

# BUDGET

## 2015/2016



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## MAYOR'S MESSAGE

The proposed expenditure encased in the Budget adopted by Council today is representative of Council's clear vision for a future for the Bundaberg Region balanced by the capacity of our residents to support our investment initiatives.

I believe we have achieved the right balance. Bringing down a Budget with a capital works program of \$96.5 million supported by an average rate rise of 4.63% exhibits Council's resolve to grow this region while also being sympathetic to the financial realities that are imposed on ratepayers on a daily basis.

This Budget is providing economic drivers that will provide future growth in development, facilitate industries that will provide employment and deliver an increase in rateable properties to help keep rates as low as possible. Council is doing its part to provide the essential infrastructure, the door is now open to developers across the region to play their part.

There is no doubt that Council's commitment to a \$93 million investment in the Rubyanna Wastewater Treatment Plant is a financial challenge for Council. Great planning, strategic development of the project and the necessity to deliver this single piece of integral infrastructure are key drivers behind Council's commitment to its construction.

In terms of affordability, Rubyanna represents the largest financial investment by Council locally in any infrastructure project but, put simply, Rubyanna is of such critical importance to the future development and economic viability of the region that there is no question of it not proceeding.

Due to the focus on Rubyanna where some \$37 million will be allocated this financial year, other areas of Council expenditure will be held at current levels. This is not to say that Council will lessen its commitment to providing the range of services and support the myriad of community and social programs it has in previous years.

One area of Council's operations that could not go unsupported this financial year is in the area of Information Technology (IT) where upgrades are long overdue.

In a modern era, Council needs to fully utilise the capabilities that new technologies offer and our IT support staff have been implementing upgrades to Council's systems. The combined spend over this and the previous budget on IT amounts to \$4.5 million.

The National Broadband Network (NBN) rollout is a compelling reason for Council to have technology in place to take full advantage of latest developments. Upgraded record keeping systems to ensure compliance in Council records management plus an ability to allow our officers better access to information in the field are key elements to our IT strategy.

Additionally, Council is committed to supporting a strategic road network, drainage, parks and natural areas, footpaths, animal welfare, sporting, social, community and cultural activities.

The 2015/2016 Budget has been framed in challenging economic times. While Council values the assistance provided through its relationship with State and Federal Governments, financial support from both levels of government is shrinking and Council is now more dependent on its ratepayers to fund its initiatives.

Council continues, through efficiencies, to do more with less. That continues to be our aim and that is what we will continue to achieve.

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



## BUDGET HIGHLIGHTS

Council, in this 2015/2016 Budget, continues with a significant capital works program totaling \$96.5 million. Listed below are some of the highlights of the vital community infrastructure Council has pleasure in providing on behalf of the region's community.

### 2015/2016 Project Highlights

Rubyanna Wastewater Treatment Plant Stage 1 (\$93 million) over several years	\$34,700,000
Rubyanna Wastewater Treatment Plant Burnett River outfall and outlet works (also part of the \$93 million project)	\$2,500,000
Road projects – Reconstruction overlays, road reseals	\$14,180,000
Footpaths and bikeways	\$1,155,000
Childers Streetscape – Stage 6	\$700,000
Visitor Information Centre refurbishment	\$150,000
Park Improvements including Christsen Park (Stage 1 - \$350,000) and Gin Gin Nature reserve (\$200,000)	\$1,340,000
Salter Oval fence and gate replacement	\$90,000
Bundaberg Multiplex Facility – Stage 1	\$9,500,000
Stormwater drainage	\$2,339,000
Bundaberg Regional Library new book checkout and tracking project	\$110,000
Amenities	\$265,000
Bucca Rowing reserve upgrade	\$90,000
Bundaberg Regional Art Gallery (BRAG) lighting upgrade	\$50,000
Innes Park new sewerage pump station and pressure main	\$1,600,000
Gin Gin Water Treatment Plant upgrade	\$900,000
Water main – Kalkie transfer main, Mellifont Street	\$800,000
Branyan Water Treatment Plant upgrade – Automation Stage 2	\$425,000
Water upgrades and sewerage connections to the Port	\$950,000
Water reticulation hydrant renewals at Bundaberg and Gin Gin	\$677,000
Closed circuit television (CCTV) upgrades	\$100,000
Information technology replacement and upgrades	\$3,160,000

### Rates and Utility Charges

The rate increase for an average property is 4.63%. This results from an increase in the:

- General Rate by 4% for Urban Residential Category 1, and by 4.5% across all other rating categories. This represents a \$37.00 per year (or \$0.71 per week) increase to the minimum general residential ratable property. The minimum General Rate is now \$951.00.

- Collection and processing of a 240 litre refuse bin weekly and a 240 litre recycling bin fortnightly by 5.86%, or \$0.35 per week. This equates to \$325.00 per annum (from \$307.00 last year).
- Wastewater pedestal charges to \$678.00 per annum, equating to an increase of \$0.85 per week.
- Water access charge by 3.03% or \$0.23 per week (\$408.00 per year).

## **Property Valuations**

Property valuations are determined by the State Government's Department of Natural Resources & Mines (DNRM) – State Valuation Service. The Department has not conducted a revaluation for the 2015/2016 year and property valuations are generally unchanged.

## **Pensioners Assistance**

Council has provided a concession to the general rate for pensioners of up to \$140.00 per annum. The State Government remission to pensioners for the 2015/2016 year is 20% of rates and charges up to a maximum of \$200.00 per annum.

## **Efficiencies**

The Mayor and Councillors again this year gave a directive that every section of Council find further efficiencies in its operating expenditure. Council's staff have implemented a range of initiatives to deliver further savings to already constrained budgets and have achieved the savings required.

With constantly increasing costs of materials and services and massive increases in electricity pricing, Council continues to be proactive in finding ways to reduce 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 and the treatment and pumping of water and sewerage. Other key areas of high electricity consumption include community facilities such as pools and halls, service centres and depots.

Council has implemented key aspects of its Clean Energy Strategy, including the installation of low consumption lighting, and other cost saving initiatives where proven cost benefits can be realized.



## 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 2015/2016 Budget and 10 Year Forecast.

During the development of the 2015/2016 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 restoration and rehabilitation works 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 has framed 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 (LGAQ)*), indicated that Councils across the State generally would have incurred a 2.2% increase in 2015.

The LGAQ has advised "*Councils will need to apply a further adjustment to compensate for the 'freeze' on indexation of the Financial Assistance Grants for the three years from 2014/2015. This is estimated statewide as a 3.8% per annum reduction in the real value of the Financial Assistance Grants normally received by councils.*"



Other factors have included:

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

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, commodity prices, climate conditions, and State and Federal Government decisions. Additional costs to Council beyond inflation are reflective of the cost shifting and devolution of duties from other levels of Government. At the same time Councils are receiving reduced revenue from State and Federal grants.

The impacts of environmental compliance particularly in the area of water, wastewater and waste management continue to significantly impact the costs associated with the provision of these services, and this is reflected in the rating structure.

Council has carefully considered the current economic climate and this Budget and the 2015/2016 Operational Plan will ensure delivery of the required services and infrastructure to achieve the objectives detailed in both the Corporate and Community Plans.

### Capital Budget

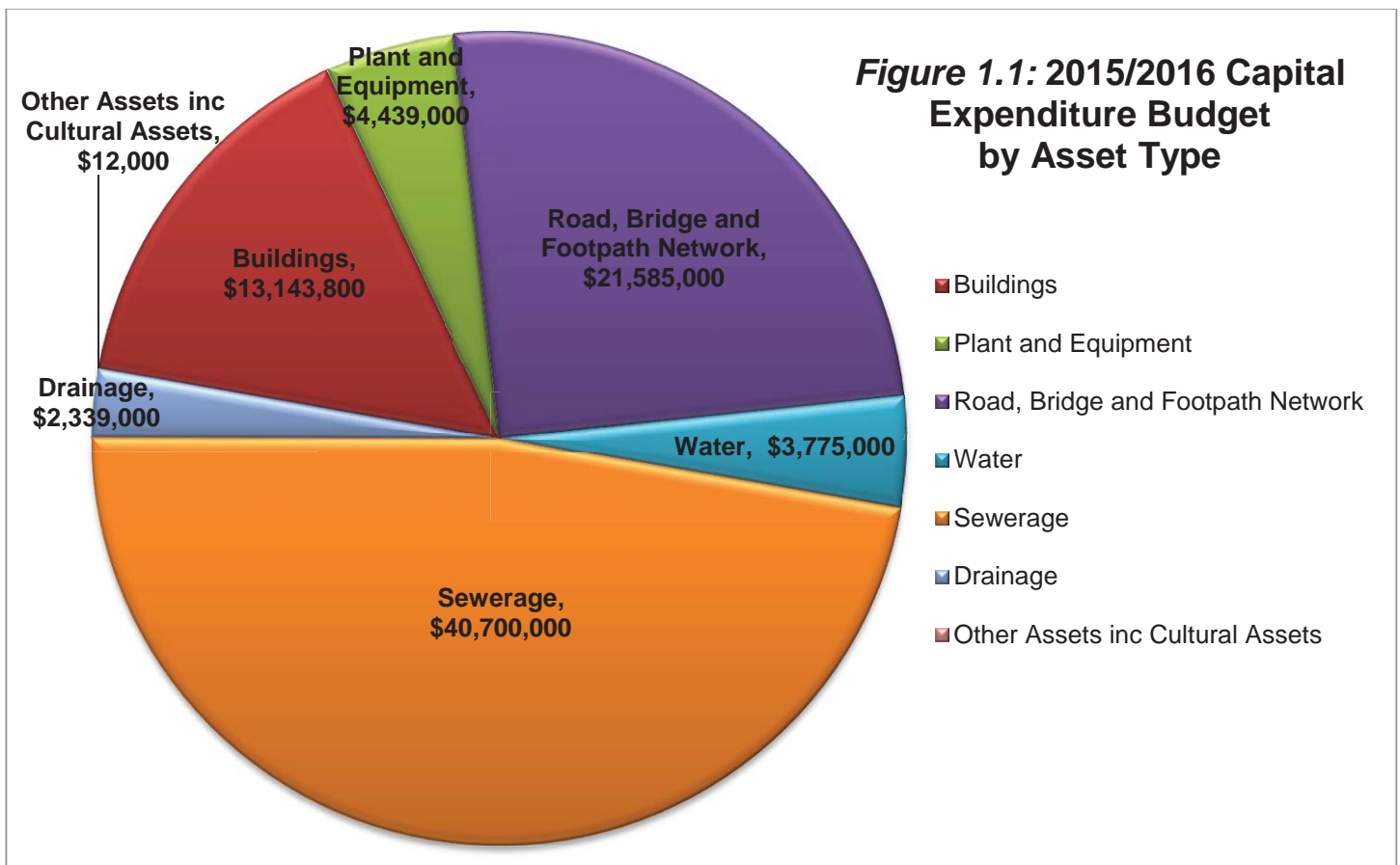


Figure 1.1 shows the percentage allocated on the various asset programs for 2015/2016. Council's Capital Budget (including loan redemption and intangible assets, not shown above) is \$96.5 million. Council has identified future capital projects over the next 10 years to improve infrastructure and provide for the continued growth in the region.

## Net Financial Liabilities Ratio

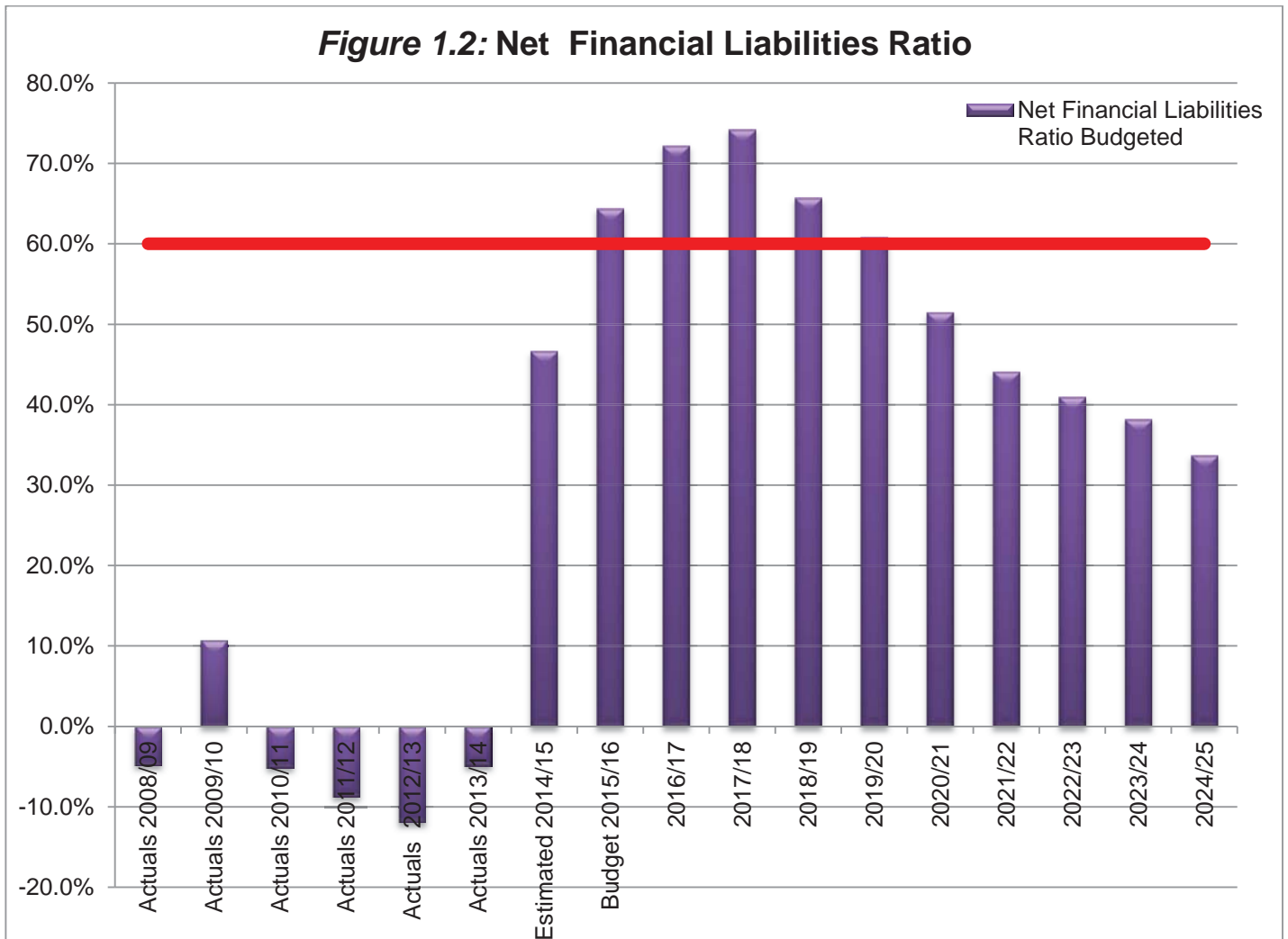


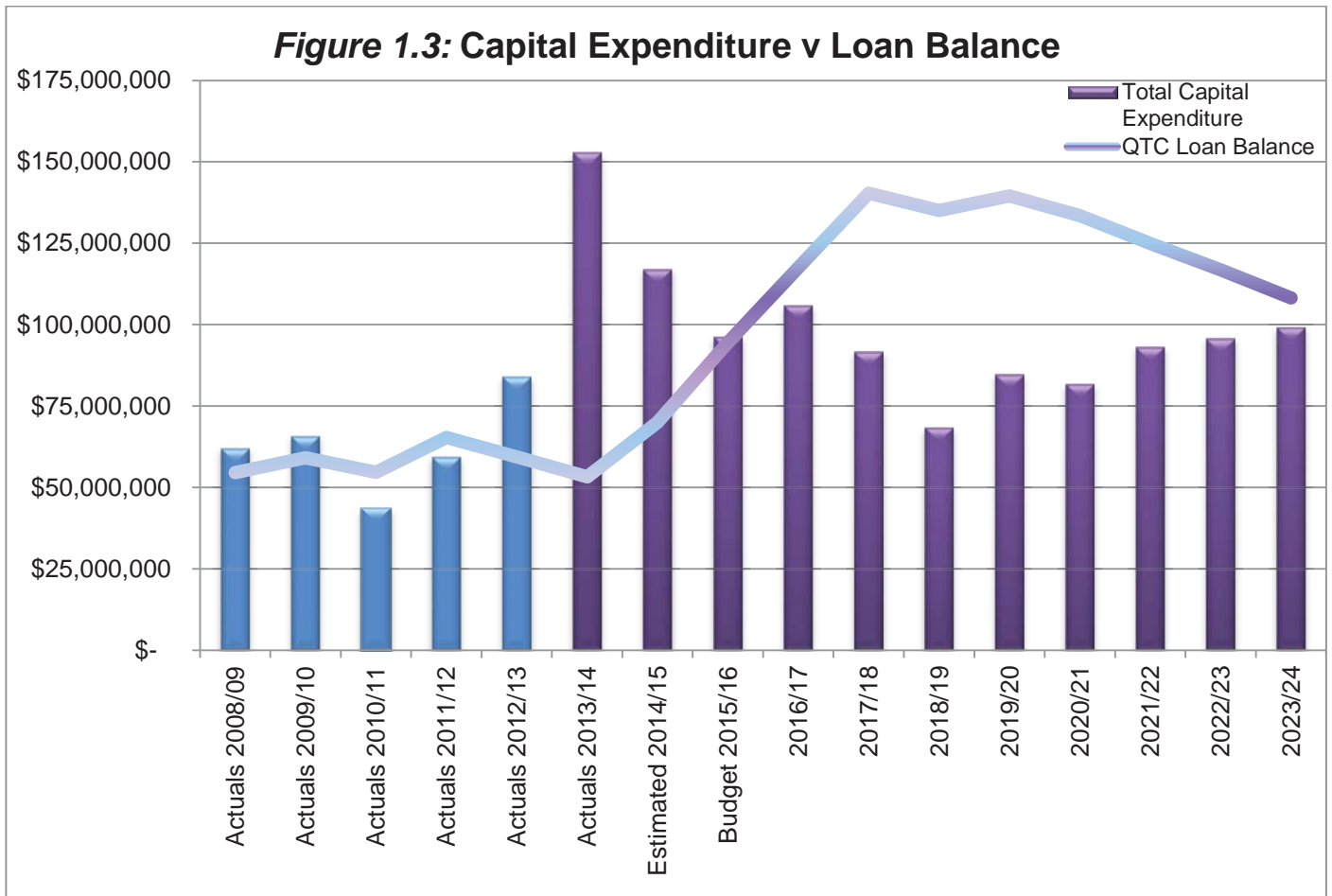
Figure 1.2 shows the extent to which the net financial liabilities of a local government can be serviced by its operating revenues. A ratio greater than zero (positive) indicates that total financial liabilities exceed current assets. These net financial liabilities must be serviced using available operating 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 over the 60% red line - our maximum is forecast to reach approximately 80%. This has risen due to two (2) main factors. The first being the increase in provision for the capping of the current refuse facilities to the current environmental standard. This provision has increased by some \$40 million in the audited financial statements of 2014/2015 with impacts on this Budget.

Also, Council is borrowing funds to complete infrastructure projects which increases this ratio. Loans for infrastructure including the Thabeban Wastewater Treatment Plant completed last year, Rubyanna Wastewater Treatment Plant due for completion in 2017 and the Multiplex/Evacuation Centre building, and several smaller water projects.



## Capital Expenditure and Loan Balance



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.

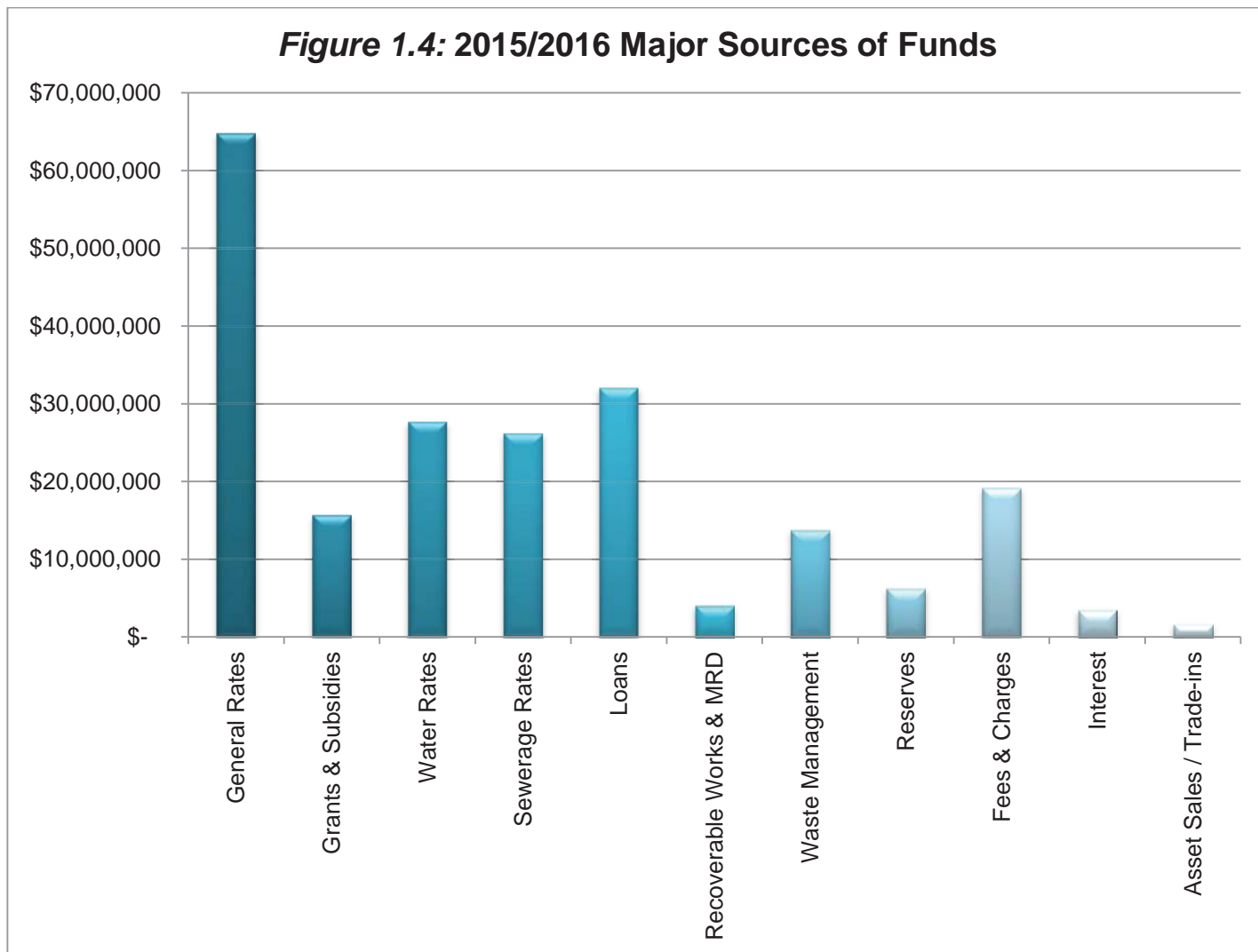
Figure 1.3 shows Council's current Budget 2015/2016 debt level is just over \$95 million and is forecast to peak at just over \$140 million in 2017/2018. This will mostly fund the replacement and upgrades of our ageing water and sewerage infrastructure to a modern and environmentally compliant standard. It will also provide for future growth of our region in the identified growth corridors.

Council's community assets make up the largest portion of Council's balance sheet totaling \$2 billion. During Budget deliberation each year, Council estimates the consumption or utilisation of these assets and 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.

Each year, Council revalues classes of assets.

**2015/2016 Major Sources of Funds Sources**



Council has budgeted to receive funds from a range of sources for both its operational and capital needs. Figure 1.4 indicates areas the funding will be sourced from. Rates and utility charges form a significant portion of Council’s revenue. Revenue from our community equated to 93% of all Council revenue.

**Recurrent Revenue Types and Recurrent Expenditure**

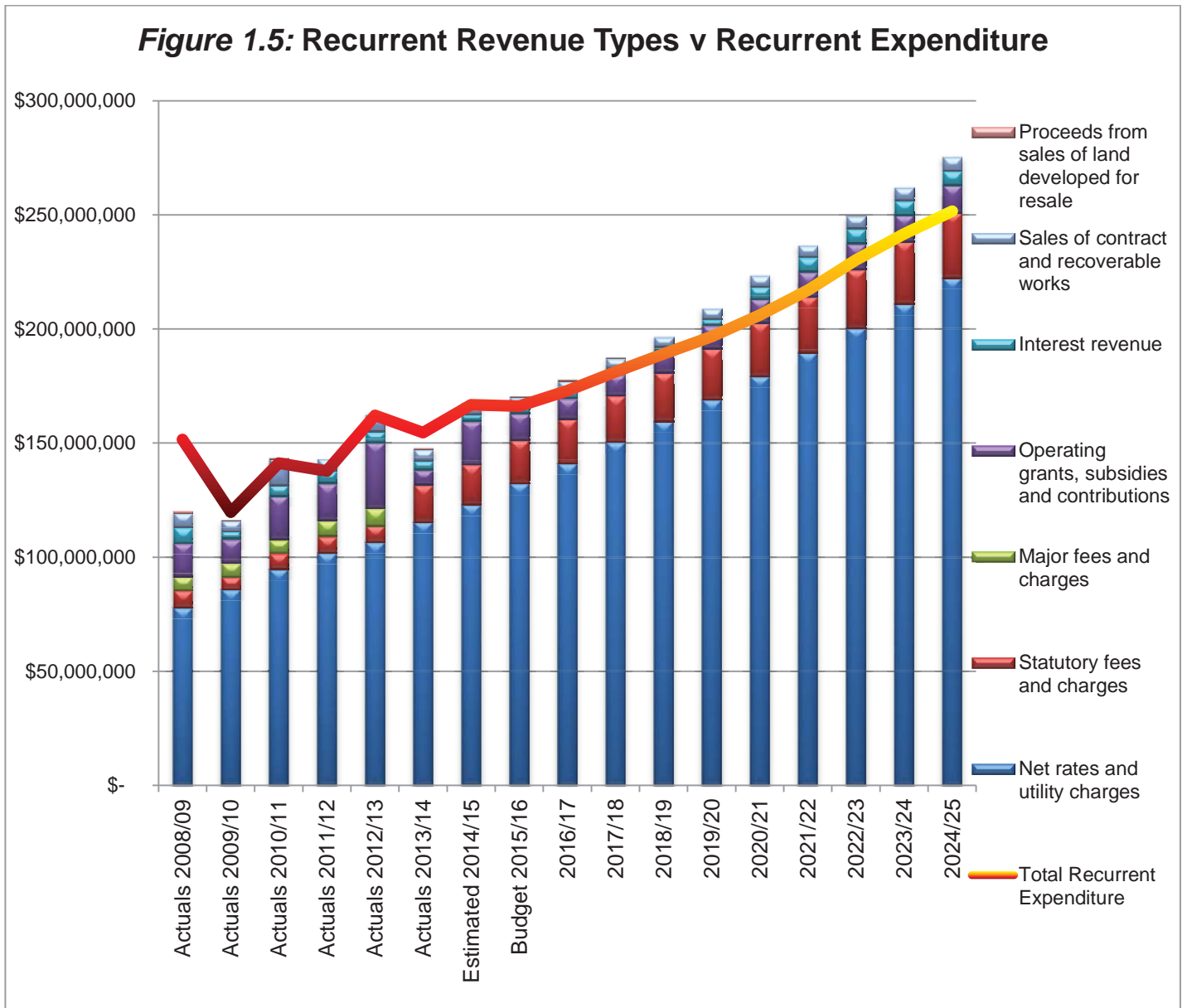


Figure 1.5 shows the expenditure as the line (the previous years' peaks are a result of the flood events). The expenditure for the 2015/2016 year has been held at the same level as 2014/2015. Council has been proactive in finding efficiencies within its departments. The revenues (shown as the various coloured bars) identified the sources of Council's funds. Approximately 77% of Council's revenue funds are derived from rate revenue.





## 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 – Financial management systems

....

(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.*

(9) In this section –

*Financial management (sustainability) guideline means the document call ‘Financial Management (Sustainability) Guideline 2013’, version 1, made by the department.*

## **Rating**

In accordance with the Revenue Policy adopted at Council’s Ordinary Meeting on 7 April 2015, 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 Emergency Services Act 1990, Council is required to collect a fire levy on behalf of the 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 2015/2016.





# **BUDGET STATEMENTS**

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

For the period ending 30 June 2016	Estimated Actuals	Original Budget	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18
	\$	\$	\$	\$
<b>Revenue</b>				
Rates, levies and charges	130,094,163	139,708,608	148,917,536	158,880,605
Less: Discounts & Pensioner remissions	-7,012,230	-7,443,000	-7,878,151	-8,273,450
Net rates and utility charges	123,081,933	132,265,608	141,039,385	150,607,155
Fees and charges	17,617,453	19,142,295	19,572,859	20,294,819
Interest received	2,941,833	2,912,373	3,432,914	3,442,062
Sales - contract and recoverable works	4,405,000	4,042,400	4,178,438	4,313,288
Operating grants, subsidies, contributions and donations	19,059,008	11,699,730	9,133,007	9,510,158
Profit on sale of developed land held for sale	387,000	387,000	384,175	381,279
<b>TOTAL OPERATING REVENUES</b>	<b>167,492,227</b>	<b>170,449,406</b>	<b>177,740,778</b>	<b>188,548,761</b>
<b>Expenses</b>				
Employee benefits	-69,039,768	-71,114,429	-72,477,186	-74,717,455
Materials and services	-54,898,789	-49,538,698	-54,752,979	-57,100,253
Finance costs	-3,281,000	-4,417,694	-6,710,910	-8,957,460
Depreciation and amortisation	-39,523,000	-41,177,627	-40,361,001	-42,827,925
<b>TOTAL OPERATING EXPENSES</b>	<b>-166,742,557</b>	<b>-166,248,448</b>	<b>-174,302,076</b>	<b>-183,603,093</b>
<b>Operating surplus (deficit)</b>	<b>749,670</b>	<b>4,200,958</b>	<b>3,438,702</b>	<b>4,945,668</b>
Capital income and expenditure:				
Cash capital grants, subsidies and contributions	27,907,637	6,777,000	8,250,200	9,903,131
Donated physical capital assets	5,500,000	5,500,000	6,000,000	6,500,000
<b>Net result</b>	<b>34,157,307</b>	<b>16,477,958</b>	<b>17,688,902</b>	<b>21,348,799</b>

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

For the period ending 30 June 2016	Estimated Actuals	Original Budget	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18
	\$	\$	\$	\$
<b>Net result from the Income Statement</b>	<b>34,157,307</b>	<b>16,477,958</b>	<b>17,688,902</b>	<b>21,348,799</b>
Transfers from / to Capital account:				
Capital non-cash donations and contributions	-5,500,000	-5,500,000	-6,000,000	-6,500,000
Capital Subsidies & Grants	-27,907,637	-6,777,000	-8,250,200	-9,903,131
Transfers to Reserves: for future capital works				
Sewerage Infrastructure reserve	- 2,000,000	-4,000,000	-4,000,000	-3,000,000
<b>Surplus / (Deficiency for current period)</b>	<b>-1,250,330</b>	<b>200,958</b>	<b>-561,298</b>	<b>1,945,668</b>
<b>Accumulated Surplus / (Deficiency) from prior years:</b>	<b>-788,562</b>	<b>-2,038,892</b>	<b>-1,837,934</b>	<b>-2,399,232</b>
<b>Accumulated Surplus / (Deficiency) at year end</b>	<b>-2,038,892</b>	<b>-1,837,934</b>	<b>-2,399,232</b>	<b>-453,564</b>

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

For the period ending 30 June 2016

	Estimated Actuals	Original Budget	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18
	\$	\$	\$	\$
<b>Current Assets</b>				
Cash and cash equivalents	<u>43,175,640</u>	<u>37,574,916</u>	<u>21,114,474</u>	<u>32,429,669</u>
Trade and other receivables	<u>27,206,126</u>	<u>27,206,126</u>	<u>27,206,126</u>	<u>27,206,126</u>
Inventories	<u>4,298,738</u>	<u>4,298,738</u>	<u>4,298,738</u>	<u>4,298,738</u>
Non-current assets held for sale	<u>739,819</u>	<u>739,819</u>	<u>739,819</u>	<u>739,819</u>
	<u>75,420,323</u>	<u>69,819,599</u>	<u>53,359,157</u>	<u>64,674,352</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	<u>1,794,009,676</u>	<u>1,839,094,576</u>	<u>1,895,646,870</u>	<u>1,926,634,095</u>
Intangible assets	<u>7,176,121</u>	<u>9,567,394</u>	<u>11,931,674</u>	<u>11,645,477</u>
	<u>1,801,185,797</u>	<u>1,848,661,970</u>	<u>1,907,578,544</u>	<u>1,938,279,572</u>
<b>TOTAL ASSETS</b>	<u>1,876,606,120</u>	<u>1,918,481,569</u>	<u>1,960,937,701</u>	<u>2,002,953,924</u>
<b>Current Liabilities</b>				
Trade and other payables	<u>20,658,936</u>	<u>20,658,936</u>	<u>20,658,936</u>	<u>20,658,936</u>
Borrowings	<u>6,272,000</u>	<u>7,815,509</u>	<u>9,848,595</u>	<u>11,751,297</u>
Provisions	<u>1,310,000</u>	<u>1,310,000</u>	<u>1,310,000</u>	<u>1,310,000</u>
Other liabilities	<u>444,638</u>	<u>444,638</u>	<u>444,638</u>	<u>444,638</u>
	<u>28,685,574</u>	<u>30,229,083</u>	<u>32,262,169</u>	<u>34,164,871</u>
<b>Non-Current Liabilities</b>				
Trade and other payables	<u>820,765</u>	<u>820,765</u>	<u>820,765</u>	<u>820,765</u>
Borrowings	<u>63,524,444</u>	<u>87,708,935</u>	<u>109,860,340</u>	<u>129,109,043</u>
Provisions	<u>60,520,000</u>	<u>60,520,000</u>	<u>60,520,000</u>	<u>60,520,000</u>
	<u>124,865,209</u>	<u>149,049,700</u>	<u>171,201,105</u>	<u>190,449,808</u>
<b>TOTAL LIABILITIES</b>	<u>153,550,783</u>	<u>179,278,783</u>	<u>203,463,274</u>	<u>224,614,679</u>
<b>NET COMMUNITY ASSETS</b>	<u>1,723,055,337</u>	<u>1,739,202,786</u>	<u>1,757,474,427</u>	<u>1,778,339,245</u>
<b>Community Equity</b>				
Capital	<u>1,315,968,590</u>	<u>1,331,915,081</u>	<u>1,350,748,020</u>	<u>1,369,667,170</u>
Asset revaluation surplus	<u>352,660,129</u>	<u>352,660,129</u>	<u>352,660,129</u>	<u>352,660,129</u>
Retained surplus/(deficiency)	<u>54,426,618</u>	<u>54,627,576</u>	<u>54,066,278</u>	<u>56,011,946</u>
<b>TOTAL COMMUNITY EQUITY</b>	<u>1,723,055,337</u>	<u>1,739,202,786</u>	<u>1,757,474,427</u>	<u>1,778,339,245</u>



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

For the period ending 30 June 2016

	Estimated Actuals	Original Budget	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18
	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	145,104,386	155,450,303	164,790,682	175,215,262
Payments to suppliers and employees	-123,938,557	-120,653,127	-127,230,165	-131,817,708
	<u>21,165,829</u>	<u>34,797,176</u>	<u>37,560,517</u>	<u>43,397,554</u>
Interest received	2,941,833	2,912,373	3,432,914	3,442,062
Proceeds from sale of developed land held for resale	500,000	500,000	500,000	500,000
Non-capital grants, subsidies, contributions and donations	19,059,008	11,699,730	9,133,007	9,510,158
Finance costs	-3,281,000	-4,417,694	-6,710,910	-8,957,460
Net Cash Inflow/(Outflow) from Operating Activities	<u>40,385,670</u>	<u>45,491,585</u>	<u>43,915,528</u>	<u>47,892,314</u>
<b>Cash Flow from Investing Activities :</b>				
Payments for property, plant and equipment	-104,229,280	-80,493,800	-90,636,775	-67,028,953
Payments for intangible assets	-942,050	-2,660,000	-2,640,800	0
Proceeds from sale of property, plant and equipment	1,000,000	1,100,000	2,500,000	1,300,000
Capital grants, subsidies, contributions and donations	27,907,637	6,777,000	8,250,200	9,903,131
Net Cash Inflow/(Outflow) from Investing Activities	<u>-76,263,693</u>	<u>-75,276,800</u>	<u>-82,527,375</u>	<u>-55,825,822</u>
<b>Cash Flow from Financing Activities :</b>				
Proceeds from borrowings	23,000,000	32,000,000	32,000,000	31,000,000
Repayment of borrowings	-6,272,000	-7,815,509	-9,848,595	-11,751,297
Net Cash Inflow/(Outflow) from Financing Activities	<u>16,728,000</u>	<u>24,184,491</u>	<u>22,151,405</u>	<u>19,248,703</u>
<b>Net Increase (Decrease) in Cash Held</b>	<u>-19,150,023</u>	<u>-5,600,724</u>	<u>-16,460,442</u>	<u>11,315,195</u>
Cash at beginning of reporting period	62,325,663	43,175,640	37,574,916	21,114,474
<b>Cash at end of Reporting Period</b>	<u>43,175,640</u>	<u>37,574,916</u>	<u>21,114,474</u>	<u>32,429,669</u>

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

For the period ending 30 June 2016

	Estimated Actuals	Original Budget	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18
	\$	\$	\$	\$
<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	1,000,000	1,100,000	2,500,000	1,300,000
Future capital works reserve	48,055,648	47,692,309	48,805,970	36,577,119
Funds from loan borrowings expended in the period	23,000,000	32,000,000	32,000,000	31,000,000
Donated non-current assets	5,500,000	5,500,000	6,000,000	6,500,000
Constrained grants and developer contributions	37,256,352	5,877,000	19,820,200	9,903,131
Asset Acquisition Reserve	2,131,330	4,300,000	0	0
	<u>116,943,330</u>	<u>96,469,309</u>	<u>109,126,170</u>	<u>85,280,250</u>
<b>Application of Capital Funding</b>				
Non current assets :				
Land and improvements	1,561,842	0	0	0
Buildings and structures	14,842,639	13,143,800	8,500,957	8,246,178
Plant and equipment	6,548,261	4,439,000	5,893,000	5,835,000
Cultural assets	10,000	12,000	12,000	12,000
Roads, footpaths and bridges	52,912,892	21,585,000	31,795,500	40,628,775
Stormwater drainage	2,682,433	2,339,000	4,285,318	5,050,000
Sewerage infrastructure	28,048,813	40,700,000	42,800,000	6,865,000
Water infrastructure	2,842,400	3,775,000	3,350,000	6,892,000
Waste Facilities Restoration Works	280,000	0	0	0
Intangible assets	942,050	2,660,000	2,640,800	0
	<u>110,671,330</u>	<u>88,653,800</u>	<u>99,277,575</u>	<u>73,528,953</u>
Loan redemption	6,272,000	7,815,509	9,848,595	11,751,297
	<u>6,272,000</u>	<u>7,815,509</u>	<u>9,848,595</u>	<u>11,751,297</u>
<b>Total capital expenditure</b>	<u>116,943,330</u>	<u>96,469,309</u>	<u>109,126,170</u>	<u>85,280,250</u>

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

For the period ending 30 June 2016

	Estimated Actuals	Original Budget	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18
	\$	\$	\$	\$
<b>Opening Balance - Retained Surplus</b>	<u>55,676,948</u>	<u>54,426,618</u>	<u>54,627,576</u>	<u>54,066,278</u>
Increase / decrease in Net Result	<u>34,157,307</u>	<u>16,477,958</u>	<u>17,688,902</u>	<u>21,348,799</u>
Movement to Capital and Reserves	<u>-33,407,637</u>	<u>-12,277,000</u>	<u>-14,250,200</u>	<u>-16,403,131</u>
Movement from Capital and Reserves	<u>-2,000,000</u>	<u>-4,000,000</u>	<u>-4,000,000</u>	<u>-3,000,000</u>
<b>Closing Balance - Retained Surplus</b>	<u>54,426,618</u>	<u>54,627,576</u>	<u>54,066,278</u>	<u>56,011,946</u>
<b>Opening Balance - Asset Revaluation Reserve</b>	<u>352,660,129</u>	<u>352,660,129</u>	<u>352,660,129</u>	<u>352,660,129</u>
<b>Closing Balance - Asset Revaluation Reserve</b>	<u>352,660,129</u>	<u>352,660,129</u>	<u>352,660,129</u>	<u>352,660,129</u>
<b>Opening Balance - Capital Account</b>	<u>1,279,242,070</u>	<u>1,315,968,590</u>	<u>1,331,915,081</u>	<u>1,350,748,020</u>
Movement to Capital and Reserves	<u>33,407,637</u>	<u>11,946,491</u>	<u>14,832,939</u>	<u>15,919,150</u>
Movement from Capital and Reserves	<u>3,318,883</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,000,000</u>
<b>Closing Balance - Capital Account</b>	<u>1,315,968,590</u>	<u>1,331,915,081</u>	<u>1,350,748,020</u>	<u>1,369,667,170</u>
<b>Total Community Equity</b>	<u>1,723,055,337</u>	<u>1,739,202,786</u>	<u>1,757,474,427</u>	<u>1,778,339,245</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 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 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 (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;
- Sewerage services;
- Waste and recycling collection services; and
- 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 (3) (c) of the *Local Government Act 2009*. In accordance with the Act, the public may inspect the register at Council's administration office 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 levied on all rateable properties in the regional area, and are calculated on the basis of the value of land. The value of land is determined by the Department of Natural Resources & Mines according to:

- in the case of rural land, its unimproved capital value; and
- in all other cases, its site value.

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 Council 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 2016, on all rateable land in the Council area.

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

1. categorises all rateable land into 12 categories listed in Column 1; and
2. by Column 2 provides a description for each of those 12 categories.



Where Council makes a determination that a parcel of land is intended to be used for a particular purpose, or has the potential to be used for such a purpose, it will have regard to, amongst other things, any improvements to, or activities being undertaken on, the land.

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, or has the potential to be used, for urban residential purposes, other than land included in category 5.	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, Dual Occupancy 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, or has the potential to be used, for rural residential purposes.	Land to which any of the following primary Council land use codes apply: <u>Code</u> <u>Description</u> 1003    Multi-Unit Dwelling – Flats, Dual Occupancy 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: (a) is used, or has the potential to be used, for residential purposes; and (b) is located within the townships of Bargara, Burnett Heads, Buxton, Coonarr, Coral Cove, Elliott Heads, Innes Park, Moore Park Beach, Walkers Point, Winfield and Woodgate Beach; and (c) does not have frontage to the Pacific Ocean or frontage to a road which, in turn, has frontage to 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, Dual Occupancy 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>Column 1 CATEGORY</b>	<b>Column 2 DESCRIPTION</b>	<b>Column 3 IDENTIFICATION</b>
<b>7 Urban Oceanfront</b>	Land that: (a) is used, or has the potential to be used, for residential purposes; and (b) is located within the townships of Bargara, Burnett Heads, Buxton, Coonarr, Coral Cove, Elliott Heads, Innes Park, Moore Park Beach, Walkers Point, Winfield and Woodgate Beach; and (c) has frontage to the Pacific Ocean or has frontage to a road which, in turn, has frontage to 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, Dual Occupancy 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>9 Agricultural Land</b>	Land that is used, or has the potential to be used, for agricultural purposes.	Land to which any of the following primary Council land use codes apply: <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
<b>10</b>	Intentionally left blank.	
<b>11</b>	Intentionally left blank.	

<b>Column 1 CATEGORY</b>	<b>Column 2 DESCRIPTION</b>	<b>Column 3 IDENTIFICATION</b>																																																														
<p><b>12 Bundaberg Commercial Land</b></p>	<p>Land located within the area of Bundaberg City that is used, or has the potential to be used, for commercial purposes, other than land included in category 15.</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>1007</td><td>Guest House/Private Hotel</td></tr> <tr><td>1008</td><td>Strata Title - Non Residential Use</td></tr> <tr><td>1010</td><td>Combined Multi Dwelling and Shops</td></tr> <tr><td>1011</td><td>Shop - Single</td></tr> <tr><td>1012</td><td>Shop Group (more than 6 shops)</td></tr> <tr><td>1013</td><td>Shopping Group (2 to 6 shops)</td></tr> <tr><td>1014</td><td>Shopping - Main Retail (Central Business District)</td></tr> <tr><td>1015</td><td>Shopping - Secondary Retail (Fringe Central Business District)</td></tr> <tr><td>1016</td><td>Drive-In Shopping Centre</td></tr> <tr><td>1017</td><td>Restaurant</td></tr> <tr><td>1018</td><td>Tourist Attraction</td></tr> <tr><td>1020</td><td>Marina</td></tr> <tr><td>1022-1</td><td>Car Park - Commercial</td></tr> <tr><td>1023</td><td>Retail Warehouse</td></tr> <tr><td>1024</td><td>Sales Area (Outdoor)</td></tr> <tr><td>1025</td><td>Offices</td></tr> <tr><td>1026</td><td>Funeral Parlour</td></tr> <tr><td>1027</td><td>Private Hospital/ Convalescent Home (Medical Private)</td></tr> <tr><td>1028-1</td><td>Warehouse and Bulk Stores</td></tr> <tr><td>1030</td><td>Service Station</td></tr> <tr><td>1038</td><td>Advertising Hoarding</td></tr> <tr><td>1041</td><td>Child Care excluding Kindergarten</td></tr> <tr><td>1042</td><td>Tavern/Hotel</td></tr> <tr><td>1043</td><td>Motel</td></tr> <tr><td>1044</td><td>Nursery (Plants)</td></tr> <tr><td>1045</td><td>Theatres and Cinemas</td></tr> <tr><td>1046</td><td>Drive-In Theatre</td></tr> <tr><td>1047</td><td>Club - Sport/Run as a business</td></tr> <tr><td>1049</td><td>Caravan Park</td></tr> <tr><td>1053</td><td>Employment Agency/Training</td></tr> </tbody> </table>	<u>Code</u>	<u>Description</u>	1007	Guest House/Private Hotel	1008	Strata Title - Non Residential Use	1010	Combined Multi Dwelling and Shops	1011	Shop - Single	1012	Shop Group (more than 6 shops)	1013	Shopping Group (2 to 6 shops)	1014	Shopping - Main Retail (Central Business District)	1015	Shopping - Secondary Retail (Fringe Central Business District)	1016	Drive-In Shopping Centre	1017	Restaurant	1018	Tourist Attraction	1020	Marina	1022-1	Car Park - Commercial	1023	Retail Warehouse	1024	Sales Area (Outdoor)	1025	Offices	1026	Funeral Parlour	1027	Private Hospital/ Convalescent Home (Medical Private)	1028-1	Warehouse and Bulk Stores	1030	Service Station	1038	Advertising Hoarding	1041	Child Care excluding Kindergarten	1042	Tavern/Hotel	1043	Motel	1044	Nursery (Plants)	1045	Theatres and Cinemas	1046	Drive-In Theatre	1047	Club - Sport/Run as a business	1049	Caravan Park	1053	Employment Agency/Training
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<b>Column 1 CATEGORY</b>	<b>Column 2 DESCRIPTION</b>	<b>Column 3 IDENTIFICATION</b>
<b>14 Other Commercial Land</b>	Land located outside the area of Bundaberg City that is used, or has the potential to be used, for commercial purposes.	Land to which any of the following primary Council land use codes apply: <u>Code</u> <u>Description</u> 1007      Guest House/Private Hotel 1008      Strata Title - Non Residential Use 1010      Combined Multi Dwelling and Shops 1011      Shop - Single 1012      Shop Group (more than 6 shops) 1013      Shopping Group (2 to 6 shops) 1014      Shopping - Main Retail (Central Business District) 1015      Shopping - Secondary Retail (Fringe Central Business District) 1016      Drive-In Shopping Centre 1017      Restaurant 1018      Tourist Attraction 1020      Marina 1022-1      Car Park - Commercial 1023      Retail Warehouse 1024      Sales Area (Outdoor) 1025      Offices 1026      Funeral Parlour 1027      Private Hospital/ Convalescent Home (Medical Private) 1028-1      Warehouse and Bulk Stores 1030      Service Station 1038      Advertising Hoarding 1041      Child Care excluding Kindergarten 1042      Tavern/Hotel 1043      Motel 1044      Nursery (Plants) 1045      Theatres and Cinemas 1046      Drive-In Theatre 1047      Club - Sport/Run as a business 1049      Caravan Park 1053      Employment Agency/Training
<b>15 Major Shopping Centre</b>	Land that is used, or has the potential to be used for the purposes of a shopping centre with a gross floor area of more than 20,000m <sup>2</sup> .	Land to which any of the following primary Council land use codes apply: <u>Code</u> <u>Description</u> 1016-16      Drive-In Shopping Centre with more than 20,000m <sup>2</sup> gross floor area.
<b>16 Industrial Land</b>	Land that is: (a) used, or has the potential to be used for industrial purposes; and (b) not included in category 18 or 19.	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</b>	Land that is used, or has the potential to be used for extractive	Land to which any of the following primary Council land use codes apply:

<b>Column 1 CATEGORY</b>	<b>Column 2 DESCRIPTION</b>	<b>Column 3 IDENTIFICATION</b>
<b>Extractive / Transformers / Substations</b>	industry or transformers or substation purposes.	<u>Code</u> <u>Description</u> 1040      Extractive Industry. 1091      Transformers / Substations.
<b>19 Heavy Industry</b>	Land that is used, or has the potential to be used for: (a) a sugar mill; (b) a co-generation plant; or (c) any heavy industrial purpose.	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 1100      Driver Education Training

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:**

Council will adopt a minimum general rate for each of the aforementioned rating categories. The purpose of adopting a minimum general rate is to:

- set a minimum contribution to be made 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.



#### **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 for the sole benefit of such areas.

For the 2015/2016 financial year, Council will levy a special charge for the purchase, maintenance and operation of rural firefighting equipment to specified Rural Fire Brigade areas within the region. Discount is not applicable to special rates and charges.

#### **4.6 State Emergency Management Levy:**

In accordance with the *Fire and Emergency Services Act 1990*, Council is required to collect a State Emergency Management Levy on all rateable properties on behalf of the 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. 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 Levy.

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

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

(1) Declared service area — water: For the financial year 1 July 2015 to 30 June 2016, 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
- multiple vacant lots on the one (1) rate assessment — only one (1) water access charge equal to 100% is levied.

#### *Non Strata Flats*

Non strata flats, where water consumption is not separately metered for each unit, will be levied with a single water access charge based on the size of the meter/s servicing the block of flats.

Non strata flats where water consumption is separately metered for each unit, will be levied with a water access charge for each of the sub metered units, based on the size of each meter.

#### *Properties with multiple connections*

Properties with multiple connections are levied a water access charge for each connection.

#### *Land in a community titles scheme*

Land in a community titles scheme, where water consumption is not separately metered for each lot, will be levied with a single water access charge equal to the basic 20mm charge.

Land in a community titles scheme, where water consumption is separately metered for each lot, will be levied a single water access charge based on the size of the meter connected to that lot.

#### *Concessional situations*

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.
- For land, other than land in a community titles scheme, which has multiple water meters, the consumption charge shall be determined as follows:
  - (a) where the land is being used for a single use, the consumption recorded by each of the meters shall be totalised and the applicable tariff for that use shall be applied;
  - (b) where the land is being used for two (2) or more discrete uses, and the water is separately metered for each use, the applicable tariff for each use shall be applied.
- For land in a community titles scheme, Council will charge for water consumption 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 2015 to 31 December 2015 and from 1 January 2016 to 30 June 2016, 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 2015 and the nominal final reading date of 30 June 2016.
- Council reserves the right to read and levy water consumption at intervals other than six (6) monthly for specific connections as required.

(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 10 kilolitres in each six (6) month reading period. However, to prevent misuse of these services, Council will impose a penalty charge per kilolitre, for consumption greater than 10 kilolitres in each six (6) month reading period, of 10 times the normal residential charge per kilolitre at the 2nd tier rate, unless evidence is provided proving the water was used in a fire emergency, 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*, Council will grant concessions for water charges in certain circumstances.

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 a concession in the circumstances set out below.

#### Unlicensed and restricted sporting clubs

- (a) Council recognises unlicensed / restricted sporting clubs are not for profit entities and provide a community service, namely the provision of recreational services and contribution to the region's aesthetics.
- (b) In recognition of this, 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.

For water meters above 20mm, if unlicensed sporting clubs reduce their current largest water meter size to a smaller size, their Water Access Charge will be reduced accordingly to the Water Access Charge applicable to the revised water meter size. Where it is impractical to do so, Council will charge the equivalent of a 2014/2015 40mm Water Access Charge plus the applicable annual percentage increases, regardless of the actual size of the club's water meter connection.

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 300 kilolitres at the 1st tier rate;
- (e) Unused entitlements are not carried forward into the following financial year.

Moore Park Rural Fire Brigade

Council recognises the Moore Park Rural Fire Brigade as providing a community service in protecting the community against fire and related hazards. As such, Council will charge the Moore Park Rural Fire Brigade the equivalent of a 20mm Water Access Charge for its largest meter connection regardless of the size of the Brigade’s water meter connection.

Water meters registering inaccurately:

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), Council will consider granting a concession. This concession can be applied by using a water consumption charge equal to the quantity of water used during the immediately prior corresponding accurate period of water use measurement and, if applicable, to remit the difference between the actual charge and the charge based on the prior water consumption.

Council grants this concession 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.

(8) 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.

(9) 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
  - 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 the 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 Housing & Public Works 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 Housing & Public Works), 11 Mulgrave Street, Bundaberg West
The State Of Queensland (Represented by Department of Housing & Public Works), 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 Housing & Public Works), 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 Housing & Public Works), 181 Barolin Street, Avenell Heights
The State Of Queensland (Represented by Department of Housing & Public Works), 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 Act 1994*, *Environmental Protection Regulation 2008* and *Waste Reduction & Recycling Regulation 2011*.

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 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>Service level – Removal, transport and disposal of waste</b>
<b>Non-Residential Properties</b>
240 litre refuse / 240 litre recycling (minimum service)
240 litre refuse weekly
240 litre recycling fortnightly

Note: The bin sizes mentioned above may be substituted by Council however the service and levy will remain the same as a 240 litre refuse / 240 litre recycling bin service

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**

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

The following is adopted as the basis for making and levying the trade waste charge:

- (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 (BOD<sub>5</sub>), Chemical Oxygen Demand (COD) and Suspended Solids which are defined in Council's Trade Waste Management Plan:

- Category Minor: compliant discharge.
- Category 1: contains a low strength/low volume,
- Category 2: contains a low strength/high volume;
- Category 3: contains a high strength/any volume or non-compliant discharge

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

<b>Parameter</b>	<b>Minor</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>
BOD <sub>5</sub> mg/L	Compliant Discharge* Refer to sewer admission limits.	<300mg/L	<300 mg/L	Non-complaint Discharge Refer to sewer admission limits.
COD mg/L		<1,500 mg/L	<1,500 mg/L	
Suspended Solids mg/L		<300mg/L	<300 mg/L	
Volume (kL/Annum)	<150kL	<500kL	>500 kL	Any volume

\*Effluent meets the stated quality and quantity limits without prior treatment or monitoring.

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

- Category 1.0 – a property with Minor trade waste discharge into Council's sewer, with no (0 litres) pre-treatment device.
- Category 1.1 – a property with Category 1 trade waste discharge into Council's sewer, through a 550 litre pre-treatment device.
- Category 1.2 – a property with Category 1 trade waste discharge into Council's sewer, through a 1,000 litre pre-treatment device.
- Category 1.3 – a property with Category 1 trade waste discharge into Council's sewer, through a 1,500 litre pre-treatment device.
- Category 1.4 – a property with Category 1 trade waste discharge into Council's sewer, through a 2,000 litre pre-treatment device.
- Category 1.5 – a property with Category 1 trade waste discharge into Council's sewer, through a 2,500 litre pre-treatment device.
- Category 1.6 – a property with Category 1 trade waste discharge into Council's sewer, through a 3,000 litre pre-treatment device.
- Category 2.1 – a property with Category 2 trade waste discharge into Council's sewer, through a 550 litre pre-treatment device.
- Category 2.2 – a property with Category 2 trade waste discharge into Council's sewer, through a 1,000 litre pre-treatment device.
- Category 2.3 – a property with Category 2 trade waste discharge into Council's sewer, through a 1,500 litre pre-treatment device.
- Category 2.4 – a property with Category 2 trade waste discharge into Council's sewer, through a 2,000 litre pre-treatment device.
- Category 2.5 – a property with Category 2 trade waste discharge into Council's sewer, through a 2,500 litre pre-treatment device.
- Category 2.6 – a property with Category 2 trade waste discharge into Council's sewer, through a 3,000 litre pre-treatment device.
- Category 3.1 – a property with Category 3 trade waste discharge into Council's sewer, through a 550 litre pre-treatment device.
- Category 3.2 – a property with Category 3 trade waste discharge into Council's sewer, through a 1,000 litre pre-treatment device.
- Category 3.3 – a property with Category 3 trade waste discharge into Council's sewer, through a 1,500 litre pre-treatment device.
- Category 3.4 – a property with Category 3 trade waste discharge into Council's sewer, through a 2,000 litre pre-treatment device.
- Category 3.5 – a property with Category 3 trade waste discharge into Council's sewer, through a 2,500 litre pre-treatment device.
- Category 3.6 – a property with Category 3 trade waste discharge into Council's sewer, through a 3,000 litre pre-treatment device.

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 (3) (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 Council's 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:**

Part 10 of the *Local Government Regulation 2012* empowers Council to grant a concession in certain circumstances.

#### ***Pensioners***

Council's *Pensioner Rate Remission Policy* provides an annual rate rebate to approved pensioners. A copy of this policy, together with the necessary application forms, are available from Council offices or at [www.bundaberg.qld.gov.au](http://www.bundaberg.qld.gov.au). The definition of pensioner is an 'approved pensioner' as provided under the State Government Pensioner Rebate Subsidy Scheme.

For the 2015/2016 financial year, Council grants a total rebate of up to \$140.00 per annum (\$70.00 per half year levy) on rates and charges for approved pensioners. 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 provided to Council by way of proof) a full remission will be granted.

#### ***Community Service Obligations***

Council will grant a rebate up to a maximum \$1,500.00 per annum for the financial year 2015/2016, 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
- Bundaberg Railway Historical Society

Council will grant a full concession for all rates and charges, except water consumption charges, for the following properties:

- 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 2016/2017 Budget.

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

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. Proof of payment may be requested. Council's pension remission is not a payment and is therefore deducted from the General Rate before discount is applied.

For the sake of clarity, the discount for the prompt payment of rates applies only to general rates levied by Council. No discount shall apply for any other rate or charge levied by Council, including special rates and charges and utility charges.

#### **4.12 Recovery of overdue rates:**

Council's *Rates Recovery Policy* (available at [www.bundaberg.qld.gov.au](http://www.bundaberg.qld.gov.au)) 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 Limitation of increase in rates and charges levied:**

In the 2015/2016 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, 2 June 2015.

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

- *GP-3-001 Revenue Policy*
- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Land Valuation Act 2010*
- *Fire and Emergency Services Act 1990*
- *Fire and Rescue Service Regulation 2011*
- *Water Supply (Safety and Reliability) Act 2008*
- *Environmental Protection Act 1994*
- *Environmental Protection Regulation 2008*
- *Waste Reduction and Recycling Regulation 2011*
- *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.

### 2. DIFFERENTIAL GENERAL RATES

General rates are levied on all rateable properties in the regional area, and are calculated on the basis of the value of land. The value of land is determined by the Department of Natural Resources & Mines according to:

- in the case of rural land, its unimproved capital value; and
- in all other cases, its site value.

Council will make and levy differential general rates for the financial year ending 30 June 2016, on all rateable land in the Local Government area.

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

The Council will adopt a minimum general rate for each of the aforementioned rating categories. The purpose of adopting a minimum general rate is to:

- set a minimum contribution to be made 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 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 2016, against rateable land categories as follows:

Category	Description	Rate in the Dollar of Property Value	Minimum General Rate
1	Urban Residential	1.1790	\$951.00
2	Rural Residential	0.9824	\$955.00
3	Intentionally left blank.		
4	Intentionally left blank.		
5	Coastal Towns	0.9240	\$1,056.00
6	Intentionally left blank.		
7	Urban Oceanfront	0.8427	\$1,197.00
8	Intentionally left blank.		
9	Agricultural	1.4742	\$1,056.00
10	Intentionally left blank.		
11	Intentionally left blank.		
12	Bundaberg Commercial	2.1471	\$1,257.00
13	Intentionally left blank.		
14	Other Commercial	1.3143	\$1,257.00
15	Major Shopping Centre	3.6488	\$510,547.00
16	Industrial	1.6172	\$1,526.00
17	Intentionally left blank.		
18	Extractive/Transformers/Substations	2.1567	\$2,392.00
19	Heavy Industry	2.0617	\$102,211.00
20	Other	1.0596	\$955.00

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

For the 2015/2016 financial year, Council shall levy a special charge for Rural Fire Services. Council thereby resolves that:

- (1) Pursuant to section 94 of the *Local Government Regulation 2012* and section 128A of the *Fire and Emergency Services Act 1990* it shall make and levy a special charge to be known as the "Special (Rural Fire Services) Charge" of \$30.00 on each rateable assessment in the local government area which is situated within a class E levy Area under the *Fire and Rescue Service*

*Regulation 2011*. Multiple Charges will apply on one (1) rateable assessment if it comprises multiple rural fire brigade areas, with one (1) charge of \$30.00 per rural fire brigade area.

- (2) The special charge shall fund the ongoing provision and maintenance of rural firefighting equipment for the rural fire brigades that operate throughout class E levy areas under the *Fire and Rescue Service Regulation 2011*.
- (3) Land within the local government area which is situated within a class E levy areas under the *Fire and Rescue Service Regulation 2011* is not serviced by urban firefighting services and, as such, specially benefits from the fire emergency response capability that is provided by the rural fire brigades.
- (4) The overall plan for the special charge will be as follows:
  - (a) The rateable land to which the plan applies is each rateable assessment in the local government area which is situated within a class E levy area under the *Fire and Rescue Service Regulation 2011*.
  - (b) The service, facility or activity for which the plan is made is the ongoing provision and maintenance of rural firefighting equipment for the rural fire brigades that operate throughout class E levy areas under the *Fire and Rescue Service Regulation 2011*.
  - (c) The time for implementing the overall plan is one (1) year.
  - (d) The estimated cost of implementing the overall plan is \$380,000.00

## **6. UTILITY CHARGES**

### **6.1 Water rates:**

#### **6.1.1 Declared service area – water**

For the financial year 1 July 2015 to 30 June 2016, 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.

#### **6.1.2 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.

#### **6.1.3 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 2015 to 30 June 2016:

- (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
- multiple vacant lots on the one (1) assessment – only one (1) water access charge equal to 100% is levied.

#### *Non Strata Flats*

Non strata flats, where water consumption is not separately metered for each unit will be levied with a single water access charge based on the size of the meter/s servicing the block of flats.

Non strata flats where water consumption is separately metered for each unit, will be levied with a water access charge for each of the sub metered units, based on the size of each meter.

#### *Properties with multiple connections*

Properties with multiple connections are levied a water access charge for each connection.

#### *Land in a community titles scheme*

Land in a community titles scheme, where water consumption is not separately metered for each lot, will be levied with a single water access charge equal to the basic 20mm charge.

Land in a community titles scheme, where water consumption is separately metered for each lot, will be levied a single water access charge based on the size of the meter connected to that lot.

#### *Concessional situations*

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.

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.

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 2015 to 30 June 2016, according to the water meter size/s serving the premises in accordance with the following:

<b>Water Access Charge Description</b>	<b>Potable Water Unrestricted flow</b>	<b>Non-potable Water / Restricted Flow</b>
Vacant and non-metered	\$408.00	\$326.00
20mm meter connection	\$408.00	\$326.00
25mm meter connection	\$488.00	\$390.00
32mm meter connection	\$650.00	\$520.00
40mm meter connection	\$830.00	\$664.00
50mm meter connection	\$1179.00	\$943.00
80mm meter connection	\$2,576.00	\$2,061.00
100mm meter connection	\$4,014.00	\$3,211.00
150mm meter connection	\$8,702.00	\$6,962.00

(b) **Water consumption charge:** Water consumption is levied half-yearly for the readings undertaken prior to the 31 December 2015, and prior to the 30 June 2016. 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: \$1.12 per kilolitre – for the first 150 kilolitres of consumption per half year;

Step 2: \$1.84 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:

Step 1: \$0.90 per kilolitre – for the first 150 kilolitres of consumption per half year;

Step 2: \$1.47 per kilolitre – for each kilolitre of consumption thereafter per half year.

For land, other than land in a community titles scheme, which has multiple water meters, the consumption charge shall be determined as follows:

- where the land is being used for a single use, the consumption recorded by each of the meters shall be totalised and the applicable tariff for that use shall be applied;
- where the land is being used for two (2) or more discrete uses, and the water is separately metered for each use, the applicable tariff for each use shall be applied.

For land in a community titles scheme, Council will charge for water consumption 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 2015 to 30 June 2016, 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 2015 and nominal final reading date of 30 June 2016.

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

#### **6.1.4 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 10 kilolitres in each six (6) month reading period.

However to prevent misuse of these services, Council will impose a penalty charge per kilolitre for consumption greater than 10 kilolitres in each six (6) month reading period of 10 times the step 2 charge per kilolitre applicable to its area, unless evidence is provided proving that the water was used in a fire emergency.

### **6.1.5 Community service obligations**

Pursuant to sections 120 to 122 of the *Local Government Regulation 2012*, Council will grant concessions for water charges in certain circumstances.

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 a concession in the circumstances set out below.

#### Unlicensed and restricted sporting clubs

- (a) Council recognises unlicensed / restricted sporting clubs are not for profit entities and provide a community service, namely the provision of recreational services and contribution to the region's aesthetics.
- (b) In recognition of this, 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.

For water meters above 20mm, if unlicensed sporting clubs reduce their current largest water meter size to a smaller size, their Water Access Charge will be reduced accordingly to the Water Access Charge applicable to the revised water meter size. Where it is impractical to do so, Council will charge the equivalent of a 2014/2015 40mm Water Access Charge plus the applicable annual percentage increases, regardless of the actual size of the club's water meter connection.

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:

<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 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 300 kilolitres at the 1st tier rate.
- (e) Unused entitlements are not carried forward into the following financial year.

#### Moore Park Rural Fire Brigade

Council recognizes the Moore Park Rural Fire Brigade as providing a community service in protecting the community against fire and related hazards. As such, Council will charge the Moore Park Rural Fire Brigade the equivalent of a 20mm Water Access Charge for its largest meter connection regardless of the size of the Brigade's water meter connection.

#### **6.1.6 Water meters registering inaccurately**

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), Council will consider granting a concession. This concession can be applied by using a water consumption charge equal to the quantity of water used during the immediately prior corresponding accurate period of water use measurement and, if applicable, to remit the difference between the actual charge and the charge based on the prior water consumption.

Council grants this concession 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.

#### **6.1.7 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.

#### **6.1.8 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.

#### **6.1.9 Standpipes**

Standpipes will be charged \$2.90 per kilolitre of recorded consumption.

Discount is not applicable to water charges.

### **6.2 Sewerage rates:**

#### **6.2.1 Declared service area – sewerage**

For the financial year 1 July 2015 to 30 June 2016, 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 at [www.bundaberg.qld.gov.au](http://www.bundaberg.qld.gov.au).

### 6.2.2 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.

### 6.2.3 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 2015 to 30 June 2016:

- Single residential properties are levied \$678.00 for the first pedestal only. No additional charges apply for extra pedestals.
- Residential flats, units and residential strata title properties are levied \$678.00 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 \$678.00 is levied; or
  - multiple vacant lots on the one (1) rate assessment – only one (1) sewerage charge of \$678.00 is levied.
- Non-residential properties that are not body corporate/strata title entities will be charged \$678.00 per pedestal.
- Non-residential body corporate/strata title properties are levied a minimum of one (1) sewerage charge of \$678.00 to each strata unit, regardless of whether or not they have an individual sewer connection. Where units have more than one (1) 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 \$678.00 per dump point.

### 6.2.4 Multi accommodation self-contained residential units for the 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 Housing & Public Works 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 Housing & Public Works), 11 Mulgrave Street, Bundaberg West
The State Of Queensland (Represented by Department of Housing & Public Works), 30 Sugden Street, Bundaberg South



<b>Property Owner and Location</b>
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 Housing & Public Works), 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 Housing & Public Works), 181 Barolin Street, Avenell Heights
The State Of Queensland (Represented by Department of Housing & Public Works), 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.

### **6.2.5 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:**

### **6.3.1 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 at [www.bundaberg.qld.gov.au](http://www.bundaberg.qld.gov.au).

### 6.3.2 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 Act 1994*, *Environmental Protection Regulation 2008* and *Waste Reduction & Recycling Regulation 2011*.

Council will levy a waste and recycling collection charge of \$325.00 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 \$325.00 will be made for each structure. A waste collection charge of \$325.00 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 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:

Service level – Removal, transport and disposal of waste	2015/2016 Levy
<b>Residential Properties</b>	
240 litre refuse weekly / 240 litre recycling fortnightly (minimum service)	\$325.00
<b>Additional Services</b>	
240 litre refuse weekly / 240 litre recycling fortnightly	\$325.00
240 litre recycling – only available if in receipt of a minimum service	\$90.00
240 litre refuse weekly – only available if in receipt of a minimum service	\$235.00
<b>Non-Residential Properties</b>	
240 litre refuse / 240 litre recycling (minimum service)	\$325.00
240 litre refuse	\$235.00
240 litre recycling fortnightly service	\$90.00

Note: The bin sizes mentioned above may be substituted by Council however the service and levy will remain the same as a 240 litre refuse / 240 litre recycling bin service.

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

**6.4.1** 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.

**6.4.2** The following be adopted as the basis for making and levying the trade waste charge:

- (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 (BOD<sub>5</sub>), Chemical Oxygen Demand (COD) and Suspended Solids which are defined in Appendix 2 – sewer admission limits - of Council's Trade Waste Management Plan.

The level of BOD<sub>5</sub>, COD and Suspended Solids determines, in accordance with Section 5.3 of Council's Trade Waste Management Plan, if the trade waste discharge is a Category Minor, 1,2, or 3 in terms of concentration and volume as follows:

- Category Minor: Compliant discharge,
- Category 1: contains a low strength/low volume,
- Category 2: contains a low strength/high volume;
- Category 3: contains a high strength/any volume, or non-compliant discharge.

Discharge category criteria is determined by level and strength of content of trade waste, as shown below:

Parameter	Minor	Category 1	Category 2	Category 3
BOD <sub>5</sub> mg/L	Compliant Discharge * Refer to sewer admission limits	<300mg/L	<300 mg/L	Non-compliant Discharge Refer to sewer admission limits
COD mg/L		<1500 mg/L	<1500 mg/L	
Suspended Solids mg/L		<300 mg/L	<300 mg/L	
Volume (kL/Annum)	<150kLs	<500kLs	>500 kLs	Any volume

\*Effluent meets the stated quality and quantity limits prior to treatment or monitoring.

The following charge/category will apply to all properties discharging trade waste to Council's sewer for 2015/2016:

Trade Waste connection/ Capacity of Pre-treatment Device Litres	Category 0 Minor 150kls	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)
0	\$150.00 1.0	N/A	N/A	N/A
550	N/A	\$263.00 1.1	\$525.00 2.1	\$788.00 3.1
>550≤1000	N/A	\$525.00 1.2	\$788.00 2.2	\$1,050.00 3.2
>1000≤1500	N/A	\$788.00 1.3	\$1,050.00 2.3	\$1,315.00 3.3
>1500≤2000	N/A	\$1,050.00 1.4	\$1,315.00 2.4	\$1,575.00 3.4
>2000≤2500	N/A	\$1,315.00 1.5	\$1,575.00 2.5	\$1,840.00 3.5
>2500≤3000*	N/A	\$1,575.00 1.6	\$1,840.00 2.6	\$2,100.00 3.6

\* For properties with trade waste connection capacity >3,000 litres the charge will be calculated by multiplying the relevant category charge.

Discount is not applicable to trade waste charges.

## 7. STATE EMERGENCY MANAGEMENT LEVY

In accordance with the *Fire and Emergency Services Act 1990*, Council is required to collect a State Emergency Management Levy on all rateable properties on behalf of the 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. 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 Emergency Management Levy.

## 8. REBATES AND CONCESSIONS

Part 10 of the *Local Government Regulation 2012* empowers Council to grant a concession in certain circumstances.

### **Pensioners**

Council's *Pensioner Rate Remission Policy* provides an annual rate rebate to approved pensioners. A copy of this policy, together with the necessary application forms, are available from Council offices or [www.bundaberg.qld.gov.au](http://www.bundaberg.qld.gov.au). The definition of pensioner is an 'approved pensioner' as provided under the State Government Pensioner Rebate Subsidy Scheme, that is a pensioner who is either a registered owner or life tenant of their principal place of residence and who hold a Queensland Pensioner Concession Card or a DVA Health Card (All Conditions within Australia) or a DVA Health Card (Totally & Permanently Incapacitated) issued by either Centrelink or the Department of Veteran Affairs.

For the 2015/2016 financial year, Council grants a total rebate of up to \$140.00 per annum (\$70.00 per half year levy) on rates and charges for approved pensioners. 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 provided to Council by way of proof) a full remission will be granted.

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 Levy.

### **Community Service Obligations**

Council will grant a rebate up to a maximum \$1,500.00 per annum for the financial year 2015/2016, 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
- Bundaberg Railway Historical Society

Council will grant a full concession for all rates and charges, except water consumption charges, for the following properties:

- 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 2016/2017 Budget.

## **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. Proof of payment may be requested. 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.

For the sake of clarity, the discount for the prompt payment of rates applies only to general rates levied by Council. No discount shall apply for any other rate or charge levied by Council, including special rates and charges and utility charges.

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

Council's adopted *Rates Recovery Policy* (available at [www.bundaberg.qld.gov.au](http://www.bundaberg.qld.gov.au)) 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.



## 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 2013*.

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 2015/2016 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, 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 2013* includes one (1) financial sustainability indicator relating to debt. Council will calculate and review this indicator for the 10 year forecast period during budget deliberations each year.

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, 2 June 2015.

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

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangements Act 1982*
- MD-2-008 Schedule of Future Borrowings
- Financial Management (Sustainability) Guideline 2013



## SCHEDULE OF FUTURE BORROWINGS

Year	Proposed Borrowings	Borrowing Purpose	Total Debt	Financial Ratios		
				Debt Service Ratio	Interest Coverage Ratio	Net Financial Liabilities Ratio
2015/2016	\$32,000,000	Capital Works Projects as outlined in the adopted Budget Capital Funding Statement	\$95,524,444	4.4 times	0.88%	64.20%
2016/2017	\$32,000,000		\$119,708,935	3.8 times	1.84%	84.50%
2017/2018	\$31,000,000		\$140,860,340	3.9 times	2.93%	84.80%
2018/2019	\$6,500,000		\$135,049,360	3.2 times	2.20%	65.30%
2019/2020	\$18,000,000		\$139,572,730	3.3 times	0.81%	60.10%
2020/2021	\$11,000,000		\$133,494,500	2.9 times	0.65%	51.30%
2021/2022	\$11,000,000		\$124,918,700	2.8 times	0.16%	44.10%
2022/2023	\$12,000,000		\$116,855,160	2.8 times	-0.07%	40.90%
2023/2024	\$10,000,000		\$108,243,770	3.1 times	-0.15%	38.20%
2024/2025	\$6,000,000		\$96,556,910	3.5 times	-0.26%	33.70%



## 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).

**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 dependent 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-					

<b>Short Term Debt Ratings</b>			
<b>GRADE</b>	<b>S &amp; P</b>	<b>Moody's</b>	<b>Fitch</b>
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 Planning & Performance Management.

**4.7** Investments are placed in accordance with Council's Purchasing Policy – Acquisition of Goods & Services (GP-3-048).

#### **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, 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, 2 June 2015.

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

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangements Act 1982*
- *Financial Management (Sustainability) Guideline 2013*
- *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 identified 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 competitive neutrality principle, involving the implementation of full cost pricing to its identified business activities.

Council's financially significant business activities are:

- Water and Wastewater; and
- Waste and Recycling.

Other business activities to which the Code of Competitive Conduct is applied are:

- Building Certification;
- Caravan Parks; and
- Bundaberg Airport.

#### 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 2015/2016, 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 2015/2016

<b>Description</b>	<b>Validation</b>
<b>WATER SUPPLY &amp; WASTE WATER</b>	
Pensioner remissions.	CSO – valued in accordance with the revenue foregone as a result of the concession or the waiver of metered water consumed.
Provision of water allocations to unlicensed sporting clubs free of charge.	CSO – valued as the difference between recommended access charges and current access charges.
Provision of reduced water access charges to unlicensed sporting clubs.	CSO – valued in accordance with the revenue foregone as a result of the discount provided.
Provision of pedestal discounts for community and aged care facilities.	CSO – valued in accordance with the shortfall in full cost recovery.
Clearance of private sanitary drains.	CSO – valued in accordance with the revenue forgone as a result of the relief.
Water Leak Relief	
<b>WASTE MANAGEMENT</b>	
Pensioner remissions.	CSO – valued in accordance with the revenue foregone as a result of the concession.
Operation of regional transfer stations.	CSO – valued in accordance with the shortfall in full cost recovery of operating and maintaining the facilities.
Provision of free disposal days for residents.	CSO – valued in accordance with the revenue foregone.
Provision of waste collection and disposal services for community events.	CSO – valued in accordance with an estimate of the costs incurred to undertake the collection and disposal of waste.
Provision of waste collection and disposal services for public spaces.	CSO – valued in accordance with the revenue foregone.
Waste disposal fees incurred by other Council Departments.	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, 2 June 2015.

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

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Bundaberg Regional Council Corporate Plan 2014-2019*
- *Annual Operational Plan 2015/2016*
- *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 2016

	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>											
Rates, levies and charges	130,094,163	139,708,608	148,917,536	158,880,605	168,237,960	178,191,690	188,772,930	199,646,650	210,764,360	222,070,330	233,977,060
Less: Discounts & Pensioner remissions	-7,012,230	-7,443,000	-7,878,151	-8,273,450	-8,674,600	-9,096,220	-9,538,790	-10,004,200	-10,493,640	-11,007,950	-11,532,690
Net rates and utility charges	123,081,933	132,265,608	141,039,385	150,607,155	159,563,360	169,095,470	179,234,140	189,642,450	200,270,720	211,062,380	222,444,370
Fees and charges	17,617,453	19,142,295	19,572,859	20,294,819	21,309,560	22,375,040	23,493,790	24,668,460	25,901,900	27,197,000	28,556,850
Interest received	2,941,833	2,912,373	3,432,914	3,442,062	2,669,030	5,164,560	5,601,460	6,354,200	6,564,770	6,437,950	6,297,200
Sales - contract and recoverable works	4,405,000	4,042,400	4,178,438	4,313,288	4,528,950	4,755,400	4,993,170	5,242,830	5,504,970	5,780,220	6,069,230
Operating grants, subsidies, contributions and donations	19,059,008	11,699,730	9,133,007	9,510,158	9,854,250	10,192,320	10,542,230	10,904,390	11,279,210	11,667,160	12,068,680
Profit on sale of developed land held for sale	387,000	387,000	384,175	381,279	0	0	0	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>167,492,227</b>	<b>170,449,406</b>	<b>177,740,778</b>	<b>188,548,761</b>	<b>197,925,150</b>	<b>211,582,790</b>	<b>223,864,790</b>	<b>236,812,330</b>	<b>249,521,570</b>	<b>262,144,710</b>	<b>275,436,330</b>
<b>Expenses</b>											
Employee benefits	-69,039,768	-71,114,429	-72,477,186	-74,717,455	-79,221,050	-84,347,710	-87,331,780	-90,881,320	-94,560,260	-98,362,310	-102,291,290
Materials and services	-54,898,789	-49,538,698	-54,752,979	-57,100,253	-59,636,000	-62,286,600	-67,321,710	-74,116,930	-82,918,180	-89,472,260	-93,292,460
Finance costs	-3,281,000	-4,417,694	-6,710,910	-8,957,460	-7,033,150	-6,883,070	-7,051,610	-6,743,130	-6,379,470	-6,054,310	-5,581,500
Depreciation and amortisation	-39,523,000	-41,177,627	-40,361,001	-42,827,925	-43,179,040	-43,169,400	-44,342,660	-45,263,460	-46,440,950	-47,795,620	-50,445,000
<b>TOTAL OPERATING EXPENSES</b>	<b>-166,742,557</b>	<b>-166,248,448</b>	<b>-174,302,076</b>	<b>-183,603,093</b>	<b>-189,069,240</b>	<b>-196,686,780</b>	<b>-206,047,760</b>	<b>-217,004,840</b>	<b>-230,298,860</b>	<b>-241,684,500</b>	<b>-251,610,250</b>
<b>Operating surplus (deficit)</b>	<b>749,670</b>	<b>4,200,958</b>	<b>3,438,702</b>	<b>4,945,668</b>	<b>8,855,910</b>	<b>14,896,010</b>	<b>17,817,030</b>	<b>19,807,490</b>	<b>19,222,710</b>	<b>20,460,210</b>	<b>23,826,080</b>
<b>Capital income and expenditure:</b>											
Cash capital grants, subsidies and contributions	27,907,637	6,777,000	8,250,200	9,903,131	13,402,640	16,285,630	14,116,570	14,245,050	14,558,520	15,245,590	7,600,000
Other capital income	0	0	0	0	-1,930,080	0	-222,650	1,329,180	0	0	0
Donated physical capital assets	5,500,000	5,500,000	6,000,000	6,500,000	5,792,640	6,024,630	6,222,570	6,465,050	6,712,520	6,969,590	5,000,000
Increase in Provision for Land Restoration											
Increase / (decrease) in asset revaluation surplus											
Other capital expense	0	0	0	0	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000
<b>Net result</b>	<b>34,157,307</b>	<b>16,477,958</b>	<b>17,688,902</b>	<b>21,348,799</b>	<b>25,121,110</b>	<b>36,206,270</b>	<b>36,933,520</b>	<b>40,846,770</b>	<b>39,493,750</b>	<b>41,675,390</b>	<b>35,426,080</b>

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

For the period ending 30 June 2016

	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Current Assets</b>											
Cash and cash equivalents	43,175,640	37,574,916	21,114,474	32,429,669	37,347,890	44,055,570	50,245,200	52,524,290	47,171,370	40,910,430	36,337,200
Trade and other receivables	27,206,126	27,206,126	27,206,126	27,206,126	32,096,900	33,839,050	35,878,900	37,883,530	39,938,100	41,919,140	44,242,050
Inventories	4,298,738	4,298,738	4,298,738	4,298,738	4,298,740	4,298,740	4,298,740	4,298,740	4,298,740	4,298,740	4,298,740
Non-current assets held for sale	739,819	739,819	739,819	739,819	739,820	739,820	739,820	739,820	739,820	739,820	739,820
	<u>75,420,323</u>	<u>69,819,599</u>	<u>53,359,157</u>	<u>64,674,352</u>	<u>74,483,350</u>	<u>82,933,180</u>	<u>91,162,660</u>	<u>95,446,380</u>	<u>92,148,030</u>	<u>87,868,130</u>	<u>85,617,810</u>
<b>Non-Current Assets</b>											
Property, plant and equipment	1,794,009,676	1,839,094,576	1,895,646,870	1,926,634,095	1,846,974,780	1,877,210,310	1,899,696,010	1,941,814,520	1,990,434,760	2,037,632,400	2,073,993,800
Intangible assets	7,176,121	9,567,394	11,931,674	11,645,477	6,167,800	5,403,330	5,039,430	4,819,870	4,606,770	4,400,140	4,199,950
	<u>1,801,185,797</u>	<u>1,848,661,970</u>	<u>1,907,578,544</u>	<u>1,938,279,572</u>	<u>1,853,142,580</u>	<u>1,882,613,640</u>	<u>1,904,735,440</u>	<u>1,946,634,390</u>	<u>1,995,041,530</u>	<u>2,042,032,540</u>	<u>2,078,193,750</u>
<b>TOTAL ASSETS</b>	<u>1,876,606,120</u>	<u>1,918,481,569</u>	<u>1,960,937,701</u>	<u>2,002,953,924</u>	<u>1,927,625,930</u>	<u>1,965,546,820</u>	<u>1,995,898,100</u>	<u>2,042,080,770</u>	<u>2,087,189,560</u>	<u>2,129,900,670</u>	<u>2,163,811,560</u>
<b>Current Liabilities</b>											
Trade and other payables	20,658,936	20,658,936	20,658,936	20,658,936	7,901,590	8,273,910	8,861,250	9,610,500	10,555,410	11,257,410	11,762,450
Borrowings	6,272,000	7,815,509	9,848,595	11,751,297	12,972,020	16,754,740	19,305,350	19,739,390	18,333,040	17,524,790	14,795,970
Provisions	1,310,000	1,310,000	1,310,000	1,310,000	1,335,000	1,360,000	1,385,000	1,410,000	1,435,000	1,460,000	1,485,000
Other liabilities	444,638	444,638	444,638	444,638	444,640	444,640	444,640	444,640	444,640	444,640	444,640
	<u>28,685,574</u>	<u>30,229,083</u>	<u>32,262,169</u>	<u>34,164,871</u>	<u>22,653,250</u>	<u>26,833,290</u>	<u>29,996,240</u>	<u>31,204,530</u>	<u>30,768,090</u>	<u>30,686,840</u>	<u>28,488,060</u>
<b>Non-Current Liabilities</b>											
Trade and other payables	820,765	820,765	820,765	820,765	820,770	820,770	820,770	820,770	820,770	820,770	820,770
Borrowings	63,524,444	87,708,935	109,860,340	129,109,043	122,077,340	122,817,990	114,189,150	105,179,310	98,522,120	90,718,980	81,760,940
Provisions	60,520,000	60,520,000	60,520,000	60,520,000	58,161,000	59,621,000	61,111,000	62,621,000	64,161,000	65,731,000	67,331,000
	<u>124,865,209</u>	<u>149,049,700</u>	<u>171,201,105</u>	<u>190,449,808</u>	<u>181,059,110</u>	<u>183,259,760</u>	<u>176,120,920</u>	<u>168,621,080</u>	<u>163,503,890</u>	<u>157,270,750</u>	<u>149,912,710</u>
<b>TOTAL LIABILITIES</b>	<u>153,550,783</u>	<u>179,278,783</u>	<u>203,463,274</u>	<u>224,614,679</u>	<u>203,712,360</u>	<u>210,093,050</u>	<u>206,117,160</u>	<u>199,825,610</u>	<u>194,271,980</u>	<u>187,957,590</u>	<u>178,400,770</u>
<b>NET COMMUNITY ASSETS</b>	<u>1,723,055,337</u>	<u>1,739,202,786</u>	<u>1,757,474,427</u>	<u>1,778,339,245</u>	<u>1,723,913,570</u>	<u>1,755,453,770</u>	<u>1,789,780,940</u>	<u>1,842,255,160</u>	<u>1,892,917,580</u>	<u>1,941,943,080</u>	<u>1,985,410,790</u>
<b>Community Equity</b>											
Capital	1,315,968,590	1,331,915,081	1,350,748,020	1,369,667,170	1,306,385,585	1,323,029,775	1,339,539,915	1,372,206,645	1,403,646,355	1,432,211,645	1,451,853,275
Asset revaluation surplus	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129
Retained surplus/(deficiency)	54,426,618	54,627,576	54,066,278	56,011,946	64,867,856	79,763,866	97,580,896	117,388,386	136,611,096	157,071,306	180,897,386
<b>TOTAL COMMUNITY EQUITY</b>	<u>1,723,055,337</u>	<u>1,739,202,786</u>	<u>1,757,474,427</u>	<u>1,778,339,245</u>	<u>1,723,913,570</u>	<u>1,755,453,770</u>	<u>1,789,780,940</u>	<u>1,842,255,160</u>	<u>1,892,917,580</u>	<u>1,941,943,080</u>	<u>1,985,410,790</u>



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

For the period ending 30 June 2016

	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>											
Receipts from customers	145,104,386	155,450,303	164,790,682	175,215,262	183,727,360	194,534,730	205,743,330	217,608,670	229,684,630	242,117,100	254,818,790
Payments to suppliers and employees	-123,938,557	-120,653,127	-127,230,165	-131,817,708	-138,301,250	-146,051,090	-153,834,860	-164,007,630	-176,272,430	-186,852,110	-194,779,240
	<u>21,165,829</u>	<u>34,797,176</u>	<u>37,560,517</u>	<u>43,397,554</u>	<u>45,426,110</u>	<u>48,483,640</u>	<u>51,908,470</u>	<u>53,601,040</u>	<u>53,412,200</u>	<u>55,264,990</u>	<u>60,039,550</u>
Interest received	2,941,833	2,912,373	3,432,914	3,442,062	2,669,030	5,164,560	5,601,460	6,354,200	6,564,760	6,437,940	6,297,200
Proceeds from sale of developed land held for resale	500,000	500,000	500,000	500,000	0	0	0	0	0	0	0
Non-capital grants, subsidies, contributions and donations	19,059,008	11,699,730	9,133,007	9,510,158	9,797,690	10,141,330	10,480,130	10,844,850	11,217,590	11,608,620	11,997,440
Finance costs	-3,281,000	-4,417,694	-6,710,910	-8,957,460	-6,768,320	-6,608,970	-6,767,910	-6,449,500	-6,075,570	-5,739,770	-5,255,950
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	<u>40,385,670</u>	<u>45,491,585</u>	<u>43,915,528</u>	<u>47,892,314</u>	<u>51,124,510</u>	<u>57,180,560</u>	<u>61,222,150</u>	<u>64,350,590</u>	<u>65,118,980</u>	<u>67,571,780</u>	<u>73,078,240</u>
<b>Cash Flow from Investing Activities :</b>											
Payments for property, plant and equipment	-104,229,280	-80,493,800	-90,636,775	-67,028,953	-50,626,680	-65,257,250	-58,348,290	-65,775,700	-70,254,360	-73,497,330	-67,214,600
Payments for intangible assets	-942,050	-2,660,000	-2,640,800	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	1,000,000	1,100,000	2,500,000	1,300,000	2,000,000	0	1,500,000	4,500,000	0	0	0
Capital grants, subsidies, contributions and donations	27,907,637	6,777,000	8,250,200	9,903,131	7,610,000	10,261,000	7,894,000	7,780,000	7,846,000	8,276,000	1,250,000
Net movement in loans and advances	0	0	0	0	0	0	0	0	0	0	0
Net Cash Inflow/(Outflow) from Investing Activities	<u>-76,263,693</u>	<u>-75,276,800</u>	<u>-82,527,375</u>	<u>-55,825,822</u>	<u>-41,016,680</u>	<u>-54,996,250</u>	<u>-48,954,290</u>	<u>-53,495,700</u>	<u>-62,408,360</u>	<u>-65,221,330</u>	<u>-65,964,600</u>
<b>Cash Flow from Financing Activities :</b>											
Proceeds from borrowings	23,000,000	32,000,000	32,000,000	31,000,000	6,500,000	18,000,000	11,000,000	11,000,000	12,000,000	10,000,000	6,000,000
Repayment of borrowings	-6,272,000	-7,815,509	-9,848,595	-11,751,297	-11,843,190	-13,476,630	-17,078,230	-19,575,800	-20,063,550	-18,611,380	-17,686,870
Net Cash Inflow/(Outflow) from Financing Activities	<u>16,728,000</u>	<u>24,184,491</u>	<u>22,151,405</u>	<u>19,248,703</u>	<u>-5,343,190</u>	<u>4,523,370</u>	<u>-6,078,230</u>	<u>-8,575,800</u>	<u>-8,063,550</u>	<u>-8,611,380</u>	<u>-11,686,870</u>
<b>Net Increase (Decrease) in Cash Held</b>	<u>-19,150,023</u>	<u>-5,600,724</u>	<u>-16,460,442</u>	<u>11,315,195</u>	<u>4,764,640</u>	<u>6,707,680</u>	<u>6,189,630</u>	<u>2,279,090</u>	<u>-5,352,930</u>	<u>-6,260,930</u>	<u>-4,573,230</u>
Cash at beginning of reporting period	62,325,663	43,175,640	37,574,916	21,114,474	32,583,250	37,347,890	44,055,570	50,245,200	52,524,300	47,171,360	40,910,430
<b>Cash at end of Reporting Period</b>	<u>43,175,640</u>	<u>37,574,916</u>	<u>21,114,474</u>	<u>32,429,669</u>	<u>37,347,890</u>	<u>44,055,570</u>	<u>50,245,200</u>	<u>52,524,290</u>	<u>47,171,370</u>	<u>40,910,430</u>	<u>36,337,200</u>

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

For the period ending 30 June 2016

	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Sources of Capital Funding</b>											
Appropriation from general revenue sources, funds expended for capital purposed in the period:											
Proceeds from the sale of non current assets	1,000,000	1,100,000	2,500,000	1,300,000	0	0	0	0	0	0	0
Future capital works reserve	48,055,648	47,692,309	48,805,970	36,577,119	48,359,990	50,472,830	56,532,530	66,571,500	70,471,950	73,832,680	77,651,470
Funds from loan borrowings expended in the period	23,000,000	32,000,000	32,000,000	31,000,000	6,500,000	18,000,000	11,000,000	11,000,000	12,000,000	10,000,000	6,000,000
Donated non-current assets	5,500,000	5,500,000	6,000,000	6,500,000	5,792,640	6,024,630	6,222,570	6,465,050	6,712,520	6,969,590	5,000,000
Constrained grants and developer contributions	37,256,352	5,877,000	19,820,200	9,903,131	13,402,600	16,285,600	14,116,600	14,245,100	14,558,500	15,245,600	7,600,000
Asset Acquisition Reserve	2,131,330	4,300,000	0	0	0	0	0	0	0	0	0
	<u>116,943,330</u>	<u>96,469,309</u>	<u>109,126,170</u>	<u>85,280,250</u>	<u>74,055,230</u>	<u>90,783,060</u>	<u>87,871,700</u>	<u>98,281,650</u>	<u>103,742,970</u>	<u>106,047,870</u>	<u>96,251,470</u>
<b>Application of Capital Funding</b>											
Non current assets :											
Land purchased for development and sale	0	0	0	0	0	0	0	0	0	0	0
Land and improvements	1,561,842	0	0	0	300,000	500,000	700,000	500,000	500,000	500,000	500,000
Buildings and structures	14,842,639	13,143,800	8,500,957	8,246,178	3,950,000	10,350,000	5,188,000	6,129,500	5,300,000	9,800,400	5,500,000
Plant and equipment	6,548,261	4,439,000	5,893,000	5,835,000	3,015,000	7,127,500	7,700,000	9,735,000	11,657,900	9,964,600	9,964,600
Cultural assets	10,000	12,000	12,000	12,000	10,000	10,000	10,000	10,000	15,000	15,000	15,000
Roads, footpaths and bridges	52,912,892	21,585,000	31,795,500	40,628,775	39,164,120	46,398,915	44,865,285	48,163,625	52,868,460	53,387,695	50,600,000
Stormwater drainage	2,682,433	2,339,000	4,285,318	5,050,000	0	0	0	0	0	0	0
Sewerage infrastructure	28,048,813	40,700,000	42,800,000	6,865,000	7,415,760	6,536,458	6,551,543	7,730,763	6,714,230	6,953,398	6,590,000
Water infrastructure	2,842,400	3,775,000	3,350,000	6,892,000	8,357,160	6,383,558	5,778,643	6,436,963	6,623,830	6,815,398	5,395,000
Waste Facilities Restoration Works	280,000	0	0	0	0	0	0	0	0	0	0
Intangible assets	942,050	2,660,000	2,640,800	0	0	0	0	0	0	0	0
	<u>110,671,330</u>	<u>88,653,800</u>	<u>99,277,575</u>	<u>73,528,953</u>	<u>62,212,040</u>	<u>77,306,430</u>	<u>70,793,470</u>	<u>78,705,850</u>	<u>83,679,420</u>	<u>87,436,490</u>	<u>78,564,600</u>
Loan redemption	6,272,000	7,815,509	9,848,595	11,751,297	11,843,190	13,476,630	17,078,230	19,575,800	20,063,550	18,611,380	17,686,870
	<u>6,272,000</u>	<u>7,815,509</u>	<u>9,848,595</u>	<u>11,751,297</u>	<u>11,843,190</u>	<u>13,476,630</u>	<u>17,078,230</u>	<u>19,575,800</u>	<u>20,063,550</u>	<u>18,611,380</u>	<u>17,686,870</u>
<b>Total capital expenditure</b>	<u>116,943,330</u>	<u>96,469,309</u>	<u>109,126,170</u>	<u>85,280,250</u>	<u>74,055,230</u>	<u>90,783,060</u>	<u>87,871,700</u>	<u>98,281,650</u>	<u>103,742,970</u>	<u>106,047,870</u>	<u>96,251,470</u>

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

For the period ending 30 June 2016

	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Opening Balance - Retained Surplus</b>	55,676,948	54,426,618	54,627,576	54,066,278	51,855,480	71,183,930	101,365,540	132,076,480	166,458,190	199,239,430	233,945,210
Increase / decrease in Net Result	34,157,307	16,477,958	17,688,902	21,348,799	19,328,460	30,181,610	30,710,930	34,381,730	32,781,230	34,705,800	30,426,100
Movement to Capital and Reserves	-33,407,637	-12,277,000	-14,250,200	-16,403,131	0	0	0	0	0	0	0
Movement from Capital and Reserves	-2,000,000	-4,000,000	-4,000,000	-3,000,000	0	0	0	0	0	0	0
<b>Closing Balance - Retained Surplus</b>	54,426,618	54,627,576	54,066,278	56,011,946	71,183,940	101,365,540	132,076,470	166,458,210	199,239,420	233,945,230	264,371,310
<b>Opening Balance - Asset Revaluation Reserve</b>	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129
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>	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129	352,660,129
<b>Opening Balance - Capital Account</b>	1,279,242,070	1,315,968,590	1,331,915,081	1,350,748,020	1,288,183,231	1,300,069,501	1,301,428,101	1,305,044,341	1,323,136,821	1,341,018,031	1,355,337,721
Movement to Capital and Reserves	33,407,637	11,946,491	14,832,939	15,919,150	11,886,270	1,358,600	3,616,240	18,092,480	17,881,210	14,319,690	13,041,630
Movement from Capital and Reserves	3,318,883	4,000,000	4,000,000	3,000,000	0	0	0	0	0	0	0
<b>Closing Balance - Capital Account</b>	1,315,968,590	1,331,915,081	1,350,748,020	1,369,667,170	1,300,069,501	1,301,428,101	1,305,044,341	1,323,136,821	1,341,018,031	1,355,337,721	1,368,379,351
<b>Total Community Equity</b>	1,723,055,337	1,739,202,786	1,757,474,427	1,778,339,245	1,723,913,570	1,755,453,770	1,789,780,940	1,842,255,160	1,892,917,580	1,941,943,080	1,985,410,790



# **SIGNIFICANT BUSINESS ACTIVITIES**

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

**SIGNIFICANT BUSINESS ACTIVITY**  
**WATER**

For the period ending 30 June 2016	Estimated	Original	Forecast	Forecast
	Actuals	Budget		
	2014/15	2015/16	2016/17	2017/18
	\$	\$	\$	\$
<b>Revenue</b>				
Rates, levies and charges	25,520,000	27,610,000	29,404,650	31,315,952
Less: Pensioner remissions	-168,310	-173,000	-302,441	-322,100
Net rates and utility charges	25,351,690	27,437,000	29,102,209	30,993,852
Fees and charges	615,000	660,050	691,313	716,438
Interest received	1,236,112	841,840	611,686	616,653
Sales - contract and recoverable works	700,000	409,000	430,268	446,618
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>27,902,802</b>	<b>29,347,890</b>	<b>30,835,476</b>	<b>32,773,561</b>
<b>Expenses</b>				
Employee benefits	-4,066,782	-4,353,242	-4,553,783	-4,685,810
Materials and services	-6,264,800	-6,182,635	-6,276,849	-6,466,998
Finance costs	-205,000	-256,000	-237,342	-755,579
Depreciation and amortisation	-4,219,000	-4,378,364	-4,596,709	-4,805,637
<b>TOTAL OPERATING EXPENSES</b>	<b>-14,755,582</b>	<b>-15,170,241</b>	<b>-15,664,683</b>	<b>-16,714,024</b>
<b>Operating surplus / (deficit)</b>	<b>13,147,220</b>	<b>14,177,649</b>	<b>15,170,793</b>	<b>16,059,537</b>
<b>Transfers to</b>				
Internal Business Activities				
Community Service Obligations	457,487	492,500	512,200	532,688
Competitive neutrality adjustments	-152,089	-72,408	-65,708	-58,613
Internal Tax Equivalents Paid	-3,246,104	-3,858,784	-3,914,206	-4,048,026
Return on Capital	-5,500,000	-5,500,000	-5,500,000	-5,500,000
<b>TOTAL TRANSFERS</b>	<b>-8,440,706</b>	<b>-8,938,692</b>	<b>-8,967,714</b>	<b>-9,073,951</b>
<b>Net result</b>	<b>4,706,514</b>	<b>5,238,957</b>	<b>6,203,079</b>	<b>6,985,586</b>



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

**SIGNIFICANT BUSINESS ACTIVITY**  
**WASTEWATER**

For the period ending 30 June 2016	Estimated Actuals	Original Budget	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18
	\$	\$	\$	\$
<b>Revenue</b>				
Rates, levies and charges	23,276,000	26,142,658	27,969,800	30,071,267
Less: Pensioner remissions	-204,620	-210,000	-215,250	-220,631
Net rates and utility charges	23,071,380	25,932,658	27,754,550	29,850,636
Fees and charges	335,000	494,750	519,910	539,455
Interest received	671,221	383,151	533,130	535,159
Sales - contract and recoverable works	350,000	288,400	302,820	317,960
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>24,427,601</b>	<b>27,098,959</b>	<b>29,110,410</b>	<b>31,243,210</b>
<b>Expenses</b>				
Employee benefits	-4,682,000	-5,170,844	-5,326,719	-5,484,268
Materials and services	-3,691,002	-3,831,119	-3,871,099	-4,003,179
Finance costs	-710,000	-1,845,600	-3,964,706	-5,965,329
Depreciation and amortisation	-3,540,000	-4,390,519	-5,268,047	-6,135,269
<b>TOTAL OPERATING EXPENSES</b>	<b>-12,623,002</b>	<b>-15,238,082</b>	<b>-18,430,571</b>	<b>-21,588,045</b>
<b>Operating surplus / (deficit)</b>	<b>11,804,599</b>	<b>11,860,877</b>	<b>10,679,839</b>	<b>9,655,165</b>
<b>Transfers to</b>				
Internal Business Activities				
Community Service Obligations	507,059	499,378	538,778	581,317
Competitive neutrality adjustments	-347,839	-632,775	-1,396,049	-1,992,413
Internal Tax Equivalents Paid	-3,190,623	-3,218,741	-2,739,103	-2,438,076
Return on Capital	-4,800,000	-3,800,000	-3,800,000	-2,800,000
<b>TOTAL TRANSFERS</b>	<b>-7,831,403</b>	<b>-7,152,138</b>	<b>-7,396,374</b>	<b>-6,649,172</b>
<b>Net result</b>	<b>3,973,196</b>	<b>4,708,739</b>	<b>3,283,465</b>	<b>3,005,993</b>

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

**SIGNIFICANT BUSINESS ACTIVITY**  
**WASTE**

For the period ending 30 June 2016	Estimated	Original	Forecast	Forecast
	Actuals	Budget		
	2014/15	2015/16	2016/17	2017/18
	\$	\$	\$	\$
<b>Revenue</b>				
Rates, levies and charges	12,771,463	13,746,500	14,640,022	15,591,624
Less: Pensioner remissions	-187,490	-192,000	-149,060	-158,749
Net rates and utility charges	12,583,973	13,554,500	14,490,962	15,432,875
Fees and charges	3,105,342	3,637,320	3,775,540	3,952,988
Interest received	55,500	125,382	127,267	129,199
Sales - contract and recoverable works	0	0	0	0
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>15,744,815</b>	<b>17,317,202</b>	<b>18,393,769</b>	<b>19,515,062</b>
<b>Expenses</b>				
Employee benefits	-5,290,043	-4,676,691	-4,808,318	-4,947,757
Materials and services	-8,367,059	-8,926,163	-9,086,812	-9,368,736
Finance costs	-367,000	-346,000	-315,000	-295,000
Depreciation and amortisation	-1,153,000	-553,093	-569,144	-589,047
<b>TOTAL OPERATING EXPENSES</b>	<b>-15,177,102</b>	<b>-14,501,947</b>	<b>-14,779,274</b>	<b>-15,200,540</b>
<b>Operating surplus / (deficit)</b>	<b>567,713</b>	<b>2,815,255</b>	<b>3,614,495</b>	<b>4,314,522</b>
<b>Transfers to</b>				
Internal Business Activities				
Community Service Obligations	2,058,027	2,235,323	2,331,486	2,427,729
Competitive neutrality adjustments	-351,854	-338,318	-330,101	-363,313
Internal Tax Equivalents Paid	-747,814	-733,564	-816,656	-873,138
Return on Capital	-1,100,000	0	0	0
<b>TOTAL TRANSFERS</b>	<b>-141,641</b>	<b>1,163,441</b>	<b>1,184,729</b>	<b>1,191,278</b>
<b>Net result</b>	<b>426,072</b>	<b>3,978,696</b>	<b>4,799,224</b>	<b>5,505,800</b>

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

**OTHER BUSINESS ACTIVITIES**

For the period ending 30 June 2016	Estimated	Original	Forecast	Forecast
	Actuals	Budget		
	2014/15	2015/16	2016/17	2017/18
	\$	\$	\$	\$
<b>Airport</b>				
Recurrent Revenue	5,241,132	5,017,376	4,939,713	4,853,010
Recurrent Expenditure	-4,962,346	-5,061,563	- 5,048,083	- 5,014,709
Projected Net Result	<u>278,786</u>	<u>-44,187</u>	<u>-108,370</u>	<u>-161,699</u>
<b>Building Certification</b>				
Recurrent Revenue	110,100	150,000	157,800	163,796
Recurrent Expenditure	-362,329	-339,105	-352,262	-362,632
Projected Net Result	<u>-252,229</u>	<u>-189,105</u>	<u>-194,462</u>	<u>-198,836</u>
<b>Caravan Parks</b>				
Recurrent Revenue	2,366,079	2,523,025	2,638,965	2,727,712
Recurrent Expenditure	-2,094,695	-2,348,098	-2,382,529	-2,421,269
Projected Net Result	<u>271,384</u>	<u>174,927</u>	<u>256,436</u>	<u>306,443</u>



# FINANCIAL SUSTAINABILITY RATIOS

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

For the period ending 30 June 2016	Target	Estimated Actuals	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Infrastructure Capital Sustainability</b>												
Asset Sustainability Ratio	> 90%	210.0%	161.5%	184.5%	128.8%	108.1%	134.3%	119.7%	130.4%	135.1%	137.2%	116.8%
Capital expenditure on replacement assets divided by depreciation expense												
Interest coverage Ratio	0% - 5%	0.20%	0.88%	1.84%	2.93%	2.20%	0.81%	0.65%	0.16%	-0.07%	-0.15%	-0.26%
Net interest expense divided by operating revenue												
<b>Financial Capital Sustainability / Viability</b>												
Net Financial Liabilities Ratio	< 60%	46.6%	64.2%	84.5%	84.8%	65.3%	60.1%	51.3%	44.1%	40.9%	38.2%	33.7%
Total liabilities less current assets divided by operating revenue												
Operating Surplus Ratio	0% -15%	0.45%	2.5%	1.9%	2.6%	4.5%	7.0%	8.0%	8.4%	7.7%	7.8%	8.7%
Net operating surplus divided by total operating revenue												
Working Capital Ratio	1:1 < > 4:1	2.6 : 1	2.3 : 1	1.7 : 1	1.9 : 1	3.3 : 1	3.1 : 1	3 : 1	3.1 : 1	3 : 1	2.9 : 1	3 : 1
Current assets divided by current Liabilities												