

Annual Budget 2014/15

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1. MESSAGE FROM THE MAYOR

INTRODUCTION

When this Council was elected into office two years ago, we adopted a strategic business model aimed at turning around the organisation's fiscal position and delivering efficient and accountable governance.

A priority of this model was to improve the organisation's financial sustainability whilst delivering critical new infrastructure and meeting the community's expectations in managing and improving our existing assets.

The Budget being delivered today is a product of that two-year focus and marks a significant mid-term milestone in the progress of this Council against its corporate objectives.

Good local governance is about building public trust in our ability as corporate managers and community leaders and as such, it is incumbent upon this Council to make decisions that will enable Cairns to reach its potential as the country's premier regional city and the biggest urban area of Northern Australia, and build upon its global tourist reputation as a must-visit destination.

Through a restructure of our executive management team and the introduction of other initiatives, the organisation has realised significant cost savings and improved processes without adversely impacting front-line services.

As a result of these initiatives, we anticipate finishing the 2013-2014 year with a \$6.5 million surplus in the operating position – a great achievement from the bottom line two years ago.

We are a Council with a focus on strong fiscal discipline which puts us in good stead to capitalise on the future opportunities at our doorstep.

Consistent with this disciplined approach, today's Budget aims to:

- stimulate and grow our economy;
- provide for new community infrastructure;
- maintain and renew existing assets;
- and place the smallest possible burden upon ratepayers in terms of the increase in rates and charges.

RATES AND CHARGES

In striking the rate in the dollar for 2014-2015, Council took into account that land valuations have risen an overall 2.9% in the Cairns region based on official figures released by the State Government's Department of Natural Resources and Mines which has also applied increases of up to 50% in some suburbs as a result of residential and commercial sales in those areas.

Our actions of the past two years has positioned Council to be able to approve a modest 1.5% increase – the lowest in six years – to the general rate across all categories, except for Strata title units which have been frozen in recognition of the higher rate in the dollar currently attached to that category.

A 1.5% increase will also be levied on sewerage and cleansing charges, while the water access fee will rise by 2.5% to enable Council to re-introduce the water leakage rebate scheme which will assist homeowners in the event that a significant quantity of water is lost through undetected leaks.

Overall, 73% of ratepayers will pay an increase of only 1.6% or less on their total bill.

Ratepayers also deserve some assurance that the business has done its due diligence in terms of its financial future.

Council's long term financial position remains strong with balanced budgets forecast that will be underpinned by rate rises at or around CPI.

Significant investment in infrastructure creation and renewal has been taken into account in long-term financial forecasts with capital expenditure for the next 10 years averaging \$137 million per annum.

The strength of Council's long term financial position is also demonstrated through a minimal increase in debt per ratepayer over the next 10 years to fund investment.

WHERE THE MONEY WILL BE SPENT

As I stated, this year's Budget serves to stimulate our economy through a number of measures including:

- \$200 million on materials and services associated with delivering a significant Capital Works program and for maintenance, renewals and other services delivered to the community;
- \$2 million – or double the funding – for Tourism Tropical North Queensland will drive economic activity by marketing the region as a premier tourist destination;
- \$1.2 million to support and develop major sporting events that will deliver economic benefits to the region including the Cairns Ironman, the Mountain Bike Championships and NRL and AFL games;
- \$260,000 for economic development, and \$165,000 in grant funds will support economic diversification and industry development;
- \$250,000 for logistical and other support for the G20 Finance Ministers and Central Bank Governors Meeting in September; and
- \$2.5 million to commence the Shields Street Heart project, complemented by a \$250,000 fund will encourage landowners to refurbish and revitalise buildings in the CBD - initiatives in keeping with our commitment to invest in the city centre to improve its commerciality and amenity for both tourists and locals.

CAPITAL PROGRAM

With both the Federal and State Budgets now delivered, it is inevitable that the current climate of fiscal restraint imposed by these administrations will have an impact on local governments in terms of the level of funding for community infrastructure.

However, it is the role of all governments to respond to community needs and Cairns must continue to strengthen and expand its community assets. As such, prioritisation of capital projects has been a critical component of the budget considerations.

Council manages a very diverse range of infrastructure assets with a value in excess of \$3.1 billion and is responsible for construction, upgrade and renewal of the majority of these assets through its capital works program.

This Budget allows for \$121.6 million in Capital Works, with a further \$126 million of works planned for the next financial year.

The program for 2014-2015 includes \$36 million on water and waste operations; \$24 million on transport and drainage; and \$29 million on community, sport and cultural facilities.

In addition, \$8.3 million has been allocated to complete the Lake Street redevelopment and commence the Shields Street Heart Project as part of our commitment to revitalise the central business district.

Included in the Capital Works program is significant funding for projects aimed at preserving and improving our way of life:

- \$6.3 million for construction of the new Machans Beach sea wall, with \$5 million in next year's budget
- \$6 million for the first stage of the re-development of the \$21.5 million Tobruk Memorial Pool complex
- \$4.2 million to refurbish and upgrade the School of Arts building
- \$4 million on improving community sporting facilities including \$2 million to develop the Walker Road precinct and \$500,000 for sports field development at Machans Beach
- \$5 million on drainage improvements throughout the city including \$3.3 million for the very important and long-awaited Moody Creek flood mitigation works which is also being supported by funding from the State Government
- \$3.5 million on improvements to parks including \$1.6 million for land acquisition at Edmonton, and \$150,000 to upgrade Norman Park at Gordonvale
- \$2 million for the cycleway from Freshwater to Aeroglen and \$1.8 million for the Brinsmead to Redlynch connection (in partnership with the State Government)
- \$2 million on improvements to our eight libraries
- \$1.3 million to establish a new conservatory at the Flecker Botanic Gardens
- \$1 million for renewal works at the Esplanade Lagoon and in inner city areas
- \$1 million to establish a Chinese Garden as part of the Centenary Lakes precinct
- \$450,000 to improve and expand the capabilities of CCTV operations
- \$400,000 for improvements to the Tanks arts precinct
- \$200,000 to improve the Lake Placid recreation area; and
- \$270,000 to develop the Green Arrow walking trail on Whitfield Hill.

COMMUNITY SUPPORT

In addition to these items, the Budget also allows for:

- \$1.3 million for lifeguard services at the Lagoon and local beaches
- \$1.6 million in security services to boost safety in the CBD
- \$927,000 to support community events and organisations and the new Community Development Fund which will provide support to not-for-profit organisations to improve their facilities, and
- \$922,000 to support the Cairns Regional Gallery operations.

THE FUTURE

Today's Budget not only reflects the positive changes this organisation has implemented in the past two years, but provides for a sustainable local government that is well positioned to prosper from the opportunities before us, not least of which is the Aquis development which, if approved, will herald a new era of growth and prosperity for Cairns and the Tropical North Queensland region and will favourably impact on the fiscal position of the State overall – and even nationally.

Gains continue to be made in our tourism sector, with the Chinese market continuing to exhibit very strong growth. Total visitors for the end year March 2014 were 153,038, which represents an increase of 27% on the previous year.

There are encouraging signs too from our traditional markets, with steady growth out of the UK for the third quarter in a row, as well as other European markets such as France, Scandinavia and Switzerland. This is particularly important for operators on the Northern Beaches (Trinity Beach & Palm Cove) who have strong appeal in these markets.

This has no doubt been a factor in the heightened interest in Cairns as a place to invest. Several significant development proposals will provide benefits to the broader economy, in particular increased business and job opportunities for the local community.

The future for Cairns is bright – we have just successfully hosted our first ATE, and are now preparing to be in the international spotlight for the G20 meetings in September – events that deliver valuable opportunities to showcase our city and our region.

There have been several initiatives announced by the State and Federal Governments which impact on Cairns and our regional community.

The recent release of the Federal Government's Green Paper on Developing Northern Australia promises to identify and address issues that have long constrained this region from realising its true potential. I believe that many opportunities abound in Northern Australia if supportive policy settings and Government initiatives are properly targeted. I hope that outcomes from this process are embraced and translate into tangible benefits to communities in Northern Australia.

The Queensland Government has initiated a process to develop a "Shared 30-year Vision for Queensland" which includes as one of its preliminary targets the prospect that "half of Queensland's population will live outside South East Queensland".

For this aspiration to be met within the 30 year targeted framework, it is necessary to act now to ensure the necessary investment in community infrastructure and services is made in regional Queensland to address current deficiencies and to provide for future growth.

In 2012, the Queensland Government convened Destination Q to develop a 20-year plan for Queensland tourism. The Plan and its strategies and directions are strongly supported but it is imperative that Governments and industry continue to progress measures identified in the plan.

In particular, I refer to the so-called "sustainable funding model" for tourism. Any delay in proceeding with the design and implementation of the appropriate model will disproportionately disadvantage Cairns and Tropical North Queensland.

In good faith, this Council has proactively participated in each of these Government initiatives. I remain hopeful that the policy directions and actions set out in these initiatives will deliver outcomes that enable our region to expand and diversify its economic base and ultimately reach its full potential. However, we must closely monitor progress to ensure our expectations are met.

Cairns is on track to become the largest city in the north of this country and, as such, deserves the investment required to provide the same level of services and living conditions as residents enjoy in the southern part of the continent.

CONCLUSION

In closing, this Council recognises the financial pressures being experienced in the community from substantial rises in living costs. In response, we have limited rate increases to a minimum and will continue our efforts to stimulate the local economy through our operational and capital works programs.

The Budget recognises the need for fiscal responsibility and accountability; provides for the delivery of services expected by the community; and positions this Council and our city to capitalise on future opportunities.

I would like to thank and commend my fellow Councillors for their time and input in preparing the Budget and acknowledge the efforts of Council management and staff throughout the budget process and in preparing the reports to be considered today.

I commend the 2014-2015 Cairns Regional Council Budget to you for its adoption, and I will now deal with the respective resolutions:

2. BUDGET 2014/15 – COMMUNITY FINANCIAL REPORT

Our Mission: Providing for today, preparing for tomorrow.....

Council's budget processes are framed around its mission of providing for today, preparing for tomorrow. The annual operating budget ensures that Council has adequate revenue to fund expenditure that meets the needs of the community today. The capital budget provides for the delivery of infrastructure maintenance and development projects to service the region now and in the future. The long term forecast focuses on Council's ability to continue to meet community needs over the long term as the community grows.

In framing the 2014/15 budget, Council has been mindful of the effect rate rises have on the community and has focused on reducing costs, whilst limiting the impact that this will have on front line services, to deliver a balanced budget.

During 2014/15 Council will continue to drive costs down by implementing a program of structural change and ensuring that our business is conducted efficiently and effectively. By continuing to focus on costs, future rate rises will be able to be kept at a reasonable level and our Council will continue to be strong and sustainable.

ANNUAL BUDGET 2014/15 AT A GLANCE			
Statement of Comprehensive Income		Financial Position	
	\$'000		\$'000
Operating Revenue	276,877	Current Assets	112,890
Operating Expenses	276,877	Non-Current Assets	3,175,595
Operating Result	BALANCED	Total Assets	3,288,485
Capital Revenue	4,003	Current Liabilities	41,424
Contributed Assets	6,360	Non-Current Liabilities	90,752
Net Result	10,363	Total Liabilities	132,176
		Net Community Assets	3,156,309
Capital Expenditure		Borrowings	
	\$'000		\$'000
Capital Works Program	121,633	Outstanding Borrowings	79,124
Repayment of Borrowings	3,777	Borrowings per Assessment \$	1,130

BACKGROUND

The following report outlines Council's budgeted financial position and performance for the 2014/15 financial year. The information contained in this report is based upon Council's budgeted Financial Statements for the three year period commencing in 2014/15 with a comparison to the 2013/14 forecast year end position. The budgeted financial statements are contained in Section 3 of this report and include:

- **Statement of Comprehensive Income** – expected revenue and expenses.
- **Statement of Financial Position** – anticipated assets (what we own), liabilities (what we owe) and community equity (our net worth).
- **Statement of Cash Flows** – how forecast revenue received and expenses paid will impact on Council's cash balance.
- **Statement of Capital Funding** – how the expected spending on capital works is to be funded.
- **Statement of Changes in Equity** – summary of the forecast transfers to and from equity accounts including accumulated surplus, capital and other reserves.

Council is required to calculate ten year forecasts of the Department of Local Government Sustainability Ratios. These are designed to provide an indication of the performance of Council against key financial sustainability criteria which should be met to ensure the prudent management of financial risks. These are contained in Section 2 of this report.

The budgeted financial statements for 2014/15 form the Annual Budget for 2014/15 and will be used for performance reporting throughout the year.

Detailed Financial Statements are contained in Section 3 of this document.

BUDGET ASSUMPTIONS AND PRINCIPLES:

Under the requirements of the *Local Government Regulation 2012*, Council's budget for each financial year must be prepared on an accruals basis and include financial statements for the year for which it was prepared and the next two financial years.

The results of this budget are linked to the Corporate Plan which provides the strategic direction of Council and the Operational Plan which reports on the performance of each of Council's activities. The budget is formed by Council's Long Term Financial Forecast and aligned with the Long Term Asset Management Plan.

Cairns Regional Council controls and manages infrastructure assets that are largely unique to the public sector. These infrastructure assets include roads, bridges, footpaths, water reticulation and sewerage assets, which generally have very long useful lives and can only be used for providing local government services. The costs associated with the maintenance, depreciation and replacement of these assets form a material part of Council's annual expenditure. Due to the long lives of these assets, the associated costs identified will be spread across different generations of ratepayers, hence effective management of these assets will help to ensure there is intergenerational equity among ratepayers.

Cairns Regional Council continues to implement its Asset Management Strategy in order to facilitate sound strategic asset management decisions including the allocation of depreciation funding.

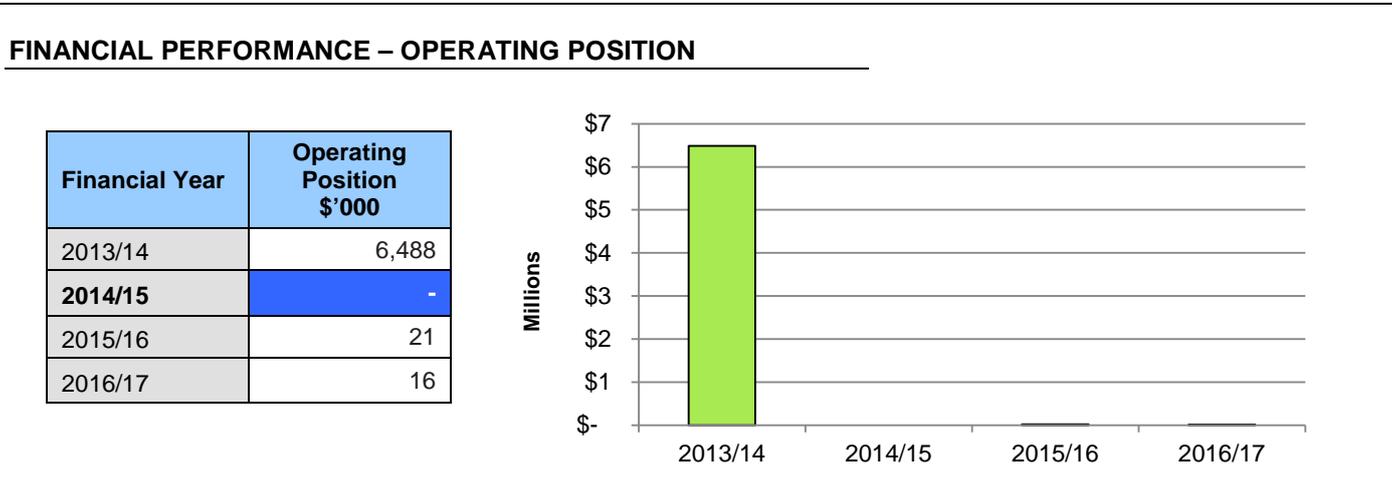
The business activities of Cairns Water, Cairns Resource Recovery and Cairns Works return a dividend to Council in recognition that they have been established to further good governance. Dividends are then utilised to provide services and infrastructure to the community.

CORPORATE FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

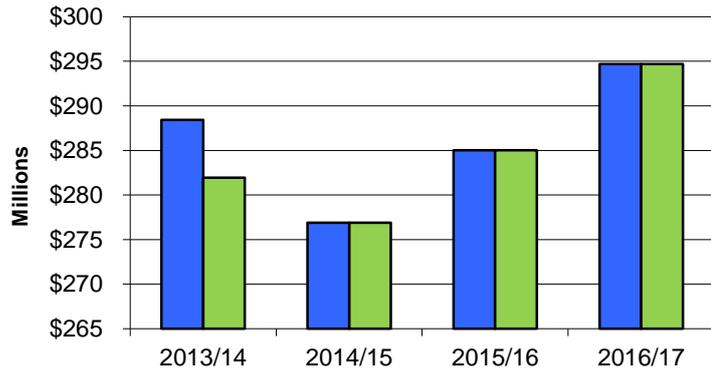
OPERATING POSITION

Council's operating position reflects the organisation's ability to meet its day-to-day running costs from operating revenue including its ability to fund the depreciation of assets. The operating position is calculated by taking total operating expenses from total operating revenue and does not include revenue or expenditure amounts for capital projects.



FINANCIAL SUMMARY – OPERATING

Financial Year	Operating Revenue \$'000	Operating Expenses \$'000
2013/14	288,419	281,931
2014/15	276,877	276,877
2015/16	285,030	285,009
2016/17	294,707	294,691

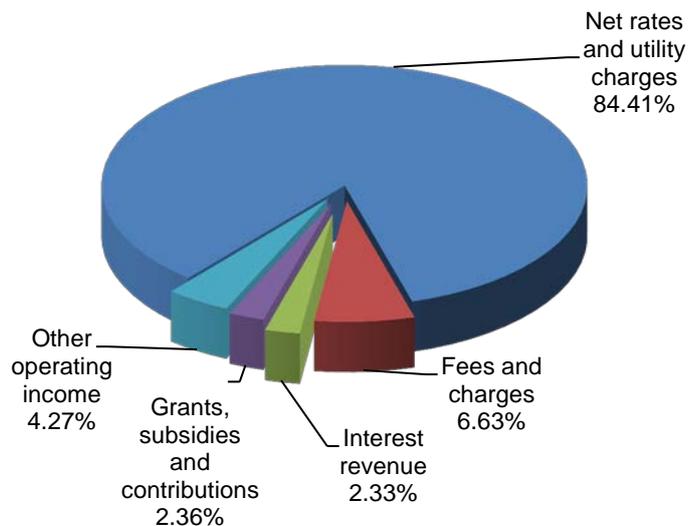


Council has forecast a balanced position for the 2014/15 Financial Year following an anticipated surplus of \$6.5M in 2013/14. This balanced position has been achieved despite the continued economic stress on the region brought about by factors such as reduced development activity and the volatility of the local tourism market. By continuing the focus on structural cost reduction and efficiency savings Council has been able to keep rates increases at a reasonable level whilst ensuring the long term sustainability of the Council is maintained.

OPERATING REVENUE

OPERATING REVENUE CATEGORIES 2014/15

Category	Budget \$'000
Net rates and utility charges	233,714
Fees and charges	18,344
Interest revenue	6,454
Grants, subsidies and contributions	6,535
Other operating income	11,830
Total Operating Revenue	276,877

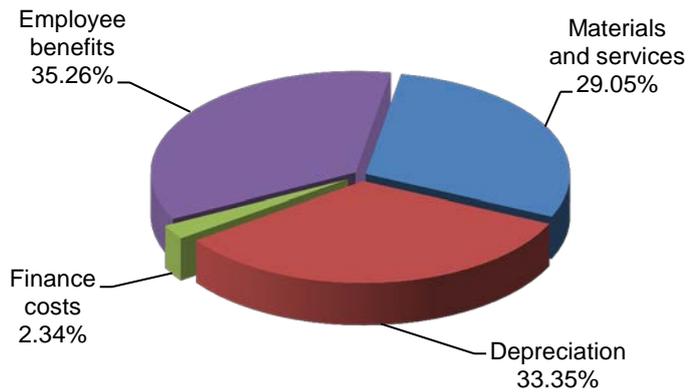


A significant amount of Council's revenue is sourced from rates and utility charges. In March 2014 the Department of Natural Resources and Mines (DNRM) released the results of the 2014 statutory land valuation for the Cairns region. This valuation is used by Council as a basis for levying rates. The 2014 valuations resulted in an overall increase of 2.9% for the region, affecting all rating categories.

OPERATING EXPENSES

OPERATING EXPENSES CATEGORIES 2014/15

Category	Budget \$'000
Employee benefits	97,604
Materials and services	80,437
Depreciation	92,351
Finance costs	6,485
Total Operating Expenses	276,877



Materials and services together with employee benefits constitute 63% of Council's forecast total expenditure. Council has a strong workforce to provide maintenance of water and waste services, planning, community, sport and cultural services and capital infrastructure for the community.

In addition to these expenses, depreciation makes up 32% of Council's planned expenditure. Depreciation represents the decline in value of Council's assets. It is impacted by the age, condition and disposal of existing assets as well as the purchase and construction of new assets.

WHERE DO YOUR RATES GO?

Council's expenditure can be broken down into the following categories:

Critical Infrastructure predominantly relates to the provision of water, transport assets, waste management and drainage

Community Assets are non-critical assets owned by the community i.e. Libraries, Parks, Lagoon and Esplanade

Corporate expenses are those incurred in providing the governance and reporting frameworks for Council, as well as administering Council activities

Planning, Development & Regulatory Services includes the expense of administering the regulatory framework of the Council area i.e. Planning Assessment, Dog Licencing and Local Laws

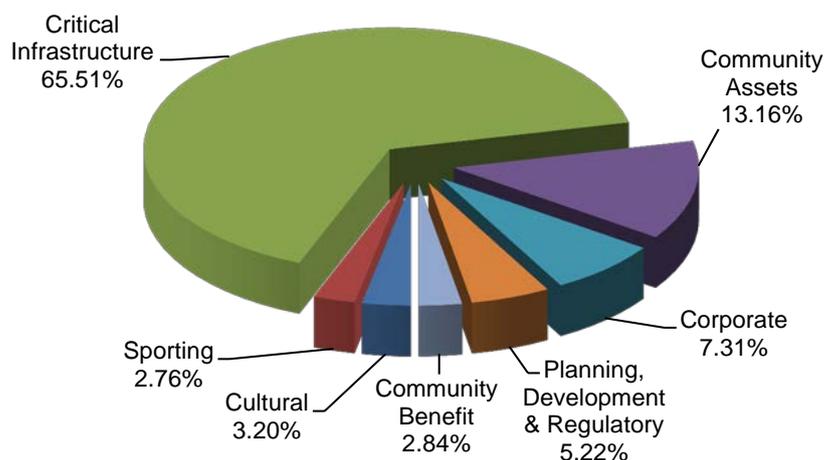
Cultural expenses predominantly relate to the arts, i.e. Civic Theatre, Tanks Art Centre etc

Community Benefit includes expenses that support the community but are not related to an asset i.e. Community Development, Beach Services and Disaster Planning

Sporting expenses relate to the maintenance and upkeep of sporting fields / facilities and pools i.e. Barlow Park, Marlin Coast Recreation Centre and Edmonton Leisure Centre

EXPENDITURE SPLIT 2014/15

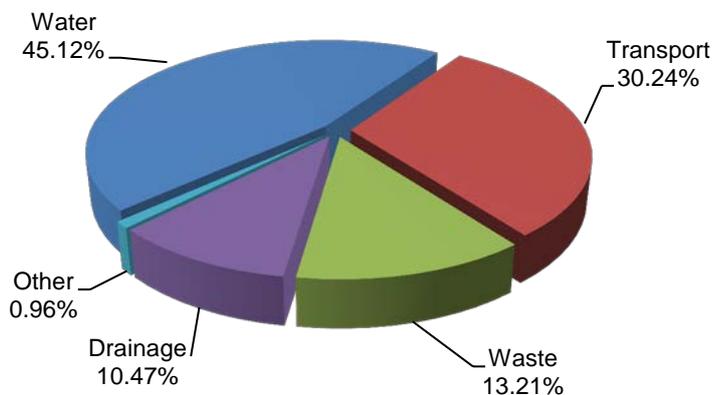
Category	Budget \$'000
Critical infrastructure	181,356
Community assets	36,447
Corporate	20,247
Planning, developer and regulatory services	14,464
Cultural	8,863
Community benefit	7,872
Sporting	7,628
Total Expenditure	276,877



As can be seen above, a large proportion of Council's expenses relate to the operation and maintenance of Critical Infrastructure which is broken down further below:

CRITICAL INFRASTRUCTURE 2014/15

Category	Budget \$'000
Water (provision of water and treatment of waste water and sewerage etc)	81,843
Transport assets (roads, bridges, parking, street lighting etc)	54,840
Waste management (collection and processing of household and commercial waste etc)	23,960
Drainage assets (kerb & channel, drains etc)	18,980
Other	1,733
Total Expenditure	181,356

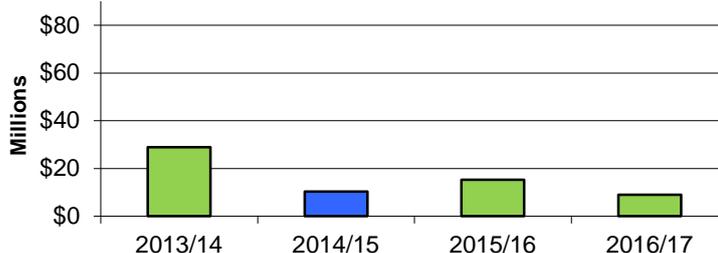


NET RESULT

Council's projected net result reflects total revenue less total expenses, this includes capital revenue.

FINANCIAL PERFORMANCE – NET RESULT

Budget	Net Result \$'000
2013/14	28,924
2014/15	10,363
2015/16	15,238
2016/17	9,080



Council's net result for 2014/15 is \$10.4M. The decrease in comparison to 2013/14 is due to the balanced operating position and a decrease in anticipated capital revenue.

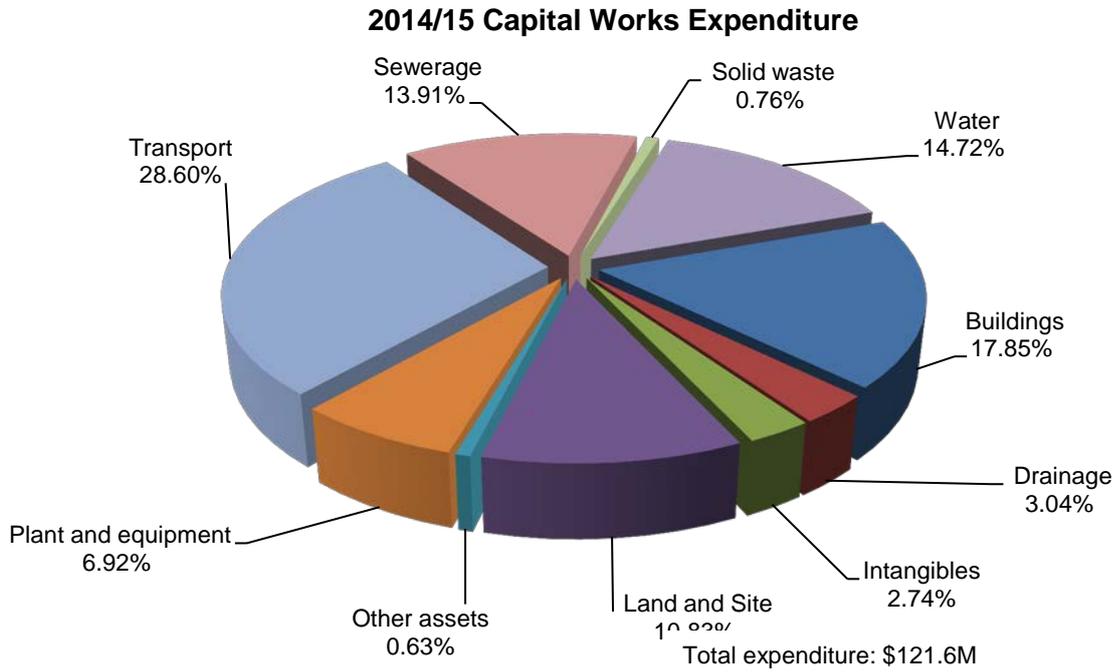
CAPITAL WORKS PROGRAM

Council manages a very diverse range of infrastructure assets with a value in excess of \$3.1 billion. These assets cover categories such as land, buildings, office furniture and equipment, plant and equipment, road and bridge network, drainage, water, sewerage and solid waste disposal. Council is responsible for the construction, upgrade and renewal of the majority of these assets through its capital works program with a small portion of these assets being contributed by developers via various developments throughout the region.

Council's capital works program for 2014/15 is \$121.6 million. Council utilises a combination of revenue, constrained developer contributions and capital grants to fund this program.

The following table provides a breakdown of the proposed capital works for the 2014/15 year by asset category.

CAPITAL WORKS EXPENDITURE 2014/15

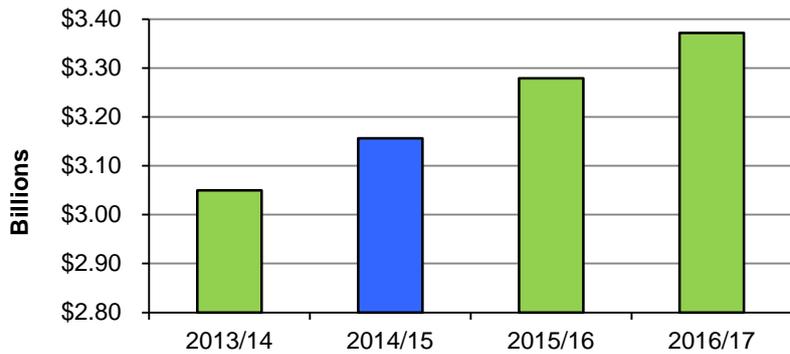


STATEMENT OF FINANCIAL POSITION

Cairns Regional Council manages in excess of \$3.1 billion of net community assets on behalf of the ratepayers and residents of the region. Growth of net community assets is projected to increase steadily over the next three years.

NET COMMUNITY ASSETS AT JUNE

Budget	Net Community Assets \$'000
2013/14	3,049,710
2014/15	3,156,309
2015/16	3,278,941
2016/17	3,371,707



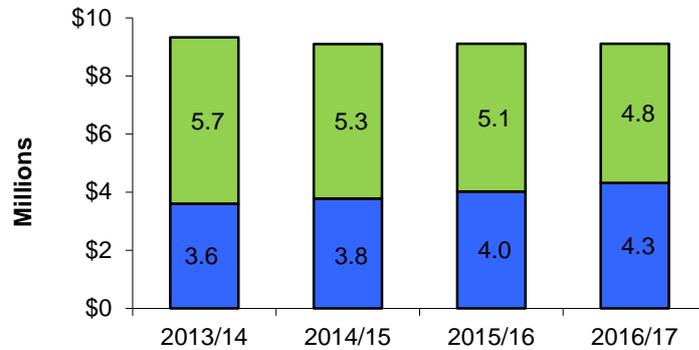
BORROWINGS

Borrowings are obtained from Queensland Treasury Corporation and are in line with Council's Debt Policy.

Borrowings are repaid on a monthly basis in accordance with the terms and conditions set by Queensland Treasury Corporation. The repayment terms are reviewed on a regular basis in order to ensure that the expected loan term aligns with market movements.

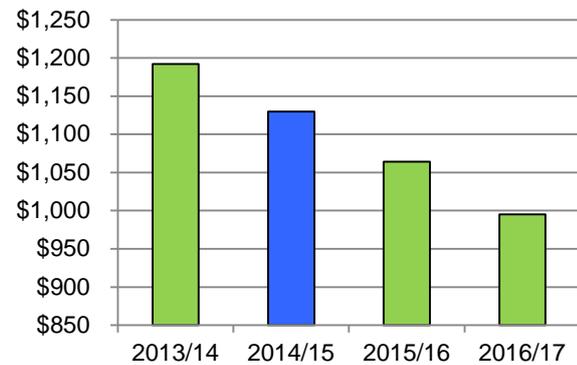
DEBT SERVICE PAYMENTS

Budget	Principal \$'000	Interest \$'000
2013/14	3,601	5,728
2014/15	3,777	5,319
2015/16	4,027	5,077
2016/17	4,321	4,790



DEBT PER RATEABLE ASSESSMENT

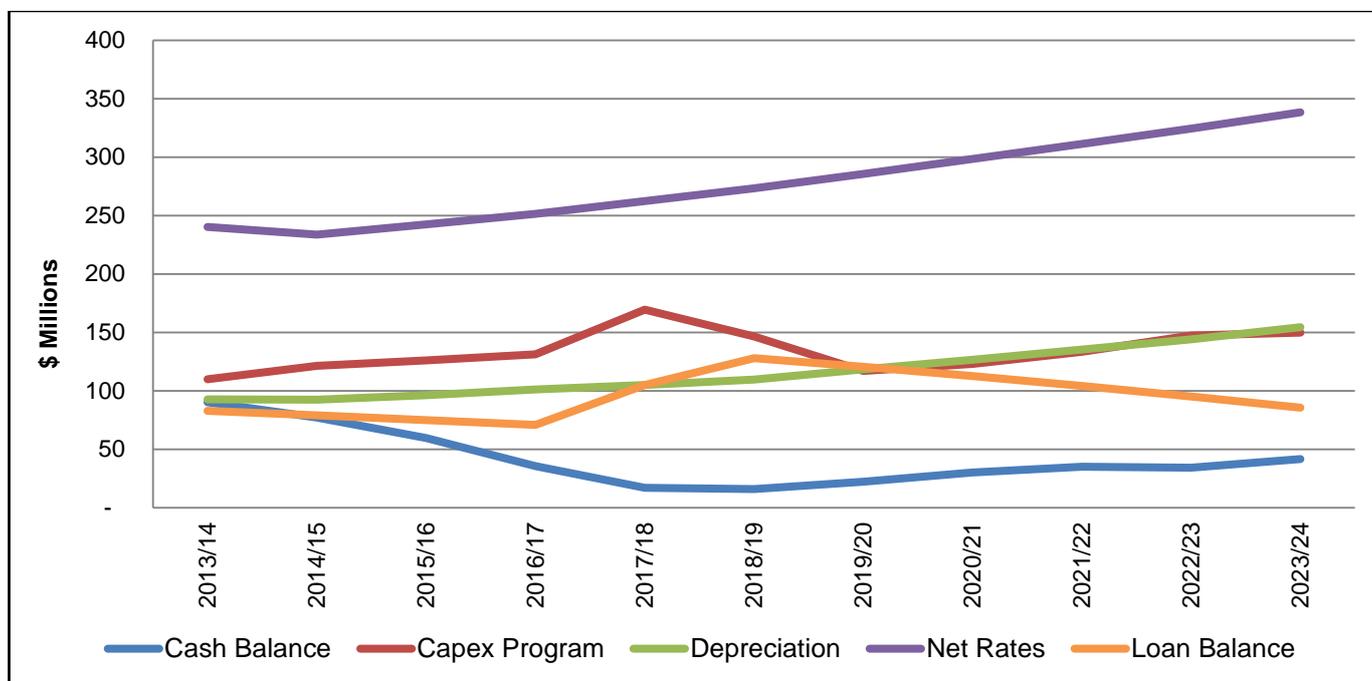
Financial Year	Rateable Assessments	Loan Balance \$'000	Debt per Rate Payer \$
2013/14	69,549	82,901	1,192
2014/15	70,042	79,124	1,130
2015/16	70,568	75,097	1,064
2016/17	71,097	70,776	995



LONG TERM FINANCIAL FORECAST

Cairns Regional Council is required to maintain a long term financial forecast in line with chapter 4, part 3, section 104 of the *Local Government Act 2009*. The forecast covers a period of 10 years and contains forecasts for revenue and expenditure, assets values, liabilities and equity. The long term financial forecast is a key strategic document for Council and is consistent with Council's corporate plan and long term asset management plans.

Key outputs from the long term financial forecast are outlined below and are underpinned by reasonable annual increases in rates. Further details are contained in Section 3 of this report.



MEASURES OF FINANCIAL SUSTAINABILITY

The following ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which should be met to ensure the prudent management of financial risks in accordance with Chapter 5, Part 2 Division 3 of the *Local Government Regulation 2012*. Ratios have been calculated for a ten year period being the three year forecast budget period as well as an additional seven years from Council's Long Term Financial Forecast. The benchmarks used for the prescribed ratios are per the Department of Local Government, Community Recovery and Resilience guidelines

Ratio	Description	Formula	Benchmark							
Operating Surplus	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes	Net Operating Surplus	0-10%							
		Total Operating Revenue								
Result:										
2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Comment:										
Council has forecast balanced operating positions for the duration of the forecast period, satisfying the benchmark for this ratio.										

Ratio	Description					Formula			Benchmark	
Net Financial Liabilities	This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.					Total Liabilities less Current Assets			< 60%	
						Total Operating Revenue				
Result:										
2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
0%	7%	12%	18%	35%	41%	35%	29%	25%	22%	16%
Comment:										
The results for this ratio are within the benchmark in each year of the forecast period.										

Ratio	Description					Formula			Benchmark	
Asset Sustainability	This is an approximation of the extent to which the infrastructure assets managed by Council are being replaced as these reach the end of their useful lives.					Capital expenditure on renewals			> 90% (on average over the long term)	
						Depreciation expense				
Result:										
2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
0%	90%	89%	79%	78%	76%	84%	71%	77%	88%	81%
Comment:										
The Asset Sustainability Ratio is calculated based on the planned capital expenditure on the renewal of assets as indicated by Council's Asset Management Plans. Council is confident that this expenditure satisfies asset renewal and replacement requirements.										
Adjusted Result:										
0%	92%	92%	83%	83%	81%	91%	79%	90%	106%	101%
An alternative calculation of this ratio has been performed removing new capital works expenditure from the depreciation forecast (with the exception of demand driven new assets). The result demonstrates that if Council were to opt to only build renewal assets that the benchmark would be achieved. However, Council remains confident that this course of action is not necessary as the long term forecast demonstrates that Council is able to adequately fund its renewal and new capital works programs and remain sustainable.										

3. BUDGETED FINANCIAL STATEMENTS

Cairns Regional Council - Budgeted Statement of Comprehensive Income

For the period ending 30 June 2015

	2013/14 Forecast \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
Operating Revenue				
Rates and utility charges	242,599	235,911	244,757	253,936
Less: pensioner remissions	(2,320)	(2,197)	(2,280)	(2,365)
Net rates and utility charges	240,280	233,714	242,478	251,571
Fees and charges	20,095	18,344	19,003	19,687
Interest revenue	6,372	6,454	4,636	3,971
Grants, subsidies and contributions	4,752	6,535	6,728	6,927
Other operating income	16,920	11,830	12,185	12,551
TOTAL OPERATING REVENUE	288,419	276,877	285,030	294,707
Operating Expenses				
Employee benefits	99,178	97,604	99,754	101,147
Materials and services	83,360	80,437	83,276	86,774
Depreciation	92,616	92,351	96,276	101,343
Finance costs	6,777	6,485	5,703	5,427
TOTAL OPERATING EXPENSES	281,931	276,877	285,009	294,691
Operating surplus / (Deficit)	6,488	-	21	16
Capital Income and Expenditure				
Capital grants and subsidies	17,720	6,705	10,199	4,015
Capital contributions	5,030	5,055	4,780	4,816
Contributed assets	6,328	6,360	8,060	8,120
Gain/(loss) on sale of non-current assets	(6,642)	(7,757)	(7,822)	(7,887)
TOTAL CAPITAL INCOME AND EXPENDITURE	22,436	10,363	15,217	9,064
Net Result	28,924	10,363	15,238	9,080
Other Comprehensive Income				
Increase in asset revaluation surplus	57,774	96,236	107,395	83,686
TOTAL COMPREHENSIVE INCOME	86,698	106,599	122,633	92,766

Cairns Regional Council - Budgeted Financial Position

For the period ending 30 June 2015

	2013/14 Forecast \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
Current Assets				
Cash assets and equivalents	90,255	77,159	59,596	35,555
Receivables	40,602	34,663	35,682	36,736
Inventories	1,042	1,068	1,093	1,119
	<u>131,899</u>	<u>112,890</u>	<u>96,371</u>	<u>73,410</u>
Non-Current Assets				
Property, plant and equipment	3,052,375	3,175,595	3,312,143	3,425,011
	<u>3,052,375</u>	<u>3,175,595</u>	<u>3,312,143</u>	<u>3,425,011</u>
TOTAL ASSETS	<u>3,184,274</u>	<u>3,288,485</u>	<u>3,408,514</u>	<u>3,498,421</u>
Current Liabilities				
Trade and other payables	33,593	34,478	35,387	36,318
Interest bearing liabilities	3,380	4,027	4,321	5,776
Provisions	2,246	2,281	2,311	2,342
Other	621	638	657	677
	<u>39,840</u>	<u>41,424</u>	<u>42,676</u>	<u>45,113</u>
Non-Current Liabilities				
Trade and other payables	2,984	3,073	3,165	3,260
Interest bearing liabilities	79,521	75,097	70,776	65,000
Provisions	12,219	12,582	12,956	13,341
	<u>94,724</u>	<u>90,752</u>	<u>86,897</u>	<u>81,601</u>
TOTAL LIABILITIES	<u>134,564</u>	<u>132,176</u>	<u>129,573</u>	<u>126,714</u>
NET COMMUNITY ASSETS	3,049,710	3,156,309	3,278,941	3,371,707
Community Equity				
Capital	2,408,332	2,439,094	2,472,273	2,505,776
Asset revaluation surplus	533,722	629,958	737,353	821,039
General reserves	107,656	87,257	69,315	44,892
Accumulated surplus / (deficit)	-	-	-	-
TOTAL COMMUNITY EQUITY	3,049,710	3,156,309	3,278,941	3,371,707

Cairns Regional Council - Budgeted Statement of Cash Flows

For the period ending 30 June 2015

	2013/14 Forecast \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
Cash flows from operating activities				
Receipts				
Net rate and utility charges	239,671	232,580	241,560	250,627
Fees and charges	20,095	18,309	18,964	19,647
Interest revenue	6,372	6,444	4,626	3,960
Contributions and donations	724	111	111	111
Government subsidies and grants	4,027	13,024	6,602	6,801
Other income	16,920	11,654	11,988	12,347
	<u>287,809</u>	<u>282,122</u>	<u>283,851</u>	<u>293,493</u>
Payments				
Employee benefits	(99,178)	(96,854)	(98,982)	(100,351)
Materials and services	(83,360)	(79,879)	(82,670)	(86,153)
Finance costs	(6,168)	(5,735)	(5,503)	(5,227)
	<u>(188,706)</u>	<u>(182,468)</u>	<u>(187,155)</u>	<u>(191,731)</u>
Cash provided by / (used in) operational activities	99,103	99,654	96,696	101,762
Cash flows from investing activities				
Receipts				
Proceeds/ (loss) from the sale of non-current assets	850	900	900	900
Proceeds from developers and government for capital projects	-	-	-	-
Contributions	5,030	5,055	4,759	4,794
Government grants and subsidies	17,720	6,705	10,199	4,015
	<u>23,600</u>	<u>12,660</u>	<u>15,858</u>	<u>9,709</u>
Payments				
Payments for property, plant and equipment	(110,000)	(121,633)	(126,090)	(131,191)
	<u>(110,000)</u>	<u>(121,633)</u>	<u>(126,090)</u>	<u>(131,191)</u>
Cash provided by / (used in) investing activities	(86,400)	(108,973)	(110,232)	(121,482)
Cash flows provided from financing activities				
Payments				
Repayment of borrowings	(3,601)	(3,777)	(4,027)	(4,321)
	<u>(3,601)</u>	<u>(3,777)</u>	<u>(4,027)</u>	<u>(4,321)</u>
Cash provided by / (used in) financing activities	(3,601)	(3,777)	(4,027)	(4,321)
Net increase / (decrease) in cash held	9,102	(13,096)	(17,563)	(24,041)
Cash at beginning of reporting period	81,153	90,255	77,159	59,596
Cash at end of reporting period	90,255	77,159	59,596	35,555

Cairns Regional Council - Budgeted Statement of Capital Funding

For the period ending 30 June 2015

	2013/14 Forecast \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
Sources of capital funding				
Gain on sale of non-current assets	850	900	900	900
Revenue	81,361	105,445	110,743	121,161
Contributed assets	6,328	6,360	8,060	8,120
Loan borrowings	-	-	-	-
Constrained grants and developer contributions	26,376	17,492	17,974	12,951
General reserves	5,014	1,573	500	500
	119,929	131,770	138,177	143,632
Application of capital funding				
Capital works program	110,000	121,633	126,090	131,191
Contributed assets	6,328	6,360	8,060	8,120
	116,328	127,993	134,150	139,311
Principal loan repayments to Queensland Treasury Corporation	3,601	3,777	4,027	4,321
Total capital expenditure	119,929	131,770	138,177	143,632

Cairns Regional Council - Budgeted Statement of Changes in Equity

For the period ending 30 June 2015

	Total				Retained Surplus/Deficit			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
	Forecast \$'000	\$'000	\$'000	\$'000	Forecast \$'000	\$'000	\$'000	\$'000
Balance at the beginning of the period	2,963,013	3,049,710	3,156,309	3,278,941	-	-	-	-
Asset revaluations direct to reserve	57,774	96,236	107,395	83,686	-	-	-	-
Increase (decrease) in net result	28,924	10,363	15,238	9,080	28,924	10,363	15,238	9,080
Transfers to capital and reserves	-	-	-	-	(59,977)	(21,129)	(26,376)	(20,293)
Transfers from capital and reserves	-	-	-	-	31,053	10,766	11,138	11,212
Transfers between capital and reserves	-	-	-	-	-	-	-	-
Balance at the end of the period	3,049,710	3,156,309	3,278,941	3,371,707	-	-	-	-

	Capital				Asset Revaluation Reserve			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
	Forecast \$'000	\$'000	\$'000	\$'000	Forecast \$'000	\$'000	\$'000	\$'000
Balance at the beginning of the period	2,363,945	2,408,332	2,439,094	2,472,273	475,948	533,722	629,958	737,353
Asset revaluations direct to reserve	-	-	-	-	57,774	96,236	107,395	83,686
Increase (decrease) in net result	-	-	-	-	-	-	-	-
Transfers to capital and reserves	31,744	7,260	8,960	9,020	-	-	-	-
Transfers from capital and reserves	(10,192)	(9,798)	(9,741)	(10,465)	-	-	-	-
Transfers between capital and reserves	22,835	33,300	33,960	34,948	-	-	-	-
Balance at the end of the period	2,408,332	2,439,094	2,472,273	2,505,776	533,722	629,958	737,353	821,039

	General Reserves			
	2013/14	2014/15	2015/16	2016/17
	Forecast \$'000	\$'000	\$'000	\$'000
Balance at the beginning of the period	123,120	107,656	87,257	69,315
Asset revaluations direct to reserve	-	-	-	-
Increase (decrease) in net result	-	-	-	-
Transfers to capital and reserves	28,233	13,869	17,416	11,272
Transfers from capital and reserves	(20,862)	(968)	(1,398)	(748)
Transfers between capital and reserves	(22,835)	(33,300)	(33,960)	(34,948)
Balance at the end of the period	107,656	87,257	69,315	44,892

Cairns Regional Council - Notes to and forming part of the Budgeted Accounts

For the period ending 30 June 2015

	2013/14 Forecast	2014/15	2015/16	2016/17
	\$	\$	\$	\$
1 Rates and utility charges				
General rates	106,572	104,092	107,995	112,045
Water	20,402	19,980	20,729	21,507
Sewerage	65,032	63,681	66,069	68,547
Special charges	-	50	52	54
Water usage	25,391	23,892	24,788	25,717
Cleansing charges	25,203	24,216	25,124	26,067
	<u>242,599</u>	<u>235,911</u>	<u>244,757</u>	<u>253,936</u>
Less discounts	(2,320)	(2,197)	(2,280)	(2,365)
	240,280	233,714	242,478	251,571
	2013/14 Forecast	2014/15	Variance	Variance
	\$	\$	\$	%
Rates and utility charges - value of change				
Gross rates and utility charges	242,599	235,911	(6,689)	(2.76%)

Cairns Regional Council - Budgeted Statement of Comprehensive Income

For the period ending 30 June 2015

Total of Council activities (excludes business units)

	2013/14 Forecast \$	2014/15 \$	2015/16 \$	2016/17 \$
Operating Revenue				
Rates and utility charges	106,572	104,092	107,995	112,045
Less: pensioner remissions	(2,276)	(2,152)	(2,233)	(2,316)
Fees and charges	13,926	12,134	12,561	13,002
Interest revenue	5,118	5,300	3,439	2,729
Grants, subsidies and contributions	4,722	6,535	6,728	6,927
Other operating income	5,895	5,209	5,365	5,526
Total Operating Revenue	133,957	131,118	133,855	137,913
Operating Expenses				
Employee benefits	57,164	56,975	57,906	58,044
Materials and services	12,083	14,909	14,026	14,204
Finance costs	1,097	1,001	659	666
Depreciation	57,125	58,233	61,243	64,983
Total Operating Expenses	127,469	131,118	133,834	137,897
Surplus / (deficit) from operations	6,488	-	21	16
Capital Revenue				
Government capital grants and subsidies	17,720	6,705	10,199	4,015
Capital contributions and donations	2,302	2,314	2,025	2,040
Contributed assets	3,544	3,561	5,038	5,075
Gain / (loss) on sale of non-current assets	(3,006)	(3,510)	(3,544)	(3,577)
Total Capital Revenue	20,560	9,070	13,718	7,553
Net Result	27,048	9,070	13,739	7,569
Other Comprehensive Income				
Increase in asset revaluation surplus	20,167	62,770	66,639	55,453
TOTAL COMPREHENSIVE INCOME	47,215	71,840	80,378	63,022

Cairns Regional Council - Budgeted Statement of Comprehensive Income

For the period ending 30 June 2015

Cairns Water

	2013/14 Forecast \$	2014/15 \$	2015/16 \$	2016/17 \$
Operating Revenue				
Rates and utility charges	110,825	107,603	111,638	115,824
Less: pensioner remissions	(43)	(44)	(46)	(47)
Fees and charges	3,986	4,059	4,211	4,369
Interest revenue	1,035	956	992	1,029
Grants, subsidies and contributions	30	-	-	-
Other operating income	690	473	488	502
Total Operating Revenue	116,523	113,047	117,283	121,677
Operating Expenses				
Employee benefits	21,356	21,148	21,782	22,436
Materials and services	54,988	52,961	56,222	59,011
Finance costs	5,488	5,314	4,882	4,607
Depreciation	34,691	33,624	34,397	35,623
Total Operating Expenses	116,523	113,047	117,283	121,677
Surplus / (deficit) from operations	-	-	-	-
Capital Revenue				
Government capital grants and subsidies	-	-	-	-
Capital contributions and donations	2,728	2,742	2,755	2,776
Contributed assets	2,784	2,798	3,023	3,045
Gain / (loss) on sale of non-current assets	(3,636)	(4,246)	(4,278)	(4,310)
Total Capital Revenue	1,876	1,294	1,500	1,511
Net Result	1,876	1,294	1,500	1,511
Other Comprehensive Income				
Increase in asset revaluation surplus	37,855	32,908	40,421	27,899
TOTAL COMPREHENSIVE INCOME	39,731	34,202	41,921	29,410

Cairns Regional Council - Budgeted Statement of Comprehensive Income

For the period ending 30 June 2015

Cairns Resource Recovery

	2013/14 Forecast \$	2014/15 \$	2015/16 \$	2016/17 \$
Operating Revenue				
Rates and utility charges	25,203	24,216	25,124	26,067
Less: pensioner remissions	-	(1)	(1)	(1)
Fees and charges	2,183	2,151	2,232	2,316
Interest revenue	219	198	205	213
Grants, subsidies and contributions	-	-	-	-
Other operating income	1,858	2,654	2,733	2,815
Total Operating Revenue	29,463	29,218	30,293	31,410
Operating Expenses				
Employee benefits	3,240	2,922	3,009	3,101
Materials and services	25,231	25,632	26,486	27,420
Finance costs	192	170	162	153
Depreciation	800	494	636	736
Total Operating Expenses	29,463	29,218	30,293	31,410
Surplus / (deficit) from operations	-	-	-	-
Capital Revenue				
Government capital grants and subsidies	-	-	-	-
Capital contributions and donations	-	-	-	-
Contributed assets	-	-	-	-
Gain / (loss) on sale of non-current assets	-	-	-	-
Total Capital Revenue	-	-	-	-
Net Result	-	-	-	-
Other Comprehensive Income				
Increase in asset revaluation surplus	(248)	558	335	335
TOTAL COMPREHENSIVE INCOME	(248)	558	335	335

Cairns Regional Council - Budgeted Statement of Comprehensive Income

For the period ending 30 June 2015

Cairns Works

	2013/14 Forecast \$	2014/15 \$	2015/16 \$	2016/17 \$
Operating Revenue				
Rates and utility charges	-	-	-	-
Less: pensioner remissions	-	-	-	-
Fees and charges	-	-	-	-
Interest revenue	-	-	-	-
Grants, subsidies and contributions	-	-	-	-
Other operating income	8,476	3,495	3,599	3,707
Total Operating Revenue	8,476	3,495	3,599	3,707
Operating Expenses				
Employee benefits	17,418	16,560	17,056	17,568
Materials and services	(8,942)	(13,065)	(13,457)	(13,861)
Finance costs	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	8,476	3,495	3,599	3,707
Surplus / (deficit) from operations	-	-	-	-
Capital Revenue				
Government capital grants and subsidies	-	-	-	-
Capital contributions and donations	-	-	-	-
Contributed assets	-	-	-	-
Gain / (loss) on sale of non-current assets	-	-	-	-
Total Capital Revenue	-	-	-	-
Net Result	-	-	-	-
Other Comprehensive Income				
Increase in asset revaluation surplus	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	-

For the period ending 30 June 2015

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenue										
Rates and utility charges	233,714	242,478	251,571	262,263	273,409	285,712	298,569	311,258	324,487	338,278
Fees and charges	18,344	19,003	19,687	20,473	21,892	22,804	23,756	24,701	25,685	26,708
Interest revenue	6,454	4,636	3,971	2,969	2,555	2,838	3,258	3,753	4,583	5,746
Grants, subsidies and contributions	6,535	6,728	6,927	7,131	7,342	7,559	7,782	8,012	8,249	8,493
Other operating income	11,830	12,185	12,551	12,927	13,315	13,714	14,126	14,550	14,986	15,436
Total Operating Revenue	276,877	285,030	294,707	305,763	318,513	332,627	347,491	362,274	377,990	394,661
Operating Expenses										
Employee benefits	97,604	99,754	101,147	104,181	107,307	110,526	113,842	117,257	120,775	124,398
Materials and services	80,437	83,276	86,774	89,377	93,058	95,850	99,725	102,717	106,798	110,002
Finance costs	6,485	5,703	5,427	7,023	8,330	7,913	7,427	6,929	6,398	5,847
Depreciation	92,351	96,276	101,343	105,175	109,807	118,334	126,489	135,361	144,007	154,409
Total Operating Expenses	276,877	285,009	294,691	305,756	318,502	332,623	347,483	362,264	377,978	394,656
Surplus / (deficit) from operations	-	21	16	7	11	4	8	10	12	5
Capital contributions and donations	5,055	4,780	4,816	4,852	4,888	4,937	4,987	5,036	5,087	5,138
Government capital grants and subsidies	6,705	10,199	4,015	5,700	6,363	6,143	5,983	5,163	5,163	5,713
Contributed assets	6,360	8,060	8,120	8,181	8,243	8,325	8,408	8,492	8,577	8,663
Proceeds on sale of non-current assets	(7,757)	(7,822)	(7,887)	(7,953)	(8,019)	(8,109)	(8,199)	(8,290)	(8,382)	(8,474)
Net result after income tax	10,363	15,238	9,080	10,787	11,486	11,300	11,187	10,411	10,457	11,045
Capital Funding Sources										
Gain / (loss) on sale of non-current assets	900	900	900	900	900	900	900	900	900	900
Revenue	105,445	110,743	121,161	121,978	110,510	112,170	119,651	131,426	145,297	147,724
Govt capital grants and subsidies expended	7,455	10,199	4,015	5,700	6,363	6,143	5,983	5,163	5,163	5,713
Developer contributions	10,037	7,775	8,936	6,297	5,818	5,246	4,374	4,403	4,932	4,961
Contributed assets	6,360	8,060	8,120	8,181	8,243	8,325	8,408	8,492	8,577	8,663
General reserves	1,573	500	500	500	-	-	-	-	-	-
Loan borrowings	-	-	-	40,000	30,000	-	-	-	-	-
Total capital funding sources utilised	131,770	138,177	143,632	183,556	161,834	132,784	139,316	150,384	164,869	167,961
Capital Funding Applications										
Capital works program	121,633	126,090	131,191	169,599	146,599	117,029	122,971	133,435	147,282	149,743
Contributed assets	6,360	8,060	8,120	8,181	8,243	8,325	8,408	8,492	8,577	8,663
Principal loan repayments	3,777	4,027	4,321	5,777	6,993	7,430	7,938	8,457	9,011	9,556
Total capital funding applications	131,770	138,177	143,632	183,557	161,835	132,784	139,317	150,384	164,870	167,962
Community Assets										
Total assets	3,288,485	3,408,514	3,498,421	3,648,183	3,779,205	3,892,060	3,980,629	4,079,995	4,178,149	4,288,804
Total liabilities	132,176	129,573	126,714	162,440	186,993	181,150	174,845	168,065	160,778	152,993
Net Community Assets	3,156,309	3,278,941	3,371,707	3,485,743	3,592,212	3,710,910	3,805,784	3,911,930	4,017,371	4,135,811

4. 2014/15 RATING AND CHARGES SUMMARY

MAJOR COMPONENTS

RATES AND CHARGES

Categories	Cents in the dollar	Minimum
Residential A	.697696	\$831.70
Residential B	.657050	\$3,418.72
Residential C	.614852	\$4,829.34
Residential D	.566108	\$5,994.84
Residential E	.517116	\$6,906.54
Residential F	.475142	\$7,575.76
Residential G	.434080	\$8,124.94
Residential H	.390700	\$8,486.26
Residential I	.349538	\$8,595.42
Residential J	.697696	\$831.70
Residential K	1.253876	\$831.70
Residential L	.852604	\$1,247.60
Residential M	.697696	Nil
Commercial B	4.315790	\$1,071,669.48
Commercial D	1.744046	\$857.08
Commercial E	.945850	\$857.08
Commercial F	.697696	\$831.70
Commercial G	3.111460	\$435,673.54
Rural Productive	1.272568	\$857.08

*Residential M valuations are discounted by 40%

SPECIAL CHARGES

Holloways Beach Rock Wall Stage 1

An amount of \$253.81 per lineal metre of constructed rock wall to be levied on each parcel identified on the map marked Holloways Beach Rock Wall - Stage 1 to the extent specified in the rates and charges schedule.

Holloways Beach Rock Wall Stage 2A

An amount per individual parcel to the extent specified in the rates and charges schedule and identified on the map marked Holloways Beach Rock Wall - Stage 2A.

Holloways Beach Rock Wall Stage 2B

An amount per individual parcel to the extent specified in the rates and charges schedule and identified on the map marked Holloways Beach Rock Wall - Stage 2B.

Bluewater Canal

- (a) An amount of \$1,805.60 to be levied on each lot identified below and also identified on the map marked Bluewater Canal.

Lot No.	Registered Plan
1 to 41	SP165903
42	SP241494
44 to 65	SP165903
79 to 130	SP165903

- (b) An amount of \$902.80 to be levied on each lot identified below and also identified on the map marked Bluewater Canal.

Lot No.	Registered Plan
22 to 23	SP224676
24 to 31	RP737271
32 to 43	RP737260

- (c) A total amount of \$195,004.80 for Bluewater Marina (lot 186 SP165903).
- (d) A total amount of \$124,649.78 for Yorkeys Knob Marina (lot 26 SP122863).

UTILITY CHARGES

- Cleansing Charges
 - Domestic cleansing charge - \$352.34 per service.
 - Commercial (Properties north of Ellis Beach). Refer Rates and Charges Schedule for full details of these charges.
- Water Charges - Potable
 - Access charge \$248.58
 - Residential usage charge \$1.11 per kilolitre
 - Commercial usage charge \$1.18 per kilolitre
 - Water meter readings and billings three times a year.
- Water Charges - Recycled
 - Access charge \$60.26
 - Usage charge 56 cents per kilolitre
 - Water meter readings and billings three times a year.
- Sewerage
 - Residential charge \$735.58
 - Vacant residential land charge \$585.62
 - Commercial charge per water closet \$629.34
- Interest
 - 11% compounding
 - To be calculated on all rates and charges which remain unpaid after the expiration of the due date for payment.

5. 2014/15 CODE OF COMPETITIVE CONDUCT STATEMENT

STATEMENT OF ACTIVITIES TO WHICH THE CODE OF COMPETITIVE CONDUCT APPLIES

Section 43(4) of the *Local Government Act 2009* defines a significant business as a business activity of a local government that:

- (ii) is conducted in competition, or potential competition, with the private sector (including off-street parking, quarries, sporting facilities, for example); and
- (iii) meets the threshold prescribed under a regulation.

The significant business activity thresholds are required to be reviewed and gazetted each year by the Minister. A bulletin was published on the Department of Local Government, Community Recovery and Resilience website advising of the thresholds for the financial year. As per Bulletin 01/14 outlined in *Section 19 of the Local Government Regulation 2012* the following thresholds will apply for 2014/15:

Business activities (Type 1 & 2):

- a) for water and sewerage combined activities - \$ 13.3 million
- b) for other activities - \$8.9 million

Type 3 as per Section 47 of the *Local Government Act 2009* requires that the Code of Competitive Conduct (CCC) be applied to the following activities:

- (a) Roads activity is a business activity that involves:
 - (i) constructing or maintaining a State controlled road, that the State put out to competitive tender or
 - (ii) submitting a competitive tender in relation to –
 - a) constructing or maintaining a road in the local government area, that the local government put out to competitive tender; or
 - b) constructing or maintaining a road in another local government area that the local government put out to competitive tender.
- (b) A building certifying activity is a business activity that:
 - (i) involves performing building certifying functions (within the meaning of the Building Act, section 8); and
 - (ii) is prescribed under a regulation.

Council may also apply the CCC to any other business activity. For CCC purposes, Council defines a business activity as:

- (c) A business activity means:
 - (i) trading in goods and services to clients in competition with the private sector; or
 - (ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself.

A local government may elect to apply CCC to their identified type 3 business activities. This requires the application of full cost pricing, identifying the cost of Community Service Obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO represents an activity's costs, which would not be incurred if the activity's primary objective was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

Type 1 commercialised business units of Council include:

- Cairns Water which manages the water and wastewater activities.
- Cairns Works activities including road maintenance, drainage, minor works, parks, street litter and public toilet cleaning.
- Cairns Resource Recovery which manages the solid waste activities.

Below are the Estimated Activity Statement summaries for the type 3 business activities of which the Code of Competitive Conduct applies for the 2014/15 financial year, as required by *Section 35 of the Local Government Regulation 2012*.

2014/15 ESTIMATED ACTIVITY STATEMENT - Summary

Description	Ticket Link \$	Car Parking \$	Caravan Parks \$
<i>Revenue for services provided to the Council</i>	2,390	-	-
<i>Revenue for services provided to external clients</i>	402,423	1,397,109	245,000
<i>Community Service Obligations, net of charges</i>	24,102	(2,143)	4,625
<i>Sub-Total</i>	428,915	1,394,966	249,625
<i>Less: Expenditure</i>	427,419	570,020	173,176
<i>Surplus/(Deficit)</i>	1,496	824,946	76,449

Description	Building Regulation and Certification \$	Design Services \$	Fleet Services \$
<i>Revenue for services provided to the Council</i>	-	1,525,807	26,368,635
<i>Revenue for services provided to external clients</i>	826,601	2,001	299,994
<i>Community Service Obligations, net of charges</i>	-	-	-
<i>Sub-Total</i>	826,601	1,527,808	26,668,629
<i>Less: Expenditure</i>	1,183,522	1,559,074	27,137,701
<i>Surplus/(Deficit)</i>	(356,921)	(31,266)	(469,072)

Description	Survey Services \$	Project Services \$	Facilities Management \$
<i>Revenue for services provided to the Council</i>	666,030	1,264,052	5,644,682
<i>Revenue for services provided to external clients</i>	-	-	498
<i>Community Service Obligations, net of charges</i>	-	-	2,081
<i>Sub-Total</i>	666,030	1,264,052	5,647,261
<i>Less: Expenditure</i>	703,190	1,097,866	5,571,199
<i>Surplus/(Deficit)</i>	(37,160)	166,186	76,062

2014/15 COMMUNITY SERVICE OBLIGATIONS

Activities	CSO Description	Budget \$
Type 1 and 2 Activities		
Water	Service locations	84,306
	Fire Hydrants Maintenance	540,276
	Access charges forgone	429,381
	Usage charges forgone	1,592,057
	Total	2,646,020
Wastewater	Service locations	90,685
	Access charges forgone	1,021,046
	Total	1,111,731
Waste Services	Free dumping general waste	560,584
	Free disposal vouchers	11,500
	Free dumping vegetation	307,869
	Free mulch	43,601
	Free transportation costs between transfer stations	68,653
	Rates based financial assistance	43,812
	Schools recycling	29,921
	In kind waste & recycling collections	4,712
Total	1,070,652	

Activities	CSO Description	Budget \$
Type 3 Activities		
Car Parking	Water charges	(2,143)
Caravan Parks	Rental revenue forgone	4,625
Ticket Link	Assistance to community hirers	24,103
Facilities Maintenance	Equipment revenue forgone to state government agencies	2,081

6. 2014/15 DEBT POLICY

CAIRNS REGIONAL COUNCIL

NO. 1:02:05

General Policy

2014/15 DEBT POLICY

Intent To provide Council with a debt management strategy based on sound financial management guidelines.

Scope This policy applies to all borrowings of Cairns Regional Council including all of the commercialised business units of Council.

PROVISIONS

The following sets out the Debt Policy for the year ending 30 June 2015 as required by chapter 5, part 4, and section 192 of *Local Government Regulation 2012*.

Borrowings planned for the next ten financial years are as follows:

Year and Purpose of Borrowing	Amount	Term
2017/18 Capital Works Program	\$40m	20 years
2018/19 Capital Works Program	\$30m	20 years

The default repayment term of new loans is 20 years however will be set on a case by case basis to ensure best use of Council's surplus funds. Existing loans have remaining terms between 1 and 14 years.

Principles

1. Council aims to finance capital works and new assets to the greatest extent possible from revenue, grants and subsidies or any specific reserves primarily established to fund capital works.
2. Financing of major infrastructure assets requires a strategic approach to evaluate the risk exposure of Council.
3. Council should continually evaluate its financing options to ensure it assesses the relative risks and benefits, including the performance of its finances.
4. Council will not use long-term debt to finance operating activities or re-current expenditure of Council.
5. The interest coverage ratio (whole of Council) should remain less than 5%.
6. Detailed capital works and asset acquisition programs for the next 10 years together with the 10 year financial model will provide the basis for determination of funding options.

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This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review: Chief Financial Officer

ORIGINALLY ADOPTED: 21/06/2002

CURRENT ADOPTION:

DUE FOR REVISION:

REVOKED/SUPERSEDED:

7. 2014/15 INVESTMENT POLICY

CAIRNS REGIONAL COUNCIL

NO. 1:02:13

General Policy

2014/15 INVESTMENT POLICY

Intent To outline Cairns Regional Council's investment policy and guidelines regarding the investment of cash holdings with an objective of maximising earnings whilst minimising risk to ensure the security of Council funds.

Scope This policy applies to the investment of all cash holdings of Cairns Regional Council. For the purpose of this policy, investments are defined as arrangements that are acquired or undertaken for the purpose of producing income and/or capital gains.

PROVISIONS

The following sets out the Investment Policy as required by chapter 5, part 4, and section 191 of *Local Government Regulation 2012*.

POLICY

AUTHORITY FOR INVESTMENT

All investments are to be made in accordance with:

- *Statutory Bodies Financial Arrangements (SBFA) Act 1982*
- *Statutory Bodies Financial Arrangements (SBFA) Regulation 2007*

ETHICS AND CONFLICTS OF INTEREST

Prudent person standard

The standard of prudence is to be used by investment officers when managing the overall portfolio. Investments will be managed with the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons. This includes having in place appropriate reporting requirements that ensure the investments are being reviewed and overseen regularly.

Investment officers are to manage the investment portfolios not for speculation, but for investment and in accordance with the spirit of this Investment Policy. Investment officers are to avoid any transaction that might harm confidence in Cairns Regional Council. They will consider the safety of capital and income objectives when making an investment decision.

Ethics and conflicts of interest

Investment officers and employees shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This includes activities that would impair the investment officer's or employee's ability to make impartial decisions as outlined in Council's Code of Conduct Administration Instruction. This policy requires that employees and investment officials disclose to the Chief Financial Officer any conflict of interest or any investment positions that could be related to the investment portfolio.

Delegation of authority

Authority for implementation of the Investment Policy is delegated by Council to the Chief Executive Officer in accordance with sections 257 and 259 of the *Local Government Act 2009*.

Authority for the day to day management of Council's Investment Portfolio is delegated by the Chief Executive Officer to the Chief Financial Officer and subject to regular reviews with the Chief Executive Officer.

Reporting

The Chief Financial Officer will provide a quarterly report to Council, detailing the investment portfolio in terms of performance and counterparty exposure.

New Investment Products

No new investment products will be allowed until a full risk assessment has been undertaken by management. These assessments will be signed off by the Chief Executive Officer and reported to Council.

INVESTMENT PARAMETERS

Investable funds

For the purposes of this policy, investable funds are Council's cash holdings available for investment at any one time.

The investable funds should match the cash flow needs of Council deemed by the Chief Financial Officer after preparing Council's annual budget and cash flow forecasts. Once it is determined that the cash flow forecast can be met, surplus funds may be invested for an appropriate period.

Authorised investments

Cairns Regional Council is allocated Category 2 Investment Powers under the *SBFA Regulation 2007*. All investments must be denominated in Australian Dollars and undertaken in Australia. All investments undertaken by Council should be in accordance with the authorised investments definitions and restrictions as specified throughout this policy.

Portfolio investment parameters

The structure and features of Council's investments are to be consistent within the time horizon, risk parameters, liquidity requirements and operational guidelines of Council as set out below.

Quotations on Investments

Except for investments with the Queensland Treasury Corporation Capital Guaranteed Cash Fund, not less than three quotations shall be obtained from different authorised institutions when an investment is proposed.

In assessing the fair value of quotes obtained, the risk of the entity providing the return must be considered. The Fair Value Calculator provided by the Queensland Treasury Corporation can be used to assist in this evaluation.

TABLE 1 Time Horizon and Maximum Exposure Guidelines

Fund Type	Minimum Investment Time Horizon	Maximum Exposure as % Total Investment Portfolio
Cash Funds (at call)	0-180 days	100%
Cash Plus / Cash Enhanced Funds / Fixed Term Deposits / or equivalent	0-12 months	100%
Investments that meet the following rating requirements: Rating by Fitch IBCA(Australia) Pty Ltd Aa, AA+ or AAA; or Rating by Moody' Investors Service of; Aa2, Aa1 or Aaa; or Rating by Standard & Poor's (Australia) Pty Ltd of AA, AA+ or AAA	0 – 36 months	20%

Term to Maturity

The term to maturity of any of Council's direct investments may range from "at Call" to 3 years and will be dependent upon Cairns Regional Council's future cash flow requirements, credit risk guidelines and the prevailing outlook regarding interest rates.

Liquidity

This refers to Council's ability to access funds in the short-term to meet its day to day liquidity requirements. Council will seek to minimise the costs of failing to adequately manage its day to day liquidity needs through maintaining daily for next week, weekly for the next month, monthly and annual cash forecasts, establishing and maintaining an appropriate cash balance in the transactional banking account, establishing and maintaining a procedure for evaluating investment options for surplus funds and a list of approved investments for short term cash surpluses.

Diversification/Credit risk

(I) Managed Fund Investments

The total amount invested with any one fund manager should not exceed the limits as described in the Credit Risk Guidelines Table 2 below.

(II) Direct Investments

The amount invested with any one financial institution should be in accordance with the Credit Risk Guidelines as described in Table 2.

In the event that the maximum percentage is exceeded based on the average annual funds, the Chief Financial Officer should submit a report to the Chief Executive Officer..

TABLE 2 Credit Risk Guidelines

N.B. The following percentages are based on average annual funds invested.

Long Term Rating (Standard & Poors)	Short Term Rating (Standard & Poors)	Minimum Percentage of Total Investments	Maximum Percentage of Total Investments	Maximum Term (for fixed term investments only)
QTC Cash Fund	QTC Cash Fund	0%	100%	3 years
Aaf	Not available	0%	50%	n/a
AA+ to AA-	A1+	0%	100%	3 years
A+ to A-	A1	0%	75%	1 year
BBB+ to BBB-	A2	0%	50%	1 year
Qualifying Local Financial Institutions	Unrated	\$1m limit	\$1m limit	90 days
Unrated	Unrated	0%	0%	n/a

In addition to the above, the following should be noted:

(III) For the purpose of the day to day management of surplus funds, term to maturity may be:

- Short term which refers to a period of 1 day to 1 year
- Short to Medium term refers to a period of 1 to 2 years
- Long term refers to a period of 2 to 3 years

(IV) Credit Ratings

- If any financial institution's credit rating is downgraded or the credit rating is placed on a negative watch, Council will revise downwards its credit limits or divest the investment as soon as practicable.

(V) Qualifying Local Financial Institutions

In order to qualify for investment, local institutions must meet the following criteria:

- provide a benefit to the local community, outside of standard financial institution services; and
- be able to provide competitive term deposit rates that rival those able to be obtained from rated institutions; and
- satisfy a financial health check that assesses key financial indicators, and is to be based on the most recent audited financial statements for the institution as well as that institution's latest available Capital Adequacy Disclosure.

Performance Benchmarks

TABLE 3 – Investment Performance Benchmark

Investment	Performance Benchmark
Cash / Cash Plus / Direct Investments	11 AM and UBS Bank Bill Index
Overnight deposits	RBA Cash Rate
Interest Bearing Deposits/Negotiable Certificates of Deposit	UBS Bank Bill Index
Floating Rate Notes	Bank Bill Swap Rate

Variation to Policy

The Chief Executive Officer or their delegated representative is authorised to approve variations to this policy if the investment is to Council's advantage and/or due to revised legislation. All changes to this policy are to be reported to Council within 21 days, including circumstances where this clause is utilised or relied upon for decision making purposes.



This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review: Chief Financial Officer

ORIGINALLY ADOPTED: 19/9/2003

CURRENT ADOPTION:

DUE FOR REVISION:

REVOKED/SUPERSEDED:

8. 2014/15 RESERVES POLICY

CAIRNS REGIONAL COUNCIL

NO.1:02:31

General Policy

2014/15 RESERVES POLICY

Intent To establish an accounting policy for reserves for Cairns Regional Council that is in line with Council's Budget and Operational Plan.

Scope This policy applies to the Cairns Regional Council budget and audited financial statements.

Introduction:

Council maintains reserves as a means of constraining funds that are received for a specific purpose and have enforceable restrictions placed on them.

In each case the amount relates to an anticipated future requirement which is not currently a liability.

Transfers

In accordance with this policy, transfers to and from a reserve can only be made by Council resolution or by inclusion in Council's annual budget. Transfers to and from reserves must be made for the stated purpose of the reserve, as outlined in this policy.

If the purpose for which the reserve was created no longer exists, Council may close the reserve. In the event that this occurs, the funds held in the reserve must be credited to retained funds.

Approval of expenditure

The utilisation of reserve funds for capital funding purposes will be managed via the Capital Works Program. The utilisation of reserve funds for operational purposes will be managed through the Annual Budget process.

The following reserves have been established by Council:-

- Constrained Works Reserve – Unspent Grants
- Constrained Works Reserve – Developer Contributions
- Bluewater Special Charge Reserve
- Public Art Reserve

Refer Appendix A for further details on each reserve.

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This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review: Chief Financial Officer

ORIGINALLY ADOPTED: 15/09/2003

CURRENT ADOPTION:

DUE FOR REVISION:

REVOKED/SUPERSEDED:

APPENDIX A

Constrained Works Reserve - Grants

Purpose:

State/Federal grants are constrained for the purpose of ensuring that funds are available for capital works projects such as roadways, drainage and parks etc.

Source of Funds:

This capital reserve sources funds from state and federal grants and other sources which have been provided for the purpose of funding specific capital expenditure.

Use of Funds:

The funds held in this reserve will be utilised through infrastructure works exclusively in the precinct and for the identified purpose.

Constrained Works Reserve – Developer Contributions

Purpose:

Developer contributions are constrained for the purpose of funding infrastructure assets such as roads, bridges, drainage, water and sewerage assets etc.

Source of Funds:

This capital reserve sources funds from developer contributions collected through Council's Planning Scheme Policies.

Use of Funds:

The funds held in this reserve will be utilised through infrastructure works exclusively in the precinct and for the identified purpose.

Cairns Southern Corridor Reserve

Purpose:

The purpose of this reserve is to establish a clear and precise practice regarding the contribution and application of funds for the Cairns Southern Corridor Project.

Source of Funds:

Contributions that are made payable to Council from Cairns Southern Corridor Master Planning taskforce members are to be appropriated to this reserve and constrained.

Use of Funds:

The funds in this reserve will be used to fund the Cairns southern corridor master planning taskforce operation, project management and master plan / sub plan development.

Please see policy No.1:04:50 for further details.

Public Art Reserve

Purpose:

The purpose of this reserve is to build up a public art “bank” to support streams of the public art program and all ancillary costs.

Source of Funds:

Cash reserves accumulated into this fund include:

- Civic Funding Source – entirely funded by Council
- Private Funding Source – entirely funded by developers

These contributions are collected via Planning Scheme Policy 4:03:02 Public Art Contributions.

Use of Funds:

Funds from this reserve will be used on major public art projects and associated ancillary costs. The contributions will also cover: Public art project management and/or consultants’ fees; Public art tender costs; Public art legal and contractual documentation; Artists’ fees, sub-contractor (and trainees wages) where applicable; Public art material and manufacture/fabrication; Public art design Public art risk management and liability costs; and Public art maintenance and conservation.

Please see Public Art Policy No.1:04:44 for detailed policy.

Bluewater Special Charge Reserve

Purpose:

The Bluewater special charge has been levied to recognise that allowance needs to be made and a process put in place to manage the risk of major storms or other events that may impact on Bluewater Canal, Half Moon Creek and Offshore Channel. Council has approved a special charge on individual lots (as per the Bluewater Canal Map and Marina Berths associated with Bluewater Marina and Yorkeys Knob Marina) which are constrained into this reserve at year end.

Source of Funds:

As a result of the expected continual dredging of the canal, Council approved a Bluewater Special Charge to be levied on specific individual lots. This revenue will be constrained into this reserve as well as any interest that is earned on the Bluewater cash balance.

Use of Funds:

Funds in this reserve will be utilised for funding works for the dredging and maintenance of the Bluewater Canal, Half Moon Creek and Offshore Channel.

9. 2014/15 DIVIDEND POLICY

CAIRNS REGIONAL COUNCIL

NO.1:02:27

General Policy

2014/15 DIVIDEND POLICY

Intent To provide guidelines on the return of dividend to Council from commercialised business units.

Scope This policy applies to all commercialised business units of Council.

Philosophy

1. Business units of Council return a dividend to Council in recognition that these business units have been established to further the good governance of the Region.
2. Funds earned by the general fund through dividends can be utilised to provide enhanced services and infrastructure to the people of Cairns.
3. This policy will be reviewed annually to take into account the needs of individual business units (including projected capital investment requirements) and the general economic and environmental conditions impacting on the performance of the business units.

Procedure

1. Dividend will be calculated on actual performance.
2. Calculations for dividend payable to Council will be performed as part of the end of month process.
3. Where the dividend payable to Council results in a deficit after income tax, the amount of the dividend payable to Council will be reduced by the amount of the deficit.

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This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review: Chief Financial Officer

ORIGINALLY ADOPTED: 19/06/2003

CURRENT ADOPTION:

DUE FOR REVISION:

REVOKED/SUPERSEDED:

10. 2014/15 BANK GUARANTEE POLICY

CAIRNS REGIONAL COUNCIL

NO. 1:02:17

General Policy

2014/15 BANK GUARANTEE POLICY

Intent To outline Cairns Regional Council's policy regarding the guarantee of third party loan borrowings based upon sound financial management guidelines.

Scope This policy applies to the 'in principal' commitment to the guarantee of any third party loan borrowings and is subject to Treasury approval.

Principles

The provision of guarantees to third parties will be a decision of Council. Council will consider the guarantee of third party loan borrowings for community organisations where:

1. The loan borrowings are for the purpose of funding a project that clearly serves a community need and/or provides a benefit to the community; and
2. There is a high level of community support for the project; and
3. The community organisation can adequately prove its ability to fund the repayment of the loan borrowings (principal and interest) throughout the loan term; and
4. The loan guarantee amount is within Council's loan guarantee limit of \$1,700,000. This limit is to be reviewed by Council as required but no less than annually, taking into account newly approved, expiring or reducing guarantee obligations.

Reporting

Upon receipt of the audited financial statements of each of the organisations for which Council has provided a guarantee, Council officers will perform an assessment of the organisation's financial position. This assessment allows Council officers to accurately disclose the guarantee in Council's financial statements each year as well as inform Council of any pertinent issues where appropriate.

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This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review: Chief Financial Officer

ORIGINALLY ADOPTED:

CURRENT ADOPTION:

DUE FOR REVISION:

REVOKED/SUPERSEDED:

11. CONCEALED WATER LEAK POLICY

CAIRNS REGIONAL COUNCIL

General Policy

CONCEALED WATER LEAK POLICY

Intent Cairns Regional Council will provide assistance to qualifying residential and not for profit water customers who have larger than normal water accounts due to the existence of a concealed leak. Provision of assistance is subject to conditions and assistance is calculated using a defined methodology.

Scope This policy applies to all residential properties and not for profit community organisations connected to the Cairns Regional Council water supply scheme and have a Council approved water meter.

Definitions

Concealed Leaks: Water escaping from pipework on the customer's side of the water meter in a location that is not readily visible or apparent.

Average Water Consumption: Average of 3 equivalent billing periods i.e. the same period in previous years and where there has been no major excess water use detected. Where no prior billing history is available the average Cairns residential consumption will be used.

Residential Property: Properties classed as residential on Council rates notices.

Non-profit community organisations:

The following community organisations are eligible for consideration of financial assistance in relation to a concealed water leaks:

1. Non-profit community organisations, as determined by the Australian Taxation Office (ATO);
2. Religious institutions as determined by the ATO;
3. Schools registered with the Queensland Department of Education.

To be considered a non-profit community organisation the following criteria must apply –

1. the organisation is incorporated under Queensland's Associations Incorporation Act 1981 or registered under the Collections Act 1961; and
2. there is no profit or gain by individual members of the group; and
3. its constitution or governing documents prevent it from distributing profits or assets for the benefit of particular persons, both while it is operating and on winding up; and
4. whilst a surplus can be made, it must be used to carry out the purpose and functions of the organisation.

Excess Water: The water used over and above the average water consumption due to a concealed leak at the relevant consumption charge.

PROVISIONS

Principles

- Customers receiving metered water supplies from Cairns Regional Council are responsible for managing the water supply on their property i.e. from the property side of the water meter. This includes maintenance and repair of all water services on the property. All reasonable effort must be taken by the owner to ensure that the property's water infrastructure is maintained in good working order. This includes repairing leaks in a timely manner to conserve water and reduce potential costs.
- Tenants have an obligation to report a suspected leak to the owner/managing agent of the property.
- Council has no obligation to provide financial assistance to customers affected by leaks on their property however, Council recognises that at times residential water leaks can go undetected for relatively long periods and may cause financial difficulties for some customers. Cairns Regional Council residential customers and not for profit community organisations that have experienced a sudden and very large increase in water use due to concealed leaks on their property may apply for financial assistance subject to conditions outlined in this policy.

Conditions for receiving financial assistance

Approval of financial assistance is at the discretion of Cairns Regional Council and will only be granted as follows:

- All applications are to be submitted via the approved Application Form "Application for Financial Assistance - Concealed Water Leak"
- The concealed water service leak must have been repaired by a licensed plumber in a timely and effective manner to minimise water loss. Repairs must be completed within 14 days of a water account being issued or the customer becoming aware of a possible water leak via Council notification.
- The customer must also provide a copy of the licensed plumbers invoice detailing the work undertaken and confirming the repair of the leak.
- The leak has been effectively repaired. Council may undertake water meter reads to confirm the leak has been repaired effectively.
- Financial assistance sought under the provisions of this policy will only be considered in relation to water bills issued on or after 1 July 2014.
- Applications must be received no more than 30 days after the repair of the leak.
- The application must be for a residential property or a not for profit community organisation who owns the property or is responsible for water usage charges under lease agreement

- For residential properties within a Community Titles Scheme an adjustment may be made as per the following –
 - Individually sub-metered properties where sub-meters are being read by Council and the leak occurred within a property other than the common property, the property owner must submit the required application.
 - Individually sub-metered properties where sub-meters are being read by Council and the leak occurred within the common property the body corporate must submit the required application.
 - Where the Community Title property is not sub-metered or is sub-metered but sub-meters are not read by Council, the body corporate acting on behalf of all lot owners must submit the required application.
- Only two applications may be granted per owner or organisation per property within a five year period (i.e. five years from the date of approval of the first application for financial assistance).

Assistance will not be considered for:

- leaks and/or bursts on internal appliances, fixtures or fittings including air conditioners, dish washers, swimming pools, hot water systems, toilet cisterns, valves, internal or external taps
- situations where the leak is visible
- leaks not repaired by a licensed plumber
- plumbing that is not compliant with government regulations
- vacant land.

Extent of Assistance

If the application for the financial assistance is approved the customer will pay for the full water charges of their average water consumption plus \$200 and 50% of the remaining excess water charge. The customer will only be required to pay a maximum of \$800 in excess of the average water consumption (comprising the initial \$200 plus a portion of the 50% balance). Council will discount all remaining charges above the required customer payments.

The following examples illustrate how the adjustment is calculated based on the above.

Example1.

The total bill is \$1000. The normal average usage is \$60.

Bill Total		Discount	You Pay
\$1000	Average Consumption		\$60
	Plus \$200		\$200
	<i>Balance of bill is now \$740</i>		
	Council Pays 50%	\$370	\$370
	<i>Balance of bill is now NIL</i>		
	Total	\$370	\$630

Example 2.

Your total bill is \$2500. Your normal average usage is \$120.

Bill Total		Discount	You Pay
\$2500	Average Consumption		\$120
	Plus \$200		\$200
	<i>Balance of bill is now \$2180</i>		
	Council Pays 50%	\$1090	\$1090 \$600*
	<i>Balance of bill is now \$490</i>	\$490	
	Total	\$1580	\$920

*Your maximum excess payment is \$800 plus the average consumption.

Delegated Authority

The administration of this policy shall occur through the Chief Executive Officer delegated to the Chief Financial Officer.



This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review: General Manager Water & Waste

ADOPTED: [Click here to enter a date.](#)

DUE FOR REVISION: [Click here to enter a date.](#)

REVOKED/SUPERSEDED: [Click here to enter a date.](#)