



# 2014/2015 **BUDGET**

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## MAYOR'S MESSAGE

The 2014/2015 Bundaberg Regional Council Budget handed down today delivers an appropriate mix of fiscal restraint in tandem with Council's resolve to progress sustainable economic growth across our region. In essence, today's budget is a milestone document firmly setting down markers for major projects that are essential to ensure Council delivers the required opportunities, infrastructure and services to meet the expected growth of our region.

Last year I spoke about "Rebuilding Foundations for the Future" and identified some of the projects necessary to ensure the Bundaberg Region is well placed to take advantage of population growth and economic opportunities.

Two major projects Council is currently funding through this budget and successive budgets are the \$93 million Rubyanna Waste Water Treatment Plant and the \$24 million Multi Purpose Facility at the old Bundaberg Showgrounds site. Projects of this scale demonstrate Council is delivering on the necessary planned infrastructure that is required to meet future demand for residential growth.

Our budget document is not one dimensional or simply future focussed. Council recognises a need to sustain the programs, services and initiatives that have become anticipated and vital components to support our community lifestyle.

Assistance for our pensioners through rates remission, the continued availability of respite and aged care facilities, leisure opportunities through venues such as the Moncrieff Entertainment Centre and expansions to Alexandra Park Zoo and recreational areas across the region demonstrate a Council focus on family.

We have retained an emphasis on investment in our Aviation and Aerospace Precinct to provide the availability of developed lots, some fronting the main runway, to cater for future opportunities associated with air travel and its support industries.

Foremost in Council's mind when compiling the 2014/2015 budget was the impact rate rises have on our ratepayers and the ability for them to absorb increases. The positive outcome for our community is that every dollar received from ratepayers is invested locally to benefit the Bundaberg Region. Every dollar! Council is committed to ensuring maximum value for every rate dollar spent. Residents will be aware that in line with our strategic plans our workforce has been downsized and extensive savings to the ratepayer have been realised through the increased use of technology, extended life of plant and equipment and innovations that include the exploration of solar initiatives.

I am pleased to say that during the past 12 months Council has made significant improvement in the manner in which we engage with our community. An extended use of social media, media releases, Council newsletter and direct dialogue through initiatives like our Chat Room has resulted in Council being able to more effectively communicate its programs to the community.

I commend this Budget document to the residents of the Bundaberg Region as a responsible and strategic financial plan to deliver on Council's promise to create employment and economic certainty in our region.

**Cr. Mal Forman**  
**Mayor, Bundaberg Regional Council**

## BUDGET HIGHLIGHTS

Council 2014/2015 Budget continues a significant capital works program totaling \$143 million to fund vital community infrastructure for the residents and visitors to the Bundaberg Region. This Infrastructure program will provide for both the current needs and cater for future growth.

### 2014/2015 Project Highlights

Roads reconstruction, continued flood repair, bitumen reseals, and asphalt overlays	<b>\$49,000,000</b>
Stormwater drainage	<b>\$3,075,000</b>
Footpaths	<b>\$1,300,000</b>
Trunk water main – Mellifont Street to Kalkie water plant (first part \$2.1 million Project)	<b>\$1,200,000</b>
Gregory River Water Treatment Plant – Design and prepare options for upgrade (Possible project costs \$5 million)	<b>\$150,000</b>
Gin Gin Water Treatment Plant – Design and prepare options for upgrade (Possible project costs \$1 million)	<b>\$150,000</b>
Water Treatment Plants, mains, reservoirs and services – renewals and upgrades region wide	<b>\$900,000</b>
Library books and resources	<b>\$400,000</b>
New animal pound and facilities	<b>\$500,000</b>
Refurbish Moncrieff Entertainment Centre backstage dressing rooms	<b>\$100,000</b>
Holiday and caravan park improvements	<b>\$340,000</b>
Community facilities and halls upgrades	<b>\$420,000</b>
Airport upgrades and airport precinct development	<b>\$1,250,000</b>
Sewer trunk mains – Growth East Bundaberg and adjacent coastal areas	<b>\$2,300,000</b>
Wastewater Treatment Plants, mains, pump stations and services – renewals and upgrades region wide	<b>\$750,000</b>
Wastewater Treatment Plants, Rubyanna Plant Stage 1 (Estimated project cost \$93 million)	<b>\$15,500,000</b>
Wastewater Treatment Plants, Thabeban, year 2 final (Estimated Costs \$16.5 million)	<b>\$6,500,000</b>
Waste Facility Transfer year 2 final Weighbridge Qunaba, and Gas Flaring Cedars Road facility	<b>\$370,000</b>
Gas flaring at Cedars Road Waste facility	<b>\$300,000</b>
Parks improvements and beautification	<b>\$1,200,000</b>
Boat ramp and facilities at Fairymead	<b>\$300,000</b>

## **Rates and Utility Charges**

An overall rates increase for the average property will be 5.23%. This is from the following increases and changes:

- The General Rate income will increase by 4.7% across all rating categories. This represents a \$41.00 per year increase to the minimum general residential ratable properties. For these properties this is a \$0.79 per week increase. The minimum general rate is now \$914.00.
- The property valuations are determined by the State Government's Department of Natural Resources & Mines – State Valuation Service (DNRM). They have conducted a revaluation for the 2014/2015 year. These have been issued by the DNRM and are the basis for the calculation of the rates.
- The charge for the weekly collection and processing of a 240 litre refuse bin and the fortnightly collection and processing of a 240 litre recycling bin has increased by 4.42%, or \$0.25 per week. This is \$5.90 per week or \$307.00 per annum increase from \$294.00 last year.
- Wastewater pedestal charges have increased to \$634.00 per annum, equating to an increase of \$0.90 per week. The water access charge has also increased by 4.49% or \$0.33 per week. The water access charge is now \$396.00 per year.

## **Pensioners Assistance**

Council has provided a lower general rate for pensioners by providing up to a maximum of \$140.00 per annum. The State Government remission to pensioners for the 2014/2015 year is 20% of rates and charges up to a maximum of \$200.00 per annum.

## **Efficiencies**

Council's Mayor this year gave a directive that every section of Council's operating expenditure be no more than last year. Council's staff worked hard to find further efficiencies to already tight budgets and have achieved this saving.

With constantly increasing costs of materials and services and massive increases in electricity pricing, Council has also been proactive in finding ways of reducing its expenditure; these cost increases continue to impact heavily on Council's budget. Electricity expenses currently cost Council around \$5 million per annum, with the major consumption areas being street lighting, the treatment and pumping of water and the treatment and pumping of sewerage. Other minor users include community facilities such as pools and halls, service centres and depots. Council is installing low consumption lighting and many other cost saving initiatives where proven cost benefits can be realised.

## **Service levels**

Council and its staff are committed to providing the highest level of service within the constraints of this budget, knowing full well that many in the community have faced significant challenges and rising prices from the tornadoes and flood events of early January 2013. Many of Council's services have also been affected, and Council has done as much as it could within its power and budget to restore the region to its best potential. Last year we commented that: "Councillors and council staff appreciate your understanding and patience as we go about restoring many of these facilities over the next couple of years." We are now in the second year of recovery and thank all members of our community for their understanding.

Council is confident that the region's roads; parks; water; wastewater; foreshores; beaches; boardwalks; jetties; waste facilities and many other community assets, that were damaged during natural disaster events, will have had work carried out on them which has either returned them to their previous standard or to a better condition.

## BUDGET ALIGNMENT

Community consultation and online surveys have affirmed existing values and priorities outlined in the *Bundaberg Region 2031* Community Plan. Council has consequently made appropriate, yet relatively minor, changes to its Corporate and Operational Plans. This has subsequently informed the 2014/2015 Budget and 10 year forecast.

During the development of the 2014/2015 Budget community priorities were fully considered and carefully balanced against budget constraints. While Council continues to be committed to delivering community goals and outcomes, some difficult decisions needed to be made regarding:

- Finalisation of remaining restorations and rehabilitations resulting from flood damage.
- Keeping rates and charges to an acceptable level.
- Growing the community's industry and enterprise capacity.

This budget reflects our community's ongoing values and priorities and supports our Community Vision as identified in *Bundaberg Region 2031*. The Spirit of the Bundaberg Region is measured by its:

### COMMUNITY

- *A connected community full of life.*
- *An empowered and creative place.*

### ENVIRONMENT

- *A healthy natural environment.*
- *Sustainable environmental planning and design.*

### ECONOMY

- *A vibrant economy.*
- *Innovative people.*

### GOVERNANCE

- *Effective and ethical governance.*

In accordance with the provisions of the *Local Government Act 2009* and *Local Government Regulation 2012*, Council now frames its budget in line with the 10 year forecast, its finance plan and asset priorities.

The Local Government Cost Index (*Source: Local Government Association of Queensland*), indicated that Councils across the State generally would have incurred a 2.6% increase in 2013. (*Source: Bureau of Statistics*).

Other factors have included:

- Non-Residential Building Construction Queensland
- Wages (Australia)
- General Construction

(*Source: Bureau of Statistics*)

This budget is shaped by the many demands and pressures placed upon Council as a result of legislative changes, and by external factors over which Council has no control, including energy pricing, carbon pricing, commodity prices, climate conditions and State and Federal Government decisions.

Additional costs to Council beyond inflation have been cost shifting and devolution of duties from other levels of Government. Costs are increasingly being shifted from State and Federal Governments to the local level. At the same time Councils are receiving reduced revenue from State and Federal grants. Related increased responsibilities and costs specifically incurred in the Bundaberg Region include midge and pest control, nuisance control, environmental weed control, greywater systems management, trainee programs and Environmental Protection Agency legislation; particularly in relation to sewerage and water treatment and refuse disposal and recycling. Collectively these factors have caused an increase in rates as Council undertakes to provide the service levels the community expects.

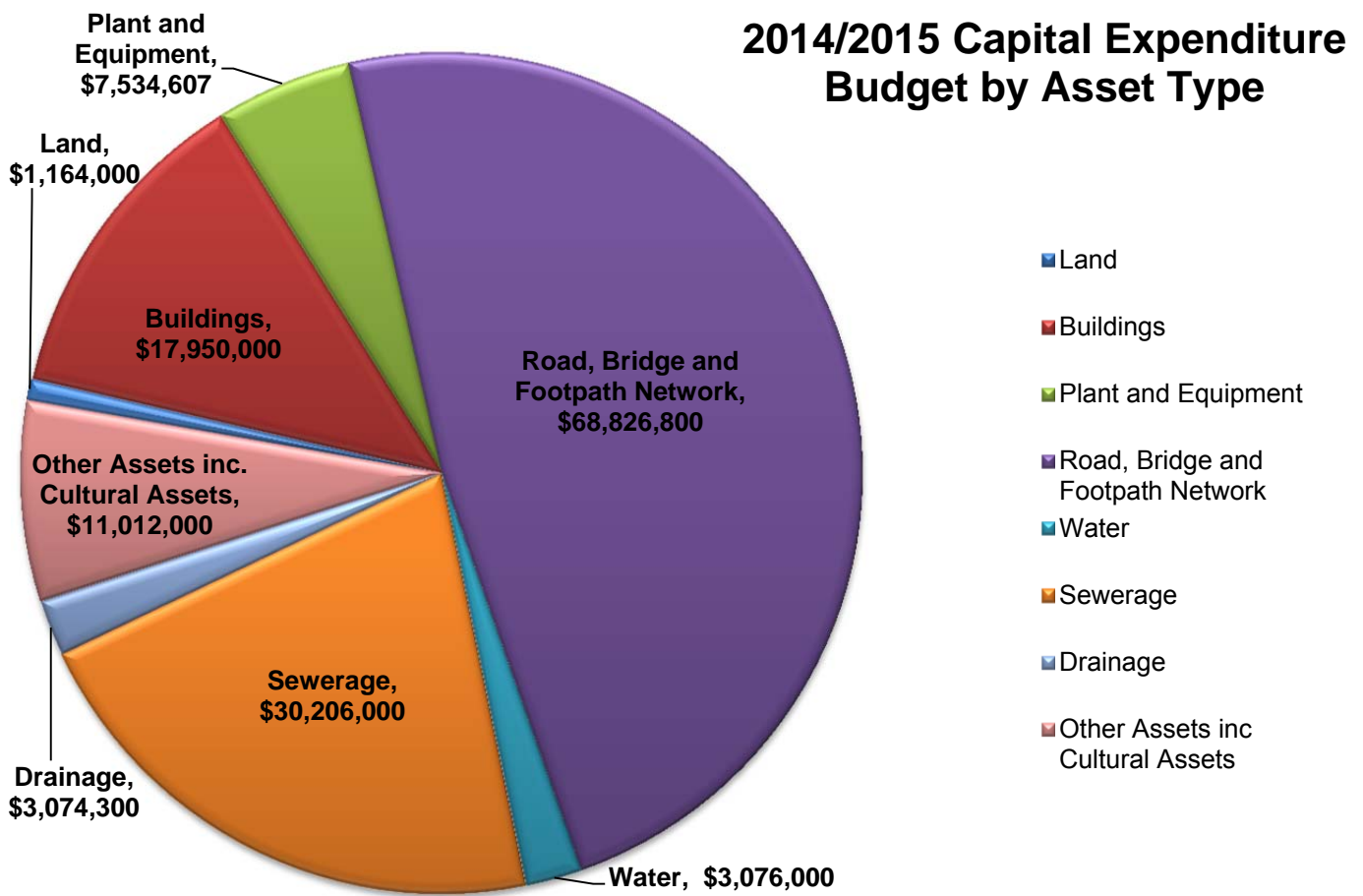


Figure 1.1

Figure 1.1 shows the values allocated on the various asset programs for 2014/2015. Council's Capital Budget, including loan redemption, is \$143 million. Council has anticipated future capital projects over the next 10 years to improve infrastructure and provide for the continued growth in the region.

## Net Financial Liabilities Ratio

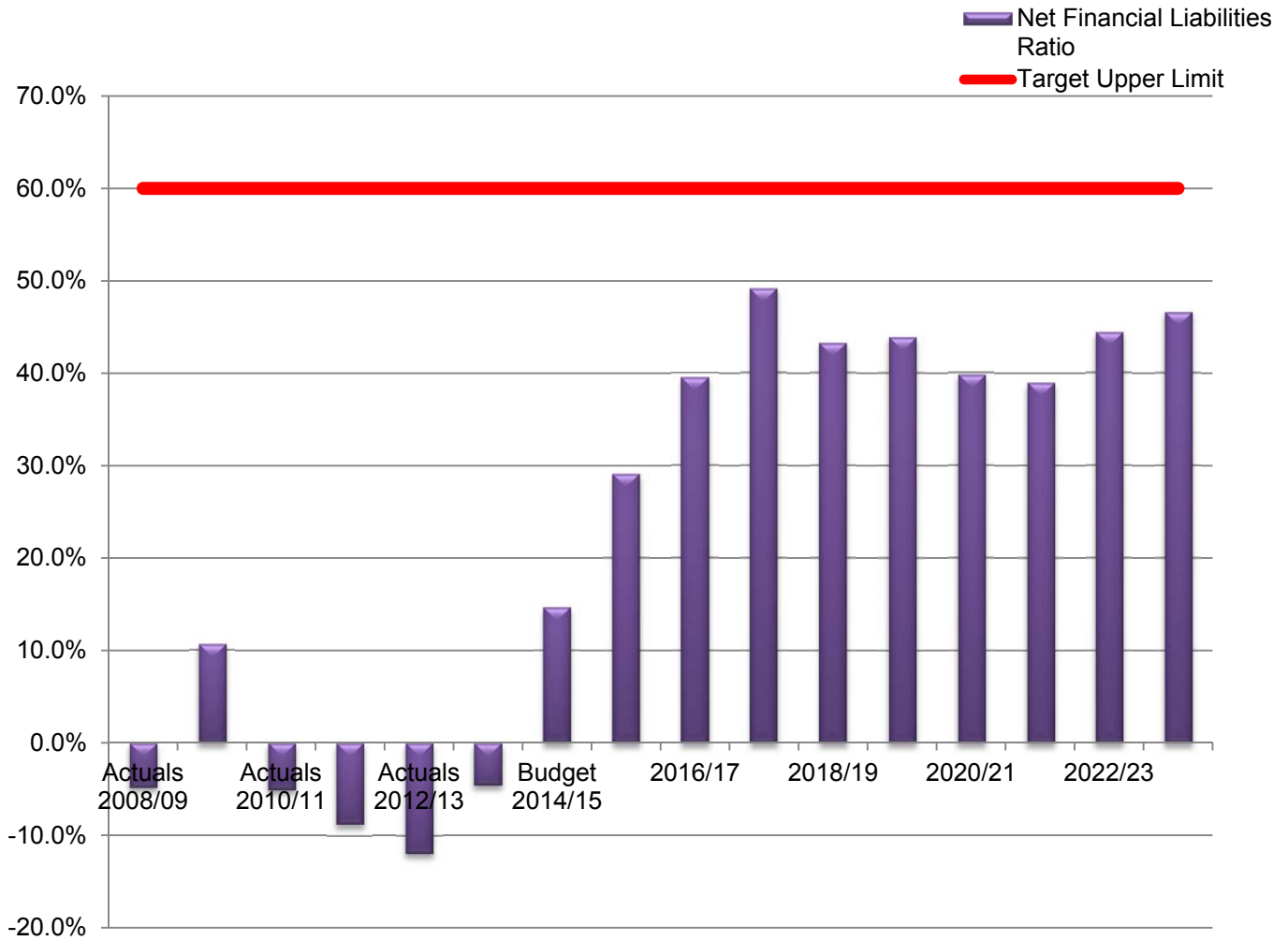


Figure 1.2

Figure 1.2 shows the extent to which the net financial liabilities of a local government can be serviced by its operating revenues. A ratio greater than zero (positive) indicates that total financial liabilities exceed current assets. These net financial liabilities must be serviced using available operating revenues. A positive value less than 60% indicates the local government has the capacity to fund the financial liabilities and appears to have the capacity to increase its loan borrowings if required. A positive value greater than 60% indicates the local government has limited capacity to increase its loan borrowings. A ratio less than zero (negative) indicates that current assets exceed total liabilities and therefore the local government appears to have significant financial capacity and the ability to increase its loan borrowings if necessary.

Figure 1.2 shows Council is under the 60% red line and our maximum net financial liabilities ratio is forecast to reach less than 50%.



## Capital Expenditure v Loan Balance

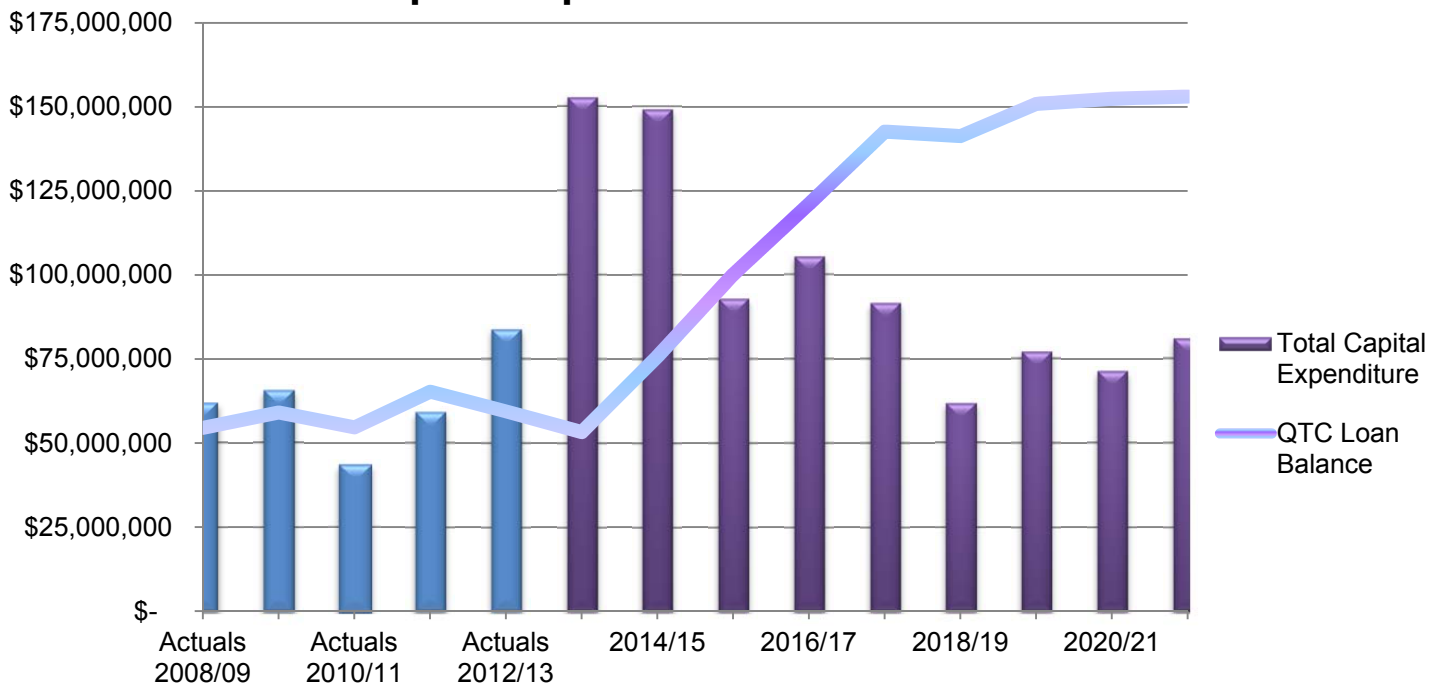
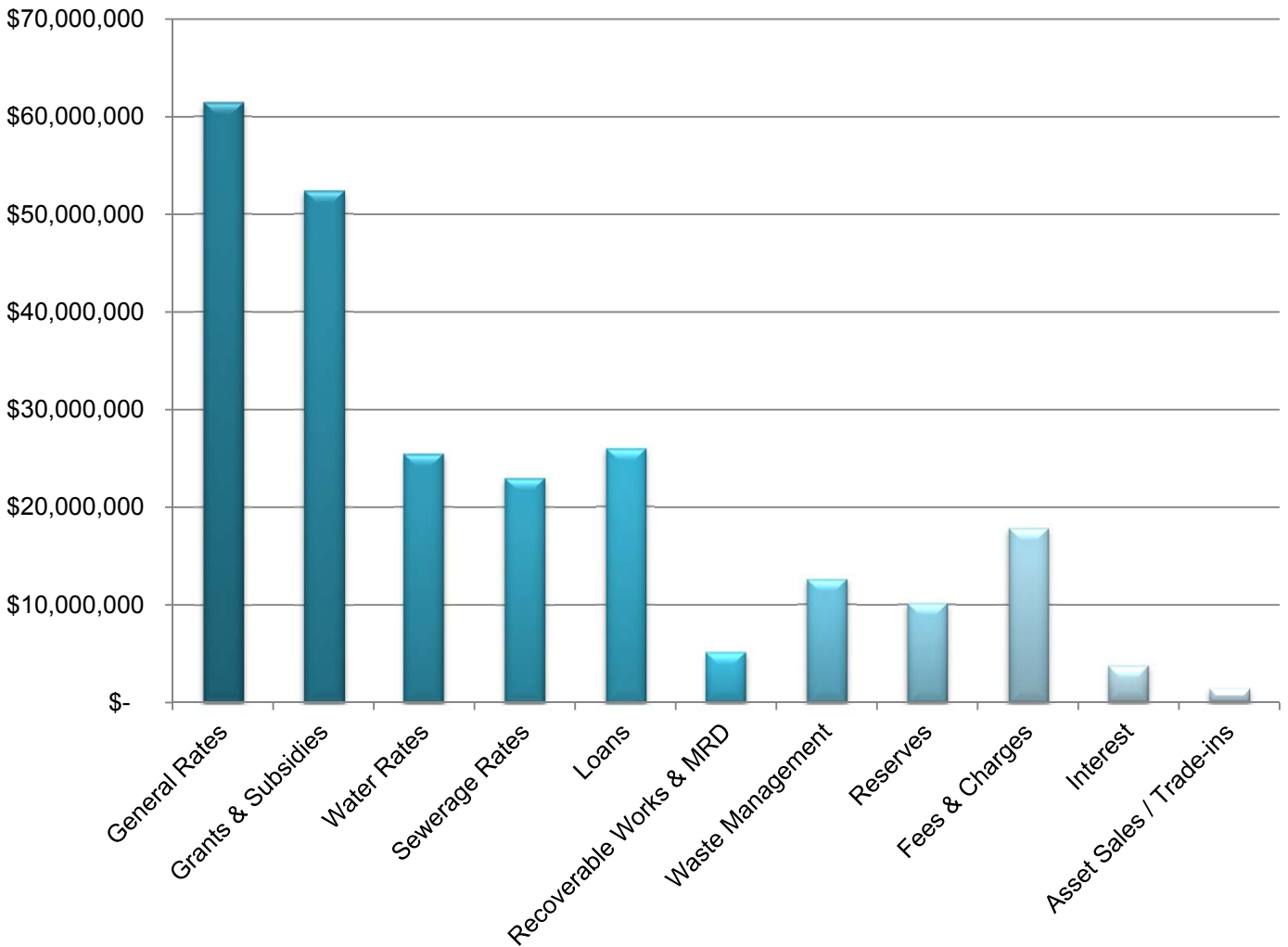


Figure 1.3

The bars in this graphical representation illustrate both the history of capital expenditure and the predicted forecast for the next 10 year capital expenditure. The line indicates the debt levels predicted by the 10 year forecast.

Figure 1.3 shows Council’s current debt level is just over \$50 million and is forecast to peak at just over \$150 million in 2019/2020. This will mostly fund the replacement and upgrades of our ageing Water and Sewerage infrastructure and will bring Bundaberg Region’s Water and Sewerage infrastructure up to a modern and environmentally compliant standard. It will also provide for future growth of our region in the identified growth corridors.

## 2014/2015 Major Sources of Funds



*Figure 1.4*

Council has budgeted to receive funds from a range of sources for both its operational and capital needs.

Figure 1.4 indicates the areas that the funding will be sourced from. Rates and utility charges form the most substantial portion of Council’s revenue.

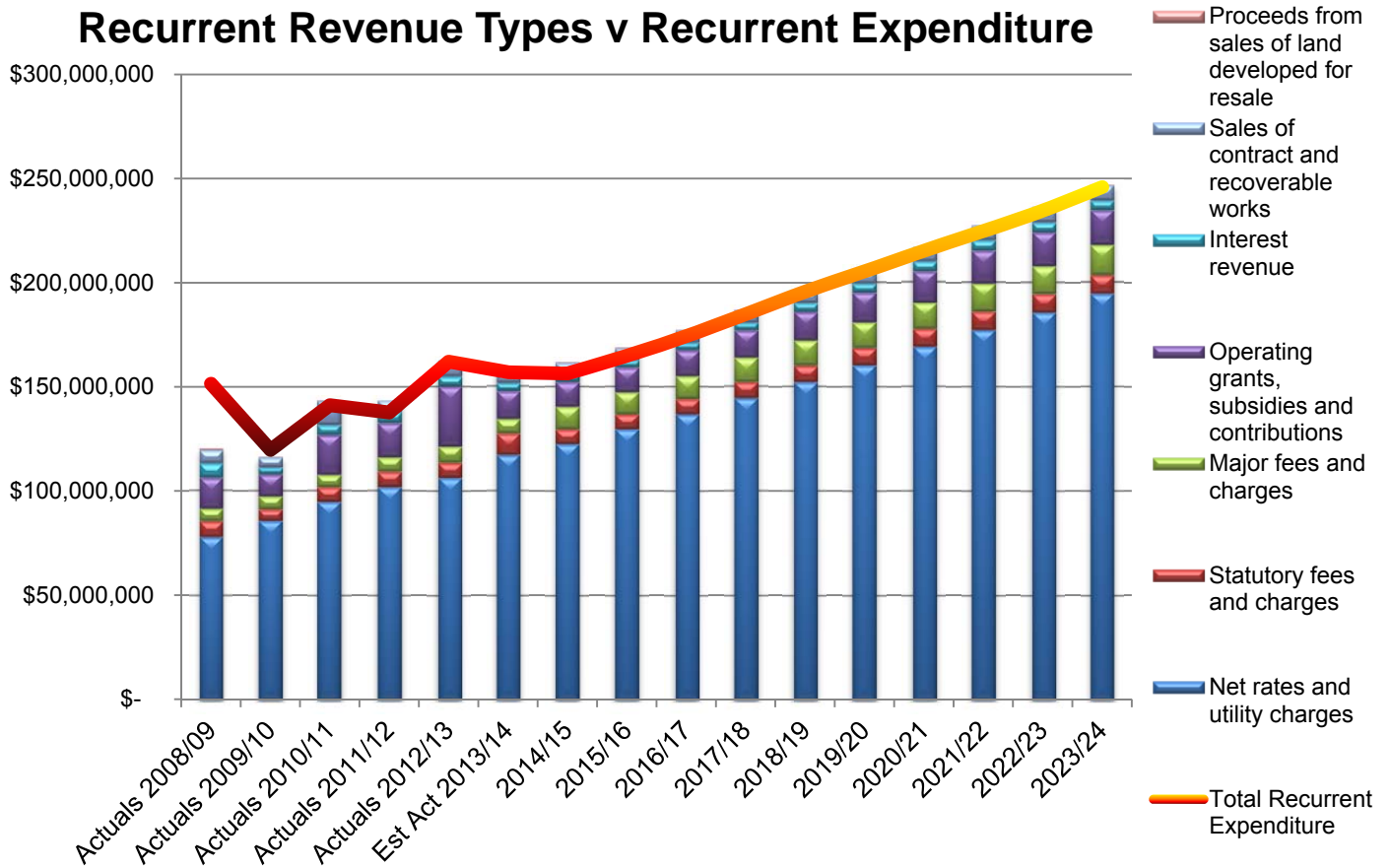


Figure 1.5

Figure 1.5 illustrates sources of revenue and compares revenue with expenditure. The various coloured bars identify the different sources of Council’s funds. Approximately 75% of Council’s revenue is generated by the ratepayers of the region. The red line indicates past, actual expenditure and the orange/yellow line represents predicted expenditure. Peaks during 2010/2011 and 2012/2013 are representative of increased disbursement that occurred as a result of flood events. The expenditure for the 2014/2015 year has been held at the same level as 2013/2014. This is reflective of proactive measures by Council to maximise efficiencies within its departments.

### Community Assets and Depreciation

Council’s community assets currently total \$2 billion. Each year Council revalues classes of assets and additionally estimates the consumption or utilisation of these assets. This is reflected as depreciation expenses. These estimates are based on information available at the time. Council acknowledges that depreciation is influenced by factors which may result in a large movement from one year to the next. These influences include changes in:

- Valuation;
- Depreciation methodology;
- Strategic investment decisions;
- Contributed assets from developers;
- Useful life and associated treatments;
- Changes and advances in technology;
- Environmental demands and changes to environmental standards;
- Obsolescence or technically superseded or non-compliant.

Council has thoughtfully reviewed the present fiscal conditions and aligned this budget to meet our community’s present needs and long-term community goals, as defined by our Community Vision. This budget provides a detailed account of Council’s economic position and clarifies Council’s strong commitment to sustainable economic growth across our region.

## LEGISLATIVE REQUIREMENTS

### Budget

This budget is prepared in accordance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

#### Local Government Act 2009

##### Chapter 4 – Finances and accountability

##### Part 3 – Financial Planning and accountability

##### Section 104:

- (5) The system of financial management established by a local government must include –
- (a) the following financial planning documents prepared for the local government –
    - (i) a 5-year corporate plan that incorporates community engagement;
    - (ii) a long-term asset management plan;
    - (iii) a long-term financial forecast;
    - (iv) an annual budget including revenue statement;
    - (v) an annual operational plan; and
  - (b) the following financial accountability documents prepared for the local government –
    - (i) general purpose financial statements;
    - (ii) asset registers;
    - (iii) an annual report;
    - (iv) a report on the results of an annual review of the implementation of the annual operational plan; and
  - (c) the following financial policies of the local government—
    - (i) investment policy;
    - (ii) debt policy;
    - (iii) revenue policy.

#### Local Government Regulation 2012

##### Chapter 5 – Financial planning and accountability

##### Part 2 – Financial planning documents, Division 3 – Annual budget

##### Section 169 – Preparation and content of budget

- (1) A local government's budget for each financial year must –
- (a) be prepared on an accrual basis; and
  - (b) include statements of the following for the financial year for which it is prepared and the next 2 financial years—
    - (i) financial position;
    - (ii) cash flow;
    - (iii) income and expenditure;
    - (iv) changes in equity.
- (2) The budget must also include—
- (a) a long-term financial forecast; and
  - (b) a revenue statement; and
  - (c) a revenue policy.
- (3) The statement of income and expenditure must state each of the following—
- (a) rates and utility charges excluding discounts and rebates;
  - (b) contributions from developers;
  - (c) fees and charges;
  - (d) interest;
  - (e) grants and subsidies;
  - (f) depreciation;

- (g) finance costs;
- (h) net result;
- (i) the estimated costs of—
  - (i) the local government's significant business activities carried on using a full cost pricing basis; and
  - (ii) the activities of the local government's commercial business units; and
  - (iii) the local government's significant business activities.

(4) The budget must include each of the relevant measures of financial sustainability for the financial year for which it is prepared and the next 9 financial years.

(5) The relevant measures of financial sustainability are the following measures as described in the financial management (sustainability) guideline—

- (a) asset sustainability ratio;
- (b) net financial liabilities ratio;
- (c) operating surplus ratio.

(6) The budget must include the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget.

(7) For calculating the rates and utility charges levied for a financial year, any discounts and rebates must be excluded.

(8) The budget must be consistent with the following documents of the local government—

- (a) its 5-year corporate plan;
- (b) its annual operational plan.

## **Rating**

In accordance with the Revenue Policy adopted at Council's Meeting on 20 May 2014, Council's rates and charging structures are based on the following principles:

### **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 received when 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 Waste Collection 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 an Emergency Management, Fire and Rescue Levy on behalf of Queensland Fire and Emergency Services. The levy is not a Council charge and the funds collected are remitted to the Queensland Fire and Emergency Services after deducting a small administration fee.*

*Council will also have regard to the principles of:*

- *Transparency in the making of rates and charges;*
- *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.*

*In making Water Service Charges, Council may consider the community benefits (health, safety, aesthetics, etc.) gained by classes of landowner using this service.*

The principles for the making of rates and charges are set out in the attached Revenue Statement and Rates and Charges for 2014/2015.



# **BUDGET**

# **STATEMENTS**

**BUNDABERG REGIONAL COUNCIL**
**Budgeted Statement of Comprehensive Income**

For the period ending 30 June 2015	Estimated Actuals	Original Budget	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17
	\$	\$	\$	\$
<b>Revenue</b>				
Rates, levies and charges	124,209,030	129,724,700	137,116,455	144,636,043
Less: Discounts & Pensioner remissions	-6,853,000	-7,012,230	-7,354,744	-7,714,426
Net rates and utility charges	117,356,030	122,712,470	129,761,711	136,921,617
Fees and charges	17,122,352	17,892,981	17,725,263	18,331,716
Interest received	3,839,500	3,804,833	3,470,081	3,578,525
Sales - contract and recoverable works	5,207,000	5,173,000	5,671,270	5,731,484
Operating grants, subsidies, contributions and donations	13,329,926	11,857,964	11,886,287	12,447,182
Profit on sale of developed land held for sale	451,000	387,000	378,299	367,711
<b>TOTAL OPERATING REVENUES</b>	<b>157,305,808</b>	<b>161,828,248</b>	<b>168,892,911</b>	<b>177,378,235</b>
<b>Expenses</b>				
Employee benefits	-69,736,935	-70,384,580	-71,807,480	-73,966,302
Materials and services	-48,542,213	-46,505,032	-50,061,620	-54,855,341
Finance costs	-3,542,513	-3,238,000	-5,496,397	-7,086,983
Depreciation and amortisation	-35,200,000	-36,185,110	-37,460,914	-38,429,662
<b>TOTAL OPERATING EXPENSES</b>	<b>-157,021,661</b>	<b>-156,312,722</b>	<b>-164,826,411</b>	<b>-174,338,288</b>
<b>Operating surplus (deficit)</b>	<b>284,147</b>	<b>5,515,526</b>	<b>4,066,500</b>	<b>3,039,947</b>
Capital income and expenditure:				
Cash capital grants, subsidies and contributions	92,899,184	65,741,193	10,929,107	26,859,275
Other capital income	0	0	0	112,420
Donated physical capital assets	5,500,000	5,500,000	5,000,000	5,000,000
Increase in Provision for Land Restoration	0	0	0	0
Increase/(decrease) in asset revaluation surplus	0	0	0	0
Other capital expense	0	0	-653,006	0
<b>Net result</b>	<b>98,683,331</b>	<b>76,756,719</b>	<b>19,342,601</b>	<b>35,011,642</b>

**BUNDABERG REGIONAL COUNCIL**
**Budgeted Statement of Appropriations**

For the period ending 30 June 2015	Estimated Actuals	Original Budget	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17
	\$	\$	\$	\$
<b>Net result from the Income Statement</b>	<b>98,683,331</b>	<b>76,756,719</b>	<b>19,342,601</b>	<b>35,011,642</b>
Transfers from / to Capital account:				
Capital non-cash donations and contributions	-5,500,000	-5,500,000	-5,000,000	-5,000,000
Capital Subsidies & Grants	-92,899,184	-65,741,193	-10,929,107	-26,859,275
(Gain) or loss on sale of capital items	0	0	653,006	-112,420
Transfers to Reserves: for future capital works				
Sewerage Infrastructure reserve	0	-5,000,000	-4,000,000	-3,000,000
<b>Surplus / (Deficiency for current period)</b>	<b>284,147</b>	<b>515,526</b>	<b>66,500</b>	<b>39,947</b>
<b>Accumulated Surplus / (Deficiency) from prior years</b>	<b>1,140,033</b>	<b>1,424,180</b>	<b>1,941,125</b>	<b>2,007,625</b>
<b>Accumulated Surplus / (Deficiency) at year end</b>	<b>1,424,180</b>	<b>1,941,125</b>	<b>2,007,625</b>	<b>2,047,572</b>

**BUNDABERG REGIONAL COUNCIL**
**Budgeted Statement of Financial Position**

For the period ending 30 June 2015

	Estimated Actuals	Original Budget	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17
	\$	\$	\$	\$
<b>Current Assets</b>				
Cash and cash equivalents	66,307,145	60,031,967	67,459,251	68,812,677
Trade and other receivables	15,079,363	23,893,511	16,558,909	17,379,552
Inventories	4,510,726	4,615,006	4,276,025	4,143,736
Non-current assets held for sale	0	398,223	0	0
	<u>85,897,234</u>	<u>88,938,707</u>	<u>88,294,185</u>	<u>90,335,965</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	1,769,465,298	1,870,385,068	1,919,091,031	1,975,037,191
Intangible assets	6,679,288	6,923,415	6,790,801	6,779,508
	<u>1,776,144,586</u>	<u>1,877,308,483</u>	<u>1,925,881,832</u>	<u>1,981,816,699</u>
<b>TOTAL ASSETS</b>	<u>1,862,041,820</u>	<u>1,966,247,190</u>	<u>2,014,176,017</u>	<u>2,072,152,664</u>
<b>Current Liabilities</b>				
Trade and other payables	13,066,437	15,868,409	13,410,861	14,428,922
Borrowings	6,412,568	6,481,000	8,997,554	10,441,669
Provisions	804,000	1,657,000	1,054,000	1,304,000
Other liabilities	431,119	389,347	431,119	431,119
	<u>20,714,124</u>	<u>24,395,756</u>	<u>23,893,534</u>	<u>26,605,710</u>
<b>Non-Current Liabilities</b>				
Trade and other payables	569,347	925,444	925,444	925,444
Borrowings	47,115,002	69,634,002	91,376,529	110,934,860
Provisions	16,418,831	20,722,638	21,322,638	22,017,136
	<u>64,103,180</u>	<u>91,282,084</u>	<u>113,624,611</u>	<u>133,877,440</u>
<b>TOTAL LIABILITIES</b>	<u>84,817,304</u>	<u>115,677,840</u>	<u>137,518,145</u>	<u>160,483,150</u>
<b>NET COMMUNITY ASSETS</b>	<u>1,777,224,516</u>	<u>1,850,569,350</u>	<u>1,876,657,872</u>	<u>1,911,669,514</u>
<b>Community Equity</b>				
Capital	1,388,584,486	1,461,413,794	1,489,442,022	1,524,453,664
Asset revaluation surplus	387,215,850	387,215,850	387,215,850	387,215,850
Retained surplus/(deficiency)	1,424,180	1,939,706	0	0
Other reserves	0	0	0	0
<b>TOTAL COMMUNITY EQUITY</b>	<u>1,777,224,516</u>	<u>1,850,569,350</u>	<u>1,876,657,872</u>	<u>1,911,669,514</u>



**BUNDABERG REGIONAL COUNCIL****Budgeted Statement of Cash Flows**

For the period ending 30 June 2015

	Estimated Actuals	Original Budget	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17
	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	139,685,382	145,778,451	164,334,164	172,627,721
Payments to suppliers and employees	-118,279,148	-116,889,612	-121,461,203	-128,191,095
	21,406,234	28,888,839	42,872,961	44,436,626
Interest received	3,839,500	3,804,833	3,470,081	3,578,525
Proceeds from sale of developed land held for resale	622,000	500,000	500,000	500,000
Non-capital grants, subsidies, contributions and donation	13,329,926	11,857,964	0	0
Finance costs	-3,542,513	-3,238,000	-4,296,397	-5,754,972
Costs incurred on inventory land held for sale	0	0	0	
Net Cash Inflow/(Outflow) from Operating Activities	35,655,147	41,813,636	42,546,645	42,760,179
<b>Cash Flow from Investing Activities :</b>				
Payments for property, plant and equipment	-146,364,436	-136,861,007	-79,697,080	-89,812,834
Payments for intangible assets	-334,798	-488,000	-1,150	0
Payments for investment property	0	0	0	0
Proceeds from sale of property, plant and equipment	1,100,000	1,000,000	2,500,000	1,300,000
Capital grants, subsidies, contributions and donations	92,899,184	65,741,193	10,217,961	26,103,635
Net movement in loans and advances	0	0	0	0
Net Cash Inflow/(Outflow) from Investing Activities	-52,700,050	-70,607,814	-66,980,269	-62,409,199
<b>Cash Flow from Financing Activities :</b>				
Proceeds from borrowings	0	29,000,000	32,000,000	31,000,000
Repayment of borrowings	-6,157,000	-6,481,000	-7,666,223	-9,997,554
Net Cash Inflow/(Outflow) from Financing Activities	-6,157,000	22,519,000	24,333,777	21,002,446
<b>Net Increase (Decrease) in Cash Held</b>	-23,201,903	-6,275,178	-99,847	1,353,426
Cash at beginning of reporting period	89,509,048	66,307,145	67,559,098	67,459,251
<b>Cash at end of Reporting Period</b>	<u>66,307,145</u>	<u>60,031,967</u>	<u>67,459,251</u>	<u>68,812,677</u>

# BUNDABERG REGIONAL COUNCIL

## Budgeted Statement of Capital Funding

For the period ending 30 June 2015

	Estimated Actuals	Original Budget	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17
	\$	\$	\$	\$
<b>Sources of Capital Funding</b>				
Appropriation from general revenue sources, funds expended for capital purposes in the period				
Proceeds from the sale of non current assets	1,100,000	1,000,000	2,500,000	1,300,000
Future capital works reserve	58,857,050	43,843,814	47,616,303	46,390,388
Funds from loan borrowings expended in the period	5,890,500	29,000,000	32,000,000	31,000,000
Donated non-current assets	5,500,000	5,500,000	5,682,107	5,739,275
Constrained grants and developer contributions	85,751,416	65,741,193	5,247,000	21,120,000
Asset Acquisition Reserve	1,257,268	4,245,000	0	0
	<u>158,356,234</u>	<u>149,330,007</u>	<u>93,045,410</u>	<u>105,549,663</u>
<b>Application of Capital Funding</b>				
Non current assets :				
Land purchased for development and sale	120,968	0	0	0
Land and improvements	2,991,300	1,164,000	500,000	300,000
Buildings and structures	11,861,096	27,498,000	7,265,000	19,580,000
Plant and equipment	9,069,666	7,572,007	5,315,000	5,665,000
Cultural assets	12,280	10,000	10,000	10,000
Roads, footpaths and bridges	105,304,726	72,396,700	30,228,147	32,029,117
Stormwater drainage	6,269,000	3,074,300	0	0
Sewerage infrastructure	13,784,700	28,256,000	35,908,000	33,138,000
Water infrastructure	2,450,700	2,390,000	6,153,040	4,829,992
Intangible assets	334,798	488,000	0	0
	<u>152,199,234</u>	<u>142,849,007</u>	<u>85,379,187</u>	<u>95,552,109</u>
Loan redemption	6,157,000	6,481,000	7,666,223	9,997,554
	<u>6,157,000</u>	<u>6,481,000</u>	<u>7,666,223</u>	<u>9,997,554</u>
Total capital expenditure	<u>158,356,234</u>	<u>149,330,007</u>	<u>93,045,410</u>	<u>105,549,663</u>

**BUNDABERG REGIONAL COUNCIL**
**Budgeted Statement of Changes in Equity**

For the period ending 30 June 2015

	Estimated Actuals	Original Budget	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17
	\$	\$	\$	\$
<b>Opening Balance - Retained Surplus</b>	1,140,033	1,424,180	1,939,706	2,064,346
Increase / decrease in Net Result	98,683,331	76,756,719	19,342,601	35,011,642
Movement to Capital and Reserves	-98,399,184	-71,241,193	-15,217,961	-31,103,635
Movement from Capital and Reserves	0	-5,000,000	-4,000,000	-3,000,000
<b>Closing Balance - Retained Surplus</b>	<u>1,424,180</u>	<u>1,939,706</u>	<u>2,064,346</u>	<u>2,972,353</u>
<b>Opening Balance - Asset Revaluation Reserve</b>	387,215,850	387,215,850	387,215,850	387,215,850
Asset Revaluation Adjustments	0	0	0	0
Movement to the Reserve	0	0	0	0
<b>Closing Balance - Asset Revaluation Reserve</b>	<u>387,215,850</u>	<u>387,215,850</u>	<u>387,215,850</u>	<u>387,215,850</u>
<b>Opening Balance - Capital Account</b>	1,295,713,919	1,388,584,486	1,461,413,794	1,487,377,676
Movement to Capital and Reserves	98,399,184	71,241,193	15,217,961	31,103,635
Movement from Capital and Reserves	-5,528,617	1,588,115	10,745,921	3,000,000
<b>Closing Balance - Capital Account</b>	<u>1,388,584,486</u>	<u>1,461,413,794</u>	<u>1,487,377,676</u>	<u>1,521,481,311</u>
<b>Total Community Equity</b>	<u>1,777,224,516</u>	<u>1,850,569,350</u>	<u>1,876,657,872</u>	<u>1,911,669,514</u>

## REVENUE STATEMENT

### 1. 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; and
- Details on any limitations on rates and charges.

### 2. SCOPE

This statement 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. POLICY OBJECTIVES

This Revenue Statement deals with the reasoning applied by Council for raising revenue, including the fixing of rates and charges and if applicable, how 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. POLICY

#### 4.1 The determination of rates and charges:

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 benefited or serviced areas of the Region); and
- Utility charges.

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

- Supplying water services;
- Supplying sewerage services;
- Supplying waste and recycling collection services; and
- Supplying trade waste processing services.

By resolution, Council will for any financial year, fix cost-recovery and commercial charges for services and facilities supplied by Council pursuant to sections 97 and 262 (c) of the *Local Government Act 2009*. In accordance with the Act, the public may inspect the register at the local

government's public offices at 186—190 Bourbong Street, Bundaberg Central, and its Service Centres at 190 Hughes Road, Bargara, 45 Churchill Street, Childers and 4 Dear Street, Gin Gin.

In determining rates and charges, 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 property value method being the unimproved capital value or the site value as supplied by the State Valuation Service of the Department of Natural Resources & Mines. All rateable lands except rural land are valued on site valuation and rural land is valued on unimproved capital value. 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 93(2) of the *Local Government Act 2009* as: "*any land or building unit, in the local government area, that is not exempted from rates.*"

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

- '**Primary Council land use code**' shall mean a four (4) character code recorded in Council's rating files as a local government code which identifies the principal use of the land or the potential predominant use by virtue of its improvements or activities conducted upon the land.
- '**Secondary Council land use code**' shall mean a code used in conjunction with the primary Council land use code to indicate a particular land use or the potential predominant use by virtue of its improvements or activities conducted upon the land.
- '**Strata title residential and commercial property**' and '**Strata title residential and commercial use**' shall mean – Lots, which have a primary Council land use code of 1008 or 1009, created under the provisions of the *Building Units and Group Titles Act 1980* or the *Body Corporate and Community Management Act 1997*.
- '**Subdivided land**' is defined in Chapter 2, Part 2, Subdivision 3, Section 49-51 of the *Land Valuation Act 2010* as follows:
  - Subdivision applies to a parcel (the relevant parcel) if:*
    - (a) *the relevant parcel 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 relevant parcel is not developed land.*

Council will make and levy differential general rates for the financial year ending 30 June 2015, on all rateable land in the Local Government area.

The following table, in accordance with sections 80 and 81 of the *Local Government Regulation 2012*, Council:

1. categorises all rateable land into 15 categories listed in Column 1; and
2. by Column 2 provides a description for each of those 15 categories.

Further, Council delegates to the Chief Executive Officer the power (contained in section 81(4) and (5) of the *Local Government Regulation 2012*) to identify the rating category to which each parcel of rateable land in Council's area belongs. In this regard, Column 3 is used to assist the Chief Executive Officer in identifying the categories in which rateable parcels of land are included.

<b>Column 1 CATEGORY</b>	<b>Column 2 DESCRIPTION</b>	<b>Column 3 IDENTIFICATION</b>
<b>1 Urban Residential Land</b>	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.	Land to which any of the following primary Council land use codes apply: <u>Code</u> <u>Description</u> 1001    Vacant Land 1002    Single Unit Dwelling 1003    Multi-Unit Dwelling - Flats 1006    Outbuildings 1009    Strata Title - Residential Use 1021    Residential Institution - Non Medical 1072    Section 49-51 Valuation
<b>2 Rural Residential Land</b>	Land 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.	Land to which any of the following primary Council land use codes apply: <u>Code</u> <u>Description</u> 1004    Vacant - Large House site 1005    Dwelling - Large House site 1006    Outbuildings 1021    Residential Institution - Non Medical 1072    Section 49-51 Valuation 1094    Other Rural Land
<b>3</b>	Intentionally left blank.	
<b>4</b>	Intentionally left blank.	
<b>5 Coastal Towns</b>	Land that is: (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 (b) Within the townships of Bargara, Burnett Heads, Buxton, Coonarr, Coral Cove, Elliott Heads, Innes Park, Moore Park Beach, Walkers Point, Winfield and Woodgate Beach except those having frontage to the pacific ocean or roads fronting the pacific ocean.	Land to which any of the following primary Council land use codes apply: <u>Code</u> <u>Description</u> 1001    Vacant Land 1002    Single Unit Dwelling 1003    Multi Unit Dwelling - Flats 1004    Vacant – Large House site 1005    Dwelling – Large House site 1006    Outbuildings 1009    Strata Title - Residential Use 1021    Residential Institution – Non Medical 1072    Section 49-51 Valuation
<b>6</b>	Intentionally left blank.	
<b>7 Urban Oceanfront</b>	Land that has frontage to the pacific ocean or roads fronting the pacific ocean 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.	Land to which any of the following primary Council land use codes apply: <u>Code</u> <u>Description</u> 1001    Vacant Land 1002    Single Unit Dwelling 1003    Multi Unit Dwelling - Flats 1004    Vacant - Large House site 1005    Dwelling - Large House site 1006    Outbuildings 1009    Strata Title - Residential Use 1021    Residential Institution – Non Medical 1072    Section 49-51 Valuation
<b>8</b>	Intentionally left blank.	

<b>Column 1 CATEGORY</b>	<b>Column 2 DESCRIPTION</b>	<b>Column 3 IDENTIFICATION</b>																																																												
<p><b>9 Agricultural Land</b></p>	<p>Land that is used for agricultural purposes, or which has the potential predominant use by virtue of its improvements or activities conducted upon the land of agricultural purposes.</p>	<p>Land to which any of the following primary Council land use codes apply:</p> <table border="0"> <thead> <tr> <th><u>Code</u></th> <th><u>Description</u></th> </tr> </thead> <tbody> <tr><td>1060</td><td>Sheep Grazing - Dry</td></tr> <tr><td>1061</td><td>Sheep Breeding</td></tr> <tr><td>1064</td><td>Cattle Grazing &amp; Breeding</td></tr> <tr><td>1065</td><td>Cattle Breeding &amp; Fattening</td></tr> <tr><td>1066</td><td>Cattle Fattening</td></tr> <tr><td>1067</td><td>Goats</td></tr> <tr><td>1068</td><td>Milk - Quota</td></tr> <tr><td>1069</td><td>Milk - No Quota</td></tr> <tr><td>1070</td><td>Cream</td></tr> <tr><td>1071</td><td>Oil Seeds</td></tr> <tr><td>1073</td><td>Grains</td></tr> <tr><td>1074</td><td>Turf Farms</td></tr> <tr><td>1075</td><td>Sugar Cane</td></tr> <tr><td>1076</td><td>Tobacco</td></tr> <tr><td>1077</td><td>Cotton</td></tr> <tr><td>1078</td><td>Rice</td></tr> <tr><td>1079</td><td>Orchards</td></tr> <tr><td>1080</td><td>Tropical Fruits</td></tr> <tr><td>1081</td><td>Pineapple</td></tr> <tr><td>1082</td><td>Vineyards</td></tr> <tr><td>1083</td><td>Small Crops &amp; Fodder Irrigated</td></tr> <tr><td>1084</td><td>Small Crops &amp; Fodder - Non Irrigated</td></tr> <tr><td>1085</td><td>Pigs</td></tr> <tr><td>1086</td><td>Horses</td></tr> <tr><td>1087</td><td>Poultry</td></tr> <tr><td>1088</td><td>Forestry &amp; Logs</td></tr> <tr><td>1089</td><td>Animals - Special</td></tr> <tr><td>1090</td><td>Stratum</td></tr> <tr><td>1093</td><td>Peanuts</td></tr> </tbody> </table>	<u>Code</u>	<u>Description</u>	1060	Sheep Grazing - Dry	1061	Sheep Breeding	1064	Cattle Grazing & Breeding	1065	Cattle Breeding & Fattening	1066	Cattle Fattening	1067	Goats	1068	Milk - Quota	1069	Milk - No Quota	1070	Cream	1071	Oil Seeds	1073	Grains	1074	Turf Farms	1075	Sugar Cane	1076	Tobacco	1077	Cotton	1078	Rice	1079	Orchards	1080	Tropical Fruits	1081	Pineapple	1082	Vineyards	1083	Small Crops & Fodder Irrigated	1084	Small Crops & Fodder - Non Irrigated	1085	Pigs	1086	Horses	1087	Poultry	1088	Forestry & Logs	1089	Animals - Special	1090	Stratum	1093	Peanuts
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<b>16 Industrial Land</b>	Land that is: (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 (b) Is not category 18 or 19 land.	Land to which any of the following primary Council land use codes apply: <u>Code</u> <u>Description</u> 1028-2      Warehouse & Bulk Stores 1029      Transport Terminal 1031      Oil/Fuel Depot and Refinery 1032      Wharves, Jetties and barge landing 1033      Outdoor Storage Area 1034      Cold Stores - Iceworks 1035      General Industry 1036      Light Industry 1037      Noxious/Offence Industry 1039      Harbour Industry
<b>17</b>	Intentionally left blank.	
<b>18 Extractive / Transformers / Substations</b>	Land that is used for extractive or transformers or substation purposes, or has any of those potential predominant uses by virtue of its improvements or activities conducted upon the land of industrial purposes.	Land to which any of the following primary Council land use codes apply: <u>Code</u> <u>Description</u> 1040      Extractive Industry. 1091      Transformers / Substations.
<b>19 Heavy Industry</b>	Land that is used for heavy industrial purposes, such as for example – a co- generation 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.	Land to which any of the following primary Council land use codes and secondary Council land use codes apply: <u>Code</u> <u>Description</u> 1251      Co-generation plant 1252      Sugar Cane / Sugar Mill
<b>20 Other</b>	Land that is not included in any other rating category.	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: <u>Code</u> <u>Description</u> 1019      Walkway 1022-2      Car Parks - Ancillary Use 1050      Other Clubs (Non-Business) 1051      Religious 1052      Cemetery 1055      Library 1056      Showgrounds/Racecourse/Airfield 1057      Parks, Gardens 1058      Educational      -      Including Kindergarten 1059      Local Authority (Secondary Use Only) 1092      Defence Force Establishments 1095      Reservoirs,      Dams,      Bores, Channels 1096      Public Hospitals 1097      Welfare Homes/Institutions 1099      Community Purposes
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<b>22</b>	Intentionally left blank.	
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<b>Column 1 CATEGORY</b>	<b>Column 2 DESCRIPTION</b>	<b>Column 3 IDENTIFICATION</b>
<b>24 Licensed Sporting Bodies Ex-Category 5</b>	Land that was in general rating category 5, the coastal towns general differential rating category, in 2012/2013, 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.	Land which meets all of the following criteria: (a) has a primary Council land use code of 1047 - Club – Sport – Run as a business; and (b) has a secondary Council land use code of 1047-1 – Club – Sport – Run as a business and previously rated residential; and (c) is primarily commercial.
<b>25 Licensed Sporting Bodies Ex- Category 7</b>	Land that was in general rating category 7, the oceanfront general differential rating category, in 2012/2013, 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.	Land which meets all of the following criteria: (a) has a primary Council land use code of 1047 - Club – Sport – Run as a business; and (b) has a Secondary Council land use code of 1047-2 - Club – Sport – Run as a business and previously rated as oceanfront land; and (c) is primarily commercial.
<b>26 Sporting Grounds Ex-Category 5</b>	Land that was in general rating category 5, the coastal towns general differential rating category, in 2012/2013, and should be included in general rating category 20, the 'Other' general differential rating category.	Land which meets all of the following criteria: (a) has a Primary Council land use code of 1050 – Other Clubs (Non-Business); and (b) has a Secondary Council land use code of 1050-1 – Other Clubs (Non-Business) previously rated residential.

Subdivisions have a primary Council land use code of 1072 and will be placed into the general rating category in which they would normally be situated. The value of subdivisions will be discounted by 40% for rating purposes in accordance with Section 50(2) of the *Land Valuation Act 2010*.

Advice of Rating Category: In accordance with Sections 88 and 90 of the *Local Government Regulation 2012*, owners of rateable land will be informed of the general rating category in which their land has been included and that they have the right of objection to the category to which their land is allocated. 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 descriptions 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 property value. The minimum general rate is levied to:

- Provide a minimum contribution from all properties situated within the region; and
- Ensure that general rate revenue from lower valued properties within the region results in a more equitable contribution from such properties towards the cost of services funded from general rates. Minimum general rates do not apply to subdivided land with a Council land use code of 1072.

#### **4.4 Separate rates and charges:**

Each year 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 benefit.

#### **4.5 Special rates and charges:**

Each year Council will determine the necessity to make and levy a special rate or charge which will be applied across specific benefited 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:

- Provide drainage to the Moore Park drainage scheme defined area; and
- Provide for purchase, maintenance and operation of rural firefighting equipment to specified Rural Fire Brigade districts within the region.

Discount is not applicable to special rates and charges.

#### **4.6 State Emergency Management, Fire and Rescue Levy**

In accordance with the *Fire and Rescue Service Act 1990*, Council is required to collect a State Emergency Management, Fire and Rescue Levy on all rateable properties on behalf of the Queensland Fire and Emergency Service. The Levy is not a Council charge and the funds collected are remitted to the Queensland Fire and Emergency Service. However, Council is entitled to an administration fee for collecting this Levy, as prescribed by the *Fire and Rescue Service Regulation 2011*. Rate assessments with multiple properties are levied per parcel, in accordance with the State's legislation, excluding contiguous agricultural parcels in the same ownership.

Council discount is not applicable to the State Emergency Management, Fire and Rescue Levy.

#### **4.7 Utility Charges:**

##### **4.7.1 Water charges**

(1) Declared service area — water: For the financial year 1 July 2014 to 30 June 2015, the declared service areas (water) to which water charges apply, shall be as per the declared service area (water) maps which, in accordance with Section 163 of the *Water Supply (Safety and Reliability) Act 2008*, are available for inspection at Council offices or on Council's website.

(2) Service provider (water): The service provider within the declared service area/s (water) shall be Bundaberg Regional Council through its Infrastructure & Planning Services Department, Water and Wastewater Section.

(3) Water charges: Council levies water rates 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.

(4) Water access charge: A common access charge, for same sized meters, applies in all areas receiving a potable and non-potable water supply.

A water access charge is levied to connected properties and non-connected properties within the defined water area. The reason for this is that the major portion of Council's costs associated with providing a water 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 water system.

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 one (1) rate 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% based on the size of the water meter servicing the property is levied, or where there are multiple vacant lots on the one (1) rate assessment — only one (1) water access charge equal to 100% is levied.

Non strata 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 levied a water access charge for each connection.

Strata properties which have a common water connection are charged one (1) water access charge equal to 100% of the basic 20mm charge for each strata unit and each unit owner is levied separately for the charge.

Strata properties with an individual water connection to each unit are charged one (1) water access charge equal to 100% of the size of the meter connected to each strata 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.

Section 95 of the *Housing Act 2003* provides that all government portfolio properties are deemed to be non-rateable in accordance with Section 93 of the *Local Government Act 2009*. Services to State land that are capped are deemed to be disconnected and will not attract the relevant vacant service charges.

Council will charge unlicensed/restricted sporting clubs a water access charge for their largest connection on each assessment and no access charge will be levied for additional meters.

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

- *Burnett Downs* — Council identifies Burnett Downs yard water supply properties as a separate class of consumers, where consumers are provided with water and services at an amount below full cost as per the declared service area (water) map which, in accordance with Section 163 of the *Water Supply (Safety and Reliability) Act 2008*, is available for inspection at Council offices or on Council's website.
- *Sylvan Woods* — Council identifies Sylvan Woods non—potable constant flow water supply properties as a separate class of consumers, where consumers are provided with water and services which are restricted in volume and pressure of supply as per the declared service area (water) map which, in accordance with Section 163 of the *Water Supply (Safety and Reliability) Act 2008*, is available for inspection at Council offices or on Council's website.

A water access charge shall apply to all premises on metered connection according to the water meter size/s serving the premises.

(5) *Water consumption charge*: Water consumption is levied half-yearly for the readings undertaken prior to 31 December and prior to the 30 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 water supply to properties in the benefited area and for Burnett Downs and Sylvan Woods water supply.

- Where a rate assessment, other than a body corporate/strata situation, comprises multiple metered lots or services, the charge shall be the standard tariff multiplied by the number of metered connections or services. This excludes dedicated fire service connections which have separate provisions.
- Where a rate assessment comprises a body corporate/strata 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 half-year periods from 1 July 2014 to 31 December 2014 and from 1 January 2015 to 30 June 2015, Section 102 of the *Local Government Regulation 2012* shall apply to the reading of meters based on the nominal initial meter reading date of 30 June 2014 and the nominal final reading date of 30 June 2015.
- Council reserves the right to read and levy water consumption at intervals other than six (6) monthly for specific connections as required.

Discount is not applicable to water charges.

(6) 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 ten (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 ten (10) kilolitres in each six (6) month reading period, of ten (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, in which case consumption will be charged at the applicable step 1 or step 2 charge per kilolitre.

(7) Community Service Obligations: Pursuant to sections 120 to 122 of the *Local Government Regulation 2012*:

- (a) Council recognises unlicensed / restricted sporting clubs as providing a community service in the interest of recreation and the region's aesthetics, and therefore this service is identified as a community service obligation.
- (b) Council will charge unlicensed / restricted sporting clubs a water access charge for its largest connection on each assessment and no access charge will be levied for additional meters.

Unlicensed / restricted sporting clubs with an area:

- up to 3.3 hectares will be entitled to 3,600 kilolitres of water per annum, free of consumption charges; and
  - greater than 3.3 hectares will be entitled to 6,000 kilolitres of water per annum, free of consumption charges.
- (c) 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:

Association	Kilolitres	Location
Bundaberg Cricket Association	9,600	Kendall Flat
Football Bundaberg Inc.	9,600	Martens Oval
Trustees Hinkler Park (Hockey)	9,600	Hinkler Park
Trustees Hinkler Park (Hockey)	3,600	Special Lease 1209
Bundaberg Rugby League Ltd	9,000	Salter Oval (*)
Bundaberg Cricket Association	9,000	Salter Oval (*)
Bundaberg Touch Association	9,600	Touch Association Grounds

NOTE\*: Provided the Bundaberg Rugby League Ltd., and the Bundaberg Cricket Association combine their entitlements at Salter Oval and be levied on one rates notice.

- (d) Water consumption per assessment in excess of these entitlements be levied for the first 366 kilolitres at the 1st tier rate;
- (e) Unused entitlements are not carried 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 Part 5 of Chapter 7 of the *Local Government Act 2009*, to determine applications made for this remission.

(8) Water meters registering inaccurately: Pursuant to Sections 120 to 122 of the *Local Government Regulation 2012*, if 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), this justifies the exercise by Council of the power to remit water consumption charges by an amount that results in the water consumption equaling the quantity of water used during the immediately prior corresponding 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 Part 5, Chapter 7 of the *Local Government Act 2009* to determine applications made for this remission.

(9) Extended area of application of charges: These charges apply to the declared service areas (water) maps 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 a reticulated water supply;
- Any other lot which is connected to a reticulated water supply; and
- Any other lot, where Council resolves that the lot becomes capable, by reason of extension of the water supply system, of being connected to a reticulated water supply i.e. 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.

(10) 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 be situated within the declared service area to which they are connected.

Discount is not applicable to water charges.

#### **4.7.2 Sewerage Charges**

(1) Declared service area – sewerage: The declared service areas (sewerage) to which sewerage charges apply, shall be as per the declared service area (sewerage) maps which, in accordance with section 163 of the *Water Supply (Safety and Reliability) Act 2008*, are available for inspection at Council offices or on Council's website.

(2) Service provider (sewerage): The service provider within the declared service area/s (sewerage) shall be Bundaberg Regional Council through its Infrastructure & Planning Services Department, Water and Wastewater 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; and
- The disposal of effluent and bio-solids.

The same sewerage charge is levied 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 99 and 100 of *the Local Government Regulation 2012*, 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.
- Residential flats, units and residential 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 residential pedestals.
- Where multiple lots are included on one (1) rate 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 one (1) rate assessment — only one (1) sewerage charge equal to 100% is levied.
- Non residential properties that are not body corporate/strata title entities will be charged on a per pedestal basis.
- Non residential body corporate/strata title properties are levied a minimum of one (1) sewerage charge to each strata unit, regardless of whether or not they have an individual sewer connection. Where units have more than one (1) pedestal, sewerage charges are levied in accordance with the number of pedestals serving the unit. Each unit owner is levied separately for sewerage charges.
- Waste dump points at caravan parks are charged 100% pedestal charge.

(4) Extended area of application of charges: These charges apply to the declared service areas (sewerage) maps 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 the reticulated sewerage system;
- Any other lot which is connected to the reticulated sewerage system; and
- Any other lot, where Council resolves that the lot becomes able, by reason of extension of the sewerage system, to be connected to the reticulated sewerage system.

That is, to all lots within any extension of any of the areas serviced by the reticulated sewerage system 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.



(5) Multi accommodation self contained residential units for aged under the control of charitable/church organisations: Pursuant to sections 120 to 122 of the *Local Government Regulation 2012*, multi accommodation self contained residential units for the aged under the control of charitable/church organisations excluding care centres; and pedestals installed in the Department of Communities units for the aged, including those identified in the following table, be granted a concession of 60% of the sewerage rates.

<b>Property Owner and Location</b>
The State Of Queensland (Represented by Department of Communities), 11 Mulgrave Street, Bundaberg West
The State Of Queensland (Represented by Department of Communities), 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 Baptist Union of Queensland, 9 Kepnock Road, Kepnock
The State Of Queensland (Represented by Department of Communities), 9 Griffith Street, Bundaberg South
Churches of Christ Care, 71 & 83 Dr. May's Road, Svensson Heights and 6E Mulgrave Street, Gin Gin
The Uniting Church in Australia Property Trust (Q), (part) 341 Bourbong Street, 1 River Terrace, Millbank
The Uniting Church in Australia Property Trust (Q), (balance) 341 Bourbong Street, Millbank
The State of Queensland (Represented by Department of Communities), 181 Barolin Street, Avenell Heights
The State Of Queensland (Represented by Department of Communities), 147 Barolin Street, Avenell Heights
Forest View Childers Inc., 3 Morgan Street, Childers
Forest View Childers Inc., 4 Morgan Street, Childers
Kolan Centenary Seniors Village, 3 Tirroan Road, Gin Gin

Council grants this concession on the basis that multi accommodation self contained residential units for the 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 Part 5, Chapter 7 of the *Local Government Act 2009*, to determine applications made for this concession.

Discount is not applicable to sewerage charges.

#### **4.7.3 Waste Collection Charge**

(1) Declared service area – waste: The declared service areas (waste) to which Waste Collection Charges apply, shall be as per the declared service area (waste) maps which are available for inspection at Council offices or on Council's website.

(2) Service provider (waste): The service provider within the declared service area/s (waste) shall be Bundaberg Regional Council through its Environment, Regulatory, and Public Health Department, Waste & Recycling Section.

Council makes and levies utility charges for the provision of waste management services, which are calculated to recover the full cost of providing the service. Waste management utility charges incorporate the cost of providing and maintaining refuse tips and transfer stations and the cost of implementing waste management and environment protection strategies. The type or level of service to be supplied to each property in the waste area will be determined by Council as is appropriate to the premises, and in accordance, where relevant, with the *Environmental Protection (Waste Management) Regulation 2000*.

Council will levy waste and recycling collection charges on the owner of each residential property and/or habitable structure within the waste collection areas, regardless of whether ratepayers choose to use the domestic general waste collection and/or recycling services provided by Council. Council will refer to the Building Classification Code for determination, if required. The service is available to non-residential properties on application. Requests for services to body corporate common areas will need to comprise a written formal agreement between the service provider (Council) and the body corporate as per the *Body Corporate Community Management Act 1997*.

Where there is more than one (1) structure on land capable of separate occupation, a charge will be made for each structure.

A waste collection charge will apply to each house, strata titled unit, granny flat, flat or other dwelling designed for separate residential occupation, whether it is occupied or not.

Retirement / eco villages may be residential or commercial enterprises and as such waste services requirements will be reviewed on an individual basis by Council's Waste & Recycling Section.

A summary of the waste and recycling services is as follows:

<b>Service level – Removal, transport and disposal of waste</b>
<b>Residential properties</b>
240 litre refuse weekly / 240 litre recycling fortnightly (minimum service)
<b>Additional Services</b>
240 litre refuse weekly / 240 litre recycling fortnightly
240 litre recycling fortnightly – only available if in receipt of a minimum service
240 litre refuse weekly – only available if in receipt of a minimum service
<b>Non-Residential Properties</b>
240 litre refuse / 240 litre recycling (minimum service)
240 litre refuse weekly
240 litre recycling fortnightly

Where insufficient space is available for the storage of multiple bins at strata titled properties, these properties may apply to Council for approval to make private arrangements to receive an alternative 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.

Discount is not applicable to waste and recycling charges.

#### **4.7.4 Trade Waste Charge**

(1) Pursuant to section 99 of the *Local Government Regulation 2012*, trade waste charge/s be made and levied by the Council upon all properties discharging trade waste to Council's sewer.

(2) The following be adopted as the basis for making and levying the trade waste charge:

The level of Trade Waste Utility Charges be based on:

- (i) The volume of trade waste effluent discharged into Council's sewerage system;
- (ii) The content/strength of the trade waste; and
- (iii) The size/capacity of the pre-treatment device required by the ratepayer to treat trade waste before it is discharged into Council's sewerage system.

The content/ strength level of the trade waste will be based on the level of Biochemical Oxygen Demand, Chemical Oxygen Demand and Suspended Solids which are defined as follows in Council's Trade Waste Management Plan:

#### **Biochemical Oxygen Demand**

Biochemical Oxygen Demand or BOD<sub>5</sub> is defined as the amount of oxygen utilised by micro-organisms in the process of decomposition of organic material in wastewater over a period of 5 days at 20°C. In practical terms, BOD is a measure of the biodegradable organic content of the waste or more simply the '*organic strength*' of the liquid.

#### **Chemical Oxygen Demand**

This is a measure of the oxygen required to oxidise organic material in wastewater by a strong chemical oxidant. COD is a measure of the organic and inorganic content, both biodegradable and non-biodegradable, of the waste, or more simply, the organic and inorganic strength of the liquid.

#### **Suspended Solids**

Suspended solids refer to the insoluble solid matter suspended in wastewater that can be separated by laboratory filtration and is retained on a filter. Total dissolved solids refer to salts dissolved in wastewater.

The level of Biochemical Oxygen Demand, Chemical Oxygen Demand, and Suspended Solids determines, in accordance with Section 5.3 of Council's Trade Waste Management Plan, if the trade waste is a Category 1, 2, or 3 in terms of concentration and volume as follows:

Category 1: contains a low strength/low volume,

Category 2: contains a low strength/high volume;

Category 3: contains a high strength/any volume.

These levels are determined in terms of the following criteria:

Discharge category criteria determined by level and strength of content of trade waste:

<b>Parameter</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>
Biochemical Oxygen Demand (BOD <sub>5</sub> ), mg/L	<300mg/L	<300 mg/L	>300 mg/L
Chemical Oxygen Demand (COD) mg/L	<1500 mg/L	<1500 mg/L	>1500 mg/L
Suspended Solids Mg/L	<300mg/L	<300 mg/L	>300 mg/L
Volume (kL/Annum)	<500kLs	>500 kLs	Any volume

The properties discharging trade waste to Council's sewer be categorised as follows:

- Category 1.1 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 550 litre pre-treatment device.
- Category 1.2 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 1,000 litre pre-treatment device.
- Category 1.3 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 1,500 litre pre-treatment device.
- Category 1.4 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 2,000 litre pre-treatment device.
- Category 1.5 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 2,500 litre pre-treatment device.
- Category 1.6 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 3,000 litre pre-treatment device.
- Category 2.1 – a property which discharges into Council's sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 550 litre pre-treatment device.
- Category 2.2 – a property which discharges into Council's sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 1,000 litre pre-treatment device.
- Category 2.3 – a property which discharges into Council's sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 1,500 litre pre-treatment device.
- Category 2.4 – a property which discharges into Council's sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 2,000 litre pre-treatment device.
- Category 2.5 – a property which discharges into Council's sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 2,500 litre pre-treatment device.
- Category 2.6 – a property which discharges into Council's sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 3,000 litre pre-treatment device.
- Category 3.1 – a property which discharges into Council's sewer, high strength/any volume trade waste per financial year through a 550 litre pre-treatment device.
- Category 3.2 – a property which discharges into Council's sewer, high strength/any volume trade waste per financial year through a 1,000 litre pre-treatment device.
- Category 3.3 – a property which discharges into Council's sewer, high strength/any volume trade waste per financial year through a 1,500 litre pre-treatment device.
- Category 3.4 – a property which discharges into Council's sewer, high strength/any volume trade waste per financial year through a 2,000 litre pre-treatment device.
- Category 3.5 – a property which discharges into Council's sewer, high strength/any volume trade waste per financial year through a 2,500 litre pre-treatment device.
- Category 3.6 – a property which discharges into Council's sewer, high strength/any volume trade waste per financial year through a 3,000 litre pre-treatment device.

The following charges will apply to all properties discharging trade waste to Council's sewer for 2014/2015:

Capacity of Pre-treatment Device	Category 1 (Low Strength/Low Volume ≤500 Kilolitres Per Financial Year)	Category 2 (Low Strength/High Volume >500 Kilolitres Per Financial Year)	Category 3 (High Strength/Any Volume Per Financial Year)
550 Litres	\$250.00 per year	\$500.00 per year	\$750.00 per year
>550≤1000 Litres	\$500.00 per year	\$750.00 per year	\$1000.00 per year
>1000≤1500 Litres	\$750.00 per year	\$1000.00 per year	\$1250.00 per year
>1500≤2000 Litres	\$1000.00 per year	\$1250.00 per year	\$1500.00 per year
>2000≤2500 Litres	\$1250.00 per year	\$1500.00 per year	\$1750.00 per year
>2500≤3000 Litres	\$1500.00 per year	\$1750.00 per year	\$2000.00 per year

Discount is not applicable to trade waste charges.

#### 4.8 Cost-recovery fees and commercial charges:

Council fixes cost-recovery fees and commercial charges for services and facilities supplied by Council in accordance with Sections 97 and 262 (c) of the *Local Government Act 2009* respectively.

In accordance with the provisions of the Act, a copy of the register of cost-recovery fees and commercial charges is available for inspection at its public administration office at 186—190 Bourbong Street, Bundaberg, and its Service Centres at 160 Hughes Road, Bargara, 45 Churchill Street, Childers and 4 Dear Street, Gin Gin.

The criteria, used to determine the amount of cost-recovery 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 cost-recovery fees and commercial charges, Council places a major emphasis on user-pays principles.

#### 4.9 Business activity fees:

Council has the power to conduct business activities and make business activity fees for services and facilities it provides on this basis. Business activity fees are made where Council provides a service and the other party to the transaction can choose whether or not to avail itself of the service. Business activity fees are a class of charge, which are purely commercial in application and are subject to the Commonwealth's Goods and Services Tax (GST).

Business activity fees include but are not confined to rents, plant hire, private works and hire of facilities.

#### 4.10 Rebates and concessions:

Sections 120 to 122 of the *Local Government Regulation 2012* provides for Council to remit or postpone rates in certain circumstances.

Council has a policy for providing an annual rate rebate to approved pensioners and a copy of this policy, together with the necessary application forms, are available from Council offices. The

definition of pensioner is an 'approved pensioner' as provided under the State Government Pensioner Rebate Subsidy Scheme.

Council grants a pension remission of \$140.00 per annum on rates and charges to approved pensioners, calculated at \$70.00 per half year. This remission is provided in addition to any Pension Subsidy Scheme operated by the Queensland Government.

Where the property is in joint ownership, a pro rata remission shall be granted in proportion to the share of ownership, except where the co-owners are an approved pensioner and his/her spouse (including de facto relationships as recognised by Commonwealth Legislation) in which case a full remission will apply. However, in the case where the pensioner/s has/have rights to exclusive occupancy (life tenancy by way of a will which must be furnished to Council by way of proof) a full remission will be granted.

#### **4.11 Discount on rates and charges:**

A discount of ten percent (10%) of the current year's Council general rates is conditional on the payment of current rates, service charges and all arrears by the due date stated on the rate notice which is at least 30 clear days from the issue date of the rate notice. In addition, pursuant to section 130 of the *Local Government Regulation 2012*, a grace period of two (2) days will be allowed to provide for the receipt of payments made remotely to payment agencies. Council's pension remission is not a payment and is therefore deducted from the general rate before discount is applied.

#### **4.12 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 2009* and *Local Government Regulation 2012* including the sale of the land for arrears of rates, to ensure overdue rates are not a burden on the region's ratepayers.

#### **4.13 Interest on overdue rates:**

Council determines this matter from time to time by resolution, in accordance with the provisions of Section 133 of the *Local Government Regulation 2012*. Currently, compound interest is charged at 11% per annum on overdue rates and charges, calculated on daily rests as from the seventh day following the due date stated on the rate notice.

#### **4.14 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 as soon as possible 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.

#### **4.15 Payment in advance:**

Council accepts payments in advance by lump sum or by instalments. Interest is not paid by Council to ratepayers on any credit balances.

#### **4.16 Community service obligations – rates and charges:**

Pursuant to Sections 120 to 122 of the *Local Government Regulation 2012*, Council recognises the following not-for-profit organisations as providing a service to the community by encouraging community and cultural development and that this service is identified as a community service obligation.

Council will contribute up to a maximum \$1,500.00 per annum for the financial year 2014/2015, towards the payment of rates and charges, with the exception of water consumption charges, for the following:

- Apple Tree Creek Memorial Hall
- Bucca Hall
- Bullyard Hall
- Drinan Hall
- Gin Gin & District Historical Society Hall
- Pine Creek Hall
- Sharon Hall
- Tegege Hall
- Avenell Heights Progress Association Hall
- Burnett Heads Progress Hall
- Kepnock Progress Association Hall
- North Bundaberg Progress Association Hall
- CWA Hall Bargara
- CWA Hall Bundaberg
- CWA Hall Yandaran
- CWA Hall Childers
- CWA Oakwood
- CWA Wallaville
- Bundaberg Kindergarten, Electra Street
- Burnett Heads Kindergarten
- Childers Kindergarten, Pizzey Street
- Forestview Community Kindergarten
- Gin Gin Kindergarten
- South Kolan Kindergarten
- Wallaville Kindergarten
- Trustees Booyal Memorial Hall
- Bundaberg & District Air Sea Rescue
- Sandy Hook Ski Club
- Avondale Football Club

Council will pay all rates and charges with the exception of water consumption charges for the following:

- Bundaberg Surf Life Saving Club
- Elliott Heads Surf Life Saving Club
- Moore Park Surf Life Saving Club

This community service obligation is to be reviewed prior to the formulation of the 2015/2016 budget.

#### **4.17 Limitation of increase in rates and charges levied:**

In the 2014/2015 financial year, Council will not, pursuant to Section 116 of the *Local Government Regulation 2012*, be limiting any increases to proposed rates or charges.

## **5. CONTROLS**

The *Local Government Act 2009* and Section 172 of the *Local Government Regulation 2012* require that Council's Revenue Statement includes the aforementioned provisions.

## **6. EFFECTIVE FROM**

This Revenue Statement was adopted by Council on, and is effective from, 3 June 2014.

## **7. REFERENCES/ASSOCIATED DOCUMENTS**

- *GP-3-001 Revenue Policy*
- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Land Valuation Act 2010*
- *Fire and Rescue Service Act 1990*
- *Fire and Rescue Service Regulation 2011*
- *Water Supply (Safety and Reliability) Act 2008*
- *Environmental Protection (Waste Management) Regulation 2000*
- *Body Corporate and Community Management Act 1997*
- *Housing Act 2003*

## RATES & CHARGES

In accordance with Sections 104 and 107 of the *Local Government Regulation 2012*, Council will issue two (2) six-monthly rates notices to reduce the financial burden on the local economy. The levy for each notice will be one-half of the annual rates and charges, except for water consumption, which will be based on actual water consumed as determined by water meter readings at approximately six-monthly intervals.

### 1. DEFINITIONS

'**Rateable land**' is defined by Section 93(2) of the *Local Government Act 2009* as any land or building unit, in the local government area, that is not exempted from rates.

'**Primary Council land use code**' shall mean a four-character code recorded in Council's rating files as a local government code which identifies the principal use of the land or the potential predominant use by virtue of its improvements or activities conducted upon the land.

'**Secondary Council land use code**' shall mean a code used in conjunction with the rating primary Council land use code to indicate a particular land use or the potential predominant use by virtue of its improvements or activities conducted upon the land.

'**Strata title residential and commercial property**' shall mean lots, which have a primary Council land use code of 1008 or 1009, created under the provisions of the *Building Units and Group Titles Act 1980* or the *Body Corporate and Community Management Act 1997*.

### 2. DIFFERENTIAL GENERAL RATES

General rates are principally allocated to rateable properties in the regional area based on the property value method being the unimproved capital value or the site value as supplied by the State Valuation Services of the Department of Natural Resources & Mines. All rateable lands except rural land are valued on the site valuation and rural land is valued on the unimproved capital value. General rates are used to fund the general operations of Council after allowing for the income from all other rates and charges. Council will make and levy differential general rates for the financial year ending 30 June 2015 on all rateable land in the local government area.

In accordance with Sections 80 and 81 of the *Local Government Regulation 2012* and in the table detailed in the Revenue Statement, Council:

1. categorises all rateable land into 15 Categories as identified in Column 1; and
2. by Column 2 provides a description for each of those categories.

Further, Council delegates to the Chief Executive Officer the power (contained in section 81(4) and (5) of the *Local Government Regulation 2012*) to identify the rating category to which each parcel of rateable land in Council's area belongs. In this regard, Column 3 is used to assist the Chief Executive Officer in identifying the categories in which rateable parcels of land are included.

In accordance with Section 88 of the *Local Government Regulation 2012*, owners of rateable land will be informed of the general rating category in which the land has been included and that they have the right of objection to the category in which their land is included.



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.

### 3. MINIMUM GENERAL RATES

Each year Council will make and levy a minimum general rate per rateable assessment irrespective of the property valuation. The minimum general rate is levied to:

- Provide a minimum contribution from all properties situated within the region; and
- 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 from general rates.

Minimum general rates do not apply to subdivided land with a land use code of 1072.

### 4. DIFFERENTIAL GENERAL RATE LEVIES

In accordance with Sections 92 and 94 of the *Local Government Act 2009* and Section 77 to 82 of the *Local Government Regulation 2012*, Council makes and levies differential general rates and corresponding minimum general rates for the year ending 30 June 2015, against rateable land categories as follows:

Category	Description	Rate in the Dollar of Property Value	Minimum General Rate
1	Urban Residential	1.1337	\$914.00
2	Rural Residential	0.9401	\$914.00
3	Intentionally left blank.		
4	Intentionally left blank.		
5	Coastal Towns	0.8842	\$1,011.00
6	Intentionally left blank.		
7	Urban Oceanfront	0.8064	\$1,145.00
8	Intentionally left blank.		
9	Agricultural	1.4107	\$1,011.00
10	Intentionally left blank.		
11	Intentionally left blank.		
12	Bundaberg Commercial	2.0546	\$1,203.00
13	Intentionally left blank.		
14	Other Commercial	1.2577	\$1,203.00
15	Major Shopping Centre	3.4917	\$488,562.00
16	Industrial	1.5476	\$1,460.00
17	Intentionally left blank.		
18	Extractive/Transformers/Substations	2.0638	\$2,289.00
19	Heavy Industry	1.9729	\$97,810.00
20	Other	1.0140	\$914.00
21	Intentionally left blank.		
22	Intentionally left blank.		
23	Intentionally left blank.		
24	Licenced Sporting Bodies Ex- Category	1.1146	\$1,203.00
25	Licenced Sporting Bodies Ex- Category	1.1832	\$1,203.00
26	Sporting Grounds Ex-Category 5	0.9874	\$914.00

Pursuant to Section 90 of the *Local Government Regulation 2012*, the Chief Executive Officer will consider objections from ratepayers to their property's rating categorisation. 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.

Where the rateability of any land alters during the year, adjustment to the differential general rate shall be made from the date such changes become effective.

## **5. SPECIAL RATES AND CHARGES**

Each year the Council determines the necessity to make and levy a special rate or charge which applies across specific benefited areas to repay the cost of works undertaken for the sole benefit of such areas.

### **5.1 Special (Moore Park Drainage Scheme) Charge:**

That Council levy a special charge under Section 92(3) of the *Local Government Act 2009* and Sections 94 to 98 of the *Local Government Regulation 2012*, to be known as the Moore Park Drainage Scheme Special Charge (the "special charge") as follows:

(1) Council make and levy a special charge on the rateable land identified on the Moore Park Drainage Scheme Map No. 114255, dated May 2014 to fund the cost of the maintenance of the agricultural drainage system with the associated floodgates shown on the Moore Park Drainage Scheme Plan.

(2) The overall plan for the repayment of the costs of the works be identified as follows:

- (a) The rateable land to which the plan applies is identified on the Moore Park Drainage Scheme Map No. 114255 dated May 2014;
- (b) The service facility or activity for which the plan is made is the maintenance of the agricultural drainage system with the associated floodgates shown on the Moore Park Drainage Scheme Plan;
- (c) The time for implementing the overall plan is 1 year;
- (d) The estimated cost of implementing the overall plan is \$1,800.00 dependent upon the level of maintenance required, which will be assessed by Council on an annual basis; and
- (e) The special charge in each year is intended to raise 100% of the funds necessary to carry out the overall plan.

(3) The amount of the levy will be set by Council each year based on the required maintenance, which, for 2014/2015 will be \$30.00 per rateable property in excess of two (2) hectares in area, located within the defined benefited area shown on the Moore Park Drainage Scheme Map No. 114255, dated May 2014.

(4) Council is of the opinion that the land or the occupier of the land to be levied, has or will specifically benefit from the works which are the subject of the levy.

### **5.2 Special (Rural Fire Services) charge:**

For Rural Fire Services provision for the year 2014/2015:

Pursuant to section 94 of the *Local Government Regulation 2012* and section 128A of the *Fire and Rescue Service Act 1990*, Council make and levy a special charge (to be known as the "Special (Rural Fire Services) Charge" of \$30.00 on each rateable assessment situated within the defined Rural Fire Brigade Districts, as determined by the Department of Community Safety, Queensland Fire & Emergency Service – Rural Operations, to fund the ongoing provision and maintenance of

rural fire fighting equipment for the rural fire brigades that operate throughout the rural areas of the region.

The overall plan for the Rural Fire Equipment Levy is as follows:

- (a) The rateable land to which the plan applies is each rateable assessment where the property/s is contained within the same district (or, if contained within several rural fire districts, one (1) charge per district where multiple properties are rated on one (1) assessment together) within the defined Rural Fire Brigade Districts, as determined by the Department of Community Safety, Queensland Fire & Emergency Service – Rural Operations.
- (b) The service, facility or activity for which the plan is made is the ongoing provision and maintenance of rural fire fighting equipment for the rural fire brigades that operate throughout the rural areas of the region.
- (c) The time for implementing the overall plan is 1 year.
- (d) The estimated cost of implementing the overall plan is \$377,940.00.

The rateable land to be levied with the special charge specially benefits from the fire emergency response capability that is provided by the rural fire brigades, which capability would be substantially (if not completely) diminished if the rural fire brigades did not receive the funding provided to them by Council as a direct consequence of the levying of the special charge.

## **6. UTILITY CHARGES**

### **6.1 Water rates:**

(1) Declared service area – water: For the financial year 1 July 2014 to 30 June 2015, the declared service areas (water) to which water charges apply, shall be as per the declared service area (water) maps which, in accordance with Section 163 of the *Water Supply (Safety & Reliability) Act 2008*, are available for inspection at Council offices or on Council's website.

(2) Service provider (water): The service provider within the declared service area/s (water) shall be Bundaberg Regional Council through its Infrastructure & Planning Services Department, Water and Wastewater Section.

(3) Water charges: Council levies water rates 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 92(4) and 94 of the *Local Government Act 2009* and Sections 99 to 102 the *Local Government Regulation 2012*, the following water charges shall be made and levied for the financial year 1 July 2014 to 30 June 2015:

(a) Water access charge: A common access charge, for same sized meters, applies in all areas receiving a potable and non-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. The reason for this is that the major portion of Council's costs associated with providing a water 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 water system.

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 one (1) 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% based on the size of the water meter servicing the property is levied, or where there are multiple vacant lots on the one (1) assessment – only one (1) water access charge equal to 100% is levied.

Non strata 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 levied a water access charge for each connection.

Strata properties which have a common water connection are charged one (1) water access charge equal to 100% of the basic 20mm charge for each strata unit and each unit owner is levied separately for the charge.

Strata properties with an individual water connection to each unit are charged one water access charge equal to 100% of the size of the meter connected to each strata unit and each unit owner is levied separately for the charge.

A concessional water access charge equal to a 20mm service will be levied for each registered dedicated fire service connection even though the actual size of the connection is usually larger.

Council will charge unlicensed/restricted sporting clubs a water access charge for its largest connection on each assessment, and no access charge will be levied for additional meters.

Section 95 of the *Housing Act 2003* provides that all Government portfolio properties are deemed to be non-rateable in accordance with Section 93 of the *Local Government Act 2009*. Services to state land that are capped are deemed to be disconnected and will not attract the relevant vacant service charges.

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

Burnett Downs – Council identifies Burnett Downs Yard water supply properties as a separate class of consumers, where consumers are provided with water and services at an amount below full cost as per the declared service area (water) map which, in accordance with section 163 of the *Water Supply (Safety and Reliability) Act 2008*, is available for inspection at Council offices or on Council's website.

Sylvan Woods – Council identifies Sylvan Woods non-potable constant flow water supply properties as a separate class of consumers, where consumers are provided with water and services which are restricted in volume and pressure of supply as per the declared service area (water) map which, in accordance with Section 163 of the *Water Supply (Safety and Reliability) Act 2008*, is available for inspection at Council offices or on Council's website.

An Access Charge shall apply to all premises or metered connection for the period 1 July 2014 to 30 June 2015, according to the water meter size/s serving the premises in accordance with the following Schedule.

<b>Water Access Charge Description</b>	<b>Potable Water Unrestricted flow</b>	<b>Non-potable Water /Restricted Flow</b>
Vacant and non-metered	\$396.00	\$317.00
20mm meter connection	\$396.00	\$317.00
25mm meter connection	\$452.00	\$362.00
32mm meter connection	\$548.00	\$439.00
40mm meter connection	\$651.00	\$521.00
50mm meter connection	\$865.00	\$692.00
80mm meter connection	\$1,644.00	\$1,315.00
100mm meter connection	\$2,555.00	\$2,044.00
150mm meter connection	\$5,347.00	\$4,278.00

(b) Water consumption charge: Water consumption is levied half-yearly for the readings undertaken prior to the 31 December 2014, and prior to the 30 June 2015. Generally, the consumption within each six (6) month reading period will be levied on a two (2) tiered charging system (Steps 1 and 2) as set out hereunder:

(i) Charge per Kilolitre

Step 1: \$1.10 per kilolitre – for the first 183 kilolitres of consumption per half year;

Step 2: \$1.80 per kilolitre – for each kilolitre of consumption thereafter per half year.

(ii) Charge per Kilolitre for the Burnett Downs Yard water supply reticulation group or service area, Sylvan Woods non-potable supply and Upper Hummock Supply:

Step 1: \$0.88 per kilolitre – for the first 183 kilolitres of consumption per half year;

Step 2: \$1.44 per kilolitre – for each kilolitre of consumption thereafter per half year.

Where a rate assessment comprises multiple metered lots or services, the charge shall be the standard tariff multiplied by the number of metered connections or services, excluding dedicated fire service connections. Where a rate assessment comprises a body corporate/strata 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 1 July 2014 to 30 June 2015, Section 102 of the *Local Government Regulation 2012* shall apply to the reading of meters based on the nominal initial meter reading date of 30 June 2014 and nominal final reading date of 30 June 2015.

Council reserves the right to read and levy water consumption at intervals other than six-monthly for specific connections as required.

(4) 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 ten (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 ten (10) kilolitres in each six (6) month reading period of ten (10) times the step 2 charge per kilolitre applicable to its area, unless evidence is provided proving that the water was used in a fire emergency.

(5) Community service obligations: Pursuant to sections 120 to 122 of the *Local Government Regulation 2012*:

- (a) Council recognises unlicensed / restricted sporting clubs as providing a community service in the interest of recreation and the region's aesthetics and therefore this service is identified as a community service obligation.
- (b) Council will charge unlicensed / restricted sporting clubs a water access charge for its largest connection on each assessment and no access charge will be levied for additional water meters.
- (c) Unlicensed / restricted sporting clubs with an area:
  - up to 3.3 hectares will be entitled to 3,600 kilolitres of water per annum, free of consumption charges;
  - greater than 3.3 hectares will be entitled to 6,000 kilolitres of water per annum, free of consumption charges.

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:

<b>Association</b>	<b>Kilolitres</b>	<b>Location</b>
Bundaberg Cricket Association	9,600	Kendall Flat
Football Bundaberg Inc.	9,600	Martens Oval
Trustees Hinkler Park (Hockey)	9,600	Hinkler Park
Trustees Hinkler Park (Hockey)	3,600	Special Lease 1209
Bundaberg Rugby League Ltd	9,000	Salter Oval (*)
Bundaberg Cricket Association	9,000	Salter Oval (*)
Bundaberg Touch Association	9,600	Touch Association Grounds

NOTE \*: Provided that the Bundaberg Rugby League Ltd., and the Bundaberg Cricket Association combine their entitlements at Salter Oval and be levied on one rates notice.

- (d) That water consumption per assessment in excess of these entitlements is levied for the first 366 kilolitres at the 1st tier rate.
- (e) 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 Part 5, Chapter 7 of the *Local Government Act 2009*, to determine applications made for this remission.

(6) Water meters registering inaccurately: Pursuant to sections 120 to 122 of the *Local Government Regulation 2012*, if 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), this justifies the exercise by Council of the power to remit water consumption charges by an amount that results in the water consumption equalling the quantity of water used during the immediately prior corresponding 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.

(7) Extended area of application of charges: These charges apply to the declared service areas (water) maps 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 a reticulated water supply;
- Any other lot which is connected to a reticulated water supply; and
- Any other lot, where Council resolves that the lot becomes capable, by reason of extension of the water supply system, of being connected to a reticulated water supply; i.e. 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 be situated within the declared service area to which they are connected.

(9) Standpipes will be charged \$2.70 per kilolitre of recorded consumption.

Discount is not applicable to water charges.

## **6.2 Sewerage rates:**

(1) Declared service area – sewerage: For the financial year 1 July 2014 to 30 June 2015, the declared service areas (sewerage) to which sewerage charges apply, shall be as per declared service area (sewerage) maps which, in accordance with section 163 of the *Water Supply (Safety and Reliability) Act 2008*, are available for inspection at Council offices or on Council's website.

(2) Service Provider (Sewerage): The service provider within the declared service area/s (sewerage) shall be Bundaberg Regional Council through its Infrastructure & Planning Services Department, Water and Wastewater 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; and
- The disposal of effluent and bio–solids.

The same sewerage charge is levied 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 99 and 100 of the *Local Government Regulation 2012*, the following sewerage charges shall be made and levied for the financial year 1 July 2014 to 30 June 2015:

- Single residential properties are levied \$634.00 for the first pedestal only. No additional charges apply for extra pedestals.
- Residential flats, units and residential strata title properties are levied \$634.00 per flat, unit or strata title unit, for the first pedestal only. No additional charges apply for extra residential pedestals.

- Where multiple lots are included on the one (1) rate assessment, Council does not levy a sewerage charge for each allotment, e.g. house and vacant lot together – only one (1) sewerage charge of \$634.00 is levied, or where there are multiple vacant lots on the one (1) rate assessment – only one (1) sewerage charge of \$634.00 is levied.
- Non residential properties that are not body corporate/strata title entities will be charged \$634.00 per pedestal.
- Non residential body corporate/strata title properties are levied a minimum of one (1) sewerage charge of \$634.00 to each strata unit, regardless of whether or not they have an individual sewer connection. Where units have more than one pedestal, a sewerage charge will be levied for each pedestal serving the unit. Each unit owner is levied separately for sewerage charges.
- Waste dump points at caravan parks are charged \$634.00 per dump point.

(4) Multi accommodation self contained residential units for aged under the control of charitable/church organisations: Pursuant to sections 120 to 122 of the *Local Government Regulation 2012*, multi accommodation self contained residential units for the aged under the control of charitable/church organisations excluding care centres; and pedestals installed in Department of Communities units for the aged, including those identified in the table below, be granted a remission of 60% of the sewerage rates.

<b>Property Owner and Location</b>
The State Of Queensland (Represented by Department of Communities), 11 Mulgrave Street, Bundaberg West
The State Of Queensland (Represented by Department of Communities), 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 Baptist Union of Queensland, 9 Kepnock Road, Kepnock
Churches of Christ Care, 71 & 83 Dr. May's Road, Svensson Heights and 6E Mulgrave Street, Gin Gin
The State of Queensland (Represented by the Department of Communities), 9 Griffith Street, Bundaberg South
The Uniting Church in Australia Property Trust (Q), (balance) 341 Bourbong Street, Millbank
The Uniting Church in Australia Property Trust (Q), (part) 1 River Terrace, Millbank
The State of Queensland (Represented by Department of Communities), 181 Barolin Street, Avenell Heights
The State Of Queensland (Represented by Department of Communities), 147 Barolin Street, Avenell Heights
Forest View Childers Inc., 3 Morgan Street, Childers
Forest View Childers Inc., 4 Morgan Street, Childers
Kolan Centenary Seniors Village, 3 Tirroan Road, Gin Gin

Council grants this remission on the basis that multi accommodation self contained residential units for the 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 Part 5, Chapter 7 of the *Local Government Act 2009*, to determine applications made for this remission.



(5) Extended area of application of charges: These charges apply to the declared service areas (sewerage) maps 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 the reticulated sewerage system;
- Any other lot which is connected to the reticulated sewerage system;
- Any other lot, where Council resolves that the lot becomes able, by reason of extension of the sewerage system, to be connected to the reticulated sewerage system.

That is, to all lots within any extension of any of the areas serviced by reticulated sewerage system 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.

Discount is not applicable to sewerage charges.

### **6.3 Waste collection charge:**

(1) Declared service area – waste: The declared service areas (waste) to which Waste Collection Charges apply, shall be as per the declared service area (waste) maps which are available for inspection at Council offices or on Council's website.

(2) Service provider (waste): The service provider within the declared service area/s (waste) shall be Bundaberg Regional Council through its Environment, Regulatory, and Public Health Department, Waste & Recycling Section.

Council makes and levies utility charges for the provision of waste management services, which are calculated to recover the full cost of providing the service. Waste management utility charges incorporate the cost of providing and maintaining refuse tips and transfer stations and the cost of implementing waste management and environment protection strategies. The type or level of service to be supplied to each property in the waste area will be determined by Council as is appropriate to the premises, and in accordance, where relevant, with the *Environmental Protection (Waste Management) Regulation 2000*.

Council will levy a waste and recycling collection charge of \$307.00 per annum to the owner of residential property and/or structure within the waste collection areas, regardless of whether ratepayers choose to use the domestic general waste collection and/or recycling services provided by Council. Council will refer to the Building Classification Code for determination, if required. The service is available to non-residential properties on application. Requests for services to a body corporate common area will need to comprise a written agreement between the service provider (Council) and the body corporate as per the *Body Corporate & Community Management Act 1997*.

Where there is more than one (1) structure on land capable of separate occupation a charge of \$307.00 will be made for each structure.

A waste collection charge of \$307.00 will apply to each house, strata titled unit, granny flat, flat or other dwelling designed for separate residential occupation, whether it is occupied or not.

Retirement / eco villages may be residential or commercial enterprises and as such waste services requirements will be reviewed on an individual basis by Council's Waste & Recycling Section.

A summary of the waste and recycling services/levies is as follows:

<b>Service level – Removal, transport and disposal of waste</b>	<b>2014/2015 Levy</b>
<b>Residential Properties</b>	
240 litre refuse weekly / 240 litre recycling fortnightly (minimum service)	\$307.00
<b>Additional Services</b>	
240 litre refuse weekly / 240 litre recycling fortnightly	\$307.00
240 litre recycling – only available if in receipt of a minimum service	85.00
240 litre refuse weekly – only available if in receipt of a minimum service	\$222.00
<b>Non-Residential Properties</b>	
240 litre refuse / 240 litre recycling (minimum service)	\$307.00
240 litre refuse	\$222.00
240 litre recycling fortnightly service	\$85.00

Where insufficient space is available for the storage of multiple bins at strata titled properties, these properties may apply to Council for approval to make private arrangements to receive an alternative 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.

Discount is not applicable to waste and recycling charges.

#### **6.4 Trade Waste Charge**

(1) Pursuant to section 99 of the *Local Government Regulation 2012*, trade waste charge/s be made and levied by the Council upon all properties discharging trade waste to Council's sewer.

(2) The following be adopted as the basis for making and levying the trade waste charge:

The level of Trade Waste Utility Charges be based on:

- (i) The volume of trade waste effluent discharged into Council's sewerage system;
- (ii) The content/strength of the trade waste; and
- (iii) The size/capacity of the pre-treatment device required by the ratepayer to treat trade waste before it is discharged into Council's sewerage system.

The content/ strength level of the trade waste will be based on the level of Biochemical Oxygen Demand, Chemical Oxygen Demand and Suspended Solids which are defined as follows in Council's Trade Waste Management Plan:

#### **Biochemical Oxygen Demand**

Biochemical Oxygen Demand or BOD<sub>5</sub> is defined as the amount of oxygen utilised by micro-organisms in the process of decomposition of organic material in wastewater over a period of 5 days at 20°C. In practical terms, BOD is a measure of the biodegradable organic content of the waste or more simply the '*organic strength*' of the liquid.

#### **Chemical Oxygen Demand**

This is a measure of the oxygen required to oxidise organic material in wastewater by a strong chemical oxidant. COD is a measure of the organic and inorganic content, both biodegradable and non-biodegradable, of the waste, or more simply, the organic and inorganic strength of the liquid.

### **Suspended Solids**

Suspended solids refer to the insoluble solid matter suspended in wastewater that can be separated by laboratory filtration and is retained on a filter. Total dissolved solids refer to salts dissolved in wastewater.

The level of Biochemical Oxygen Demand, Chemical Oxygen Demand, and Suspended Solids determines, in accordance with Section 5.3 of Council's Trade Waste Management Plan, if the trade waste is a Category 1,2, or 3 in terms of concentration and volume as follows:

Category 1: contains a low strength/low volume,

Category 2: contains a low strength/high volume;

Category 3: contains a high strength/any volume.

These levels are determined in terms of the following criteria:

Discharge category criteria determined by level and strength of content of trade waste:

<b>Parameter</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>
Biochemical Oxygen Demand (BOD5), mg/L	<300mg/L	<300 mg/L	>300 mg/L
Chemical Oxygen Demand (COD) mg/L	<1500 mg/L	<1500 mg/L	>1500 mg/L
Suspended Solids Mg/L	<300 mg/L	<300 mg/L	>300 mg/L
Volume (kL/Annum)	<500kLs	>500 kLs	Any volume

The properties discharging trade waste to Council's sewer be categorised as follows:

- Category 1.1 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 550 litre pre-treatment device.
- Category 1.2 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 1,000 litre pre-treatment device.
- Category 1.3 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 1,500 litre pre-treatment device.
- Category 1.4 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 2,000 litre pre-treatment device.
- Category 1.5 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 2,500 litre pre-treatment device.
- Category 1.6 – a property which discharges into Council's sewer, low strength/low volume trade waste up to and including 500 Kilolitres per financial year through a 3,000 litre pre-treatment device.
- Category 2.1 – a property which discharges into Council's sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 550 litre pre-treatment device.
- Category 2.2 – a property which discharges into Council's sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 1,000 litre pre-treatment device.

- Category 2.3 – a property which discharges into Council’s sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 1,500 litre pre-treatment device.
- Category 2.4 – a property which discharges into Council’s sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 2,000 litre pre-treatment device.
- Category 2.5 – a property which discharges into Council’s sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 2,500 litre pre-treatment device.
- Category 2.6 – a property which discharges into Council’s sewer, low strength/high volume trade waste over 500 Kilolitres per financial year through a 3,000 litre pre-treatment device.
- Category 3.1 – a property which discharges into Council’s sewer, high strength/any volume trade waste per financial year through a 550 litre pre-treatment device.
- Category 3.2 – a property which discharges into Council’s sewer, high strength/any volume trade waste per financial year through a 1,000 litre pre-treatment device.
- Category 3.3 – a property which discharges into Council’s sewer, high strength/any volume trade waste per financial year through a 1,500 litre pre-treatment device.
- Category 3.4 – a property which discharges into Council’s sewer, high strength/any volume trade waste per financial year through a 2,000 litre pre-treatment device.
- Category 3.5 – a property which discharges into Council’s sewer, high strength/any volume trade waste per financial year through a 2,500 litre pre-treatment device.
- Category 3.6 – a property which discharges into Council’s sewer, high strength/any volume trade waste per financial year through a 3,000 litre pre-treatment device.

The following charges will apply to all properties discharging trade waste to Council’s sewer for 2014/2015:

Capacity of Pre-treatment Device	Category 1 (Low Strength/Low Volume ≤500 Kilolitres Per Financial Year)	Category 2 (Low Strength/High Volume >500 Kilolitres Per Financial Year)	Category 3 (High Strength/Any Volume Per Financial Year)
550 Litres	\$250.00 per year	\$500.00 per year	\$750.00 per year
>550≤1000 Litres	\$500.00 per year	\$750.00 per year	\$1000.00 per year
>1000≤1500 Litres	\$750.00 per year	\$1000.00 per year	\$1250.00 per year
>1500≤2000 Litres	\$1000.00 per year	\$1250.00 per year	\$1500.00 per year
>2000≤2500 Litres	\$1250.00 per year	\$1500.00 per year	\$1750.00 per year
>2500≤3000 Litres	\$1500.00 per year	\$1750.00 per year	\$2000.00 per year

Discount is not applicable to trade waste charges.

## 7. STATE EMERGENCY MANAGEMENT, FIRE AND RESCUE LEVY

In accordance with the *Fire and Rescue Service Act 1990*, Council is required to collect a State Emergency Management, Fire and Rescue Levy on all rateable properties on behalf of the Queensland Fire and Emergency Service. The Levy is not a Council charge and the funds collected are remitted to the Queensland Fire and Emergency Service. However, Council is entitled to an administration fee for collecting this levy, as prescribed by the *Fire and Rescue Service*

*Regulation 2011.* Rate assessments with multiple properties are levied per parcel, in accordance with the State's legislation, excluding contiguous agricultural parcels in the same ownership.

Council discount is not applicable on the state fire levy.

## **8. REBATES AND CONCESSIONS**

Sections 120 to 122 of the *Local Government Regulation 2012* provides for the Council to remit or postpone rates in certain circumstances.

Pensioners who are either registered owners or life tenants of their principal place of residence and who hold a Queensland Pensioner Concession Card or a Repatriation Health Card (for All Conditions) issued by either Centrelink or Department of Veteran's Affairs, are eligible to claim a State Government Pensioner Rate Subsidy and a Council pensioner remission. Where the property is in joint ownership, a pro rata remission shall be granted in proportion to the share of ownership, except where the co-owners are an approved pensioner and his/her spouse (including de facto relationships as recognised by Commonwealth Legislation) in which case a full remission will apply. However, in the case where pensioner/s has rights to exclusive occupancy (life tenancy by way of Will which must be furnished to Council by way of proof) a full remission will be granted.

The Council pensioner rate remission is \$140.00 per annum for 2014/2015, on rates and charges, calculated at \$70.00 per half year. This remission is provided in addition to the Queensland Government Pension Subsidy Scheme.

The State Government Pensioner Rate Subsidy is not a Council remission. This subsidy is provided by the State Government and does not affect the rates and charges determination. The subsidy is a 20% rebate of Council rates and charges up to a maximum of \$200.00 per annum, calculated at \$100.00 per half year, plus up to 20% rebate of the State Emergency Management, Fire and Rescue Levy.

## **9. DISCOUNT ON GENERAL RATES**

A discount of 10% of the current year's Council general rates is conditional on the payment of current rates, service charges and all arrears by the due date stated on the rate notice which is at least 30 clear days from the issue date of the rate notice. In addition, pursuant to Section 130 of the *Local Government Regulation 2012*, a grace period of two (2) days will be allowed to provide for the receipt of payments made remotely to payment agencies. Discount is granted for prompt payment. Council's pension remission is not a payment and is therefore deducted from the general rate before discount is applied.

## **10. RECOVERY OF OVERDUE RATES**

Council's adopted *Rates Recovery 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 2009*, including the sale of land for arrears of rates, to ensure that overdue rates are not a burden on the region's ratepayers.

## **11. INTEREST ON OVERDUE RATES**

Council determines this matter from time to time by resolution in accordance with the provisions of Section 133 of the *Local Government Regulation 2012*. Currently compound interest is charged at 11% per annum on overdue rates and charges, calculated on daily rests as from the seventh day following the due date stated on the rate notice.

## **12. 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 as soon as possible in the second half of the financial year after 1 January. Rates are due and payable by the due date stated on the rate notice.

## **13. PAYMENT IN ADVANCE**

Council accepts payments in advance by lump sum or by instalments. Interest is not paid by Council to ratepayers on any credit balances.

## **14. COMMUNITY SERVICE OBLIGATIONS – RATES AND CHARGES**

Pursuant to Sections 120 to 122 of the *Local Government Regulation 2012*, Council recognises the following not-for-profit organisations as providing a service to the community by encouraging community and cultural development and that this service is identified as a community service obligation.

Council will contribute up to a maximum \$1,500.00 per annum for the financial year 2014/2015, towards the payment of rates and charges with the exception of water consumption for the following:

- Apple Tree Creek Memorial Hall
- Bucca Hall
- Bullyard Hall
- Drinan Hall
- Gin Gin & District Historical Society Hall
- Pine Creek Hall
- Sharon Hall
- Tegege Hall
- Avenell Heights Progress Association Hall
- Burnett Heads Progress Hall
- Kepnock Progress Association Hall
- North Bundaberg Progress Association Hall
- CWA Hall Bargara
- CWA Hall Bundaberg
- CWA Hall Yandaran
- CWA Hall Childers
- CWA Oakwood
- CWA Wallaville
- Bundaberg Kindergarten, Electra Street
- Burnett Heads Kindergarten
- Childers Kindergarten, Pizzey Street
- Forestview Community Kindergarten
- Gin Gin Kindergarten
- South Kolan Kindergarten
- Wallaville Kindergarten
- Trustees Booyal Memorial Hall
- Bundaberg & District Air Sea Rescue
- Sandy Hook Ski Club
- Avondale Football Club

Council will pay all rates and charges with the exception of water consumption charges for the following:

- Bundaberg Surf Life Saving Club
- Elliott Heads Surf Life Saving Club
- Moore Park Surf Life Saving Club

This community service obligation is to be reviewed prior to the formulation of the 2015/2016 budget.

## **DEBT POLICY**

### **1. INTENT**

This policy outlines Council's debt strategy and provides for responsible financial management on loan funding by ensuring the level of Council indebtedness is within acceptable limits.

### **2. SCOPE**

For the purpose of this policy, borrowings of all funds are to be made in accordance with:

- *Local Government Act 2009*, section 104;
- *Local Government Regulation 2012*, section 192;
- *Statutory Bodies Financial Arrangement Act 1982*;
- *Financial Management (Sustainability) Guideline 2011*.

The Schedule of Future Borrowings details the amount of borrowings proposed for the current budget and is projected outwards for nine (9) financial years.

### **3. POLICY OBJECTIVES**

The purpose of this Policy is to disclose Council's planned financial management for existing and future debt. The Policy applies to the 2014/2015 financial year and may be amended as budget assumptions change during the year.

### **4. POLICY**

Council recognises that loan borrowings for capital works are an important funding source and that the full cost of infrastructure should not be borne entirely by present-day ratepayers, but be contributed to by future ratepayers who will also benefit.

Council will restrict all borrowings to expenditure on identified capital projects that are considered by Council to be of the highest priority and which cannot be fully funded by revenue, grants and subsidies.

Council should not borrow funds for recurrent expenditure.

Council should not place undue reliance upon loans as a source of income.

Loans used to acquire assets for business activities, which generate income of net worth, be limited to a maximum loan term of 20 years.

Loans used to acquire assets for social and other non-business activities, which do not generate income of net worth, be limited to a maximum loan term of five (5) years.

Loan borrowings in relation to water, wastewater and waste are maintained in separate accounts to more accurately reflect the cost of the provision of this infrastructure.

Council intends maintaining a repayment schedule consistent with an interest and principal repayment calculation so that the exposure to interest rate fluctuations are minimised.

Council will review the net financial liabilities and interest coverage ratios for the period covered by this Policy.

Council should continually evaluate its financing options to ensure it assesses the relative risks and benefits, including the performance of its finances.

#### **4.1 Delegation of Authority**

The Chief Executive Officer, General Manager Organisational Services, Chief Financial Officer, Sustainable Finance Manager, Governance Manager, Administration Services Manager, Manager Revenue, Financial Accounting Coordinator and Financial Accounting and Taxation Officers are delegated authorised signatories for all loan accounts held by Council.

### **5. CONTROLS**

The loan portfolio of Council is raised solely with the Queensland Treasury Corporation (QTC).

The Financial Management (Sustainability) Guideline 2011 includes two (2) financial sustainability indicators relating to debt. Council will calculate and review these indicators for the 10 year forecast period during budget deliberations each year.

- Interest Coverage Ratio – indicates the extent to which Council’s operating revenues are committed to interest expenses on current loan borrowings. Target is 0% - 5%.

$$\frac{\text{Net Interest Expense}}{\text{Total operating Revenue}}$$

- Net Financial Liabilities Ratio – indicates that Council has the capacity to fund its liabilities and appears to have the capacity to increase its loan borrowings. Target is < 60%.

$$\frac{\text{Total Liabilities less Current Assets}}{\text{Total Operating Revenue}}$$

This Policy is to be reviewed at intervals of no more than one (1) year in conjunction with the budget.

### **6. EFFECTIVE FROM**

This Policy was adopted by Council on, and is effective from, 3 June 2014.

### **7. REFERENCES/ASSOCIATED DOCUMENTS**

- *Schedule of Future Borrowings*



## SCHEDULE OF FUTURE BORROWINGS

Year	Proposed Borrowings	Borrowing Purpose	Total Debt	Financial Ratios		
				Debt Service Ratio	Interest Coverage Ratio	Net Financial Liabilities Ratio
2014/2015	\$ 29,000,000	Capital Works Projects as outlined in the adopted Budget Capital Funding Statement	\$ 76,040,306	4.5%	-0.3%	14.7%
2015/2016	\$ 32,000,000		\$ 100,374,083	4.9%	0.9%	29.1%
2016/2017	\$ 31,000,000		\$ 121,376,529	5.2%	1.6%	39.5%
2017/2018	\$ 32,000,000		\$ 142,934,860	5.3%	2.2%	49.2%
2018/2019	\$ 6,500,000		\$ 141,598,513	5.9%	2.5%	43.3%
2019/2020	\$ 18,000,000		\$ 151,136,725	5.7%	2.4%	43.9%
2020/2021	\$ 11,000,000		\$ 152,676,995	5.9%	2.4%	39.8%
2021/2022	\$ 11,000,000		\$ 153,349,683	5.9%	2.3%	39.0%
2022/2023	\$ 12,000,000		\$ 154,102,681	5.9%	2.4%	44.4%
2023/2024	\$ 10,000,000		\$ 155,154,871	5.9%	2.5%	46.6%

## INVESTMENT POLICY

### 1. INTENT

This Policy outlines Council's surplus cash investment strategy and provides guidelines for the prudent investment of surplus funds with the aim of maximising investment returns within the approved risk profile.

### 2. SCOPE

For the purpose of this Policy, investments are defined as arrangements that are undertaken or acquired for producing income and apply to the cash investments of Council. Investments of all surplus funds held by Council are to be made in accordance with:

- *Local Government Act 2009*, Chapter 4, Part 3, section 101;
- *Local Government Regulation 2012*, Chapter 3;
- *Statutory Bodies Financial Arrangement (SBFA) Act 1982*, Part 2B, section 10;
- *Statutory Bodies Financial Arrangement (SBFA) Regulation Act 2007*.

For the purpose of the appointment of an external fund manager pursuant to section 59 of the Act, to operate in a manner consistent with this policy will constitute compliance.

### 3. POLICY OBJECTIVES

To establish a framework to:

- Invest Council funds not immediately required for financial commitments.
- Maximise earnings via capitalising on potential rate of returns, subject to acceptable levels of risk as determined by the SBFA.
- Ensure that appropriate records are kept.
- Ensure that adequate procedures are in place to safeguard public monies.
- Maintain sufficient levels of diversification.

### 4. POLICY

**4.1** Council, using the powers under the above mentioned Acts will invest all surplus monies with the view to earn interest, subject to Council's risk profile and liquidity requirements.

**4.2** A level of prudence is to be used by Investment Officers when managing the overall investment portfolio. It is to be managed with care, diligence, skill and not for speculation, but for investment in accordance with the spirit of this Policy.

**4.3** Investment Officers are to avoid any transaction that may harm confidence in Council.

**4.4** As authorised by the *Local Government Act 2009*, Council is allocated Category 1 investment power. This is the power to invest in all or any of the following:

- Deposits with a financial institution;
- Investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
- Other investment arrangements secured by investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
- Investment arrangements, managed or offered by Queensland Investment Corporation (QIC) or Queensland Treasury Corporation (QTC), namely QIC Cash Fund, QTC Capital Guaranteed Cash Fund, QTC Debt Offset Facility, QTC Fixed Rate Deposit (up to 12 months), QTC Working Capital Facility;
- An investment arrangement with a Standard and Poor's (Australia) Pty Ltd rating of A-1+, A-1, AAAm or AAm (Short Term) or equivalent.

A financial institution for the purposes of the Act is any Authorised Deposit Taking Institution (ADI).  
<http://www.apra.gov.au/adi/Pages/adilist.aspx>

**4.5 Investment Policy:**

- Council shall endeavor, at all times, to invest funds at the most advantageous interest rate available to it at the time of investment of the proposed type;
- Not less than three (3) quotations shall be obtained from authorised institutions whenever an investment is proposed;
- When placing investments, consideration will be given to the interest rate offered, the credit rating of the institution and the term of investment;
- Sufficient funds should be held to meet the day to day operations and Capital expenditures of Council without incurring a penalty;
- The term of maturity of any investments may range from "At Call" to 12 months; is dependant on future cash flow requirements, credit risk guidelines and the prevailing outlook regarding interest rates;
- The amount invested with financial institutions will be in accordance with the percentages of average funds invested at any time and the short-term credit rating as prescribed by Council's risk profile listed hereunder:

<b>Long Term Rating (Standard and Poor's)</b>	<b>Short Term Rating (Standard and Poor's)</b>	<b>Investment Quality</b>	<b>Minimum Percentage / Amount of Total Investments</b>	<b>Maximum Percentage of Total Investments</b>	<b>Maximum Percentage Invested with any one Financial Institution</b>
QTC	A-1+	Capital Guaranteed	\$5 million	50%	100%
AAA	A-1+	Prime	30% combined	75%	50%
AA+	A-1+	High Grade			
AA					
AA-					
A+	A-1	Upper Medium Grade	0%	50%	50%
A					
A-					
BBB+	A-2	Lower Medium Grade	0%	25%	50%
BBB					
BBB-					

Short Term Debt Ratings			
GRADE	S & P	Moody's	Fitch
Superior	A1+	P-1	F1+
	A1		F1
Strong	A2	P-2	F2
Acceptable	A3	P-3	F3

It is noted that for the purpose of this Investment Portfolio, the percentage limits are effective at the date of purchase.

#### 4.6 Return on Investments

Council's minimum return on investment key performance indicator (KPI) is 1% above the target cash rate.

KPI's are recorded quarterly in Performance Manager and a report will be prepared for Council by the Coordinator Corporate Performance.

4.7 Investments are placed in accordance with Council's Procurement Purchasing Policy.

#### 4.8 Delegation of Authority

New investment accounts must be approved by the Chief Executive Officer or General Manager Organisational Services.

The Chief Executive Officer, General Manager Organisational Services, Chief Financial Officer, Sustainable Finance Manager, Governance Manager, Administration Services Manager, Manager Revenue, Financial Accounting Coordinator and Financial Accounting and Taxation Officers are delegated authorised signatories for all investment accounts held by Council.

Financial Accounting and Treasury Officers are authorised dealers to invest Council's surplus funds at their discretion in investments consistent with this Policy. The deal must be authorised by a signatory of the account.

## 5. CONTROLS

- Approved financial institutions, investment transactions and quotes are recorded in Council's online Investment Register
- Documentary evidence must be held for each investment and details thereof maintained in Council's Investment Register.
- Certificates must be obtained for each investment to fulfill audit requirements at 30 June each year.
- A monthly internal audit will be performed; ensuring investments undertaken are in compliance with this Policy.
- Records will be kept to show that Council has invested in the most appropriate manner and in accordance with this policy.
- A quarterly report and evaluation will be prepared for reviewing the transactions, performance and compliance of the investment portfolio.

- When Council holds an investment that is downgraded below the minimum acceptable rating level, as prescribed under regulation for the investment arrangement, Council shall within 28 days after the change becomes known, either obtain approval from the General Manager Organisational Services for continuing with the investment arrangement, or sell/withdraw the investment arrangement.
- A managed document will be maintained to list the approved Financial Institutions that the Financial Accounting and Treasury Officers may deal with.

## **6. EFFECTIVE FROM**

This Policy was adopted by Council on, and is effective from, 3 June 2014.

## **7. REFERENCES / ASSOCIATED DOCUMENTS**

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangements Act 1982*
- *Financial Management (Sustainability) Guideline 2011*
- *MD-2-008 Schedule of Future Borrowings*

## **NATIONAL COMPETITION POLICY**

### **1. INTENT**

To ensure compliance with the relevant National Competition Policy (NCP) provisions of the *Local Government Act 2009* and *Local Government Regulation 2012*.

### **2. SCOPE**

NCP advocates the delivery of local government services in relation to its significant business activities on commercial principles. It is designed to ensure that, where appropriate, Council sets prices on the same basis as the private sector by making adjustments for the advantages and disadvantages of public ownership.

This Policy is applicable to those activities to which competitive neutrality applies.

### **3. POLICY OBJECTIVES**

To ensure Council business activities are more accountable for financing, pricing and other business decisions, as well as identifying the true cost of service provision to the community.

### **4. POLICY**

Council has elected to apply the Code of Competitive Conduct (CCC) involving the application of full cost pricing principles to its identified business activities.

The financially significant business activities of Council are:

- Water and Wastewater; and
- Waste and Recycling.

Council's Type 3 (competitive) business activities have been identified as:

- Caravan Parks; and
- Bundaberg Airport.

Council's non-Type 3 business activity has been identified as:

- Building Certification.

#### **4.1 Community Service Obligations (CSO)**

Community Service Obligations are instruments through which local government social welfare goals are delivered to the wider community.

A CSO will arise where Council requires a business activity to carry out activities relating to outputs or inputs which it would not elect to do on a commercial basis, or would only undertake commercially at higher prices, e.g. where Council:

- Considers it desirable to supply certain goods and services at an affordable price regardless of the actual cost of supply;

- Has social welfare objectives to provide free services or price concessions to particular groups of customers, such as pensioners, sporting bodies, charities etc; or
- Provides incentives to industry through infrastructure provision and/or price concessions to encourage economic development.

All CSOs are to be adopted and applied in a uniform manner across all regions, between like customers in different locations, to ensure equity across the community.

All current and proposed CSOs are to comply with the requirements of the CSO Policy and linkages with Council's Corporate Plan and Annual Operational Plan objectives.

During 2014/2015, all existing and proposed CSOs will be reviewed to ensure compliance with the requirements of the adopted CSO Policy directing each business to undertake the CSO activities in question.

#### 4.2 Assessment of Bundaberg Regional Council Business Activity CSOs 2014/2015

<b>Description</b>	<b>Validation</b>
<b>WATER SUPPLY and WASTE WATER</b> Pensioner remissions. Provision of water allocations to unlicensed sporting clubs free of charge. Water access charges. Provision of pedestal discounts for community and aged care facilities. Clearance of private sanitary drains.	CSO – valued in accordance with the revenue foregone as a result of the concession or the waiver of metered water consumed. CSO – valued as the difference between recommended access charges and current access charges. CSO – valued in accordance with the revenue foregone as a result of the discount provided. CSO – valued in accordance with the shortfall in full cost recovery.
<b>WASTE MANAGEMENT</b> Pensioner remissions. Operation of regional transfer stations. Provision of free disposal days for residents. Provision of waste collection and disposal services for community events. Provision of waste collection and disposal services for public spaces. Waste disposal fees incurred by other Council Departments.	CSO – valued in accordance with the revenue foregone as a result of the concession. CSO – valued in accordance with the shortfall in full cost recovery of operating and maintaining the facilities. CSO – valued in accordance with the revenue foregone. CSO – valued in accordance with an estimate of the costs incurred to undertake the collection and disposal of waste. CSO – valued in accordance with the revenue foregone.
<b>AIRPORT</b> Provision of concessional fees.	CSO – valued in accordance with the revenue foregone as a result of the concession.

#### 4.3 Current Competitive Neutrality Complaints Process

The *Local Government Act 2009* requires Councils to adopt a process for resolving competitive neutrality complaints. Section 44 of the *Local Government Regulation 2012* sets out the necessary minimum requirements for the resolution of competitive neutrality complaints.

Council must ensure that the process deals with the following:

- (a) Preliminary procedures before an affected person makes a complaint including, for example, the process for:
  - a person to raise concerns about alleged failures of a significant business to comply with the competitive neutrality principles; and
  - clarifying and, if possible, resolving the matter.
- (b) Recording all complaints, decisions and recommendations.

#### **4.4 Bundaberg Regional Council Competitive Neutrality Complaint Procedure**

A person must make the complaint about an alleged failure of Council's business activities to comply with the relevant competitive neutrality procedures in writing to Council or the Queensland Competition Authority (QCA). The complaint must contain details of the alleged failure and Information that shows:

- (i) Whether the complainant is, or could be, in competition with the business entity; and
- (ii) How the complainant is, or may be, adversely affected by the business entity's alleged failure; and
- (iii) That the complainant has made a genuine attempt to resolve the complaint prior to making it.

Once a person has made a complaint to Council it will be forwarded to the QCA as soon as is practicable. The making of a complaint will not stop the business entity from conducting business.

If the QCA decides to investigate the complaint it must prepare a report of its investigations and provide Council with its results and recommendations. This report will be made available to the public for inspection as soon as practicable.

Within one month of receiving the QCA's report, Council will decide by resolution whether to implement its recommendations. The resolution will state the reasons for Council's decision and both the complainant and QCA will be given notice of the resolution within seven days of the decision by Council.

Council will establish and maintain a register of business activities to which competitive neutrality principles have been applied. The register will also list current investigative notices for competitive neutrality complaints, the business activities to which the complaints relate and Council's responses to the QCA's recommendations on those complaints.

#### **4.5 Outcomes**

The full cost pricing model adopted by Council involves setting prices on a commercial basis. It is founded on the principle that the price charged for the provision of a good or service should recover sufficient revenue to cover the costs of production, the funds to replace assets as they are consumed and the achievement of a reasonable rate of return.

Whilst a full cost pricing model has been utilised for the annual determination of cost recovery levels for Council's significant business activities, an appropriate long-term financial sustainability model is under development. When complete, it will enable the identification of ongoing investment requirements, helping to inform capital funding decisions and borrowing programs, and will assist in the development of longer-term price paths and revenue strategies for these businesses, compliant with full cost pricing principles and in accordance with legislative requirements.



## **5. CONTROLS**

- Section 46 of the *Local Government Act 2009*
- Section 44 of the *Local Government Regulation 2012*

## **6. EFFECTIVE FROM**

This Policy was adopted by Council on, and is effective from, 3 June 2014.

## **7. REFERENCES/ASSOCIATED DOCUMENTS**

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Bundaberg Regional Council Corporate Plan 2014-2019*
- *Annual Operational Plan 2014/2015*
- *Community Service Obligations Policy*
- *Public Benefit Assessment of Reform Options for Waste & Recycling Activities*
- *Public Benefit Assessment of Reform Options for Water & Wastewater Activities*
- *Schedule of Community Service Obligations*



# **LONG TERM FINANCIAL FORECASTS**

**BUNDABERG REGIONAL COUNCIL**  
**Budgeted Statement of Comprehensive Income**

For the period ending 30 June 2015	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>											
Rates, levies and charges	124,209,030	129,724,700	137,116,455	144,636,043	152,614,386	160,779,408	169,414,895	178,555,273	187,084,421	196,028,282	205,411,333
Less: Discounts & Pensioner remissions	-6,853,000	-7,012,230	-7,354,744	-7,714,426	-8,092,160	-8,488,877	-8,905,567	-9,343,259	-9,803,053	-10,286,094	-10,793,743
Net rates and utility charges	117,356,030	122,712,470	129,761,711	136,921,617	144,522,226	152,290,531	160,509,328	169,212,014	177,281,368	185,742,188	194,617,590
Fees and charges	17,122,352	17,892,981	17,725,263	18,331,716	19,340,742	19,909,344	20,465,047	21,055,158	22,235,935	22,175,775	23,348,400
Interest received	3,839,500	3,804,833	3,470,081	3,578,525	3,677,091	4,285,822	4,376,578	4,783,100	4,958,767	4,786,387	4,559,541
Sales - contract and recoverable works	5,207,000	5,173,000	5,671,270	5,731,484	5,795,458	6,035,956	6,288,253	6,553,142	6,831,565	7,124,225	7,409,193
Operating grants, subsidies, contributions and donations	13,329,926	11,857,964	11,886,287	12,447,182	13,036,077	13,654,389	14,303,512	14,988,854	15,853,824	16,230,398	16,600,195
Profit on sale of developed land held for sale	451,000	387,000	378,299	367,711	358,715	342,022	329,984	316,722	303,710	291,736	280,000
<b>TOTAL OPERATING REVENUES</b>	<b>157,305,808</b>	<b>161,828,248</b>	<b>168,892,911</b>	<b>177,378,235</b>	<b>186,730,309</b>	<b>196,518,064</b>	<b>206,272,702</b>	<b>216,908,990</b>	<b>227,465,169</b>	<b>236,350,709</b>	<b>246,814,919</b>
<b>Expenses</b>											
Employee benefits	-69,736,935	-70,384,580	-71,807,480	-73,966,302	-77,888,744	-81,704,998	-85,244,790	-89,919,161	-94,205,874	-99,730,984	-105,735,600
Materials and services	-48,542,213	-46,505,032	-50,061,620	-54,855,341	-58,624,965	-63,044,992	-67,977,459	-71,242,199	-74,947,723	-78,253,325	-81,748,241
Finance costs	-3,542,513	-3,238,000	-5,496,397	-7,086,983	-8,535,790	-9,942,035	-10,051,688	-10,716,587	-10,945,281	-11,189,376	-11,524,427
Depreciation and amortisation	-35,200,000	-36,185,110	-37,460,914	-38,429,662	-39,847,610	-41,108,225	-42,199,189	-43,518,921	-44,703,130	-45,409,590	-46,903,665
<b>TOTAL OPERATING EXPENSES</b>	<b>-157,021,661</b>	<b>-156,312,722</b>	<b>-164,826,411</b>	<b>-174,338,288</b>	<b>-184,897,109</b>	<b>-195,800,250</b>	<b>-205,473,126</b>	<b>-215,396,868</b>	<b>-224,802,008</b>	<b>-234,583,275</b>	<b>-245,911,933</b>
<b>Operating surplus (deficit)</b>	<b>284,147</b>	<b>5,515,526</b>	<b>4,066,500</b>	<b>3,039,947</b>	<b>1,833,200</b>	<b>717,814</b>	<b>799,576</b>	<b>1,512,122</b>	<b>2,663,161</b>	<b>1,767,434</b>	<b>902,986</b>
Capital income and expenditure:											
Cash capital grants, subsidies and contributions	92,899,184	65,741,193	10,929,107	26,859,275	12,017,692	11,272,642	14,082,627	11,757,573	11,865,054	12,132,523	12,394,587
Other capital income	0	0	0	112,420	0	0	150,240	1,337,552	0	0	0
Donated physical capital assets	5,500,000	5,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Other capital expense	0	0	0	0	-50,540	-1,902,365	0	0	-601,588	0	0
<b>Net result</b>	<b>98,683,331</b>	<b>76,756,719</b>	<b>19,995,607</b>	<b>35,011,642</b>	<b>18,800,352</b>	<b>15,088,091</b>	<b>20,032,443</b>	<b>19,607,247</b>	<b>18,926,627</b>	<b>18,899,957</b>	<b>18,297,573</b>

**BUNDABERG REGIONAL COUNCIL**  
**Budgeted Statement of Financial Position**

For the period ending 30 June 2015

	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Current Assets</b>											
Cash and cash equivalents	66,307,145	60,031,967	67,459,251	68,812,677	69,836,288	76,487,477	81,852,770	88,560,528	88,172,195	73,852,986	66,109,469
Trade and other receivables	15,079,363	23,893,511	16,558,909	17,379,552	18,314,258	19,177,652	20,133,265	21,219,473	22,180,112	23,154,828	24,139,123
Inventories	4,510,726	4,615,006	4,276,025	4,143,736	4,002,451	3,846,473	3,676,457	3,493,179	3,296,889	3,088,625	2,868,625
Non-current assets held for sale	0	398,223	0	0	0	0	0	0	0	0	0
	85,897,234	88,938,707	88,294,185	90,335,965	92,152,997	99,511,602	105,662,492	113,273,180	113,649,196	100,096,439	93,117,217
<b>Non-Current Assets</b>											
Property, plant and equipment	1,769,465,298	1,870,385,068	1,919,091,031	1,975,037,191	2,015,503,334	2,023,889,701	2,049,531,250	2,065,028,496	2,086,343,939	2,121,624,101	2,150,185,858
Intangible assets	6,679,288	6,923,415	6,790,801	6,779,508	6,755,151	6,717,076	6,664,597	6,596,994	6,513,522	6,413,365	6,213,365
	1,776,144,586	1,877,308,483	1,925,881,832	1,981,816,699	2,022,258,485	2,030,606,777	2,056,195,847	2,071,625,490	2,092,857,461	2,128,037,466	2,156,399,223
<b>TOTAL ASSETS</b>	<b>1,862,041,820</b>	<b>1,966,247,190</b>	<b>2,014,176,017</b>	<b>2,072,152,664</b>	<b>2,114,411,482</b>	<b>2,130,118,379</b>	<b>2,161,858,339</b>	<b>2,184,898,670</b>	<b>2,206,506,657</b>	<b>2,228,133,905</b>	<b>2,249,516,440</b>
<b>Current Liabilities</b>											
Trade and other payables	13,066,437	15,868,409	13,410,861	14,428,922	15,266,884	16,230,899	17,289,802	18,046,643	18,897,450	19,691,663	20,523,803
Borrowings	6,412,568	6,481,000	8,997,554	10,441,669	7,836,347	8,461,788	9,459,731	10,327,311	11,247,002	8,947,810	9,008,904
Provisions	804,000	1,657,000	1,054,000	1,304,000	1,554,000	1,619,000	1,689,000	1,769,000	1,854,000	1,944,000	2,037,000
Other liabilities	431,119	389,347	431,119	431,119	431,119	431,119	431,119	431,119	431,119	431,119	431,119
	20,714,124	24,395,756	23,893,534	26,605,710	25,088,350	26,742,806	28,869,652	30,574,073	32,429,571	31,014,592	32,000,826
<b>Non-Current Liabilities</b>											
Trade and other payables	569,347	925,444	925,444	925,444	925,444	925,444	925,444	925,444	925,444	925,444	925,444
Borrowings	47,115,002	69,634,002	91,376,529	110,934,860	135,098,513	133,136,725	141,676,994	142,349,683	142,102,681	145,154,871	146,145,967
Provisions	16,418,831	20,722,638	21,322,638	22,017,136	22,826,309	23,750,447	24,790,849	25,846,823	26,919,687	28,009,767	29,117,399
	64,103,180	91,282,084	113,624,611	133,877,440	158,850,266	157,812,616	167,393,287	169,121,950	169,947,812	174,090,082	176,188,810
<b>TOTAL LIABILITIES</b>	<b>84,817,304</b>	<b>115,677,840</b>	<b>137,518,145</b>	<b>160,483,150</b>	<b>183,938,616</b>	<b>184,555,422</b>	<b>196,262,939</b>	<b>199,696,023</b>	<b>202,377,383</b>	<b>205,104,674</b>	<b>208,189,636</b>
<b>NET COMMUNITY ASSETS</b>	<b>1,777,224,516</b>	<b>1,850,569,350</b>	<b>1,876,657,872</b>	<b>1,911,669,514</b>	<b>1,930,472,866</b>	<b>1,945,562,957</b>	<b>1,965,595,400</b>	<b>1,985,202,647</b>	<b>2,004,129,274</b>	<b>2,023,029,231</b>	<b>2,041,326,804</b>
<b>Community Equity</b>											
Capital	1,388,584,486	1,461,413,794	1,489,442,022	1,524,453,664	1,543,257,016	1,558,347,107	1,578,379,550	1,597,986,797	1,616,913,424	1,635,813,381	1,654,110,954
Asset revaluation surplus	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850
Retained surplus/(deficiency)	1,424,180	1,939,706	0	0	0	0	0	0	0	0	0
Other reserves	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL COMMUNITY EQUITY</b>	<b>1,777,224,516</b>	<b>1,850,569,350</b>	<b>1,876,657,872</b>	<b>1,911,669,514</b>	<b>1,930,472,866</b>	<b>1,945,562,957</b>	<b>1,965,595,400</b>	<b>1,985,202,647</b>	<b>2,004,129,274</b>	<b>2,023,029,231</b>	<b>2,041,326,804</b>

**BUNDABERG REGIONAL COUNCIL**  
**Budgeted Statement of Cash Flows**

For the period ending 30 June 2015	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>											
Receipts from customers	139,685,382	145,778,451	164,334,164	172,627,721	181,806,318	191,008,439	200,638,312	210,826,960	221,206,053	230,402,870	240,949,083
Payments to suppliers and employees	-118,279,148	-116,889,612	-121,461,203	-128,191,095	-136,135,785	-144,316,812	-152,762,983	-161,072,104	-169,085,729	-178,155,575	-187,791,872
	21,406,234	28,888,839	42,872,961	44,436,626	45,670,533	46,691,627	47,875,329	49,754,856	52,120,324	52,247,295	53,157,211
Interest received	3,839,500	3,804,833	3,470,081	3,578,525	3,677,091	4,285,822	4,376,578	4,783,100	4,958,767	4,786,387	4,559,541
Proceeds from sale of developed land held for resale	622,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Non-capital grants, subsidies, contributions and donations	13,329,926	11,857,964	0	0	0	0	0	0	0	0	0
Finance costs	-3,542,513	-3,238,000	-4,296,397	-5,754,972	-7,013,579	-8,422,060	-8,341,649	-8,913,028	-9,004,478	-9,043,817	-9,183,624
Costs incurred on inventory land held for sale	0	0	0	0	0	0	0	0	0	0	0
Net Cash Inflow/(Outflow) from Operating Activities	35,655,147	41,813,636	42,546,645	42,760,179	42,834,045	43,055,389	44,410,258	46,124,928	48,574,613	48,489,865	49,033,128
<b>Cash Flow from Investing Activities :</b>											
Payments for property, plant and equipment	-146,364,436	-136,861,007	-79,697,080	-89,812,834	-75,674,744	-48,216,240	-62,763,392	-55,688,439	-64,321,635	-74,377,072	-68,595,835
Payments for intangible assets	-334,798	-488,000	-1,150	0	0	0	0	0	0	0	0
Payments for investment property	0	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of property, plant and equipment	1,100,000	1,000,000	2,500,000	1,300,000	950,000	2,650,000	1,150,000	4,300,000	4,250,000	500,000	300,000
Capital grants, subsidies, contributions and donations	92,899,184	65,741,193	10,217,961	26,103,635	11,355,979	10,498,387	13,030,215	10,431,000	10,436,000	10,315,000	10,467,000
Net movement in loans and advances	0	0	0	0	0	0	0	0	0	0	0
Net Cash Inflow/(Outflow) from Investing Activities	-52,700,050	-70,607,814	-66,980,269	-62,409,199	-63,368,765	-35,067,853	-48,583,177	-40,957,439	-49,635,635	-63,562,072	-57,828,835
<b>Cash Flow from Financing Activities :</b>											
Proceeds from borrowings	0	29,000,000	32,000,000	31,000,000	32,000,000	6,500,000	18,000,000	11,000,000	11,000,000	12,000,000	10,000,000
Repayment of borrowings	-6,157,000	-6,481,000	-7,666,223	-9,997,554	-10,441,669	-7,836,347	-8,461,788	-9,459,731	-10,327,311	-11,247,002	-8,947,810
Net Cash Inflow/(Outflow) from Financing Activities	-6,157,000	22,519,000	24,333,777	21,002,446	21,558,331	-1,336,347	9,538,212	1,540,269	672,689	752,998	1,052,190
<b>Net Increase (Decrease) in Cash Held</b>	-23,201,903	-6,275,178	-99,847	1,353,426	1,023,611	6,651,189	5,365,293	6,707,758	-388,333	-14,319,209	-7,743,517
Cash at beginning of reporting period	89,509,048	66,307,145	67,559,098	67,459,251	68,812,677	69,836,288	76,487,477	81,852,770	88,560,528	88,172,195	73,852,986
<b>Cash at end of Reporting Period</b>	66,307,145	60,031,967	67,459,251	68,812,677	69,836,288	76,487,477	81,852,770	88,560,528	88,172,195	73,852,986	66,109,469

**BUNDABERG REGIONAL COUNCIL**  
**Budgeted Statement of Capital Funding**

For the period ending 30 June 2015

	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Sources of Capital Funding</b>											
Appropriation from general revenue sources, funds expended for capital purposes in the period											
Proceeds from the sale of non current assets	1,100,000	1,000,000	2,500,000	1,300,000	950,000	2,650,000	1,150,000	4,300,000	4,250,000	500,000	300,000
Future capital works reserve	58,857,050	43,843,814	47,616,303	46,390,388	46,763,913	41,422,587	44,017,180	44,313,170	53,998,946	67,704,074	61,818,645
Funds from loan borrowings expended in the period	5,890,500	29,000,000	32,000,000	31,000,000	32,000,000	6,500,000	18,000,000	11,000,000	11,000,000	12,000,000	10,000,000
Donated non-current assets	5,500,000	5,500,000	5,682,107	5,739,275	5,615,192	5,792,642	6,024,627	6,222,573	6,465,054	6,712,523	6,969,587
Constrained grants and developer contributions	85,751,416	65,741,193	5,247,000	21,120,000	6,402,500	5,480,000	8,058,000	5,535,000	5,400,000	5,420,000	5,425,000
Asset Acquisition Reserve	1,257,268	4,245,000	0	0	0	0	0	0	0	0	0
	158,356,234	149,330,007	93,045,410	105,549,663	91,731,605	61,845,229	77,249,807	71,370,743	81,114,000	92,336,597	84,513,232
<b>Application of Capital Funding</b>											
Non current assets :											
Land purchased for development and sale	120,968	0	0	0	0	0	0	0	0	0	0
Land and improvements	2,991,300	1,164,000	500,000	300,000	300,000	300,000	500,000	700,000	500,000	500,000	500,000
Buildings and structures	11,861,096	27,498,000	7,265,000	19,580,000	13,850,000	3,950,000	10,350,000	5,188,000	6,129,520	5,300,000	9,800,400
Plant and equipment	9,069,666	7,572,007	5,315,000	5,665,000	8,052,400	3,015,000	7,127,500	7,700,000	10,972,000	8,726,910	8,914,600
Cultural assets	12,280	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	15,000	15,000
Roads, footpaths and bridges	105,304,726	72,396,700	30,228,147	32,029,117	40,698,344	36,267,772	43,386,603	41,753,970	44,931,095	49,512,208	49,902,916
Stormwater drainage	6,269,000	3,074,300	0	0	0	0	0	0	0	0	0
Sewerage infrastructure	13,784,700	28,256,000	35,908,000	33,138,000	15,227,500	4,817,575	3,815,344	3,716,934	4,824,476	13,536,107	3,850,972
Water infrastructure	2,450,700	2,390,000	6,153,040	4,829,992	3,151,692	5,648,535	3,598,572	2,842,108	3,419,598	3,499,370	2,581,534
Intangible assets	334,798	488,000	0	0	0	0	0	0	0	0	0
	152,199,234	142,849,007	85,379,187	95,552,109	81,289,936	54,008,882	68,788,019	61,911,012	70,786,689	81,089,595	75,565,422
Loan redemption	6,157,000	6,481,000	7,666,223	9,997,554	10,441,669	7,836,347	8,461,788	9,459,731	10,327,311	11,247,002	8,947,810
	6,157,000	6,481,000	7,666,223	9,997,554	10,441,669	7,836,347	8,461,788	9,459,731	10,327,311	11,247,002	8,947,810
Total capital expenditure	158,356,234	149,330,007	93,045,410	105,549,663	91,731,605	61,845,229	77,249,807	71,370,743	81,114,000	92,336,597	84,513,232

**BUNDABERG REGIONAL COUNCIL**  
**Budgeted Statement of Changes in Equity**

For the period ending 30 June 2015

	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Opening Balance - Retained Surplus</b>	1,140,033	1,424,180	1,939,706	2,064,346	2,972,353	4,805,553	5,523,367	6,473,183	9,322,857	11,986,018	13,753,452
Increase / decrease in Net Result	98,683,331	76,756,719	19,342,601	35,011,642	18,800,352	15,088,091	20,032,443	19,607,247	18,926,627	18,899,957	18,297,573
Movement to Capital and Reserves	-98,399,184	-71,241,193	-15,217,961	-31,103,635	-16,967,152	-14,370,277	-19,082,627	-16,757,573	-16,263,466	-17,132,523	-17,394,587
Movement from Capital and Reserves	0	-5,000,000	-4,000,000	-3,000,000	0	0	0	0	0	0	0
<b>Closing Balance - Retained Surplus</b>	<b>1,424,180</b>	<b>1,939,706</b>	<b>2,064,346</b>	<b>2,972,353</b>	<b>4,805,553</b>	<b>5,523,367</b>	<b>6,473,183</b>	<b>9,322,857</b>	<b>11,986,018</b>	<b>13,753,452</b>	<b>14,656,438</b>
<b>Opening Balance - Asset Revaluation Reserve</b>	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850	387,215,850
Asset Revaluation Adjustments	0	0	0	0	0	0	0	0	0	0	0
Movement to the Reserve	0	0	0	0	0	0	0	0	0	0	0
<b>Closing Balance - Asset Revaluation Reserve</b>	<b>387,215,850</b>	<b>387,215,850</b>	<b>387,215,850</b>	<b>387,215,850</b>	<b>387,215,850</b>	<b>387,215,850</b>	<b>387,215,850</b>	<b>387,215,850</b>	<b>387,215,850</b>	<b>387,215,850</b>	<b>387,215,850</b>
<b>Opening Balance - Capital Account</b>	1,295,713,919	1,388,584,486	1,461,413,794	1,487,377,676	1,521,481,311	1,538,451,463	1,552,823,740	1,571,906,367	1,588,663,940	1,604,927,406	1,622,059,929
Movement to Capital and Reserves	98,399,184	71,241,193	15,217,961	31,103,635	16,967,152	14,370,277	19,082,627	16,757,573	16,263,466	17,132,523	17,394,587
Movement from Capital and Reserves	-5,528,617	1,588,115	10,745,921	3,000,000	3,000	2,000	0	0	0	0	0
<b>Closing Balance - Capital Account</b>	<b>1,388,584,486</b>	<b>1,461,413,794</b>	<b>1,487,377,676</b>	<b>1,521,481,311</b>	<b>1,538,451,463</b>	<b>1,552,823,740</b>	<b>1,571,906,367</b>	<b>1,588,663,940</b>	<b>1,604,927,406</b>	<b>1,622,059,929</b>	<b>1,639,454,516</b>
<b>Total Community Equity</b>	<b>1,777,224,516</b>	<b>1,850,569,350</b>	<b>1,876,657,872</b>	<b>1,911,669,514</b>	<b>1,930,472,866</b>	<b>1,945,562,957</b>	<b>1,965,595,400</b>	<b>1,985,202,647</b>	<b>2,004,129,274</b>	<b>2,023,029,231</b>	<b>2,041,326,804</b>



# **SIGNIFICANT BUSINESS ACTIVITIES**



**BUNDABERG REGIONAL COUNCIL**  
**Budgeted Statement of Comprehensive Income**

**SIGNIFICANT BUSINESS ACTIVITY - TYPE 2**  
**WATER**

For the period ending 30 June 2015	Estimated Actuals	Original Budget	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17
	\$	\$	\$	\$
<b>Revenue</b>				
Rates, levies and charges	24,342,430	25,520,000	26,797,214	28,136,481
Less: Pensioner remissions	-168,000	-266,650	-283,982	-302,441
Net rates and utility charges	24,174,430	25,253,350	26,513,232	27,834,040
Fees and charges	950,000	435,000	448,050	461,491
Interest received	897,500	794,112	606,840	611,686
Sales - contract and recoverable works	472,000	470,000	484,100	498,623
Operating grants, subsidies, contributions and donations	36,000	0	0	0
Profit on sale of developed land held for sale	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>26,529,930</b>	<b>26,952,462</b>	<b>28,052,222</b>	<b>29,405,840</b>
<b>Expenses</b>				
Employee benefits	-4,741,650	-4,058,332	-4,224,725	-4,347,244
Materials and services	-7,715,278	-8,003,643	-8,333,621	-8,636,546
Finance costs	-221,000	-205,000	-192,000	-176,000
Depreciation and amortisation	-4,053,000	-4,170,537	-4,316,506	-4,484,850
<b>TOTAL OPERATING EXPENSES</b>	<b>-16,730,928</b>	<b>-16,437,512</b>	<b>-17,066,852</b>	<b>-17,644,640</b>
<b>Operating surplus / (deficit)</b>	<b>9,799,002</b>	<b>10,514,950</b>	<b>10,985,370</b>	<b>11,761,200</b>
<b>Transfers to</b>				
Internal Business Activities				
Community Service Obligations	272,433	457,487	491,019	508,696
Competitive neutrality adjustments	-120,884	-152,089	-168,305	-177,394
Internal Tax Equivalents Paid	-2,899,844	-3,246,104	-3,592,213	-3,786,193
Return on Capital	-5,500,000	-5,500,000	-5,500,000	-5,500,000
<b>TOTAL TRANSFERS</b>	<b>-8,248,295</b>	<b>-8,440,706</b>	<b>-8,769,499</b>	<b>-8,954,891</b>
<b>Net result</b>	<b>1,550,707</b>	<b>2,074,244</b>	<b>2,215,871</b>	<b>2,806,309</b>

**BUNDABERG REGIONAL COUNCIL**  
**Budgeted Statement of Comprehensive Income**

**SIGNIFICANT BUSINESS ACTIVITY - TYPE 2**  
**WASTEWATER**

For the period ending 30 June 2015	Estimated Actuals	Original Budget	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17
	\$	\$	\$	\$
<b>Revenue</b>				
Rates, levies and charges	21,372,000	23,056,000	25,338,399	27,239,269
Less: Pensioner remissions	-200,000	-240,360	-255,983	-272,622
Net rates and utility charges	21,172,000	22,815,640	25,082,416	26,966,647
Fees and charges	70,000	625,000	643,750	663,062
Interest received	632,000	730,221	531,151	533,130
Sales - contract and recoverable works	375,000	428,000	440,840	454,065
Operating grants, subsidies, contributions and donations	0	0	0	0
Profit on sale of developed land held for sale	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>22,249,000</b>	<b>24,598,861</b>	<b>26,698,157</b>	<b>28,616,904</b>
<b>Expenses</b>				
Employee benefits	-5,130,000	-4,763,000	-4,672,008	-4,807,496
Materials and services	-5,133,883	-5,495,452	-6,106,489	-4,382,041
Finance costs	-626,000	-592,000	-1,700,000	-5,335,944
Depreciation and amortisation	-3,180,000	-3,272,220	-3,386,748	-3,518,831
<b>TOTAL OPERATING EXPENSES</b>	<b>-14,069,883</b>	<b>-14,122,672</b>	<b>-15,865,245</b>	<b>-18,044,312</b>
<b>Operating surplus / (deficit)</b>	<b>8,179,117</b>	<b>10,476,189</b>	<b>10,832,912</b>	<b>10,572,592</b>
<b>Transfers to</b>				
Internal Business Activities				
Community Service Obligations	429,977	507,059	544,224	563,816
Competitive neutrality adjustments	-230,447	-347,839	-384,927	-405,713
Internal Tax Equivalents Paid	-2,613,778	-3,190,623	-3,530,817	-3,721,481
Return on Capital	-4,800,000	-4,800,000	-4,800,000	-4,800,000
<b>TOTAL TRANSFERS</b>	<b>-7,214,248</b>	<b>-7,831,403</b>	<b>-8,171,520</b>	<b>-8,363,378</b>
<b>Net result</b>	<b>964,869</b>	<b>2,644,786</b>	<b>2,661,392</b>	<b>2,209,214</b>

**BUNDABERG REGIONAL COUNCIL**  
**Budgeted Statement of Comprehensive Income**

**SIGNIFICANT BUSINESS ACTIVITY - TYPE 2**  
**WASTE**

For the period ending 30 June 2015	Estimated Actuals	Original Budget	Forecast	Forecast
	2013/14	2014/15	2015/16	2016/17
	\$	\$	\$	\$
<b>Revenue</b>				
Rates, levies and charges	12,107,000	12,622,000	13,442,430	14,316,188
Less: Pensioner remissions	-185,000	-131,420	-139,962	-149,060
Net rates and utility charges	11,922,000	12,490,580	13,302,468	14,167,128
Fees and charges	3,544,595	3,455,342	3,637,320	3,775,540
Interest received	114,000	123,500	125,382	127,267
Sales - contract and recoverable works	0	0	0	0
Operating grants, subsidies, contributions and donations	87,848	0	0	0
Profit on sale of developed land held for sale	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>15,668,443</b>	<b>16,069,422</b>	<b>17,065,170</b>	<b>18,069,935</b>
<b>Expenses</b>				
Employee benefits	-5,145,671	-5,043,486	-5,563,749	-5,813,725
Materials and services	-9,648,639	-9,548,260	-11,193,126	-11,844,419
Finance costs	-389,000	-367,000	-343,000	-315,000
Depreciation and amortisation	-315,000	-324,135	-335,480	-348,564
<b>TOTAL OPERATING EXPENSES</b>	<b>-15,498,310</b>	<b>-15,282,881</b>	<b>-17,435,355</b>	<b>-18,321,708</b>
<b>Operating surplus / (deficit)</b>	<b>170,133</b>	<b>786,541</b>	<b>-370,185</b>	<b>-251,773</b>
<b>Transfers to</b>				
Internal Business Activities				
Community Service Obligations	2,158,679	2,058,027	2,072,465	2,147,074
Competitive neutrality adjustments	-316,115	-351,854	-349,562	-368,363
Internal Tax Equivalents Paid	-844,671	-747,814	-1,190,017	-984,279
Return on Capital	-1,100,000	-1,100,000	-1,100,000	-1,100,000
<b>TOTAL TRANSFERS</b>	<b>-102,107</b>	<b>-141,641</b>	<b>-567,114</b>	<b>-305,568</b>
<b>Net result</b>	<b>68,026</b>	<b>644,900</b>	<b>-937,299</b>	<b>-557,341</b>

**BUNDABERG REGIONAL COUNCIL**  
**Budgeted Statement of Comprehensive Income**

**BUSINESS ACTIVITIES - TYPE 3 / OTHER**

For the period ending 30 June 2015	Estimated Actuals 2013/14 \$	Original Budget 2014/15 \$	Forecast 2015/16 \$	Forecast 2016/17 \$
<b>Airport</b>				
Recurrent Revenue	3,320,695	5,213,132	5,860,628	6,095,603
Recurrent Expenditure	-4,851,619	-4,987,432	- 5,177,571	- 5,279,708
Projected Net Result	<u>-1,530,924</u>	<u>225,700</u>	<u>683,057</u>	<u>815,895</u>
<b>Building Certification</b>				
Recurrent Revenue	126,000	191,100	191,100	191,100
Recurrent Expenditure	-380,145	-362,329	-422,330	-437,377
Projected Net Result	<u>-254,145</u>	<u>-171,229</u>	<u>-231,230</u>	<u>-246,277</u>
<b>Caravan Parks</b>				
Recurrent Revenue	2,254,750	2,366,079	2,526,854	2,646,006
Recurrent Expenditure	-2,091,897	-2,000,747	-2,036,573	-2,122,966
Projected Net Result	<u>162,853</u>	<u>365,332</u>	<u>490,281</u>	<u>523,040</u>



# FINANCIAL SUSTAINABILITY RATIOS

**BUNDABERG REGIONAL COUNCIL**  
**Financial Sustainability Ratios**

For the period ending 30 June 2015

	Target	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Infrastructure Capital Sustainability</b>												
Asset Consumption Ratio	40%-80%	72.7%	66.4%	65.9%	65.7%	65.2%	64.3%	63.6%	62.8%	62.0%	61.6%	61.0%
Written value divided by gross replacement cost of infrastructure assets												
Asset Sustainability Ratio	> 90%	219.0%	286.0%	99.8%	103.7%	123.4%	108.8%	109.7%	117.3%	114.5%	123.3%	119.2%
Capital expenditure on replacement assets divided by depreciation expense												
Interest coverage Ratio	0% - 5%	-0.2%	-0.3%	0.9%	1.6%	2.2%	2.5%	2.4%	2.4%	2.3%	2.4%	2.5%
Net interest expense divided by operating revenue												
<b>Financial Capital Sustainability / Viability</b>												
Net Financial Liabilities Ratio	< 60%	-4.6%	14.7%	29.1%	39.5%	49.2%	43.3%	43.9%	39.8%	39.0%	44.4%	46.6%
Total liabilities less current assets divided by operating revenue												
Operating Surplus Ratio	0% -15%	0.2%	3.4%	2.4%	1.7%	1.0%	0.4%	0.4%	0.7%	1.2%	0.7%	0.4%
Net operating surplus divided by total operating revenue												
Working Capital Ratio	1:1 < > 4:1	4.9 : 1	4.1 : 1	3.7 : 1	3.4 : 1	3.7 : 1	3.7 : 1	3.7 : 1	3.7 : 1	3.5 : 1	3.2 : 1	2.9 : 1
Current assets divided by current Liabilities												