



Budget 2009/2010

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MAYOR'S FOREWORD

Welcome to the second budget of the South Burnett Regional Council. The budget presented in the attached papers is a “No Frills” budget which has focused on reducing the operating deficit, while endeavouring to maintain the same level of service during the 2009/2010 financial period.

This has been a very challenging task for both Councillors and staff. Council was faced with an operating deficit of approximately \$5.6m last year. The key focus **this** year was to put in place measures to return the Council to operating surpluses within three years. To assist in this process, the State Government has appointed a consultant, funded by them, to work with Council to design and develop a strategic financial action plan which will cover a period of up to three years. Our operating deficit this year is projected to be \$4.2M

Unfortunately, the impact of the Global Financial Crisis with reduced investment income and increased debt servicing costs due to the loss of Queensland's AAA rating will cost Council approximately \$300,000. Add the impact of decisions made in the recent State Budget to increase electricity charges and vehicle registration fees, remove fuel subsidy etc, plus the removal of operational grants, has meant a direct cost to Council of approximately \$800,000 this financial year; and **indirectly**, through increased freight and other construction costs, a further \$200,000. In total, approximately \$1.3M

As I stated last year, it will take some time for the savings from forced amalgamation to offset the costs incurred, estimated to be around \$1m this financial year. While Council has made a submission to the State Government for additional funding, it is not expected, given the current economic climate that any additional funds will be forthcoming.

As indicated in the attached budget documents, current financial forecasts reveal that it will take a number of years for the new Council to attain a sound financial position. Councillors and staff will continue to actively look at our operations, identifying where savings from amalgamation can be realised, together with reductions that can be made in our operational costs. In framing this budget we have been very conscious of the impact on ratepayers and have made every effort to be equitable and fair.

Council again this year utilised legislation enacted by the State Government, which allows us to phase in the consolidation of our various rating methodologies over the present term of this Council. While we have kept the former Shire Council areas as a basis for rating purposes, this year we have continued the process of consolidation. This budget has been framed to increase general rate revenue by seven and a half percent (7.5%). Unfortunately, some ratepayers will experience an increase above this. This is due in part to low rate capping in some of the former shires and also the desire to move forward towards a more equitable regional rating system. To limit the impact on individual rate payers, Council has once again capped the increase on general rates in this year's budget at 20%.

Water and Sewerage Charges have been based on each individual water and sewerage supply scheme eventually becoming self funding over the next few budgets. As a result, increases will vary for each scheme but generally not more than 6%

Waste Charges have also been based on eventually covering the full cost of waste management. For 2009/2010 all charges have been increased by \$20. However the general rate revenue is still subsidising their operations by approximately \$315,000 again this year.

Despite the above, Council will be able to deliver a number of key outcomes identified in its Corporate Plan. Some of the key features are:

Operational initiatives included in the Budget are:

- ✓ Street Furniture - \$180,000
- ✓ Conversion of IT Software packages - \$235,000
- ✓ Community Facilities - \$48,000
- ✓ Library and Visitor Information Centres - \$38,000
- ✓ Community and Environmental Health Projects - \$84,000
- ✓ Healthy Communities Program - \$90,000
- ✓ Drainage Plan - \$120,000
- ✓ Rejuvenation of Sandy Creek - \$50,000
- ✓ Nanango Refuse Tip - \$25,000

Capital/Major Works program of \$16.95m include:

- ✓ Approximately \$7.6M on Roads, Bridges, Drains, Footpaths and Kerb & Channelling including:
 - Nanango Streetscape - \$400,000
 - Various footpath upgrades - \$367,500
 - Road Reseals - \$1.24M
 - Installation of Traffic Lights at Markwell Street / Youngman Street Intersection and Avoca Street / Youngman Street Intersection, Kingaroy - \$1M
- ✓ Finalise construction of the South Burnett Energy Centre in Nanango - \$391,000
- ✓ An upgrade to the Sewerage & Water Systems at Yallakool - \$360,000
- ✓ Upgrade to Playground Equipment across the region - \$180,000
- ✓ Commence the upgrade of forecourt area at Kingaroy Town Hall - \$180,000
- ✓ Various improvements to community facilities (\$271,000) including Replace Walk Bridge at Kingaroy Memorial Park (\$40,000), Wondai Pool (\$45,000), Kingaroy Art Gallery \$46,000, "Drayton Street Units" in Nanango (\$36,000), Mondure Hall (\$26,000), Cemeteries (\$53,000), Coolabunia Saleyards (\$25,000)
- ✓ Extension to South Burnett Private Hospital (Medical Rooms) - \$573,000

- ✓ Upgrade of the Murgon Administration Building including relocation of the library - \$200,000
- ✓ Upgrade of the Kingaroy Administration Building to include a Customer Service Centre - \$200,000
- ✓ Upgrade & Improvements to various Water Supply Schemes - \$2.4M
- ✓ Various improvements to Waste Management Operations (\$254,000) including completion of the Proston Transfer Station (\$124,500) and Kumbia Transfer Station (\$64,500)
- ✓ Upgrade & Improvements to Waste Water Schemes (\$836,000) including Blackbutt Waste Water Treatment Plant - \$600,000
- ✓ Plant Replacement - \$2.4M
- ✓ Various IT Network and Hardware Upgrades including new phone system - \$453,100
- ✓ Decontamination of the old Kingaroy Depot Site (\$250,000) in preparation for future sale

One of the key outcomes in our Corporate Plan is ensuring a sustainable environment for future generations. The levying of a separate Environmental Charge across the region has been continued again this year and combined with various grants will invest approximately \$1M into the following environmental programs. Full details of the program are listed in the attached budget papers.

✓ Biodiversity Program	264,000
✓ Caring for our Country	160,717
✓ Powerlink (PCEF)	50,000
✓ Tarong Coal Community Benefit	20,000
✓ Significant Environmental Areas Program	150,000
✓ Climate Change Initiatives	10,000
✓ Wetland Management	7,000
✓ Fire Management Program	13,000
✓ Salinity and Water Quality	31,500
✓ Erosion and Sediment Control	105,000
✓ Capital Works	110,200

I realise that not everyone is going to be happy with all aspects of the budget but I know that the Councillors, Management and their staff have endeavoured to do what is best for the future prosperity and wellbeing of our new regional area. I thank the staff for their efforts and I assure all residents that their elected Councillors will continue to work diligently for the betterment of the South Burnett.

David Carter
MAYOR

1 BUDGET OVERVIEW

1.1 Introduction

Under the Local Government Act 1993, the Council must adopt, by resolution, for each financial year:-

- (a) a budget for its operating fund; and
- (b) a revenue statement

The 2009/2010 budget presented in this report has been developed through a process of consultation and review with Councillors and Council officers. It is Council's opinion that the budget is financially responsible and contributes to the achievement of the outcomes and strategies included in Council's recently adopted Corporate Plan. It is also forward looking in that it fits within a framework which seeks to attain financial sustainability in the long term.

A key focus in the development of the 2009/2010 budget has been to reduce the operating deficit of \$5.6M projected in the 2008/2009 budget to \$4.2M in 2009/2010. This has been achieved by a rigorous review of our operational costs and will be an ongoing process over the next two year's budgets together with a review of our revenue streams to enable Council to fully fund its depreciation and to achieve an operating surplus within three years.

The process to achieve the above result has been hampered by several significant external factors this year that are beyond our control:

- ✓ The ongoing costs of amalgamation which are estimated to cost around \$1M in this budget. Unfortunately it will take several years before any savings from the amalgamation process will offset this impact.
- ✓ The impact of decisions made in the state budget such as increased electricity, fuel and registration costs and the removal of some operating grants has had a direct impact of around an \$800,000 shortfall that Council now has to cover by either increasing its revenue streams or reducing its expenditure with possible reductions in service levels. In addition to the above are the increased indirect costs on items such as freight, road making materials etc.
- ✓ The impact of the global financial crisis on our investment earning capacity (reduced interest earnings) and the increased cost on debt repayments, estimated to be around \$300,000

While Council's financial position remains weak this budget takes a significant step towards moving Council to a more sustainable position. The challenge will be to maintain the discipline in future budgets.

In addition to reducing our operational costs Council has unfunded 20% of its depreciation expense on its general assets and 30% on its road assets. This reduces the amount of revenue available for capital works, however there has been a significant injection of federal government funding to enable Council to maintain its level of capital expenditure at around 30% of total budget expenditure for 2009/2010. The capital works program has maintained its focus on key asset replacements and is detailed in attached schedules

1.2 Strategic Planning Framework

The Council operates within a Strategic Planning Framework set by legislation which requires it to prepare various strategic documents:-

- (a) A Corporate Plan covering a period of at least 4 years
- (b) An Operational Plan for each financial year
- (c) A Revenue Policy for each financial year
- (d) A Budget for the current financial year and the next 4 financial years
- (e) A Revenue Statement for each financial year
- (f) Audited Financial Statements for each financial year

1.3 Strategic Plan Outcomes

1.3.1 CORPORATE PLAN:

The Corporate Plan is Council's strategic business plan, providing the framework for Council to develop strategies that deliver outcomes and achieve our vision. Our first corporate plan was adopted at the general Council meeting held on 17 June 2009. The strategic outcomes set out in the Corporate Plan and key strategies for achieving these outcomes are listed below:

OUTCOME	KEY STRATEGIES
Enhancing Our Communities	Building vibrant, healthy, supportive and inclusive communities
Growth & Opportunity	A strong and sustainable regional economy supported by diverse sectors and innovative planning mechanisms
Our Environment	A sustainable environment, proactively and responsibly managed in partnership with the community for future generations
Organisational Excellence	An organisation that is characterised by effective leadership, responsible management and quality service delivery
Service Deliver & Infrastructure	The provision of quality services and infrastructure for our growing community that is planned, provided and managed on sound asset management principles

1.3.2 OPERATIONAL PLAN:

The operational plan supports the Corporate Plan and details the activities and projects planned during 2009/2010 to achieve the above key strategies

1.3.3 REVENUE POLICY:

The Revenue Policy sets out the principles to be used by the South Burnett Regional Council in 2009/2010 for the making of rates and charges, the levying of rates, the granting of rebates and concessions, the recovery of unpaid rates and charges and the purpose of any remission or deferral of rates and charges under Section 1035A of the Local Government Act 1993.

1.3.4 BUDGET:

The Annual Budget converts the strategies and initiatives contained in the Corporate and Operational Plans into financial terms to ensure that there are sufficient resources for their achievement while ensuring financial sustainability.

The budget must:-

- ✓ Be developed consistently with its corporate plan, operational plan and revenue policy
- ✓ Be clearly linked with the matters specified in the plans
- ✓ Comply with the Local Government Finance Standards
- ✓ Be accompanied by its revenue statement

A high level Long Term Financial Plan for the years 2007/2008 to 2010/2011 was developed by the Local Transition Committee to assist Council in adopting its first budget within a longer term financial framework. The key objective of the Financial Plan is financial sustainability in the medium to long term, whilst still achieving the Council's strategic outcomes as specified in the Corporate Plan.

While the Financial Plan made some assumptions in relation to wage growth and future capital works etc which are being reviewed by Council and staff, the Plan is fundamentally sound. It indicates that in order for the Council to be sustainable we need to either increase our income streams and/or reduce operational costs by a net 10% per annum over next three years.

Forecast budgets for the next four years indicate that Council will not start returning a surplus from operations until 2012/2013. The forecasts have been based on rate increases of around the 10% during this period. As mentioned above a review of our operations will continue to be undertaken during 2009/2010 to identify areas for savings to lessen the impact on future budgets and to return to a surplus within three years.

1.3.5 REVENUE STATEMENT:

The Revenue Statement is an explanatory statement that outlines and explains the revenue measures adopted in the budget. The document includes the following matters:

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

A series of rate modelling sessions have been undertaken with Council and Staff to examine the impacts of bringing four different rate systems together. The following principles were used in determining the rating methodology for 2009/2010. Details are also contained in Appendix A "General Revenue Raising".

- ✓ The merging of the four quite different rating methodologies of the former Councils of Nanango, Kingaroy, Wondai and Murgon into one consistent methodology will need to be transitioned over several years. However the following basic principles have been agreed:

Different Rate Categories for rural properties for each of the former Council areas will be phased out by 2011/2012 converting to one Differential Rate for all rural properties across the region

Differential Rates will be maintained for each of the five major urban areas of Blackbutt, Kingaroy, Nanango, Murgon and Wondai

Different Rate Categories for rural residential properties for each of the former Council areas will be phased out by 2011/2012 converting to two Differential Rate Categories for all rural residential properties across the region

Minimum General Rates will be consolidated to reflect the above Differential rate Categories

- ✓ To assist in the process Council will utilise the "Transitional Regulation for Particular Rates and Charges" which permits Council to make and levy rates and charges in the same way as a former Council until the 2011/2012 financial year.
- ✓ The subsidisation of Utility Charges from general rate revenue to be phased out within three years
- ✓ Rebates and Concessions on Rates and Charges have been standardised to be consistent for various groups/organisations etc across the region
- ✓ To avoid excessive variances in the level of rates paid Council will limit the general rate increase across all categories to 20%

The document will be of particular interest to ratepayers, community groups, government departments and other interested parties who seek to understand the revenue policies and practices of the Council. The Revenue Statement has been included with the attached statements

1.4 Budget Preparation

The 2009/2010 budget, which is included in this report, is for the year 1 July 2009, to 30 June 2010, and also includes four years forecast budgets. The budget includes an Income Statement, Balance Sheet, Statement of Cash Flows and Statement of Changes in Equity.

Other statements attached to this report to allow Council to make an informed decision about the adoption of the budget include a schedule of the rates and charges to be levied, detailed information on the capital works program to be undertaken and schedule of reserves and constrained monies.

1.5 Budget Processes

The key steps comprising the budget process are summarised below:

1. In March 2009 the individual finance systems of the former Councils of Murgon, Wondai, Kingaroy and Nanango were combined into one consolidated finance system. This enabled Finance Officers to prepare budget worksheets based on the consolidated historical costs for the previous twelve months
2. Each Director and Manager considered the budget sheets for their relevant directorates, amending them for extra ordinary operational requirements, special operational projects or maintenance and proposed capital works.
3. The Executive Team reviewed the combined budget worksheets adjusting as necessary to deliver a sustainable budget
4. Officers prepared a “proposed” budget which was presented to Council over a number of meetings, providing opportunity for input, discussion and debate by Councillors
5. A Formal Budget was submitted to Council for adoption.

1.6 External Influences

In preparing the 2009/2010 budget a number of external influences have been taken into consideration because of their significant impact on Councils ability to fund the services delivered by the South Burnett Regional Council during the budget period.

- ✓ The ongoing costs incurred as a direct result of the State Government enforced amalgamations of four Council areas (\$1M)
- ✓ The impact of various decisions made in the State Budget that have significantly increased our operating costs or reduced operational grants (\$1M)
- ✓ Reduced investment income and increased debt servicing costs as a result of the Global Financial crisis (\$300,000)
- ✓ Enterprise Bargaining negotiations were finalised with the workforce and their union representatives in April 2009. This provides for a wage growth of 4% during 2009/2010 and a further 4% during 2010/2011.
- ✓ Continued implementation of systems to administer the compliance with the requirements of Government legislation.

1.7 Budget Principles

In order to produce a balanced budget in response to these significant influences the following principles were utilised when preparing the budget.

- ✓ Existing fees and charges were generally increased by 10% or to relevant commercial market levels.
- ✓ Grants to be based on confirmed or likely funding levels;
- ✓ New revenue sources to be identified where possible;
- ✓ Service levels to be maintained at 2008/2009 levels across all council locations with an aim to use less resources and with an emphasis on innovation and efficiency;
- ✓ No New staff positions to be employed during the 2009/2010 budget period

- ✓ All staff vacancies to be reviewed with view to optimise use of current human resources
- ✓ Overtime to be undertaken for essential and emergency work only
- ✓ New initiatives or projects which are not cost neutral to be justified;
- ✓ The unfunding of approximately 20% of depreciation expense on general assets and 30% of depreciation expense on road assets for 2009/2010
- ✓ Real savings in expenditure to be identified wherever possible

1.8 Long Term Strategies

As mentioned in the budget papers last year the combined financial sustainability rating of the South Burnett Regional Council has been determined as “Weak” by the Queensland Treasury Corporation as part of its review for the State Government of local governments’ sustainability.

The definition of weak is “*A local government with an acceptable capacity to meet its financial commitments in the short to medium term and a limited capacity in the long term. It is unlikely to be able to manage unforeseen financial shocks and any adverse changes in its business and in general economic conditions, without the need for significant revenue or expense adjustments. It may experience difficulty in managing core business risks*”.

During the amalgamation process a commitment was made by State Government to provide assistance to address the above issue. Council has recently been advised that a consultant has been appointed and funded by the State Government to work with Council to design and develop a strategic financial action plan which will cover a period of up to three years. The action plan will aim to:

- ✓ Achieve improvements in Council’s sustainability to achieve a Queensland Treasury Corporation Financial Sustainability Review (FSR) result of at least moderate.
- ✓ Achieve operating surpluses and no unfunded depreciation by the end of the action plan’s period of operation

The plan will address the following areas:

- ✓ Management of Council’s liquidity
- ✓ Identification of areas for improved financial performance
- ✓ The development of a ten year infrastructure plan (Total Asset Management Plan)
- ✓ Strategies to moderate expenditure
- ✓ Strategies for revenue raising, including the determination of rates and charges, as well as identifying other funding sources such as borrowings and grant opportunities

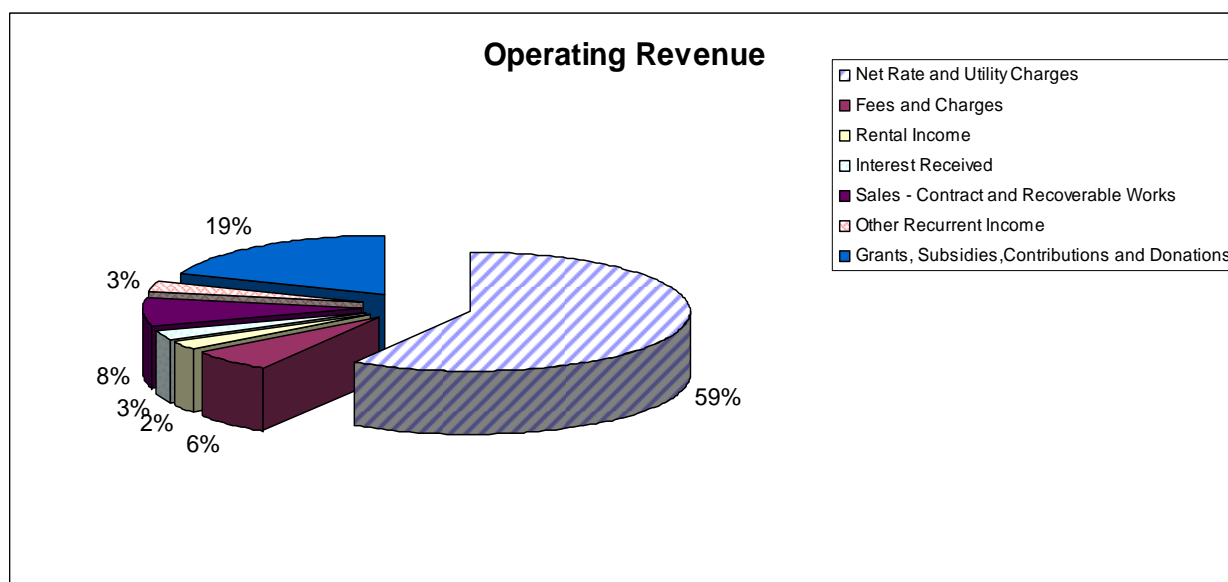
2 BUDGET ANALYSIS

2.1 Analysis Of Operating Budget

This section of the report analyses the expected revenues and expenses of the South Burnett Regional Council for the 2009/2010 year.

2.1.1 OPERATING REVENUE

REVENUE TYPE	FORECAST ACTUAL 2008/2009	BUDGET 2009/2010	VARIANCE
Rates & Charges	24,638,965	26,381,021	1,742,056
User Fees and Charges	2,401,333	2,763,433	362,100
Rental Income	558,760	1,113,000	554,240
Other Recurrent Income	1,255,747	1,225,324	-30,423
Recoverable Works	2,184,047	3,492,500	1,308,453
Operational Grants	9,858,753	8,644,315	-1,214,438
Interest Revenue	1,300,842	1,271,454	-29,388
Total Operating Revenue	42,198,447	44,891,047	2,692,600



2.1.1.1 RATES AND CHARGES

This item represents the South Burnett Regional Council's total income from general rates, service charges (water, sewerage and garbage) and special charges. The overall Rates and Charges income reflects an increase of 7.07% or \$1.74M over the 2008/2009 forecast result.

Details of all Council's rates and charges are listed in the Schedule of Rates and Charges attached to this document. Also attached are details of the program of works proposed to be undertaken from the Separate Environmental Charge.

2.1.1.2 USER FEES AND CHARGES

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of South Burnett Regional Council services. Fees are determined in two categories:

- ✓ Regulatory Fees for services provided under legislation such as animal registrations,

Health Act registrations and licences, development fees etc

- ✓ Commercial Fees for services provided by Council on a commercial basis such as hall rentals, caravan park fees, pool fees etc

Aside from rate revenue Council's only other major source of self generated revenue comes from its user fees and charges. It is generally accepted that user fees and charges should reflect the cost of providing that particular service. In determining the budget revenue for 2009/2010 it was recognised that the majority of our charges do not reflect the appropriate levels of cost recovery.

As mentioned above it is proposed during this budget period to undertake a review of our fee structure with the intention to achieve greater cost recovery.

For 2009/2010 there has been a general increase of around 10% for most council services. While the use of these services can be influenced by external factors (e.g. economic downturn) the budget has been framed on receiving income of approximately \$2.76M an overall increase of 15.08 % over last year.

2.1.1.3 RENTAL INCOME

Council operates various facilities from which it derives a rental income such as Lake Boondooma, Caravan Parks and Community Housing. Rental income shows a projected increase of approximately \$554,000 over 2008/2009 result. The majority of the projected increase in rental income this financial year is the re-allocation of cost centres within Council with all facilities / housing now reporting their rental income. Yallakool Tourist Facility is set to increase their rental income by approximately \$100,000.

2.1.1.4 OTHER RECURRENT INCOME

Recurrent income is sundry income derived from other Council operations such as the Soil Laboratory (\$100,000), Aerodromes (\$245,000), Private Hospital (\$55,000), Sundry Water Income and other miscellaneous reimbursements. The anticipated result for 2009/2010 shows a very minor decrease of around 2.5% (\$30,000)

2.1.1.5 RECOVERABLE WORKS

Income received from recoverable works comes from Mains Roads contracts \$3.2M and other private works \$300,000. The significant increase of \$1.3M projected for 2009/2010 includes carry over works from 2008/2009.

2.1.1.6 OPERATIONAL GRANTS

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of South Burnett Regional Council services to ratepayers and is made up as follows:-Grants projected for 2009/2010 total \$8.65M a decrease of around \$1.2M over actuals from last year and includes:

✓ Grants Commission Grant	\$7,732,316
✓ Nanango Streetscape Grants	\$150,000
✓ Natural Resource Management Grants	\$249,000
✓ Fuel Rebate	\$100,000
✓ Library Book Subsidy	\$90,000

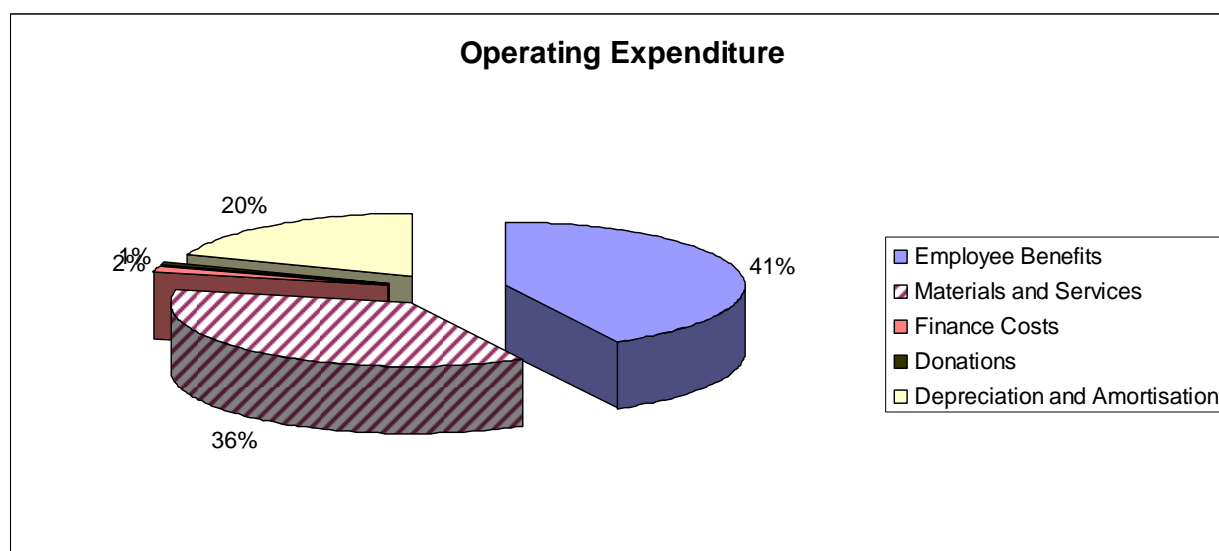
✓ Regional Arts Development	\$34,000
✓ Cat & Dog Control Measures Grant	\$16,660
✓ Healthy Communities Grant	\$60,000

2.1.1.7 INTEREST REVENUE

Interest revenue includes interest on investments and rate arrears. As a direct result of the global financial situation interest rates have dropped significantly during the later part of 2008/2009 and are not expected to increase to any great level during the current budget period. Fortunately the level of our cash balances has increased which provides more flexibility in an investment program which helps offset the drop in investment income. It is anticipated that Interest on investments will decrease by 2.2% (\$30,000) compared to 2008/2009.

2.1.2 OPERATING EXPENDITURE

EXPENDITURE TYPES	FORECAST ACTUAL 2008/2009	BUDGET 2009/2010	VARIANCE
Employee Benefits	17,991,947	20,716,000	2,724,053
Contracts, Materials and Services	13,830,271	17,772,564	3,942,293
Donations		298,000	298,000
Borrowing Costs	758,371	756,448	-1,923
Depreciation	9,287,117	9,585,373	298,256
Total Operating Expenditure	41,867,706	49,128,385	7,260,679



2.1.2.1 EMPLOYEE COSTS

Employee costs include all labor related expenditure such as wages and oncosts. This oncost covers allowances, leave entitlements, work cover, employer superannuation etc. and has been determined at 47% of direct wage costs. The overall increase in these employee costs is 15.1% or \$2.7M

This increase over last year's actuals relates to a number of key factors:

- ✓ No forced retrenchment of employees as a result of amalgamation reform before 16 March 2011.
- ✓ Impact of a full year's employment of some staff who took up positions part way through 2008/2009. This is a significant contributing factor for the variance between last year's actuals and projections for 2009/2010
- ✓ Continuing cost associated with delivering wage parity across the four merged workforces
- ✓ An increase of 4% pa negotiated with staff and union representatives as part of Enterprise Bargaining Agreement negotiations effective from 1 July 2009
- ✓ Increases as a result of reclassification of staff as prescribed by the current Local Government Award and skill equalisation across four merged workforces

The cost of labour has been identified as an area affecting our ability to reduce the deficit of operating costs over operating revenue. A number of measures have been implemented to minimise the impact on the budget in 2009/2010:

- ✓ No new staff positions to be created during budget period
- ✓ Overtime to be undertaken for essential and emergency work only resulting in a reduction of approximately \$300,000 over actual expenditure in 2008/2009

2.1.2.2 CONTRACTS, MATERIALS & SERVICES

Contracts, materials and services are budgeted to increase by 28.5% or \$3.94M compared to 2008/2009 and covers the purchases of consumables, payments to contractors for the provision of services and utility costs. This item includes over \$2.5 M of outstanding orders from 2008 / 2009.

2.1.2.3 BORROWING COSTS

Borrowing costs relate to interest charged by financial institutions on funds borrowed. All Council's borrowings are consolidated through the Queensland Treasury Corporation who has advised that as a result of Queensland losing its AAA rating that the cost of servicing our current debt has increased. This amounts to an increase of around \$10,000. There are no proposed borrowings for 2009/2010 consequently the only increase relates to the above.

2.1.2.4 DEPRECIATION

Depreciation is an accounting measure which attempts to measure the usage of South Burnett Regional Council's property, infrastructure assets, plant and equipment etc. In order to determine depreciation levels for 2009/2010, Council's depreciable non-current assets have been depreciated over their useful lives according to the former Council's Asset Policies.

During the reform process the Queensland Treasury Corporation as part of its financial analysis of local governments operations declared that in their opinion local government as a whole tended to overstate its depreciation levels and that this is a contributing factor to their ongoing sustainability.

Based on that advice and our current financial capability the decision has been made as part of this budgets development to unfund depreciation on a number of assets. This decision has not been taken lightly and is recognised as a very short term solution to our fiscal problems and needs to be addressed within a couple of years. The development of asset management plans for all of Council's assets is a priority project for 2009/2010. These plans will ensure all Council's assets are identified and appropriate levels of depreciation are calculated.

Depreciation on general Council assets has been unfunded by 20% with roadworks up to 30%. In relation to Councils water, sewerage and waste assets the levels of depreciation vary to being fully funded to completely unfunded depending on the particular scheme. Unfunded depreciation amounts to approximately \$2.8M in 2009/2010

2.2 Analysis Of Capital Budget

This section of the report analyses the planned capital expenditure budget for the 2009/2010 year and the sources of funding for the capital budget.

2.2.1 FUNDING SOURCES

Funding for Capital Works can be split into two sources of funds:

- ✓ External Funds – Capital Grants and Developer Contributions
- ✓ Internal Sources – Proceeds from Sale of Assets, Reserve Funds, Loan Borrowings, Funded Depreciation and Operating Surpluses

2.2.1.1 GRANTS - CAPITAL

Capital grants and contributions include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants (\$4M) are budgeted to be received during 2009/2010:

✓ Nanango Energy Centre Project	\$250,000
✓ Proston Hall	\$150,000
✓ Murgon Pulse	\$105,000
✓ TIDS Funding	\$1,042,000
✓ Roads to Recovery	\$1,174,000
✓ Safe ST	\$85,000
✓ Signalisation of two Youngman St Intersections	\$1,075,000

2.2.1.2 CONTRIBUTIONS

Contributions are received from various sources to support the delivery of specific projects. Included in the budget for 2009/2010 are contributions from developers towards provision of infrastructure assets (\$442,000).

2.2.1.3 PROCEEDS FROM SALE OF ASSETS

Proceeds from the sale of assets such as land, plant and motor vehicles total \$620,000 during 2009/2010 and includes, plant \$400,000, land in Wondai \$220,000

2.2.1.4 RESERVE FUNDS

The South Burnett Regional Council has significant cash reserves. During the budget preparation process, Council determines how much of these reserves will be used to fund its annual capital works program. The reserves include monies set aside for specific purposes such as Replacement of Water and Sewerage Infrastructure, Carparking, Building Redevelopment, and Drainage Works.

For 2009/2010 \$1M will be used to fund part of the capital works program. A detailed list of Council's reserves is included in the statements attached to this report.

2.2.1.5 LOAN FUNDS

Council is not proposing to undertake any new borrowings during 2009/2010

2.2.1.6 REVENUE

In addition to above funds, the Council also uses its funded depreciation and any operating surpluses to fund its Capital Works program. As mentioned earlier in the report there are no surplus funds generated from operations, however Council has funded \$6.9M, which is all being used for Capital Works

2.2.1.7 RLCIP PROGRAM

Federal Government Funding of approximately \$1.28m under the RLCIP Program has been received by Council. All projects have commenced and will be completed during 2009/2010 and have been included in the Capital Works Program attached

2.2.2 CAPITAL WORKS

The Capital Works Program is summarised in the table below. A full listing of the program is included with the attached statements.

CAPITAL WORKS AREAS	BUDGET 2009/2010
Corporate Services	
Building Improvements	430,000
Information Technology	453,100
	883,100
Governance	
Land	250,000
Hospital Extension	573,000
	823,000
Engineering Services	
Land Purchase (Gravel Supply)	200,000
Plant Replacement	2,395,189
Roads, Bridges, Footpaths & Streetscape etc	7,590,500
Water Infrastructure	2,231,000

CAPITAL WORKS AREAS	BUDGET 2009/2010
Waste Water Infrastructure	836,696
	13,253,385
Lifestyle & Culture	
Community Units	36,000
Libraries, Museums, Art Galleries	46,000
Nanango Energy Centre	391,000
Parks & Gardens	40,000
Playground Equipment	180,000
Pools	45,000
Halls	206,000
Yallakool	360,000
	1,304,000
Sustainability	
Waste Management Infrastructure	254,000
Cemeteries	53,000
Animal Control	50,000
Stock Routes	22,000
Saleyard	25,000
Natural Resource Management	110,200
	525,200
Debt Redemption	735,682
Total Capital Works	\$17,524,367

3 BUDGETED FINANCIAL STATEMENTS

3.1 Income Statement 2008/2009

	BUDGET 2008 - 2009	PROJECTED ACTUALS 2008 - 2009
REVENUE		
<i>Recurrent Revenue</i>		
Net Rate and Utility Charges	24,276,991	24,638,965
Fees and Charges	2,403,214	2,401,333
Rental Income	600,000	558,760
Interest Received	1,027,048	1,300,842
Sales - Contract and Recoverable Works	2,820,000	2,184,047
Other Recurrent Income	1,602,859	1,255,747

	BUDGET 2008 - 2009	PROJECTED ACTUALS 2008 - 2009
Grants, Subsidies, Contributions and Donations	9,112,779	9,858,753
Total Recurrent Revenue	41,842,891	42,198,447
Capital Revenue		
Grants, Subsidies, Contributions and Donations	5,855,273	5,819,717
Total Capital Revenue	5,855,273	5,819,717
Capital Income		
Gain / Loss on Sale of Non Current Assets		
Loan Borrowings		
Other Capital Income	636,879	35,000
Total Capital Income	636,879	35,000
TOTAL INCOME	48,335,043	48,053,164
EXPENSES		
Recurrent Expenses		
Employee Benefits	19,552,643	17,991,947
Materials and Services	17,868,502	13,830,271
Finance Costs	750,397	758,371
Donations		
Depreciation and Amortisation	9,287,117	9,287,117
Total Recurrent Expenses	47,458,659	41,867,706
Capital Expenses		
Impairment losses		
Revaluation Decrements		
Total Capital Expenses	-	-
TOTAL EXPENSES	47,458,659	41,867,706
Net Result Attributable to Council	876,384	6,185,458
Result from Operational activities	-5,615,768	330,741

3.2 Income Statement 2010/2014

	BUDGET 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	BUDGET 2012/2013	BUDGET 2013/2014
REVENUE					
Recurrent Revenue					
Net Rate and Utility Charges	26,381,021	29,019,123	31,921,035	34,793,928	36,533,625
Fees and Charges	2,763,433	3,039,777	3,191,766	3,351,354	3,518,922
Rental Income	1,113,000	1,157,520	1,192,246	1,228,013	1,264,853
Interest Received	1,271,454	1,322,312	1,375,205	1,430,213	1,487,422
Sales - Contract and Recoverable Works	3,492,500	3,632,200	3,741,166	3,853,401	3,969,003
Other Recurrent Income	1,225,324	1,274,337	1,312,567	1,351,944	1,392,502
Grants, Subsidies, Contributions and Donations	8,644,315	7,944,315	8,103,201	8,265,265	8,430,571
Total Recurrent Revenue	44,891,047	47,389,584	50,837,185	54,274,118	56,596,897
Capital Revenue					
Grants, Subsidies, Contributions and Donations	4,876,479	5,081,345	5,442,345	5,535,345	4,891,345
Total Capital Revenue	4,876,479	5,081,345	5,442,345	5,535,345	4,891,345
Capital Income					
Gain/Loss on Sale of Non Current Assets					
Loan Borrowings		4,350,000	900,000	300,000	1,100,000
Other Capital Income	100,000				
Total Capital Income	100,000	4,350,000	900,000	300,000	1,100,000
TOTAL INCOME	49,867,526	56,820,929	57,179,530	60,109,463	62,588,242
EXPENSES					
Recurrent Expenses					
Employee Benefits	20,716,000	21,544,640	22,190,979	22,856,709	23,542,410
Materials and Services	17,772,564	18,483,467	19,037,971	19,609,110	20,197,383
Finance Costs	756,448	892,706	852,654	835,340	860,400
Donations	298,000	306,940	316,148	325,633	335,402
Depreciation and Amortisation	9,585,373	9,968,788	10,267,851	10,575,887	10,893,163
Total Recurrent Expenses	49,128,385	51,196,540	52,665,603	54,202,678	55,828,758

	BUDGET 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	BUDGET 2012/2013	BUDGET 2013/2014
Capital Expenses					
Impairment losses					
Revaluation Decrements					
Total Capital Expenses	-	-	-	-	-
TOTAL EXPENSES	49,128,385	51,196,540	52,665,603	54,202,678	55,828,758
Net Result Attributable to Council	739,141	5,624,388	4,513,927	5,906,785	6,759,484
Result from Operational activities	-4,237,338	-3,806,957	-1,828,418	71,440	768,139

3.3 Budget Worksheets

	REVENUE			EXPENDITURE		
	BUDGET 2008 - 2009	ACTUAL 2008 - 2009	BUDGET 2009 - 2010	BUDGET 2008 - 2009	ACTUAL 2008 - 2009	BUDGET 2009 - 2010
EXECUTIVE SERVICES						
OFFICE OF THE CEO	-	-	-	538,000	503,329	592,159
AMALGAMATION COSTS				86,000	59,584	-
CIVIC RECEPTIONS				30,000	18,859	34,500
ELECTED MEMBERS				725,491	611,226	672,858
EXECUTIVE SERVICES				1,379,491	1,192,998	1,299,517
GOVERNANCE						
GENERAL GOVERNANCE ACTIVITY	1,000	-	1,000	1,069,589	501,546	1,254,327
COMMUNITY INFORMATION						
OPERATING EXPENSES				104,000	61,609	50,000
YOUTH COUNCIL				6,000	-	1,000
ECONOMIC DEVELOPMENT	7,000	7,236	-	42,409	6,583	17,500
SHIRE PROMOTION	-	660	-	13,000	3,265	-
CONTROLLED ENTITIES	55,000	973	100,000	119,232	62,393	86,232
HUMAN RESOURCES	16,543	98,721	67,000	171,268	4,184,568	787,250
ENTERPRISE ACTIVITIES	65,000	58,854	62,000	32,820	28,270	27,500
DISASTER MANAGEMENT	176,082	175,569	156,300	274,746	249,008	242,400
GOVERNANCE	320,625	342,013	386,300	1,833,064	5,097,243	2,466,208
CORPORATE SERVICES						
FINANCIAL OPERATIONS	21,873,594	22,526,282	23,600,481	1,613,100	1,651,220	2,343,625
CUSTOMER SERVICE AND CORP. SUPPORT	133,661	74,489	84,412	1,839,363	2,170,441	1,406,867
INFORMATION TECHNOLOGY SERVICES	-	-	-	902,500	498,319	751,046
CORPORATE SERVICES	22,007,255	22,600,771	23,684,893	4,354,963	4,319,980	4,501,537

	REVENUE			EXPENDITURE		
	BUDGET 2008 - 2009	ACTUAL 2008 - 2009	BUDGET 2009 - 2010	BUDGET 2008 - 2009	ACTUAL 2008 - 2009	BUDGET 2009 - 2010
SUSTAINABILITY						
SUSTAINABILITY GENERAL						
BUILDING AND PLANNING	880,000	703,703	772,000	150,000	234,128	927,297
COMMUNITY AND ENVIRONMENTAL HEALTH	260,330	220,335	262,028	1,336,828	921,877	1,108,899
NATURAL RESOURCE MANAGEMENT	744,873	652,071	1,121,792	1,183,400	986,440	1,017,094
				1,525,214	932,183	1,814,070
SUSTAINABILITY	1,885,203	1,576,109	2,155,820	4,195,442	3,074,628	4,867,359
LIFESTYLE AND CULTURE						
ADMINISTRATION						
WELFARE	-	-	-	442,607	433,968	286,242
DONATIONS	-	-	100,000	-	-	110,000
TOURISM	21,755	15,546	17,000	238,000	178,386	168,000
TOURIST FACILITIES	1,243,487	948,378	1,248,595	205,305	58,678	398,604
COMMUNITY / COUNCIL HOUSING	275,000	247,726	249,000	1,729,495	1,661,790	2,100,845
ART AND CULTURE	106,302	96,603	199,800	253,400	259,941	408,620
HALLS	653,062	403,464	64,900	1,118,455	1,087,149	1,304,768
RECREATION & SPORT	161,350	74,972	74,000	646,082	409,368	352,537
PARK, GARDENS & RESERVES	25,500	25,384	5,000	1,540,014	1,539,257	1,213,783
COMMUNITY AMENITIES	134,000	116,008	128,000	1,411,345	1,238,869	1,280,206
				540,650	576,330	578,057
LIFESTYLE AND CULTURE	2,620,456	1,928,080	2,086,295	8,125,353	7,443,736	8,201,662
ENGINEERING						
WORKS & TECHNICAL SERVICES	143,879	158,570	125,500			
COUNCIL ROAD NETWORK & INFRASTRUCTURE	2,126,369	2,176,743	1,785,626	6,036,500	5,651,764	4,057,422
ECONOMIC SERVICES & FACILITIES	371,000	325,054	345,750			
RECOVERABLE / PRIVATE WORKS	2,820,000	1,602,322	3,492,500	5,764,000	6,497,526	5,604,366
				454,500	492,584	501,000
				2,463,000	1,579,597	3,175,000

	REVENUE			EXPENDITURE		
	BUDGET 2008 - 2009	ACTUAL 2008 - 2009	BUDGET 2009 - 2010	BUDGET 2008 - 2009	ACTUAL 2008 - 2009	BUDGET 2009 - 2010
ENGINEERING	5,461,248	4,262,689	5,749,376	14,718,000	14,221,471	13,337,788
Transfer from General Rate to Waste Services			312,979			
TOTAL OPERATIONS	32,294,787	30,709,662	33,749,705	34,606,313	35,350,055	34,674,071
SPECIAL PROJECTS						
SPECIAL PROJECTS - CORPORATE	-	-	-	-	-	235,500
SPECIAL PROJECTS - SUSTAINABILITY	-	-	71,660	-	-	84,160
SPECIAL PROJECTS - LIFESTYLE & CULTURE	-	16,000	60,000	-	369	195,800
SPECIAL PROJECTS - ENGINEERING	750,000	190,000	640,000	1,250,000	-	640,000
SPECIAL PROJECTS - OPERATIONS	750,000	206,000	811,660	1,250,000	369	1,215,460
WASTE MANAGEMENT						
NANANGO GARBAGE	740,539	706,048	857,934	1,083,572	819,111	857,934
BLACKBUTT GARBAGE	171,664	188,887	275,960	211,444	300,646	275,960
BUNYA MOUNTAINS GARBAGE	27,554	31,219	52,500	45,937	46,822	52,500
WONDAI / PROSTON WASTE SERVICES	189,752	182,019	323,535	293,318	218,054	323,535
MURGOON WASTE SERVICES	339,123	508,197	547,078	349,931	502,689	547,078
KINGAROY WASTE MANAGEMENT SERVICES	1,176,394	1,398,375	1,342,080	1,287,392	1,274,007	1,323,580
RURAL TIPS AND TRANSFER STATIONS	-	3,621	285,165	102,917	213,943	285,165
WASTE MANAGEMENT SERVICES	2,645,026	3,018,367	3,684,252	3,374,511	3,375,274	3,665,751
SPECIAL PROJECTS - WASTE	-	-	-	-	-	34,500

	REVENUE			EXPENDITURE		
	BUDGET 2008 - 2009	ACTUAL 2008 - 2009	BUDGET 2009 - 2010	BUDGET 2008 - 2009	ACTUAL 2008 - 2009	BUDGET 2009 - 2010
WATER SERVICES						
NANANGO WATER	981,925	590,848	557,053	481,265	590,848	557,053
BLACKBUTT WATER	616,395	354,258	493,381	423,428	412,612	493,381
PROSTON WATER SUPPLY	81,362	83,872	69,095	145,823	72,440	69,095
PROSTON RURAL WATER SUPPLY	202,651	206,211	266,585	270,065	288,390	266,585
TINGOORA WATER - INCLUDED IN WONDAL WATER	51,033	39,852	-	32,382	22,547	-
WONDAL / TINGOORA WATER SUPPLY	382,499	382,236	389,330	372,465	382,771	389,330
MURGON WATER	633,854	617,503	589,980	633,153	670,684	589,980
KINGAROY WATER	2,862,304	3,324,892	2,743,413	2,489,110	2,756,411	2,743,413
KUMBIA WATER	269,166	50,071	76,777	107,553	72,184	76,777
WOOROOLIN WATER	31,740	16,983	34,733	31,740	29,121	34,733
WATER SERVICES	6,112,930	5,666,725	5,220,346	4,986,984	5,298,008	5,220,346
WASTE WATER						
NANANGO SEWERAGE	652,958	412,254	427,719	413,824	412,254	427,719
BLACKBUTT SEWERAGE	170,184	142,407	154,498	170,184	142,407	154,498
PROSTON COMMON EFFLUENT	38,397	38,031	39,743	33,979	38,031	39,743
WONDAL SEWERAGE SERVICES	237,514	236,247	239,167	243,696	236,247	239,167
MURGON SEWERAGE	465,865	483,700	505,870	534,268	483,730	505,870
KINGAROY SEWERAGE	1,286,326	1,132,964	1,192,276	1,443,618	1,132,964	1,192,276
WASTE WATER SERVICES	2,851,244	2,445,603	2,559,273	2,839,569	2,445,633	2,559,272
	44,653,987	42,046,357	46,025,236	47,057,377	46,469,339	47,369,401

3.4 Balance Sheet

3.4.1 2009/2010

	2008/2009 BUDGET	2008/2009 PROJECTED ACTUAL	2009/2010 BUDGET
Current Assets			
Cash and Cash Equivalents	16,439,176	27,963,035	22,455,494
Trade and Other Receivables	4,714,081	4,930,379	4,180,379
Inventories	905,080	826,120	826,120
Loans to Community Organisations	20,000	16,000	12,000
Other Financial Assets	287,749	221,806	221,806
Total Current Assets	22,366,086	33,957,340	27,695,799
Non-Current Assets			
Receivables	10,464	9,717	10,000
Property, Plant and Equipment	395,369,974	365,719,852	373,986,735
Capital Work in Progress	1,245,000	4,000,000	4,000,000
Total Non-Current Assets	396,625,438	369,729,569	377,996,735
TOTAL ASSETS	418,971,524	403,686,909	405,692,534
Current Liabilities			
Trade and other payables	1,434,713	1,164,777	1,164,777
Borrowings	759,139	759,139	732,000
Provisions	1,010,694	2,006,075	1,805,468
Other	94,477	245,798	270,378
Total Current Liabilities	3,299,023	4,175,789	3,972,622
Non-Current Liabilities			
Trade and other Payables	2,328,171	1,979,541	1,781,587
Borrowings	13,197,492	13,591,545	12,305,036
Total Non-Current Liabilities	15,525,663	15,571,086	14,086,623
TOTAL LIABILITIES	18,824,686	19,746,875	18,059,245

NET COMMUNITY ASSETS	400,146,838	383,940,034	387,633,289
Community Equity			
Community Capital	388,039,000	367,188,138	373,488,784
Asset Revaluation Reserve		-	
Retained surplus/(deficiency)		-	
Other Reserves	12,107,838	16,751,896	14,144,505
TOTAL COMMUNITY EQUITY	400,146,838	383,940,034	387,633,289

3.4.2 2011/2014

	2010/2011 BUDGET	2011/2012 BUDGET	2012/21013 BUDGET	2013/2014 BUDGET
Current Assets				
Cash and Cash Equivalents	30,641,502	33,742,731	38,542,629	46,346,551
Trade and Other Receivables	4,180,379	4,180,379	4,180,379	4,180,379
Inventories	826,120	826,120	826,120	826,120
Loans to Community Organisations	8,000	4,000	-	
Other Financial Assets	221,806	221,806	221,806	221,806
Total Current Assets	35,877,807	38,975,036	43,770,934	51,574,856
Non-Current Assets				
Receivables	10,000	10,000	10,000	10,000
Property, Plant and Equipment	378,258,947	382,843,096	386,612,210	389,120,046
Capital Work in Progress	4,000,000	4,000,000	4,000,000	4,000,000
Total Non-Current Assets	382,268,947	386,853,096	390,622,210	393,130,046
TOTAL ASSETS	418,146,755	425,828,132	434,393,144	444,704,902
Current Liabilities				
Trade and other payables	1,164,777	1,164,777	1,164,777	1,164,777
Borrowings	1,032,000	1,032,000	1,032,000	1,032,000
Provisions	1,624,921	1,462,429	1,462,429	1,462,429
Other	297,416	327,157	359,873	395,860
Total Current Liabilities	4,119,113	3,986,363	4,019,079	4,055,066
Non-Current Liabilities				

	2010/2011 BUDGET	2011/2012 BUDGET	2012/21013 BUDGET	2013/2014 BUDGET
Trade and other Payables	1,781,587	1,781,587	1,781,587	1,781,587
Borrowings	15,855,036	15,955,036	15,455,036	15,755,036
Total Non-Current Liabilities	17,636,623	17,736,623	17,236,623	17,536,623
TOTAL LIABILITIES	21,755,736	21,722,986	21,255,701	21,591,689
NET COMMUNITY ASSETS	396,391,019	404,105,146	413,137,442	423,113,214
Community Equity				
Community Capital	382,246,514	389,960,642	398,992,938	408,968,709
Asset Revaluation Reserve				
Retained surplus/(deficiency)				
Other Reserves	14,144,505	14,144,505	14,144,505	14,144,505
TOTAL COMMUNITY EQUITY	396,391,019	404,105,146	413,137,442	423,113,214

3.5 Cash Flow

3.5.1 2009/2010

	2008/2009 BUDGET	2008/2009 PROJECTED ACTUAL	2009/2010 BUDGET
Cash Flows from Operating Activities:			
Receipts from customers	33,366,991	31,051,728	36,346,732
Payments to suppliers and employees	-37,421,145	-31,822,218	-38,786,564
	-4,054,154	-770,490	-2,439,832
Interest received	1,027,048	1,300,842	1,271,454
Rental Income	600,000	558,760	1,113,000
Borrowing costs	-750,397	-758,371	-756,448
	876,651	1,101,231	1,628,006

	2008/2009 BUDGET	2008/2009 PROJECTED ACTUAL	2009/2010 BUDGET
Net cash inflow (outflow) from operating activities	-3,177,503	330,741	-811,826
Cash Flows from Investing Activities			
Payments for property, plant and equipment	-18,354,293	-12,037,318	-17,554,000
Payments for intangible assets		0	
Net movement on loans and advances		4,000	4,000
Proceeds from sale of property, plant and equipment	889,563	939,219	620,000
Net cash inflow (outflow) from investing activities	-17,464,730	-11,094,099	-16,930,000
Cash flows from Financing Activities			
Grants, subsidies, contributions and donations	14,968,052	16,613,036	13,520,794
Proceeds from borrowings	0	0	0
Repayment of borrowings	-802,925	-802,925	-1,286,509
Repayments made on finance leases		0	
Net cash inflow (outflow) from financing activities	14,165,127	15,810,111	12,234,285
Net increase (decrease) in cash held	-6,477,106	5,046,753	-5,507,541
Cash at beginning of reporting period	22,916,282	22,916,282	27,963,035
Cash at end of reporting period	16,439,176	27,963,035	22,455,494

3.5.2 2011/2014

	2010/2011 BUDGET	2011/2012 BUDGET	2012/21013 BUDGET	2013/2014 BUDGET
Cash Flows from Operating Activities:				
Receipts from customers	43,795,269	43,633,984	46,308,853	49,266,326
Payments to suppliers and employees	-40,335,047	-41,545,098	-42,791,451	-44,075,195
	3,460,222	2,088,886	3,517,402	5,191,132
Interest received	1,322,312	1,375,205	1,430,213	1,487,422
Rental Income	1,157,520	1,192,246	1,228,013	1,264,853
Borrowing costs	-892,706	-852,654	-835,340	-860,400

	2010/2011 BUDGET	2011/2012 BUDGET	2012/21013 BUDGET	2013/2014 BUDGET
	1,587,126	1,714,797	1,822,886	1,891,875
Net cash inflow (outflow) from operating activities	5,047,348	3,803,682	5,340,288	7,083,006
Cash Flows from Investing Activities				
Payments for property, plant and equipment	-14,241,000	-14,852,000	-14,345,000	-13,401,000
Payments for intangible assets				
Net movement on loans and advances	4,000	4,000	4,000	
Proceeds from sale of property, plant and equipment	800,000	500,000	500,000	500,000
Net cash inflow (outflow) from investing activities	-13,437,000	-14,348,000	-13,841,000	-12,901,000
Cash flows from Financing Activities				
Grants, subsidies, contributions and donations	13,025,660	13,545,546	13,800,610	13,321,916
Proceeds from borrowings	4,350,000	900,000	300,000	1,100,000
Repayment of borrowings	-800,000	-800,000	-800,000	-800,000
Repayments made on finance leases				
Net cash inflow (outflow) from financing activities	16,575,660	13,645,546	13,300,610	13,621,916
Net increase (decrease) in cash held	8,186,008	3,101,229	4,799,898	7,803,922
Cash at beginning of reporting period	22,455,494	30,641,502	33,742,731	38,542,629
Cash at end of reporting period	30,641,502	33,742,731	38,542,629	46,346,551

3.6 Statement Of Changes In Equity

3.6.1 FOR THE YEAR ENDED 30 JUNE 2009

	SHIRE CAPITAL	ASSET REVALUATION RESERVE	RETAINED SURPLUS	OTHER RESERVES	TOTAL COMMUNITY EQUITY
BUDGET					
Balance at beginning of period		-	371,153,546	15,834,692	386,988,238
Net result for period			2,475,787		2,475,787
Transfers to Capital			10,672,816		10,672,816
Transfers to Reserves			-349,000	349,000	-
Transfers from Reserves			4,076,169	-4,076,169	-
Balance at End of Period	0	0	388,029,318	12,107,523	400,136,841

	SHIRE CAPITAL	ASSET REVALUATION RESERVE	RETAINED SURPLUS	OTHER RESERVES	TOTAL COMMUNITY EQUITY
ACTUAL					
Balance at beginning of period	351,258,934	-	10,660,950	15,834,692	377,754,576
Net result for period			6,185,458		6,185,458
Transfers to Reserves			-3,174,521	3,174,521	0
Transfers from Reserves			2,257,317	-2,257,317	0
Balance at End of Period	351,258,934	0	15,929,204	16,751,896	383,940,034

3.6.2 FOR THE YEAR ENDED 30 JUNE 2010

	SHIRE CAPITAL	ASSET REVALUATION RESERVE	RETAINED SURPLUS	OTHER RESERVES	TOTAL COMMUNITY EQUITY
BUDGET					
Balance at beginning of period	351,258,934	0	15,929,204	15,834,692	383,022,830
Net result for period			739,141		739,141
Transfers to Reserves			-1,575,245	1,575,245	0
Transfers from Reserves			3,265,432	-3,265,432	0
Assets Recognised	3,871,318				3,871,318
Balance at End of Period	355,130,252	0	18,358,532	14,144,505	387,633,289

3.6.3 FOR THE YEAR ENDED 30 JUNE 2011

	SHIRE CAPITAL	ASSET REVALUATION RESERVE	RETAINED SURPLUS	OTHER RESERVES	TOTAL COMMUNITY EQUITY
BUDGET					
Balance at beginning of period	355,130,252	0	18,358,532	14,144,505	387,633,289
Net result for period			5,624,388		5,624,388
Transfers to Reserves					0
Transfers from Reserves					0
Assets Recognised	3,133,341				3,133,341
Balance at End of Period	358,263,593	0	23,982,920	14,144,505	396,391,018

3.6.4 FOR THE YEAR ENDED 30 JUNE 2012

	SHIRE CAPITAL	ASSET REVALUATION RESERVE	RETAINED SURPLUS	OTHER RESERVES	TOTAL COMMUNITY EQUITY
BUDGET					
Balance at beginning of period	358,263,593	0	23,982,920	14,144,505	396,391,018
Net result for period			4,513,927		4,513,927
Transfers to Reserves					0
Transfers from Reserves					0
Assets Recognised	3,200,201				3,200,201
Balance at End of Period	361,463,794	0	28,496,847	14,144,505	404,105,146

3.6.5 FOR THE YEAR ENDED 30 JUNE 2013

	SHIRE CAPITAL	ASSET REVALUATION RESERVE	RETAINED SURPLUS	OTHER RESERVES	TOTAL COMMUNITY EQUITY
BUDGET					
Balance at beginning of period	361,463,794	0	28,496,847	14,144,505	404,105,146
Net result for period			71,440		71,440
Transfers to Reserves					0
Transfers from Reserves					0
Assets Recognised	8,960,856				8,960,856
Balance at End of Period	370,424,650	0	28,568,288	14,144,505	413,137,443

3.6.6 FOR THE YEAR ENDED 30 JUNE 2014

	SHIRE CAPITAL	ASSET REVALUATION RESERVE	RETAINED SURPLUS	OTHER RESERVES	TOTAL COMMUNITY EQUITY
BUDGET					
Balance at beginning of period	370,424,650	0	28,568,288	14,144,505	413,137,443
Net result for period			6,759,484		6,759,484
Transfers to Reserves					0
Transfers from Reserves					0
Assets Recognised	3,216,287				3,216,287
Balance at End of Period	373,640,937	0	35,327,771	14,144,505	423,113,213

4 STANDARD STATEMENTS

4.1 Schedule Of Rates And Charges

DIFFERENTIAL RATES	2008/09	2008/09	2009/10	2009/10
	<i>Minimum General</i>	<i>Rate in \$</i>	<i>Minimum General</i>	<i>Rate in \$</i>
Urban				
Blackbutt	465.00	1.8790	490.00	1.9291
Kingaroy	422.00	1.5768	461.00	1.6691
Murgon	495.00	1.6550	510.00	1.8371
Nanango	465.00	1.8790	490.00	1.8853
Wondai	438.00	1.2500	472.00	1.4408
Rural Residential				
Kingaroy Urban	422.00	1.7302	461.00	1.8250
Kingaroy Rural	422.00	1.6806	461.00	1.8183
Murgon	495.00	1.9342	510.00	2.0212
Nanango	465.00	1.8704	490.00	1.9702
Wondai	438.00	1.2192	472.00	1.4492

DIFFERENTIAL RATES	2008/09	2008/09	2009/10	2009/10
	<i>Minimum General</i>	<i>Rate in \$</i>	<i>Minimum General</i>	<i>Rate in \$</i>
Villages				
Villages			461.00	1.7520
Village (Kingaroy)	422.00	1.6432		
Village (Nanango)	465.00	2.1076		
Commercial				
Blackbutt/Nanango	600.00	3.3000	667.00	3.6639
Kingaroy	457.00	2.7602	571.00	2.8151
Murgon	530.00	3.0074	647.00	3.3705
Wondai	473.00	1.2536	582.00	1.8663
Drive In Shopping Centre				
Kingaroy	457.00	4.6200	1971.00	4.9258
Industrial				
Blackbutt/Nanango	600.00	2.6654	667.00	2.8399
Kingaroy	457.00	2.2714	571.00	2.3286
Murgon	530.00	3.0162	647.00	3.4433
Wondai	473.00	1.2536	582.00	1.6233
Extractive Industry				
Extractive A	5000.00	4.4244	5,000.00	4.7173
Extractive B	80,000.00	65.7035	80,000.00	70.0531
Extractive C	110.00	1.4606	130.00	1.5574
Power Generation				
Power Generation	250,000.00	174.4186	250,000.00	185.9651
Pump Sites				
Pump Sites	55.00	1.4606	75.00	1.5664
Stock Dips				
Wondai	55.00	1.4422		
Boondooma Dam				
Boondooma Dam Special Development	438.00	1.2192		
Rural				
Kingaroy	422.00	1.4886	461.00	1.5888
Murgon	495.00	1.9000	510.00	1.9180
Nanango	465.00	1.6334	490.00	1.7047
Wondai	438.00	1.4422	472.00	1.5517

DIFFERENTIAL RATES	2008/09	2008/09	2009/10	2009/10
	<i>Minimum General</i>	<i>Rate in \$</i>	<i>Minimum General</i>	<i>Rate in \$</i>
Other				
Other Properties Not Listed Elsewhere	450.00	1.84	463.00	1.6526
Kingaroy	422.00	1.5334		
Murgon	495.00	1.6800		
Nanango	465.00	2.0088		
Wondai	438.00	1.4422		

SEPARATE CHARGES	2008/09	2009/10	2009/10	2009/10
	<i>Charge</i>	<i>Charge</i>	<i>Increase</i>	<i>Net \$ Increase</i>
Environmental Charge				
Environmental Charge	20.00	20.00	0.00	0.00

SPECIAL RATE LEVY	2008/09	2009/10	2009/10	2009/10
	<i>Charge</i>	<i>Charge</i>	<i>Increase</i>	<i>Net \$ Increase</i>
Rural Fire Brigade				
Abbeywood/Hivesville		13.00	13.00	0.00
Ballogie		20.00	22.00	2.00
Booie Rise		20.00	20.00	0.00
Brooklands		18.00	22.00	4.00
Bunya Mountains		20.00	20.00	0.00
Cloyna District		20.00	20.00	0.00
Coverty		20.00	22.00	2.00
Dangore		20.00	20.00	0.00
Durong		20.00	20.00	0.00
East Nanango		16.00	16.00	0.00
Ellesmere		20.00	20.00	0.00
Glencoe		20.00	20.00	0.00
Keysland		20.00	20.00	0.00
Kunioon Hodgeleigh		15.00	15.00	0.00
Maidenwell		20.00	20.00	0.00
Malar Booie		20.00	20.00	0.00
McEuen			20.00	
Mondure			20.00	
Redgate		20.00	20.00	0.00
Rocky Creek		20.00	20.00	0.00
Sandy Ridges		20.00	20.00	0.00

SPECIAL RATE LEVY	2008/09	2009/10	2009/10	2009/10
	Charge	Charge	Increase	Net \$ Increase
South Nanango		20.00	22.00	2.00
Speedwell		13.00	20.00	7.00
Stuart River		20.00	20.00	0.00
Tablelands		20.00	20.00	0.00
Taromeo		17.00	20.00	3.00
Waringa		20.00	20.00	0.00
Wattlecamp		20.00	20.00	0.00
Swickers Water Main				
Kingaroy	9,450.00	9,450.00	0	
Blackbutt Sewerage				
Connected	92.86	0	-92.86	
Vacant	46.43	0	-46.43	
Blackbutt Water				
Connected	61.16	0	-61.16	
Vacant	30.58	0	-30.58	

WATER ACCESS CHARGES	2008/09	2008/09	2009/10	2009/10	2009/10
	Units	Charge	Charge	Increase	Net \$ Increase
Blackbutt					
Access - per unit 20mm		36.10	42.25	6.15	
Dwelling	10.00	361.00	422.50	61.50	55.35
Vacant	5.00	180.50	211.25	30.75	27.68
Stock Water	10.00	361.00	422.50	61.50	55.35
Access - 25mm	16.00	577.60	676.00	98.40	88.56
Access - 38 mm	40.00	1444.00	1690.00	246.00	221.40
Access - 50mm	65.00	2346.50	2746.25	399.75	359.78
Boondooma Dam					
Special Development		245.00	255.00	10.00	9.00
Kingaroy					
Access (per unit)		202.00	222.00	20.00	18.00

WATER ACCESS CHARGES	2008/09	2008/09	2009/10	2009/10	2009/10
	<i>Units</i>	<i>Charge</i>	<i>Charge</i>	<i>Increase</i>	<i>Net \$ Increase</i>
<i>Kumbia</i>					
Access		245.00	260.00	15.00	13.50
<i>Murgon</i>					
Domestic/Commercial		280.00	290.00	10.00	9.00
Industrial		360.00	370.00	10.00	9.00
Vacant		130.00	140.00	10.00	9.00
<i>Nanango</i>					
Access - per unit 20mm		27.90	29.00	1.10	
Dwelling	10.00	279.00	290.00	11.00	9.90
Vacant	5.00	139.50	145.00	5.50	4.95
Stock Water	10.00	279.00	290.00	11.00	9.90
Access - 25mm	16.00	446.40	464.00	17.60	15.84
Access - 38 mm	40.00	1116.00	1160.00	44.00	39.60
Access - 50mm	65.00	1813.50	1885.00	71.50	64.35
<i>Proston</i>					
Dwelling/Domestic/Urban		245.00	255.00	10.00	9.00
Industry/Commercial		245.00	255.00	10.00	9.00
Vacant		185.00	195.00	10.00	9.00
<i>Proston Rural</i>					
Dwelling/Domestic/Urban		245.00	255.00	10.00	9.00
Industry/Commercial		245.00	255.00	10.00	9.00
<i>Wondai/Tingoora</i>					
Dwelling/Domestic/Urban		245.00	255.00	10.00	9.00
Industry/Commercial		245.00	255.00	10.00	9.00
Vacant		185.00	195.00	10.00	9.00
<i>Wooroolin</i>					
Access		143.00	155.00	12.00	10.80

WATER USAGE CHARGES	2008/09	2009/10	2009/10
	<i>Per KI</i>	<i>Per KI</i>	<i>Increase</i>
<i>Blackbutt</i>			
First Band (kl/yr)	1.10	1.20	0.10
Second Band	1.54	1.69	0.15
Third Band	1.88	2.07	0.19
<i>Boondooma Dam Special Development</i>			
Usage			
100KI	1.00	1.10	0.10
>100kl	1.10	1.20	0.10
<i>Kingaroy</i>			
Usage	1.70	1.80	0.10
<i>Kumbia</i>			
Usage	2.20	2.40	0.20
<i>Murgon</i>			
Usage (Other than major industry)	1.15	1.25	0.10
Major Industry (Tannery & Meatworks)	1.20	1.25	0.05
<i>Nanango</i>			
First Band (kl/yr)	0.77	0.87	0.10
Second Band	1.30	1.40	0.10
Third Band	1.75	1.85	0.10
<i>Proston</i>			
Usage			
100kL	1.00	1.10	0.10
>100kL	1.10	1.20	0.10
<i>Proston Rural</i>			
Usage	1.00	1.20	0.20
<i>Wondai/Tingoora</i>			
Usage			
100KI	1.00	1.10	0.10
>100kl	1.10	1.20	0.10

WATER USAGE CHARGES	2008/09	2009/10	2009/10
	<i>Per KI</i>	<i>Per KI</i>	<i>Increase</i>
Wooroolin			
Usage	2.20	2.25	0.05

SEWERAGE CHARGES	2008/09	2008/09	2009/10	2009/10	2009/10
	<i>Units</i>	<i>Charge</i>	<i>Charge</i>	<i>Increase</i>	<i>Net \$ Increase</i>
Blackbutt					
Charge per unit		6.90			
1st Pedestal	60	414.00	486.00	72.00	64.80
Additional Pedestal (Commercial)	30	207.00	187.20	-19.80	-17.82
Vacant	30	207.00	245.10	38.10	34.29
Kingaroy					
1st Pedestal		285.00	298.00	13.00	11.70
Additional Pedestal (Commercial)		120.00	123.00	3.00	2.70
Vacant		165.00	175.00	10.00	9.00
Murgon					
1st Pedestal		355.00	355.00	0.00	0.00
2nd Pedestal (Residential)			0.00	0.00	0.00
2nd Pedestal (Commercial)		302.00	280.00	-22.00	-19.80
Vacant		135.00	145.00	10.00	9.00
Major Industry (Meatworks)		7,700.00	7,920.00	220.00	198.00
Nanango					
Charge per unit		4.95			
1st Pedestal	60	297.00	307.20	10.00	9.00
Additional Pedestal (Commercial)	30	148.50	160.20	11.70	10.53
Vacant	30	148.50	160.20	11.70	10.53
Proston CED					
1st Effluent Drainage		230.00	230.00	0.00	0.00
2nd Effluent Drainage (Commercial)		180.00	180.00	0.00	0.00
Vacant		0.00	0.00		
Wondai					

SEWERAGE CHARGES	2008/09	2008/09	2009/10	2009/10	2009/10
	<i>Units</i>	<i>Charge</i>	<i>Charge</i>	<i>Increase</i>	<i>Net \$ Increase</i>
1st Pedestal		270.00	280.00	10.00	9.00
2nd Pedestal (Commercial)		235.00	235.00	0.00	0.00
Vacant		60.00	69.00	9.00	8.10

WASTE COLLECTION	2008/09	2008/09	2009/10	2009/10	2009/10
	<i>Units</i>	<i>Charge</i>	<i>Charge</i>	<i>Increase</i>	<i>Net \$ Increase</i>
<i>Blackbutt</i>					
Commercial/Domestic		187.00	207.00	20.00	18.00
<i>Bunya Mountains</i>					
per collection		209.00	229.00	20.00	18.00
<i>Kingaroy</i>					
Domestic		170.00	190.00	20.00	18.00
Commercial (per equivalent 240L bin)		220.00	240.00	20.00	18.00
Commercial 1m3		880.00	960.00	80.00	72.00
Commercial 1.5m3		1100.00	1200.00	100.00	90.00
Commercial 2m3		1540.00	1680.00	140.00	126.00
<i>Murgon</i>					
Domestic		234.00	254.00	20.00	18.00
Commercial (per equivalent 240L bin)		284.00	299.00	15.00	13.50
<i>Nanango</i>					
Commercial/Domestic		187.00	207.00	20.00	18.00
<i>Wondai</i>					
Domestic		120.00	156.00	20.00	18.00
Commercial (per equivalent 240L bin)		166.00	186.00	20.00	18.00

4.2 Details Of Environmental Levy Program

The above includes Separate Environmental Charge of \$20 per rate assessment and will be spent in accordance with Council's Environmental Policy. This levy will raise \$340,000 and together with various government grants and carry over funds will be utilised as follows:

PROGRAM	INCOME	EXPENDITURE
Environment Levy	850,327	
Management		
NRM Officers Wages, Plant & Materials		154,075
Management		
Biodiversity Program		
<i>Environmental Weed Control</i>		
African Love Grass - Durong		5,000
Green Cestrum - Maidenwell		44,000
Chinese Elms - Byee		10,000
Broad Leaf Privet - Stuart River		5,000
Biological Control Environmental Weeds Cats Claw Creeper, Blue Heliotrope		3,000
<i>Declared Weed Control</i>		
Water Weeds Program		44,000
African Boxthorn - Tingoora District		40,000
<i>Restoration Works</i>		
Kingaroy		8,000
Nanango		8,000
Wondai		6,000
Murgon		4,000
Restoration Work Team		87,000
Biodiversity Program		264,000
Powerlink Community Projects		
Grant	50,000	
Projects to be Identified		50,000
Powerlink Community Projects	50,000	50,000
Tarong Coal Community Benefit		
Grant	20,000	
Projects to be Identified		20,000
Tarong Coal Community Benefit	20,000	20,000
Significant Environmental Area Program		
Signage of Significant Environmental Areas		10,000
Threatened Species Mapping	3,000	100,000

PROGRAM	INCOME	EXPENDITURE
Koala Signage		20,000
Indigenous and Cultural Surveys		5,000
Interpretive Signage		15,000
Significant Environmental Area Program	3,000	150,000
Climate Change		
Climate Change Risk Assessment Report		10,000
Climate Change		10,000
Wetland Management		
Fencing / Maintenance		5,000
Wetland Monitoring & Management Plan		2,000
Wetland Interpretive Centre and Signs		
Wetland Management		7,000
Caring For The Country		
Grant	132,665	
NRM Plan (Threatened Species Mapping & Plan Development)		81,757
Projects to be Identified		78,960
Caring For The Country	132,665	160,717
Fire Management Plan		
Fire Break Maintenance and Construction		7,000
Donation to Fire Brigades		4,000
Small Plant & Equipment		2,000
Fire Management Plan		13,000
Fauna Management Program		
Wildlife Nesting Boxes		500
Fauna Management Program		500
Salinity & Water Quality Program		
Salinity and Water Quality Projects		31,500
Salinity & Water Quality Program		31,500

PROGRAM	INCOME	EXPENDITURE
Erosion & Sediment Control		
Wooroolin Mountain		25,000
Tessmann Road North	20,000	80,000
Erosion & Sediment Control	20,000	105,000
Capital Works		
Plant Purchase		45,200
Viewing Platform & Boardwalk Goodger Reserve		50,000
Goodger School Access Ramp		15,000
Capital Works		110,200
Environmental Levy Program	1,075,992	1,075,992

4.3 Details Of Capital Works Programs

4.3.1 GENERAL CAPITAL WORKS PROGRAM 2009 / 2010

GOVERNANCE		
Private Hospital	Extension Private Hospital (Medical Rooms)	573,000
Land	Decontamination of (Depot Site) Pound Street, Kingaroy	250,000
Total Governance		823,000

CORPORATE		
Building Improvements	Upgrade Murgon Office including relocation of library	200,000
	Redesign Kingaroy Office incorporating Customer Service Area	200,000
	Plan for Nanango Office redesign and minor modification	30,000
Total Building Improvements		430,000
Information Technology	Connect Blackbutt, Murgon, Nanango, Proston and Wondai Depots etc to wireless network	76,000
	Computer Hardware Replacement	142,100
	Phone System Upgrade including hardware	235,000
Total Information Technology		453,000
Total Corporate		883,100

LIFESTYLE AND CULTURE		
Nanango Energy Centre	Construction Energy Centre Nanango	391,000
Total Energy Centre		391,000
Parks And Gardens	Replace Bridge Kingaroy Memorial Park	40,000
	Play Ground Equipment	180,000
Total Parks And Gardens		220,000
Pools	Wet Deck & Balance Tank Wondai Pool	45,000
Total Pools		45,000
Council Buildings		
	Refurbishment Drayton Units Nanango	36,000
Total Council Buildings		36,000
Halls	Mondure Hall	26,000
	Kingaroy Town Hall Forecourt	180,000
Total Halls		206,000
Yallakool	Upgrade to Water & Sewerage Systems	360,000
Total Yallakool		360,000
Art Gallery	Roof Repairs and Building Renovation Kingaroy Art Gallery	46,000
Total Art Gallery		46,000
Total Lifestyle		1,304,000

SUSTAINABILITY		
Cemeteries	Nanango Cemetery - Garden of Remembrance	10,000
	Taabinga Cemetery - Concrete Plinths	15,000
	Taabinga Cemetery - Establishment of new burial area	20,000
	Murgon Cemetery - Upgrade of Entry Road	8,000
Total Cemeteries		53,000

SUSTAINABILITY		
Animal Control	Animal Housing Centre Wondai/Murgon	50,000
Total Animal Control		50,000
Pest Management	Chemical Shed - Nanango and Wash Down Bay/ Tank	22,000
	Firearms and Firearm Storage Facility	11,000
Total Pest Management		33,000
Natural Resource Management	4WD Quad Bike	22,200
	4WD - Spray Ute	23,000
	Viewing Platform & Boardwalk	50,000
	Goodger School Access Ramp	15,000
Total Natural Resource Management		110,200
Saleyards / Tick Facilities	Storage shed Coolabunia Saleyards	8,000
	Security fencing and signs for dip	5,000
	Water troughs	7,000
	Spoon drain	5,000
Total Saleyards		25,000
Waste Management	Proston transfer station	124,500
	Wondai Landfill Safety Barriers	8,000
	Capping of disused tipping areas Nanango Waste Facility	20,000
	Concrete Slabs Blackbutt Transfer Station	11,000
	Closing in Shed Blackbutt Waste Facility	8,000
	Wind breaks Kingaroy Transfer Station	18,000
	Kumbia Transfer Station	64,500
Total Waste Management		254,000
Total Sustainability		525,000

4.3.2 PLANT REPLACEMENT PROGRAM 2009 / 2010

Depot Location	Description	2009/10		
		Purchase Price	Trade In Price	Nett Price
	C/d forward purchases 2008/09			
Kingaroy	Truck - side loader garbage unit	256,787	14,000	242,787
Kingaroy	Loader	177,000	0	177,000
Nanango	Roller - vib smooth	158,000	25,000	133,000
Nanango	Jetpatcher	298,210	45,455	252,755
Nanango	Tractor & Slasher	88,753	31,500	57,253
Wondai	Truck - 6.3t	84,045	10,800	73,245
Murgon	Truck and Water Tank	238,700	33,000	205,700
Kingaroy	4x2 extra cab utility	25,047	3,181	21,866
Kingaroy	Sedan	23,636	11,818	11,818
Murgon	4x2 utility	19,592	2,727	16,865
Nanango	Sedan	22,500	16,000	6,500
		1,392,270	193,481	1,198,789
	Plant Replacement 2009/2010			
Murgon	Grader	320,000	80,000	240,000
Murgon	Roller Multi Tyre	100,000	2,000	98,000
Kingaroy	5m3 Truck	135,000	20,000	115,000
Kingaroy	Roll On/Off Truck (Waste)	220,000	40,000	180,000
Wondai	Loader 2m3	210,000	30,000	180,000
Wondai	Tractor	60,000	10,000	50,000
Murgon	Utility (Animal Control)	21,000		21,000
Nanango	Sedan (Safety Officer)	25,000		25,000
Kingaroy	Utility (Water & Sewerage)	25,000	3,000	22,000
Kingaroy	Utility (Engineering Operations)	25,000	2,000	23,000
Nanango	Utility (Engineering Operations)	28,000	6,000	22,000
Nanango	Utility (Engineering Operations)	25,000	4,000	21,000
Nanango	Utility (Engineering Operations)	32,000	6,000	26,000
Murgon	Forklift (Second Hand)	10,000		10,000
Regional	2x Horse Floats	8,500		8,500
Regional	6 x100litre Spray Units	10,000		10,000
Kingaroy	Hydraulic Crane (Saleyards)	22,000	2,000	20,000
Nanango	2x Mid Mount Mowers (Parks)	24,000	2,000	22,000
Wondai	Mower (zero turn)	22,500		22,500

Depot Location	Description	2009/10		
		Purchase Price	Trade In Price	Nett Price
Kingaroy	Backhoe (Tip Replace Tyres with Track)	7,000		7,000
Kingaroy	Replace Side Lifting Mechanism Waste truck	20,000		20,000
Region	Install 5m3 Tip Body Parks Truck	30,000		30,000
Region	Park Small Plant Items	3,400		3,400
Murgon	2 way radios	20,000		20,000
		1,403,400	207,000	1,196,400
Total Plant		2,795,670	400,481	2,395,189

4.3.3 CAPITAL ROADWORKS PROGRAMS 2009 / 2010

Road Infrastructure	As detailed in the attached Proposed Capital Roadworks Program	
TIDS		2,438,000
R2R		1,720,000
RLCIP Footpath Projects		367,500
Reseals		1,240,000
Safe ST		170,000
Blackspot Projects		1,075,000
Revenue Works		180,000
		7,190,500

4.3.4 CAPITAL WATER AND SEWERAGE PROGRAMS 2009 / 2010

WATER		
Blackbutt Water	Tarong pumpstation telemetry	12,000
	Nukku Pipeline Meter Installation	80,000
	Benarkin Standpipe	6,000
	Storage Shed	20,000
Total - Blackbutt Water		118,000
Kingaroy Water	Rising Main WTP to Wooroolin	250,000
	Markwell Street (Pound to Glendon)	82,000
	Install SLMP meters	20,000
	Complete Haly Street P/S	50,000
	Microwave link Gordonbrook	40,000
	Taablinga Village Aerodrome to Reservoir	120,000

WATER		
	Earl Street (Walter Road to End)	92,000
	Harris Road Pump Station	75,000
	Golf Course Pump Station	50,000
	Orana PS Rising main	120,000
	Clearwater Storage 1ML	400,000
	Gordonbrook WTP Upgrades (WH&S)	50,000
Total - Kingaroy Water		1,349,000
Murgon Water	Water Treatment Plant - Install clarifier	25,000
	Water Intake (RLCIP)	45,000
	Replace water mains - Armstrong St	35,000
	Water Treatment Plant - Reservoir No. 1 - Reroof, Reconnect and clean out	25,000
	Treatment of backwash sludge at WTP	40,000
	Replace water mains - Lamb St (southern side)	75,000
	Replace water mains - Lamb St (northern side)	75,000
	Water Treatment Plant - Filter Upgrade	40,000
Total - Murgon Water		360,000
Nanango Water	Reservoir Roof Replacement	30,000
	Henry Street Mains Replacement	30,000
	Fitzroy Street Mains Replacement	65,000
	Greenwood Creek Road Complete connection between old and new main	70,000
Total - Nanango Water		195,000
Proston Town Water	Replace Reservoir Roof	17,000
	Town - Old Rising Main Replacement	8,000
	Mains Replacement - McEuen Main Line	29,000
	Shed for storage	15,000
Total - Proston Town Water		69,000
Wondai Water	Rechlorination facilities - Hines Road and Tingoora	40,000
	Hines Road Reservoir Relining	40,000
	Settling tank at Water Treatment Plant	20,000
	Scott St Reservoir - Secondary Tanks	20,000
Total Wondai Water		120,000

WATER		
Wooroolin Water	Wooroolin Private Tank Installations (alternative supply)	20,000
Total Wooroolin Water		20,000
Total Water Supply Capital		2,231,000

SEWERAGE		
Blackbutt Sewerage	Waste Water Treatment Plant Augmentation	600,000
Total Blackbutt Sewerage		600,000
Kingaroy Sewerage	Rotating Screen	30,000
	Chlorine shed transfer	10,000
	Trickling Filter Refurbishment	60,000
Total Kingaroy Sewerage		100,000
Murgon Sewerage	Wastewater Pump Stations - Pump Stn 1 - Install new duty valves	5,000
	Lockable Trailer	6,500
	Sewer Relining	20,000
	Sewer Camera Purchase	8,500
	Stairs & Platform at Wastewater Treatment Plant (primary sed tank)	12,000
Total Murgon Sewerage		52,000
Nanango Sewerage	Intake screen	20,000
	Pump Station 1 - refurbishment	10,000
	Pump Station 2 - Switchboard	10,000
	Hand railing and walkway improvements	15,000
Total Nanango Sewerage		55,000
Wondai Sewerage	Sewer Camera Purchase	8,500
	Boondooma Dam - Sewer High Level Alarm Telemetry	7,000
Total Wondai Sewerage		15,500
Total Sewerage		822,500
Total Capital		16,941,774

4.3.5 PROPOSED CAPITAL ROADWORKS PROGRAM

TIDS Projects			
Scheme	Est Cost	Council	MR
Blackbutt Crows Nest Road (Pavement Rehabilitation)	50,000	25,000	25,000
Memerambi Barkers Creek Road (Widen 2 Lane and Seal)	507,000	254,000	253,000
Franks Road (from Ennis Bridge widen and seal)	186,000	93,000	93,000
Appin Street West / Cairns Street	100,000	50,000	50,000
Kingaroy Barkers Creek Road / Tessmanns Road	786,000	516,000	270,000
Wilsons Road (Reshape & Seal)	89,000		89,000
Manumbar Road (Rehabilitate and widen)	100,000	50,000	50,000
Maidenwell/Bunya Mountains Road (Construct to 2 lane standard)	100,000		100,000
McEuans Road (Widen & Seal)	105,000	74,000	31,000
Avoca Street (Resurfacing)	20,000	10,000	10,000
Malar Road (Pavement Widening)	100,000	59,000	41,000
Mondure/Wheatlands (Rehabilitate & Widen)	66,000	33,000	33,000
Hivesville Road (Upgrade/Replace Floodways)	80,000	40,000	40,000
Tingoora/Chelmsford Road (Realignment)	30,000	15,000	15,000
Wilsons Road (Reshape & Seal)	119,000	88,000	31,000
TOTAL	2,438,000	1,307,000	1,131,000

SAFEST Projects			
Scheme	Est Cost	Council	MR
South Burnett Catholic College – Passenger Set Down area	140,000	70,000	70,000
Blackbutt State School (Carparking Area Croften St)	30,000	15,000	15,000
TOTAL	170,000	85,000	85,000

BlackspotProjects			
Scheme	Est Cost	Council	MR
Markwell Street/Youngman Street Traffic Signals	425,000		425,000
Avoca Street/Youngman Street Traffic Signals	650,000		650,000
TOTAL	1,075,000		1,075,000

RTR PROJECTS	
<i>Scheme</i>	<i>Est Cost</i>
Pine Street	40,000
Bunya Way (Rehabilitation 600m)	60,000
Hart Street (Rehabilitation)	80,000
Pound Street (drainage, K&C and pavement reconstruction)	275,000
Wilsons Road (in conjunction with TIDS project)	100,000
Birts Road (1km Belair Drive)	145,000
Wattlecamp Road (1km Upgrade to Seal)	190,000
Franks Road (1.2km Widen & Seal)	180,000
Old Esk North Road (2 km)	360,000
Kimlin Street (Form & Upgrade to gravel surface 250m)	50,000
Millis Way (Widen existing road and install Kerb & channel)	60,000
Schellbach Road (Curtis Rd to Kingaroy Barkers Creek Road)	180,000
	1,720,000

RLCIP FOOTPATH PROJECTS	
<i>Scheme</i>	<i>Est Cost</i>
Henry Street (370m RSL to Bowls Club)	50,000
Drayton Street (210m Cairns to Chester St)	28,000
Bowmans Road (350m Post Office to Wikirri B&B)	47,000
Youngman Street (430m Showgrounds to Avoca St)	58,000
Avoca Street (150m Youngman St to Glendon St)	20,000
Glendon Street (90m Avoca St to SES)	12,000
Somerset Street (60m Alford St to Eastern Intersection)	9,000
Fisher Street (700m Apex Park, Adermann to Haly St)	35,000
Parkside Park (Meandering path)	16,000
Bunya Highway (110m Scott Street to VIC etc)	18,000
Taylor Street West (210m Gore to Kerbs Street)	28,000
Krebs Street (140m Lamb to Stephen Street West)	19,000
Gore Street (160m Taylor Street West to Australian Hotel)	22,000
Lamb Street (20m Post Office to Commonwealth Bank)	5,500
	367,500

RESEALS	
Kingaroy	430,000
Nanango	410,000
Murgon	200,000
Wondai	200,000
TOTAL	1,240,000

REVENUE PROJECTS	
Parsons Street - K&C, drainage, widening	25,000
Home Street - gravel & seal	20,000
Drayton Lane (Foodworks DA)	40,000
George Street	20,000
Moonya St/Doonkuna St - Speed Humps/traffic islands	20,000
John Street – King Street (Install traffic island)	10,000
Gore Street (Gravel and seal cul-de-sac)	45,000
TOTAL	\$180,000

4.4 Schedule Of Reserves And Constrained Money

4.4.1 SCHEDULE OF RESERVES AND CONSTRAINED MONEY AS AT 30 JUNE 2009

SPECIFIED RESERVES	
Murgon Bridge Replacement	275,000
Murgon Water - Replacement Renewal	541,300
Nanango Sewerage - Replacement / Renewal	120,500
Wondai Water	277,384
Proston Water	299,801
Proston Rural Water	95,516
Wondai Sewerage	123,451
Proston Common Effluent Scheme	28,677
Wondai Waste Management	69,446
Tingoora Water	150,277
Wondai Future Works	249,093
Wondai Residential Development	92,418
Nanango Developers Capital Works	87,765
Nanango - Water General	1,241,891

SPECIFIED RESERVES	
Nanango - Water Headworks	416,933
Nanango -Sewerage General	541,599
Nanango - Sewerage Headworks	68,460
Blackbutt - Water General	181,390
Blackbutt - Sewerage General	96,638
Nanango - Asset Replacement	368,260
Nanango - Road Renewal And Replacement	154,208
Nanango - Streetscape Program	500,000
Kumbia Water	29,322
Kingaroy - Water Asset Replacement	1,083,200
Kingaroy – Sewerage	1,327,507
Kingaroy - Asset Replacement General	744,592
Kingaroy – Waste Reserve	87,523
	\$9,252,151

UNSPENT LOAN MONEY	
Kingaroy Hospital Refurbishment	5,426
Kingaroy Library Building Renovations	50,000
Nanango Heritage Precinct	48,426
Kingaroy Art Gallery	4,476
Kingaroy Roadworks	400,000
Kumbia Landfill	261,839
Blackbutt Sewerage	308,000
	\$1,078,167

OTHER CONSTRAINED MONEY	
Kingaroy – South Burnett Feral Animal Grant	237
Kingaroy Town Parks Grant	7,202
Kingaroy NRM Environmental Levy Reserve	118,537
Kingaroy Gravel Pits - Investigate & Rehabilitate	114,117
Kingaroy - MRD Bulk Maintenance	13,467
Memorial Park Kingaroy - Developer Contributions	10,000
Kingaroy Parks	114,902
Kingaroy Sewerage - Developer Contributions	1,301,803
Kingaroy Water - Developer Contributions	1,685,030

OTHER CONSTRAINED MONEY	
Murgon - Income From Saleyards	273,000
Nanango – Nanango Truckwash	100,000
Murgon Environmental Levy	55,000
RCLIP Grant Funding	1,280,000
Roads to Recovery	547,000
	\$5,620,295

5 APPENDIX A - GENERAL REVENUE RAISING

Introduction:

The Local Government Act requires a local government to adopt a Revenue Policy for each financial year. This Policy was adopted by Council on 21 June. The Policy sets out the principles to be used by Council in:

- ✓ Making and levying rates;
- ✓ Granting rebates and concessions; and
- ✓ Recovering unpaid rates and charges; and
- ✓ The purpose of any remission or deferral of rates and charges under Section 1035A.

The intention is that the Revenue Policy forms the basis of the revenue measures adopted by the Council at the Budget Meeting and throughout the financial year it relates to.

For the 2009/2010 financial year Council has adopted the following principles to guide revenue raising

- ✓ Council's legislative obligations.
- ✓ The needs and expectations of the general community as determined by formal and informal consultation and survey processes.
- ✓ The cost of maintaining existing facilities and necessary services.
- ✓ The need for additional facilities and services.
- ✓ Equity.

Council will also have regard to the principles of:

- ✓ Transparency of process.
- ✓ Simplicity and efficient administration.
- ✓ Flexibility to take account of changes in the local economy.

General Rates

General Rate revenue provides essential whole of community services not funded through subsidies, grants, contributions or donations received from other entities, or not provided for by other levies or charges.

Council is required to raise an amount of revenue it sees as being appropriate to maintain assets and provide services to the Region as a whole. For the 2009/2010 year Council has determined that it needs to increase revenue from General Rates by 7.5%.

In deciding how that revenue is raised, Council has formed the opinion that the differential general rating scheme provides the most equitable basis for the distribution of the general rate burden. In formulating the differential general rating scheme Council has considered equity by implementing distribution of the general rate based on the land use. Where necessary a particular class of land use is further 'subdivided' on a geographic basis, including where necessary by Former Local Government boundary. However, Council must phase out any reference to former local government boundaries by 2011/2012 accordingly there are a number of rating categories (eg Rural and Rural Residential lands) where council needs to establish a 'common' rate in the dollar by 2011/2012.

Further Council needs to ensure that there is a measure of equity in the rates paid by similar types of properties in the each of the former local government areas. To achieve this council has considered the capacity to pay of each community by referring to published Australian Bureau of Statistics information as well as the Unimproved Capital Value of land in each section of the Shire.

Council seeks to distribute the increased revenue needs as equitably as possible. Unfortunately it is not possible to distribute the increase exactly evenly and meet Councils longer term imperatives of bringing certain classes of land to a common rate in the dollar and achieving equity between various sectors. Council has however determined that any increase in general rates should be limited to 20% of last years levy.

In general terms Council has projected forward three years and established rates in the dollar and minimum rates that will allow Council to “transition” toward common minimum rates and rates in the dollar where necessary and toward minimum rates and rates in the dollar that achieve what Council considers equitable outcomes in the residential, commercial and industrial sectors.

The rating categories adopted by Council and the average general rate levy in each category are set out in table 1.

Table 1 – Average Rates Comparison per Differential Rating Category

NEW CATEGORY	NEW CATEGORY DESCRIPTION	AVERAGE OF FULL YEAR PREVIOUS LEVY	AVERAGE OF PROPOSED LEVY	% CHANGE
1	<i>Urban Residential (Kingaroy)</i>	848	907	6.91%
2	<i>Commercial (Kingaroy)</i>	3,310	3,629	9.63%
3	<i>Village (A)</i>	454	502	10.50%
4	<i>Rural Residential - Urban (Kingaroy)</i>	1,288	1,373	6.62%
5	<i>Rural Residential - Rural (Kingaroy)</i>	878	954	8.67%
6	<i>Rural (Kingaroy)</i>	1,498	1,606	7.22%
7	<i>Other</i>	1,011	991	-1.99%
8	<i>Industrial (Kingaroy)</i>	2,443	2,704	10.68%
9	<i>Drive in Shopping Centres</i>	37,884	40,392	6.62%
201	<i>Urban Residential (Nanango)</i>	670	685	2.24%
202	<i>Commercial (Nanango)</i>	962	1,115	15.91%
203	<i>Village (B)</i>	659	698	5.83%
205	<i>Rural Residential (Nanango)</i>	837	900	7.52%
206	<i>Rural (Nanango)</i>	1,664	1,737	4.35%
208	<i>Industrial (Nanango)</i>	1,311	1,459	11.27%
212	<i>Extractive A</i>	6,836	7,068	3.39%
213	<i>Extractive B</i>	162,616	173,382	6.62%
215	<i>Power Generation</i>	375,000	399,825	6.62%
301	<i>Urban Residential (Murgon)</i>	534	573	7.47%
302	<i>Commercial (Murgon)</i>	1,230	1,389	13.00%
305	<i>Rural Residential (Murgon)</i>	852	905	6.27%
306	<i>Rural (Murgon)</i>	1,840	1,858	1.01%
308	<i>Industrial (Murgon)</i>	941	1,090	15.84%
401	<i>Urban Residential (Wondai)</i>	463	523	12.95%
402	<i>Commercial (Wondai)</i>	503	604	20.03%

NEW CATEGORY	NEW CATEGORY DESCRIPTION	AVERAGE OF FULL YEAR PREVIOUS LEVY	AVERAGE OF PROPOSED LEVY	% CHANGE
405	Rural Residential (Wondai)	547	628	14.68%
406	Rural (Wondai)	1,526	1,642	7.64%
408	Industrial (Wondai)	554	665	20.05%
414	Extractive C	132	128	-3.15%
419	Pumpsites (Wondai)	55	66	20.00%

The Unimproved Capital Valuation for each property is the basis for determining the amount of the general rate levied and in general terms Council seeks to ensure that total revenue raised from any sector maintains a nexus with the unimproved capital value of the land in that sector. This is difficult and challenging given the rating regimes that existed in each of the former local government areas. It is also complicated by the fact that some of the major industries in the area are established in lands that attract a comparatively low Unimproved Capital Value. In these circumstances council considers the demands placed upon its services and infrastructure by a particular industry and strikes general rates and minimum general rates to raise the revenue needed to ensure Council has the capacity to service its residents as well as its commercial and industrial sectors.

Proposed revenue raising per sector is shown at Figure 1 and total rateable value per sector is shown at Figure 2..

Figure 1 - Revenue Contribution by Sector

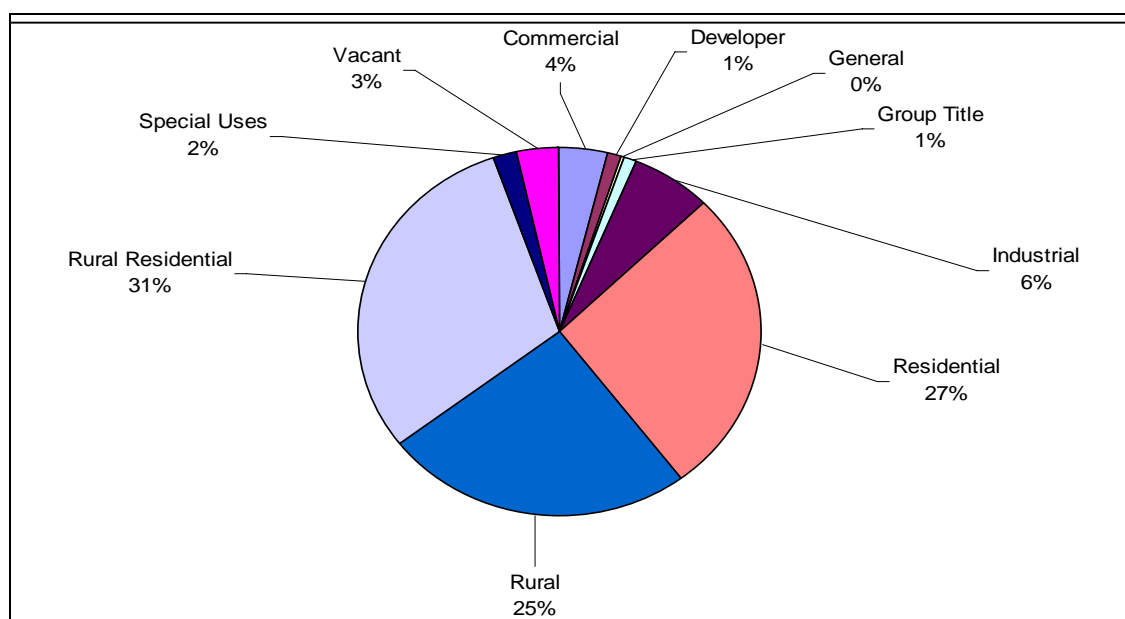


Figure 2 – Total Valuation by Sector

