is levied or where there are multiple vacant lots on the one assessment - only One (1) sewerage charge equal to 100% is levied.
- Commercial properties are levied a full charge per sewerage pedestal.
- Dump Points at Caravan Parks charged 100% pedestal charge.

#### **(6) Multiple Accommodation Self Contained Residential Units for Aged under the Control of Charitable/ Church Organisations**

Pursuant to Sections 1031 and 1033(1)(b) of The Local Government Act 1993, Multi accommodation self contained residential units for aged under the control of charitable/church organizations excluding care centres; and pedestals installed in Queensland Housing Commission units for the aged, including those identified in the following Table, be granted a remission of 60% of the Sewerage Rates.

## PROPERTY OWNER AND LOCATION

The State of Queensland (Represented by Department of Housing), 11 Mulgrave Street, Bundaberg West

The State of Queensland (Represented by Department of Housing), 30 Sugden Street, Bundaberg South

East Haven, 1 Ann Street, Bundaberg East

East Haven, 49 Victoria Street, Bundaberg East

East Haven, 51 Victoria Street, Bundaberg East

The Corporation of the Synod of the Diocese of Brisbane, 4 Mezger Street, Kalkie

The Roman Catholic Trust Corporation, 9 Kepnock Road, Kepnock

The State of Queensland (Represented by Department of Housing), 9 Griffith Street, Bundaberg South

St. John's Evangelical Lutheran Church, 71 Dr May's Road, Svensson Heights

St. John's Evangelical Lutheran Church, 83 Dr May's Road, Svensson Heights

The Uniting Church in Australia Property Trust (Q), (part) 341 Bourbong Street, Millbank

The Uniting Church in Australia Property Trust (Q) (balance) 341 Bourbong Street, Millbank

The State of Queensland (Represented by Department of Housing), 147 Barolin Street, Avenell Heights

The State of Queensland (Represented by Department of Housing), 147 Barolin Street, Avenell Heights

Forest View Childers Inc, Morgan Street, Childers

Forest View Childers Inc, Morgan Street, Childers

Kolan Gardens, 3 Tyron Road, Gin Gin

Council grants this remission on the basis that Multi accommodation self contained residential units for aged, under the control of Charitable/Church organisations are entities whose objects do not include the making of a profit.

Council delegates to the Chief Executive Officer the power, pursuant to Section 1035 of The Local Government Act 1993, to determine Applications made for this remission.

### 4.7.3 Waste Collection Charge

Waste Collection Charges are user-pays based charges and are levied on all properties receiving the cleansing service to recover the associated costs. These costs include the disposal and/or recycling of the refuse collected through a component of the Council's refuse tip maintenance costs.

- (1) Single residential properties are charged one full charge per set of one (1) refuse and one (1) recycling bin. Additional recycling service is available and will be charged a single charge per single unit. Additional refuse bins will be charged as one (1) full charge per set of one (1) and one (1) recycle bin.
- (2) Premises containing Two (2) or more Flats, Apartments, or other Dwelling Units, each used as a separate Domicile are charged One (1) full charge for each separate Domicile per set of One (1) refuse and One (1) recycling bin. Additional recycling service is available and will be charged a single charge per single unit. Additional refuse bins will be charged as one (1) full charge per set of one (1) and one (1) recycle bin..
- (3) Where insufficient space is available for the storage of Multiple Bins at multi-storey Strata Titled properties, (e.g. "Mantra"), these Properties may make Application to the Chief Executive Officer for approval to make private arrangements to receive an Industrial Bin service, in which case a Council Waste Collection Charge will not apply.

The charges for the service are annual charges and credits cannot be allowed for periods of time when the premises are unoccupied.

### 4.8 Regulatory Fees and Commercial Charges

Bundaberg Regional Council fixes Regulatory Fees and Commercial Charges for services and facilities supplied by the Council in accordance with Sections 36 and 1071A of The Local Government Act 1993.

In accordance with the provisions of the Act, Council keeps a copy of the Register of Regulatory Fees and Commercial Charges at its Public Administration Office at 186-190 Bourbong Street, Bundaberg Central, and its Service Centres at Bargara, Childers and Gin Gin, and this Register is open to inspection.

The criteria, used to determine the amount of Regulatory Fees, are the costs of the service or facility being provided, which comprise labour, material, equipment, and overhead costs.

In determining the level of all Regulatory Fees and Commercial Charges, the Council places a major emphasis on user-pays principles.



## 4.9 Rebates and Concessions

Statutory provision exists for the Council to remit or postpone rates in certain circumstances. These provisions are detailed in Chapter 14, Part 6 of The Local Government Act 1993.

The Council has a policy of providing an Annual Rate Rebate to Approved Pensioners and a copy of this Policy together with the necessary application forms is available from Council Offices.

Currently the Rebate is in the amount of 10% of the Council's annual Rates and Charges levy to a maximum of \$70 for any financial year. This Rebate is provided in addition to any Pension Subsidy Scheme operated by the Queensland Government.

A phasing-in process will apply to properties in the former Isis Shire Council area.

## 4.10 Discount on Rates and Charges

A Discount of Ten Percent (10%) of the Current Year's Council Rates and Charges is conditional on the payment of Current Rates and all Arrears within the specified period of Thirty (30) Clear Days from the Issue Date of the Rate Notice. No discount is allowable on the following charges:-

- State Urban Fire Levy;
- Rural Fire Brigade Levy;
- Interest Charges;
- Moore Park Drainage;
- Extensions - Rieck/Manning Streets;
- Reconstruction of Norton Road Bridge;
- Any property charge relating to the provision of temporary services or the carrying out of Council works on or in connection with the property; and/or
- Legal costs incurred by Council in rate collection.

## 4.11 Recovery of Overdue Rates

A separate Council policy has been prepared in respect of the recovery of overdue rates, to reinforce Council's practice and intentions in this regard. Council will actively pursue all available options under The Local Government Act 1993, including the sale of land for arrears of rates, to ensure that overdue rates are not a burden on the Region's ratepayers.

## 4.12 Interest on Overdue Rates

Council determines this matter from time to time by resolution in accordance with the requirements of The Local Government Act 1993. Currently interest is charged at 11% on overdue Rates and Charges on Daily Rests as from the seventh day following the Due Date stated on the Rate Notice.

## 4.13 Levying and payment of Rates and Charges

Council currently levies rates twice in each financial year. The first rates levy is issued as soon as possible after the annual Budget has been approved by Council. The second rates levy is issued in the second half of the financial year (after 1 January).

Rates are due and payable by the 'Due Date' stated on the Rates Notice.

## 4.14 Funding of Capital Expenditure

Council's Budget includes capital expenditure for physical and social infrastructure. Where possible it is the Council's policy to fund, in part, such projects with charges for the development. However, the whole community, through the general rates process, will fund projects for the general benefit of the whole community.

#### **4.15 Funding of Depreciation**

Council seeks wherever possible to fully fund depreciation and other non—cash expenses. These depreciation charges may however be applied to new capital projects in any financial year. Depreciation charges are not fully funded, where the extent of unfunded depreciation is shown in the annual Budget. All other non— cash expenses, including employee provisions, are fully funded.

#### **4.16 Proceeds from the Sale of Lands**

Proceeds from the sale of lands held for resale shall be applied by Council to capital purposes only.

#### **4.17 Operating Capability**

Council’s Budget shall provide for the maintenance of Council’s operating capability.

### **5.0 Controls**

*The Local Government Act 1993 and the Local Government Finance Standard 2005 requires that the Council’s Revenue Statement includes the following: -*

- How Rates and Charges are determined, including the extent that Rates and Charges relate to relevant costs;
- Details on all rebates and concessions;
- Details on any limitations on Rates and Charges;
- The extent to which physical and social infrastructure costs for new development are to be funded by charges for the development;
- Whether it is intended to maintain, decrease or increase the operating capability of the local government and the extent to which it may be decreased or increased;
- Whether depreciation, and other non-cash expenses, are to be fully funded.

### **6.0 Effective From**

The Revenue Statement Governance Policy was adopted by Bundaberg Regional Council on 14 July 2009 (Item F1).

This Policy is effective from 14 July 2009.

### **7.0 Associated Documents**

*Local Government Act*

GP-3-001 Revenue Governance Policy



# COMMUNITY FINANCIAL REPORT







The Queensland Local Government Finance Standard 2005 requires Council to prepare a Community Finance Report to accompany the Financial Statements in the Annual Report. The four key financial statements of the annual report are often difficult for the user to interpret. The aim of this Community Financial Report is to summarise Council's financial performance and position for the financial year, in a form easily understood by the community.

Particular areas of importance have been highlighted and expanded on where necessary to allow interested stakeholders the opportunity to make their own informed decisions. The four key financial statements for 2010 and key performance indicators are described as follows:

- Statement of Comprehensive Income - revenue and expenses in the past 12 months
- Statement of Financial Position - assets owned and liabilities owed at 30 June 2010
- Statement of Cash Flows - a summary of where cash was received from and where it was used
- Statement of Changes in Equity - movement in the community's net wealth during the year
- Financial Ratios - for reviewing Council performance sustainability

Bundaberg Regional Council was formed on 15 March 2008 as a consequence of the amalgamation of Bundaberg City and Burnett, Isis and Kolan Shire Councils. In accordance with the reform implementation legislation the financial statements for 2008-09 were prepared for the period 15 March 2008 to 30 June 2009 (15.5 months).

In order to create annual comparative figures for 2008 and 2009, Council restructured information from the former and the Regional Council's financial statements for the 8.5 months ending 14 March 2008 and 15.5 months ending 30 June 2009, respectively. These figures are indicative only and have not been subjected to audit. In reconstructing these amounts Council applied assumptions where the former Councils reporting methodologies varied from the Regional Council or where normal 30 June accrual entries were not processed. To provide history and direction the consolidated data from the former Council's financial statements for the years 2006 and 2007 are included.

## Statement of Comprehensive Income

The Total Comprehensive Income for the period was \$53.5m. This increase in community equity includes several items which Council has little control over and/or has little impact on Council's operations. When reviewing the Statement of Comprehensive Income or preparing budgets, Council focuses on the Surplus/(Deficit) from recurrent activities rather than the Total Comprehensive Income or Net Operating Surplus. This provides a better indication of Council's ability to renew or upgrade existing assets and purchase new assets.

The surplus/(deficit) from recurrent activities is calculated by subtracting the \$38.4m in asset revaluations and \$18.4 in Capital Items (Donated Assets, Capital Grants, Developers Contribution, etc.). This leaves Council with a deficit from recurrent activities of \$3.3m. This deficit required Council to make significant changes to its rating methodologies for the 2011 financial year.



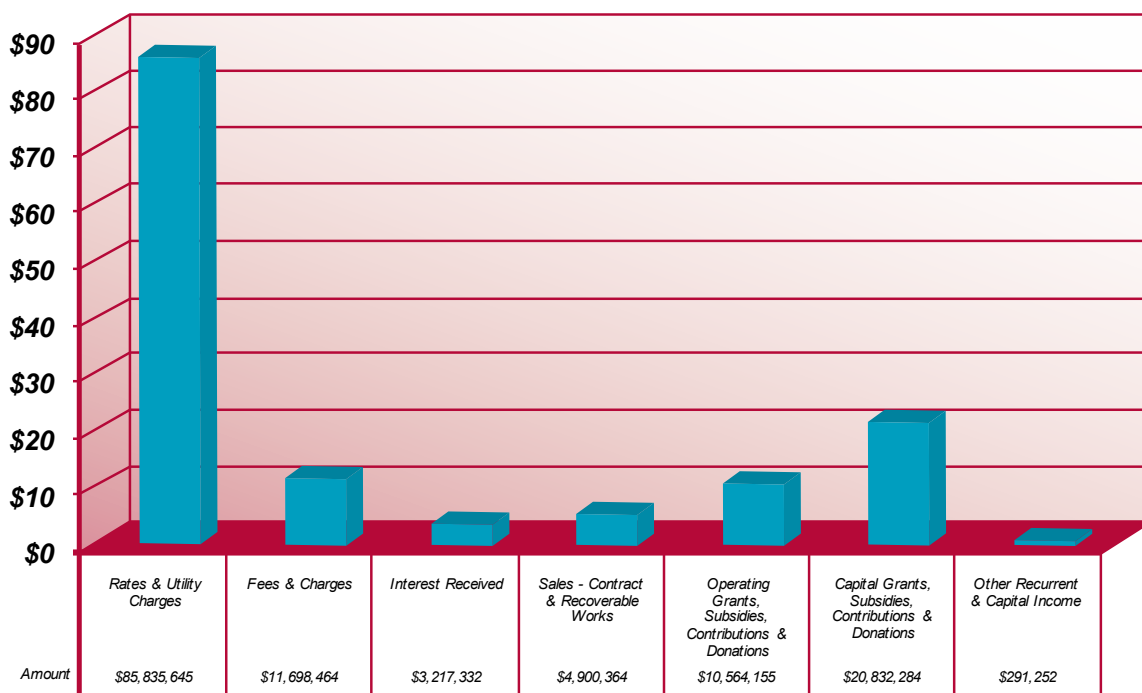
## Revenue \$137m

### Where did this revenue come from?

Bundaberg Regional Council has a population of approximately 98,000 and 44,000 rateable properties. The ratepayers contribute 62.5% of Council's total revenue through rates and charges. Other sources of income such as fees and charges, and grants, subsidies, contributions and donations, have provided Council with 31.4% of its total revenue.

### REVENUE

Millions



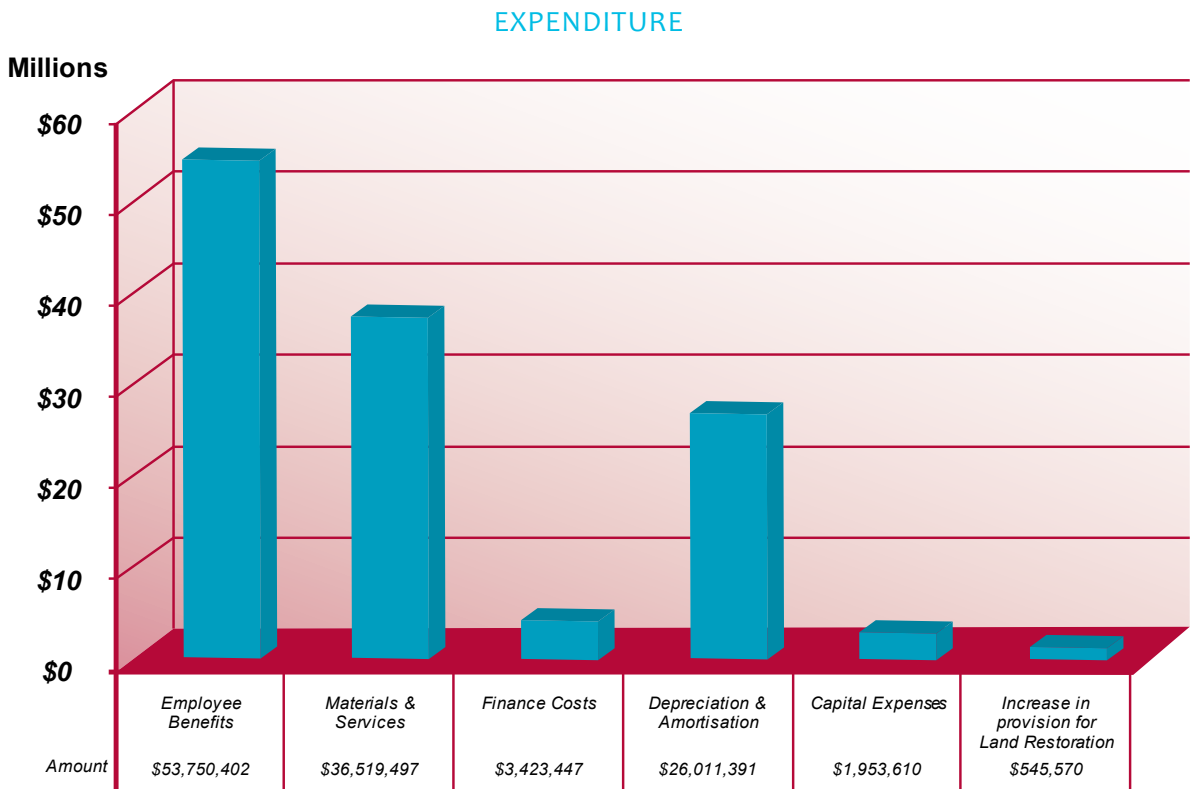
\* Estimates figures for comparative purposes

# Expenses \$122m

## What was this spent on?

A major component of Council's expenditure is employee benefits, representing over 44% of Council's outlay. Employee Benefits include employee salaries and wages, councillors remuneration and superannuation. It excludes approximately \$4m in wages spent on asset construction which will be expensed via depreciation over the life of the assets. Materials and services account for a large portion of Council's expenditure, totalling \$36.5m. This includes costs such as plant hire, contractors, chemicals for the operation of treatment plants, electricity, telephone and other operational costs.

Council's depreciation expense is in excess of \$26m. Assets wear out, are consumed and / or become obsolete over their lifetime and depreciation is used to record this by allocating a portion of the asset value as an expense each year.



\* Estimates figures for comparative purposes



## Statement of Financial Position

The Statement of Financial Position (or Balance Sheet as it was known in 2009) records the Community's assets and liabilities at the end of the financial year. The result of these two components determines the net worth of Council.

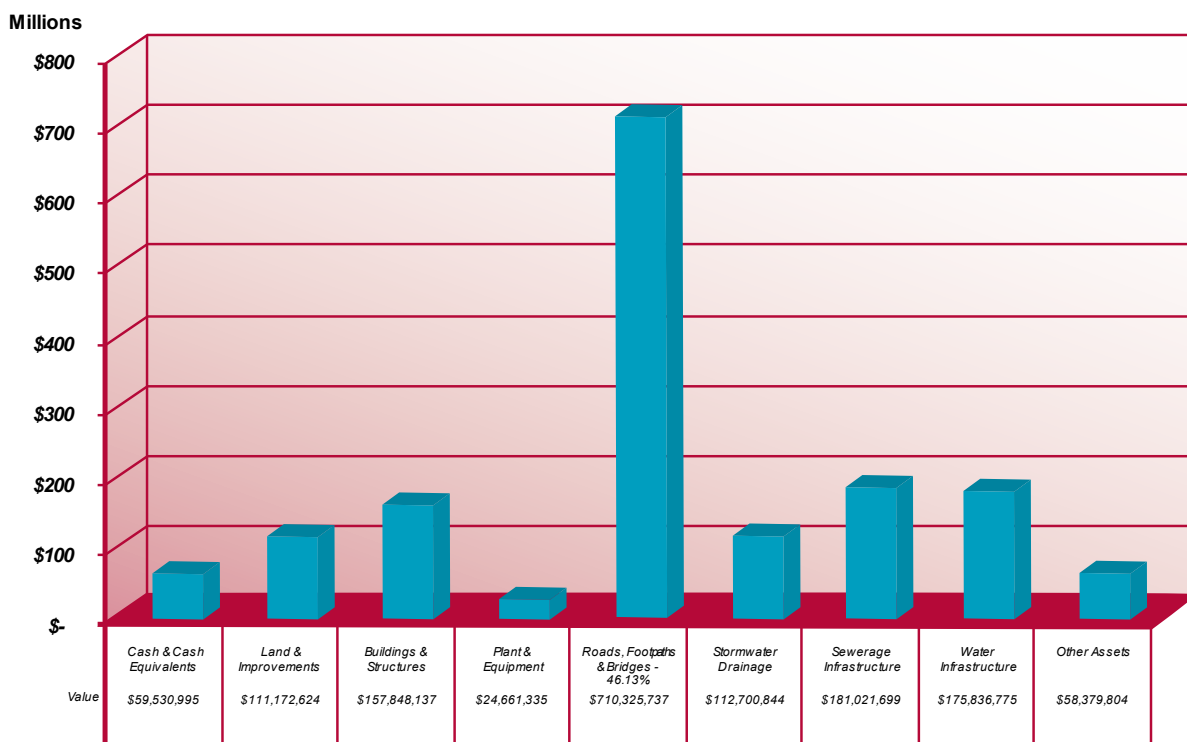
## Assets \$1.59b

### What Council owned at 30 June 2010

The major investment for Council is in assets which provide essential services for a growing community, namely property, plant & equipment totalling \$1.47b. Cash represents less than 4% of net assets and consists mainly of reserves restricted for future capital expenditure.

The bulk of Council's property, plant and equipment assets are in the form of roads, footpaths and bridges, totalling \$710m or 44.63%, while Water and Sewerage Infrastructure account for approximately 22% of Council's assets. Council requires over \$26m p.a. to maintain the value in these assets.

### ASSETS



\* Estimates figures for comparative purposes

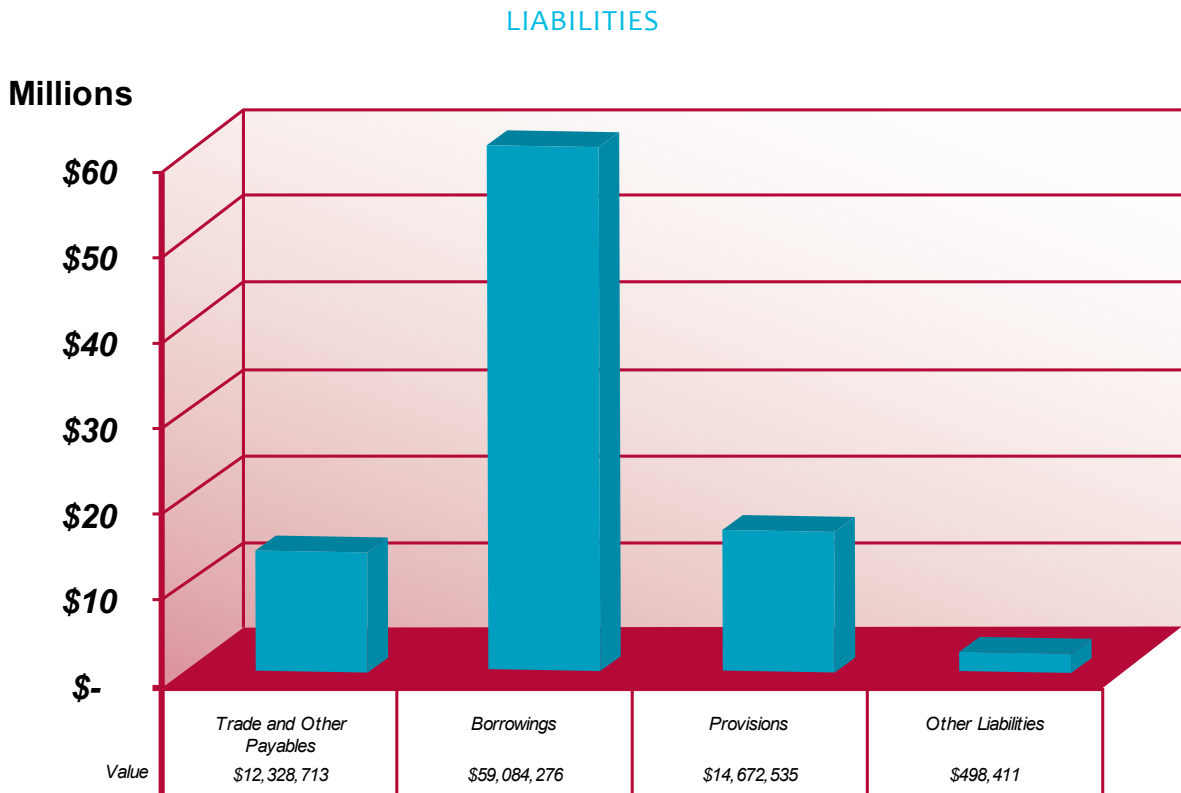
## Liabilities \$86m

### What Council owed at 30 June 2010

The majority of Council's liabilities consist of borrowings (68%) and trade and other payables (14%). Borrowings enables Council to provide timely essential services, such as the upgrade of the airport terminal and runway, whilst sharing the costs amongst the generations that benefit.

Trade and other payables are made up of day-to-day Creditors (\$6.2m), for the purchase of items ranging from bitumen to stationery, and Employee Entitlements (\$6.1m). Employee entitlements consist of annual leave and vested sick leave amounts payable to employees at 30 June 2010.

Provisions consist of costs that are expected to be incurred in restoring landfill sites administered by Council, and long service leave payable to employees at 30 June 2010. Provisions represent 17% of the total liabilities.



\* Estimates figures for comparative purposes

## Statement of Cash Flows

This statement records the change in cash during the year. Council commenced the year with a cash balance of \$75.5m, which included restricted capital cash (Reserves, Developer Contributions, Unspent Loans) of \$63.5m. At year end the closing balance was \$59.5m, with restricted capital cash of \$54.4m.

Council's cash flow from operating activities remains positive with surplus operating cash of \$19.3m available for investing in assets and repayment of loans.

Council utilised \$54m on assets purchases and loan redemption. This was funded from the surplus operating cash (\$19.3m), new and existing borrowings (\$17.2m), asset sales (\$1.1m), capital grants, donations, etc. (\$8.3m), council reserves (\$4m) and retained deficit (\$4m).

## Statement of Changes in Equity

The Statement of Changes in Equity determines the net wealth of Council, and therefore the community, and includes the asset revaluation reserve, retained earnings (deficit), capital and other reserves.

The asset revaluation reserve consists of \$309.9m in asset revaluations increases since amalgamation. Council's other reserves contains restricted funds held for future projects, reducing the need to rely on borrowings. The reserves set aside by Council include constrained works, asset acquisition, transport improvement, fleet renewal, sewerage improvement and water improvement, totalling \$34.7m.

\* Estimates figures for comparative purposes



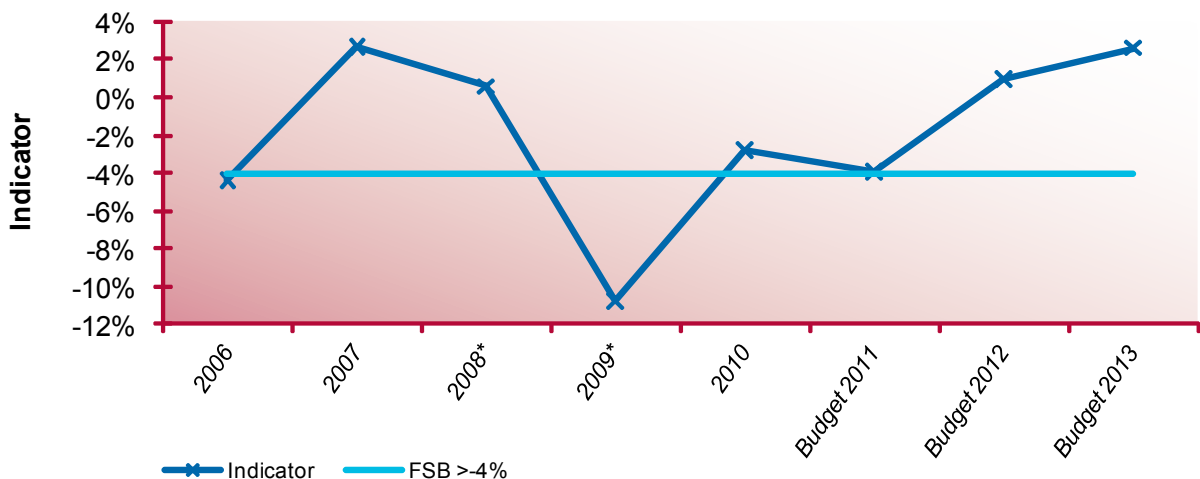
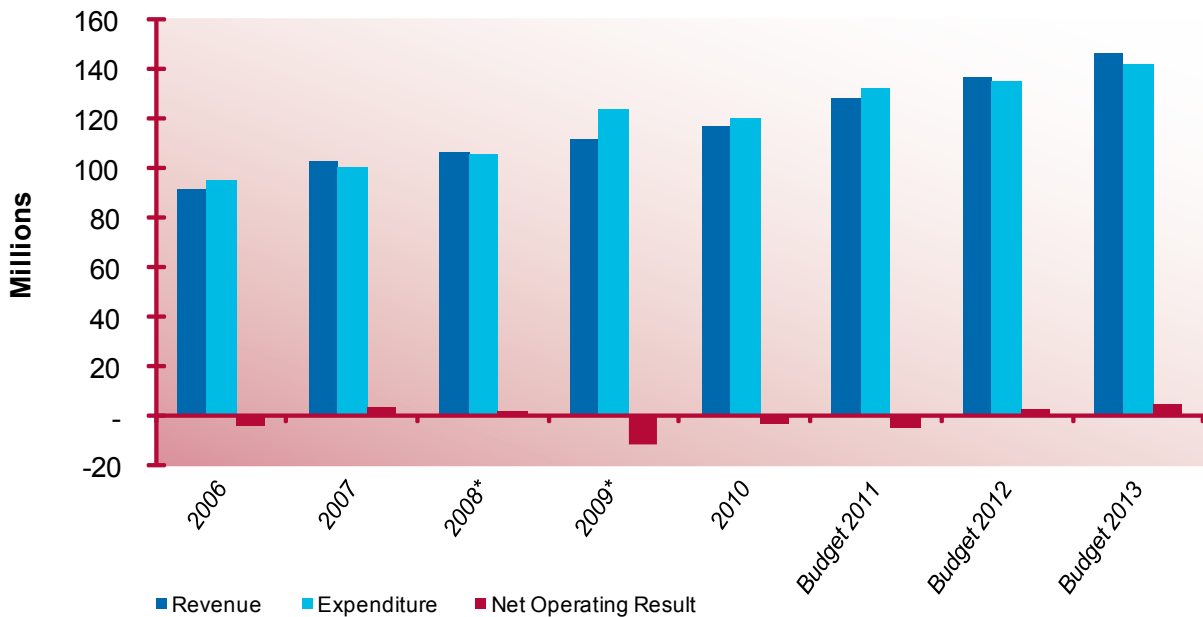
## Ratios

Ratios are an important tool for financial analysis, and portray information in a simplified manner. However, a ratio should not be used in isolation to form an opinion on Council's performance or sustainability. The reader should consider the impact of one-off significant events (amalgamations, legislative changes, etc.), Council's future strategic plans and other ratios and indicators when reviewing financial sustainability. Measuring the ratios against industry standards or acceptable levels, assists in gauging Council's performance. This report includes five benchmarks determined by the Queensland Treasury Corporation (QTC) for reviewing financial sustainability in Queensland Local Government.

### Operating Position - Operating Margin

The Operating Margin calculation reflects the net operating surplus, excluding capital items, as a percentage of operating revenue. QTC recommends a Financial Sustainability Benchmark (FSB) of greater than -4%.

In prior years, Council's operating margin has been above or around the QTC benchmark of -4%, however 2009 saw a significant fall to -11%, which is 7% below the QTC minimum. This was largely due to the cost associated with amalgamation. In 2010 Council was just above the benchmark and aims to return to a positive position within the next two years.



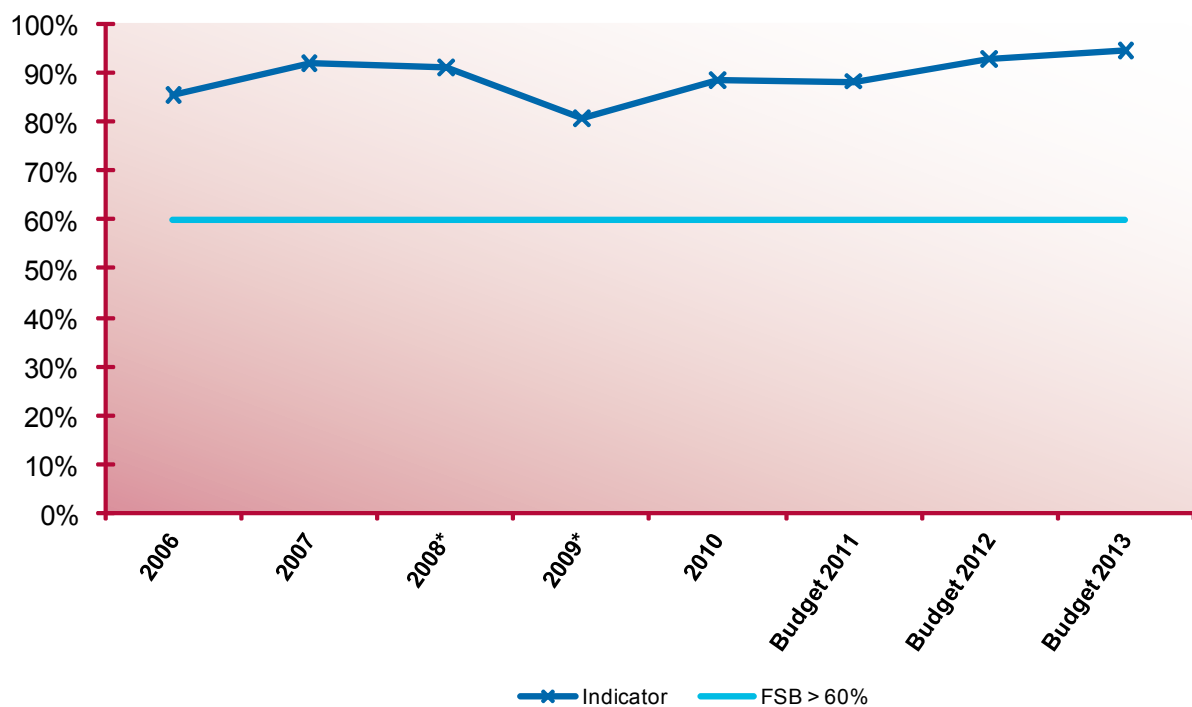
\* Estimates figures for comparative purposes

## Fiscal Flexibility

Fiscal sustainability indicators measure the financial flexibility of Council, and therefore provide an indication of the capacity to respond to changing circumstances, including adverse financial shocks.

### Fiscal Flexibility - Self Generated Operating Revenue Contribution

Self Generated Operating Revenue Contribution displays the capacity of Council to significantly influence its own revenue outcomes, and is calculated as recurrent revenue, excluding subsidies, donations and contributions, as a percentage of recurrent expenses. QTC recommends a Financial Sustainability Benchmark (FSB) of greater than 60%.



Council's indicator has remained above the QTC FSB in prior years, with the current year calculation coming in at 88%. This indicates that Council is not heavily reliant on grants and similar funding to sustain operations. Future years also looks positive, with this indicator predicted to remain over the QTC FSB of 60%. It should be noted that this ratio does not show Council's reliance on future capital grants and subsidies for new capital expenditure and upgrades.

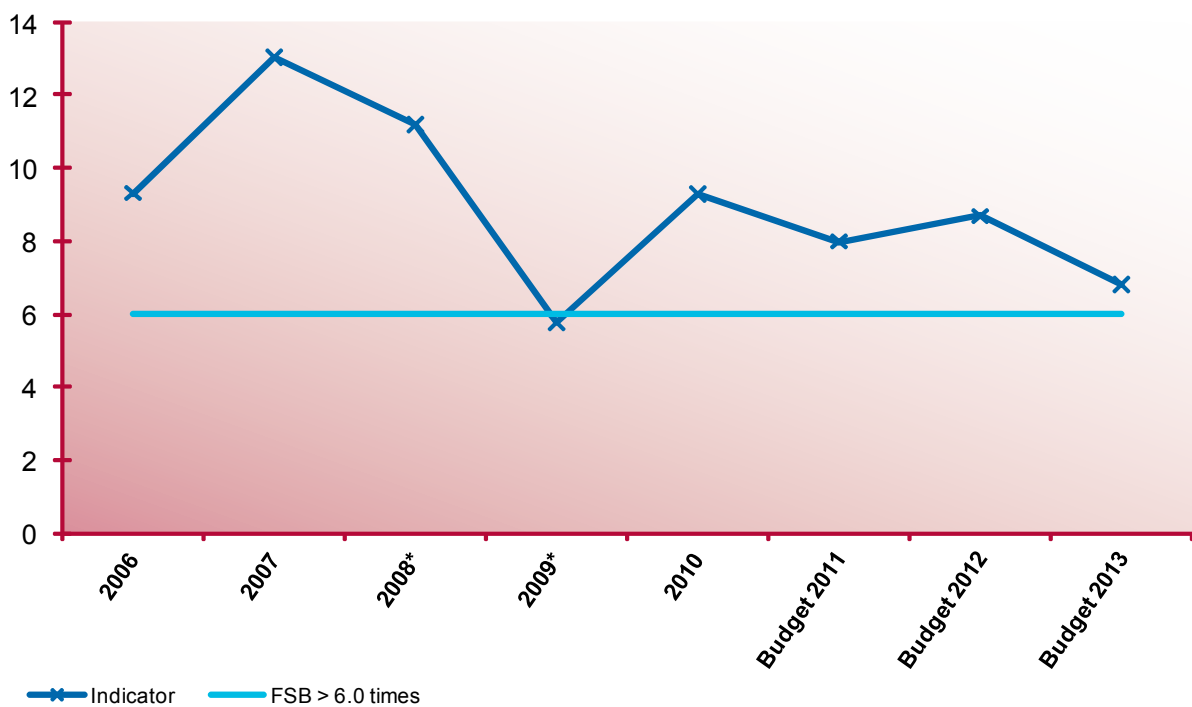
\* Estimates figures for comparative purposes





## Fiscal Flexibility - Interest Cover

The Interest Cover indicator is Council's Net Operating Surplus, excluding capital items, interest expense and depreciation, divided by borrowing costs. This shows that Council's net operating surplus covers its interest costs 9.3 times, which gives it plenty of protection in times of adversity. The QTC recommendation for sustainability of greater than 6 times in the long term. To put that into perspective, the operating surplus could drop by 35% from \$25.5m to \$16.5m and Council would still be above the benchmark.

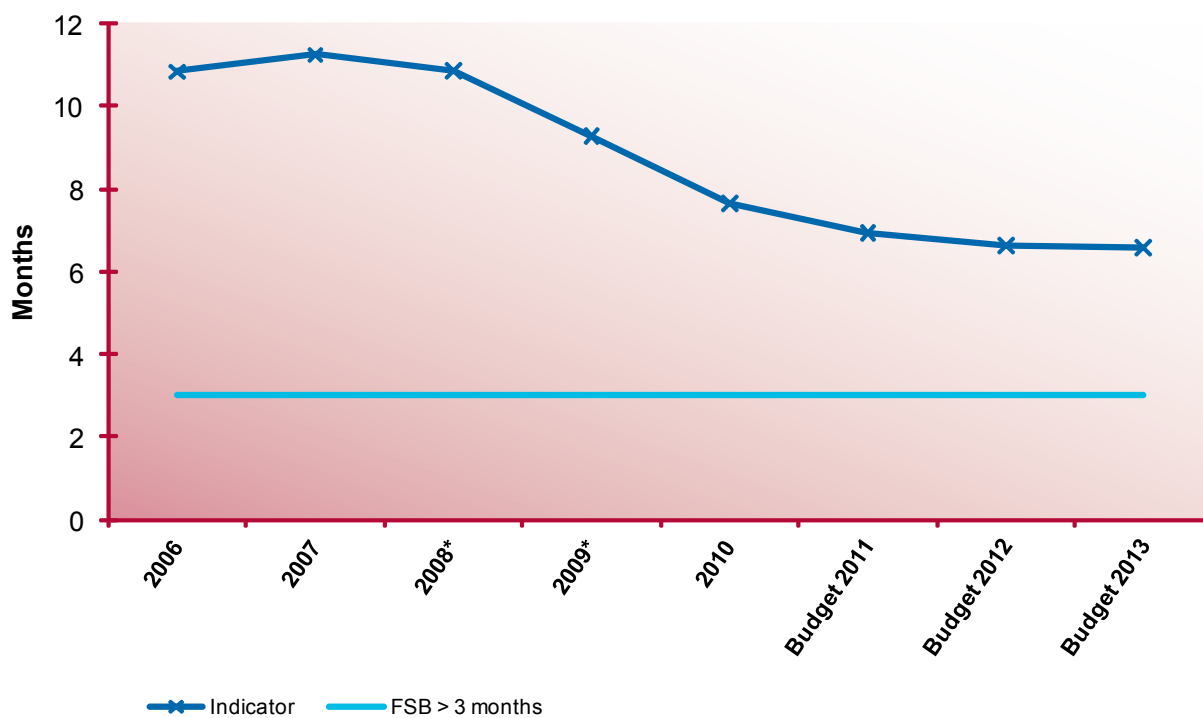


Council's indicator in the past has remained higher than the 6 times recommendation, peaking at 13 times in 2007. In 2009 the indicator fell to 5.8 times, which is just under the QTC recommendation. The short-term forecast shows a downwards trend for this indication which reflects the planned borrowings for capital expenditure.

\* Estimates figures for comparative purposes

## Liquidity - Cash Holdings

The Cash Holdings indicator is used to monitor Council's current cash balance in multiples of average monthly expenditure. This is calculated by dividing total cash by average monthly cash operating expenses, excluding capital items and depreciation. For this indicator QTC recommends a FSB of greater than 3 months.



Prior to amalgamation, some of the former Councils held restricted capital cash in the form of unspent loans at 30 June each year resulting in high liquidity. These unspent loans were held for budgeted capital projects due to be completed in the next 12 months.

Bundaberg Regional Council aims to limit loan drawdowns to the amount utilised in the current year, thereby reducing the unspent loans held at year end. The result is evident in the lower liquidity ratio.

## Liquidity - Working Capital Ratio (Current Ratio)

An important indication in determining the financial health of Council is to measure its ability to meet commitments when they fall due. This indicator identifies if Council has enough short-term assets to cover its immediate liabilities.

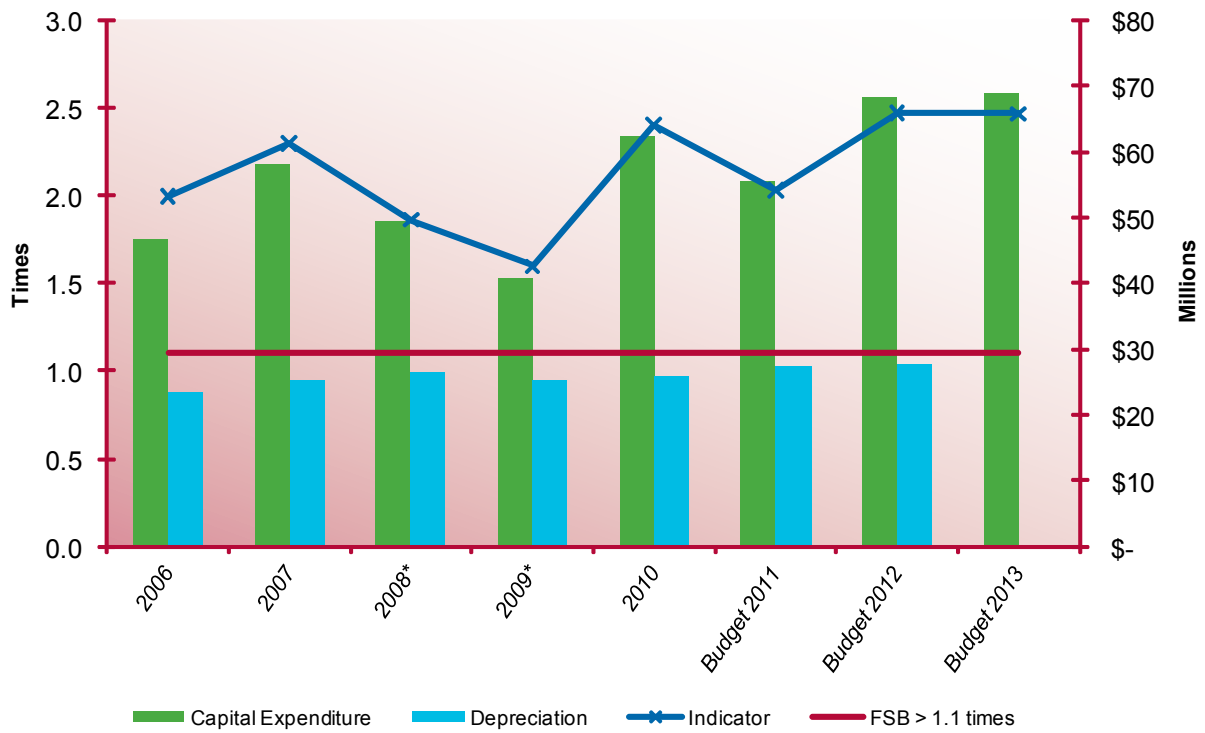
A ratio of more than 1 is desirable and generally a higher current ratio indicates a stronger financial position, and that Council has sufficient liquid assets to maintain normal business operations. Council's working capital ratio is 4.3 times, which indicates that it is in a strong financial position to meet its current commitments. QTC recommends a FSB greater than 3 times.

Former Council comparatives have not been included for this indicator as it is subjective with the changes in accounting policies and assumptions across the four former Councils following amalgamation and the creation of new policies.

\* Estimates figures for comparative purposes

## Balance Sheet Management - Capital Expenditure Ratio

The Capital Expenditure Ratio divides annual capital expenditure by annual depreciation, which indicates that Council's investment in assets is greater than the consumption of existing assets. QTC recommends a FSB of greater than or equal to 1.1 times.



In the current year, and the past 4 years, Council's ratio has been above the QTC minimum. This ratio trended down in 2008 and 2009. In 2010 and future budgets indicate that the ratio remain above 2 with the completion of the airport upgrade and other major infrastructure projects.

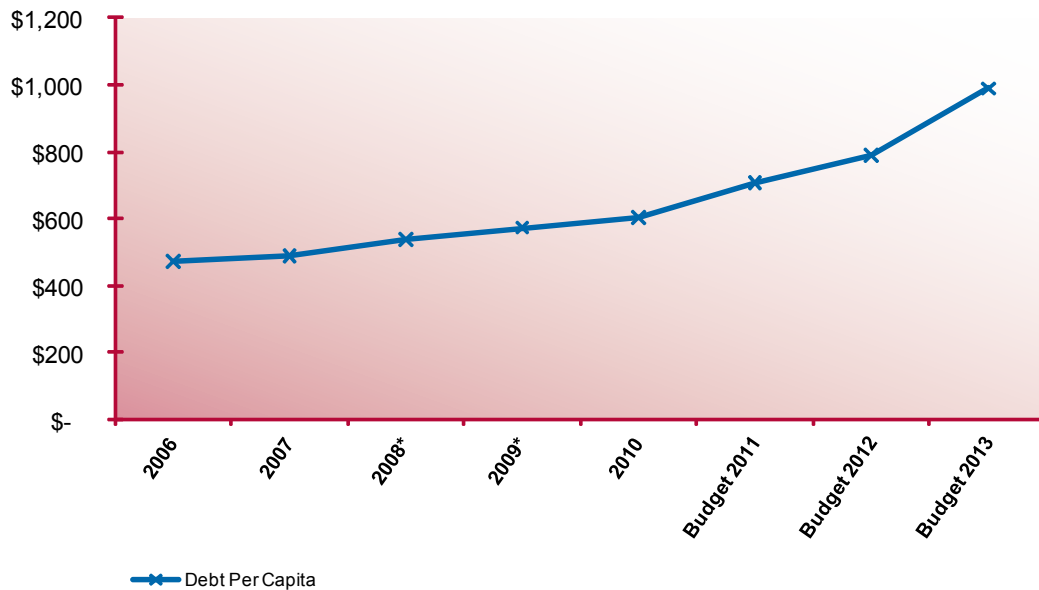
\* Estimates figures for comparative purposes



## Debt Per Capita

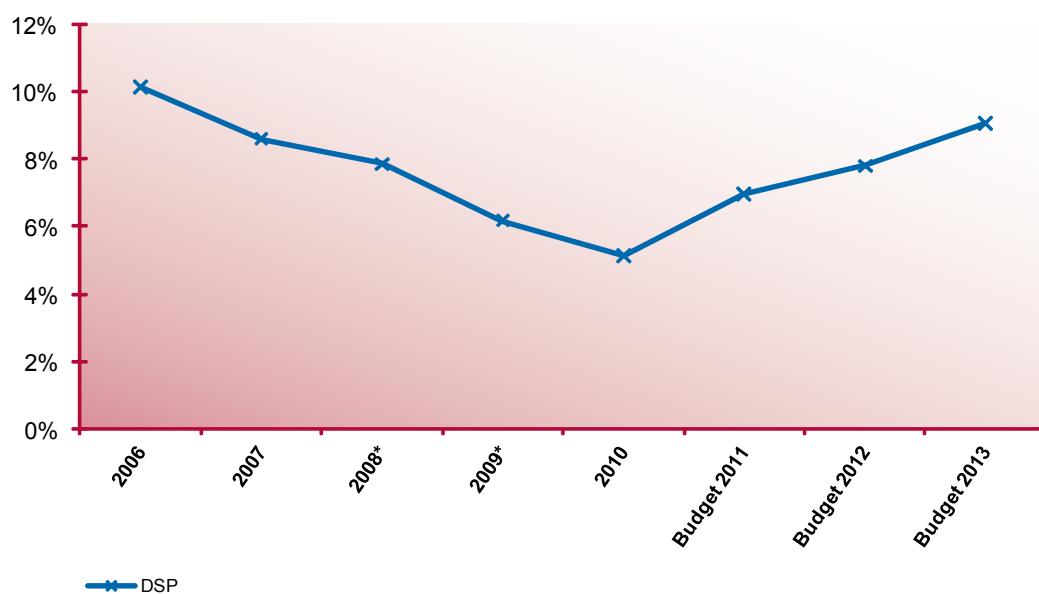
The debt per capita calculation monitors the amount of Council debt per resident. Based on an estimated population of 98,000 and total borrowings of \$59m, the debt per resident of Bundaberg Region as at 30 June 2010, is \$603.

The below graph shows a gradual increase in debt per capita in the past, and will continue into the future, based on budgets forecasts.



## Debt Servicing Ratio

The Debt Servicing Ratio represents the percentage of operating revenue required to service debt payments.



Council's Debt Service Payments have decreased over the past several years, to a level of 5% in 2010. This indicates that Council requires 5% of its operating revenue to service debt payments for the year. Based on future budgets, it is expected that this level will increase slightly to 10% in 2013.

\* Estimates figures for comparative purposes



# AUDITED ANNUAL FINANCAL REPORT



# BUNDABERG REGIONAL COUNCIL

## ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2010

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# BUNDABERG REGIONAL COUNCIL

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

|  | Note | 30-Jun-10<br>\$      | 15 Mar-08 to<br>30-Jun-09<br>\$ |
|--|------|----------------------|---------------------------------|
| <b>Income</b>  |      |                      |                                 |
| <b>Revenue</b>   |      |                      |                                 |
| <b>Recurrent Revenue</b>                                   |      |                      |                                 |
| Rates, levies and charges                                  | 3(a) | 85,835,645           | 77,981,439                      |
| Fees and charges   | 3(b) | 11,698,464           | 13,514,933                      |
| Interest received  | 3(c) | 3,217,332            | 6,838,754                       |
| Sales - contract and recoverable works                     | 3(d) | 4,900,364            | 6,345,507                       |
| Grants, subsidies, contributions and donations             | 4(a) | 10,564,155           | 14,809,198                      |
| Profit on sale of developed land held for sale             | 5    | 236,506              | 647,490                         |
| <b>Total recurrent revenue</b>                             |      | <u>116,452,466</u>   | <u>120,137,321</u>              |
| <b>Capital Revenue</b>                                     |      |                      |                                 |
| Grants, subsidies, contributions and donations             | 4(b) | 20,832,284           | 25,076,232                      |
| <b>Total Revenue</b>                                       |      | <u>137,284,750</u>   | <u>145,213,553</u>              |
| <b>Capital Income</b>                                      | 6    | 54,746               | 298,969                         |
| <b>Gain on Restructure of Local Government</b>             |      |                      |                                 |
| Assets and liabilities transferred from abolished Councils | 15   | -                    | 1,212,479,068                   |
| Adjustment to opening balances                             | 40   | -                    | (1,444,621)                     |
|  |      | -                    | <u>1,211,034,447</u>            |
| <b>TOTAL INCOME</b>  |      | <u>137,339,496</u>   | <u>1,356,546,969</u>            |
| <b>Expenses</b>  |      |                      |                                 |
| <b>Recurrent Expenses</b>                                  |      |                      |                                 |
| Employee benefits  | 7    | (53,750,402)         | (64,654,648)                    |
| Materials and services                                     | 8    | (36,519,497)         | (49,767,726)                    |
| Finance costs  | 9    | (3,423,447)          | (4,689,350)                     |
| Depreciation and amortisation                              | 10   | (26,011,391)         | (32,239,082)                    |
| <b>Total recurrent expenses</b>                            |      | <u>(119,704,737)</u> | <u>(151,350,806)</u>            |
| <b>Capital Expenses</b>                                    | 12   | (1,953,610)          | (23,596,566)                    |
| <b>Increase in Provision for Land Restoration</b>          | 11   | (545,570)            | (1,730,584)                     |
| <b>TOTAL EXPENSES</b>                                      |      | <u>(122,203,917)</u> | <u>(176,677,956)</u>            |
| <b>NET OPERATING SURPLUS ATTRIBUTABLE TO COUNCIL</b>       |      | <u>15,135,579</u>    | <u>1,179,869,013</u>            |
| <b>Other comprehensive income</b>                          |      |                      |                                 |
| Increase/(decrease) in asset revaluation surplus           |      | 38,374,236           | 271,515,187                     |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>           |      | <u>53,509,815</u>    | <u>1,451,384,200</u>            |

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



# BUNDABERG REGIONAL COUNCIL

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

|  | Note | 30-Jun-10<br>\$      | 30-Jun-09<br>\$      |
|--|------|----------------------|----------------------|
| <b>ASSETS</b>                                  |      |                      |                      |
| <b>Current Assets</b>                          |      |                      |                      |
| Cash and cash equivalents                      | 16   | 59,530,995           | 75,453,292           |
| Trade and other receivables                    | 17   | 11,787,958           | 10,600,248           |
| Inventories                                    | 18   | 2,829,337            | 2,651,523            |
|  |      | <u>74,148,290</u>    | <u>88,705,063</u>    |
| Non-current assets classified as held for sale | 21   | -                    | -                    |
| <b>Total Current Assets</b>                    |      | <u>74,148,290</u>    | <u>88,705,063</u>    |
| <b>Non-Current Assets</b>                      |      |                      |                      |
| Trade and other receivables                    | 17   | -                    | 4,835                |
| Investment property                            | 21   | 1,042,899            | 195,253              |
| Property, plant and equipment                  | 22   | 1,474,003,663        | 1,421,807,213        |
| Capital works in progress                      | 23   | 36,564,529           | 18,277,078           |
| Intangible assets                              | 24   | 5,718,569            | 5,283,427            |
|  |      | <u>1,517,329,660</u> | <u>1,445,567,806</u> |
| <b>Total Non-Current Assets</b>                |      | <u>1,517,329,660</u> | <u>1,445,567,806</u> |
| <b>TOTAL ASSETS</b>                            |      | <u>1,591,477,950</u> | <u>1,534,272,869</u> |
| <b>LIABILITIES</b>                             |      |                      |                      |
| <b>Current Liabilities</b>                     |      |                      |                      |
| Trade and other payables                       | 25   | 11,191,583           | 12,965,217           |
| Borrowings                                     | 26   | 4,446,669            | 3,300,499            |
| Provisions                                     | 28   | 518,000              | 637,000              |
| Other liabilities                              | 29   | 498,411              | 363,750              |
|  |      | <u>16,654,663</u>    | <u>17,266,466</u>    |
| <b>Total Current Liabilities</b>               |      | <u>16,654,663</u>    | <u>17,266,466</u>    |
| <b>Non-Current Liabilities</b>                 |      |                      |                      |
| Trade and other payables                       | 25   | 1,137,130            | 2,030,369            |
| Borrowings                                     | 26   | 54,637,607           | 51,209,336           |
| Provisions                                     | 28   | 14,154,535           | 12,382,498           |
|  |      | <u>69,929,272</u>    | <u>65,622,203</u>    |
| <b>Total Non-Current Liabilities</b>           |      | <u>69,929,272</u>    | <u>65,622,203</u>    |
| <b>TOTAL LIABILITIES</b>                       |      | <u>86,583,935</u>    | <u>82,888,669</u>    |
| <b>NET COMMUNITY ASSETS</b>                    |      | <u>1,504,894,015</u> | <u>1,451,384,200</u> |
| <b>Community Equity</b>                        |      |                      |                      |
| Capital  | 30   | 1,164,217,383        | 1,142,781,940        |
| Asset revaluation surplus                      | 31   | 309,889,423          | 271,515,187          |
| Retained surplus/(deficiency)                  | 32   | (3,958,278)          | -                    |
| Other reserves                                 | 33   | 34,745,487           | 37,087,073           |
|  |      | <u>1,504,894,015</u> | <u>1,451,384,200</u> |
| <b>TOTAL COMMUNITY EQUITY</b>                  |      | <u>1,504,894,015</u> | <u>1,451,384,200</u> |

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

# BUNDABERG REGIONAL COUNCIL

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

|  | Note | 30-Jun-10<br>\$      | 30-Jun-09<br>\$      |
|--|------|----------------------|----------------------|
| <b>ASSETS</b>                                  |      |                      |                      |
| <b>Current Assets</b>                          |      |                      |                      |
| Cash and cash equivalents                      | 16   | 59,530,995           | 75,453,292           |
| Trade and other receivables                    | 17   | 11,787,958           | 10,600,248           |
| Inventories                                    | 18   | 2,829,337            | 2,651,523            |
|  |      | <u>74,148,290</u>    | <u>88,705,063</u>    |
| Non-current assets classified as held for sale | 21   | -                    | -                    |
| <b>Total Current Assets</b>                    |      | <u>74,148,290</u>    | <u>88,705,063</u>    |
| <b>Non-Current Assets</b>                      |      |                      |                      |
| Trade and other receivables                    | 17   | -                    | 4,835                |
| Investment property                            | 21   | 1,042,899            | 195,253              |
| Property, plant and equipment                  | 22   | 1,474,003,663        | 1,421,807,213        |
| Capital works in progress                      | 23   | 36,564,529           | 18,277,078           |
| Intangible assets                              | 24   | 5,718,569            | 5,283,427            |
|  |      | <u>1,517,329,660</u> | <u>1,445,567,806</u> |
| <b>Total Non-Current Assets</b>                |      | <u>1,517,329,660</u> | <u>1,445,567,806</u> |
| <b>TOTAL ASSETS</b>                            |      | <u>1,591,477,950</u> | <u>1,534,272,869</u> |
| <b>LIABILITIES</b>                             |      |                      |                      |
| <b>Current Liabilities</b>                     |      |                      |                      |
| Trade and other payables                       | 25   | 11,191,583           | 12,965,217           |
| Borrowings                                     | 26   | 4,446,669            | 3,300,499            |
| Provisions                                     | 28   | 518,000              | 637,000              |
| Other liabilities                              | 29   | 498,411              | 363,750              |
|  |      | <u>16,654,663</u>    | <u>17,266,466</u>    |
| <b>Total Current Liabilities</b>               |      | <u>16,654,663</u>    | <u>17,266,466</u>    |
| <b>Non-Current Liabilities</b>                 |      |                      |                      |
| Trade and other payables                       | 25   | 1,137,130            | 2,030,369            |
| Borrowings                                     | 26   | 54,637,607           | 51,209,336           |
| Provisions                                     | 28   | 14,154,535           | 12,382,498           |
|  |      | <u>69,929,272</u>    | <u>65,622,203</u>    |
| <b>Total Non-Current Liabilities</b>           |      | <u>69,929,272</u>    | <u>65,622,203</u>    |
| <b>TOTAL LIABILITIES</b>                       |      | <u>86,583,935</u>    | <u>82,888,669</u>    |
| <b>NET COMMUNITY ASSETS</b>                    |      | <u>1,504,894,015</u> | <u>1,451,384,200</u> |
| <b>Community Equity</b>                        |      |                      |                      |
| Capital  | 30   | 1,164,217,383        | 1,142,781,940        |
| Asset revaluation surplus                      | 31   | 309,889,423          | 271,515,187          |
| Retained surplus/(deficiency)                  | 32   | (3,958,278)          | -                    |
| Other reserves                                 | 33   | 34,745,487           | 37,087,073           |
|  |      | <u>1,504,894,015</u> | <u>1,451,384,200</u> |
| <b>TOTAL COMMUNITY EQUITY</b>                  |      | <u>1,504,894,015</u> | <u>1,451,384,200</u> |

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

# BUNDABERG REGIONAL COUNCIL

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2010

|  | Note | 30-Jun-10<br>\$     | 30-Jun-09<br>\$     |
|--|------|---------------------|---------------------|
| <b>Cash Flows from Operating Activities :</b>          |      |                     |                     |
| Receipts from customers                                |      | 108,477,119         | 99,792,085          |
| Payments to suppliers and employees                    |      | (100,234,061)       | (110,839,855)       |
|  |      | 8,243,058           | (11,047,770)        |
| Interest received                                      |      | 2,984,739           | 7,002,215           |
| Proceeds from sale of developed land held for resale   | 5    | 290,909             | 806,197             |
| Non-capital grants and contributions                   |      | 10,538,866          | 14,755,968          |
| Borrowing costs  |      | (2,745,864)         | (3,838,114)         |
| Costs incurred on inventory land held for sale         |      | (51,846)            | (160,343)           |
| <b>Net Cash from Operating Activities</b>              | 38   | <b>19,259,862</b>   | <b>7,518,153</b>    |
| <b>Cash Flow from Investing Activities :</b>           |      |                     |                     |
| Payments for property, plant and equipment             |      | (49,527,380)        | (53,313,428)        |
| Payments for intangible assets                         | 24   | (591,427)           | (1,396,414)         |
| Payments for investment property                       |      | (792,900)           | -                   |
| Proceeds from sale of property plant and equipment     |      | 1,161,530           | 3,020,692           |
| Grants, subsidies, contributions and donations         |      | 10,007,387          | 22,827,085          |
| Net movement in loans and advances                     |      | 4,600               | 5,439               |
| <b>Net Cash used in Investing Activities</b>           |      | <b>(39,738,190)</b> | <b>(28,856,626)</b> |
| <b>Cash Flow from Financing Activities :</b>           |      |                     |                     |
| Transfer of hostel bonds to trust                      |      | -                   | (970,349)           |
| Proceeds from borrowings                               | 27   | 7,800,000           | 8,818,074           |
| Repayment of borrowings                                | 27   | (3,243,969)         | (5,469,189)         |
| <b>Net Cash from Financing Activities</b>              |      | <b>4,556,031</b>    | <b>2,378,536</b>    |
| <b>Net Decrease in Cash Held</b>                       |      | <b>(15,922,297)</b> | <b>(18,959,937)</b> |
| Cash at beginning of reporting period                  |      | 75,453,292          | -                   |
| Cash flow arising from restructure of local government | 15   | -                   | 94,413,379          |
| Adjustment to cash holding in the period               | 12   | -                   | (150)               |
| <b>Cash at End of Reporting Period</b>                 | 16   | <b>59,530,995</b>   | <b>75,453,292</b>   |

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

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

---

### 1 Summary of Significant Accounting Policies

#### 1.01 Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and complies with the requirements of the Local Government Act 1993, the Local Government Reform Implementation Regulation 2008 and the Local Government Finance Standard 2005.

Pursuant to Part 1B of the *Local Government Act 1993* and in accordance with the *Local Government Reform Implementation Regulation 2008*, the Bundaberg Regional Council (Council) was formed on 15 March 2008 as a consequence of the amalgamation of Bundaberg City, Burnett Shire, Isis Shire and Kolan Shire Councils.

The *Local Government Reform Implementation Regulation 2008* and the *Local Government Reform Implementation (Transferring Areas) Amendment Regulation (No. 1) 2008* transferred the assets and liabilities of the former Bundaberg City, Burnett Shire, Isis Shire and Kolan Shire Council to the Bundaberg Regional Council as at changeover date.

Pursuant to section 159YQ of the *Local Government Act 1993* and sections 26 and 35 of the *Local Government Reform Implementation Regulation 2008*, financial statements for 2008-09 were prepared for the period 15 March 2008 to 30 June 2009. The 2009-10 financial year is from 1 July 2009 to 30 June 2010.

Assets and liabilities of the former Councils were recognised by Bundaberg Regional Council on 15 March 2008 at the previous book values of the transferor local governments. This is shown as income in the comparative figures of the Statement of Comprehensive Income and Note 15.

Bundaberg Regional Council adopted consistent accounting policies from its commencement date of 15 March 2008. In some cases, this resulted in adjustments to the measurement of assets and liabilities transferred from former Councils as at 15 March 2008. These accounting policy alignment adjustments are shown in the comparative figures of the Statement of Comprehensive Income and in Note 15.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

#### 1.02 Statement of Compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Councils operations and effective for the current reporting period. Because 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 impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue and the recognition of assets and liabilities of the former Councils at the amounts at which they were recognised by the transferor local governments.

#### 1.03 Constitution

Bundaberg Regional Council is constituted under the Queensland Local Government Act 1993 and is domiciled in Australia.

#### 1.04 Date of Authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

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.

#### 1.05 Currency

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

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.06 Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has resulted in the following changes to Council's accounting policies:

Presentation of Financial Statements (AASB 101 Presentation of Financial Statements, AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101, AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101).

The revised Standard and Amending Pronouncements do not affect any of the amounts presented in the financial statements, but have changed the disclosure made in the financial statements. The change in terminology in the revised AASB 101 has resulted in the Balance Sheet being renamed the Statement of Financial Position, and the Cash Flow Statement being renamed the Statement of Cash Flows. The former Income Statement has been replaced with a single Statement of Comprehensive Income. In line with the new concept of "comprehensive income" the bottom of the Statement contains other Comprehensive Income that was previously included in the Statement of Changes in Equity.

Investment Property (AASB 140 Investment Property)

Investment property under construction or being developed for future use is now classified as investment property rather than being classified as work in progress or property, plant and equipment.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

|  | Effective for annual report periods beginning on or after: |
|--|--|
| AASB 9 Financial Instruments (December 2009)   | 1 January 2013   |
| AASB 124 Related Party Disclosures (December 2009)   | 1 January 2011   |
| 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (May 2009)               | 1 January 2010   |
| 2009-8 Group Cash-settled Share-based Payment Transactions (July 2009)   | 1 January 2010   |
| 2009-9 Additional Exemptions for First-time Adopters (September 2009)  | 1 January 2010   |
| 2009-10 Classification of Rights Issues (October 2009)   | 1 January 2013   |
| 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)  | 1 January 2013   |
| 2009-12 Amendments to Australian Accounting Standards in relation to AASB 8 Operating Segments (December 2009)                     | 1 January 2011   |
| 2009-13 Amendments to AAS arising from Interpretation 19 (December 2009)   | 1 July 2010  |
| 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement (Interpretation 14) (December 2009) | 1 January 2011   |
| Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments (December 2009)                                      | 1 July 2010  |

Management have yet to assess the impact that AASB 9 *Financial Instruments* and 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* is likely to have on the financial statements of Council as it is anticipated that further amendments will occur. Council does not expect to implement the amendments prior to the adoption date of 1 January 2013.

2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* includes amendments to AASB 117 *Leases* which revise the criteria for classification of leases involving land and buildings. Council will be required to reassess the classification of the land components of all unexpired leases that Council has entered into as at 1 July 2010, on the basis of the information existing at the inception of the relevant lease. If any such leases are reclassified to become finance leases, retrospective accounting adjustments will be processed as far as practicable.

Initial application of the other Standards/Interpretations in issue but not yet effective is not expected to have any material impact on Council's financial statements.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.07 Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

The estimates and assumptions that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are referred to in the appropriate notes to the financial statements.

#### 1.08 Rates, Levies, Grants and Other Revenue

Rates, Grants and Other Revenue are recognised as revenue on receipt of funds or earlier unconditional entitlements to the funds.

##### (i) Rates and Levies

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

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is placed in a reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the Unspent capital grants reserve. Council spends all recurrent grants in the year received and therefore Council has not established a reserve for this purpose.

Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements. Council does not currently have any reciprocal grants.

##### (iii) Non-Cash Contributions

Non-cash contributions with a value in excess of the recognition thresholds are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Non-cash contributions from property developers in relation to infrastructure assets are recognised at fair value when Council obtains control over those assets. Council regards the seal survey date as being the date Council obtains control.

##### (iv) Rental Income

Rental revenue from investment and other property is recognised as income on a periodic straight line basis over the lease term.

##### (v) Interest

Interest received from term deposits is accrued over the term of the investment.

#### 1.09 Financial Assets and Financial Liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Bundaberg Regional Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

##### Financial assets

Cash and cash equivalents (note 1.10)

Receivables - measured at amortised cost (note 1.11)

##### Financial liabilities

Payables - measured at amortised cost (note 1.21)

Borrowings - measured at amortised cost (note 1.24)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.09 Financial Assets and Financial Liabilities (Cont'd)

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

The fair value of borrowings, as disclosed in Note 27 to the accounts, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if Council repaid it in full at balance date. As it is the intention of Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.

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

The fair value of trade receivables and payables are assumed to approximate their nominal value less estimated credit adjustments.

The fair value of prepayments is represented by the book value as the period of time to consumption is short and there are no rates involved in the calculation, therefore they are not disclosed separately.

Bundaberg Regional Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

#### 1.10 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

#### 1.11 Receivables

Trade receivables 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 and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

Loans and advances are recognised in the same way as other receivables. Terms are usually a maximum of five years with interest charged at commercial rates. Security is not normally obtained.

#### 1.12 Inventories

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

Inventories held for distribution are:

- goods to be supplied at no, or nominal, charge, and
- goods to be used for the provision of services at no, or nominal, charges.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.13 Land Held for Resale

Land acquired with the intention of reselling it (with or without further development) is classified as inventory. As inventory this land is valued at the lower of cost or net realisable value. Inventory items are always treated as current assets.

Profit arising upon sale of land is recognised in the Statement of Comprehensive Income at settlement date.

#### 1.14 Investments

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

#### 1.15 Investment Property

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. This includes land held by Council for a currently undetermined future use.

Investment property is measured using the fair value model. This means all investment property is initially recognised at cost (including transaction costs) and then subsequently revalued annually at the balance sheet date. Where investment property is acquired at no or nominal cost it is recognised at fair value.

Pursuant to revised accounting standard AASB 140 *Investment Property*, from 1 July 2009 property that is being constructed or developed for future use as investment property is now classified as investment property rather than as property, plant and equipment. Investment property under construction is measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case the property concerned is measured at cost until fair value can be reliably determined).

Gains or losses arising from changes in the fair value of investment property are included in the Statement of Comprehensive Income for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

#### 1.16 Property, Plant and Equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Buildings with a total value of less than \$10,000, plant & equipment with a total value of less than \$5,000 and land with a total value of less than \$1 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by Council are:

- Land and Improvements
- Buildings and Structures
- Plant & Equipment
- Cultural Assets
- Road, Footpaths & Bridges
- Stormwater Drainage
- Sewerage Infrastructure
- Water Infrastructure

##### (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, engineering design fees and all other establishment costs.

Non-monetary assets, including property, plant and equipment, received in the form of contributions are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. 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.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.16 Property, Plant and Equipment (Cont'd)

##### (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 assets are 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 & structure, major plant, infrastructure and cultural assets are measured on the revaluation basis, at fair value, in accordance with AASB116 *Property, Plant and Equipment* and the *Local Government Finance Standard 2005*. All other non-current assets, principally plant and equipment and intangibles are measured at cost.

Non-current physical assets measured at fair value are 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. This is achieved by comprehensively revaluing these assets at least once every five years with interim valuations, using a suitable index, being otherwise performed on an annual basis were there has been a material variation in the index.

Details of valuers and methods of valuations are disclosed in Note 22 (b).

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of the remaining useful life.

Separately identified components of assets are measure on the same basis as the assets to which they relate.

##### (iv) Major Plant

Council has determined that plant which has an individual cost in excess of \$1,000,000 is of high value to Council. Plant which meets this criteria is classified as major plant if it is prone to a high degree of price fluctuations or in danger of becoming obsolete. Major plant is valued at fair value, while other plant and equipment is valued at cost.

##### (v) Capital Work in Progress

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

Investment property under construction is classified as investment property.

##### (vi) Depreciation

Land and cultural assets are not depreciated as they have unlimited useful lives. Plant and equipment is calculated on a straight-line basis. Depreciation on other property, plant and equipment is calculated on a straight line basis between condition points 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 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 Council.

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

The estimated useful lives of property, plant and equipment are reviewed annually. Details of the range of useful lives for each class of asset are shown in Note 22 (a).

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.16 Property, Plant and Equipment (Cont'd)

##### (vii) Unfunded Depreciation

Council may elect not to fund depreciation expenses for assets that will not be replaced or where 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.

##### (viii) Land Under Roads

All land under the road network within the council area has been dedicated and opened for public use under the Land Act 1994 or the Land Title Act 1994 and is not controlled by council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

#### 1.17 Intangible Assets

Only intangible assets which have a cost exceeding \$10,000 are recognised as intangible assets.

Expenditure on internally generated intangible assets is recognised from the date of the approval by Council of a capital expenditure authorisation for the acquisition or development of the asset. This approval is taken to indicate that the project meets the criteria for recognition in AASB138.57.

Expenditure on internally generated assets, up to the decision to generate the asset in a particular form, is research expenditure and is not capitalised.

It has been determined that there is not an active market for any of Council's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

#### 1.18 Biological Assets

Council operates a nursery to produce bedding plants and trees for its own use. In view of the immaterial nature of this operation the accounting procedures related to biological assets have not been applied. The costs incurred in this operation are included in Council's general operations as they are incurred.

#### 1.19 Impairment

Each non-current physical asset is assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and its depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.20 Leases

Leases of plant and equipment under which Council as lessee 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.

##### (i) Finance Leases

Finance leases where Council is lessee are capitalised in that a lease asset and a liability equal to the fair value of the leased property (or the present value of the minimum lease payments, if lower) are recorded at the inception of the lease. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged as finance costs. The asset is accounted for on the same basis as other assets of the same class. Contingent rentals are written off as an expense in the accounting period in which they are incurred.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.20 Leases (Cont'd)

##### (ii) 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.

#### 1.21 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.

#### 1.22 Liabilities - Employee Benefits

Employee benefits are accrued for such items as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee entitlements are assessed at each reporting date. 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 represents an accrued expense and is reported in Note 25.

##### (ii) Annual Leave

A liability for annual leave is recognised. The current portion is based on current wage and salary levels and includes related employee on-costs. The non-current portion is based on projected future wage and salary levels and related employee on-costs discounted to present values. This liability is reported in Note 25.

##### (iii) Sick Leave

A liability for vested sick leave is recognised and measured in accordance with Council's Enterprise Bargaining Agreement. The current portion is based on current wage and salary levels and includes related employee on-costs. The non-current portion is based on projected future wage and salary levels and related employee on-costs discounted to present values.

##### (iv) Superannuation

The superannuation expense for the reporting period is the amount of the contribution Council makes to the superannuation plan which provides benefits to its employees.

Details of those arrangements are set out in Note 36.

##### (v) Long Service Leave

A liability for long service leave is measured at 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 projected future increases in those rates and includes related employee on-costs. The liability is reported in Note 28.

#### 1.23 Borrowing Costs

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

#### 1.24 Borrowings

Loans payable are measured at amortised cost. Interest is recognised as it accrues. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

Borrowing costs, which include interest calculated using the effective interest method and administration fees, are expensed in the period in which they arise. Costs that are not settled in the period in which they arise are added to the carrying amount. Borrowing costs are treated as an expense, as assets constructed by the Council are generally completed within one year and therefore are not considered to be qualifying assets.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.24 Borrowings (Cont'd)

Gains and losses on the early redemption of borrowings are recorded in other revenue / expense.

Borrowings are classified as current liabilities unless the council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### 1.25 Restoration Provisions

A provision is made for the cost of restoration of assets and other future restoration costs where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of the facility. This liability is provided in respect of refuse dumps. Details can be found in Note 28.

The provision is measured at the expected cost of the work required and discounted to current day values using an appropriate rate. The current QTC lending rate is considered an appropriate rate.

##### (a) Restoration on land not controlled by Council

Where the restoration site is on State reserves which Council does not control, the cost of the provisions for restoration of these sites has to be treated as an expense in the year the provision is first recognised. Changes in the provision not arising from the passing of time are treated as an expense or income.

##### (b) Restoration on land controlled by Council

Where the restoration site is on Council controlled land, the cost of the restoration provision is added to the cost of the land as an improvement and amortised over the expected useful life. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land. If there is no available reserve, increases in provision are treated as an expense and recovered out of future decreases if any.

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

#### 1.26 Capital

Capital is the carrying value of Council's capital assets less the amount of capital debt at the reporting date. It represents the net investment of Council funds in assets purchased to deliver future services to the community. Where Council has accumulated unspent depreciation for the purchase of future assets, this forms part of the capital account. It represents capital cash held pending investment into physical assets.

#### 1.27 Asset Revaluation Surplus

The asset revaluation surplus comprises 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 the asset revaluation surplus. Increases and decreases upon revaluation are offset within a class of assets.

Where a class of assets is decreased upon revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount in the reserve in respect of that asset is retained in the reserve.

#### 1.28 Retained Surplus

This represents that part of Council's net funds that are not required to meet specific future funding needs. The balance of this account at the end of each financial year represents the accumulative amount available to Council that may be used to offset against expenditure in the following year.

#### 1.29 Reserves

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

##### (i) Constrained Works Reserve

This reserve represents contributions received for capital works where the required works have not yet been carried out.

##### (ii) Transport Improvement Reserve

This reserve represents cash reserves set aside to provide funds for the future construction and replacement of Council's Roads, Pathways and Bikeways Infrastructure.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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### 1 Summary of Significant Accounting Policies (Cont'd)

#### 1.29 Reserves (Cont'd)

(iii) Asset Acquisition Reserve

The financial strategy of Council is that each year there should be sufficient capital expenditure to maintain the operating capability of the Council. This reserve is used to even out capital expenditure fluctuations year by year.

(iv) Fleet Renewal Reserve

This reserve was created for replacement and upgrading of Council's plant.

(v) Sewerage Improvement Reserve

This reserve was created to provide a contingency amount to offset any major unforeseen sewerage works that are required.

(vi) Water Improvement Reserve

This reserve was created to provide a contingency amount to offset any major unforeseen water works that are required.

(vii) Unspent Funded Depreciation Reserve

This reserve represents cash reserves set aside to provide funds for the future replacement or upgrade of Council's assets and Loan Principal payments.

(viii) Working Capital Cash Reserve

This reserve was created to ensure that Council is able to continue its operations and ensure that it has sufficient cash flow to enable payment of debt and upcoming operational expenses.

#### 1.30 Rounding and comparatives

Amounts included in the financial statements have been rounded to the nearest \$1 or, where that amount is \$0.50 or less, to zero.

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

Bundaberg Regional Council was formed on 15 March 2008 as a consequence of the amalgamation of Bundaberg City, Burnett Shire, Isis Shire and Kolan Shire Councils. Pursuant to Section 159YQ of the *Local Government Act 1993* and Sections 26 and 35 of the *Local Government Reform Implementation Regulation 2008*, financial statements for 2008-09 were prepared for the period 15 March 2008 to 30 June 2009. Therefore comparative figures presented in the financial statements for the year ended 30 June 2010 are for a 15 and a half month period.

The assets and liabilities of the former Bundaberg City, Burnett Shire, Isis Shire and Kolan Shire Councils were transferred to the Bundaberg Regional Council on the changeover date. Therefore asset and liability balances disclosed in the notes at the beginning of the comparative financial year, comprise assets and liabilities that were transferred from Bundaberg City, Burnett Shire, Isis Shire and Kolan Shire Councils due to the restructure.

#### 1.31 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 paid into the Trust Account by Council. Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements. The monies are disclosed in the notes to the financial statements for information purposes only. Refer to Note 37.

#### 1.32 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 Australian Taxation Office ('ATO') or payable to the ATO is shown as an asset or liability respectively.

The Council pays Payroll Tax to the Queensland Government on certain activities.

#### 1.33 Judgements and Assumptions

The Council has made no judgements or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### 2 (a) Analysis of results by function

Income and expenses defined between recurring and capital are attributed to the following functions :

| Functions           | Grant<br>Revenue<br>\$ | Other<br>Revenue<br>\$ | Total<br>Revenue<br>\$ | Total<br>Expenses<br>\$ | Net<br>Result<br>\$ | Assets<br>\$         |
|---------------------|------------------------|------------------------|------------------------|-------------------------|---------------------|----------------------|
| Council departments | 16,681,813             | 80,439,525             | 97,121,338             | 95,419,358              | 1,701,980           | 1,175,081,689        |
| Sewerage services   | 69,007                 | 18,975,004             | 19,044,011             | 12,947,375              | 6,096,636           | 210,708,582          |
| Water services      | 30,909                 | 21,143,238             | 21,174,147             | 13,837,184              | 7,336,963           | 205,687,679          |
| <b>Total</b>        | <b>16,781,729</b>      | <b>120,557,767</b>     | <b>137,339,496</b>     | <b>122,203,917</b>      | <b>15,135,579</b>   | <b>1,591,477,950</b> |

For the year ended 30 June 2009

| Functions           | Grant<br>Revenue<br>\$ | Other<br>Revenue<br>\$ | Total<br>Revenue<br>\$ | Total<br>Expenses<br>\$ | Net<br>Result<br>\$ | Assets<br>\$         |
|---------------------|------------------------|------------------------|------------------------|-------------------------|---------------------|----------------------|
| Council departments | 26,357,638             | 74,828,944             | 101,186,582            | 148,451,762             | (47,265,180)        | 1,126,782,587        |
| Sewerage services   | 4,830,225              | 17,049,898             | 21,880,123             | 14,148,997              | 7,731,126           | 213,904,187          |
| Water services      | 1,079,642              | 19,921,554             | 21,001,196             | 14,077,197              | 6,923,999           | 193,586,095          |
| <b>Total</b>        | <b>32,267,505</b>      | <b>111,800,396</b>     | <b>144,067,901</b>     | <b>176,677,956</b>      | <b>(32,610,055)</b> | <b>1,534,272,869</b> |

The analysis presented above does not include the total gain on restructure of Local Government, as presented in the Income Statement and Note 15, as this is not specific to any function within Council.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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### 2 (b) Component functions of Council

The activities relating to Council's Functions reported on in Note 2(a) - Analysis of Results by Function are as follows:

#### Council departments

Comprised of the following departments incorporating the various service delivery programs within Council which are primarily funded from general rate operations:

| Department                        | Service delivery programs   |
|-----------------------------------|---|
| Governance                        | Corporate services; Information technology; Human resources and Workplace health and safety   |
| Finance                           | Financial functions of Council including: Payroll; Purchasing; Rating; Budgeting and Financial reporting                                |
| Executive support                 | Chief Executive Officer; Mayor and Councillors and Corporate communications   |
| Community and cultural services   | Community services; Cultural services; Counter disaster; Sport and recreation and Venues and facilities                                 |
| Infrastructure services           | Roads and drainage; Fleet management; Assets and design and trade services (Water and Sewerage services reported as separate functions) |
| Health and environmental services | Waste management; Health and environmental protection   |
| Planning and development services | Building; Planning and development; Economic development and tourism  |

#### Sewerage services

Council's sewerage operations are primarily funded from sewerage utility charges. The focus of this function is to provide and maintain a reliable, efficient and cost effective sewerage system which recognises environmental values in the city.

#### Water services

Council's water operations are primarily funded from water utility charges under a user-pays system. The focus of this function is to provide a safe, reliable and adequately treated water supply to consumers based on high standards of treatment, efficient maintenance of infrastructure and sound planning techniques.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|   | Note | 30-Jun-10<br>\$ | 30-Jun-09<br>\$ |
|---|------|-----------------|-----------------|
| <b>3 Revenue analysis</b>                         |      |                 |                 |
| <b>(a) Rates and charges</b>                      |      |                 |                 |
| General rates                                     |      | 48,510,521      | 46,077,638      |
| Cleansing and recycling                           |      | 9,329,222       | 8,104,656       |
| Water   |      | 19,727,743      | 16,612,458      |
| Sewerage  |      | 16,855,055      | 14,991,532      |
| Special rates and charges                         |      | 366,629         | (31,640)        |
| Total rates and utility charge revenue            |      | 94,789,170      | 85,754,644      |
| Less: Discounts                                   |      | (8,292,018)     | (7,329,592)     |
| Less: Pensioner remissions                        |      | (661,507)       | (443,613)       |
| Net rates and utility charges                     |      | 85,835,645      | 77,981,439      |
| <b>(b) Fees and charges</b>                       |      |                 |                 |
| Fees and charges                                  |      | 11,698,463      | 13,514,933      |
|   |      | 11,698,463      | 13,514,933      |
| <b>(c) Interest received</b>                      |      |                 |                 |
| Interest received from investments                |      | 2,635,145       | 6,307,266       |
| Other sources                                     |      | 48,155          | 580             |
| Interest from overdue rates and utility charges   |      | 534,032         | 530,908         |
|   |      | 3,217,332       | 6,838,754       |
| <b>(d) Sales - Contract and recoverable works</b> |      |                 |                 |
| Sales - Contract and recoverable works            |      | 4,900,364       | 6,345,507       |
|   |      | 4,900,364       | 6,345,507       |

The amount recognised as revenue for contract revenue during the period is the amount receivable in respect of invoices issued during the period. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

## 4 Grants, subsidies, contributions and donations

(a) Recurrent - Grants and subsidies, other contributions and donations are analysed as follows:

|   |            |            |
|---|------------|------------|
| General purpose grants                  | 7,371,304  | 11,027,552 |
| State Government grants and subsidies   | 2,243,931  | 2,560,568  |
| Federal Government grants and subsidies | 678,373    | 770,775    |
| Non-Government grants and subsidies     | 22,363     | 193,251    |
| Donations                               | 72,037     | 49,315     |
| Contributions                           | 176,147    | 207,737    |
| Total recurrent revenue                 | 10,564,155 | 14,809,198 |



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|  | Note | 30-Jun-10<br>\$   | 30-Jun-09<br>\$   |
|--|------|-------------------|-------------------|
| <b>4 Grants, subsidies, contributions and donations (cont'd)</b>   |      |                   |                   |
| (b) Capital - Grants and subsidies, other contributions and donations are analysed as follows:   |      |                   |                   |
| (i) Monetary revenue received:   |      |                   |                   |
| State Government grants and subsidies  |      | 3,362,412         | 12,396,977        |
| Federal Government grants and subsidies  |      | 3,037,466         | 4,824,635         |
| Contributions  |      | 2,837,405         | 6,045,111         |
| Non-Government grants and subsidies  |      | 65,880            | 4,575             |
| (ii) Non-Monetary revenue received:  |      |                   |                   |
| Donated assets contributed by developers at fair value   |      | 11,529,121        | 1,804,934         |
| Total capital revenue  |      | <u>20,832,284</u> | <u>25,076,232</u> |
| (c) <u>Conditions over contributions</u>   |      |                   |                   |
| Contributions and grants which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date : |      |                   |                   |
| Capital grants and subsidies   |      | 2,609,648         | 1,902,969         |
| Developer's contributions  |      | 2,480,242         | 5,313,696         |
| Other capital contributions  |      | 91,068            | 40,000            |
|  |      | <u>5,180,958</u>  | <u>7,256,665</u>  |
| Contributions and grants which were recognised as revenues in a previous reporting period and were expended during the current reporting period in accordance with the Council's obligations.  |      |                   |                   |
| Capital grants and subsidies   |      | 1,738,162         | 1,547,804         |
| Developer's contributions  |      | 2,534,526         | 2,651,436         |
|  |      | <u>4,272,688</u>  | <u>4,199,240</u>  |
| <b>5 Profit on sale of developed land held for resale</b>  |      |                   |                   |
| Proceeds from sales of developed land held for resale  |      | 290,909           | 806,197           |
| Current cost of developed land sold  |      | (54,403)          | (158,707)         |
|  |      | <u>236,506</u>    | <u>647,490</u>    |
| <b>6 Capital income</b>  |      |                   |                   |
| Revaluation of investment property   | 21   | <u>54,746</u>     | <u>34,847</u>     |
|  |      | 54,746            | 34,847            |
| Gain/(loss) on the disposal of non-current assets held for sale  |      |                   |                   |
| Proceeds from the sale of non-current assets held for sale   |      | -                 | 393,636           |
| Less: Book value of non-current assets held for sale   | 20   | -                 | (129,514)         |
|  |      | -                 | <u>264,122</u>    |
|  |      | <u>54,746</u>     | <u>298,969</u>    |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|  | Note | 30-Jun-10<br>\$          | 30-Jun-09<br>\$          |
|--|------|--------------------------|--------------------------|
| <b>7 Employee benefits</b>                       |      |                          |                          |
| Total staff wages and salaries                   |      | 41,897,000               | 49,648,447               |
| Councillors' remuneration                        |      | 963,071                  | 1,194,626                |
| Annual, sick and long service leave entitlements |      | 7,204,687                | 10,572,381               |
| Superannuation                                   | 36   | 5,288,230                | 5,817,521                |
|  |      | <u>55,352,988</u>        | <u>67,232,975</u>        |
| Other employee related expenses                  |      | 2,398,527                | 1,871,870                |
|  |      | <u>57,751,515</u>        | <u>69,104,845</u>        |
| Less: Capitalised employee expenses              |      | <u>(4,001,113)</u>       | <u>(4,450,197)</u>       |
|  |      | <u><u>53,750,402</u></u> | <u><u>64,654,648</u></u> |

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

Total Council employees at the reporting date:

|                                      |            |            |
|--------------------------------------|------------|------------|
| Elected members                      | 11         | 11         |
| Administration staff                 | 339        | 328        |
| Depot and outdoor staff              | 487        | 465        |
| Total full time equivalent employees | <u>837</u> | <u>804</u> |

## 8 Materials and services

|                             |     |                   |                   |
|-----------------------------|-----|-------------------|-------------------|
| Audit services              | (i) | 155,485           | 626,689           |
| Donations paid              |     | 651,114           | 1,231,403         |
| Rentals - operating leases  |     | 250,262           | 177,718           |
| Other material and services |     | 35,462,636        | 47,731,916        |
|                             |     | <u>36,519,497</u> | <u>49,767,726</u> |

(i) The audit services amount recorded in this note includes audit costs associated with the audit of Bundaberg Regional Council. The Auditors remuneration for the audit of the financial statement for the year ended 30 June 2010 is \$246,000 (period ended 30 June 2009 \$334,370).

## 9 Finance costs

|  |                  |                  |
|--|------------------|------------------|
| Finance costs charged by the Queensland Treasury Corporation | 2,742,653        | 3,835,694        |
| Other finance costs  | 3,211            | 1,725            |
| Impairment of debts  | 194,498          | 217,020          |
| Bank charges   | 214,870          | 312,782          |
| Landfill restoration - change in provision over time         | 268,215          | 322,129          |
|  | <u>3,423,447</u> | <u>4,689,350</u> |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|   | Note | 30-Jun-10<br>\$   | 30-Jun-09<br>\$   |
|---|------|-------------------|-------------------|
| <b>10 Depreciation and amortisation</b>   |      |                   |                   |
| <b>(a) Depreciation of non-current assets</b>   |      |                   |                   |
| Buildings and structures  |      | 1,544,837         | 1,827,876         |
| Plant and equipment   |      | 2,893,202         | 3,661,136         |
| Roads, footpaths & bridges  |      | 13,391,763        | 16,971,226        |
| Stormwater drainage   |      | 2,089,116         | 2,042,547         |
| Water infrastructure  |      | 2,797,814         | 3,387,152         |
| Sewerage infrastructure   |      | 3,138,374         | 4,173,754         |
| Total depreciation of non current assets  |      | <u>25,855,106</u> | <u>32,063,691</u> |
| <b>(b) Amortisation of intangible assets</b>  |      |                   |                   |
| Intangible assets   |      | 156,285           | 175,391           |
| Total depreciation and amortisation   |      | <u>26,011,391</u> | <u>32,239,082</u> |
| <b>Unfunded depreciation</b>  |      |                   |                   |
| Depreciation is regarded as unfunded when the cost of the depreciation is excluded from the budget in determining the level of revenue required for the year. |      |                   |                   |
| Depreciation is not funded when the assets it relates to are not intended to be replaced or other sources of funding are available.                           |      |                   |                   |
| In the period the unfunded depreciation was \$0   |      |                   |                   |
| <b>11 Increase in provision for land restoration</b>  |      |                   |                   |
| Increase in rehabilitation provision, due to increase in the estimated future cost that pertains to land not controlled by Council                            | 28   | <u>545,570</u>    | <u>1,730,584</u>  |
|   |      | <u>545,570</u>    | <u>1,730,584</u>  |
| <b>12 Capital expenses</b>  |      |                   |                   |
| Revaluation decrement on property, plant and equipment  | 22   | <u>-</u>          | <u>16,638,292</u> |
|   |      | <u>-</u>          | <u>16,638,292</u> |
| Other Income (expense)  |      | <u>-</u>          | <u>150</u>        |
|   |      | <u>-</u>          | <u>150</u>        |
| Total loss on the sale of non-current assets  | 13   | <u>1,933,982</u>  | <u>5,247,173</u>  |
|   |      | <u>1,933,982</u>  | <u>5,247,173</u>  |
| Total loss on the write off of non-current assets   | 14   | <u>1,218</u>      | <u>1,710,951</u>  |
|   |      | <u>1,218</u>      | <u>1,710,951</u>  |
| Loss on adjustment to long term debt  |      | 18,410            | -                 |
| Total capital expenses  |      | <u>1,953,610</u>  | <u>23,596,566</u> |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|  | Note | 30-Jun-10<br>\$    | 30-Jun-09<br>\$    |
|--|------|--------------------|--------------------|
| <b>13 Gain/(Loss) on sale of non-current assets</b>  |      |                    |                    |
| Proceeds from sale of property, plant and equipment  |      | 691,262            | 887,898            |
| Book value of property, plant and equipment disposed |      | <u>(3,085,514)</u> | <u>(7,665,980)</u> |
| Gain/(Loss) on sale of property, plant and equipment |      | <u>(2,394,252)</u> | <u>(6,778,082)</u> |
| <br>   |      |                    |                    |
| Proceeds from sale of land                           |      | 465,270            | 1,671,909          |
| Book value of land disposed                          |      | <u>(5,000)</u>     | <u>(141,000)</u>   |
| Gain/(Loss) on sale of land                          |      | <u>460,270</u>     | <u>1,530,909</u>   |
| <br>   |      |                    |                    |
| Gain/(Loss) on sale of non-current assets            |      | <u>(1,933,982)</u> | <u>(5,247,173)</u> |
| <br>   |      |                    |                    |
| <b>14 Loss on write off of non-current assets</b>    |      |                    |                    |
| Book value of plant and equipment written off        | 22   | -                  | 1,660,565          |
| Book value of intangibles written off                | 24   | -                  | 50,386             |
| Book value of cultural assets written off            | 22   | <u>1,218</u>       | -                  |
| Loss on write off of non-current assets              |      | <u>1,218</u>       | <u>1,710,951</u>   |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2010

### 15 Gain on restructure of local government

The Local Government Reform Commission report to the Minister for Local Government, Planning and Sport on 27 July 2007 recommended that the former Bundaberg City, Burnett Shire, Isis Shire and Kolan Shire Councils be amalgamated to form the Bundaberg Regional Council. Pursuant to Part 1B of the Local Government Act 1993 and in accordance with the Local Government Reform Implementation Regulation 2008, the amalgamation was effective from the changeover date of 15 March 2008.

The Local Government Reform Implementation Regulation 2008 and the Local Government Reform Implementation (Transferring Assets) Amendment Regulation (No. 1) 2008 transferred the assets and liabilities of the former Bundaberg City, Burnett Shire, Isis Shire and Kolan Shire Councils to the Bundaberg Regional Council as at changeover date.

The assets and liabilities of the former councils have been recognised at the amounts at which they were recognised by the transferor local governments as at the changeover date. In accordance with the policy, each class of property, plant and equipment has been recognised at 15 March 2008 at its carrying amount, except for the Plant & Equipment class which was brought on at gross value.

Bundaberg Regional Council adopted consistent accounting policies from its commencement date of 15 March 2008. This policy alignment resulted in changes in the measurement of assets and liabilities transferred from former councils as at 15 March 2008 however the changes were not considered material.

Details are as follows:

|   | Bundaberg City Council |                    | Burnett Shire Council |                   | Isis Shire Council |  | Kolan Shire Council |  | Total assets and liabilities recognised by Bundaberg Regional Council |      | Adjustments due to accounting policy alignment |  | Gain on restructure of local government |                      |
|---|------------------------|--------------------|-----------------------|-------------------|--------------------|--|---------------------|--|---|------|--|--|---|----------------------|
|   | 14 March 2008          |                    | 14 March 2008         |                   | 14 March 2008      |  | 14 March 2008       |  | 15 March 2008   |      | 2009   |  | 2009                                    |                      |
|   | \$                     |                    | \$                    |                   | \$                 |  | \$                  |  | \$  |      | \$   |  | \$                                      |                      |
| <b>ASSETS</b>   |                        |                    |                       |                   |                    |  |                     |  |   |      |  |  |   |                      |
| <b>Current assets</b>                                 |                        |                    |                       |                   |                    |  |                     |  |   |      |  |  |   |                      |
| Cash and cash equivalents                             | 74,417,250             | 13,217,340         | 2,194,915             | 4,583,874         |                    |  |                     |  | 94,413,379  |      |  |  |   | 94,413,379           |
| Trade and other receivables                           | 6,269,192              | 4,334,623          | 1,072,311             | 566,008           |                    |  |                     |  | 12,242,134  |      |  |  |   | 12,242,134           |
| Inventories   | 448,509                | 335,899            | 356,066               | 84,564            |                    |  |                     |  | 1,225,038   |      |  |  |   | 1,225,038            |
| Other financial assets                                | 430,522                | 212,078            | 124,662               | 27,817            |                    |  |                     |  | 795,069   |      |  |  |   | 795,069              |
| Non-current assets classified as held for sale        | 81,565,473             | 19,099,940         | 3,747,974             | 5,262,263         |                    |  |                     |  | 108,675,650   |      |  |  |   | 108,675,650          |
| <b>Total current assets</b>                           | <b>81,565,473</b>      | <b>19,099,940</b>  | <b>3,855,759</b>      | <b>5,262,263</b>  |                    |  |                     |  | <b>108,783,435</b>  |      |  |  |   | <b>108,783,435</b>   |
| <b>Non-current assets</b>                             |                        |                    |                       |                   |                    |  |                     |  |   |      |  |  |   |                      |
| Trade and other receivables                           |                        | 10,551             |                       |                   |                    |  |                     |  | 10,551  |      |  |  |   | 10,551               |
| Property, plant and equipment                         | 410,996,321            | 435,338,624        | 255,295,392           | 53,423,742        |                    |  |                     |  | 1,155,054,069   |      |  |  |   | 1,155,054,069        |
| Capital works in progress                             | 7,103,348              | 6,201,249          | 6,416,471             | 484,213           |                    |  |                     |  | 20,205,281  |      |  |  |   | 20,205,281           |
| Intangible assets                                     | 3,002,188              | 452,280            |                       |                   |                    |  |                     |  | 3,454,468   |      |  |  |   | 3,454,468            |
| <b>Total non-current assets</b>                       | <b>421,101,857</b>     | <b>442,002,704</b> | <b>261,711,863</b>    | <b>53,907,955</b> |                    |  |                     |  | <b>1,178,724,369</b>  |      |  |  |   | <b>1,178,724,369</b> |
| <b>TOTAL ASSETS</b>                                   | <b>502,667,330</b>     | <b>460,102,644</b> | <b>265,567,612</b>    | <b>59,170,218</b> |                    |  |                     |  | <b>1,287,507,804</b>  |      |  |  |   | <b>1,287,507,804</b> |
| <b>LIABILITIES</b>                                    |                        |                    |                       |                   |                    |  |                     |  |   |      |  |  |   |                      |
| <b>Current liabilities</b>                            |                        |                    |                       |                   |                    |  |                     |  |   |      |  |  |   |                      |
| Trade and other payables                              | 6,770,093              | 2,647,441          | 2,224,983             | 1,058,304         |                    |  |                     |  | 12,700,761  |      |  |  |   | 12,700,761           |
| Borrowings  | 2,843,691              | 1,039,656          | 1,214,509             | 233,837           |                    |  |                     |  | 5,325,693   |      |  |  |   | 5,325,693            |
| Other   | 55,437                 |                    | 200,677               |                   |                    |  |                     |  | 256,114   |      |  |  |   | 256,114              |
| <b>Total current liabilities</b>                      | <b>9,669,161</b>       | <b>3,687,097</b>   | <b>3,640,169</b>      | <b>1,292,141</b>  |                    |  |                     |  | <b>18,282,568</b>   |      |  |  |   | <b>18,282,568</b>    |
| <b>Non-current liabilities</b>                        |                        |                    |                       |                   |                    |  |                     |  |   |      |  |  |   |                      |
| Trade and other payables                              | 5,768,563              | 928,876            | 559,083               | 1,288,741         |                    |  |                     |  | 8,546,263   |      |  |  |   | 8,546,263            |
| Borrowings  | 25,862,403             | 10,832,569         | 7,995,642             | 1,144,643         |                    |  |                     |  | 45,835,257  |      |  |  |   | 45,835,257           |
| Provisions  | 2,364,648              |                    |                       |                   |                    |  |                     |  | 2,364,648   |      |  |  |   | 2,364,648            |
| <b>Total non-current liabilities</b>                  | <b>33,995,614</b>      | <b>11,761,445</b>  | <b>8,554,725</b>      | <b>2,433,384</b>  |                    |  |                     |  | <b>56,746,168</b>   |      |  |  |   | <b>56,746,168</b>    |
| <b>TOTAL LIABILITIES</b>                              | <b>43,664,775</b>      | <b>15,448,542</b>  | <b>12,194,894</b>     | <b>3,726,525</b>  |                    |  |                     |  | <b>75,028,736</b>   |      |  |  |   | <b>75,028,736</b>    |
| <b>NET ASSETS TRANSFERRED FROM ABOLISHED COUNCILS</b> | <b>459,002,555</b>     | <b>444,654,102</b> | <b>253,372,718</b>    | <b>55,443,693</b> |                    |  |                     |  | <b>1,212,479,068</b>  |      |  |  |   | <b>1,212,479,068</b> |
|   |                        |                    |                       |                   |                    |  |                     |  |   | 2009 |  |  |   |                      |
|   |                        |                    |                       |                   |                    |  |                     |  |   | \$   |  |  |   |                      |
|   |                        |                    |                       |                   |                    |  |                     |  |   |      | 1,179,869,013                                  |  |   |                      |
|   |                        |                    |                       |                   |                    |  |                     |  |   |      | 1,212,479,068                                  |  |   |                      |
|   |                        |                    |                       |                   |                    |  |                     |  |   |      | (32,610,055)                                   |  |   |                      |

(b) Net result attributable to Council before net assets transferred from abolished Councils

Net result attributable to Council

Gain on restructure of local government

Net result attributable to Council before gain on restructure of local government

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|                                     | Note | 30-Jun-10<br>\$   | 30-Jun-09<br>\$   |
|-------------------------------------|------|-------------------|-------------------|
| <b>16 Cash and cash equivalents</b> |      |                   |                   |
| Cash at bank and on hand            |      | 1,180,995         | 1,789,177         |
| Deposits at call                    |      | 10,000,000        | 46,764,115        |
| Short term money market instruments |      | 48,350,000        | 26,900,000        |
| Balance per cash flow statement     |      | <u>59,530,995</u> | <u>75,453,292</u> |

Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

|  |  |                   |                   |
|--|--|-------------------|-------------------|
| Unspent capital grants, subsidies & contributions  |  | 2,905,524         | 1,942,970         |
| Unspent developer contributions                    |  | 19,437,366        | 19,491,651        |
| Unspent loan monies                                |  | 4,622,070         | 14,018,792        |
| Total unspent restricted cash for capital projects |  | <u>26,964,960</u> | <u>35,453,413</u> |

Cash and deposits at call are held at the Commonwealth Bank and in a QTC Capital Guaranteed Cash Fund account, with credit ratings of A-1+ for both institutions.

## 17 Trade and other receivables

### (a) Current

|  |  |                   |                   |
|--|--|-------------------|-------------------|
| Rateable revenue and utility charges         |  | 5,767,424         | 4,807,266         |
| Less impairment                              |  | (87,406)          | (54,497)          |
| Other debtors                                |  | 5,390,003         | 4,842,596         |
| Less impairment                              |  | (132,096)         | (141,162)         |
| GST recoverable                              |  | 449,397           | 654,810           |
| Loans and advances to community organisation |  | 4,835             | 4,600             |
| Prepayments                                  |  | 395,801           | 486,635           |
|  |  | <u>11,787,958</u> | <u>10,600,248</u> |

### (b) Non-current

|  |  |          |              |
|--|--|----------|--------------|
| Loans and advances to community organisation |  | -        | 4,835        |
|  |  | <u>-</u> | <u>4,835</u> |

Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

All loans and advances related to loans made to various community bodies. These loans arise from time to time and are subject to negotiated interest rates. The credit risk on these loans is considered low.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|  | Note | 30-Jun-10<br>\$  | 30-Jun-09<br>\$  |
|--|------|------------------|------------------|
| <b>18 Inventories</b>                                |      |                  |                  |
| <b>Current</b>                                       |      |                  |                  |
| Inventories for sale:                                |      |                  |                  |
| Miscellaneous saleable items                         |      | 74,208           | 82,167           |
|  |      | <u>74,208</u>    | <u>82,167</u>    |
| Valued at the lower of cost and net realisable value |      |                  |                  |
| Inventories held for consumption:                    |      |                  |                  |
| Stores inventories                                   |      | 1,095,849        | 907,519          |
|  |      | <u>1,095,849</u> | <u>907,519</u>   |
| Valued at the lower of cost and replacement value    |      |                  |                  |
| Land purchased for development and sale              | 19   | 1,659,280        | 1,661,837        |
|  |      | <u>1,659,280</u> | <u>1,661,837</u> |
| Total inventories                                    |      | <u>2,829,337</u> | <u>2,651,523</u> |

### 19 Land purchased for development and sale

|   |    |                  |                  |
|---|----|------------------|------------------|
| Opening balance   |    | 1,661,837        | -                |
| Transferred from abolished Councils as part of government restructure | 15 | -                | 319,949          |
| Correction of error   | 40 | -                | 1,340,252        |
| Transferred from other asset category                                 |    | 51,846           | 160,343          |
| Less: Cost of developed land sold                                     |    | <u>(54,403)</u>  | <u>(158,707)</u> |
| Closing balance at period end   |    | <u>1,659,280</u> | <u>1,661,837</u> |

Land purchased for development and sale is valued at the lower of cost and net realisable value.

### 20 Non-Current assets classified as held for sale

|   |    |          |                  |
|---|----|----------|------------------|
| Transferred from abolished Councils as part of government restructure | 15 | -        | 107,785          |
| Transferred from other asset category                                 |    | -        | 21,729           |
| Disposal - value of assets sold                                       |    | -        | <u>(129,514)</u> |
| Closing balance   |    | <u>-</u> | <u>-</u>         |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|  | Note | 30-Jun-10<br>\$  | 30-Jun-09<br>\$ |
|--|------|------------------|-----------------|
| <b>21 Investment property</b>  |      |                  |                 |
| Fair value at the beginning of financial year  |      | 195,253          | -               |
| Transfer of land held for unascertained future purposes from property, plant and equipment | 22   | -                | 160,406         |
| Land acquired in period  |      | 792,900          |                 |
| Revaluation adjustment to the income account   | 6    | 54,746           | 34,847          |
| Fair value at the end of financial year  |      | <u>1,042,899</u> | <u>195,253</u>  |

Investment property comprises land which is held for future development or unascertained future purposes.

The land was valued at market value by Australia Pacific Valuers Pty Ltd as at 1 July 2009. At the balance sheet date, no income was generated from the investment property. Expenses (if applicable) in respect of investment property are shown in Note 8. At the balance date there were no property being constructed or developed for future use as investment property.



**BUNDABERG REGIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2010

**22 (a) Property, plant and equipment**

| Basis of measurement                                    | Land and improvements |    | Buildings and structures |    | Plant and equipment |    | Cultural assets |    | Roads, footpaths & bridges |    | Stormwater drainage |    | Sewerage infrastructure |    | Water infrastructure |    | Total         |    |
|---|-----------------------|----|--------------------------|----|---------------------|----|-----------------|----|----------------------------|----|---------------------|----|-------------------------|----|----------------------|----|---------------|----|
|   | 30-Jun-10             | \$ | 30-Jun-10                | \$ | 30-Jun-10           | \$ | 30-Jun-10       | \$ | 30-Jun-10                  | \$ | 30-Jun-10           | \$ | 30-Jun-10               | \$ | 30-Jun-10            | \$ | 30-Jun-10     | \$ |
| Asset values  |                       |    |                          |    |                     |    |                 |    |                            |    |                     |    |                         |    |                      |    |               |    |
| Opening gross value                                     | 102,920,701           |    | 165,188,728              |    | 36,407,413          |    | 418,934         |    | 863,243,127                |    | 131,581,668         |    | 259,905,489             |    | 227,267,040          |    | 1,786,883,100 |    |
| Additions at cost                                       | 315,625               |    | 7,489,190                |    | 5,530,296           |    | 1,600           |    | 12,276,478                 |    | 634,772             |    | 2,790,800               |    | 2,221,228            |    | 31,239,929    |    |
| Contributed assets                                      | -                     |    | -                        |    | -                   |    | -               |    | 5,144,443                  |    | 3,494,438           |    | 1,847,812               |    | 1,042,428            |    | 11,529,121    |    |
| Disposals   | (5,000)               |    | (339,071)                |    | (2,614,394)         |    | -               |    | (4,155,560)                |    | -                   |    | (392,326)               |    | (299,804)            |    | (7,806,155)   |    |
| Write offs  | -                     |    | -                        |    | -                   |    | (1,218)         |    | -                          |    | -                   |    | -                       |    | -                    |    | (1,218)       |    |
| Revaluation adjustment to the Asset Revaluation Surplus | 7,941,298             |    | 3,438,279                |    | -                   |    | 17,196          |    | 52,633                     |    | 94,700,951          |    | (9,046,410)             |    | 16,764,091           |    | 53,868,038    |    |
| Revaluation adjustment to expense                       | -                     |    | -                        |    | -                   |    | -               |    | -                          |    | -                   |    | -                       |    | -                    |    | -             |    |
| Assets transferred to investment property               | -                     |    | -                        |    | -                   |    | -               |    | -                          |    | -                   |    | -                       |    | -                    |    | -             |    |
| Assets transferred to intangible assets                 | -                     |    | -                        |    | -                   |    | -               |    | -                          |    | -                   |    | -                       |    | -                    |    | -             |    |
| Internal transfers                                      | -                     |    | 836,764                  |    | -                   |    | -               |    | (144,622)                  |    | 158,658             |    | (213,562)               |    | (637,218)            |    | -             |    |
| Closing gross value                                     | 111,172,624           |    | 176,543,830              |    | 39,323,315          |    | 436,512         |    | 876,418,499                |    | 170,570,487         |    | 254,891,783             |    | 246,357,765          |    | 1,875,712,815 |    |
| Accumulated depreciation                                |                       |    |                          |    |                     |    |                 |    |                            |    |                     |    |                         |    |                      |    |               |    |
| Opening balance   | -                     |    | 18,619,003               |    | 13,715,137          |    | -               |    | 155,520,573                |    | 46,419,152          |    | 72,229,135              |    | 58,572,887           |    | 365,075,887   |    |
| Depreciation provided in period                         | -                     |    | 1,544,837                |    | 2,893,202           |    | -               |    | 13,391,763                 |    | 2,089,116           |    | 3,138,374               |    | 2,797,814            |    | 25,855,106    |    |
| Depreciation on disposals                               | -                     |    | (19,523)                 |    | (1,946,859)         |    | -               |    | (2,821,574)                |    | -                   |    | 94,806                  |    | (22,993)             |    | (4,715,643)   |    |
| Depreciation on write offs                              | -                     |    | -                        |    | -                   |    | -               |    | -                          |    | -                   |    | -                       |    | -                    |    | -             |    |
| Revaluation adjustment to the Asset Revaluation Surplus | -                     |    | (1,567,417)              |    | -                   |    | -               |    | -                          |    | 9,361,375           |    | (1,528,062)             |    | 9,227,906            |    | 15,493,302    |    |
| Revaluation adjustment to expense                       | -                     |    | -                        |    | -                   |    | -               |    | -                          |    | -                   |    | -                       |    | -                    |    | -             |    |
| Assets transferred to intangible assets                 | -                     |    | -                        |    | -                   |    | -               |    | -                          |    | -                   |    | -                       |    | -                    |    | -             |    |
| Internal transfers                                      | -                     |    | 118,793                  |    | -                   |    | -               |    | -                          |    | -                   |    | (64,169)                |    | (54,624)             |    | -             |    |
| Closing accumulated depreciation                        | -                     |    | 18,695,693               |    | 14,661,990          |    | 436,512         |    | 166,090,762                |    | 57,869,643          |    | 73,870,084              |    | 70,520,990           |    | 401,709,152   |    |
| Total written down value at 30 June 2010                | 111,172,624           |    | 157,848,137              |    | 24,661,335          |    | 436,512         |    | 710,325,737                |    | 112,700,844         |    | 181,021,699             |    | 175,836,775          |    | 1,474,003,663 |    |
| Range of estimated useful life in years                 | Not depreciated       |    | 10-150                   |    | 3-100               |    | Not depreciated |    | 10-150                     |    | 80                  |    | 20-80                   |    | 20-100               |    |               |    |

## BUNDABERG REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
For the period 15 March 2008 to 30 June 2009

## 22 (a) Property, plant and equipment

|   | Land and improvements | Buildings and structures | Plant and equipment | Cultural assets | Roads, footpaths & bridges | Stormwater drainage | Sewerage infrastructure | Water infrastructure | Total         |
|---|-----------------------|--------------------------|---------------------|-----------------|----------------------------|---------------------|-------------------------|----------------------|---------------|
| Basis of measurement                                    | 30-Jun-09             | 30-Jun-09                | 30-Jun-09           | 30-Jun-09       | 30-Jun-09                  | 30-Jun-09           | 30-Jun-09               | 30-Jun-09            | 30-Jun-09     |
| Asset values  | \$                    | \$                       | \$                  | \$              | \$                         | \$                  | \$                      | \$                   | \$            |
| Net value of assets transferred from abolished Councils | 87,948,868            | 84,526,167               | 36,086,424          | -               | 582,128,322                | 100,429,938         | 146,066,908             | 131,885,425          | 1,769,072,052 |
| Additions at cost                                       | 962,849               | 12,825,977               | 5,935,329           | 25,302          | 11,959,367                 | 2,202,677           | 15,513,139              | 2,996,638            | 52,421,278    |
| Contributed assets                                      | -                     | -                        | -                   | -               | 713,948                    | 682,831             | 237,507                 | 200,648              | 1,804,934     |
| Disposals   | (141,000)             | (829,376)                | (3,198,649)         | -               | (8,103,555)                | (4,405)             | (651,025)               | (95,940)             | (13,024,550)  |
| Write offs  | -                     | -                        | (3,294,525)         | -               | -                          | -                   | -                       | -                    | (3,294,525)   |
| Revaluation adjustment to the Asset Revaluation Surplus | 14,662,284            | 70,071,380               | -                   | -               | 277,101,657                | -                   | 98,745,426              | 92,485,363           | 553,066,110   |
| Revaluation adjustment to expense                       | (160,406)             | -                        | -                   | (5,588)         | -                          | 27,744,015          | -                       | -                    | 27,739,427    |
| Assets transferred to investment property               | (351,894)             | (30,000)                 | (153,232)           | -               | (556,612)                  | -                   | -                       | (205,094)            | (160,406)     |
| Assets transferred to intangible assets                 | -                     | (1,424,820)              | 1,032,066           | 399,220         | -                          | 556,612             | (6,466)                 | -                    | (740,220)     |
| Internal transfers                                      | -                     | 165,138,728              | 36,407,413          | 418,934         | 863,243,127                | 131,581,668         | 259,905,489             | 227,267,040          | 1,786,983,100 |
| Closing gross value                                     | 102,920,701           | 165,138,728              | 36,407,413          | 418,934         | 863,243,127                | 131,581,668         | 259,905,489             | 227,267,040          | 1,786,983,100 |

## Accumulated depreciation

|  |                 |             |             |                 |             |            |             |             |               |
|--|-----------------|-------------|-------------|-----------------|-------------|------------|-------------|-------------|---------------|
| Accumulated depreciation transferred from abolished Councils | -               | -           | 14,017,983  | -               | -           | -          | -           | -           | 14,017,983    |
| Depreciation provided in period                              | -               | 1,827,876   | 3,661,136   | -               | 16,971,226  | 2,042,547  | 4,173,754   | 3,387,152   | 32,069,691    |
| Depreciation on disposals                                    | -               | (129,785)   | (2,565,850) | -               | (2,280,124) | (114)      | (241,639)   | (59)        | (5,217,571)   |
| Depreciation on write offs                                   | -               | -           | (1,633,960) | -               | -           | -          | -           | -           | (1,633,960)   |
| Revaluation adjustment to the Asset Revaluation Surplus      | -               | 17,238,638  | -           | -               | 140,829,471 | -          | 68,297,020  | 55,185,794  | 281,550,923   |
| Revaluation adjustment to expense                            | -               | -           | -           | -               | -           | 44,376,719 | -           | -           | 44,376,719    |
| Assets transferred to intangible assets                      | -               | -           | (81,898)    | -               | -           | -          | -           | -           | (81,898)      |
| Internal transfers   | -               | (317,726)   | 317,726     | -               | -           | -          | -           | -           | -             |
| Closing accumulated depreciation                             | -               | 18,619,003  | 13,715,137  | -               | 155,520,573 | 45,419,152 | 72,229,135  | 58,572,887  | 365,075,887   |
| Total written down value at 30 June 2009                     | 102,920,701     | 146,519,725 | 22,692,276  | 418,934         | 707,722,554 | 85,162,516 | 187,676,354 | 168,694,153 | 1,421,807,213 |
| Range of estimated useful life in years                      | Net depreciated | 10-150      | 3-100       | Net depreciated | 10-150      | 80         | 20-80       | 20-100      |               |

As disclosed in Note 15 all assets from the former Councils have been taken up at their carrying amount with the exception of Plant and equipment which have been recognised at gross value. The total of the asset values and accumulated depreciation transferred from the abolished Councils is: **1,155,054,069**

## BUNDABERG REGIONAL COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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22 (b) Property, plant and equipment valuations were determined by reference to the following :

(i) Land and improvements

Land parcels were independently valued at market value as at 1 July 2009. This desktop revaluation was undertaken by Benjamin Kingsberry (Registered Valuer No. 3042) of Australian Pacific Valuers Pty Ltd trading as APV Valuers and Asset Management.

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

(ii) Buildings and structures

The revaluation of buildings at fair value as at 1 July 2009 via desktop was undertaken by Benjamin Kingsberry (Registered Valuer No. 3042) of Australian Pacific Valuers Pty Ltd trading as APV Valuers and Asset Management. Buildings constructed and acquired since that date are recorded at cost. Ponds were assessed for impairment and no material changes noted.

(iii) Plant and equipment

Plant and equipment is measured at original cost less accumulated depreciation.

(iv) Cultural assets

Cultural assets were valued on the basis of insurable value as at 30 June, 2010. This desktop revaluation was undertaken by Richard McDonald, Art Valuer, on behalf of Australian Pacific Valuers Pty Ltd trading as APV Valuers and Asset Management.

(v) Roads, footpaths and bridges

A revaluation of Roads, footpaths and bridges was not conducted in 2010. Roads were assessed for impairment and no material changes noted. A project is underway to reconfigure the Roads data. This will be ready for implementation in 2011.

(vi) Stormwater drainage

A desktop revaluation was performed internally for Stormwater Pipes. Stormwater Pits were assessed for impairment and no material changes noted.

(vii) Sewerage Infrastructure

Sewerage Treatment infrastructure active assets were indexed by Bruce Janke from Bundaberg Regional Council at fair value as at 1 July 2009. Janaka Weerasinghe, B. Eng, of Australian Pacific Valuers Pty Ltd trading as APV Valuers and Asset Management reviewed the indexation rates and found them to be acceptable.

(viii) Water infrastructure

Water infrastructure active assets were independently revalued via desktop at fair value as at 1 July 2009, by Janaka Weerasinghe B. Eng, of Australian Pacific Valuers Pty Ltd trading as APV Valuers and Asset Management.

**BUNDABERG REGIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2010

|  | Note | 30-Jun-10<br>\$   | 30-Jun-09<br>\$   |
|--|------|-------------------|-------------------|
| <b>23 Capital work in progress</b>   |      |                   |                   |
| Capital work in progress at cost   |      | <u>36,564,529</u> | <u>18,277,078</u> |
| <b>24 Intangible assets</b>  |      |                   |                   |
| <b>(i) Computer software</b>   |      |                   |                   |
| Opening balance at cost  |      | 1,965,282         |                   |
| Transferred from abolished Councils as part of government restructure  | 15   | -                 | 1,204,154         |
| Additions at cost  |      | 36,215            | 335,442           |
| Transfer from/(to) property, plant and equipment   |      | -                 | 505,126           |
| Write offs   | 14   | -                 | <u>(79,440)</u>   |
| Closing balance at cost  |      | <u>2,001,497</u>  | <u>1,965,282</u>  |
| Opening amortisation   |      | (472,897)         |                   |
| Amortisation transferred from abolished Councils   | 15   |                   | (244,663)         |
| Amortisation charge for the year   |      | (156,285)         | (175,391)         |
| Write offs   | 14   | -                 | 29,054            |
| Transfer from/(to) property, plant and equipment   |      | -                 | <u>(81,897)</u>   |
| Closing accumulated amortisation   |      | <u>(629,182)</u>  | <u>(472,897)</u>  |
| Net carrying value at the period end   |      | <u>1,372,315</u>  | <u>1,492,385</u>  |
| <p>The software items have finite estimated lives of 10 years.<br/>                     Straight line amortisation has been used with no residual value.</p> |      |                   |                   |
| <b>(ii) Water rights</b>   |      |                   |                   |
| Opening balance at cost  |      | 3,791,042         |                   |
| Transferred from abolished Councils as part of government restructure  | 15   | -                 | 2,494,976         |
| Additions at cost  |      | 555,212           | 1,060,972         |
| Transfer from/(to) property, plant and equipment   |      | -                 | 235,094           |
| Closing balance at cost  |      | <u>4,346,254</u>  | <u>3,791,042</u>  |
| <p>The water rights have an indefinite useful life and, as such, are not amortised.</p>  |      |                   |                   |
| <b>Total intangible assets</b>   |      | <u>5,718,569</u>  | <u>5,283,427</u>  |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|                                    | Note | 30-Jun-10<br>\$   | 30-Jun-09<br>\$   |
|------------------------------------|------|-------------------|-------------------|
| <b>25 Trade and other payables</b> |      |                   |                   |
| <b>Current</b>                     |      |                   |                   |
| Creditors and accruals             |      | 6,180,939         | 8,111,847         |
| Annual leave                       |      | 4,198,638         | 3,892,185         |
| Vested sick leave                  |      | 812,006           | 961,185           |
|                                    |      | <u>11,191,583</u> | <u>12,965,217</u> |
| <b>Non-Current</b>                 |      |                   |                   |
| Annual leave                       |      | 697,794           | 886,263           |
| Vested sick leave                  |      | 439,336           | 1,144,106         |
|                                    |      | <u>1,137,130</u>  | <u>2,030,369</u>  |

The average credit period on purchases is one month. No interest is charged on the trade payables for the first 30 days from the date of invoice. Thereafter, interest is charged at a pre-approved rate per annum on the outstanding balance. Council has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Employee benefit entitlements are calculated at current pay levels as adjusted for inflation and likely future changes in salary level.

These estimates are then adjusted for the probability of the employee remaining in employment with Council or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value.

## 26 Borrowings

### Current

|   |    |                  |                  |
|---|----|------------------|------------------|
| Loans - Queensland Treasury Corporation | 27 | <u>4,446,669</u> | <u>3,300,499</u> |
|---|----|------------------|------------------|

### Non-Current

|   |    |                   |                   |
|---|----|-------------------|-------------------|
| Loans - Queensland Treasury Corporation | 27 | <u>54,637,607</u> | <u>51,209,336</u> |
|---|----|-------------------|-------------------|

The overdraft facility with Commonwealth Bank of Australia was closed in February 2010.

Financing facilities are limited by the requirement to obtain State Government approval for all loan applications. All loans are unsecured.

All borrowings are in \$A denominated amounts are carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current reporting period. Expected final repayment dates vary from 23 March 2014 to 26 June 2029.

There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|   | Note | 30-Jun-10<br>\$   | 30-Jun-09<br>\$   |
|---|------|-------------------|-------------------|
| <b>27 Loans</b>   |      |                   |                   |
| <b>Queensland Treasury Corporation</b>                                |      |                   |                   |
| Opening balance   |      | 54,509,835        | -                 |
| Transferred from abolished Councils as part of government restructure | 15   | -                 | 51,160,950        |
| Loans raised  |      | 7,800,000         | 8,818,074         |
| Change in loan valuation  |      | 18,410            | -                 |
| Principal repayments  |      | (3,243,969)       | (5,469,189)       |
| Book value at period end  |      | <u>59,084,276</u> | <u>54,509,835</u> |
| Classified as :   |      |                   |                   |
| Current   | 26   | 4,446,669         | 3,300,499         |
| Non-Current   | 26   | <u>54,637,607</u> | <u>51,209,336</u> |
|   |      | <u>59,084,276</u> | <u>54,509,835</u> |

The loan market value at 30 June 2010 is \$61,029,772.71 . This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

## 28 Provisions

### Current

|                    |  |                |                |
|--------------------|--|----------------|----------------|
| Long Service Leave |  | 518,000        | 637,000        |
|                    |  | <u>518,000</u> | <u>637,000</u> |

### Non-Current

|                      |  |                   |                   |
|----------------------|--|-------------------|-------------------|
| Landfill restoration |  | 5,108,837         | 4,295,052         |
| Long Service Leave   |  | 9,045,698         | 8,087,446         |
|                      |  | <u>14,154,535</u> | <u>12,382,498</u> |

### Details of movements in provisions:

#### Landfill restoration provision

|   |    |                  |                  |
|---|----|------------------|------------------|
| Opening balance   |    | 4,295,052        | -                |
| Transferred from abolished Councils as part of government restructure | 15 | -                | 2,364,648        |
| Increase in provision - finance cost due to change in time            |    | 268,215          | 322,129          |
| Increase/(decrease) in provision - change in discount rate            |    | 861,320          | (347,304)        |
| Increase in provision - new site                                      |    | -                | 2,298,099        |
| Increase/(decrease) in estimate of future cost                        |    | (315,750)        | (220,211)        |
| Amount expended in year   |    | -                | (122,309)        |
| Balance at the end of period  |    | <u>5,108,837</u> | <u>4,295,052</u> |

This is the present value of the estimated cost of restoring the landfill site to a useable state at the end of its useful life.

## 29 Other liabilities

|                            |  |                |                |
|----------------------------|--|----------------|----------------|
| Monies received in advance |  | 498,411        | 363,750        |
|                            |  | <u>498,411</u> | <u>363,750</u> |

**BUNDABERG REGIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2010

|  | Note | 30-Jun-10<br>\$      | 30-Jun-09<br>\$      |
|--|------|----------------------|----------------------|
| <b>30 Capital</b>  |      |                      |                      |
| <b>Calculation of retained surplus:</b>  |      |                      |                      |
| Cash and cash equivalents  |      | 59,530,995           | 75,453,292           |
| Less restricted cash:  |      |                      |                      |
| Reserves (excluding the asset revaluation)   |      | (34,745,487)         | (37,087,073)         |
| Funded depreciation carried forward  |      | (15,005,957)         | (12,446,233)         |
| Unspent loan funds   |      | (4,622,069)          | (14,018,792)         |
| Unearned revenue   |      | (498,411)            | (363,750)            |
| Cash funds allocated for future rehabilitation costs   |      | (590,344)            | (322,129)            |
| Working cash requirement   |      | (8,027,005)          | (11,215,315)         |
| <b>Retained surplus/(deficit)</b>  |      | <b>(3,958,278)</b>   | <b>-</b>             |
| <b>Capital</b>   |      | <b>1,164,217,383</b> | <b>1,142,781,940</b> |
| Total capital and retained surplus at end of period  |      | <u>1,160,259,105</u> | <u>1,142,781,940</u> |
| <b>Movement in capital account</b>   |      |                      |                      |
| Balance at beginning of period:  |      | 1,142,781,940        | -                    |
| Transfers from/(to) retained surplus   |      | 9,084,687            | 1,119,025,716        |
| Transfers from/(to) reserves   |      | 12,350,756           | 23,756,224           |
| Balance at end of period   |      | <u>1,164,217,383</u> | <u>1,142,781,940</u> |
| <b>31 Asset revaluation surplus</b>  |      |                      |                      |
| <b>(i) Movements in the asset revaluation surplus were as follows:</b>                               |      |                      |                      |
| Balance at beginning of period   |      | 271,515,187          |                      |
| Net adjustment to non-current assets at end of period to reflect a change in fair value:             |      |                      |                      |
| Land and improvements  |      | 7,941,298            | 14,662,284           |
| Buildings and structures   |      | 5,005,696            | 52,832,742           |
| Cultural assets  |      | 17,196               | -                    |
| Roads, footpaths & bridges   |      | 52,633               | 136,272,186          |
| Stormwater drainage  |      | 25,339,576           | -                    |
| Sewerage infrastructure  |      | (7,518,348)          | 30,448,406           |
| Water infrastructure   |      | 7,536,185            | 37,299,569           |
| Balance at end of the year   |      | <u>309,889,423</u>   | <u>271,515,187</u>   |
| <b>(ii) Asset revaluation surplus analysis</b>   |      |                      |                      |
| The closing balance of the asset revaluation surplus is comprised of the following asset categories: |      |                      |                      |
| Land and improvements  |      | 22,603,582           | 14,662,284           |
| Buildings and structures   |      | 57,838,438           | 52,832,742           |
| Cultural assets  |      | 17,196               | -                    |
| Roads, footpaths & bridges   |      | 136,324,819          | 136,272,186          |
| Stormwater drainage  |      | 25,339,576           | -                    |
| Sewerage infrastructure  |      | 22,930,058           | 30,448,406           |
| Water infrastructure   |      | 44,835,754           | 37,299,569           |
|  |      | <u>309,889,423</u>   | <u>271,515,187</u>   |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|   | Note | 30-Jun-10<br>\$    | 30-Jun-09<br>\$   |
|---|------|--------------------|-------------------|
| <b>32 Retained surplus/(deficiency)</b>                                     |      |                    |                   |
| Movements in the retained surplus were as follows:                          |      |                    |                   |
| Retained surplus/(deficit) at the beginning of financial year               |      | -                  | -                 |
| Net result attributable to Council  |      | 15,135,579         | 1,179,869,013     |
| Transfers (to)/from capital account   |      | (9,084,687)        | (1,119,025,716)   |
| Transfer (to)/from the constrained works reserve                            |      | (9,303,163)        | (42,621,449)      |
| Retained surplus available for transfer to reserves                         |      | (3,252,271)        | 18,221,848        |
| Transfers (to)/from reserves for future capital funding purposes:           |      |                    |                   |
| Asset acquisition reserve   |      | (169,720)          | (4,391,156)       |
| Transport improvement reserve   |      | (62,612)           | (1,787,080)       |
| Fleet renewal reserve   |      | (39,236)           | (1,871,759)       |
| Sewerage improvement reserve  |      | (301,376)          | (7,433,369)       |
| Water improvement reserve   |      | (133,063)          | (2,738,484)       |
| Retained surplus/(deficiency) at period end                                 |      | <u>(3,958,278)</u> | <u>-</u>          |
| <b>33 Other reserves</b>  |      |                    |                   |
| <b>(a) Summary of reserves held for funding future capital expenditure:</b> |      |                    |                   |
| (i) Constrained works reserve   |      | 22,342,891         | 21,434,621        |
| (ii) Asset acquisition reserve  |      | 3,591,621          | 3,626,814         |
| (iii) Transport improvement reserve   |      | 167,952            | 1,684,133         |
| (iv) Fleet renewal reserve  |      | 39,236             | 271,759           |
| (v) Sewerage improvement reserve  |      | 5,811,965          | 7,410,987         |
| (vi) Water improvement reserve  |      | 2,791,822          | 2,658,759         |
|   |      | <u>34,745,487</u>  | <u>37,087,073</u> |
| <b>(b) Movements in capital reserves are analysed as follows:</b>           |      |                    |                   |
| <b>(i) Constrained works reserve</b>  |      |                    |                   |
| Balance at beginning of period  |      | 21,434,621         | -                 |
| Transfer from retained surplus for future expenditure                       |      | 9,303,163          | 42,621,449        |
| Transfer to the capital account funds expended in the period                |      | (8,394,893)        | (21,186,828)      |
| Balance at the end of period  |      | <u>22,342,891</u>  | <u>21,434,621</u> |
| <b>(ii) Asset acquisition reserve</b>                                       |      |                    |                   |
| Balance at beginning of period  |      | 3,626,814          | -                 |
| Transfer from retained surplus for future expenditure                       |      | 169,720            | 4,391,156         |
| Transfer to the capital account funds expended in the period                |      | (204,913)          | (764,342)         |
| Balance at the end of period  |      | <u>3,591,621</u>   | <u>3,626,814</u>  |



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|   | Note | 30-Jun-10<br>\$  | 30-Jun-09<br>\$  |
|---|------|------------------|------------------|
| <b>33 Other reserves (Cont'd)</b>                                 |      |                  |                  |
| <b>(b) Movements in capital reserves are analysed as follows:</b> |      |                  |                  |
| <b>(iii) Transport improvement reserve</b>                        |      |                  |                  |
| Balance at beginning of period                                    |      | 1,684,133        | -                |
| Transfer from retained surplus for future expenditure             |      | 62,612           | 1,787,080        |
| Transfer to the capital account funds expended in the period      |      | (1,578,793)      | (102,947)        |
| Balance at the end of period                                      |      | <u>167,952</u>   | <u>1,684,133</u> |
| <b>(iv) Fleet renewal reserve</b>                                 |      |                  |                  |
| Balance at beginning of period                                    |      | 271,759          | -                |
| Transfer from retained surplus for future expenditure             |      | 39,236           | 1,871,759        |
| Transfer to the capital account funds expended in the period      |      | (271,759)        | (1,600,000)      |
| Balance at the end of period                                      |      | <u>39,236</u>    | <u>271,759</u>   |
| <b>(v) Sewerage improvement reserve</b>                           |      |                  |                  |
| Balance at beginning of period                                    |      | 7,410,987        | -                |
| Transfer from retained surplus for future expenditure             |      | 301,376          | 7,433,369        |
| Transfer to the capital account funds expended in the period      |      | (1,900,398)      | (22,382)         |
| Balance at the end of period                                      |      | <u>5,811,965</u> | <u>7,410,987</u> |
| <b>(vi) Water improvement reserve</b>                             |      |                  |                  |
| Balance at beginning of period                                    |      | 2,658,759        | -                |
| Transfer from retained surplus for future expenditure             |      | 133,063          | 2,738,484        |
| Transfer to the capital account funds expended in the period      |      | -                | (79,725)         |
| Balance at the end of period                                      |      | <u>2,791,822</u> | <u>2,658,759</u> |

## 34 Commitments for expenditure

### (a) Operating leases

Minimum lease payments in relation to non-cancellable operating leases are as follows:

Payable:

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Within one year       | 220,393          | 135,510          |
| One to five years     | 738,881          | 480,710          |
| Later than five years | 977,561          | 773,834          |
|                       | <u>1,936,835</u> | <u>1,390,054</u> |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

| Note   | 30-Jun-10<br>\$ | 30-Jun-09<br>\$ |
|--|-----------------|-----------------|
| <b>34 Commitments for expenditure (Cont'd)</b>   |                 |                 |
| <b>(b) Contractual commitments</b>   |                 |                 |
| Contractual commitments at balance date but not recognised in the financial statements are as follows:   |                 |                 |
| Garbage collection contract. Expires 3 October 2012  | 648,767         | 905,125         |
| Landfill operations contract. Expired 9 March 2010   | -               | 553,637         |
|  | 648,767         | 1,458,762       |
| <br>Payable:   |                 |                 |
| Within one year  | 279,793         | 819,404         |
| One to five years  | 368,974         | 639,358         |
| Later than five years  | -               | -               |
|  | 648,767         | 1,458,762       |
| <br><b>(c) Capital commitments</b>   |                 |                 |
| Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities are as follows: |                 |                 |
| Property, plant and equipment  | 1,230,143       | 12,921,907      |
|  | 1,230,143       | 12,921,907      |
| <br>Payable:   |                 |                 |
| Within one year  | 1,230,143       | 12,921,907      |
| One to five years  | -               | -               |
| Later than five years  | -               | -               |
|  | 1,230,143       | 12,921,907      |

### 35 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

The Council is a defendant in a number of claims that arise as a result of the operations of the Council. The Council is of the opinion that the claims can be successfully defended and that no costs in excess of the recorded accruals will result. Information in respect of individual claims has not been disclosed in accordance with AASB137 "Provisions, Contingent Liabilities and Contingent Assets" on the basis that the council considers such disclosures would seriously prejudice the outcome of the claims.

#### Local Government Mutual

Council is a member of the local government mutual liability self-insurance pool, Queensland Local Government Mutual Liability Pool. In the event of the scheme being wound up or if 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 scheme members in the same proportion as their contribution is to the total scheme contributions, in respect to any year that a deficit arises. As at June 2009 the financial statements reported an accumulated surplus of \$9,768,415. It is not anticipated that any liability will arise.

#### Local Government Workcare

Bundaberg Regional Council is a member of the Local Government Self-Insurance Scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled because of insufficient funds being available to cover outstanding liabilities. Only Local Government Workcare may call on any part of the guarantee should the above circumstances arise.

The Council's maximum exposure is:

1,905,262

**BUNDABERG REGIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2010

| Note | 30-Jun-10<br>\$ | 30-Jun-09<br>\$ |
|------|-----------------|-----------------|
|------|-----------------|-----------------|

**36 Superannuation**

Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 Employee Benefits.

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 purposes of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has two elements referred to as the Defined Benefits Fund (DBF) and the Accumulation Benefits Fund (ABF). The ABF is a defined contribution scheme as defined in AASB119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the Local Government Act 1993.

The DBF is a defined benefit plan as defined in AASB119. Council is not able to account for the DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the DBF, and is not an asset or liability of the Council. Accordingly there is not recognition in the financial statements of any over or under funding of the scheme.

The audited general purpose financial statements of the Scheme as at 30 June 2009 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2009. The actuary indicated that "the DBF is in a very modest financial position with regard to the net asset coverage of vested liabilities. Investment returns will be volatile under the required investment strategy, particularly over short periods. The DBF therefore needs sufficient reserves to be able to withstand a reasonable range of such influences. Because the DBF is now running down and cash flows are negative, the VBI (vested benefit index) should not be allowed whenever possible to retreat below 100%. Once below 100% benefits drawn reduce the available assets for remaining members and hence the net asset coverage of vested benefits declines further.

In order to withstand a one in ten 'low return' outcome, the DBF would need reserves of the order of 8% to 10% having regard to the investment strategy adopted. Given the current position of the DBF, such reserve can essentially only eventuate from either excess investments returns over salary increases or additional employer contributions.

Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. Under amendments to the *Local Government Act 1993* passed in June 2009, the trustee of the scheme has the power to levy additional contributions on councils which have employees in the DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

The next actuarial investigation will be made as at 1 July 2012.

The amount of superannuation contributions paid by Council to the Superannuation Fund in this period for the benefit of employees was:

|           |           |
|-----------|-----------|
| 5,172,661 | 5,678,676 |
|-----------|-----------|

Council also contributes to the scheme for the benefit of elected members. The amount of contributions paid for this benefit during the reporting period was:

|         |         |
|---------|---------|
| 115,569 | 138,845 |
|---------|---------|

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

|  | Note | 30-Jun-10<br>\$  | 30-Jun-09<br>\$  |
|--|------|------------------|------------------|
| <b>37 Trust funds</b>  |      |                  |                  |
| Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities: |      | <u>3,289,693</u> | <u>3,612,886</u> |

Council performs only a custodial role in respect of these monies, and because the monies cannot be used by Council, they are not brought to account in these financial statements.

### 38 Reconciliation of result from ordinary activities to net cash inflow from operating activities

|   |    |                     |                    |
|---|----|---------------------|--------------------|
| Net operating surplus attributable to Council       |    | 15,135,579          | (32,610,055)       |
| Adjustment to Opening Balance                       | 40 | -                   | 1,444,621          |
| Non-cash operating items:                           |    |                     |                    |
| Depreciation and amortisation                       | 10 | 26,011,391          | 32,239,082         |
|   |    | <u>26,011,391</u>   | <u>32,239,082</u>  |
| Investing and financing activities:                 |    |                     |                    |
| Revaluation of investment property                  | 6  | (54,746)            | (34,847)           |
| Net (profit) on disposal of non-current assets      | 6  | -                   | (264,122)          |
| Capital Grants, Subsidies & Contributions           | 4  | (20,832,284)        | (25,076,232)       |
| Capital expenses                                    | 12 | 1,953,610           | 23,596,566         |
|   |    | <u>(18,933,420)</u> | <u>(1,778,635)</u> |
| Changes in operating assets and liabilities:        |    |                     |                    |
| (Increase)/decrease in receivables                  |    | (1,896,699)         | 2,827,975          |
| (Increase)/decrease in inventories (excluding land) |    | (177,814)           | (86,233)           |
| Increase/(decrease) in payables                     |    | (2,666,873)         | 1,394,225          |
| Increase/(decrease) in provisions                   |    | 1,653,037           | 3,979,537          |
| Increase/(decrease) in other liabilities            |    | 134,661             | 107,636            |
|   |    | <u>(2,953,688)</u>  | <u>8,223,140</u>   |
| <b>Net cash inflow from operating activities</b>    |    | <u>19,259,862</u>   | <u>7,518,153</u>   |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### 39 Financial risk management

Bundaberg Regional Council's activities expose it to a variety of financial risks including interest rate risk, credit risk and liquidity risk.

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council. 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. The Council does not invest in derivatives or other high risk 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 risk. Borrowing by the Council is constrained by the provisions of the Statutory Bodies Financial Arrangements Act 1982.

Bundaberg Regional Council measures risk exposure using a variety of methods as follows:

| Risk exposure      | Measurement method   |
|--------------------|----------------------|
| Interest rate risk | Sensitivity analysis |
| Liquidity risk     | Maturity analysis    |
| Credit risk        | Ageing analysis      |

#### (i) Credit risk

Credit risk exposure refers to the situation where Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts. In effect this power protects Council against credit risk in the case of these debts.

In other cases, Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

Council is exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC) and deposits held with banks and other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with highly rated and regulated financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote.

By the nature of Council's operations, there is a geographical concentration of risk in Council's area. Because the area is largely agricultural, there is also a concentration in the agricultural sector.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security relating to the financial assets held by Council.

The following table represents Council's maximum exposure to credit risk:

#### Financial assets

|                                       | 30-Jun-10         | 30-Jun-09         |
|---------------------------------------|-------------------|-------------------|
|                                       |                   | \$                |
| Cash and cash equivalents - bank      | 1,180,995         | 1,789,177         |
| Cash and cash equivalents - QTC       | 48,350,000        | 26,900,000        |
| Cash and cash equivalents - other ADI | 10,000,000        | 46,764,115        |
| Receivables - rates                   | 5,680,018         | 4,752,769         |
| Receivables - other                   | 6,107,942         | 5,365,681         |
| Other credit exposures - Guarantee    | 35                | 1,905,262         |
| Total                                 | <u>73,224,217</u> | <u>87,226,530</u> |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### 39 Financial risk management (Cont'd)

#### Past due or impaired

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

Included within Council's receivable balance are debtors past due date for which Council has not provided against as there has been no significant change in credit quality and amounts are still considered recoverable.

The following table represents an analysis of the age of Council's financial assets that are either fully performing, past due or impaired:

|             | Fully performing<br>\$ | Past due                |                     |                     |                    | Impaired<br>\$ | Total<br>\$ |
|-------------|------------------------|-------------------------|---------------------|---------------------|--------------------|----------------|-------------|
|             |                        | Less than 30<br>days \$ | 31 to 60 days<br>\$ | 61 to 90 days<br>\$ | Over 90 days<br>\$ |                |             |
| Receivables | 5,382,981              | 195,150                 | 140,542             | 54,783              | 6,234,006          | 219,502        | 11,787,960  |

#### (II) Liquidity risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting obligations associated with financial liabilities. Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the Queensland Treasury Corporation for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in the Borrowings Note 26.

The following table sets out the liquidity risk of financial liabilities held by Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date:

|                          | 0 to 1 year<br>\$ | 1 to 5 years<br>\$ | Over 5 years<br>\$ | Total<br>\$       |
|--------------------------|-------------------|--------------------|--------------------|-------------------|
| <b>2010</b>              |                   |                    |                    |                   |
| Trade and other payables | 6,181,255         | -                  | -                  |                   |
| Loans - QTC              | 8,079,466         | 32,126,902         | 46,101,667         | 86,308,035        |
|                          | <u>14,260,721</u> | <u>32,126,902</u>  | <u>46,101,667</u>  | <u>86,308,035</u> |
| <b>2009</b>              |                   |                    |                    |                   |
| Trade and other payables | 8,111,847         | -                  | -                  |                   |
| Loans - QTC              | 6,554,869         | 25,665,825         | 46,023,513         | 78,244,207        |
|                          | <u>14,666,716</u> | <u>25,665,825</u>  | <u>46,023,513</u>  | <u>78,244,207</u> |

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

#### Financing arrangements

Unrestricted access was available at balance date to the lines of credit listed below:

|                         | 30-Jun-10<br>\$ | 30-Jun-09<br>\$ |
|-------------------------|-----------------|-----------------|
| Bank overdraft facility | -               | 100,000         |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### 39 Financial risk management (Cont'd)

#### (iii) Interest rate risk

Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing only from Queensland Treasury Corporation and having access to a mix of floating and fixed funding sources such that the desired interest rate risk exposure can be constructed. Interest rate risk in other areas is minimal.

Council does not undertake any hedging of interest rate risk.

#### Interest rate sensitivity analysis

The following sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

|                       | Net carrying amount |              | Profit    |           | Equity    |           |
|-----------------------|---------------------|--------------|-----------|-----------|-----------|-----------|
|                       | 2010                | 2009         | 2010      | 2009      | 2010      | 2009      |
|                       | \$                  | \$           | \$        | \$        | \$        | \$        |
| Financial assets      | 58,350,000          | 73,664,115   | 583,500   | 736,641   | 583,500   | 736,641   |
| Financial liabilities | (59,084,274)        | (54,509,835) | (590,843) | (545,098) | (590,843) | (545,098) |
| Net total             | (734,274)           | 19,154,280   | (7,343)   | 191,543   | (7,343)   | 191,543   |

|      |           |           |
|------|-----------|-----------|
| Note | 30-Jun-10 | 30-Jun-09 |
|      | \$        | \$        |

### 40 Correction of error

Upon amalgamation, Council identified transactions which were incorrectly recorded in the Balance Sheet of a former Council.

The reallocation of the following Balance Sheet amounts have been processed:

|   |    |   |             |
|---|----|---|-------------|
| Inventories (Land Purchased for Development and Sale) | 19 | - | 1,340,252   |
| Capital Work in Progress                              |    | - | (2,784,873) |
| Adjustment to opening balances                        |    | - | (1,444,621) |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

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### 41 National competition policy

#### (a) Significant Business Activities to which the Full Cost Pricing Model is applied

A full review of the appropriate application of National Competition Policy (NCP) reforms across Bundaberg Regional Council was completed and two business activities were identified as having reached the expenditure threshold for recognition as financially significant Type 2 Business Activities; which as advised by the Department of Infrastructure and Planning (Local Government and Planning Group) for the 2008/2009 financial reporting period of 15.5 months was \$10.2 million.

Council's significant Type 2 Business Activities are:

- (a) Council's combined Water and Sewerage activities
- (b) Waste Management activities.

A Public Benefit Assessment was undertaken in accordance with the Local Government Act which determined that the adoption of full cost pricing was the most appropriate business model to be applied to these activities.

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

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

The CSO value is determined by Council and represents an activity's cost(s) which would not be incurred if the activities primary objective was to make a profit. 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 Council.



# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### 41 National competition policy (Cont'd)

Council has resolved to apply the Code of Competitive Conduct to the following business activities: Bundaberg Airport, Caravan Parks and Building Services.

#### Financial performance of activities subject to competition reforms:

|   | Water Supply | Sewerage     | Waste Management |
|---|--------------|--------------|------------------|
|   | 2010         | 2010         | 2010             |
|   | \$           | \$           | \$               |
| Revenue for services provided to Council          | 114,410      | 112,096      | 1,231            |
| Revenue for services provided to external clients | 19,431,387   | 16,178,748   | 10,262,824       |
| Community service obligations                     | 89,844       | 229,075      | 741,897          |
|   | 19,635,641   | 16,519,919   | 11,005,952       |
| Less: Expenditure                                 | (12,702,467) | (11,844,854) | (10,984,659)     |
| Surplus/(deficiency)                              | 6,933,174    | 4,675,065    | 21,293           |

|   | Caravan Parks | Airport   | Building Services |
|---|---------------|-----------|-------------------|
|   | 2,010         | 2,010     | 2,010             |
|   | \$            | \$        | \$                |
| Revenue for services provided to Council          | 66,743        | 28,071    | -                 |
| Revenue for services provided to external clients | 1,918,155     | 1,362,749 | 529,138           |
| Community service obligations                     |               |           |                   |
|   | 1,984,898     | 1,390,820 | 529,138           |
| Less: Expenditure                                 | (1,611,449)   | (899,890) | (1,001,855)       |
| Surplus/(deficiency)                              | 373,449       | 490,930   | (472,717)         |

#### Description of CSO's provided to business activities

| Activities       | CSO description  | Actual    |
|------------------|--|-----------|
|                  |  | \$        |
| Water            | Provision of water allocations to unlicensed sporting clubs free of charge | \$89,844  |
| Sewerage         | Providing pedestal discount for community and aged care facilities         | \$220,416 |
|                  | Clearance of private sanitary drains                                       | \$8,659   |
| Waste Management | Unrecovered costs incurred in operating Materials Recycling Facility       | \$145,227 |
|                  | Unrecovered costs incurred in operating Rural Transfer Stations            | \$184,432 |
|                  | Free waste disposal days   | \$10,000  |
|                  | Free waste disposal by Council trucks                                      | \$403,143 |

# BUNDABERG REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

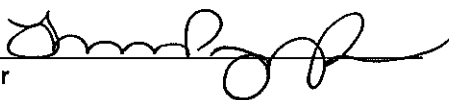
For the year ended 30 June 2010

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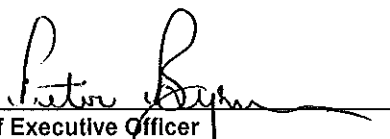
### MANAGEMENT CERTIFICATE

The 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 that -

- (i) the local government considers the relevant recording and reporting procedures have been complied with in the preparation of the financial statements; and
- (ii) the financial statements for the period ended 30 June 2010 and supporting notes present the Council's income, equity, balance sheet and cash flows as required by the *Local Government Act 1993*.

  
\_\_\_\_\_  
Mayor

Date: 28 / 10 / 10

  
\_\_\_\_\_  
Chief Executive Officer

Date: 28 / 10 / 10

## INDEPENDENT AUDITOR'S REPORT

To the Mayor of Bundaberg Regional Council

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

The auditor's report relates to the financial report of Bundaberg Regional Council for the financial year ended 30 June 2010 included on Bundaberg Regional Council's website. The Council is responsible for the integrity of the Bundaberg Regional Council's website. I have not been engaged to report on the integrity of the Bundaberg Regional Council's website. The auditor's report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from Bundaberg Regional Council, to confirm the information included in the audited financial report presented on this website.

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

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

I have audited the accompanying financial report of Bundaberg Regional Council, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Mayor and Chief Executive Officer.

#### *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 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 or 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 *Auditor-General Act 2009* promotes the independence of the Auditor-General and all 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 s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the *Bundaberg Regional Council* for the financial year 1 July 2010 to 30 June 2010 and of the financial position as at the end of that year.



Stephen Stavrou  
as Delegate of the Auditor-General of Queensland

Brisbane, 28 October 2010



## Feedback

Council welcomes feedback on this annual report.

Please pass on your comments - or request for additional copies of the report to Council's Marketing and Communication Branch on 1300 883 699, email [council@bundaberg.qld.gov.au](mailto:council@bundaberg.qld.gov.au) or write to PO Box 3130, Bundaberg, Qld, 4670.

Council's annual report is available online at: [www.bundaberg.qld.gov.au](http://www.bundaberg.qld.gov.au)

