



2008/09 ANNUAL REPORT

15 March 2008 to 30 June 2009

Committed to building a sustainable future

THE JOURNEY SO FAR



Scenic Rim Regional Council was created as part of the Queensland Government's reform of local government in 2008. The Scenic Rim region is made up of the former Boonah Shire, the southern half of the former Beaudesert Shire and a small part of Ipswich City (Harrisville/Peak Crossing).

The name refers to the natural rim, formed by volcanic eruptions and erosion, surrounding the new local government area, which expands over 4,200 square kilometres. The rationale for creating the new shire was based on communities of interest and the fact the included areas had a similar rural sector base, physical and landscape character and nature-based recreational opportunities.

Scenic Rim Regional Council – a new beginning

The new Scenic Rim Regional Council opened for business on Monday, 17 March 2008.

In its first 15 months of operation, the new entity made significant achievements, adopting a new corporate plan, and working to create a unified organisation and community, with streamlined policies, processes and programs.

The Scenic Rim area has been identified under the South East Queensland Regional Plan as a Rural Frame Sub-region, being a:

'Farming and agro-ecotourism area ... including the World Heritage-listed Scenic Rim with its many ecological and biodiversity habitats, areas of natural landscape and scenic value, outdoor recreational pursuits, as well as important agricultural/horticultural production areas and specialist rural pursuits such as the equine industry'.

Possessing a unique rural feel, the Scenic Rim region covers 4,256 square kilometres and is home to around 35,000 people, with a large proportion involved in the tourism, agriculture and equine industries.

The region is renowned for picturesque mountain ranges, stunning waterfalls, rural settings showcasing the region's thriving farming industry, and bright and busy markets filled with fresh produce and locally-made arts and crafts.

Making the transition

Under transitional arrangements, Scenic Rim Regional Council received the assets, liabilities and instruments of the predecessor councils as applicable to its area. To ensure a smooth transition, interim operating arrangements were developed prior to change-over by Local Transitional Committees and working groups. Where required, those committees and working groups continued to function throughout 2008/09 or until the applicable outcomes were achieved.

The reporting period has seen the new Scenic Rim Regional Council develop its own brand and achieve major milestones towards the equitable and sustainable provision of services across the region. In so doing, Council has addressed major challenges arising from the differing revenue methodologies, internal operating systems, regulatory frameworks and service standards of the predecessor councils.

Council is proud of its achievements during this formative period and is committed to working with the community of the Scenic Rim Region to develop a prosperous region with great natural beauty, quality lifestyles and strong community spirit.

Reporting period

This annual report covers a reporting period of 15 months, from 15 March 2008 to 30 June 2009.

ECONOMY

The Scenic Rim Region presents exciting opportunities for economic development across existing and emerging industry sectors.



Agriculture:

With our fertile soils and available land, we are home to a wide range of successful food and beverage producers, including fruit and vegetable growers, crop, meat, poultry and dairy producers, herb and spice producers, winemakers and confectioners.



Tourism:

Scenic Rim is becoming one of south-east Queensland's premier tourism destinations, offering experiences from food and wine to outdoor adventure, complemented by a diverse range of accommodation options. This is a key economic sector for the region, and has scope to further develop.



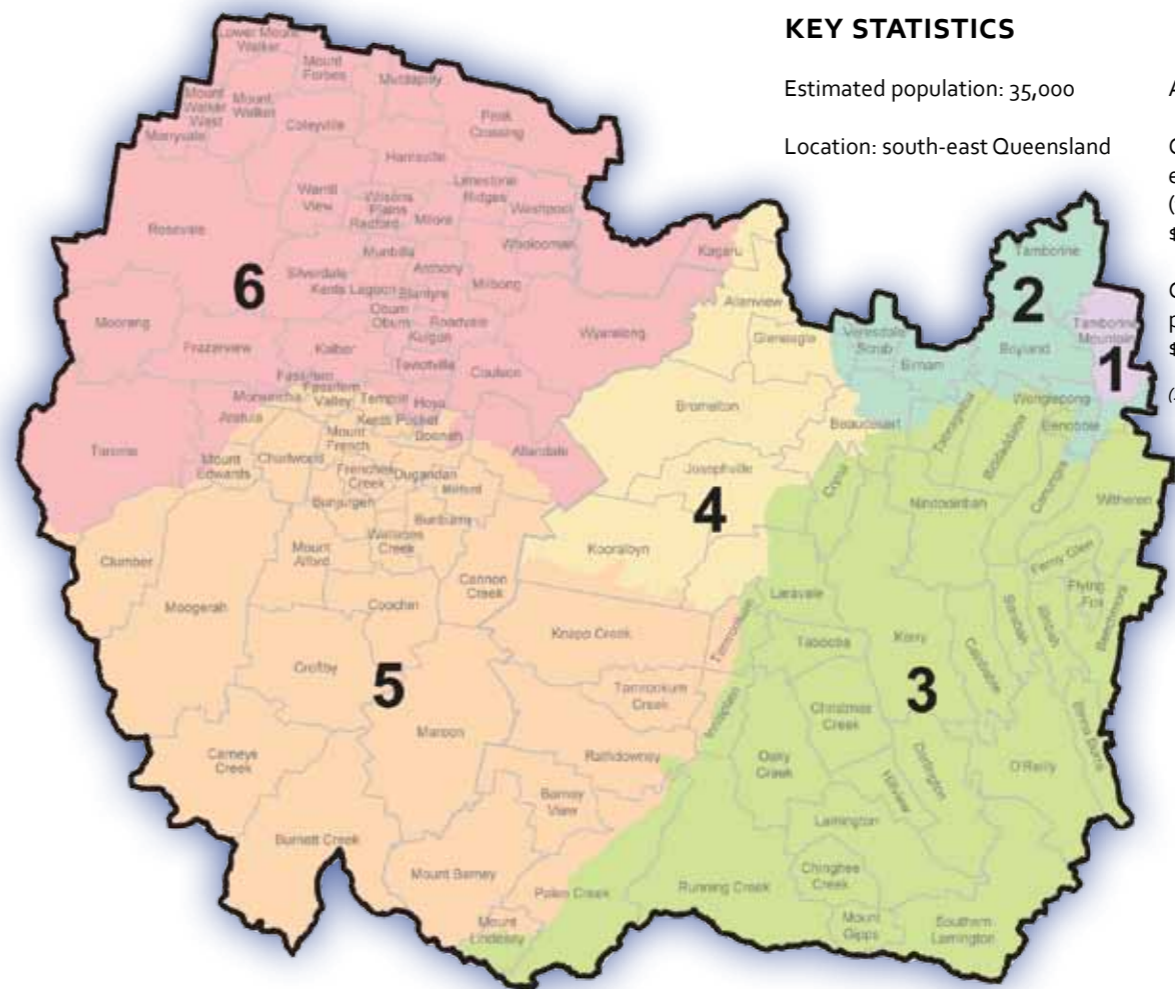
Small business:

The 'tree change' trend has seen small business (including home-based) continue to grow exponentially in the Scenic Rim. The Bromelton State Development Area has potential to deliver significant economic development opportunities for the region.



Equine:

The Scenic Rim has a strong equine industry, from breeding, training and racing, to recreational and competitive riding. The region is now home to 20 thoroughbred studs, and this number is expected to grow.



KEY STATISTICS

Estimated population: 35,000	Area: 4,256 square kilometres
Location: south-east Queensland	Council operating expenditure (15 March 2008–30 June 2009): \$54 million
	Gross regional product 2007/08: \$903.7 million

(Source: ABS)

OUR VISION, MISSION AND VALUES

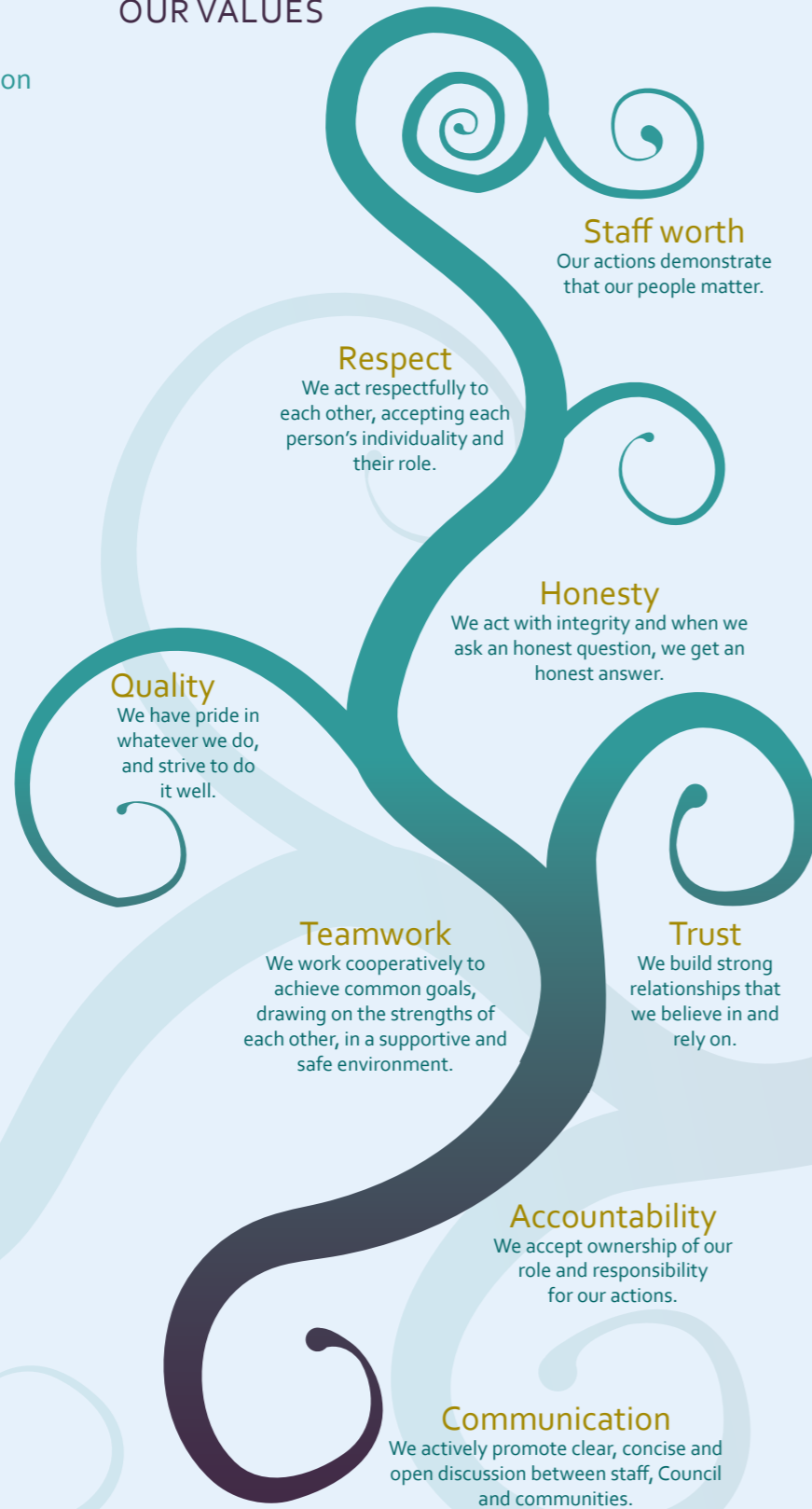
OUR VISION

“ Scenic Rim - a prosperous region with great natural beauty, quality lifestyles and strong community spirit. ”

OUR MISSION

“ To partner with our community to enhance our lifestyles by delivering quality services, well-managed growth, sound environmental outcomes, responsible business management and committed leadership. ”

OUR VALUES



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Message from the Mayor and CEO



"Scenic Rim Regional Council is committed to protecting the lifestyle our residents enjoy and will ensure that our region remains as it has always been – one of the greatest places to live."



"I intend to head this organisation with a sense of openness and transparency and I very much look forward to watching us move forward from what is already an extremely solid foundation."

MAYOR'S MESSAGE

The last year has brought about many changes. Amalgamation affected all of us – residents, Councillors and staff alike. Change and transition always pose challenges that must be overcome but we are glad to report that the hurdles of the first stretch are now behind us and we continue to move forward.

Annual reports generally speak of comparisons, how well we have performed against targets or data from the previous year. As this is our first report, we are unable to do that in this case and therefore instead speak of the future and the focus of our endeavours: our community.

We intend to focus on the continual upgrade of our road networks, to support our community groups through various funding streams and opportunities as well as focusing on the creation of jobs throughout the region. We understand fully the importance of sustainability and this can only be achieved by working with and for those who do and will contribute the region's future.

The Bromelton State Development Area is on track and construction on the Wyaralong Dam continues, our tourism industry is becoming increasingly prosperous and we are optimistic that all three will bring many jobs and other opportunities to the region.

So, with plans in place for the short, medium and long term, Scenic Rim Regional Council is committed to protecting the lifestyle our residents enjoy and will ensure that our region remains as it has always been – one of the greatest places to live.

Cr John Brent

CEO'S MESSAGE

As CEO, I am pleased to present the 2008/09 Scenic Rim Regional Council Annual Report.

I feel that this has been a year of quite remarkable achievements and it is these that I hope to build on going forward. I believe we have managed to build an extremely adept and talented team that makes up an organisation which supports an extremely talented and adept community.

We have accomplished a lot in a short period of time and I'm sure that this time next year we'll have accomplished so much more. For now though, we have managed to achieve a huge regional increase in recycling through the new dual bin service, assisted numerous community organisations through our funding streams and have launched a corporate plan that will guide and govern us for the next four years.

In addition to this, our tourism department has established a fantastic new initiative through 'Your BackYard Card' and I very much look forward to watching this grow in the coming months and years.

As an organisation we are tracking well and have adopted a set of values which I feel are a credit to, and apt reflection of, our staff. These are communication, respect, quality, staff worth, teamwork, honesty and accountability.

I intend to head this organisation with a sense of openness and transparency and I very much look forward to watching us move forward from what is already an extremely solid foundation.

Craig Barke

OUR COUNCIL



(More detailed Councillor profiles can be found online at www.scenicrim.qld.gov.au)

Mayor – Cr John Brent

With more than three decades in local government, inaugural Scenic Rim Mayor John Brent is well qualified for the job. He was first elected to local government as a Boonah Shire Councillor in 1976 and was Mayor of Boonah Shire from 1994 until the 2008 amalgamations. John lists his passions as regional and rural issues and believes in building a strong economic base while improving infrastructure. He serves on various committees and boards. A number are driven by, or have representatives from, all three tiers of government. This has given him a broad experience and a voice that is widely heard. As well as being involved in local community organisations, he has served as:

- Deputy chair and an executive member of the Council of Mayors (SEQ)
- Chairman of the Council of Mayors Advancing Rural Communities Taskforce
- Member Queensland Local Government Mutual Liability Board of Management
- Member LGAQ Executive
- Member Natural Resources Management
- South East Queensland (NRMSEQ).

Division 1 – Cr Derek Swanborough

Derek is an experienced local government executive manager who has swapped his corporate role in local government to represent the area in which he and his family have lived for 22 years.

Derek is keen to protect the lifestyle and livability of Tamborine Mountain and ensure its natural assets are preserved. He supports quality and sustainable development and promotes the many successful boutique industries on the mountain. He also is keen to address a number of challenges in the region, including need for more active recreation facilities.

Derek has 30 years' experience in areas such as finance, information systems, human resources, property, and economic and community development, postgraduate qualifications in business, and served as the Director Corporate Services in the former Beaudesert Shire Council for 15 years until 2006. He is now Chair of the Corporate and Community Services Committee.

Division 2 – Cr Richard Adams

Richard Adams was elected as a first term Councillor for Division Two in the 2008 elections. A former Tamborine Mountain Chamber of Commerce president, Richard has an active interest in fostering small businesses. He is also keen to maintain the region's rural living lifestyle and provide housing for older people and facilities for youth.

Richard has been a resident of the area since 1997. He has made use of all the educational opportunities available to him, mainly through TAFE, to learn more about business management, corporate governance and dispute resolution. He has previously run a successful farming and earth moving business and now operates an information technology business as an internet marketing adviser. He has been actively involved in a range of community-based activities on the mountain. Richard has served as the chair of Council's Corporate and Community Services Committee and is chair of the Scenic Rim RADF Committee.

Division 3 – Cr Virginia West

A registered nurse, Virginia West was employed as a territory manager for a medical company before being elected Councillor for Beaudesert Shire Council in March 2004. She was re-elected as a Councillor for Scenic Rim Regional Council in 2008.

Virginia has been actively involved in the local community and is committed to an environmentally sensitive but practical approach to development.

Division 4 – Cr Dave Cockburn

Dave Cockburn has lived and worked in the region for most of his life and has a passion for the region and its future.

Elected to Beaudesert Shire Council in 2004, Dave served as Planning and Development Committee Chairman. He was re-elected as Division Four Councillor and appointed Deputy Mayor for Scenic Rim Regional Council at the 2008 elections. Dave has a background in small business, believing it to be a key to the region's economy, and strongly supports economic development as a result. Dave is the chair of Council's Planning and Development Committee.

Division 5 – Cr Kathy Bensted

Kathy Bensted has lived in the Boonah region for 11 years and was first elected as a Councillor with the Boonah Shire Council in 2004. She was re-elected in 2008 as a Councillor for Scenic Rim Regional Council for Division Five.

She is a passionate supporter of small communities, with a particular interest in supporting youth development and issues surrounding seniors and people with disabilities.

Kathy is keen to ensure the Scenic Rim's rural feel and character are preserved well into the future, and is actively involved with a number of regional organisations and community committees. She is a graduate of the Australian Institute of Company Directors, gaining invaluable training in financial management and strategic planning, and has recently achieved a Diploma of Governance and Administration from the Local Government Association of Queensland. Kathy is the Zone 5 representative for the Queensland Branch of the Australian Local Government Women's Association and is Council's representative on the Council of Mayor's Environment and Sustainability Committee.

Division 6 – Cr Heather Wehl

Heather Wehl served on the Boonah Shire Council from 2000 to 2008 and was elected to the Scenic Rim Regional Council in 2008.

She has a strong rural and small business background, having farmed on the Bremer River at Rosevale for 26 years, including 25 years as a dairy farmer. She has also run a number of small businesses, including food, fashion and motor vehicle related industries.

Heather enjoys being involved in the community and believes that much can be achieved by establishing strong Council-community partnerships. Heather serves on the Council of Mayor's Rural Communities Taskforce and Scenic Rim Regional Council's Tourism Advisory Committee.



From l to r: Cr Derek Swanborough, Cr Heather Wehl, Cr John Brent, Cr Dave Cockburn, Cr Virginia West, Cr Kathy Bensted, Cr Richard Adams

COUNCIL ELECTIONS

Council comprises a popularly elected Mayor and six Councillors, elected for a four-year term. Councillors are elected for each of the six electoral divisions and represent the overall public interest of the whole region, as well as their electoral division.

Local government elections were conducted by the Electoral Commission for Queensland on Saturday 15 March 2008 and the Returning Officer declared the result of the election on 28 March 2008.

COUNCIL MEETINGS

Council held its Post Election Meeting on 8 April 2008. The meeting resolved that future Ordinary Meetings of Council be held on a three-weekly meeting cycle.

Meeting arrangements were reviewed by Council in October 2008 and a new Meetings and Other Forums Policy adopted. The objective of that policy is to facilitate better informed decision making and community engagement. The policy established two standing committees, operating under approved terms of reference. All Councillors are members of the standing committees but have no decision-making powers. Under the terms of reference, the following standing committees were created:

- Corporate and Community Services Committee
- Planning and Development Committee.

These standing committees meet on the third Tuesday of each month. Council exercises its decision-making powers at Ordinary Meetings held on the fourth Tuesday of each month.

Attendances at meetings during the reporting period were as follows:

COUNCILLOR MEETING ATTENDANCE – 2008/09

Councillor	Ordinary (19)	Planning and Development (10)	Corporate and Community Services (10)	Special meetings (8)
Cr John Brent	18	8	8	8
Cr Derek Swanborough	19	9	10	7
Cr Richard Adams	19	10	10	8
Cr Virginia West	19	10	10	8
Cr Dave Cockburn	19	9	9	8
Cr Kathy Bensted	17	10	10	7
Cr Heather Wehl	18	8	8	8

COUNCILLOR REMUNERATION

The Local Government Remuneration Tribunal is responsible for deciding annually the categories of local government and assigning each Council to a category. The Tribunal then decides the remuneration to be paid to Mayors, Deputy Mayors and Councillors, according to the categories the Tribunal has established. Councils are subsequently required to adopt remuneration rates within the approved bands.

Remuneration rates adopted by Council for each affected calendar year were:

	Standard remuneration	Amalgamation loading	Total remuneration	
2008 calendar year				
Mayor	\$101,250	\$9,180	\$110,430	
Deputy Mayor	\$69,610	\$6,170	\$75,780	
Councillor	\$60,120	\$5,220	\$65,340	
2009 calendar year				
		1 Jan - 30 Jun	1 Jul - 31 Dec	
Mayor	\$107,580	\$4,590	\$3,445	\$115,615
Deputy Mayor	\$69,610	\$3,085	\$2,315	\$75,010
Councillor	\$60,120	\$2,610	\$1,960	\$64,690

Remuneration and superannuation payments to Councillors for the relevant period were:

15 March 2008 – 30 June 2008			
Councillor	Remuneration	Superannuation	Total
John Brent	\$24,209	\$0	\$24,209
Dave Cockburn	\$16,613	\$1,399	\$18,012
Derek Swanborough	\$14,325	\$603	\$14,928
Richard Adams	\$14,325	\$0	\$14,325
Virginia West	\$14,325	\$1,206	\$15,531
Kathy Bensted	\$14,325	\$0	\$14,325
Heather Wehl	\$14,325	\$0	\$14,325
1 July 2008 – 30 June 2009			
Councillor	Remuneration	Superannuation	Total
John Brent	\$112,947	\$16,993	\$129,940
Dave Cockburn	\$75,488	\$9,408	\$84,896
Derek Swanborough	\$65,089	\$8,112	\$73,201
Richard Adams	\$65,089	\$0	\$65,089
Virginia West	\$65,089	\$8,112	\$73,201
Kathy Bensted	\$65,089	\$3,287	\$68,376
Heather Wehl*	\$57,551	\$2,985	\$60,536

* Note: Cr Wehl was granted leave of absence from 10 April 2009 until 26 May 2009 and elected not to receive remuneration during that period.

EXPENSES REIMBURSEMENT

The reimbursement of expenses and provision of facilities to Councillors must be undertaken in accordance with an approved Expenses Reimbursement Policy. Section 534(1)(g)(ii) of the Local Government Act 1993 requires Council to disclose particulars of the expenses incurred by, and the facilities provided to each of its Councillors, under the Expenses Reimbursement Policy.

At its Post Election Meeting, Council adopted the Transitional Expenses Reimbursement Policy as approved by the Department of Local Government. As detailed on Page 39, Council has approved the provision of the following facilities to each Councillor:

- Councillor offices
- home office equipment
- Council vehicle
- mobile telephone
- personal protective equipment
- insurance.

The direct costs (excl. GST) for the particular expenses incurred by, and the facilities provided to each of its Councillors, under the Transitional Expenses Reimbursement Policy during the reporting period are detailed in the following table (net of reimbursement for private usage).

Expenses incurred – 2008-09					
Councillor	Mobile phone	Council vehicles*	Training & Conferences	Other **	Total
John Brent	\$2,265	\$5,548	\$8,780	\$0	\$16,593
Dave Cockburn	\$1,530	\$3,034	\$3,319	\$0	\$7,883
Derek Swanborough	\$2,990	\$6,632	\$1,781	\$444	\$11,847
Richard Adams	\$868	\$3,274	\$3,053	\$0	\$7,195
Virginia West	\$3,459	\$5,128	\$2,452	\$0	\$11,039
Kathy Bensted	\$952	\$4,374	\$3,766	\$0	\$9,092
Heather Wehl	\$2,147	\$5,340	\$2,195	\$0	\$9,682

* Operating and maintenance costs as recorded for vehicles supplied from May/ July 2008

** Miscellaneous items in accordance with Transitional Expenses Reimbursement Policy

As well as the above costs, Council undertook an extensive professional development program for all Councillors, including an induction program. Costs for this program were \$11,591 and are associated with all Councillors.

Other facilities provided generally to Councillors include printing, stationery and Council landline phones (the costs associated with these items cannot be itemized). Funds expended on these items totaled \$12,236.

OUR ORGANISATION



The Chief Executive Officer (CEO) is Council's principal officer and has statutory responsibility to:

- implement Council decisions
- manage Council affairs on a day-to-day basis
- organise reports to Council
- issue correspondence of Council
- manage and oversee the administration of Council and its corporate plan
- coordinate the activities of all Council employees.

Under Council's organisational structure, the CEO is supported by three Directors, each having strategic oversight of designated departments. The CEO and Directors form the Executive Team, which provides overall leadership to the organisation.

The Executive Team has developed a positive organisational culture that is results-driven to serve the needs of the community. Central to that culture are organisational values and the performance and development of staff. These have been embedded into Council's operations through training, regular team meetings and staff assessment.

Council's 11 managers have pivotal roles to ensure the delivery of agreed outcomes by their departments; to manage and motivate staff performance; and to capitalise on opportunities for organisational improvement. The managers and directors form Council's Management Team, delivering a skilled and united strategic leadership network for the organisation.

EXECUTIVE PROFILES



Chief Executive Officer - Craig Barke

Craig Barke was appointed the inaugural Chief Executive Officer of Scenic Rim Regional Council in August 2008.

Before the new council was formed in March 2008, Craig was the Deputy CEO of Corporate Services with the Beaudesert Shire Council. Craig has extensive experience in general management positions and has worked nationally and internationally in senior financial roles in both the private and public sectors.

He has a Bachelor of Commerce, a Masters of Business Administration and is a Certified Practising Accountant.



Acting Chief Executive Officer - Ian Flint
March - July 2008

Ian Flint served as Chief Executive Officer of Boonah Shire Council until his appointment as Interim Chief Executive Officer of Scenic Rim Regional Council in October 2007. Ian transitioned as Council's Acting Chief Executive Officer and continued in that position until the appointment of the permanent Chief Executive Officer from August 2008.

Acknowledgement is given of the major contribution made by Ian in steering the Local Transitional Committee and Scenic Rim Regional Council through the complex and challenging transition process. That role included managing transitional issues with Logan City Council and Ipswich City Council and managing the transition of staff to an Interim Organisational Structure.



Director Corporate & Community Services - Ron Posselt

Ron Posselt has more than 30 years' experience in all tiers of government. He has been a director in large councils in Queensland and New South Wales and has managed most functions of council at a senior level. As Director Corporate and Community Services, Ron oversees customer service, libraries, and the implementation of new technology in Council. He is also responsible for the long-term financial sustainability of Council.

Ron was appointed Director Corporate and Community Services in April 2009. He has a passion to deliver high quality services to the community and increase efficiency within Council, while addressing challenges facing the newly formed organisation.



Director Development Services - Tony Magner

Tony joined Scenic Rim Regional Council at amalgamation. He has 28 years' experience in local government, with 17 of those years in various Director roles in both New South Wales and Queensland. These positions provided extensive interaction with the community as well as Council administrative responsibilities.

Tony holds a Bachelor of Business degree and as a member of the Local Government Managers' Association, is an advocate for continuous improvement and accountability across all aspects of Council.

As Director Development Services, Tony is committed to community engagement and consultation and leads a highly customer focused team managing functions vital to the future growth, sustainability and enhancement of the Scenic Rim region.



Director Works & Infrastructure Services - Patrick Murphy

Patrick Murphy has been a director within local government for the past 20 years. Patrick is a qualified engineer (Bachelor of Engineering), holds a Master in Business Administration and is registered with the Board of Professional Engineers Queensland (RPEQ).

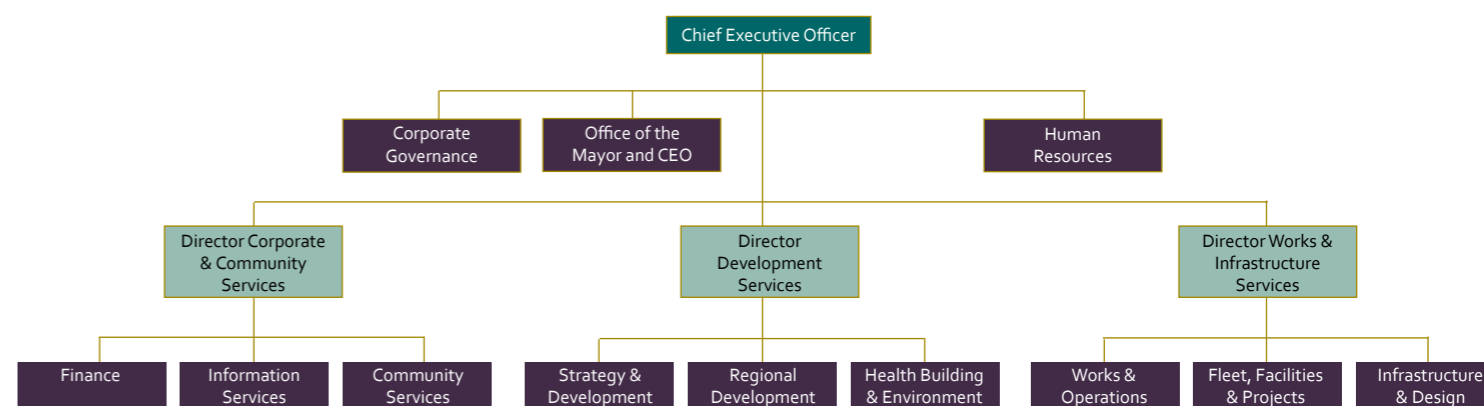
A leading member of the engineering profession, Patrick is an active member of Engineering Australia, the Institute of Public Works Engineering Australia (IPWEA), as well as its Queensland Branch (IPWEAQ), and has served as a Director of the IPWEA Board.

A resident of the Scenic Rim region, Patrick is passionate about our region, and delivering sustainable infrastructure services to its community.



L to R: Tony Magner, Craig Barke, Ron Posselt, Patrick Murphy

ORGANISATIONAL STRUCTURE



Governance is the framework within which Council can maximise its capacity to achieve its objectives. Good governance is achieved by ensuring best practice management, reducing corporate risks and continually driving performance through strategic planning and reporting.

Good governance promotes and facilitates accountability, transparency, probity and responsible decision-making and is fundamental to the effective operation of local government. This section of the annual report highlights not only the means by which we achieved this during the period under report, but gives a brief overview of Council's governance framework and practices, which are structured around four key governance principles.

PRINCIPLE 1 – CULTURE AND VISION

Local governments with a commitment to best practice governance have a positive culture that promotes open and honest communication in which questioning is encouraged and accountability is clear; while vision requires a strategic plan that is produced through a comprehensive and inclusive process owned by all sectors of the local government.

Values

Soon after establishment, Council undertook widespread consultation with its staff to identify the type of organisation staff members wanted to work for. Through this process, eight organisational values were identified and defined as those that embody what was most important to staff and management.

Management is committed to building a high performance culture founded on staff worth and accountability.

Corporate planning

In April 2009, Council also adopted the Scenic Rim Regional Council Corporate Plan 2009-2014. The plan was developed through extensive consultation, enabling the separate communities of the Scenic Rim region to participate in establishing a shared vision and Council's mission in pursuit of that outcome.

Producing the new corporate plan involved Council-held workshops, and community and staff consultation. Once finalised and adopted, the corporate plan was made available to all staff and residents.

The plan expands Council's mission into the following eight key priority areas:

- corporate sustainability
- planning and managing growth
- environmental management
- communications and regional relationships
- economic development
- community development and wellbeing
- infrastructure and asset management
- corporate culture and people.

The plan identifies outcomes for the priority areas, strategies to attain those results, and measures by which Council will assess the success of those strategies. The plan reflects the significance placed on organisational values, and the positive culture being developed within Council – which in turn will be reflected in how Council serves the community.

The plan is the key document that will provide strategic direction for Council over the next five years. It will guide how Council allocates funding and resources to deliver quality services and facilities to the community through annual operational plans and budgets. Council will monitor implementation of the plan on a quarterly basis.



While waiting for the corporate plan to be developed, Council adopted and reported against an interim operational plan. Although there was no statutory requirement to do this, we thought it important to have an overarching document to guide our performance and decision-making processes and enhance accountability. At the end of the reporting period, 84 per cent of the deliverables were completed or significantly progressed.

Communication and vision

The 15 months of the reporting period have seen a number of initiatives implemented in 'the way we do things', including developing and strengthening processes to improve communication throughout Council and with the community. Council developed a fortnightly staff newsletter and a daily email bulletin to keep staff informed on a range of matters. A regular fortnightly community newsletter and a bi-monthly magazine were also produced to ensure the public is kept informed of all of the latest developments across the region.

Freedom of Information

During the period under report, Council received 28 applications under the *Freedom of Information Act 1992*. This legislation has been reviewed and has been replaced by the *Right to Information Act 2009* and *Information Privacy Act 2009* effective from 1 July 2009.

Important features of this new legislation include:

- a push to release information administratively wherever possible
- access to information through publication schemes
- publication of disclosure logs.

PRINCIPLE 2 – ROLES AND RELATIONSHIPS

Council is made up of elected members and appointed staff. Ensuring clarity of roles and responsibilities of the Mayor, Councillors and staff is vital to good governance and creates an environment where first class communication, systems and processes can flourish. It is important to ensure roles are codified and accepted, and this is achieved through targeted training programs and staff and Councillor inductions.

Council

Council was sworn in to office on 8 April 2008 following the March elections. The Council's decision-making authority is exercised by the Council as a whole and not by the Mayor and Councillors individually.

The role of Councillors is to:

- represent the public interest
- contribute to deciding appropriate facilities, services and enterprises
- take part in corporate planning processes and formulation of policies and goals
- participate in making decisions for achieving these goals and implementing the policies.

Councillors have received extensive training to fulfill these important functions.

The Mayor has additional roles to preside at Council meetings at which he is present to ensure Council's decisions are carried out, to exercise powers and to perform duties given to him by the Council, and to ensure appropriate Council representation at civic or ceremonial functions.

Administration

Council appointed its inaugural Chief Executive Officer (CEO) in August 2008. (See page 12 for CEO's responsibilities.)

Under the Local Government Act, employees are ultimately accountable to the CEO. They must act with integrity and in a way that shows a proper concern for the public interest at all times.

Key relationships

Excellence in governance at a local level is dependent on effective relationships between Councillors and the administration team, promoting cooperation and effectively dealing with any problems or tensions as they arise. Council has clearly defined guidelines and policies relating to appropriate levels of interaction between Councillors and staff, and induction programs for both branches of the organisation further highlight roles and responsibilities.

Council adopted its permanent structure in April 2008 and minor amendments in November later that year. This structure clearly outlines relationships and reporting lines across the organisation.

PRINCIPLE 3 – DECISION-MAKING AND MANAGEMENT

Local governments intent on actively promoting transparency and accountability employ effective decision-making and risk management processes, robust financial management systems and ensure that effective delegations in place.

Decision-making processes

Council has various forums to deal with issues which arise during the year but are not covered by existing strategies and policies. Matters of operational significance are actioned through the Executive Team while strategic issues are submitted through Council's committee structure, with final decisions being reached at the Ordinary Meeting. Council meetings are open to the public and procedures governing these meetings have been formalised in a Meetings and Other Forums Policy and are regularly reviewed to ensure effective decision-making processes are maintained.

Numerous policies transitioned to Scenic Rim from predecessor councils and Council developed Policy Development Guidelines, to ensure that these policies – which are integral to good decision-making – are reviewed and consolidated to form a new set of Scenic Rim policies. During the reporting period, all policies identified as being of a high priority were reviewed and new policies developed appropriate for the new Council. This review will continue into the new financial year until all policies have been evaluated.

The guidelines will also ensure that the policies are then regularly scrutinised and amended in the future or new policies developed as gaps are identified.

Financial management

Council made significant progress on establishing its financial management framework during the reporting period. A single budget model was developed and accounts and rating data from predecessor councils were consolidated into single systems.



Corporate plan community consultation meeting at Tamborine Mountain



**PRINCIPLE 4 –
ACCOUNTABILITY**

A long-term financial model was established based on the Queensland Treasury Corporation financial sustainability framework and an independent consultant engaged to undertake a review of our financial position. Financial reports are provided to Council on a monthly basis and quarterly budget reviews are conducted.

Risk management

New Risk Management Policy and Guidelines were developed during the period and transitioning risk registers consolidated into a single source document. These documents provide the framework for implementing a systematic risk management methodology to identify and address, where practical, areas of potential risk within Council. Methodologies adopted will be consistent with the Australian Standard for Risk Management – AS/NZS4360.

The intent is to create an environment where Council, management and staff assume responsibility for risk management, through consistent practices. Significant work is planned in 2009/10 to fully implement this framework and establish regular monitoring and reporting mechanisms.

Statutory instruments

Under transitional regulations, statutory instruments (including local laws, policies, authorisations and delegations) have transitioned to Scenic Rim Regional Council from its predecessor councils.

Significant work was undertaken to establish registers of transitioning instruments to ensure the organisation could lawfully function from 15 March 2008. A review of authorisations was completed during the reporting period, with delegations to be concluded following the release of the new Local Government Act and associated regulations late in 2009. Work on local laws is expected to start soon after.

Managers and Councillors of a local government need to be held responsible for its performance as, fundamentally, Council exists to govern for and on behalf of the local community. Embedding accountability across its systems and processes is central to achieving excellence in governance.

Performance management

This year, significant work was undertaken to improve Council's planning, reporting and performance measurement processes. Key performance indicators were written into the corporate plan and service standards were included in the 2009/10 operational plan. These documents will be the subject of regular reviews and reporting to both Council and the community.

The CEO introduced a personal performance and development plan (PPD) process for all staff, to improve staff accountability and recognition and drive a culture of performance across the organisation.

A program to increase training and development for staff followed, based on needs identified in the PPD. Staff members have responded positively to having an opportunity to set annual objectives linked to the organisational goals and to receive feedback on their performance.



Audit

Council elected to have an internal audit function and adopted an Internal Audit Policy and Charter to oversee this program, to ensure strong, effective control over accounting, administrative and governance operations.

Council chose to outsource this service to minimise costs and enhance its independence, and while going to market to contract an external provider, it engaged Brisbane City Council to undertake a series of post-amalgamation health checks. Reviews of accounts payable and procurement internal control frameworks were completed during this period.

Council's new auditors then worked with Council and senior management to develop a Strategic and Tactical Audit Plan using risk management methodologies. This plan was endorsed by the Audit Advisory Committee (refer page 17) at its March meeting. Reviews of the kerbside waste management contract and external works costing and quoting processes were conducted during the reporting period.

External auditors also reviewed the final financial statements for both Beaudesert and Boonah Shire Councils, during this period. Although some issues were identified, both sets of accounts were unqualified.

Audit Advisory Committee

Council also established an Audit Advisory Committee and adopted a policy and terms of reference to guide its operations. The committee comprises three Council representatives (Councillors Brent, Adams and Bensted), an external Chairperson (Graham Carpenter) and an external Committee member (Tim Cronin). It met for the first time in March 2009 and is scheduled to meet three times a year. Reports from the Audit Advisory Committee are presented to the following Corporate and Community Services Committee, ensuring an open and transparent process.

External audit-qualified representatives impart neutrality and independence to the process. The implementation of recommendations arising from the audit reviews and those items outstanding from predecessor councils were monitored by the Audit Advisory Committee throughout the year.

Codes of conduct

Under transitional arrangements, the Model Code of Conduct for Councillors was deemed to apply to Scenic Rim from Council's formation. The revised (May 2008) version of that code was adopted in December 2008 to update some of the provisions. The code outlines the statutory, ethical and behavioural obligations of Councillors and processes for dealing with breaches of the code.

One complaint of an alleged statutory breach of the Code of Conduct for Councillors was received during the period. The complaint related to the conduct of Councillor Derek Swanborough and was referred to the Conduct Review Panel.

The Conduct Review Panel found that Councillor Swanborough had breached ss250(1) and 250(2) of the Act in relation to an article produced by Councillor Swanborough and published in the Tamborine Mountain News. At its Ordinary Meeting of 29 July 2008, Council accepted the panel's report and suspended Councillor Swanborough for two Council meetings. Council also adopted the panel's recommendations that:

1. further training be offered to Councillors on the Code of Conduct with emphasis on confidentiality
2. Council's Media Policy be amended to clarify the obligations of Councillors regarding press releases.

Council processed two complaints during the year under its General Complaints Process. One of those complaints related to an alleged breach of the Councillors' Code of Conduct.

No complaints were made to the Ombudsman and referred to Council during the period regarding decisions made by the local government in relation to enforcement of its Code of Conduct.



Customer service staff

In accordance with the *Public Sector Ethics Act 1994* a Code of Conduct for Staff was adopted in April 2009.

That code is based on the Ethics Principles contained in the Act, that is:

- respect for the law and system of government
- respect for persons
- integrity
- diligence
- economy and efficiency.

Staff will receive training on this code early in the next reporting period.

Water and Waste staff



OUR CUSTOMERS

Customer service

Council has established customer service standards to provide a benchmark to performance levels across all operational areas to apply to:

- responses to letters and e-mails
- answering of incoming telephone calls
- telephone call back
- requests for action
- lodgment of complaints.

Council will start reporting against these standards for the September 2009 quarter. The Customer Contact Charter represents a commitment from Council and its staff to deliver high quality services to its community members.

Customer service achievements

- Customer service hours have been streamlined to provide consistent service to the regions three main centres at Beaudesert, Boonah and Tamborine Mountain.
- An after hours service was also established to ensure all emergency enquiries outside business hours are responded to and resolved in a timely fashion. For the 2008/09 year, 1,193 enquiries were responded to through this service.
- Over the course of the year, improvements to receipting systems were implemented across the region, improving service delivery and customer satisfaction. Safety and accessibility improvements were also made to the Boonah Administration and Customer Service Centre, including an automatic door.

OUR STAFF

Staff transition

From 15 March 2008, all staff of the former Boonah Shire Council and almost half the staff of the former Beaudesert Shire Council transitioned to Scenic Rim. Council subsequently adopted a permanent organisational structure in April 2008, which was populated in accordance with the state government's Workforce Code of Practice.

Values

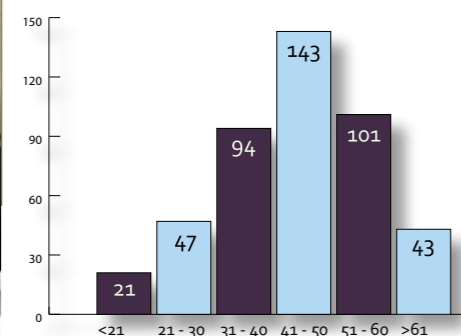
Organisational values have been developed through an extensive process of consultation with staff and management (refer page 4). These agreed values help shape the organisation's culture and determine accepted standards of behaviour and conduct. The values derived from this process have been incorporated into Council's corporate plan, policies and procedures.

Personal performance and development

Council is committed to developing a culture of performance and delivering high quality service to its customers. It is integral to that commitment that individual staff members feel valued, and can maximise their performance and deliver value for money.

A personal performance and development scheme (PPD) has been implemented and is considered a significant achievement by the organisation. The scheme establishes an ongoing process of setting objectives and reviewing performance. Where required, training is identified and provided to enhance performance. A particular focus of the process is to embed Council's values into personal and organisational behaviour.

Staff numbers by age group Total staff 449*



Staff participants in November fundraising



Workplace Health and Safety

Council is committed to providing a safe working environment and has adopted Safe Plan 2 as its safety management system.

Safe Plan 2 is a Workplace Health and Safety (WH&S) package designed for local government. It focuses on continuous improvement of WH&S standards by:

- gaining management commitment to establish effective WH&S policies
- planning cost effective initiatives and strategies for WH&S
- implementing those initiatives and strategies
- evaluating performance and auditing
- reviewing the results and evaluating outcomes.

Implementing Safe Plan 2 has been a major priority for Council, with all staff receiving regular 'Take 5' training in safety management and safety newsletters. Safety implementation has also been reinforced through the PPD process.

In May 2009, Local Government Workcare (LGW) conducted a full WH&S systems audit at Scenic Rim. Council obtained a score of 68.8 per cent, which was a significant achievement, given it had only been in existence for a little more than 12 months. Implementation of the LGW's recommendations will enable Council to meet its target of an 80 per cent result by March 2010.

* These figures are actual staff counts and do not account for actual hours worked by part-time and casual staff. Full-time equivalence (FTE) would be considerably lower.

Enterprise bargaining

A new Enterprise Bargaining Agreement was developed for the organisation through the Local Government Employment Group (LGEG). This process required 12 months of extensive negotiations and the agreement establishes standard employment conditions across Council. Council was originally formed using the multiple industrial agreements that transitioned from the predecessor councils. The Queensland Industrial Relations Commission certified the new agreement in July 2009.

Equal opportunity in employment

Council is committed to the principle that all employees have the right to equality of employment and fair treatment in employment.

Consultation was undertaken during the year under report to establish a formal EEO Policy and EEO Management Plan for the new entity. That process has included consultation with unions, through the LGEG, as well as direct consultation with staff. An EEO Committee has been formed, which includes members of the target equity groups.

Target groups for EEO purposes are:

- women
- people of Aboriginal or Islander descent
- people with a disability
- people of non-English speaking background.

Council welcomes five new trainees



Survey results show the numbers of employees in those categories at the close of the reporting period were:

	Women	Indigenous	Disability	ESL
Officer	153	5	11	4
Manager	4			
Executive				
Total number	157	5	11	4

Recruitment and selection processes promote Council as an EEO employer. Links have been developed with employment organisations that specialise in finding employment for people with a disability or people of Aboriginal or Torres Strait Island descent.

Initiatives to promote a positive work environment have included:

- developing organisational values
- establishing a Valued Employee Award
- providing training and development opportunities.

Future plans to promote EEO principles include training in effective workplace behaviour. This will provide an overview of Council's stance on EEO, the Code of Conduct for Employees and zero tolerance towards bullying, harassment and discrimination.



Karen Dickson receives Valued Employee Award June 2009



Merv Timms recognised for 50 years service

OUR SYSTEMS AND PROCESSES

Information services

Our Information Services team overcame the massive challenges of selection, configuration, and ongoing implementation of new information technology solutions required to meet the needs of the new Council. This was done while ensuring Council could continue to deliver a high level of business services.

The Technology One suite of applications was chosen to support Council's major business functions of property and rating, human resource management, financial management, asset management and records management. The configuration and implementation of these applications continues, with data being converted from applications used by Boonah and Beaudesert Shire Councils. Data was also extracted from legacy (pre-amalgamation) applications and provided to Logan City Council, and Scenic Rim's databases are now being populated with data provided by Ipswich City Council.

Boonah Shire Council's library system was successfully merged into the Spydus Library Management System. Work also started on converting mapping layers from legacy mapping applications into ESRI, Council's new mapping solution.

The data centre at Boonah was relocated to Beaudesert, and data communications links were established between the two offices, enabling staff at Boonah to access information systems hosted at Beaudesert.

Financial services

Moving ahead as a new Council has required completing multiple financial tasks and obligations in the reporting period, including:

- establishing a new accounting and tax entity
- finalising the financial statements of Beaudesert and Boonah Shire Councils
- transferring assets and liabilities to the new Council
- reviewing financial processes and systems
- consolidating one property rate base
- ensuring parity and alignment of rating structures
- providing interim and final budgets for the new Council.

Financial sustainability

Following the local government amalgamation process, it was critical the newly created councils were financially sustainable. Working with the key criteria established by the state government, and referencing its long term financial plan, Scenic Rim Regional Council engaged a consultant to review the sustainability of its future financial position. ORION was commissioned to provide an independent review of the financial sustainability of Council's budget settings and 10 year forward estimates.

Global financial crisis

Despite concerns around the global financial position, which saw councils throughout Australia facing potential damaging losses on their investments, Scenic Rim Regional Council has not been impacted by the downturn. By maintaining its long-term diversified investment strategy, and complying with its policy of sound financial management, the only impact has been lower returns as a result of reducing interest rates.

Council's sound financial base has been established and consolidated during its first 15 months of operation, which now enables the organisation and community to move forward on that stable base.

ORION'S REPORT IN SUMMARY:

Based on the reasonable assumption in the financial forecasts, Council appears to be on track to lift its Queensland Treasury Corporation rating from 'weak' to 'moderate', if it adheres to the budget forecasts in future years. As such, the draft budget appears to be a prudent step in the right direction in terms of long term financial sustainability, however Council has not yet achieved a financially sustainable position.

Challenges

The key future challenge will be in achieving a sustainable operating margin. This will require rate base growth and rate increases at a higher rate than expenditure levels, and population growth to close the operating deficit. Council has made considerable progress in this direction which should improve its financial sustainability. A sustainable future is also dependent on depreciation assumptions, as well as the significant assumptions outlined in Section 3. However, the assumptions in the forward estimates appear to be reasonable, based on industry benchmarks and the best available information. The critical challenge will be to continue the financial discipline which has resulted in a substantial improvement in the financial position to date. The report was well received by Council and the community.

OUR ACHIEVEMENTS



COMMUNITY GRANTS PROGRAM

Council established a new Community Grants Program to support the valuable contribution made by the community. Around \$124,000 was distributed across the Scenic Rim region, with more than 90 community-based organisations benefiting from the program; \$15,000 was provided through in-kind assistance. In addition, \$10,000 was donated to support victims of the Victorian Bushfires and Queensland floods in early 2009. This contribution was more than matched by community fundraising efforts through a series of benefit concerts held in Boonah, Beaudesert and Tamborine Mountain.

The Community Grants Program provided financial and in-kind support to several community events and festivals across the region, including:

- Tamborine Mountain Scarecrow Festival
- Beaudesert Country and Horse Festival
- Boonah SPAR Arts Festival
- Harrisville Heritage Festival.

Festivals are valuable community building activities that promote positive partnerships, social cohesion and increased participation across all sectors of the community. Council is committed to enhancing the community and cultural life of the Scenic Rim to ensure that we continue to celebrate our vibrant communities and protect our unique community lifestyle.

Council also recognises its responsibility to support community and sporting facilities across the region, to ensure they remain safe and continue to meet the needs of the local and broader community. Projects funded through Council's Community Grants Program included premises upgrades to the Boonah and Beaudesert Country Women's Associations, and facility improvements for the Beaudesert Rifle Club, Beaudesert District Cricket Club, Boonah Sports Complex, Fassifern Tennis Association and the Canungra Bowls Club.

YOUTH FORUMS

To identify key issues facing young people in the Scenic Rim region, three youth forums were held at Boonah, Beaudesert and Tamborine. Young people were encouraged to express and discuss their views on current and emerging issues. A number of key themes were identified, including the need for more youth-based activities in the region, plus development of a youth entertainment calendar to monitor and coordinate events specifically aimed at young people.

ARTS AND CULTURAL POLICY

During 2008/09, Council developed a new Arts and Cultural Policy for the region. It was developed through extensive consultation, with internal and external stakeholders engaged via focus groups, workshops and surveys. The policy provides a framework for arts and cultural development, including the operation of Council's two cultural centres, and a platform for the Regional Arts Development Fund committee to determine funding.

REGIONAL ARTS DEVELOPMENT FUND

The Regional Arts Development Fund (RADF) is a joint state/local government initiative to promote development of the arts in local communities. A Scenic Rim RADF Committee was formed in November 2008 to administer the program. In March 2009, Council approved \$35,366 worth of grants to be shared among 16 groups and individuals across the region, including:

- Canungra Information & Historical Association Inc - to preserve the history of the Canungra area by photographing watercolour paintings of well known local artist Edwin Bode. The project will give locals and visitors access to the locally-held collection and record the works for historical purposes, due to their local significance.
- Janet Hauser (Laravale) – to design a publication of botanically illustrated heritage plants (pre 1915) together with associated historical stories.

- Beaudesert & District Community Arts Projects – to engage professional local artists to lead a series of master class workshops, free children's workshops, and to help with costs of production of Art in the Olives Festival @ Lost World.

- Bec Andersen (North Tamborine) – to gather three generations of women to create 'inter-family' masks, and to share and record their stories in an exhibition for the general public.

- Performing Arts Club for Kids (Boonah) – to fund professional artists to run a series of workshops for young people, covering dance, stand-up comedy and magic performance, with the project culminating in a performance presentation.

Drumley Walk



Citizenship Ceremony Australia Day

COMMUNITY EVENTS

Council partnered with a number of community event organisers to deliver several key community events including Australia Day ceremonies, ANZAC Day, National Volunteers Day, Seniors Week, Youth Week, citizenship ceremonies and Free Tree Days. Council attended all agricultural shows in the area, providing the mobile library as a display centre at most events.

COMMUNITY PROJECTS

Work continued on several significant community infrastructure projects including:

Aratula Community Hall

In June 2009, Council awarded a tender for the design and construction of a multi-purpose hall at Aratula, funded through contributions from the community, Council and the Queensland Government's Q150 grant program.

Tamborine Skate Park

A skate park was constructed at Middle Park in Tamborine Village, in response to a need identified by local young people. It was also funded through the Q150 grant program.

Boonah Hydrotherapy Pool

Progress continued on this community project in 2008/09, with final planning stages completed. Construction is set to start in 2009/10.

Netball courts at Mavor Park, Beaudesert
Council resurfaced the netball court at Mavor Park, Beaudesert.

Zamia Theatre restoration

The theatre at Mount Tamborine underwent major restoration, with financial assistance from the Q150 Program and the Regional Local Community Infrastructure Program. In May 2009, Council granted a 10-year lease over the refurbished facility to Tamborine Little Theatre Group.

This community group has been linked to the theatre for many years and has indicated it will use the building to showcase its own performances as well as managing community use of the building for other functions. Work on the theatre will be completed towards the end of 2009.

Zamia Theatre reconstruction



CULTURAL FACILITIES

In 2008/09, Council's cultural centres delivered a program of quality local, national and international shows and provided venues for significant community functions and events. All sectors of our community were catered for with diverse programming including everything from comedy and community theatre to opera, dance, film and exhibitions.

Attendances 1 July 2008 - 30 June 2009

Venue	No. of events	No. of attendees
The Centre	391	21,466
Boonah Cultural Centre	415	15,192
Total	806	36,658

LIBRARY SERVICES

Libraries continue to grow as one of Council's most significant and popular services, with 399,729 items borrowed by the library's 16,143 members.

A major achievement for the year was the development of an integrated library service for the region. Services from the Beaudesert, Boonah, Mount Tamborine and Canungra libraries are supplemented by Council's Mobile Library which services 14 sites.

Services provided at the libraries include craft, story telling, baby rhyme, internet, origami and a summer reading club. The mobile library has also attended Boonah and Kalbar Shows.

A highlight of the library year was the naming of our mobile librarian, Mylynda Le Couteur, as Mobile Librarian of the Year. This award was gained against strong national competition and was judged on the strength of recommendations received from mobile library clients.

Approximately 2,000 new members joined the library service between 15 March 2008 and 30 June 2009.



DISASTER MANAGEMENT

In July 2008, Council adopted a Local Disaster Management Plan for the new Scenic Rim Regional Council area.

The plan is designed to mitigate, where possible, the effects of a major incident or disaster within Scenic Rim. It provides guidance for disaster prevention, mitigation, preparedness, response and recovery for the Scenic Rim Local Group and supporting/joint agencies, and the community. The plan is a living document, which will be continually updated as required.

The 15 months following amalgamation was a hectic period for Council's Disaster Management Section and the SES, with Council's emergency response and coordination capability tested on several occasions. The Emergency Operations Centre (EOC) was activated five times, including during the November storms, storms and flooding in February and May 2009. Staff also conducted disaster management training during the year.

STRATEGIC PLANNING

Bromelton Structure Plan

As one of the primary drivers for growth in the Scenic Rim region, the Bromelton State Development Area (SDA) was a key focus of planning during 2008/09. A high degree of detailed infrastructure and land use planning is needed for the SDA, to ensure it can deliver significant economic development opportunities, while minimising impacts on the area.

The Strategic Planning team finalised the Bromelton Outline Structure Plan, which was highly commended and won the Planning Institute of Australia – Queensland Division Award for Planning Excellence in Industrial Planning. The plan was also the Urban Planning Achievement entrant for Queensland at the National Planning Institute Australia Awards.

Work on the Bromelton Structure Plan (and subsequent planning scheme amendments) will continue in 2009/10, and information produced as part of this exercise will inform the state government's development scheme for the SDA.

Beaudesert Outline Structure Plan

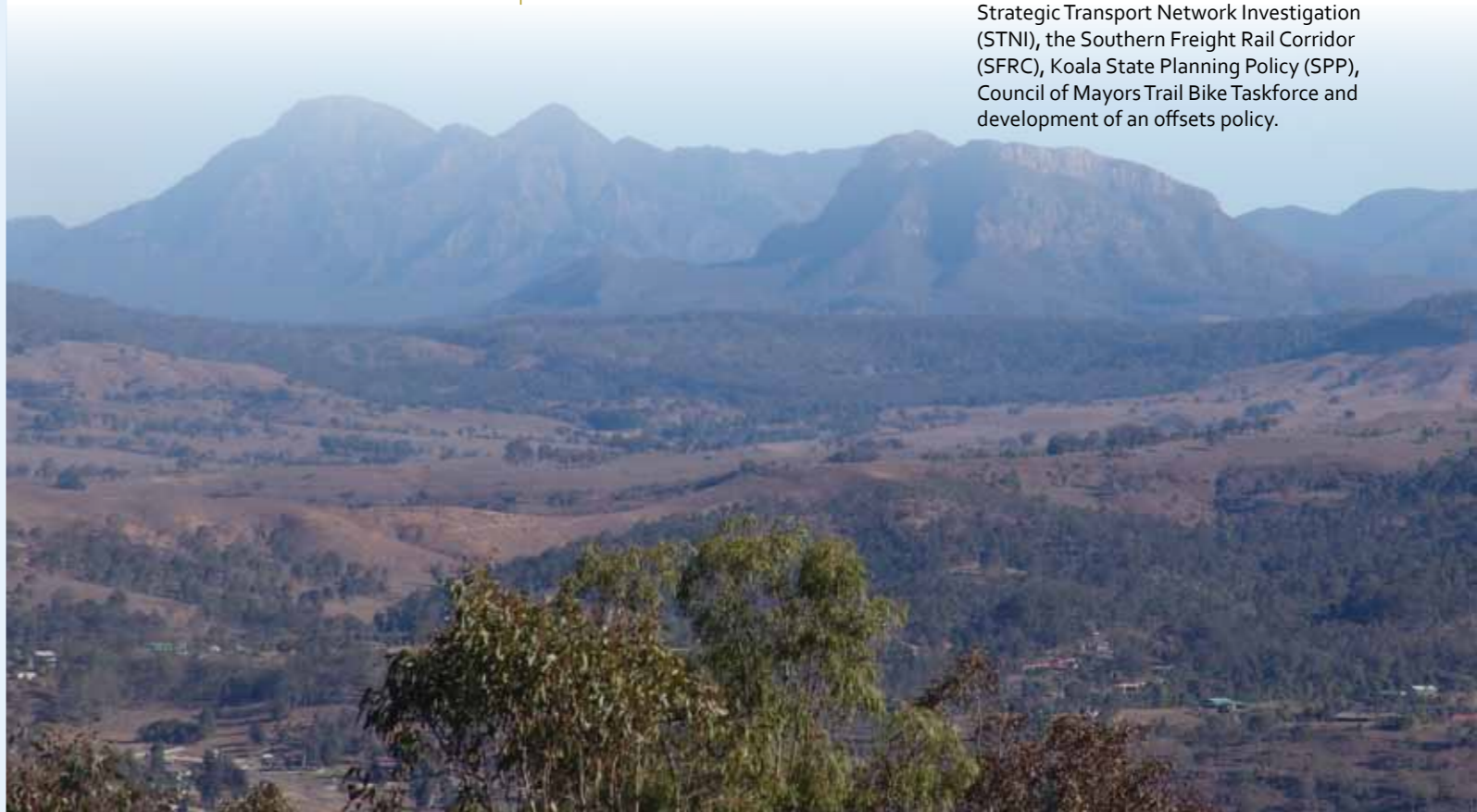
The Beaudesert Town Outline Structure Plan was finalised and more detailed planning for this area is continuing through the Beaudesert Growth Management Strategy project. This project is being developed concurrently with the Priority Infrastructure Plan (PIP), which involves detailed infrastructure planning and development of appropriate funding systems for new urban growth. Preliminary works on the PIP for the southern Beaudesert Shire Planning Scheme area have started, and will continue in 2009/10.

Planning schemes

The Strategic Planning team also started preliminary work on developing a new planning scheme for the new Council area. The new scheme will remove the disjunct occurring with the three existing planning schemes, and provide a united way forward for the new Council area in terms of strategic planning and development assessment. Work included a gaps analysis of the information and reporting carried out by the former councils, which will be used to help develop the new scheme.

Public consultation of the Beaudesert Shire Planning Scheme 2007 - Planning Scheme Amendment Package No.2 was carried out, and Council adopted the Department of Planning and Infrastructure (for second state interest review). Council also resolved to discontinue the pursuit of Amendment Package No.1 (Beaudesert Shire Planning Scheme 2007), due to the irrelevance of the package for the new Scenic Rim region. Works on Amendment Package No. 1 for the Boonah Shire Planning Scheme 2006 will also continue into 2009/10.

The Strategic Planning team produced a working document, Population and Residential Development Projections, which provides an estimate of the future population and number of new dwellings (by locality) to the year 2031, using information from the Draft South East Queensland (SEQ) Regional Plan 2009-2031. Other works included numerous Council briefings and submissions to the state government regarding a range of subjects, including the SEQ Regional Plan, Strategic Transport Network Investigation (STNI), the Southern Freight Rail Corridor (SFRC), Koala State Planning Policy (SPP), Council of Mayors Trail Bike Taskforce and development of an offsets policy.



DEVELOPMENT ASSESSMENT

Since the inception of the new Council, the Development Assessment (DA) team has provided a uniform and improved level of service to the Scenic Rim community. Processing and turn-around times for development applications decreased between 15 March 2008 and 20 June 2009, and the team continued to review and improve the application process, striving to achieve a positive outcome for both the applicants and the community.

During the 15 month reporting period, 413 development applications were processed and 15 Planning and Environment Court Appeals were finalised. Other achievements included developing a single set of fees and charges, and consolidating and reviewing day-to-day processes and procedures for DA staff.

Small business workshop



ECONOMIC DEVELOPMENT

The Scenic Rim area contains a unique mix of significant natural world heritage areas, strong agricultural production and an industrial precinct that will be one of the drivers of economic growth in the south-east Queensland economy in the next 10 to 15 years. During 2008/09, Council worked to support economic development through initiatives ranging from economic profiling and research, to practical workshops for businesses and support for tourism development.

Work continued on the Boonah Rural Futures project, driven by the Boonah District Enterprise Board. Reports generated through this project have been focused on topics ranging from business retention and expansion through to education, touring loops and agribusiness.

Council's annual Small Business Workshops Program was again well supported, with 10 to 12 businesses on average attending each workshop, with topics ranging from business planning and web-based marketing to brand building, customer service and sales, and marketing for small business. Council also supported the Building Sustainable Small Business Program run by the Ethos Foundation. This program helped businesses address their sustainability through a series of workshops.

In March and June 2009, Scenic Rim food and wine producers attended the South Bank Regional Flavours market, an event showcasing our regional produce to more than 7,000 enthusiastic Brisbane market-goers. This event is planned to continue in 2010.

Council is proud to continue its support of the region's accredited Visitor Information Centres at Boonah, Beaudesert, Canungra, Mount Tamborine and Rathdowney. These centres are owned by Council and run by valued volunteers, and provide a vital first point for visitors to our region. In 2008, 84,132 visitors used these centres.

SCENIC RIM ECONOMY: A SNAPSHOT

The Scenic Rim is transforming from a predominantly agricultural economy to a mixed tourism, high quality lifestyle, agricultural and industrial economy.

In addition to agriculture and tourism, key industries for the Scenic Rim include equine, manufacturing, construction and retail. When compared with the make-up of the national economy, Scenic Rim has a greater industry concentration in areas of:

- agriculture
- forestry and fishing
- construction
- arts and recreation services
- public administration and safety
- accommodation
- food services
- education and training.

(Source: Lawrence Consulting, Scenic Rim LGA Demographic Profile)

BUILDING AND PLUMBING

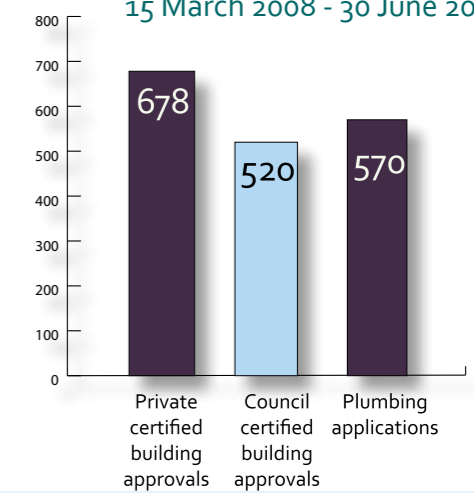
The creation of the Scenic Rim Regional Council raised a number of challenges for the new Council's building and plumbing operations. Changes were made to create a uniform approach to inspections across the new local government area. Information sessions were then delivered to all stakeholders to eliminate fears and any potential shortfalls expected as a result of bringing together areas previously served by three councils.

A conservative and risk-based approach was adopted when assessing applications, providing a positive and responsive service to the industry while maintaining the regulatory provisions outlined in respective legislative area. The building and plumbing section continues to make technical staff available to help applicants with information, in turn expediting approvals.

Construction of new houses – and building activity in general – has declined throughout the region. However, Scenic Rim has not been as impacted by the economic downturn as other areas in south-east Queensland. Renovations, alteration and additions, and shed construction supported the industry through this time.



Building & plumbing approvals 15 March 2008 - 30 June 2009



HEALTH AND ENVIRONMENT

Environmental services

Council committed to investing in a range of environmental programs in 2008/09 by providing support for a number of dedicated programs and funding a range of projects.

The environmental grants program was again popular this year, with Council investing more than \$25,000 into nine projects across the region. These projects included support for:

- community works in reserve areas for activities including revegetation and creation of walking tracks
- projects on private properties participating in Council conservation programs
- projects at a number of schools.

Council also delivered a number of community environmental events, including horse management workshops, landholder weed workshops, Land for Wildlife forums, Carpbuster events and a geological tour for the region.

Council's commitment to addressing climate change was given priority, with the formation of a Climate Change and Sustainability Working group. Its primary role is to review both Council and community carbon footprints with the view to developing an action plan for reduction activities.

Ongoing investment in regional partnerships also received funding in 2008/09, with investment in the Healthy Waterways Partnership aimed at monitoring and improving river rehabilitation in the region. Funding was also provided to:

- Scenic Rim Rivers Improvement Trust (an organisation undertaking ongoing riverine weed treatment programs)
- SEQ Fire and Biodiversity Consortium (delivering research outcomes for fire management activities)
- Glossy Black Consortium (dedicated to ensuring protection measures for the Glossy Black Cockatoo are developed).

Council also delivered on its ongoing property conservation programs, including Land for Wildlife and the Conservation Covenants, through ongoing property advice, project investment and increases in program participation.



River Improvement Trust contractors treating Chinese Elm

Environmental health and development compliance

Council's Environmental Health and Development Compliance teams perform a largely regulatory function under a combination of local laws and state legislation, including:

- Food Act 2006
- Dangerous Goods Safety Management Act 2001
- Environmental Protection Act 1994
- Public Health Act 2005
- Integrated Planning Act 1997

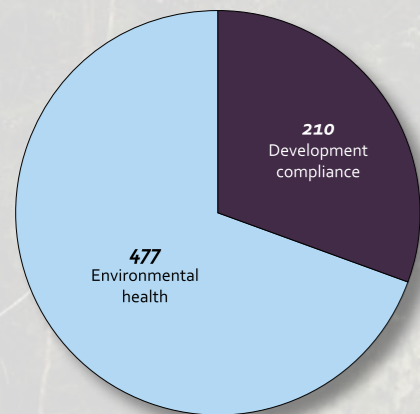
The creation of Council created difficulties in administration, as the local laws and planning schemes previously applicable to the former Beaudesert, Boonah and Ipswich areas remained in existence. A review and consolidation of the local laws in 2009/10 will be of great benefit to the community and Council in performing its health and environment functions.

The regulatory functions are both reactive (complaint-driven) and proactive (licence administration and inspection) programs.

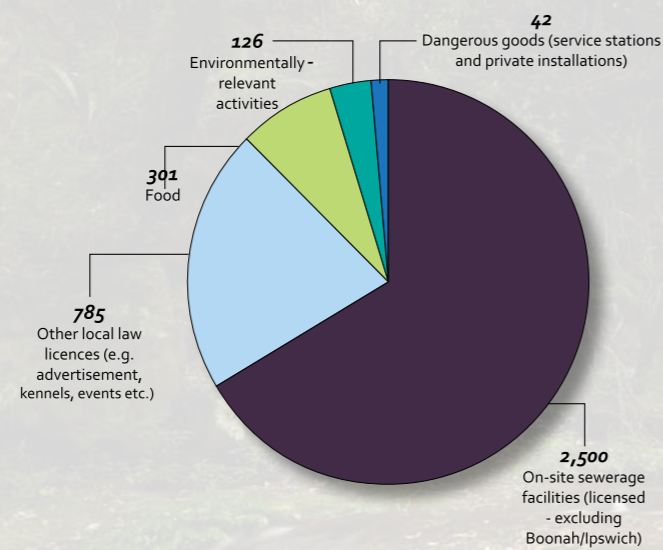
Complaints primarily related to residential nuisance (such as odour, noise, smoke and dust issues), as well as development compliance issues related to work starting on properties where the required development approval was not first obtained.



**Complaints/investigations
15 March 2008 - 30 June 2009**



**Number of licences administered
15 March 2008 - 30 June 2009**



Pest and animal management

Council's Pest and Animal Management team performed a proactive and complaint-driven function under a combination of local laws and state legislation, including:

- Animal Management (Cats and Dogs) Act 2008
- Land Protection (Pest and Stock Route Management) Act 2002.

The team looks after a wide range of programs including pest, weed and animal control and emergency response.

**Pest and animal management complaints received and responded to
15 March 2008 - 30 June 2009**

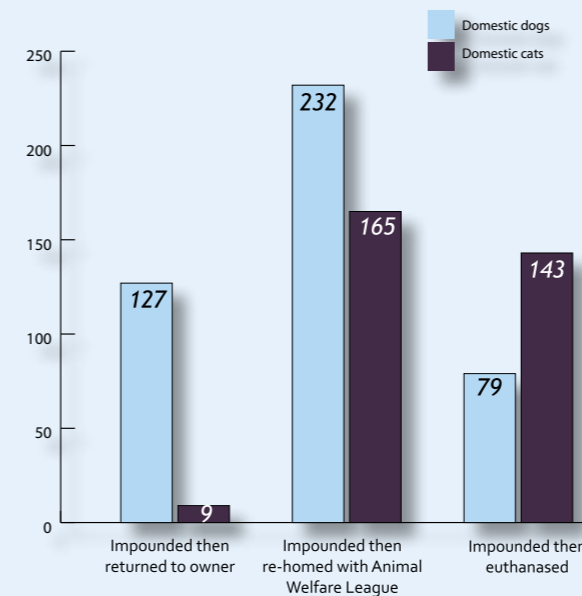
Animal management	1,122
Declared and environmental weeds*	20

* This does not indicate weed issues observed or reported during patrol activities.

Pest and Animal Management Officers completed training to implement the Animal Management (Cats and Dogs) Act 2008. This Act came into force 1 July 2009, to provide a consistent approach across Queensland for dog and cat registration, and included mandatory micro-chipping of cats and dogs at the point of sale.

With this mandatory registration, Council expects an increase in the number of cats and dogs registered in Scenic Rim. Council also expects a decline in the number of impounded cats and dogs being euthanased at its Small Animal Facility, because mandatory microchipping should make it possible for more pets to be returned to their owners.

**Impounded dog and cat statistics
15 March 2008 - 30 June 2009**



During the period of 15 March 2008 to 30 June 2009 there were a total of 438 domestic dogs and 317 domestic cats impounded by Council. This graph indicates the outcome for the impounded animals.

In 2009/10, Pest and Animal Management will undertake a range of actions to achieve a more proactive approach to pest and animal management, providing a sound basis and direction for Council to deal with internal and external agencies and customers.

**Dog and cat statistics
15 March 2008 - 30 June 2009**

Domestic dogs registered with Council	4,730
Domestic cats registered with Council	154



Animal management vehicle

ASSET MANAGEMENT

Council believes managing the region's large portfolio of infrastructure and major assets on a sustainable basis is vital to the long-term viability of its operations, and in 2008/09 it committed to develop a series of asset management plans.

The asset management process will see Council adopt a strategic approach to planning, providing, maintaining, upgrading and operating physical assets over their life-cycles. These plans should ensure:

- services to residents are provided in a planned and sustainable manner
- appropriate resourcing and operational capabilities are allocated for asset management.



To coordinate the project, a steering committee was formed comprising senior officers responsible for managing of Council's corporate, finance and works and infrastructure functions.

In 2008/09, significant work was undertaken in preparation for these plans, including developing an overarching asset management policy and a total revaluation of our asset classes.

This will provide a solid foundation, which will help to ensure the plans deliver on their objectives. In 2009/10, Council proposes to develop asset management plans for fleet, solid waste, facilities and parks, bridges and culverts, roads and cemeteries.

TRANSPORT MANAGEMENT

Transport infrastructure

Providing an integrated network of roads and bridges to service community needs is one of Council's core functions.

Scenic Rim road and street network 15 March 2008 – 30 June 2009	
Sealed roads	940 km
Gravel roads	840 km
Bridges	140
Capital works	\$5.360m
Road and bridge maintenance	\$5.724m

Road construction and maintenance operations during the summer were disrupted by unseasonal inclement weather. As a result, a number of projects budgeted in the 2008/09 program have carried forward for completion in 2009/10.



Maintenance works were undertaken to Council's customer service standards, reflecting Council's ongoing commitment to maintain the road network.

A detailed condition survey of the road and bridge networks was commenced, in order to determine Council's long term investment in this infrastructure. The data collected is also important for determining and prioritising maintenance works in the short term.

Major capital projects for 2008/09:

- Purdon Street reconstruction
- Munbilla Road reconstruction
- Kooralbyn Road reconstruction
- Milford Road bikeway
- Birnam Street footpath
- Canungra car park.

Contract and alliance works

Council's involvement in Local Government Association of Queensland / Department of Main Roads (LGAQ/DMR) Road Alliance continued in 2008/09. This regional approach has required input to road asset systems and resources for Local Roads of Regional Significance network management.

Council continued to undertake road construction and maintenance on the State Roads on behalf of the Department of Main Roads. In 2008/09, Council replaced Washpool Gully culvert on Boonah-Fassifern Road. Contract and alliance works were undertaken for landholders, Ipswich City Council, Lockyer Valley Regional Council and Logan City Council. Storm damage clean-up works were undertaken at The Gap for Brisbane City Council.

WATER AND SEWERAGE

Providing water supply and sewerage services to the Scenic Rim community is another of Council's key service functions. New customer service standards for water and sewerage services were adopted by Council in April 2009 (available to view at www.scenicrim.qld.gov.au).

To improve operation and ensure continuity of service, Council upgraded pumping stations, treatment plants and telemetry equipment.

Planning started towards the upgrade of the Boonah Sewage Treatment Plant to ensure that future releases from that facility satisfy quality standards for downstream use. This project is funded by the state government in conjunction with establishment of Wyaralong Dam.

Planning also started on the upgrade of the aging Beaudesert Sewage Treatment Plant. Future re-use schemes are planned for Beaudesert and the upgrade will ensure a higher quality of recycled water is produced. An upgrade of the Aratula Sewage Treatment Plant is also planned, which will enable the facility to re-use water.

Water reform

The 2008/09 financial year saw significant developments through Queensland Government initiatives for institutional reform of water supply operations throughout south-east Queensland.

From 15 March 2008, Scenic Rim Regional Council received water supply and sewerage infrastructure for its area from its predecessor councils, excluding the bulk water assets (i.e. pumping plants and treatment plants) which transferred to SEQ Water. Operation of the transferred facilities transitioned from Council to SEQ Water on 1 October 2008.

Extensive negotiations between the state government and south-east Queensland councils continued through 2008/09 regarding future control of water distribution and retail functions. The state government has determined these will transfer to new entities from 1 July 2010. Various institutional models have been investigated, but a final determination had not been made by 30 June 2009.

Throughout the reform process, Council has worked hard to achieve the best available outcomes for the Scenic Rim community.

Water supply operations

Council's water distribution network comprises 300 km of mains and associated infrastructure (e.g. reservoirs). In the reporting period (15 March 2008 – 30 June 2009), there were 6,050 water connections and 1,966 megalitres (ML) of water distributed through the Council network.

Sewerage operations

Council provides sewerage services to 4,237 properties in the major urban areas of the region via 150 km of mains, six treatment plants and other infrastructure including pumping plants.

During the period, the treatment plants processed 1,107 ML of wastewater of which 275 ML was distributed for re-use.



Analysis of water connections and consumption from 15 March 2008 - 30 June 2009.

Water scheme	Connections at 30/6/09	Consumption 15/3/08 - 30/6/09 ML
Peak Crossing / Harrisville / Warrill View	437	139
Boonah / Kalbar / Aratula /Mt Alford	2,148	798
Beaudesert	2,427	693
Canungra	344	114
Kooralbyn	589	189
Rathdowney	105	33
Total	6,050	1,966

The following volumes of wastewater were treated and reused in the reporting period:

Wastewater scheme	Volume of wastewater treated ML	Volume of wastewater reused	% of treated wastewater reused
Beaudesert	591	129	22
Canungra	84	0	0
Kooralbyn	131	0	0
Boonah	220	86	39
Kalbar	60	60	100
Aratula	21	0	0
Total	1,107	275	25

WASTE MANAGEMENT

Waste disposal facilities

Council operates a central landfill at Bromelton and six transfer stations across the region.

Central landfill

A new landfill cell was constructed at the Central landfill at Bromelton. Much of the work was done by Council day labour, with a significant saving achieved in cost from the original estimate.

A landfill gas study was completed for the Central landfill, which will help Council calculate its potential liability under the proposed Carbon Pollution Reduction Scheme. The report will also be used to determine work required to cap completed cells and extract landfill gas from them.

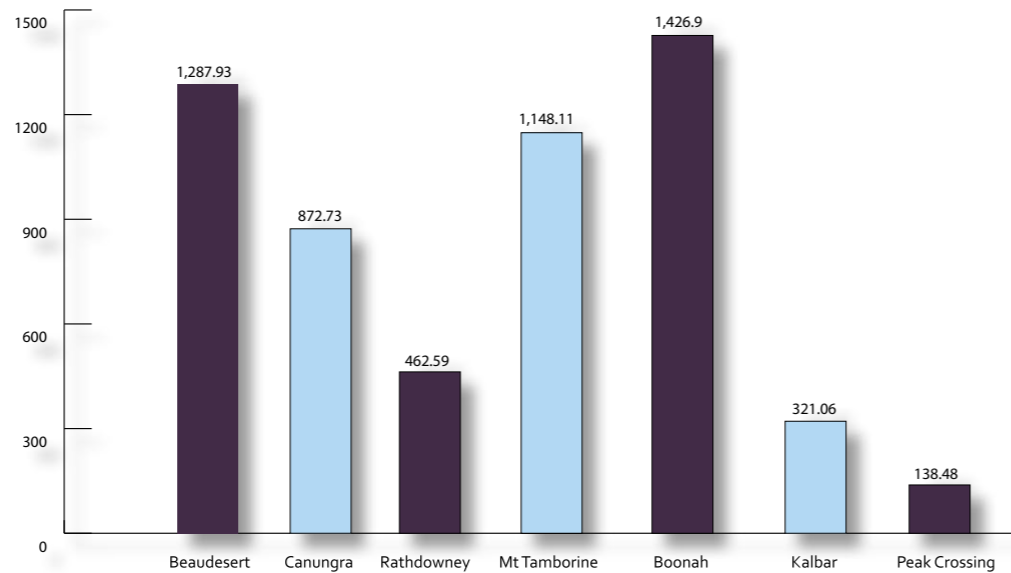
All waste disposal sites operated within the parameters of state government legislation and no environmental infringement notices were issued by the EPA.

Waste collection

During the period, Council awarded a new waste collection contract for the region to JJ Richards and Sons Pty Ltd. The new contract commenced on 29 June 2009, bringing Council into line with the vast majority of Councils across Australia by replacing the split-bin service system with a new two-bin collection system. The standard domestic service now features a 240L wheelie bin serviced weekly and a 240L recycle bin serviced fortnightly.

At the close of the reporting period, Council's contractors supplied a total of 11,540 domestic and 1,050 commercial weekly waste collection services across the region.

Tonnage of waste received at transfer stations 1 July 2008 - 30 June 2009



Recycling

In the 15 months under report, 2,147 tonnes of recyclable material was collected and recycled. Council expects to see a sharp increase in recycling figures in 2009/10 with the introduction of the new 240L recycle bins.

Residents continued to recycle a range of items at waste transfer facilities, including: car batteries, mobile phone batteries, oil, scrap metal, glass, cardboard, paper, plastics and green waste.



FACILITIES, PARKS AND GARDENS

Parks

Following the formation of Scenic Rim Regional Council, the Parks teams were realigned and uniform operating systems and procedures were put in place. Servicing levels have been critically reviewed and modified as appropriate. Parks and gardens play a big part in the look and feel of the region and add to community wellbeing, and Council contributed to this with additional tree plantings at various locations.

Signs

In the 15 months under report, new Scenic Rim signage was rolled out, featuring the region's new logo. The logo was placed on all Council fleet items, including the mobile library. In order to cut costs, overlay signs were used at all parks, depots etc. Tamborine Mountain and Canungra libraries were also re-badged. Meanwhile, 12 'Welcome to the Scenic Rim' signs were installed on key boundary sites around the region. New signs have also been ordered for the Beaudesert and Boonah Council Administration Centres.



Jubilee Park

Cemeteries

Council has integrated the operations and administration of cemeteries across the region. Council has also constructed new cemetery lawn beams, upgraded the Mount Tamborine cemetery rotunda with new roof and paint, resealed cemetery roads and upgraded the cemetery shelters.

Fleet

Council took delivery of two large graders during the year, along with a backhoe, a roller and several replacement trucks. Council continues to upgrade its fleet to ensure the outside work force has the necessary tools to build and maintain roads, bridges and other infrastructure. There has also been a gradual downsizing of cars and utilities as Council saves money and moves towards a greener future.



OUR FINANCIALS



COMMUNITY FINANCIAL REPORT

The Community Financial Report is a brief summary and analysis of some of the key elements of Council's financial results for the period. The aim of the report is to assist readers in evaluating Council's financial performance and position without the need to interpret the financial statements contained in the Financial Report.

Scenic Rim Regional Council was formed on 15 March 2008 following the local government reform process, whereby the former Boonah Shire Council, the southern rural areas of the former Beaudesert Shire Council (including the town of Beaudesert and the Tamborine area) and the Harrisville/Peak Crossing areas of Ipswich City Council were amalgamated. Council's first set of financial statements following reform are for the period 15 March 2008 to 30 June 2009.

The Annual Financial Report is a record of our financial performance for this period and is subject to independent audit to verify the accuracy of the report.

The audited financial statements start on page 42.

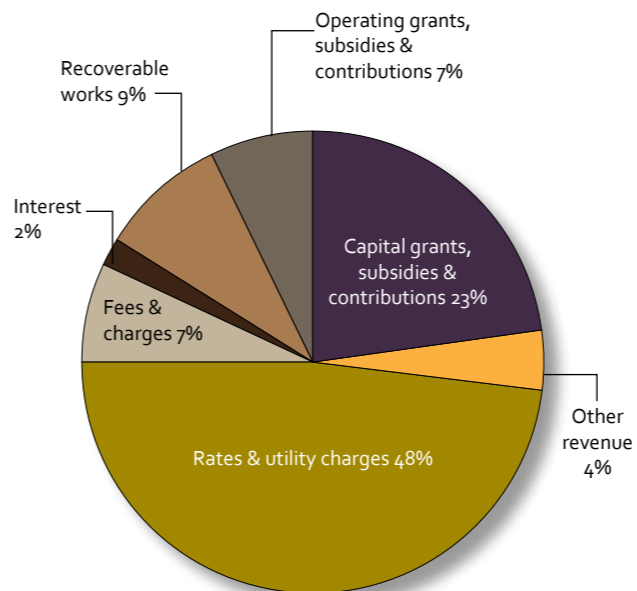
The primary reports are the:

- income statement
- balance sheet.

INCOME STATEMENT

Sources of income - where our money comes from

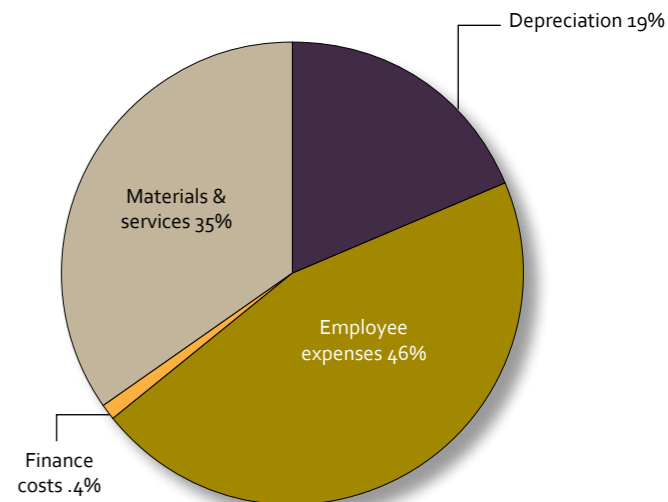
Rates and utility charges are Council's main source of income. However, other sources such as recoverable works, developer contributions, government grants and subsidies, and fees and charges are also an important income source to assist in funding the future growth of our region.



Operating expenses - where our money is spent

Council provides a wide range of services to the community. This work is done by Council staff and contractors. Wherever possible, local suppliers and contractors are used so the money flows back into the community.

The three largest items of Council's expenditure are employee costs, materials and services, and depreciation and amortisation. The level of expenditure is constantly monitored via a rigorous budget process. Detailed estimates are prepared prior to the start of the financial year and are constantly monitored throughout the year to ensure funds are used efficiently.



STATUTORY INFORMATION

BALANCE SHEET

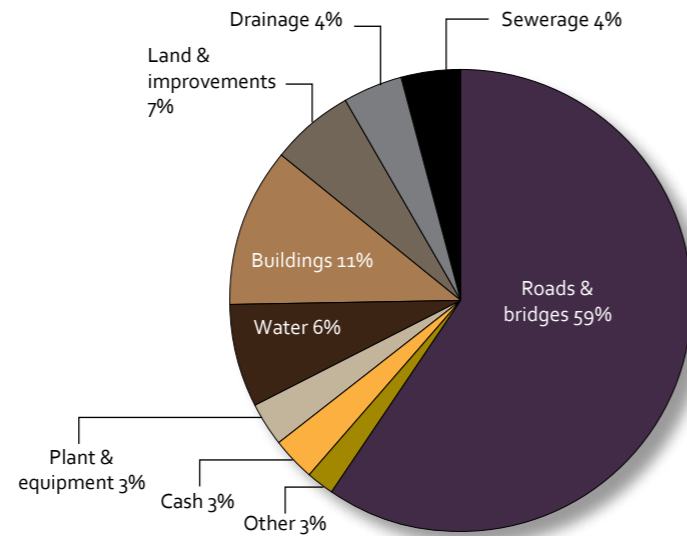
The balance sheet details Council's net accumulated financial worth at the end of each financial year and is broken down into Council's assets and liabilities.

Assets - What our community owns

The major components of our assets include:

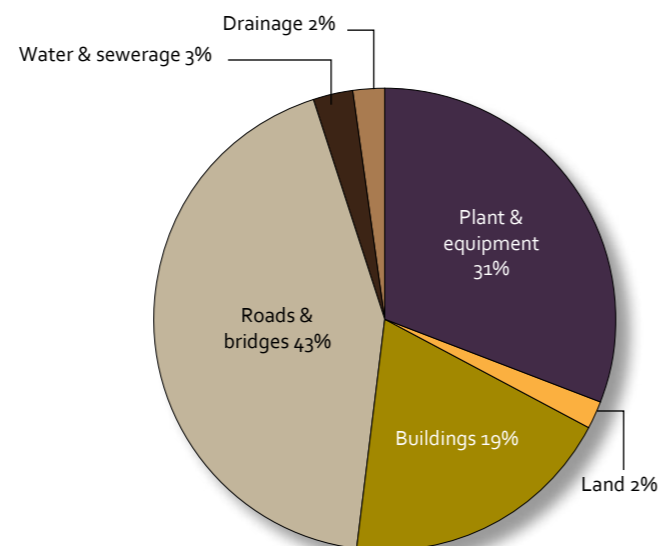
- cash
- receivables
- property, plant and equipment
- capital work in progress.

Property, plant and equipment accounts for 95% of Council's assets. This is a significant investment for the community and requires astute management to ensure the level of service provided by these assets is maintained. As at 30 June 2009, Council held assets worth \$697 million.



Assets - Where the capital works was spent

Capital works of \$10.5 million were undertaken during the period. Major projects undertaken include the restoration of the Zamia Theatre, the construction of a new landfill cell at Bromelton, major roadworks projects at Munbilla and Sandy Creek Roads and the annual plant replacement program. This graphs shows a summary of where the capital expenditure was spent.

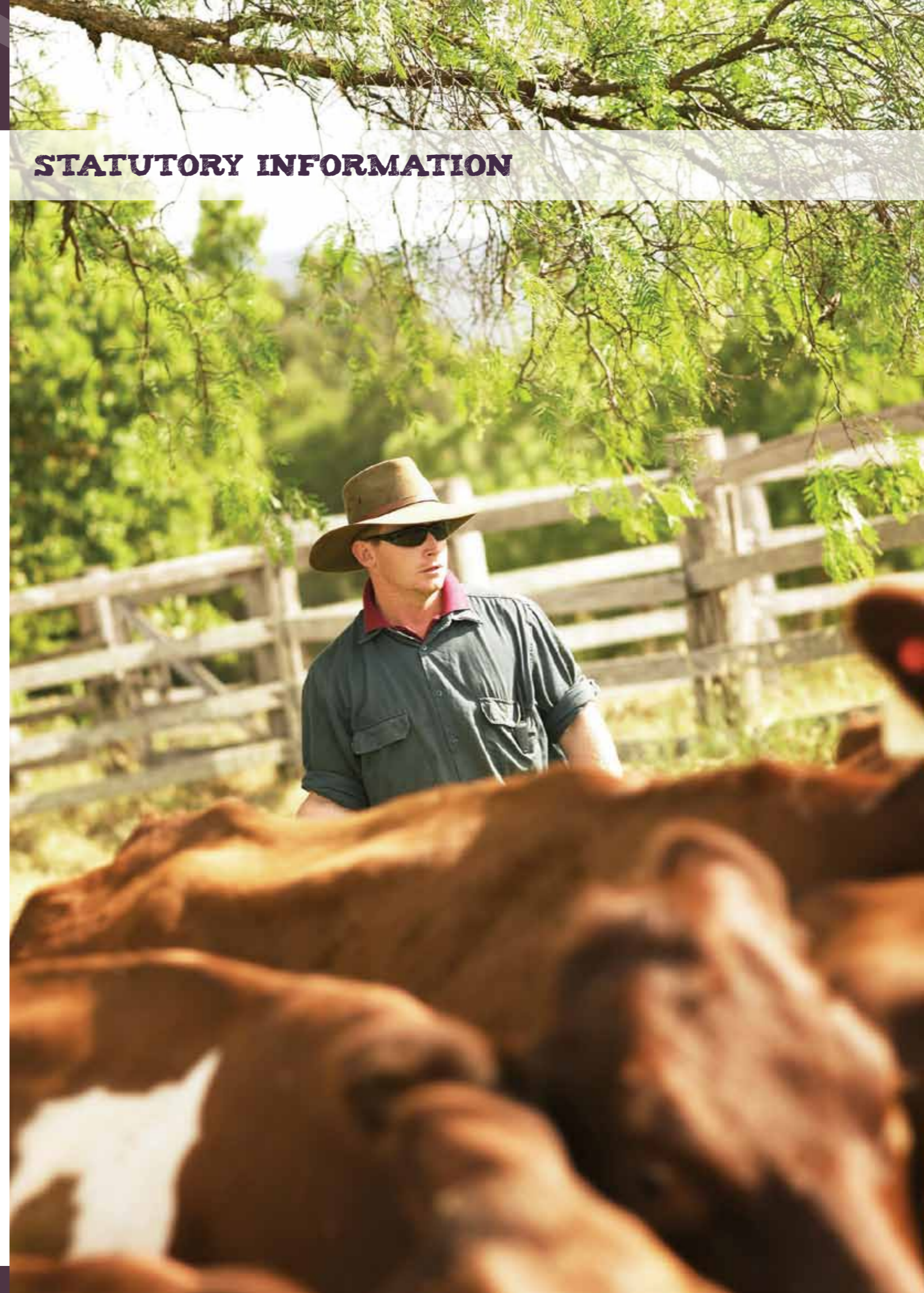
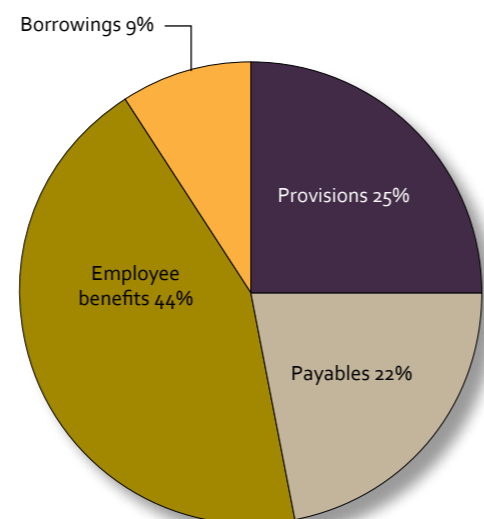


Liabilities - What our community owes

The major components of our liabilities include:

- payables
- employee benefits
- borrowings
- provisions.

Council's borrowings decreased by \$8.9 million to \$1.8 million during the reporting period. Compensation for the transfer of Council's bulk water assets to the Queensland Water Commission of approximately \$8 million was paid to the Queensland Treasury Corporation in settlement of Council debts. Our total liabilities as at 30 June 2009 were \$19.6 million.



The following additional information is provided in compliance with reporting requirements prescribed by the Local Government Act 1993 and Local Government Finance Standard (LGFS) 2005.

5534(1)(a)(i) Special rates and charges

Council levied a special charge in 2008/09 on all rateable assessments within specified Rural Fire Brigade Districts as defined by the Queensland Fire and Rescue Service and delineated on electronic maps provided by Queensland Fire and Rescue Service, in accordance with section 971 of the *Local Government Act 1993*.

The purpose of the levy was to remit proceeds collected to participating local brigades or groups to assist in their purchase of fire fighting equipment and operations, on a basis resolved by Council.

The funds were administered and distributed according to plans adopted by the predecessor Councils in the 2007/08 year.

5534(1)(a)(ii) Joint local government arrangements

Council did not enter into any arrangements with other local governments for the provision of local government services to this area.

5534(1)(b) Changes to Tender Specifications

Council made no changes to tender specifications after calling of tenders.

5534(1)(c) Expressions of interest

Council did not make any resolutions to invite expressions of interest before inviting tenders from a short list of respondents (as per s489 of LGA).

5534(1)(d) Council registers open to inspection

- The following Council registers are open for inspection:
- Burials (Council cemeteries only)
 - Community register
 - Decision notices & negotiated decision notices under IPA
 - Delegated authorities
 - Development applications under IPA
 - Dog registrations
 - Enterprise register
 - Fees and charges
 - Health licences
 - Impounded animals
 - Impounded items
 - Land records

- Licences and approvals under *Environmental Protection Act 1994*
- Local laws and subordinate local laws
- Material personal interests (Councillors)
- Notices issued under the *Building Act 1975*
- Planning scheme policies
- Policies
- Restricted dogs
- Roads register
- Town planning non-conforming & fettered uses
- Town planning consents
- Town planning rezonings

5534(1)(e) Rebates and concessions in relation to rates

Discount of 5% was allowed on current year rates and charges, with the exception of the fire levy and water consumption charges, only if the total amount of all rates and charges included on an assessment for which the discount is allowed and all overdue rates and charges, was received on or before the due date for payment, as determined in accordance with section 1014 of the *Local Government Act 1993*, which was at least 30 days from date of issue.

As part of Council's commitment to preserving the environment, it provides a whole or partial concession on the general rate to owners of land who enter into a Voluntary Conservation Covenant and/or a Voluntary Conservation Agreement, depending on the portion of the area of the conservation area defined in the Voluntary Conservation Covenant/Agreement of the total area of land.

Council gave exemption from the general rate and separate charge – community infrastructure to:

- numerous community service organisations as listed in the revenue statement
- sporting groups and associations on Council-owned and controlled land that do not have a liquor licence
- community not-for-profit kindergartens
- dip and pump sites held separately from the balance of holdings or held separately by trustees
- the owner of the property described as L19 ML212
- land identified as historic subdivisions under the Boonah Shire Council Planning Scheme.

Council gave exemption from water, sewerage and garbage collection charges to a number of organisations as listed in the revenue statement.

5534(1)(ea) & (f) Resolutions approving Reimbursement of expenses and provision of facilities to councillors

On 8 April 2008 Council resolved 'that Council adopt the Transitional Expenses Reimbursement Policy for Local Government Councillors.'

Note: This policy may be viewed on Council's website.

5534(1)(f) Resolutions approving payment of remuneration to councillors

Remuneration rates for Councillors were determined by Council in accordance with reports of the Local Government Remuneration Tribunal. Refer page 10 for remuneration schedules adopted during the period.

On 17 June 2009 Council resolved 'That in accordance with s238 of the *Local Government Act 1993*, Council take part in the LG Super for the purposes of providing Councillors with the opportunity participate in a superannuation scheme.'

5534(1)(f) Resolutions approving remuneration and expenses of persons serving on advisory committees (S237 of LGA)

At its meeting of 29 July 2008, Council resolved to establish an Audit Advisory Committee under Section 452 of the *Local Government Act 1993* comprising Crs Brent, Adams and Bensted, an external chairperson and an external committee member.

Council resolved at that meeting to '... set the remuneration for external members at the following rates:
(a) Committee member - \$1,000 per meeting, including preparation and attendance
(b) Chairperson – an additional \$500 per meeting.'

5534(1)(g) Facilities provided to Councillors

In accordance with the Transitional Expenses Reimbursement Policy, the following facilities are provided on request to each Councillor:

1 Councillor offices
A furnished office in Council's public office (and in other Council premises where appropriate). The administrative tools available on those premises comprise computers, stationery, access to photocopiers, printers, facsimile machines, publications, telephones and internet access. A car parking space, secretarial support and meeting rooms are provided at those premises during Council business hours.

2 Home office equipment
The following administrative tools are provided on request to conduct Council business from the Councillor's private residence:

- laptop computer
- printer/copier/facsimile machine.

3 Council vehicles
A Council vehicle to the following maximum standards is supplied:

- Mayor: Ford Fairlane GHIA/Holden Statesman or equivalent
- Councillors: Ford Falcon Sedan XR6/Holden Berlina Sedan or equivalent (Note: Councillors may elect to receive smaller vehicles to equivalent maximum value equipped as required to suit local conditions.)

The provision of Council vehicles for use by Councillors is subject to guidelines.

4 Mobile telephones
A mobile telephone or hand-held personal assistant (i.e. Blackberry or equivalent).

5 Personal protective equipment
Councillors required to enter a worksite on Council business are supplied with any safety equipment prescribed to be worn on that worksite (e.g. safety helmet, vest and boots).

6 Insurance
Council indemnifies or insures Councillors against personal injury sustained while discharging Council business.

5534(1)(k) Particulars required by Local Government Finance Standard 2005

Local Government Finance Standard (LGFS) 23(2)(a) Policy About Borrowings

Debt funding is considered for all major capital expenditure projects during budget deliberations and Council's policy on borrowings is contained in Council's Borrowings Policy (Fl01.04,CP).

Borrowings were anticipated to be as per Council's resolution as follows:

- 2008/2009 \$9,000,000 to be repaid over 10years
- 2009/2010 \$0
- 2010/2011 \$0
- 2011/2012 \$0
- 2012/2013 \$0.

The source of all borrowings is the Queensland Treasury Corporation.

NOTE: No actual borrowings were made in this period.

LGFS 24(1)(a) Overseas travel

No Councillors or Council employees undertook Council-sponsored overseas travel during this period.

LGFS 24(1)(b) Summary of expenditure for prescribed activities

Type	Total cost
Services rendered by consultants	
- Corporate & community	\$147,961
- Environment & compliance	\$ 50,298
- Planning	\$187,900
Entertainment / hospitality	\$ 4,014
Advertising	\$161,186
Community organisation grants	\$240,207

LGFS 25 State land controlled by Council

Council has control of the following state government-owned land:
(a) 1414ha of reserves as trustee under the *Land Act 1994* (including 266ha which Council leases to others)
(b) 1780km of roads.

This land does not have a value in Council's financial statements.

LGFS 93 Cross-subsidies between classes of water and sewerage consumers

Council has not identified any cross-subsidies between classes of consumers of either water supply or sewerage services.

LGFS 94 Community service obligations for business activities

The following community service obligations were recognised for Council's business activities.

Business activity	Description	Cost \$'000
Water and sewerage	Concessional service charges to community organisations, concessional regulatory charges, uneconomical services	\$9,669
Waste management	Concessional service charges to community organisations	\$3,035

5534(1)(l) Local government-owned corporations

Council did not participate in any local government owned corporations during the period.

5534(1)(m) Complaints about competitive neutrality

Council received no investigation notices for complaints or references in regard to competitive neutrality during the period.

5581 Commercial business units

Council did not operate any commercial business units during the period.

5763A(2) Building certification business activity

Council undertook a building certification business activity during the period.

FINANCIAL STATEMENTS



**Scenic Rim Regional Council
Financial Report**

For the period 15 March 2008 to 30 June 2009

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**Scenic Rim Regional Council
Income Statement**

For the period 15 March 2008 to 30 June 2009

	Note	2009 \$
Income		
Recurrent revenue		
Rates and utility charges	3	37,713,835
Fees and charges	4	5,191,737
Interest received	5	1,586,827
Sales of contract and recoverable works	6	7,083,763
Grants, subsidies, contributions and donations	7	5,891,926
Other revenues	8	3,299,920
Total recurrent revenue		<u>60,768,008</u>
Capital revenue		
Grants, subsidies, contributions and donations	7	18,230,707
Total revenue		<u>78,998,715</u>
Capital income	9	98,582
Gain on restructure of local government		
Assets and liabilities transferred from former Councils	22	361,927,534
Adjustments due to accounting policy alignment	22	81,532,799
		<u>443,460,333</u>
Total income		<u>522,557,630</u>
Expenses		
Recurrent expenses		
Employee expenses	10	35,228,999
Materials and services	11	26,675,793
Finance costs	12	279,099
Depreciation and amortisation	13	14,574,982
Total recurrent expenses		<u>76,758,873</u>
Capital expenses	14	2,464,667
Total expenses		<u>79,223,540</u>
Net result attributable to council		<u>443,334,090</u>

The above statement should be read in conjunction with the accompanying notes.

**Scenic Rim Regional Council
Balance Sheet**

As at 30 June 2009

	Note	2009 \$
Current assets		
Cash and cash equivalents	15	19,212,987
Trade and other receivables	16	6,198,362
Inventories	17	715,412
Other assets	18	866,547
		<u>26,993,308</u>
Non-current assets classified as held for sale	19	182,000
Total current assets		27,175,308
Non-current assets		
Trade and other receivables	16	90,393
Equity investments	20	10
Intangible assets	21	859,553
Property, plant and equipment	23	664,428,477
Capital work in progress	24	3,985,119
		<u>669,363,552</u>
Total non-current assets		669,363,552
Total assets		696,538,860
Current liabilities		
Trade and other payables	25	4,272,597
Accrued employee benefits	26	2,797,551
Borrowings	27	319,755
Provisions	28	551,563
		<u>7,941,466</u>
Total current liabilities		7,941,466
Non-current liabilities		
Accrued employee benefits	26	5,925,897
Borrowings	27	1,479,703
Provisions	28	4,295,383
		<u>11,700,983</u>
Total non-current liabilities		11,700,983
Total liabilities		19,642,449
Net assets		676,896,411
Equity		
Accumulated surplus	29	443,334,090
Asset revaluation reserve	30	233,562,321
		<u>676,896,411</u>
Total equity		676,896,411

The above statement should be read in conjunction with the accompanying notes.

**Scenic Rim Regional Council
Statement of Cash Flows**

For the period 15 March 2008 to 30 June 2009

	Note	2009 \$
Cash flows from operating activities		
<i>Inflows:</i>		
General rates and utility charges		40,127,439
Rental and levies, fees and charges		5,191,737
Interest received		1,586,827
Grants, subsidies and contributions		5,794,324
Other income		10,816,630
GST received from customers		1,475,667
GST input tax credits from ATO		2,342,354
<i>Outflows:</i>		
Payments to suppliers		(38,073,775)
Payment to employees		(32,596,791)
Interest expense		(54,969)
GST paid to suppliers		(3,636,223)
		<u>(7,026,779)</u>
Net cash outflow from operating activities	36	(7,026,779)
Cash flows from investing activities		
<i>Inflows:</i>		
Proceeds from sale of property plant and equipment		1,158,823
Grants, subsidies and contributions for capital acquisitions		11,656,471
<i>Outflows:</i>		
Payments for property, plant and equipment		(12,360,274)
		<u>455,020</u>
Net cash outflow from investing activities		455,020
Cash flows from financing activities		
<i>Outflows:</i>		
Repayment of borrowings		(703,944)
		<u>(703,944)</u>
Net cash inflow from financing activities		(703,944)
Net decrease in cash held		(7,275,703)
Cash at beginning of reporting period		0
Cash flow arising from restructure of local government		26,488,690
		<u>26,488,690</u>
Cash at end of reporting period	15	19,212,987

This Statement of cash flows should be read in conjunction with the accompanying notes.

Scenic Rim Regional Council
Statement of Changes in Equity
For the period 15 March 2008 to 30 June 2009

	Accumulated surplus	Asset revaluation reserve	Total
Notes	29	30	
	\$	\$	\$
Opening Balance	0	0	0
Changes in Equity			
Revaluations of Property, Plant and Equipment	0	235,197,742	235,197,742
Change in value of future rehabilitation cost	0	(1,635,421)	(1,635,421)
Net income recognised directly in equity	0	233,562,321	233,562,321
Surplus for the period	443,334,090	0	443,334,090
Total recognised income and expense	443,334,090	233,562,321	676,896,411
Balance as at 30 June 2009	443,334,090	233,562,321	676,896,411

The above statement should be read in conjunction with the accompanying notes.

Scenic Rim Regional Council
Notes to and forming part of the financial statements
For the financial period 15 March 2008 to 30 June 2009

1 Summary of Significant Accounting Policies

1.A Basis of Preparation

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

The Local Government Reform Commission report to the Minister for Local Government, Planning and Sport on 27 July 2007 recommended that the former Boonah Shire Council, the southern rural areas of the former Beaudesert Shire Council (including the town of Beaudesert and the Tamborine area) and the Harrisville / Peak Crossing areas of Ipswich City Council be amalgamated to form the Scenic Rim Regional Council. Pursuant to Part 1B of the Local Government Act 1993 and in accordance with the Local Government Reform Implementation Regulation 2008, the Scenic Rim Regional Council was formed on 15 March 2008.

The Local Government Reform Implementation Regulation 2008 and the Local Government Reform Implementation (Transferring Areas) Amendment Regulation (No.1) 2008 transferred the assets and liabilities of the former Councils to the Scenic Rim Regional Council as at changeover date.

Pursuant to section 159YQ of the Local Government Act 1993 and sections 26 and 35 of the Local Government Reform Implementation Regulation 2008, financial statements have been prepared for the period starting on 15 March 2008 and ending on 30 June 2009. Future periods will be for twelve month periods starting 1 July and ending on 30 June.

Assets and liabilities of the former councils have been recognised by Scenic Rim Regional Council on 15 March 2008 at the previous book values of the transferor local governments. This is shown as income in the Income Statement and details are disclosed in note 22.

Scenic Rim Regional Council adopted consistent accounting policies from its commencement date of 15 March 2008. In some cases, this resulted in adjustments to the measurement of assets and liabilities transferred from former councils as at 15 March 2008. These accounting policy alignment adjustments are shown in the Income Statement and details are disclosed in note 22.

This financial report has been prepared under the historical cost convention except for the revaluation of certain non-current assets.

1.B Statement of Compliance

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, this Report does not comply with IFRS. The main impact is in the offsetting of revaluation and impairment gains and losses within a class of assets and the recognition of assets and liabilities of the former councils at the amounts at which they were recognised by the transferor local governments.

1.C Adoption of New and Revised Accounting Standards

AASB7 applies for the first time this year. This standard relates to the presentation of information and does not impact on the result or position disclosed.

The following Australian Accounting Standards, issued on the dates shown, are not mandatory for the period ending 30 June 2009 but, as permitted, have been applied in preparing this report where applicable:

- AASB 1004 Contributions (December 2007)
- AASB 1051 Land Under Roads (December 2007)
- AASB 1052 Disaggregated Disclosures (December 2007)
- AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

1.D Critical Accounting Estimates

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

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

1.E Currency

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

1.F Constitution

The Scenic Rim Regional Council is constituted under the Queensland *Local Government Act 1993* and is domiciled in Australia.

1.G Date of authorisation

The financial report was authorised for issue on the date it was submitted to the Auditors for final signature. This is the date the management certificate is signed.

The Local Government has the power to amend the Financial Report after it is authorised for issue until the adoption of the report by the Local Government as part of the Annual Report.

1.H Changes to Accounting Policies

Unless otherwise stated, accounting policies have been consistently applied throughout the period.

1.I Rates, Grants and Other Revenue

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

Rates

Where rate monies are received prior to the commencement of the rating period, the amount is recognised as revenue in the period in which they are received.

Grants and Subsidies

Grants and subsidies are recognised as revenue on receipt.

Non-Cash Contributions

Non-cash contributions with a value in excess of the recognition thresholds set out in Note 1.P, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Other Revenue Including Contributions

Other revenue is recognised as a receivable when it is probable that it will be received and the amount is known, otherwise the amount is recognised upon receipt.

1.J Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at 30 June 2009, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash at the Council's option without penalty and that are subject to a low risk of changes in value.

The Council considers all its term deposits, being for periods of three months or less to be cash equivalents.

1.K Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, settlement on trade debtors being generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment.

Loans and advances are recognised at cost. Terms are usually a maximum of five years with no interest charged. Security is not normally obtained.

1.L Other Financial Assets

Other Financial Assets are recognised at cost.

1.M Inventories

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

Inventories held for distribution are:

- goods to be supplied at no, or nominal, charge, and
 - goods to be used for the provision of services at no, or nominal, charge.
- These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

1.N Land Held for Resale

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

Profit arising upon sale of land is recognised in the Income Statement on the signing of a valid unconditional contract of sale.

1.O Investments

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

1.P Property, Plant and Equipment

Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000, are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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

- Land and improvements
- Buildings
- Road and bridge network
- Water
- Sewerage
- Drainage
- Plant and equipment at valuation
- Plant and equipment at cost

Acquisition of Assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Non-monetary assets, including property, plant and equipment, received in the form of contributions and assets received in a local government restructure, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Assets transferred from the former Beaudesert and Boonah Shire Councils and the Harrisville / Peak Crossing areas of Ipswich City Council, as a result of a Government restructure, were initially recognised at the amount at which they were recognised by the former councils as at the changeover day as disclosed in Note 1.A and Note 22.

Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets is treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Valuation

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

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This revaluation may involve the application of a suitable index to the cost elements of each asset, or may involve an independent assessment of the value. Only those assets, the total values of which are material, compared to the value of the class of assets to which they belong, are comprehensively revalued. A comprehensive revaluation by external valuers is performed at intervals of no greater than 5 years.

Details of valuers and methods of valuations are disclosed in Note 23(b).

Plant and equipment, other than major plant and equipment, are measured at depreciated cost. The carrying amounts for plant and equipment measured at depreciated cost should not differ materially from their fair value.

Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment is calculated on a consumption basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

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

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

The estimated useful lives of property, plant and equipment are reviewed annually. Details of the range of useful lives for each class of asset are shown in Note 23(a).

1.Q Intangible Assets

Only intangible assets which have a cost exceeding \$100,000 are recognised as intangible assets.

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

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

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

1.R Capital Work in Progress

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

1.S Biological Assets

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

1.T Impairment of Non Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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

1.U Leases

Leases of property, plant and equipment where substantially all the risks and benefits remain with the lessor, are classified as operating leases. Other leases, under which the Council assumes substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. The Council has no finance leases.

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.V Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

1.W Employee Benefits

Employee benefits are accrued for such items as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee entitlements are assessed at each reporting date. Where it is expected that the leave will be taken in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

(i) Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability is disclosed in Note 26 Accrued employee benefits.

(ii) Annual leave

A liability for annual leave is recognised. The current portion is based on current wage and salary levels and includes related employee on-costs. The non current portion is based on projected future wage and salary levels and related employee on-costs, discounted to present values. This liability is disclosed in Note 26 Accrued employee benefits.

(iii) Sick leave

Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

(iv) Superannuation

The superannuation expense for the reporting period is the amount of the contribution the local government makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 34.

(v) Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The interest rates attached to Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value. The value of the liability was calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is disclosed in Note 26 Accrued employee benefits.

1.X Borrowings

Loans payable are measured at amortised cost. Interest is recognised as it accrues.

Borrowing costs are treated as an expense, as assets constructed by the council are generally completed within one year and therefore are not considered to be qualifying assets.

Gains and losses on the early redemption of borrowings are recorded as an adjustment to the finance costs.

1.Y Restoration Provision

A provision is made for the cost of restoration of assets and other future restoration costs where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of the facility. Details can be found in Note 28.

The provision is measured at the expected cost of the work required and discounted to current day values using an appropriate rate.

Refuse sites and gravel quarries are land. The cost of the restoration provision is therefore required to be added to the cost of the land as an improvement and amortised over the expected useful life of the refuse site or quarry. Assets are also required to be carried at fair value. Therefore, almost immediately after initial recognition of the restoration costs, the asset is revalued to its fair value.

The net result of this is that any adjustment to the provision is offset by a corresponding adjustment to the revaluation reserve.

Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation reserve for land. If there is no available reserve increases in the provision are treated as an expense and recovered out of future decreases if any.

Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

1.Z Asset Revaluation Reserve

The asset revaluation reserve comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in this reserve.

Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation reserve in respect of that class. Any excess is treated as an expense.

When an asset is disposed of the amount in the reserve in respect of that asset is retained in the reserve.

1.AA National Competition Policy

The Council has reviewed its activities and has identified four activities that are business activities. Details of these activities can be found in Note 38.

1.BB Financial Risk Management

The Council minimises its exposure to financial risk in the following ways:

- Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia and are for a period of less than one year.
- The Council does not invest in stocks, bonds, currencies, commodities or other high risk investments.
- When the Council borrows, it borrows from the Queensland Treasury Corporation unless another financial institution can offer a more beneficial rate, taking into account any risk.

Details of financial instruments and the associated risks are shown at Note 37.

1.CC Trust Funds Held for Outside Parties

Funds held in the Trust Account on behalf of outside parties include those funds from the sale of land for arrears in rates and security deposits lodged to guarantee performance. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed in the notes to the financial statements for information purposes only.

1.DD Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax (GST). The net amount of GST recoverable from the ATO is shown as an asset.

The council pays payroll tax to the Queensland Government on certain activities.

2 Analysis of results by function

(a) Revenue, expenses and assets have been attributed to the following functions :

Functions	Income		Total income	Total expenses	Net result for period	Assets
	Grants	Other				
	2009 \$	2009 \$	2009 \$	2009 \$	2009 \$	2009 \$
Other Corporate Functions	8,561,408	30,035,296	38,596,704	37,187,204	1,409,500	117,841,610
Roads and Bridges	9,544,795	12,113,195	21,657,990	29,427,132	(7,769,142)	464,183,825
Water	4,211,500	7,134,025	11,345,525	5,830,227	5,515,298	59,041,783
Sewerage	1,804,929	2,838,404	4,643,333	2,399,243	2,244,090	48,628,136
Waste Management	0	2,853,745	2,853,745	4,379,734	(1,525,989)	6,843,506
Total	24,122,632	54,974,665	79,097,297	79,223,540	(126,243)	696,538,860

Note: The analysis presented above does not include the Gain on Restructure of Local Government presented in the Income Statement and Note 22.

2 (b) Components of council functions

The activities relating to the Council's components reported on in Note 2(a) are as follows :

Other Corporate Functions

Executive and Corporate Governance

Support function for the Mayor and Councillors and Chief Executive Officer
Council and committee meetings and statutory requirements
Communications
Human Resources

Corporate and Community Services

Finance and Administration
Information Services
Customer Service
Libraries
Property Management

Development Services

Building and plumbing
Pest and Animal Management
Environmental Health & Policy
Development Assessment and Compliance
Strategic Planning
Community Development
Cultural Services
Tourism and Economic Development

Infrastructure Services

Planning and Design
Facilities Management
Parks, Gardens and Cemeteries
Fleet Management
Disaster Manager Management

Roads and Bridges

Construction and maintenance of Council's road and bridge network

Water

Water supply services

Sewerage

Sewerage services

Waste Management

Waste collection and disposal services

Scenic Rim Regional Council
Notes to and forming part of the financial statements
For the period 15 March 2008 to 30 June 2009

	2009 \$
3 Rates and utility charges	
General rates	23,198,241
Separate rates	5,279,774
Water	5,638,967
Sewerage	2,935,920
Garbage charges	1,986,166
Rates and utility charge revenue	39,039,068
Less: Discounts	(1,325,233)
Net rates and utility charges	37,713,835
4 Fees and charges	
Fees and charges	5,191,737
	5,191,737
5 Interest received	
Investments	1,380,269
Over due rates and utility charges	206,558
	1,586,827
6 Sales of contract and recoverable works	
Revenue	7,083,763
	7,083,763
<p>The amount recognised as revenue from contract works during the period is the amount receivable in respect of invoices issued during the period. The contract work carried out is not subject to retentions.</p>	
7 Grants, subsidies, contributions and donations	
i) Recurrent - grants and subsidies, and other contributions are analysed as follows:	
General purpose grants	4,500,028
State Government subsidies & grants	1,371,521
Contributions	20,377
Total recurrent grants, subsidies, contributions and donations	5,891,926
ii) Capital - grants and subsidies, other contributions and donations are analysed as follows:	
a) Monetary revenue designated for capital funding purposes:	
Commonwealth government grants	3,266,124
State Government subsidies & grants	1,407,007
Contributions	7,257,956
	11,931,087
b) Non-monetary revenue received is analysed as follows:	
Roads and drainage contributed by developers at fair value	3,549,760
Other physical asset contributed by developers at fair value	2,749,860
	6,299,620
Total capital grants, subsidies, contributions and donations	18,230,707

Scenic Rim Regional Council
Notes to and forming part of the financial statements
For the period 15 March 2008 to 30 June 2009

	2009 \$	Note
8 Other revenues		
Other revenues	3,299,920	
	3,299,920	
9 Capital income		
Gain on disposal of capital assets		
Proceeds from the sale of property, plant and equipment	1,158,823	
Compensation for the transfer of bulk water assets in relation to Bulk Water Reform by way of debt reduction	8,076,771	
Less: Book value of property, plant and equipment sold	(9,137,012)	
	98,582	
10 Employee expenses		
Total staff wages and salaries	27,015,093	
Councillors' remuneration	626,373	
Annual, sick and long service leave entitlements	4,573,619	
Superannuation	3,099,664	34
Other employee related expenses	1,742,191	
	37,056,940	
Less: Capitalised employee expenses	(1,827,941)	
	35,228,999	
<p>Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.</p>		
<p>Total Council employees at end of reporting period:</p>		
Elected members	7	
Administration staff	213	
Depot and outdoors staff	195	
Total full time equivalent employees	415	
11 Materials and services		
Audit services	126,530	
Donations paid	253,592	
Rentals - Operating leases	570,813	
Other material and services	25,724,858	
	26,675,793	
<p>The principal auditor of Council is the Queensland Audit Office, with Stephen Stavrou of Deloitte Touche Tohmatsu being the contract auditor. External audit fees are in relation to the audit of the financial statements.</p>		
12 Finance costs		
Finance costs charged by the Queensland Treasury Corporation	313,618	
Market Value Realisation Adjustment	(421,790)	
Bank charges	163,141	
Quarry sites - change in present value over time	9,813	
Refuse sites - change in present value over time	214,317	
	279,099	

Scenic Rim Regional Council
Notes to and forming part of the financial statements

For the period 15 March 2008 to 30 June 2009

	2009 \$
13 Depreciation and amortisation	
Buildings	1,429,277
Road and bridge network	8,199,194
Water	1,220,984
Sewerage	662,597
Drainage	341,964
Plant and equipment at cost	2,581,817
Intangibles	139,149
	<u>14,574,982</u>
14 Capital expenses	
Loss on write-off of non-current assets	
Buildings	63,759
Road and bridge network	2,400,908
	<u>2,464,667</u>
15 Cash and cash equivalents	
Cash at bank and on hand	315,923
Deposits and investments at variable interest rates	18,897,064
Balance per statement of cash flows	<u>19,212,987</u>
Externally imposed expenditure restrictions at the reporting date in relation to unspent government grants and subsidies:	3,535,610
Cash and deposits at call are held in normal savings and business accounts of various Institutions.	
16 Trade and other receivables	
<i>Current</i>	
Rateable revenue and utility charges	2,355,835
GST recoverable	307,106
Other debtors	3,537,440
Less: Provision for doubtful debts	(2,019)
	<u>6,198,362</u>
Interest is charged on outstanding rates at a rate of 11% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.	
<i>Non-current</i>	
Interest free loans	90,393
	<u>90,393</u>

Scenic Rim Regional Council
Notes to and forming part of the financial statements

For the period 15 March 2008 to 30 June 2009

	2009 \$
17 Inventories	
Inventories for distribution is valued at the lower of cost or net realisable value:	
Workshop and supply	664,472
Quarry and road materials	50,940
	<u>715,412</u>
18 Other assets	
Prepayments	866,547
	<u>866,547</u>
19 Non-current assets classified as held for sale	
Land which Council has decided to sell as it is surplus to Councils requirements.	182,000
	<u>182,000</u>
The land is under contract with the contract expected to be settled within one year. The land is valued at the lower of carrying value and fair value.	
20 Equity investments	
<i>Non-current</i>	
Shares	10
	<u>10</u>
21 Intangible assets	
<i>Non-current</i>	
Software	1,074,441
Less: Accumulated amortisation	(214,888)
	<u>859,553</u>

Scenic Rim Regional Council
Notes to and forming part of the financial statements
For the period 15 March 2008 to 30 June 2009

23(a) Property, plant and equipment

	Land and improvements	Buildings	Road and bridge network
Basis of measurement	Valuation	Valuation	Valuation
	2009	2009	2009
	\$	\$	\$
Transferred from abolished Councils	25,251,241	97,730,510	333,195,840
Additions at cost	227,361	1,989,335	4,498,719
Contributed assets at valuation	0	0	3,549,760
Disposals	(1,440,122)	(9,503,877)	0
Write-offs	0	(141,599)	(4,042,929)
Adjustments due to accounting policy alignment	2,354,734	(1,436,525)	79,394,745
Revaluation adjustment to the Asset Revaluation Reserve	24,078,933	(2,568,863)	52,327,688
Assets classified as held for sale	(182,000)	0	0
Internal transfers	0	339,726	(6,404)
Other adjustments	0	0	0
Closing gross value	50,290,147	86,408,707	468,917,420

Accumulated depreciation and impairment

Transferred from abolished Councils	789,305	44,713,438	134,349,899
Depreciation provided in period	0	1,429,277	8,199,195
Depreciation on disposals	(405,043)	(6,865,733)	0
Depreciation on write-offs	0	(77,840)	(1,592,264)
Adjustments due to accounting policy alignment	(384,262)	(713,892)	1,063,927
Revaluation adjustment to the Asset Revaluation Reserve	0	(30,640,438)	(87,309,717)
Internal transfers	0	42,401	(33)
Other adjustments	0	0	0
Closing accumulated depreciation balance	0	7,887,213	54,711,007

Net Value as at 30 June 2009

50,290,147	78,521,494	414,206,413
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Range of estimated useful life in years

Not depreciated	10-150	12-100
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	Water	Sewerage	Drainage	Plant and equipment	Plant and equipment	Total
Basis of measurement	Valuation	Valuation	Valuation	Valuation	Cost	
	2009	2009	2009	2009	2009	2009
	\$	\$	\$	\$	\$	\$
Transferred from abolished Councils	73,062,185	45,901,687	19,828,221	22,654,887	9,381,525	627,006,097
Additions at cost	269,341	21,660	15,283,451	10,449,308	3,283,851	10,449,308
Contributed assets at valuation	815,000	687,500	1,247,360	6,299,620	0	6,299,620
Disposals	(11,047,853)	(5,400,125)	(1,586,576)	(2,409,725)	(1,586,576)	(28,978,553)
Write-offs	0	0	0	0	(2,043)	(4,186,571)
Adjustments due to accounting policy alignment	0	(3,180)	(704,559)	79,305,215	(704,559)	79,605,215
Revaluation adjustment to the Asset Revaluation Reserve	(4,947,587)	(9,583,387)	12,985,708	3,637,196	0	75,929,688
Assets classified as held for sale	0	0	0	0	0	(182,000)
Internal transfers	(42)	(339,684)	(42)	6,404	0	0
Other adjustments	42	0	42	0	0	42
Closing gross value	57,811,402	37,027,461	34,226,734	20,888,778	10,372,198	765,942,847

Transferred from abolished Councils	38,868,011	28,580,184	4,153,926	12,453,748	4,535,901	268,444,411
Depreciation provided in period	1,220,984	662,597	342,196	114,435,835	1,218,037	14,435,835
Depreciation on disposals	(7,194,043)	(4,780,069)	(646,411)	(1,672,147)	(646,411)	(19,891,299)
Depreciation on write-offs	0	0	0	0	(2,043)	(1,672,147)
Adjustments due to accounting policy alignment	0	(2,120)	(498,074)	(34,421)	(498,074)	(534,421)
Revaluation adjustment to the Asset Revaluation Reserve	(19,796,659)	(20,827,378)	169,201	(863,062)	0	(159,268,053)
Internal transfers	(41)	(42,359)	33	0	0	0
Other adjustments	43	0	43	0	0	43
Closing accumulated depreciation balance	13,055,933	8,415,404	4,665,126	8,172,276	4,607,411	101,514,370

44,755,468	28,612,057	29,561,608	12,716,502	5,764,788	664,428,477
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20-100	20-100	20-100	20-100	20-100	20-100
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Scenic Rim Regional Council
Notes to and forming part of the financial statements
For the period 15 March 2008 to 30 June 2009

	2009 \$
23 Property, plant and equipment	
(b) Property, plant and equipment valuations were determined by reference to the following:	
Land	
Land has been included at current market value as at 30 June 2009 as determined by Australia Pacific Valuers.	
Land under infrastructure and reserve land does not have a value for the purpose of the Scenic Rim Regional Councils financial statements.	
Buildings	
Buildings have been included at their written down current replacement cost as at 30 June 2009 as determined by Australia Pacific Valuers.	
Plant and Equipment	
Major items of plant have been included at their written down current replacement cost as at 30 June 2009 as determined by Australia Pacific Valuers.	
Other Plant and Equipment	
Other plant and equipment is measured at original cost less accumulated depreciation.	
Road and bridge network, Water, Sewerage	
Road and bridge network, Water and Sewerage assets have been included at their written down current replacement cost as at 30 June 2009 as determined by Australia Pacific Valuers.	
Other Assets	
The remainder of Council assets have been brought to account at cost when constructed or purchased.	
24 Capital work in progress	
Capital work in progress	3,985,119
	<u>3,985,119</u>
25 Trade and other payables	
Creditors and accruals	4,272,597
	<u>4,272,597</u>

Scenic Rim Regional Council
Notes to and forming part of the financial statements
For the period 15 March 2008 to 30 June 2009

	2009 \$
26 Accrued employee benefits	
<i>Current</i>	
Salary and wages accrual	1,152,551
Annual leave	1,208,000
Long service leave	437,000
	<u>2,797,551</u>
<i>Non-current</i>	
Annual leave	1,656,053
Long service leave	4,269,844
	<u>5,925,897</u>
The current portion of employee benefit entitlements have been calculated at current pay levels and accrued entitlements as at 30 June 2009.	
The non-current portion of employee benefit entitlements have been calculated at current pay levels and adjusted for inflation and likely future changes in salary level. These estimates are then adjusted for the probability of the employee remaining in the council's employment or other associated employment which would result in the council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to the present value.	
27 Borrowings	
<i>Current</i>	
Queensland Treasury Corporation	319,755
<i>Non-current</i>	
Queensland Treasury Corporation	1,479,703
	<u>1,799,458</u>
Details of movements in borrowings:	
Queensland Treasury Corporation	
Transferred from Beaudesert and Boonah Shire Councils as part of Government restructure	10,688,345
Interest accrued	313,618
Market Value Realisation Adjustment	(421,790)
Debt reduction in compensation for the transfer of bulk water assets in relation to Bulk Water Reform	(8,076,771)
Principal repayments	(703,944)
Book value at period end	<u>1,799,458</u>
The loan market value at the reporting date was \$1,830,926. This represents the value of the debt if the Council repaid it at that date. As it is the intention of the Council to hold the debt for its term, no provision is required to be made in these accounts.	
Borrowings are all in Australian dollars and are underwritten by the Queensland State Government.	

Scenic Rim Regional Council
Notes to and forming part of the financial statements
For the period 15 March 2008 to 30 June 2009

2009
\$

28 Provisions

<i>Current</i>	
Refuse sites restoration	551,563
	<u>551,563</u>
<i>Non-Current</i>	
Refuse sites restoration	4,109,032
Quarry rehabilitation	186,351
	<u>4,295,383</u>

Details of movements in provisions:

(a) Refuse sites restoration	
Transferred from Beaudesert and Boonah Shire Councils as part of Government restructure	3,503,584
Increase in provision - borrowing cost	214,317
Increase (decrease) in estimate of future cost	1,591,273
Less amount spent during year	(648,579)
Balance at the end of period	<u>4,660,595</u>

This is the present value of the estimated future cost of restoring the refuse sites at the end of their useful lives.

(b) Quarry rehabilitation	
Transferred from Beaudesert and Boonah Shire Councils as part of Government restructure	132,390
Increase in provision - borrowing cost	9,813
Increase (decrease) in estimate of future cost	44,148
Balance at the end of period	<u>186,351</u>

This is the present value of the estimated future cost of restoring the quarry sites at the end of their useful lives.

29 Accumulated surplus

Movements in accumulated surplus were as follows:

Assets and liabilities transferred from former Councils	361,927,534
Adjustments due to accounting policy alignment	81,532,799
Gain on restructure of local government	443,460,333
Net result for the period attributable to Council	(126,243)
Closing accumulated surplus at 30 June 2009	<u>443,334,090</u>

Scenic Rim Regional Council
Notes to and forming part of the financial statements
For the period 15 March 2008 to 30 June 2009

2009
\$

30 Asset revaluation reserve

Movements in the asset revaluation reserve were as follows:

Balance at beginning of period	0
Net adjustment to non-current assets at end of period to reflect a change in current fair value:	
Land and improvements	24,078,933
Buildings	28,071,575
Road and bridge network	139,637,406
Water	14,849,072
Sewerage	11,243,991
Drainage	12,816,507
Plant and equipment at valuation	4,500,258
Change in value of future rehabilitation costs:	
Land and improvements	(1,635,421)
Balance at end of the year	<u>233,562,321</u>

The closing balance of the asset revaluation reserve is comprised of the following asset categories:

Land and improvements	22,443,512
Buildings	28,071,575
Road and bridge network	139,637,406
Water	14,849,072
Sewerage	11,243,991
Drainage	12,816,507
Plant and equipment at valuation	4,500,258
	<u>233,562,321</u>

31 Commitments for expenditure

Operating leases

Minimum lease payments in relation to non-cancellable operating leases are as follows:	
Within one year	125,779

Contractual Commitments

Contractual commitments at balance date but not recognised in the financial statements are as follows:	
Contract for kerbside waste collection (expires 30/06/2016)	12,098,531
Contract for waste haulage services (expires 30/06/2014)	3,153,797
Contract for recyclable processing services (expires 30/06/2010)	90,000
Contracts for waste facility operational services	1,274,080
Contract for cleaning services (expires 01/08/2011)	316,883
	<u>16,933,291</u>

Capital Commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities are as follows:	
Restoration of Zamia Theatre	754,200
New depot toilet block	91,251
	<u>845,451</u>

These expenditures are payable within one year

Scenic Rim Regional Council
Notes to and forming part of the financial statements

For the period 15 March 2008 to 30 June 2009

2009
\$

32 Significant events

Water Reform

In the 2006/07 year, the Queensland Water Commission released its final report to the Queensland Government on the Urban Water Supply Arrangement in South East Queensland. The report outlines a range of structural and regulatory reforms proposed for urban water supply arrangements in South East Queensland including enhanced economic regulation and pricing.

(a) Bulk Water

The South East Queensland Water (Restructuring) Act 2007 (Restructuring Act) provides the legislative basis to effect the first stage of the Government's reforms by facilitating bulk water supply and transport business restructure in SEQ. Among other things, the Restructuring Act provides for the establishment of four new statutory authorities to participate in urban water supply arrangements in SEQ. The new entities comprise:

- Three new bulk water authorities to own and operate bulk water supply, transport and manufactured water infrastructure;
- A Water Grid Manager to operate the water grid.

Pursuant to a transfer notice gazetted on 11 March 2008, Council's bulk water assets and certain freehold land were transferred to Queensland Bulk Water Supply Authority (trading as Seqwater) on 1 July 2008.

Compensation for the transfer was initially paid to the Queensland Treasury Corporation in settlement of Council debts outstanding at the transfer date.

Transfer details

Assets

Property, plant and equipment	8,001,969
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Book value of net assets to be transferred at 30 June 2008	8,001,969
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Compensation to be received	8,076,771
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Net gain on transfer	74,802
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A gain of \$74,802 arose from the use of different methods to determine the value of the assets to be transferred as determined by the State Government and their book values according to Council's valuation methodologies.

(b) Distribution and Retail Water

Further reforms proposed by the Queensland Water Commission include the creation of a new water entity consisting of the following Councils:

- Brisbane City Council
- Ipswich City Council
- Scenic Rim Regional Council
- Lockyer Valley Regional Council
- Somerset Regional Council

The timeframe for the establishment of the new entity is yet to be confirmed. As the impact of these changes is not yet determined, no account has been taken of them in preparing this financial report. However inherent uncertainty exists about the recoverable amount of the following assets which are expected to be transferred to the new entity:

Assets expected to be transferred to the new entities	
Property, plant and equipment	107,669,919

Scenic Rim Regional Council
Notes to and forming part of the financial statements

For the period 15 March 2008 to 30 June 2009

2009
\$

33 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

The Scenic Rim Regional Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is:

519,774

The Scenic Rim Regional Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at June 2008 the financial statements reported an accumulated surplus of \$10,053,438 and it is not anticipated any liability will arise.

The council is a defendant in a number of claims that arise as a result of the operations of the council and its ownership of public assets.

34 Superannuation

The Scenic Rim Regional Council contributes to the local government superannuation scheme (the scheme). The scheme has two elements referred to as the defined benefits scheme and the accumulation scheme.

Both these schemes are defined contribution schemes as defined in the Australian Accounting Standard AASB119 Employee benefits. Council has no liability to or interest in the scheme other than the payment of the statutory contributions.

Any amount by which either scheme is over or under funded would only affect future benefits and is not an asset or liability of the council. Accordingly there is no recognition in the financial statements of any over- or under-funding of the scheme.

The audited general purpose financial report of the scheme as at 30 June 2008 (the most recent available) which were not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits.

The general purpose financial statements disclose that the most recent actuarial assessment of the scheme was undertaken as at the 30 June 2008. The actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates would be sufficient to meet members benefits as they accrue.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

Scenic Rim Regional Council
Notes to and forming part of the financial statements
For the period 15 March 2008 to 30 June 2009

2009
\$

The amount of superannuation contributions paid by Scenic Rim Regional Council to the superannuation scheme in this period for the benefit of employees was: 3,034,768

The Scenic Rim Regional Council also contributes to the scheme for the benefit of elected members. The amount of contributions paid for this benefit during the reporting period was: 64,896

35 Trust funds

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities 1,246,687

The Scenic Rim Regional Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements.

36 Reconciliation of net result attributable to council to net cash flow from operating activities

Net result attributable to Council before Gain on restructure of local government (126,243)

Non-cash operating items:

Depreciation and amortisation 14,574,982
Change in restoration provisions expensed to finance costs 224,130
14,799,112

Investing and development activities:

Capital income (98,582)
Capital expenses 2,464,667
2,366,085

Financing activities:

Capital grants, subsidies and contributions (18,230,707)
(18,230,707)

Changes in operating assets and liabilities :

(Increase) decrease in receivables 3,028,349
(Increase) decrease in inventories (excluding land) 22,699
(Increase) decrease in other operating assets (372,788)
Increase (decrease) in payables (10,399,313)
Increase (decrease) in accrued employee benefits 2,632,208
Increase (decrease) in provisions (648,579)
Increase (decrease) in other liabilities (97,602)
(5,835,026)

Net cash flow from operating activities **(7,026,779)**

Scenic Rim Regional Council
Notes to and forming part of the financial statements
For the period 15 March 2008 to 30 June 2009

37 Financial instruments

(a) Bank overdraft

The council has no bank overdraft facility.

(b) Unsecured Borrowings

All unsecured borrowings are provided by Queensland Treasury Corporation.

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Repayment dates vary from 4 September 2009 to 16 November 2027.

There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made annually in arrears.

(c) Secured borrowings

The council has no secured borrowings.

(d) Assets pledged as security

The council has no assets pledged as security.

(e) Categorisation of financial instruments

The council has categorised the financial assets and financial liabilities held as:

Financial Assets	Category
Cash	Cash and cash equivalents
Trade and other receivables	Trade and other receivables (at amortised cost)
Financial Liabilities	
Trade and other payables	Trade and other payables (at cost)
Borrowings	Borrowings (at amortised cost)

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

Financial Instruments	Note	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
		2009	2009	2009	2009
Financial assets					
Cash and cash equivalents	15	19,212,987	0	0	19,212,987
Trade and other receivables (at amortised cost)	16	0	2,355,835	3,932,920	6,288,755
		19,212,987	2,355,835	3,932,920	25,501,742
Weighted average interest rate		3.4%	11.0%		
Financial liabilities					
Trade and other payables (at cost)	25	0	0	4,272,597	4,272,597
Borrowings (at amortised cost)	27	1,799,458	0	0	1,799,458
		1,799,458	0	4,272,597	6,072,055
Weighted average interest rate		6.5%			
Net financial assets		17,413,529	2,355,835	(339,677)	19,429,687

Note: The numbers presented in the above table are undiscounted.

(f) Financial risk management

Council's activities expose it to a variety of financial risks - interest rate risk, credit risk and liquidity risk.

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council.

Scenic Rim Regional Council
Notes to and forming part of the financial statements

For the period 15 March 2008 to 30 June 2009

37 Financial instruments

The council measures risk exposure using a variety of methods as follows -

Risk exposure	Measurement method
Interest rate risk	Sensitivity analysis
Credit Risk	Ageing analysis, earnings at risk
Liquidity risk	Maturity analysis

(g) Interest rate risk

The council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation and investments held with financial institutions. The risk in borrowing is effectively managed by borrowing mainly from Queensland Treasury Corporation and having access to a mix of fixed and floating funding sources such that the desired interest rate risk exposure can be constructed.

The fair value interest rate risk in other areas is minimal.

The following sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. It is assumed that interest rates on overdue rates would not change. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

	Net carrying amount	Profit	Equity
	2009	2009	2009
Financial assets	0	192,130	192,130
Financial liabilities	(17,995)	(17,995)	(17,995)
Net	(17,995)	174,135	174,135

(h) Credit risk

Credit risk exposure refers to the situation where the council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

In the case of rate receivables, the council has the power to sell the property to recover any defaulted amounts. In effect this power protects the council against credit risk in the case of these debts.

In other cases the council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk. The council is exposed to credit risk through its investments with the Queensland Treasury Corporation (QTC) and deposits held with banks or other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rating counterparties. Deposits are capital guaranteed. Other investments are held with highly rated/regulated banks and financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security relating to the financial assets held by council.

Scenic Rim Regional Council
Notes to and forming part of the financial statements

For the period 15 March 2008 to 30 June 2009

37 Financial instruments

The following table represents the council's maximum exposure to credit risk

Financial assets	2009
Cash assets and cash equivalents	19,212,987
Trade and other receivables	6,288,755
	<u>25,501,742</u>

Past due or impaired

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

The following table represents an analysis of the age of the council's financial assets that are either fully performing, past due or impaired:

	Fully performing	< 30 days overdue	30-60 days overdue	61-90 days overdue	> 90 days overdue	Impaired	Total
Financial assets							
Cash assets and cash equivalents	19,212,987	0	0	0	0	0	19,212,987
Trade and other receivables	6,287,458	1,095	9	131	60	2	6,288,755

(i) Liquidity Risk

Liquidity risk refers to the situation where the council may encounter difficulty in meeting obligations associated with financial liabilities. The council is exposed to liquidity risk through its trading in the normal course of business and borrowings from Queensland Treasury Corporation for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient funds, both short and long term, to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk of financial liabilities held by the council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date.

Contractual maturity of Financial liabilities:

	2009
Within one year	4,592,352
Later than 1 year but not later than 5 years	766,376
Later than 5 years	713,327
	<u>6,072,055</u>

38 National Competition Policy

(a) Activities to which the code of competitive conduct is applied

A "business activity" of a local government is divided into two categories :

- (a) Roads business activity:
- (i) the construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation, other than through a sole supplier arrangement.
 - (ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

(b) Other business activity, referred to as type three activities, means the following:

- (i) trading in goods and services to clients in competition with the private sector, or
- (ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to its self. Excluded activities are (a) library services, and (b) an activity or part thereof prescribed by legislation.

Local government may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is compulsory.

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the activities 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. Notwithstanding CSO's, the council is committed to operating these activities as business activities in accordance with the CCC.

Recoverable Works (Roads)
Building Services
Water and Sewerage
Waste Management

(b) Financial performance of activities subject to competition reforms:

	Recoverable Works (Roads)	Building Services	Water and Sewerage	Waste Management
	2009	2009	2009	2009
Revenue for services provided to the Council	0	0	0	0
Revenue for services provided to external clients	7,083,763	1,033,304	9,972,429	2,853,745
Community service obligations	0	0	9,669,065	3,035,843
	7,083,763	1,033,304	19,641,494	5,889,588
Less : Expenditure	5,751,751	1,680,557	10,638,687	5,049,833
Surplus / (deficit)	1,332,012	(647,253)	9,002,807	839,755

Activities	CSO description	Actual
Water and Sewerage	Revenue concessions, concessional charges and uneconomic services	9,669,065
Waste Management	Revenue concessions and uneconomic refuse tips	3,035,843

Scenic Rim Regional Council
Management Certificate


For the period 15 March 2008 to 30 June 2009

MANAGEMENT CERTIFICATE
For the period 15 March 2008 to 30 June 2009

This general purpose financial report has been prepared pursuant to Section 532 of the *Local Government Act 1993*, Section 35 of the *Local Government Reform Implementation Regulation 2008*, the *Local Government Finance Standard 2005* (the Standard) and other prescribed requirements.

In accordance with Section 48 of the Standard we certify that:-

- (i) the relevant recording and reporting procedures have been complied with in the preparation of the financial statements; and
- (ii) the financial statements for the period ended 30 June 2009 and supporting notes present the Council's income, equity, balances and cash flows as required by the *Local Government Act 1993*.



Mayor
Scenic Rim Regional Council
Date: 5 November 2009



Chief Executive Officer
Scenic Rim Regional Council
Date: 5 November 2009

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Scenic Rim Regional Council

Matters Relating to the Electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of Scenic Rim Regional Council for the financial period ended 30 June 2009 included on Scenic Rim Regional Council's website. The Council is responsible for the integrity of the Scenic Rim Regional Council's website. I have not been engaged to report on the integrity of the Scenic Rim Regional Council's website. The auditor's report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from Scenic Rim Regional Council, to confirm the information included in the audited financial report presented on this website.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

Report on the Financial Report

I have audited the accompanying financial report of Scenic Rim Regional Council, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies other explanatory notes and certificates given by the notes and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with the *Local Government Act 1993* and *Local Government Finance Standard 2005* including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility to express an opinion on the financial report based on the audit is prescribed in the *Auditor-General Act 2009*. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the *Financial Administration and Audit Act 1977*.

The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Scenic Rim Regional Council for the financial period 15 March 2008 to 30 June 2009 and of the financial position as at the end of that period.

Stephen Stavrou
as Delegate of the Auditor-General of Queensland

Brisbane, 6 November 2009

FEEDBACK

Comments, suggestions and questions about this Annual Report are always welcome.

Write: Chief Executive Officer
Scenic Rim Regional Council
PO Box 25
BEAUDESERT QLD 4285

Email: mail@scenicrim.qld.gov.au

Phone: 07 5540 5284

Fax: 07 5540 5200





Committed to building a sustainable future

