



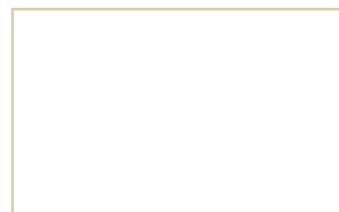
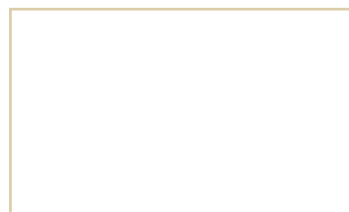
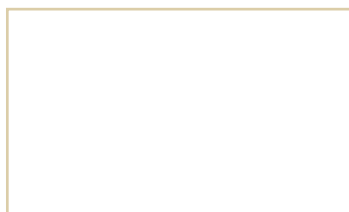
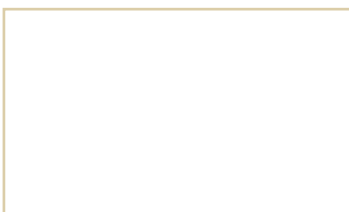
2010/2011 ANNUAL REPORT





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Our region



Regional profile

THE SCENIC RIM REGION PRESENTS EXCITING OPPORTUNITIES FOR ECONOMIC DEVELOPMENT ACROSS EXISTING AND EMERGING INDUSTRY SECTORS.

OUR ECONOMY

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.

INDUSTRY AND COMMERCE:

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:

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.

OUR NAME

The phrase 'Scenic Rim' was first used in the mid 20th century by author, photographer and naturalist Arthur Groom. He used the phrase to define the mountain ranges and peaks of Tamborine Mountain, Lamington Plateau, McPherson Range and the Great Dividing Range. The name refers to the natural rim formed by the volcanic eruptions and erosion surrounding the 4,200 square kilometre local government area, which has been known as Scenic Rim Regional Council since March 2008.

The term 'Scenic Rim' now also encompasses the isolated peaks, plains and low rolling hills that lie at the foot of the mountain ranges.

OUR KEY STATISTICS

POPULATION: (as at 30/6/11) 38,304*

AREA: 4,238 km²

LOCATION: South-east Queensland

GROSS REGIONAL PRODUCT:
(2007/08) \$1,249.2 million**

COUNCIL OPERATING EXPENDITURE:
\$63.9 million

**Estimate sourced from Population and Housing Profile, Scenic Rim Regional Council, Office of Economic Research, Queensland Treasury*

*** Source: Australian Bureau of Statistics*





Our Council



What we stand for

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, sound environmental outcomes, responsible business management and committed leadership.

Our values
Our values are not just words on a page, but words that have meaning.

Communication
We actively promote clear, concise and open discussion between staff, Council and communities.

Respect
We act respectfully to each other, accepting each person's individuality and their role.

Quality
We have pride in whatever we do, and strive to do it well.

Staff worth
Our actions demonstrate that our people matter.

Trust
We build strong relationships that we believe in and rely on.

Teamwork
We work cooperatively to achieve common goals, drawing on the strengths of each other, in a supportive and safe environment.

Honesty
We act with integrity and when we ask an honest question, we get an honest answer.

Accountability
We accept ownership of our role and responsibility for our actions.

SCENIC RIM
Regional Council



A MESSAGE FROM OUR MAYOR

CR JOHN BRENT

As you read this annual report, you will see that 2010/11 was another year of progress for Scenic Rim Regional Council. We are now in a position where we have clear priorities and are proactively working toward financial security and improved infrastructure for the region.

This year we faced significant challenges, particularly in responding to the natural disasters in December 2010 and January 2011. We effectively managed the impact of these events, both financially and from an operational perspective. We undertook repairs at the time and have now put ourselves in a good position to restore assets to their original condition.

Since the Scenic Rim Regional Council was created in 2008, we have worked hard to improve our long-term financial sustainability. We started in a position where both pre-existing councils (Beaudesert Shire Council and Boonah Shire Council) were assessed as 'weak' by the State Government. However, within three years we have markedly progressed. Our financial position is now classified as 'strong' and meets all sustainability requirements. We have controlled borrowing to a prudently low level, while ensuring maintenance of infrastructure and capital investment is increased.

Last year, Council made a commitment to focus on road and bridge improvements. We revised our project priorities and are now delivering an extensive infrastructure renewal and replacement program that will continue into the future. In the year under review, we set the standard high, boosting our works significantly; at the start of 2011 alone, we undertook work to improve nine bridges across the region.

In 2010/11, we also focused on Council's infrastructure assets, adopting a Core Asset Management Plan and assessing road and bridge conditions for the Asset Management Register. Our portfolio of assets has considerably changed as a result of the seamless transfer of resources and services from Council's water and sewerage business to Queensland Urban Utilities in July 2010.

We worked on further improving how we engage with our community in order to hear people's views and priorities. We developed a Community Engagement Policy and have invested significant effort into consultation for our new community plan.

We are proud the Scenic Rim region is a thriving rural area supported by a growing economy, farming industry and vibrant arts community. Council's aim, as always, is to provide quality services, programs, infrastructure and facilities to our community, to the best of our ability.

Cr John Brent
Mayor of Scenic Rim Regional Council



A MESSAGE FROM OUR CEO

CRAIG BARKE

Council performed well in 2010/11, making significant progress towards long-term financial sustainability and meeting the region's infrastructure needs.

I want to acknowledge the work of our staff and the significant contribution they have made to this success. I have been continually impressed by their dedication to Council's core purpose: providing services to the Scenic Rim community. I acknowledge our staff have gone above and beyond in working towards the ongoing development of our region.

Over the past year, we have continued to focus on core infrastructure – roads and bridges in particular. The prolonged rain periods in late 2010 and early 2011 have escalated the priority of these projects. We have persisted through difficult times, which not only involved flooding, but also road saturation and damage caused by extended rain periods.

Council has received a steady flow of positive feedback from the community about our flood response activities, and we have certainly appreciated acknowledgement of those efforts. We still have some way to go to complete necessary repairs to the region's infrastructure, however we have made great progress in tracking toward this goal.

In June 2011, Council was recognised by the State Government for the significant improvement of our financial position. The State Government categorised Council's current financial position as 'strong'; this is quite an achievement as our position was classified as 'weak' at the time of amalgamation only a few years ago.

This change in Council's position is worthy of note, and we are proud of the achievement. One of our key strengths has been our focus on tight and strategic asset management. Once again, I acknowledge that staff have been committed to the goal of financial sustainability and made this reform possible.

This has been the first year of our transition to Queensland Urban Utilities (QUU) for water and sewerage as a part of the Queensland Government's South East Queensland Water Reform process. I can report the working relationship between Council and QUU during this period has been both productive and professional and I look forward to a continued working relationship with the organisation in the future.

Craig Barke
Chief Executive Officer

Our Council

REPRESENTING THE COMMUNITY

Council comprises six Councillors (elected by each of the six divisions they respectively represent) and a Mayor (elected by the entire community). The current Council was elected in March 2008 for a four-year term.

Under the new *Local Government Act 2009* (the *Act*), Councillors have the following statutory responsibilities:

1. A Councillor must represent the current and future interests of the residents of the local government area.
2. All Councillors of a local government have the same responsibilities, but the Mayor has some extra responsibilities.
3. All Councillors have the following responsibilities:
 - a. ensuring the local government:
 - i. discharges its responsibilities under the *Act*
 - ii. achieves its corporate and community plans
 - iii. complies with all laws that apply to local governments
 - b. providing high quality leadership to the local government and the community
 - c. participating in Council meetings, policy development, and decision making, for the benefit of the local government area
 - d. being accountable to the community for the local government's performance.

The role places heavy obligations on Councillors to work collectively in order to provide strategic leadership and promote the sustainable delivery of services to the community.

COUNCIL MEETINGS

Council decisions are made at monthly Ordinary Meetings, and Special Meetings are convened as required. The following Standing Committees operated under terms of reference with no decision-making powers:

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

STRATEGIC PLANNING

In 2010/11, we made significant progress in creating a community plan for the region, undertaking extensive planning and community consultation. Themes, outcomes and priorities were proposed and developed, and final consultation and adoption was expected to occur in late 2011.

As outlined in the performance section of this report, further progress has been made in developing strategic plans (to provide services), and Council adopted numerous policy amendments in response to legislative changes, and changes to local community needs.

LOCAL LAWS

Local laws are laws adopted by a council to reflect community needs and ensure the good rule and governance of the area. To date, Scenic Rim Regional Council has operated under three separate sets of local laws, which it inherited from its predecessor councils (Beaudesert Shire Council, Boonah Shire Council, and a small part of Ipswich City Council).

A new suite of local laws and subordinate local laws for Scenic Rim was developed and gazetted to start in July 2011. This represents a significant milestone towards the efficient and consistent administration of the region. The new laws reflect the latest generation of model local laws developed by the State Government.



CODES OF CONDUCT

All persons performing a responsibility under the *Local Government Act 2009* are required to act in a way which is consistent with the local government principles of:

- a) transparent and effective processes, and decision-making in the public interest
- (b) sustainable development and management of assets and infrastructure, and delivery of effective services
- (c) democratic representation, social inclusion and meaningful community engagement
- (d) good governance of, and by, local government
- (e) ethical and legal behaviour of councillors and local government employees.

During 2010/11, Council adopted the following procedures to establish standards of behaviour consistent with those principles:

- Councillors' Code of Conduct
- Procedure for Contact with Lobbyists, Developers and Submitters.

COUNCILLOR APPROVED MEMBERSHIPS AND AUTHORISED AFFILIATIONS

In addition to participating in decision-making processes at Council meetings, our Councillors play vital roles as Council delegates on particular organisations and as appointed contacts with many other organisations, working for the betterment of the region. The following table shows the approved Councillor memberships and authorised affiliations for the period.

ORGANISATION	COUNCILLOR
A J Bush & Sons Pty Ltd Community Consultative Committee	Cr Cockburn
Australian Local Government Womens Association	Cr Bensted
Beaudesert & District Health & Welfare Assn Inc (Beaucare)	Cr West
Boonah & District Cultural Foundation	Cr Brent (ex officio) & Cr Bensted
Beaudesert Logan Group Rural Fire Brigade	Cr West
Boonah Aviation Incorporated	Cr Bensted
Boonah Community Aquatic Centre Advisory Committee	Cr Bensted
Boonah Sports Complex Committee	Cr Bensted
Bremer Catchment Association	Cr Wehl
Gelita Australia Pty Ltd Community Consultative Committee	Cr Cockburn
Kooralbyn Community Centre Inc.	Cr Cockburn
Local Government Association of Queensland	Cr Brent & Cr Cockburn
Logan Beaudesert Crime Stoppers Area Committee	Cr Cockburn
Logan Beaudesert Health Coalition	Cr West
Palen Creek Correctional Centre Community Advisory Committee	Cr West
Queensland Dog Offensive Group	Cr Wehl
Rathdowney Pool Management Committee	Cr West
Regional Development Australia Ipswich & West Moreton Committee	Cr Bensted
Rural Futures Taskforce	Cr Brent
Scenic Rim Community Hydrotherapy & Health Management Committee	Cr Bensted
Scenic Rim Region Local Disaster Management Group	Cr Brent (Chair) & Cr Cockburn (Deputy Chair)
Scenic Rim Regional Council Audit Committee	Cr Brent & Cr Bensted
Scenic Rim Regional Council Tourism Advisory Committee	Cr Wehl
Scenic Rim Rivers Improvement Trust	Cr Brent & Cr Cockburn
SEQ Catchments Ltd	Cr Brent & Cr Wehl as proxy
Summerland Way Promotional Committee	Cr Cockburn as representative & Cr Adams as proxy
Council of Mayors (SEQ) & Committees:	
Environment and Sustainability Committee	Cr Bensted as representative & Cr Cockburn as proxy
Infrastructure Committee	Cr Swanborough as representative & Cr West as proxy
Regional Landscape and Open Space Advisory Committee	Cr Cockburn as representative & Cr Wehl as proxy
Regional Plan and Growth Management Committee	Cr Cockburn as representative & Cr Wehl as proxy
Rural Communities Taskforce	Cr Wehl as representative
Council of Mayors (SEQ)	Cr Brent

In accordance with policy, vehicles are provided to Councillors for performance of their statutory roles. Distances travelled by those vehicles during the period were:

COUNCIL VEHICLE MILEAGES (KILOMETRES) TRAVELLED	
Cr John Brent	44,700
Cr Dave Cockburn	16,399
Cr Derek Swanborough	32,683
Cr Richard Adams	25,554
Cr Virginia West	25,751
Cr Kathy Bensted	24,892
Cr Heather Wehl	31,286

Councillor profiles



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 is passionate about regional and rural issues. He is highly regarded in local government across the state and his insights and experience are greatly valued by his government peers. John believes in building a strong economic base while improving infrastructure.

He serves on various committees and boards. A number of these are driven by, or have representation from, all three tiers of government. This has given him broad experience and a voice that is widely heard.

John currently serves as:

- Executive member of the Council of Mayors (SEQ)
- Chair of Council of Mayors (SEQ) Regional Plan and Growth Management Committee
- Chair of Ausveg
- Board Member of Queensland Local Government Mutual Liability Pool
- Director of South East Queensland Catchments Ltd
- Director of Growcom Ltd.

In the past, as well as his involvement in a range of local community organisations, John has served as:

- Member of Natural Resources Management South East Queensland
- Member of Local Government Association of Queensland Executive
- Deputy Chair of Western Region Organisation of Councils
- Chair of Council of Mayors (SEQ) Advancing Rural Communities Taskforce
- Inaugural Director of Horticulture Australia Ltd.



Councillor profiles



DIVISION 1 - CR DEREK SWANBOROUGH

Derek Swanborough is an experienced local government executive manager who swapped

his corporate role in local government to represent the area in which he and his family have lived for 25 years. Derek has a strong commitment to use his skills, qualifications, abilities, and corporate and local knowledge to assist in forging an open and honest local government that provides quality outcomes for all residents by running a lean and efficient organisation.

On divisional issues, Derek is keen to protect the lifestyle and livability of Tamborine Mountain and ensure its natural assets and amenities are preserved. He openly promotes quality and sustainable development, and particularly supports the many successful mountain boutique industries.

Derek is married to Sue, an early childhood teacher, and has four children. He has 34 years' experience in local government, his first full time job being as a labourer at Ipswich City Council in 1977. Since then, he has worked in other larger south-east Queensland councils, in areas such as finance, information systems, human resources, property, economic and community development, and media and public relations.

He has postgraduate qualifications in business and served as the Director Corporate Services in the former Beaudesert Shire Council for 15 years until 2006. Derek has an interest in higher education and is a part-time lecturer in the MBA program at Southern Cross University Business School at the Tweed Heads Campus. Derek is also a member of Tamborine Mountain Tennis Club.



DIVISION 2 - CR RICHARD ADAMS

Richard Adams was elected as a first term Councillor in the 2008 elections. A former Tamborine Mountain Chamber

of Commerce president, Richard has an active interest in fostering small businesses, maintaining the region's rural living lifestyle, developing local employment opportunities, and encouraging housing for older people and facilities for youth.

Richard has been a resident of the area since 1997, and past business experience has helped him make good practical decisions in Council on behalf of ratepayers. Since being elected to Council, he has dramatically reduced his membership of local organisations and now directs his spare time into the community work done by the Lions Club and the Masonic Lodge.

Richard has served as the chair of Council's Corporate and Community Services Committee, is chair of the Scenic Rim Regional Arts Development Fund Committee (RADF) and has served as a Council representative on the Audit Committee. He has also represented the Mayor at a Council of Mayors (SEQ) meeting.

Richard is a member of Tamborine Mountain Historical Society and has worked hard with the other members of Scenic Rim Health Services Taskforce to try and ensure that health facilities, especially birthing options, are returned to Beaudesert Hospital.



DIVISION 3 - CR VIRGINIA WEST

A registered nurse, Virginia West was employed as a territory manager for a medical company before

being elected as a Councillor for Beaudesert Shire Council in March 2004.

She was re-elected as a Councillor for Scenic Rim Regional Council in 2008. Married with two teenagers, Virginia has been actively involved in the local community and is committed to an environmentally sensitive but practical approach to development.

She is Vice President of the Canungra Local Ambulance Committee, Vice President of Beaucare and a Director on the Tamborine Mountain College Board. She is also Chair of the Logan-Beaudesert Health Coalition.

Virginia is committed to working as part of a team, with a firm vision and innovative focus to build a strong and vibrant future for the Scenic Rim Regional Council.



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. He believes it is an area with great potential.

Elected to Beaudesert Shire Council in 2004, he served as Planning and Development Committee Chairman. He was re-elected as Division Four Councillor for Scenic Rim Regional Council at the 2008 elections, and subsequently appointed as Deputy Mayor.

Dave has a background in small business and strongly supports economic development as a result, recognising its importance to the region's economy. He is actively involved in various local community groups and has helped establish effective Council-community partnerships. He and his wife Janelle have two children.

Dave is the chair of Council's Planning and Development Committee and serves on many regional committees including:

- Council of Mayors (SEQ) Regional Plan and Growth Management Committee
- Summerland Way Promotional Committee.

Dave is a member of the following organisations:

- Beaudesert RSL and Beaudesert Show Society Inc.
- Liberal National Party
- Patron Beaudesert Community Radio Group Inc.
- Country Music Association of Australia Inc.
- Rathdowney Area Development and Historical Association Inc.
- Logan Beaudesert Area Crime Stoppers Committee Inc.
- North Burleigh Surf Lifesaving Club.



DIVISION 5 - CR KATHY BENSTED

Kathy Bensted has lived in the Boonah region for 13 years and has been an elected Councillor for seven years.

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 values are preserved well into the future. She is a dedicated community volunteer who is willing to make hard decisions when she knows they are in the best interests of the wider community. She is actively involved with a number of regional organisations and community groups.

She is a graduate from the Australian Institute of Company Directors and has recently achieved a Diploma of Governance and Administration from the Local Government Association of Queensland. Kathy was also successful in graduating with her industry peers in the inaugural class of the Copland Program through the University of Queensland Business School.

Kathy's other local government appointments include:

- Deputy Chair – Regional Development Australia Ipswich and West Moreton
- Council of Mayors (SEQ) Environment and Sustainability Committee
- Scenic Rim Regional Council's Audit 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, in partnership with her husband Peter, on the Bremer River at Rosevale for 30 years, including 25 years as a dairy farmer. She and her husband also ran a number of small businesses concurrently, in a range of industries, including food, fashion and motor vehicles.

She enjoys being involved in the community and believes that much can be achieved by establishing strong Council-community partnerships. Heather serves on the following committees:

- Council of Mayors (SEQ) Rural Communities Taskforce
- Social Plan Steering Committee
- Queensland Dog Offensive Group
- Bremer Catchment Association
- Scenic Rim Regional Council's Tourism Advisory Committee
- Seniors Week Event Committee.

Heather is also a member of the following organisations:

- Boonah and District Chamber of Commerce
- Boonah Show Society
- Bremer Catchment Advisory Committee
- Friends of the Cultural Foundation
- Liberal National Party
- U3A Boonah (Chair).

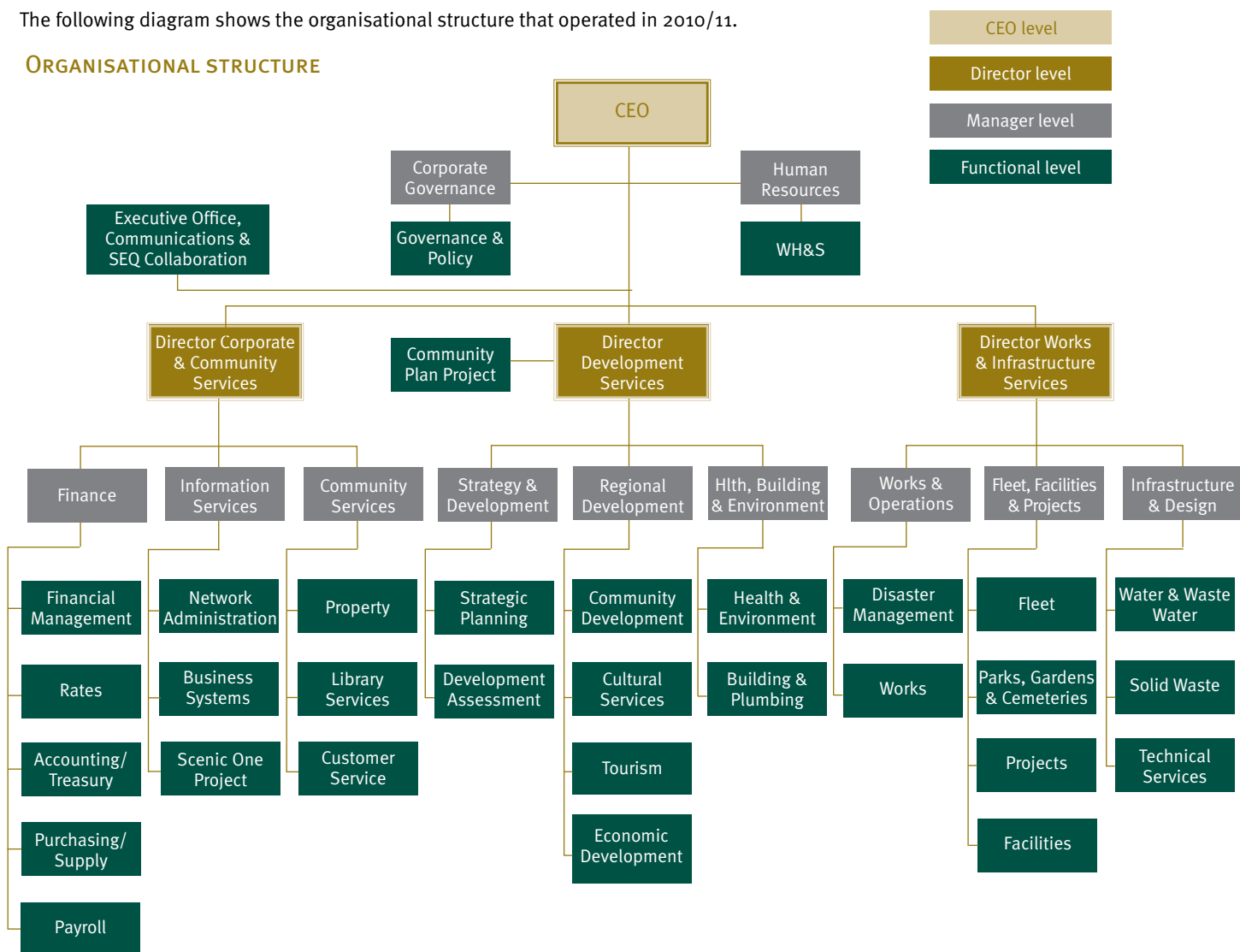


Our organisation



The following diagram shows the organisational structure that operated in 2010/11.

ORGANISATIONAL STRUCTURE



ORGANISATIONAL AND SERVICES REVIEW

In 2010, Council commissioned Morrison Low Consultants to conduct a major review of its organisation and services. The project started in August 2010, and was undertaken in the following context:

- More than two years had transpired since the local government reform program was finalised, which created Scenic Rim Regional Council in March 2008.
- Council had experienced significant organisational change following the South East Queensland Water Reform program, which resulted in almost 10 per cent of Council’s staff transferring to the new water entity – Queensland Urban Utilities – in July 2010.
- Council needed to confirm and consolidate its long-term sustainability.

- The region had experienced population growth, impacting local infrastructure – some of which required upgrading or replacing.
- There is a trend within local government towards outsourcing of some services.

The consultants examined the range of services provided by Council and comparative data from other local governments. These findings were presented to Council in March 2011.

The Morrison Low report acknowledged Council’s creditable progress in merging previously disparate systems, resources and practices of the former local governments following amalgamation. It also concluded (based on benchmarking against other local governments) that Scenic Rim Regional Council was ‘not

unduly oversized or undersized in the context of local governments of similar economic scale’.

Further opportunities were identified to reconcile both community expectations and financial and resource sustainability under the following categories:

- services to consider downsizing or reducing over-servicing costs
- services to consider increasing
- services to consider reorganising
- systems needing improvement to better support service delivery.

As a result of the review, Council adopted refinements to the organisational structure and an action plan to progress the delivery of various service and systems-related recommendations.

Executive Team

EXECUTIVE TEAM

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

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

The CEO and Directors form the Executive Team, which provides overall leadership to the organisation. This 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.



EXECUTIVE PROFILES

CHIEF EXECUTIVE OFFICER – CRAIG BARKE

Craig Barke has been the CEO for Scenic Rim Regional Council since August 2008.

Previously, Craig was the Deputy CEO of Corporate Service with the former 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.

Craig is passionate about the future growth of the Scenic Rim region and is committed to delivering the region's potential for the benefit of the community. Craig is proud of the many unique and individual townships throughout the region and is an advocate of developing the tourism industry.

He has a Bachelor of Commerce, a Masters of Business Administration and is a fellow of the Australian Society of Certified Practising Accountants.

DIRECTOR CORPORATE AND COMMUNITY SERVICES – MARK GRIFFIOEN

Mark Griffioen was appointed Director Corporate and Community Services in March 2010. Prior to this role, Mark was Chief Executive Officer at West Arnhem Shire Council in the Northern Territory.

Mark has 16 years' experience in local government and has held senior positions in New South Wales, New Zealand, Northern Territory and Queensland. Mark has a Bachelor of Financial Administration and is a Certified Practising Accountant.

As Director Corporate and Community Services, Mark is responsible for the financial sustainability of Council, as well as customer services, information technology, libraries and information services.



DIRECTOR DEVELOPMENT SERVICES – TONY MAGNER

Tony Magner joined Scenic Rim Regional Council at amalgamation three years ago. He has 28 years' experience in local government, with 17 of those 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 AND INFRASTRUCTURE SERVICES – PATRICK MURPHY

Patrick Murphy has been a director within local government for the past 20 years. He 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 a Fellow of the Institute of Public Works Engineering Australia (IPWEA), and is an active member of its Queensland Branch (IPWEAQ) and has served on the board of both. He is currently the Immediate Past President of IPWEAQ.

Patrick has been involved in developing various engineering guidelines that are used nationally, and is a member of the Local Government Association of Queensland Roads, Transport and Infrastructure Reference Group. A resident of Scenic Rim, Patrick is passionate about our region and delivering sustainable infrastructure services to its community.

Management Team

Council's 11 Managers have pivotal roles, including:

- ensuring the delivery of agreed outcomes by their departments
- managing and motivating staff performance
- capitalising on opportunities for organisational improvement.

The Managers and Executives form Council's Management Team, delivering a skilled and united leadership network for the organisation.



The Management Team

MANAGEMENT TEAM BEHAVIOUR CHARTER

As a member of the Scenic Rim Regional Council Management Team, I acknowledge and commit to the following behaviour standards:

1. Once a decision is made, I commit.
2. I am honest with myself and others.
3. I treat others the way I would like to be treated.
4. I am personable and clear in my communications.
5. I maintain confidentiality.
6. I maintain my sense of humour and make work a fun place to be.
7. I achieve outcomes through cooperation.
8. I respect and value others and our collective contribution to the organisation.
9. I am accountable as a team member and take responsibility for my contributions.
10. I positively influence the outcomes and success of the organisation.

CODE OF CONDUCT FOR EMPLOYEES

The Code of Conduct outlines in practical terms the standards of behaviour which all employees of Council are expected to display. Adherence to the code will promote an honest, safe and efficient workplace and a respected reputation for Council and its employees within the community.

Copies of the Code of Conduct for Employees were provided to new employees as part of the induction process. Staff also received code of conduct training as part of Council's Effective Workplace Behaviour training program.

The code of conduct was reviewed during the year, in response to amendments to the *Public Sector Ethics Act 1994*. A draft revised code was distributed to all staff and union representatives on the Local Government Employment Group in June 2011 and was subsequently approved. As required by the legislation, training regarding the new code of conduct will be provided to staff during the coming year and procedures will be amended where required to reflect this new code.



Our performance



Highlights

SOME KEY HIGHLIGHTS FOR THE YEAR INCLUDE:

Communications and regional relationships

- Intranet redevelopment plan well progressed, with vendor demonstrations held and a Communications Strategy developed
- Three Tiers of Government Forum held
- Health Services Taskforce well progressed
- Participation in various regional forums
- Various communications and community engagement activities undertaken around key corporate projects

Corporate culture and people

- Change management plan developed and implemented
- Personal Performance Development process reviewed, and roadmap for further enhancements developed
- Corporate training needs analysis undertaken and training delivered
- SafePlan audit undertaken, with Council receiving an 86.2 per cent outcome

Planning and managing growth

- Substantial work undertaken to implement a risk-based framework for proactive monitoring of development approvals
- Beaudesert Centre Development Plan adopted
- Beaudesert Growth Management Strategy well progressed
- Priority Infrastructure Plans adopted for State Interest Checks
- Preliminary work undertaken on the region's new Planning Scheme
- Smart EDA functionality implemented
- Development assessment processes and timelines for residential development applications improved

Community development

- Community Engagement Strategy adopted
- Community Plan extensive preliminary consultation phase completed and draft plan well advanced
- RLCIP projects – Beaudesert beautification, village recreation facility improvements – delivered
- Social Plan adopted and initiatives implemented
- Sport and Recreation Plan adopted; community forums held
- Safe playground facilities audit undertaken
- Parking needs of Beaudesert and Boonah town centres reviewed
- Gallery Walk Implementation Plan developed
- Road Safety Strategy adopted and key initiatives implemented
- Environmental Health Education Program developed
- Disaster Management Plan activated
- Public Art and Collections Policy adopted
- Mobile Library Services reviewed

Economic development

- Tourism Strategy adopted
- Local businesses supported through Business and Industry Development Strategy
- A range of community/industry capacity events delivered
- Strategic Sustainability Forum hosted
- Annual marketing program delivered
- Regional Events Strategy progressed

Infrastructure and asset management

- Asset Management Plans for infrastructure classes developed
- Design and Construction Manual updated
- Ten-year Drainage and Stormwater Asset Capital Works Program developed
- Bridge Strategy reviewed and endorsed
- Ten-year Footpath and Bikeway Capital Works Program adopted
- Facilities Security Plan developed with key actions implemented
- Cemetery Strategy well-progressed
- Key initiatives of the Waste Management Strategy delivered
- Transport Network of 1780 km of roads and 135 bridges maintained as per Road Asset Management Plan
- Resealed 12 km of sealed roads
- Re-sheeted 52 km of graveled roads
- Maintained 134 ha of park and recreation land
- Completed numerous upgrading projects of recreation facilities

Environmental management

- Waste Education Program rolled out
- Climate change initiatives identified and implemented
- Energy Reduction Program implemented
- Pest Management Plan adopted
- A range of projects delivered which will safeguard riparian areas located in key catchments
- New trees species list for parks and streetscapes developed to promote bio diversity
- Environmental management systems developed for road construction and maintenance
- Distributed 7977 trees via Free Trees Scheme

Corporate sustainability

- Council's Risk Management Program successfully implemented, with reviewing and monitoring requirements achieved
- Council's Internal Audit Plan delivered
- Ten-year Capital Works Program reviewed
- Substantial work undertaken around long-term financial and corporate sustainability planning
- Civil contract and alliance works undertaken, resulting in positive business outcome for Council
- New Local Government Act and financial regulations implemented
- Local law review project completed
- Business Continuity Plan developed and awaiting adoption
- Printer rationalisation project completed, delivering cost savings to Council
- ICT strategy progressed, with key areas for improvement identified
- Wireless Internet available at Tamborine Mountain Library
- Organisation review undertaken
- Key initiatives implemented to enhance financial management

SERVICE STANDARDS

As a commitment to internal and external customer service, the 2010/11 Operational Plan has a series of defined service standards.

Generally, the service standards are tracking well, with the organisation meeting or in some cases exceeding the agreed service standards.



Communications and regional relationships



COUNCIL OF MAYORS (SEQ)

Council continued its regional advocacy role through the Council of Mayors (SEQ) and its subcommittees and taskforces. Major issues pursued in 2010/11 included:

- the Wyaralong Trail Bike Park facility
- bulk water pricing
- infrastructure charges
- State Government election advocacy for infrastructure
- State Government waste disposal levy
- rural communities issues (e.g. economic development)
- emergency management.

REGIONAL ROADS GROUP

The Scenic Valleys Regional Road Group comprises representatives of Lockyer Valley Regional Council, Ipswich City Council and Scenic Rim Regional Council. Scenic Rim delegates are Cr West and Patrick Murphy. Major benefits derived by Council through the Group's programs, include:

- allocation of State Government funding to local government roads of regional significance
- investigation of regional joint purchasing and resource sharing
- additional civil contract work with other councils
- networking with peers for staff involved
- coordination of specialised training
- subsidisation of a regional road network safety risk and condition assessment.

COMMUNICATIONS

Council strives to maintain open communication with the community about its services and other public issues. Initiatives undertaken in 2010/11 to improve communications with our community included:

- community engagement sessions with local community groups
- Council meetings at regional centres
- production of the quarterly Scenic Living magazine
- media releases on significant Council topics
- a new Community Engagement Policy
- Council displays at local shows
- community consultation for the proposed community plan
- community consultation for centre development plans
- online access to current development applications.



PROMOTING OUR IDENTITY

We finished re-badging Council facilities, providing a unified regional image. We also revised town kerbside maintenance services (street sweeping, litter collection and urban mowing) to develop consistent, appropriate and affordable standards.



in focus

TASKFORCE AIMS TO CURE AILING SERVICES

Council formed the Scenic Rim Health Services Taskforce in 2010. The taskforce held a successful community forum, where a number of community concerns regarding the current scope of health services were recorded and compiled into a document calling for action. This document was tabled with the now former Health Minister Paul Lucas.

In 2010/11, the Scenic Rim Health Services Taskforce:

- provided a health services community forum, attended by more than 100 residents and health practitioners
- hosted a tour for (now former) Health Minister Paul Lucas of the Beaudesert Hospital facility, which included a community discussion
- presented the Scenic Rim Health Services Taskforce Report: A call for restoration of maternity and health services, to Beaudesert Hospital to State Opposition Health Minister Mark McArdle
- established a social media presence with more than 1,000 followers
- formed an alliance with Rural Doctors Association of Queensland (RDAQ) for a joint advocacy initiative
- met with Dr David Thiele, CEO of Queensland Health Services Metro South, to discuss resource expansion from Beaudesert Hospital
- sought alliance with Logan Country Chamber of Commerce, to highlight the fact many southern Logan residents accessed services from Beaudesert Hospital
- reinstated visiting gynaecological services
- implemented a midwife-supported post natal care model
- secured a commitment from the State Government to undertake collaborative service delivery planning.

The State Government has designated the Beaudesert township as a Principal Rural Activity Centre in the South East Queensland Regional Plan. This fact, combined with the predicted growth in our region, indicates it is time to act to ensure our facilities better meet the needs of the existing population catchment for Beaudesert Hospital.



REGIONAL AND LOCAL COMMUNITY INFRASTRUCTURE PROGRAM

Round 2: Council received \$291,000 from the Commonwealth Government's Regional and Local Community Infrastructure Program (RLCIP) to deliver:

- a beautification project for the Beaudesert CBD
- community infrastructure improvements at Beechmont, Canungra, Harrisville, Kalbar, Kooralbyn, Peak Crossing, Rathdowney and Tamborine.

All Round 2 projects were completed by March 2011. Community celebrations were held in partnership with local community groups at each of the funded locations. Senator Mark Furner conducted the official opening of all RLCIP Round 2 projects at Central Place, Beaudesert on 12 July 2011.

Round 3: Council received an additional \$302,000 from RLCIP to deliver:

- upgrades to Beaudesert Toddler Pool
- a basketball court at Moriarty Park, Canungra
- a shade shelter at Canungra Pool
- play equipment at Rathdowney Memorial Grounds
- upgrades to walking circuit at Coronation Park, Boonah.

These projects are scheduled for completion by December 2011.



Beaudesert CBD beautification project



Middle Park project



Peak Crossing playground



Kalbar shade shelter



Community development



in focus

SCENIC RIM COMMUNITY PLAN

Throughout 2010/11, Council worked with the community to develop a long-term vision for the region. The first phase of consultation, which helped provide a basis for the draft community plan, was completed this year and examined issues including the environment, economic development, social wellbeing and infrastructure.

The first stage of consultation resulted in more than 700 people visiting Council displays throughout the region. In addition, a post card survey generated more than 500 responses and more than 90 people responded to an online survey.

Council has committed to adopting a final Scenic Rim Community Plan by the end of 2011. The community plan will provide a framework to help to respond to change, challenges and opportunities for the next 15 years and beyond.

The community plan will focus on:

- a vision for local communities and the region
- long-term goals for the Scenic Rim
- strategies to achieve these goals
- indicators to monitor progress and determine whether the plan has been effective.



SOCIAL PLAN ADOPTED

The Scenic Rim Regional Council Social Plan 2010-2020 (incorporating a Social Health Plan) was adopted by Council on 27 July 2010 after an extensive consultation process.

We developed the social plan as a partnership initiative with the Logan-Beaudesert Health Coalition and the community. The plan focuses on the social, health and wellbeing aspects of the region, with the key outcome areas identified as a preferred future for the Scenic Rim over the next 10 years and beyond.

Those key future outcomes are:

- transport and access that meets community needs
- a community for all ages
- a region for education and learning
- healthy and active people
- an inclusive community
- excellent community services and facilities
- a great region for families and children
- strong local communities.

A steering committee, comprising Council and community members, was created in October 2010 to guide how the social plan is implemented. This group has made excellent progress in implementing key actions from the plan. A number of working groups have been established, including Transport Working Groups in Beaudesert and Boonah. Both groups have been developing draft community-based transport models, which were presented to the steering committee in May 2011.

A full list of social plan outcomes for 2010/11 was presented to Councillors in July 2011.

A NEW SPORT AND RECREATION PLAN

The Scenic Rim Regional Council Sport and Recreation Plan 2010-2020 was adopted by Council on 27 July 2010. As with the Social Plan, it involved an extensive community consultation process. It was developed in partnership with Sport and Recreation Queensland.

A key outcome for 2010/11 was the appointment of a new Sport and Recreation Officer on 21 March 2011, funded by the Department of Communities Sport and Recreation Services Local Jobs Plan. Key responsibilities include working with identified sport and recreation organisations to provide advice on governance matters, professional development opportunities and grant seeking, as well as provide an on-the-ground resource to further develop and enhance community networks.

The organisations identified are:

- Selwyn Park Sporting Management Association
- Tamborine Mountain Sports Association
- Coronation Park Management Committee
- Moriarty Park Management Committee
- Beechmont Community Sports Association
- Aratula Sporting Complex Management Committee.

The position is funded until 31 December 2013.

COMMUNITY GRANTS

	2008/09	2009/10	2010/11
Grants funded			
No.	91	102	117
Value	\$123,196	\$137,546	\$138,335
In-kind grants			
No.	49	48	107
Value	\$14,903	\$15,588	\$34,987

FOOTPATHS AND BIKEWAYS

In 2010/11, we started developing a footpaths and bikeways strategy in consultation with internal and external stakeholders. The strategy aims to enhance existing pedestrian and cycle paths in the region, and outlines actions needed to develop an integrated and user-friendly pedestrian and cycle network.

TELEVISION RE-TRANSMISSION FACILITIES

With the rollout of the Federal Government's switch from analogue to digital television, we prepared an implementation plan, which will provide a framework for decision-making when considering digital switchover options.

PLAYGROUND EQUIPMENT

We continued to provide safe playground facilities for locals and visitors, by monitoring and reviewing all playgrounds throughout the region and providing repairs where necessary.

TOWN CENTRES PARKING

We commenced a review of the Beaudesert Town Centre Parking Study 2007 and the development of a similar study for the Boonah Town Centre, to reflect planning scheme requirements and stakeholder feedback. Data was collected and analysed on the current parking supply and demand. The recommendations focused on options to improve use of available parking in key areas of Boonah and Beaudesert.

Also in 2010/11, we developed a plan for parking arrangements at Gallery Walk. Council engaged Snowy Mountains Engineering Corporation (SMEC) to prepare a community engagement report identifying the issues, and the Gallery Walk Renewal Plan was completed in late 2010.





ROAD SAFETY

The Road Safety Strategy was developed and adopted by Council in September 2010, to help provide safer road networks throughout the region. We undertook more than 50 traffic surveys in 2010/11. We also developed a program to survey all the region's sealed roads, to gather information including traffic volume, speed reviews, vehicle type, commercial vehicle use, road design and safety considerations. Other road safety investigations included line-of-sight concerns on intersections and corners, and requests for regulatory and warning signs such as 'stop', 'giveaway', 'children crossing', and wildlife signs. We responded to requests for pedestrian facilities, school zones reviews, and pavement marking improvements. As part of our road safety program, we use speed detection devices to record and display vehicle speed in areas including work sites and school zones.

DOGS AND CATS (AS OF 30 JUNE 2011)

	2008/09	2009/10	2010/11
Dogs			
Registered with Council	4,730	4,762	4,654
Impounded	438	425	419
Impounded and returned to owner	127	120	138
Impounded and re-homed with Animal Welfare League	232	142	122
Impounded and euthanised	79	163	156
Cats			
Registered with Council	154	313	432
Impounded	317	412	454
Impounded and returned to owner	9	27	19
Impounded and re-homed with Animal Welfare League	165	46	7
Impounded and euthanised	143	339	426

TREE RISK MANAGEMENT

We undertook a tree risk audit on high-risk tree species in parks and camping grounds. As a result, works will now be undertaken on a number of trees to minimise potential safety threats to our community.

ASBESTOS RECTIFICATION

Council's support for a healthy community is reflected through our ongoing monitoring of all Council-owned buildings for asbestos. We have an annual asbestos inspection program and manage risks by removing asbestos, where possible, or using other ways to manage the issue.

ENVIRONMENTAL HEALTH EDUCATION AND PROMOTION

We produced an Environmental Health Action Plan, with a number of action items aimed at improving our community's knowledge and understanding of health-related matters in the region.



ENVIRONMENTAL HEALTH

	2008/09	2009/10	2010/11
Complaints and service requests investigated			
Environmental health	477	471	456
Development compliance	210	198	169
Pest and animal management	1,142	1,230	1337
Environmental Policy			29
Licences administered			
Food	301	319	298
Dangerous goods (service stations and private installations)	42	42	38
Environmentally relevant activities	125	111	113
Personal appearance services	1	2	3
All local law licences (e.g. advertisements, kennels, events)	785	275	250



DISASTER MANAGEMENT

The Scenic Rim Region Local Disaster Management Group (LDMG) was activated during 2010/11 in response to the following events:

Period	Details
26-28 December 2010	Significant rainfall saw localised flooding occur throughout the region with many roads closed.
10-12 January 2011	Significant rainfall resulted in major flooding and road closures throughout the region. A number of properties located at Kalbar, Harrisville and Boonah were evacuated (self-evacuation) with those affected staying with family and friends. The LDMG established evacuation centres at Harrisville, Kalbar and Boonah, but these were not required.
29-30 June 2011	The LDMG was placed on alert following advice of a Hendra Virus outbreak. The alert was cancelled on advice that the incident would be dealt with by the primary response agency, Biosecurity Queensland.

On 17 January 2011, the State Government launched a statewide independent Commission of Inquiry to examine Queensland's unprecedented flooding over the preceding month. The Commission's terms of reference identified the following matters that relate to local government:

- flood preparation and planning
- response arrangements
- forecasting and early warning systems
- management of essential services e.g. water supply
- local and regional planning.

Council responded to a major information request by the Commission of Inquiry. The Commission's findings are to be brought down in 2011/12 and may have significant implications for Council regarding its future role in disaster management.

CREATIVE ARTS AND CULTURE

SCHOOL HOLIDAY PROGRAM

Throughout 2010/11 Council provided a range of school holiday programs at different stages of the year, including:

- circus workshops
- camera crazy workshops
- kids cooking classes.

STUDIOS OF THE SCENIC RIM

Studios of the Scenic Rim is a Council initiative through which artists open their studios so people can experience the authentic working life of Australian artists.

This program is held in May and September, and each local area is allocated a different weekend for its showcase. During September 2010, studios in Canungra, Beechmonh, Beaudesert, Mount Barney, Boonah and Tamborine Mountain were highlighted. In May 2011, 40 artists at 13 studios participated, with studios open at Tamborine Mountain, Beaudesert, Lost World Valley, Wonglepong, Mount Barney and Boonah. Around 3,000 people attended.

The Studios of the Scenic Rim program includes:

- 22 working studios representing 26 artists
- 5 arts collectives representing over 80 artists
- 8 artists in residence
- 3 galleries and cultural centres
- 6 museums
- 5 visitor information centres
- 8 public art sculptures
- 1 Heritage Walk.



Council and the Goat Track Theatre Company (GTTC) won the Australian Business Arts Foundation (AbaF) Queensland 2010 Toyota Community Award for the community partnership established earlier in the year. This partnership was officially launched at The Basement on 25 June 2010, and was based around Council providing the GTTC with access to an unused space under the Vonda Youngman Community Centre. With additional support from Council and the community, this facility has been turned into a high quality space for the youth of Tamborine Mountain (and Scenic Rim in general) to develop artistically. It also provides a mechanism to tackle a range of community issues.

Regional Arts Development Fund grants	2008/09	2009/10	2010/11
No. of grants	16	13	17
Value of grants	\$35,366	\$33,290	\$76,884

CULTURAL CENTRE OPERATIONS

During 2010/11, Council developed the Strategic Business Plan 2011-2016 to provide direction around the operational requirements of the two major cultural centres in the Scenic Rim – The Centre, in Beaudesert, and the Boonah and District Cultural Centre – and to identify the role these facilities have in developing the cultural capacity of the region.

The plan identifies a range of priority actions based around what are referred to as the 'highest priority goals', which are:

- strong and positive relationships with our local communities and visitors to the Scenic Rim
- better information for hirers and regular users of the centres, enabling better access
- consistent service standards
- existing facilities being maximised
- effective resource and financial management.

These goals and associated actions will guide the operation of those significant community facilities during this period.

Cultural centre attendances	2008/09	2009/10	2010/11
Boonah			
Functions	382	504	465
Attendances	15,205	16,723	13,529
Beaudesert			
Functions	529	522	488
Attendances	18,091	20,749	19,058

LIBRARY SERVICES

We provided significant improvements in service delivery in our libraries in 2010/11. From July 2010, the Boonah branch opened its doors for the full working week, previously being closed on Wednesdays for re-shelving. At Tamborine, a successful WiFi service was launched, allowing customers to access free Internet through their own devices at the branch.

Council also progressed planning for a new regional library in Beaudesert, with public consultation undertaken and designs for the new library created as part of the Beaudesert Central Revitalisation program. The project is currently in development approval stage with an application submitted to the Federal Government for funding assistance.

Library activity	2008/09	2009/10	2010/11
Items borrowed	319,393	316,052	314,468
Internet / PC bookings	9,474	10,508	12,940
Items delivered to housebound customers	5,985	6,461	5,025
Storytelling attendees	1,646	1,421	1,661
Holiday craft attendees	325	383	659
New members	1,992	1,945	2,056
Adult information session attendees	149	239	204
Reservations filled	38,765	35,117	29,023



in focus

COUNCIL BIDS FAREWELL TO LEADING LIBRARIAN

On 27 May 2011, Council bid farewell to Regional Librarian Robyn Dobbs after more than 20 years of service to Council's libraries. Robyn has now moved into well-earned retirement.

Robyn started her career at the State Library in Brisbane in 1972. She was a fully qualified librarian by 1974 – the same year the section of the library she worked in was wiped out by the infamous floods. In 1990, Robyn came to Beaudesert with her husband and his family and hasn't looked back since.

Robyn witnessed many changes to the workings of the library over her 20 years, including the move from the card borrowing system to computers.

'When I first came to Council in 1990, we had a computer system but it only worked in one library, the other libraries operated on card system. By the late 1990s, all libraries, except Rathdowney, were computerised, which made things a lot easier.'

Having overseen many changes in the library system over the years, Robyn said her proudest achievement was helping to get the Mobile Library on the road in March 2007. She described the Mobile Library as an outstanding success and one of Council's major achievements.

'It has such a visible presence in the region and makes books accessible to those residents that might otherwise find it difficult to access library resources.'

Robyn says while she will try to get in some time to relax, she has plenty to keep her busy into the future. 'I think it's important to stay active and busy into retirement, but I am also looking forward to finally being able to just sit down and read a really good book!'





Corporate culture and people



ORGANISATIONAL CULTURE

We undertook a climate survey of all staff in March 2011, as a way to better understand our organisational culture, and to work towards improving it. A project team reviewed the findings and identified areas of concern for further investigation and attention in the coming year.

PERSONAL PERFORMANCE

We have established ourselves as a performance-driven organisation which promotes organisational values and rewards positive performance of its staff. All employees participate in an annual process of goal setting and performance review, known as a Personal Performance Development (PPD). The PPD process is under review in order to improve functionality and strengthen links with corporate objectives and reporting, and to provide improved participant feedback.

Truck driver, Bruce Koot (pictured below), was voted by employees as Valued Employee of the Year 2010. Bruce was one of over 20 employees nominated for the Award during 2010/11.



We acknowledge the contributions of staff who achieve significant milestones of service to Scenic Rim and its predecessor councils. At the 2010 end of year function, employees were recognised for the following service:

Years of service	No. of employees
10	14
15	3
20	8
25	5
30	4
35	5
40	2

STAFF TRAINING AND DEVELOPMENT

We recognise the importance of ongoing corporate and operational training to ensure our employees appreciate their obligations as public sector employees, and have the necessary skills to perform their duties safely and efficiently.

All new employees were inducted within a month of starting work with Council and received training in anti-discrimination and workplace harassment within three months. Existing employees received refresher training in effective workplace behaviour and the Employee Code of Conduct.

As an outcome of the PPD process, the following training programs were delivered to relevant employees:

- Microsoft Excel and Word
- dealing with difficult customers
- Datasworks (Council's Records Management System)
- report and letter writing
- conflict resolution
- understanding budgets
- Powerpoint presentations.

Our Management Team also undertook training in conducting counselling sessions, and disciplinary and counselling interviews. This training will be rolled out to the leadership group in the new financial year.

In December 2010, we held two business communication skills workshops to promote our correspondence protocols, which consistently convey clear and factual information.

DEVELOPING LEADERSHIP

As leadership by Managers and the Executive Team is critical to attaining Council's goals and objectives, we have again invested in developing the leadership skills of our Management Team. All members of the Management Team have signed the Behaviour Charter (see page 18).

WORKPLACE HEALTH & SAFETY

Following on from the external audit in November 2009, a further audit of Council's SafePlan2 systems was conducted by Local Government Workcare (LGW) in November 2010, and recorded 86.2 per cent compliance. In December 2010, LGW awarded Council's Workplace Health and Safety Coordinator, Angela Weldon, and Workplace Health and Safety Officer, Polly Wimmer, its Gold Award Certificate in recognition of their valuable contributions towards achieving our workplace health and safety management system. With this solid foundation in place, the focus has been on the continuous improvement and review of all safety elements.

Incident trends for 2010/11 were very similar to the previous year, with 46 per cent of incidents reported being sprains and strains attributed to body stressing, slips, trips and falls. A program of tailored manual handling training was implemented in high-risk areas, and we plan to extend it to other parts of the organisation.

Lost time due to injuries	2008/09	2009/10	2010/11
Lost time injury frequency rate (LTFIR*)	17.10	22.13	18.25
Average duration	8.82	9.06	6.00

* Number of lost time injuries x 1,000,000
Hours worked for month average x number of employees =LTFIR

STAFF PROFILE

Staff numbers by age	30/6/2009	30/6/2010	30/6/2011
Less than 20 years	21	19	3
20-29 years	47	47	43
30-39 years	94	93	82
40-49 years	143	150	117
50-59 years	101	103	106
60 years and older	43	41	46

Note: The above figures are staff counts including part-time, temporary and casual and have not been adjusted to full-time equivalent totals.

EQUAL EMPLOYMENT OPPORTUNITY (EEO) MANAGEMENT

We undertook a range of actions during the year to demonstrate our commitment as an Equal Opportunity Employer:

- Advertisements for position vacancies stated that Council is an EEO employer.
- All new Council employees completed compulsory Effective Workplace Behaviour Training, which encompassed EEO and anti-discrimination principles.
- All staff completed a 'Take 5' on EEO, discrimination and harassment.
- Contact officers were available to provide confidential advice and support to any employees who felt they had been subject to discrimination or unfair treatment.

The EEO Committee met three times during 2010/11, to oversee implementation of the strategies in Council's EEO Management Plan 2010-2012. Activities included:

- sample checks on the recruitment process, to confirm interview notes and short-listing comply with merit-based principles
- developing and displaying posters in Council workplaces promoting EEO and reinforcing anti-discrimination messages.

Results of the staff survey conducted in June 2011 (see tables to the right) confirm Council's policies are maintaining the required EEO statutory outcomes of:

- a. enabling members of the target groups to do the following as effectively as people who are not members of the target groups:
 - i. compete for recruitment, selection, promotion and transfer in the particular local government
 - ii. pursue careers in the particular local government
- b. eliminating unlawful discrimination by the particular local government or its employees against members of the target groups in employment matters.

TARGET GROUPS STATISTICS

30/06/09	Women	Indigenous	Disability	NESL*
Officer	156	8	14	6
Manager	5	1		
Executive				
Total	161	9	14	6

30/6/10	Women	Indigenous	Disability	NESL*
Officer	153	4	11	4
Manager	4	1		
Executive				
Total	157	5	11	4

30/6/11	Women	Indigenous	Disability	NESL*
Officer	144	4	14	6
Manager	4			
Executive				
Total	148	4	14	6

*NESL = Non-English speaking language background





Corporate sustainability



FINANCIAL SUSTAINABILITY

As required by the *Local Government Act 2009*, Council applied financial sustainability principles when considering new capital works. A review of Council's capital works program was undertaken in March 2011 in line with Council's Core Asset Management Plans.

Improving financial sustainability means we can better achieve our strategic objectives by enabling the organisation to do more with funds, such as access more resources, provide better services and enhance Council's ability to manage unforeseen events.

In 2010/11, we focused on improving our financial sustainability through improved financial performance. By monitoring and reporting on our financial sustainability indicators through all budget amendments and reviews, we had an improved financial position at the end of the 2010/11 financial year (demonstrated in the table of financial management sustainability indicators on page 69).

Council's operational plan identified the financial management initiatives that contributed to the improvement, which included developing:

- a long-term financial strategy
- a sustainability project plan.

At the end of the financial year, we engaged respected management consultant Orion Consulting Network to review our progress on the path to financial sustainability. The report presented to Council in June identified the organisation was moving into a healthy operating result (which drives overall financial sustainability), and that the trend was consistent with – and exceeding – planned outcomes and improvements. There was also a 5.5 per cent productivity improvement since 2009 – nearly two per cent a year.

The 2010/11 financial year was the first year of the transfer of our water and sewerage assets to the new distributor/retailer, Queensland Urban Utilities. Council now receives a financial return on those assets in the form of equity payments and interest on the loan program.

The State Government has assessed Council as having a clear and coherent financial sustainability strategy in place and is in a financially strong position.

ENTREPRENEURIAL REVENUE

We undertook significant civil contract and alliance works during the year – primarily for the Department of Transport and Main Roads, and flood repair works for adjoining local governments. These works provided a major revenue stream to Council and continuity of employment for operational staff.

OPEN AND ACCOUNTABLE GOVERNANCE

Legislative changes affecting Council during 2010/11 included:

- new *Local Government Act 2009* and Regulations
- new *Public Interest Disclosure Act 2009*
- amendments to the *Public Sector Ethics Act 1994*.

Various changes were made to Council's policies and procedures during 2010/11 to address requirements of the *Local Government Act 2009* and Regulations, with further work scheduled in the coming year. A new Public Interest Disclosure Policy and Management Plan were developed for implementation in the coming year.

Council adopted an Information Privacy Plan in December 2010, to both assist and assure members of the public and staff in understanding how their personal information is managed within Council as required by the *Information Privacy Act 2009*.

INFORMATION REQUESTS

Application type	On hand 1/7/10	Received	Withdrawn	Transferred	Finalised	Outstanding 30/6/11
<i>Right to Information Act 2009</i>	2	12	3	0	11	0
<i>Information Privacy Act 2009</i>	1	3	1	1	2	0



INTERNAL AUDIT

The Internal Audit Committee comprises Councillors John Brent and Kathy Bensted, an external Chairperson (Graham Carpenter) and an external committee member (Tim Cronin). The committee met three times in 2010/11. Oakton Services Pty Ltd provided internal audit services.

PROGRESS AND FINDINGS OF THE 2010/11 INTERNAL AUDIT PROGRAM

Project	Status as at 30/6/11	Findings
Records management system access and classifications	Completed	In total, nine recommendations were made, three having a risk rating of high (needs regular monitoring).
Billing system (accounts receivable)	Completed	Two recommendations were made relating to the creation of a checklist of control reports, including the routine creation of five additional reports and the development, maintenance and testing of business continuity and disaster recovery plans to ensure the billing system and service levels are available.
Compliance with <i>Sustainable Planning Act 2009</i> (development approval process)	Completed	10 recommendations were made, with three being rated high risk. With the exception of the delegations review, the Management Team has committed to completing mitigation actions by December 2011.
Human Resources practices and processes	Completed	There were 10 recommendations, none of which were rated a high risk.
Purchasing practices	Completed	Five recommendations were made, all having a risk rating of medium (needing periodic monitoring).



RISK MANAGEMENT

Financial sustainability criteria in the *Local Government Act 2009* obliges Council to have systems in place that ensure financial risks are responsibly managed. The risk management systems we established in 2009/10 were developed and embedded via a Risk Management Workshop conducted in May 2011. Outcomes of that workshop included:

- extending a risk management culture to lower management levels
- gaining further ownership from executive level
- providing a forum to discuss hurdles and improvements to the Enterprise Risk Management program
- providing a practical, hands-on use of the risk management tools in group brainstorming sessions.



BUSINESS CONTINUITY

We have developed a Business Continuity Plan (BCP), which:

- details critical business areas and functions
- identifies minimum equipment and human resources required for critical business functions to operate
- identifies the internal and external inter-dependences of those functions.

The aim of the BCP is to allow the organisation to continue its critical business functions in the event of a significant incident impacting the organisation's ability to carry out its core business.

in focus

INFORMATION AND COMMUNICATION TECHNOLOGY

In the past year, we have upgraded our communication and information infrastructure, to maintain pace with rapidly changing technology.

Virus protection (from viruses potentially introduced through web surfing and emails) is now performed 'in the cloud', reducing the infrastructure in Council's data centre. The Spydus Library system is also hosted externally. Moving services like these externally reduces the number of servers Council staff are required to support and backup, and also reduces licence costs.

We also replaced 63 printers and 17 photocopiers with 32 Canon multifunction devices. Not only has this reduced internal support costs, it has also reduced the number of vendors with which Council liaises for printers and copiers from six to one.

Since amalgamation, Council has streamlined seven legacy business computer systems (which processed rates and building and development applications) into a single system.

In 2010/11, in response to community demand, we installed a wireless access point in the Mount Tamborine Library, providing customers with wireless Internet access. All public access computers have been replaced with new technology, and separate DSL connections were installed in each of Council's libraries.

RECORDS MANAGEMENT

A Records Management Strategic Plan and Records Management Operational Plan were developed for Council, comprising a number of strategies and activities that ensure Council meets legislative requirements for recordkeeping. Council's recordkeeping business computer system was integrated with Council's property and rating computer business system. As a result, Council's customers appear in our business computer systems only once, and letters produced in our property and rating business computer system are automatically registered as a Council record.

SAVING MONEY ON OUR PRINTERS

In late February 2009, we launched the Printer Rationalisation Project to find a way to reduce Council's overall costs associated with printing, faxing, copying and scanning.

An audit of Council's equipment revealed we had 63 printers and 18 photocopy machines of different makes, from different vendors under different agreements – and 17 fax lines.

In July 2009, Council appointed Canon as the successful sole vendor and introduced 32 multifunction devices and one scanner, creating savings of more than \$87,000 a year.

The consolidation and streamlining of Council's print environment brings both people and environmental benefits, including:

- reduced management overheads of numerous people managing different machines across each Council department
- the ability to track and monitor the amount of paper and consumables used across Council
- reduced print waiting time
- flexibility to choose and print from any printer
- reduced unnecessary printing – with the UniFLOW software, employees must swipe an identity card at the device before their print job is released
- automatic deletion of print jobs if they haven't been released within 24 hours
- reduced colour printing, through black and white default
- 30 per cent reduction in CO2 emissions over previous models
- 78 per cent reduction in per-hour power consumption.

The success of the Printer Rationalisation Project received media coverage in the IT section of *The Australian* on 14 June 2011.

CUSTOMER SERVICE

Council strives to provide a high level of service to customers via its three Customer Service Centres and after-hours service provider. Standards achieved for the period were:

Key performance indicators	Minimum target	Result 2009/10	Result 2010/11
<p>Written correspondence:</p> <p>When you write or email Council, we aim to:</p> <ul style="list-style-type: none"> • respond to you within 10 working days • acknowledge your correspondence, and include an expected completion date, if we cannot complete your request within 10 days (by letter, phone, fax or email). 	90%	95%	97%
<p>Phone responsiveness:</p> <p>When you phone Council's general enquiries line, we aim to:</p> <ul style="list-style-type: none"> • answer your call within 20 seconds • have not more than a 2% abandonment rate • provide courteous and professional assistance. 	90%	93%	92%
<p>Requests for action:</p> <p>When you lodge a request for action or a submission to a development application, we aim to provide a response within the relevant service standard for the service you requested.</p>	90%	84%	87%
<p>Lodgement of complaints:</p> <p>When you lodge a complaint we aim to provide you with a written response to your complaint in accordance with the General Complaints Process.</p>	90%	100%	100%

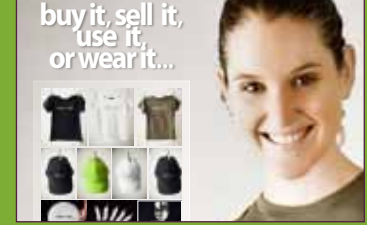


QUALITY SYSTEMS

We developed the Design Quality Assurance Manual in June 2011, which provides a documentation process to ensure road designs are efficiently produced. This manual relates to all phases of road design, bringing together all design elements.

To ensure Council delivers a consistently high quality product to our customers, we have continued to operate under a quality management system compliant with State Government purchasing requirements.





Economic development



SCENIC RIM REGIONAL TOURISM STRATEGY 2011-2016

On 19 April 2011, Council adopted the Scenic Rim Regional Tourism Strategy 2011-2016. The strategy was developed based around the three pillars of sustainable tourism:

- destination development
- destination marketing
- destination management.

The strategy refers to a number of key issues that emerged during the consultation phase while we were developing the document. These identified issues (categorised under the three pillars) were:

- sustainable tourism
- industry vulnerability
- industry development
- building markets
- visitor experience
- planning frameworks
- Council's role
- industry communication and collaboration
- key projects – signage, maps, events strategy, integration of tourism planning with broader Council frameworks
- effective marketing and promotion.

An action was developed around each of these identified issues, which will provide direction for how Council works in partnership with industry and other key players to guide the future of the industry locally.

One of the initial priorities we identified was the need to reassess and reinvigorate the Tourism Advisory Committee. This process has already started, with a roles and responsibilities workshop held in May 2011, and a second workshop held in July 2011 to define priorities for the coming year.

AGRITOURISM

In October 2010, 11 local businesses graduated from the Agritourism Project – Business Development Program. These businesses participated in a series of workshops designed to provide them with the skills to develop their new business venture. The program is designed for agricultural and rural landholders who are considering options for diversifying or value-adding to their existing business.

The 11 new businesses are at varying stages of their development, and include:

- small accommodation – farm stays, backpackers, bush camping, luxury camping
- kiwi fruit production
- cheese production
- community garden
- dairy farm tours
- café.

STRATEGIC SUSTAINABILITY FORUM

In November 2010, Council hosted a Strategic Sustainability Forum. More than 50 community leaders from across the Scenic Rim gathered to learn more about each other's work, as well as to network and create a strategic regional conversation about integrated sustainability in the Scenic Rim. From an economic development perspective, the subsequent feedback helped develop a Local Living Economies (LLE) work program, which will be finalised early in 2011. The concept of LLE is all about growing local economies from the ground up.

in focus

LOCAL FOOD STRATEGY

We have been working with Southern Cross University and the community to research and develop the framework for a Local Food Strategy for the region.

Our agriculture industry plays a large role in the region's economy, so it is essential Council works in partnership with the industry and the community to help ensure this sector remains sustainable for the future.

In 2010/11, a series of industry and community forums were held to help develop initiatives for the Local Food Strategy. The forums helped identify opportunities for industry growth and niche diversification, and to bring consumers closer to regionally produced food, making it easier to buy locally.

The Local Food Strategy aims to:

- make it possible to develop local food supply chains
- encourage people to buy local produce as a normal part of everyday life
- encourage local restaurants and commercial kitchens to include regional and seasonal foods as a main ingredient in their menus
- build the region's reputation for quality fresh produce.

Council, in partnership with the community, will continue to rollout a range of programs focused on this sector. In 2010/11, we supported a number of initial projects, with highlights including:

- 11 local businesses graduating from the Agritourism Project
- a Climate Smart Business Cluster focusing on reducing food miles
- local participation in Regional Flavours at Southbank
- regular profiling of local businesses on the Visit Scenic Rim website and in tourism e-newsletters
- food and wine journalists hosted in the region as part of familiarisation tours
- participation in Eat Local Week in June 2011
- Kids Cooking Classes, focusing on nutrition and local produce
- Edible Garden Tours, encouraging sustainability through home grown food
- Beechmont Zest Fest, celebrating all things citrus
- Grow It Forum, where farmers, producers, retailers and consumers gathered to discuss the development of partnerships
- the bi-monthly Arts Dinners in June, specifically focused on local food
- farm tours for consumers to meet the people who grow or make their food
- the Solstice Food and Music Festival at Boonah
- two of the region's major exporters participating in the 'Asia Pacific Cities Summit' in Brisbane.



BUSINESS WORKSHOP PROGRAM

Council, in partnership with a number of key stakeholders, delivered a diverse Business Workshop Program during 2010/11. Workshops were held from July 2010 to February 2011, on topics including:

- bookkeeping
- personal productivity
- social media
- IT solutions
- business recovery (in response to the flood event in December and January).

Council also helped the Australian Tax Office deliver two workshops in the region in 2010/11.

ECONOMICS OF HAPPINESS

The *Economics of Happiness* is a documentary about the worldwide movement towards localisation. The documentary shows how people around the world are engaged in exploring alternative visions of prosperity and how communities are working together to develop more local economies that are designed to support locally-based businesses, and promote to consumers the importance of supporting local business.

Scenic Rim Regional Council – in collaboration with key community partners including The Ethos Foundation, Boonah Chamber of Commerce, Boonah Organisation for a Sustainable Shire and Kalbar Regional Organisation for Promotion (KROP) – presented screenings in Boonah and Beaudesert, with the film's internationally-renowned producer/director, Helena Norberg-Hodge, onsite in Beaudesert to discuss the movie with attendees.

DESTINATION MARKETING

Our destination marketing campaign for 2010/11 was broken up into three stages:

- Stage 1: 'My Favourite Spot', focused on Brisbane
- Stage 2: 'Colour your life in the Scenic Rim', also focused on Brisbane
- Stage 3: A campaign targeted to Gold Coast, other regions in Queensland, and Northern New South Wales.

The first two stages were rolled out from April to October 2010, while the third ran from January to June 2011. The campaigns featured a range of promotional activities including print, radio, television and digital media advertising, as well as billboards and printed materials.

Key outcomes:

- We hosted a Secrets of the Scenic Rim region-wide familiarisation tour for a wide range of media representatives. For

Council's investment of around \$7,000, more than \$250,000 worth of publicity was secured for the region and its experiences.

- We invested \$15,000 in a Wotif.com campaign, resulting in \$77,000 worth of bookings being made directly with local operators.

REGIONAL BRAND TOOLKIT AND MERCHANDISE PROSPECTUS

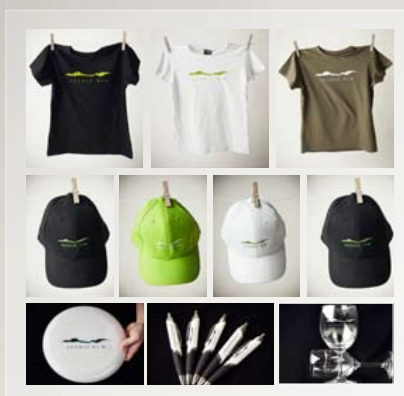
One of the key initiatives of 2010 involved developing a Regional Brand Toolkit and Merchandise Prospectus, which captures the spectacular and defining topography, geographical and cultural diversity, and contrasts of the Scenic Rim region.

The toolkit was developed to provide a process for all sections of the community to effectively and efficiently use the many elements of the regional brand for purposes including advertising, packaging, image library, merchandise and websites.

Over time, Council hopes the toolkit will enable the Scenic Rim region to build a strong brand identity for rich, high quality products – like regions such as King Island, the Barossa Valley, the Hunter Valley and Margaret River have successfully done.

The Regional Brand Toolkit explains how local businesses, community organisations, event organisers, etc. can access and use the brand for their own marketing activities.

buy it, sell it,
use it,
or wear it...



Scenic Rim merchandise
is now ON SALE at the following
Visitor Information Centres:



Beaulesert Community Art & Information Centre
Westerman Park, Cnr Mt Lindesay Highway
& Enterprise Drive Beaulesert

Boonah Visitor Information Centre
Bicentennial Park,
20 Boonah-Fassifern Road Boonah

Canungra Visitor Information Centre
12 – 14 Kidston Street Canungra

Rathdowney Information Centre & Historical Museum
82 Mt Lindesay Highway Rathdowney

Tamborine Mountain Visitor Information Centre
Doughty Park, 2 Main Western Road
North Tamborine



let's celebrate & showcase
the Scenic Rim together



To find out how your business
or community group can also take part
in this exciting initiative,
contact: tourism@scenicrim.qld.gov.au
for a Brand Toolkit
and Merchandise Prospectus





Environmental management



EDUCATION PROGRAMS

- In partnership with Boonah Organisation for a Sustainable Shire (BOSS), our recycling promotions featuring ‘Madam Mulch’ were conducted at primary schools throughout the region.
- In November 2010, we organised a colouring-in competition for local primary schools, with the first prize being a compost bin. (The winners were All Saints at Boonah, St Mary’s in Beaudesert, and St Bernard’s at Tamborine.)
- We promoted our recycling programs at all local shows.

CLEAN UP AUSTRALIA DAY

We helped organise areas for our local Clean Up Australia Day activities in March 2011, which were well attended by volunteers.



KERBSIDE RECYCLING

We introduced a commercial recycling service on 1 July 2010, and recycling has since increased by 27 per cent in the region.

Kerbside recycling	2008/09	2009/10	2010/11
Tonnes	889	2,260	2,755

REDUCING ENERGY USE

We continued to demonstrate our commitment to reduce our carbon footprint, by reducing the number of vehicles within Council’s fleet, and purchasing fuel-efficient, low-emission vehicles.



PROTECTING OUR WATERWAYS

We again undertook projects in partnership with the community and regional bodies to reduce diffuse-source water pollution and enhance and rehabilitate riparian areas. Projects included:

- community water quality training
- *Drain is for rain* community events
- Upper Logan River rehabilitation
- Upper Running Creek rehabilitation
- Il-Bogon Reserve planting
- Sandy Creek reserve rehabilitation
- Riverbend Reserve rehabilitation
- Canungra Girl Guides rehabilitation
- Logan and Albert Rivers fish restocking.

Council provided funding and in-kind support to operate the Scenic Rim Rivers Improvement Trust, which undertook Celtis eradication works in Sandy Creek and Burnett Creek. The Trust is collaborating with SEQ Catchments and landholders in the Coochin area to stabilise stream banks in the coming year.

in focus

ENVIRONMENTAL SUBSIDIES WARMLY RECEIVED BY COMMUNITY

In September 2010, Council launched two programs to encourage a greener region. The first gave eligible residents the opportunity to receive free trees under the Rural Trees Program, and the second allowed residents to buy a compost bin, with half of the cost subsidised by Council.

Both programs were successful, with all vouchers allocated within four weeks of becoming available.

RURAL TREES PROGRAM

This program was designed to provide native shelter trees and tree guards to owners of grazing properties throughout the region. The trees were for livestock shade and to ensure shelter trees remained on grazing properties.

Large paddock trees provide a range of benefits: they increase shade and shelter, reduce soil losses from wind, control water logging and salinity, and protect habitat values and visual appeal.

The Rural Trees Program included a 1.8m-high tree guard and a native tree suitable for the relevant area. Our expert staff also undertook site visits to discuss the best number and type of trees for the property. Eligibility for the program required applicants to own a rural grazing property of 40 hectares or more, with tree numbers limited to a maximum of 10 per property. Council supplied 350 native trees to rural property owners throughout the region.



COMPOST BIN REBATE PROGRAM

This program, launched on 1 October 2010, provided funding for a 50 per cent rebate on Gardenwise compost bins (usually valued at \$50) from a local retailer. Council provided 150 vouchers to Scenic Rim residents.

FREE TREES SCHEME

These new programs complemented the Free Trees Scheme, where vouchers are issued to landholders to collect trees from Council's Birnam Street Nursery or from one of the popular free tree days across the region. Trees distributed at the various locations during the year were:

Location	Number
Tamborine Mountain	882
Canungra	352
Beaudesert	84
Boonah	1,164
Harrisville	352
Birnam Steet Nursery	5,143
Total	7,977



PEST MANAGEMENT

Council's draft Pest Management Plan 2010-2014 was endorsed by relevant State Government agencies. We rolled out a number of actions as part of the plan, including weed workshops, property inspections, market education days, fire ant training and wild dog baiting programs. Pest awareness displays were also provided at local shows.

TREES ON PUBLIC LAND

We are committed to planting appropriate trees in public areas, and are aware difficulties arise where the species selected is unsuitable to the location. In 2010/11, Council developed a list of commonly used species to guide future plantings. We will continue to develop this list and use it to advise community groups, and the general community, when planting trees on Council-controlled land.

ENVIRONMENTAL MANAGEMENT SYSTEM

In 2010/11, we developed and introduced an environmental management system with environmentally sustainable principles and practices, to guide all Council construction and maintenance works.

BUILDING AND PLUMBING

We continued to monitor building and plumbing activities across the region for compliance with the *Building Act 1975*, *Plumbing and Drainage Act 2002* and miscellaneous legislation.

COMPARATIVE PERMITS NUMBERS ISSUED:

Building and plumbing permits	2008/09	2009/10	2010/11
Plumbing approvals	413	548	438
Council certified building approvals	376	318	232
Private certified building approvals	520	676	533





Infrastructure and asset management





ASSET MANAGEMENT PLANS

In November 2010, Council adopted Core Asset Management Plans for the region’s infrastructure assets (roads, bridges, culverts, floodways, solid waste facilities and parks, etc.) as well as our fleet (cars and major plant). The Core Asset Management Plans demonstrate the financial sustainability of the service currently offered by these assets within existing funding arrangements.

We are now working to advance our asset management maturity to 100 per cent core maturity, as measured by the 11 elements of the National Asset Management Assessment Framework. This involves improving and/or implementing policy, strategy, systems and procedures for managing our assets.

Improved asset management maturity gives us the ability to develop strategies to deliver the services required by the community in a cost-effective and sustainable way. This includes demonstrating the cost implications of improving or changing services provided, and allowing community input into funding options such as:

- reducing some services to direct funding to areas prioritised
- considering borrowing for service providing projects
- increasing or decreasing rates to meet the agreed service requirements
- maintaining the status quo.

DESIGN AND CONSTRUCTION MANUAL

Our Design and Construction Manual was reviewed and updated in 2010/11. The manual provides guidance to Council and developers on operational works applications and associated design and construction of streets, roads, drainage, water supply, sewerage and other associated activity within the region, while considering the effects of climate change.

ROAD WORKS

The December 2010/January 2011 floods affected our ability to fully deliver our road construction program, as resources were diverted to rectify damaged infrastructure. Key projects delivered were:

- Beechmont Road
- Kerry Road (Stage 1)
- Roadvale Road
- Yuulong Road/ Main Street footpath
- Main Street, Tamborine.

BRIDGE WORKS

Council maintains 135 bridges with an asset value of more than \$45m. Around 97 of these are traditional timber structures, constructed up to 60 years ago when traffic loads were generally lower than those imposed by modern freight vehicles.

Bridges are critical components of the road network by virtue of their high capital value, strategic and operational importance and the effect on the road network when a structure is taken out of service. Any bridge failure may severely disrupt road traffic in key areas with consequent inconvenience and economic loss to the community.

Council’s Bridge Strategy identifies issues with maintaining these structures. While we would like to replace a substantial number of the region’s bridges in the near future, the cost of such action dictates that, in many cases, other options must be pursued.

We updated the Bridge Strategy in November 2010, to provide for an affordable and sustainable response to managing these assets.

In 2010/11, we undertook major repairs to five bridges, and constructed heavy vehicle bypasses in five locations. One bridge was closed and load restrictions were placed on another bridge to reduce the risk of failure. Accessibility was improved at eight bridges.

Key transport infrastructure

	30/6/09	30/6/10	30/6/11
Sealed roads	940 km	941 km	952 km
Gravel roads	840 km	841 km	839 km
Bridges	140	139	135

CEMETERIES

As per our Regional Cemetery Strategy, management improvements to Council-controlled cemeteries in 2010/11 included:

- a detailed survey of the Kalbar cemetery (comprehensive records greatly help manage this cemetery)
- the transfer of cemetery data into the a central database, providing a more integrated approach to cemetery administration
- stronger links with Council’s only community managed cemetery.

	2008/09	2009/10	2010/11
No. of burials	148	149	145



LAKE MOOGERAH CARAVAN PARK

As a result of the flood events of December 2010/January 2011, Lake Moogerah reached 100 per cent capacity for the first time in about 20 years, generating a surge in patronage of this significant recreational facility.

RECREATION FACILITIES

We maintained approximately 134 hectares of park and recreation land across the region, including 38 parks containing playground equipment. Improvements undertaken during the period included:

- finalisation of Gallery Walk toilet upgrade (commissioning phase)
- new effluent disposal system at Flanagan Reserve
- construction of new Doughty Park toilets
- Moriarty Park basketball court and playground upgrade
- equipotential bonding at Mount Tamborine pool
- Geissmann Oval playground upgrade
- park and playground upgrades (shade structures, softfall, playground equipment, security, etc.)
- Lahey Tramway Tunnel landslip rectification
- Mount Tamborine Botanic Gardens support
- region-wide park signage
- preparation of annual garden beds.

WASTE MANAGEMENT

In 2010/11, a discussion paper was completed on the Bromelton Landfill site options to determine the most appropriate long-term use of the property.

We introduced new recycling and waste reduction initiatives at Council facilities. We also reviewed our waste disposal facilities, with recommendations to be presented to Council in 2011/12.

The Kalbar landfill was 'capped' and remediated to meet State Government environmental requirements. We also completed a new site office and waste transfer station area, with facilities installed for waste, as well as for plastic, glass, and cardboard recycling.

Waste received at transfer stations (tonnes)	2008/09	2009/10	2010/11
Beaudesert	1,288	1,202	1,375
Canungra	873	1,002	1,034
Rathdowney	463	421	452
Mount Tamborine	1,148	1,595	1,596
Boonah	1,427	1,296	1,506
Kalbar*	321	329	Not available*
Peak Crossing	138	258	295

*As from 2010/11, waste processed at Kalbar Transfer Station is measured by volume only; 71 cubic metres of waste was processed during this period.

Waste deposited into central landfill	2008/09	2009/10	2010/11
Tonnes	38,952	43,158	44,140

Waste collection services	30/6/09	30/6/10	30/6/10
Domestic	11,540	11,894	12,122
Commercial	1,050	1,172	1,185

in focus

TACKLING CHALLENGES, FLOODS AND DISASTER RECOVERY

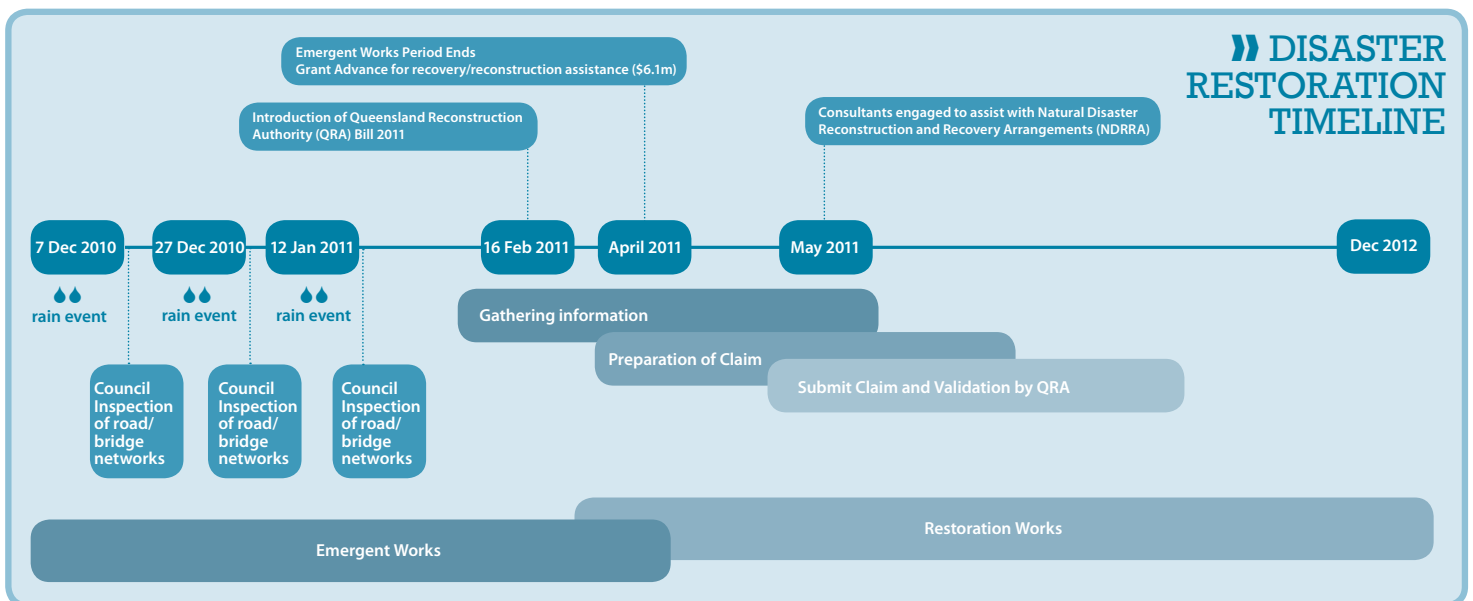
Natural Disaster Relief and Recovery Arrangements (NDRRA) were activated for the Scenic Rim region on 7 December 2010, as a result of flooding arising from Tropical Cyclones Anthony and Tasha, and Severe Tropical Cyclone Yasi. Road and bridge infrastructure across the region was heavily affected by these events, with preliminary damage estimates in excess of \$30m and the condition of some roads continuing to deteriorate due to sustained saturation of the road pavement.

The Federal and State Governments, through the NDRRA process, provide funding to councils to restore essential public assets after a natural disaster. This involves an initial phase of maintaining public safety and undertaking emergent works, and a subsequent phase involving detailed assessment and reconstruction of damaged assets.

Under the first phase, we responded quickly to the needs of the community by:

- assessing the entire road network
- undertaking emergent repairs worth around \$3.5m, including temporary closure of some roads and a bridge, and reinstatement of badly damaged sealed pavements with temporary gravel surfaces
- identifying flood-affected roads and bridges to the Queensland Reconstruction Authority (QRA)
- engaging consultants to review our preliminary damage assessments and estimates, prepare detailed NDRRA submissions and to manage the reconstruction phase.

By end of the 2010/11 period, NDRRA claims were advanced with restoration works completed in a timeframe agreed with Queensland Reconstruction Authority.





Planning and managing growth



CENTRE DEVELOPMENT PLANNING

The Beaudesert Centre Development Plan aims to identify areas around the existing business district that are suitable for further commercial development. Following public consultation in March-April 2011, Council adopted the plan for inclusion in the Draft Beaudesert Growth Management Strategy. In conjunction with the Centre Development Plan, Council also adopted the Kalbar and Tamborine Local Planning Studies for community feedback and information.

PLANNING INSTRUMENTS

The Beaudesert Growth Management Strategy aims to identify areas suitable for development over the next 20 years and beyond. A draft strategy is still being developed and is expected to be presented to Council and the community in 2011/12.

The Draft Bromelton Structure Plan was adopted by Council and forwarded to the State Government for first State Interest Check review. We expect the draft plan will be released for community consultation in the latter part of 2011.

We were required to develop Priority Infrastructure Plans for each of the three planning scheme areas (Beaudesert, Boonah and Ipswich). The draft planning assumptions and Priority Infrastructure Areas that underpin the plans have been submitted to the State Government for review for all three areas. The State Government, however, introduced a new infrastructure charges regime in June 2011. The regime still requires Council to establish plans for trunk infrastructure and planning assumptions for the Council area during 2011/12.

PLANNING SCHEME CONSOLIDATION

We carried out a number of planning scheme amendments in 2010/11, which further enhanced and refined the Beaudesert and Boonah Planning Schemes. The amendments are necessary in terms of the functionality of the schemes. We are continuing preparatory work to develop a new consolidated planning scheme for the entire Council area.

PLANNING AND DEVELOPMENT ASSESSMENT SERVICE

In 2010/11, we established PD Online for the entire Scenic Rim area, which enables the general public and applicants to view the progress of development applications on Council's website. Since the launch of PD Online in February 2011, there have been an average of 210 hits/views per week.

Council, through its involvement with the Housing Affordability Fund and the Local Government Association of Queensland, also signed up and implemented the Smart eDA framework. Smart eDA enables applicants to electronically lodge applications with Council and, in turn, electronically receive information and updates on the progress of the application.

Through the Housing Affordability Fund and the SEQ Development Managers Forum, we were also involved in the T5 Project, which aimed to decrease processing times for applications associated with single housing developments. The program is ongoing, and aims to consider not only housing applications but also developments involving multiple dwellings and boundary realignments.

We are continuing to refine our development assessment processes. It is through these refinements we are able to react positively to changes imposed at a State Government level and respond to the expectations of our customers and community.

Development assessment statistics	2009/10	2010/11
Development applications processed	204	229
Planning and Environment Court appeals finalised	8	15





Statutory information



The 2010/11 annual report is the first to provide information required under the new *Local Government Act 2009* and *Regulations*. Below, we have provided the relevant statutory information (or highlighted where it can be found in this document, if listed elsewhere).

Local Government Act 2009

S45 SIGNIFICANT BUSINESS ACTIVITIES

(a) During 2010/11, Council operated the following business activities:

- roads
- refuse collection
- fleet and fabrication services
- building services.

(b) None of the above activities satisfied the statutory threshold for classification as a significant business activity.

S201 REMUNERATION PAID TO SENIOR CONTRACT EMPLOYEES

The value of remuneration packages of Council's senior contract employees (as defined in Section 201 of the *Local Government Act 2009*) were as follows:

Salary band	No. of employees
\$110,000 - \$170,000	3
\$170,000 - \$230,000	3
\$230,000 - \$290,000	1

Local Government (Beneficial Enterprises and Business Activities) Regulation 2010

S45 OPERATION OF COMMERCIAL BUSINESS UNITS

Council has no commercial business units.

S98 CORPORATE ENTITIES PROVIDING WATER OR SEWERAGE

Council did not operate any corporate entities providing water and sewerage.

S176 COMPETITIVE NEUTRALITY COMPLAINTS

During the period:

- no investigation notices for competitive neutrality complaints were received
- no decisions were required to be made by Council regarding referee's decisions or QCA recommendations
- business activities accredited were:
 - roads
 - refuse collection
 - fleet and fabrication services
 - building services.

Local Government (Finance, Plans and Reporting) Regulation 2010

S111A FINANCES RELATING TO QUEENSLAND URBAN UTILITIES (QUU)

Payments by QUU to Council	
- Dividends	\$226,057
- Tax equivalents paid by QUU to Council	\$251,659
- Interest paid by QUU to Council on loan	\$995,529
Liabilities owed by QUU to Council	
- Dividends	\$442,084
- Tax equivalent payments	\$112,025
Payments by Council to QUU	Nil
Liabilities owed by Council to QUU	Nil

S112 RELEVANT MEASURES OF FINANCIAL SUSTAINABILITY

(a) The relevant measures of financial sustainability for 2010/11 and the next nine financial years are:

Measure	2011/12 budget forecast									
	Actual 2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Actual financial indicator results for 2010/11										
Working capital ratio (current assets / current liabilities)	3.4	3.1	2.7	2.6	2.6	2.5	2.6	2.8	2.8	2.7
Operating surplus ratio (net surplus / recurrent revenue - differs to operating margin in that this ratio includes capital revenue in the numerator)	17.5%	30.5%	29.2%	11.1%	8.1%	9.0%	11.0%	11.3%	11.2%	11.5%
Net financial liabilities ratio (total liabilities less current assets) / recurrent revenue)	-11.6%	-3.9%	9.2%	18.9%	19.7%	18.4%	15.2%	11.4%	11.2%	6.4%
Interest coverage ratio (net interest expense / recurrent revenue)	-3.1%	-4.0%	-3.5%	-2.7%	-2.2%	-1.9%	-1.9%	-2.0%	-1.9%	-2.1%
Infrastructure capital indicators										
Asset sustainability ratio (depreciation expense / capital expenditure on renewals)	96%	312.8%	302.6%	110.8%	112.3%	116.2%	114.8%	113.9%	106.1%	109.3%
Asset consumption ratio (written-down value of PPE / current replacement cost of PPE)	86%	84.7%	87.1%	87.2%	87.4%	87.6%	87.8%	88.0%	88.0%	88.2%

See Page 68 for explanations of the above Measures and for the Target Results developed by the Department of Local Government and Planning.

(b) Explanation of Council's Financial Management Strategy.

See Page 39.

Statutory information

S113 COUNCIL RESOLUTIONS

a. Resolutions about Councillor remuneration and expenses

S113 (a) Remuneration

The *Local Government (Operations) Regulation 2010* (Chapter 5, Part 1 Division 1) provides the processes for determining remuneration payable to Councillors. In February 2011, Council resolved there be no net change to Councillor remuneration rates adopted in February 2010, and that the following remuneration rates apply for the 2011 calendar year:

	Standard remuneration	Amalgamation loading (pro rata payment)		Total remuneration (2011)
		1 Jan – 30 Jun	1 Jul – 31 Dec	
Cr John Brent (Mayor)	\$112,170	\$2,295	\$1,150	\$115,615
Cr Dave Cockburn (Deputy Mayor)	\$72,695	\$1,545	\$770	\$75,010
Cr Derek Swanborough	\$63,315	\$1,305	\$655	\$65,275
Cr Richard Adams	\$63,315	\$1,305	\$655	\$65,275
Cr Virginia West	\$63,315	\$1,305	\$655	\$65,275
Cr Kathy Bensted	\$63,315	\$1,305	\$655	\$65,275
Cr Heather Wehl	\$63,315	\$1,305	\$655	\$65,275

On 14 December 2010, Council adopted guidelines for private usage of Council motor vehicles supplied to Councillors.

b. Resolutions about valuation of non-current assets

In May 2011, Council amended its Recognition of Non-Current Assets Policy by reducing the capitalisation threshold for reseals and re-sheeting from \$10,000 to \$2,000.

S114 COUNCILLORS

(a) & (b) Remuneration and super payments

Remuneration and superannuation payments to Councillors during 2010/11 were:

	Remuneration	Superannuation	Total
Cr John Brent	\$115,044	\$13,736	\$128,780
Cr Dave Cockburn	\$74,628	\$8,909	\$83,537
Cr Derek Swanborough	\$64,944	\$7,754	\$72,698
Cr Richard Adams	\$64,944	\$7,158	\$72,102
Cr Virginia West	\$64,944	\$7,754	\$72,698
Cr Kathy Bensted	\$64,944	\$7,754	\$72,698
Cr Heather Wehl	\$64,944	\$7,754	\$72,698

(c) & (d) Expenses and facilities

The *Local Government (Operations) Regulation 2010* (Chapter 5, Part 1 Division 2) outlines requirements for how councils provide facilities for Councillors, and how expenses incurred by Councillors (while performing their duties) are reimbursed. The Transitional Expenses Reimbursement Policy, as approved by the Department of Local Government and Planning and adopted by Council in April 2008, continued to apply during 2010/11.





The value of expenses incurred by, and the facilities provided to Councillors in 2010/11 was as follows:

Name of Councillor	Mobile phones	Council vehicles*	Training & conferences	Other **	Total
Cr John Brent	\$2,545	\$7,707	\$4,927	0	\$15,179
Cr Dave Cockburn	\$1,379	\$3,576	\$2,275	0	\$7,230
Cr Derek Swanborough	\$2,616	\$7,770	\$3,213	\$809	\$14,408
Cr Richard Adams	\$476	\$4,891	\$1,119	0	\$6,486
Cr Virginia West	\$3,106	\$6,143	\$2,799	0	\$12,048
Cr Kathy Bensted	\$1,096	\$4,468	\$7,973	0	\$13,537
Cr Heather Wehl	\$1,012	\$4,722	\$1,151	0	\$6,885

* Operating and maintenance costs of vehicles

** Home office internet

Other facilities provided generally to Councillors include printing, stationery and Council landline phones (the costs associated with these items cannot be itemised). Funds expended on these items totalled \$3,837.

(e) meeting attendances

Meeting attendances were as follows:

Councillor	Ordinary (12)	Planning & Development Committee (12)	Corporate & Community Services Committee (12)	Special (5)
Cr John Brent	11	12	11	4
Cr Derek Swanborough	12	12	12	5
Cr Richard Adams	12	12	12	5
Cr Virginia West	11	12	12	5
Cr Dave Cockburn	12	12	12	5
Cr Kathy Bensted	12	12	12	5
Cr Heather Wehl	12	12	12	5

(f), (g) & (h) Complaints made against Councillors

Statistics for complaints made against Councillors were as follows:

Complaint type	LGA Section	Number
Complaints assessed as frivolous or vexatious	S177(4)	2
Inappropriate conduct complaints referred to Department's CEO	S177(5)(a)	1
Inappropriate conduct complaints referred to Mayor	S177(5)(b)	6
Misconduct complaints referred to Department's CEO	S177(6)	0
Complaints of official misconduct	S177(7)	0
Complaints heard by Regional Conduct Review Panel		0
Complaints heard by Local Government Remuneration and Discipline Tribunal		0
Other complaints dealt with	S177(8)	0

Statutory information

Summary of orders and recommendations made:

Type of order and/or recommendation	LGA Section	Number
Orders and recommendations by Regional Conduct Review Panel	S180(2)&(4)	0
Orders of reprimand and/or referral by Mayor	S181(1)	5
Orders by Meeting Chairpersons	S181(2)	0

Details of orders and recommendations made:

Name of Councillor	Description of inappropriate conduct engaged in	Summary of order or recommendation
D Swanborough	Breach of Code of Conduct regarding article published in The Canungra Times August 2010	Reprimand and referral of any repeat of this type of conduct to Department's CEO
D Swanborough	Breach of Code of Conduct regarding article published in The Beaudesert Times 3/11/10	Reprimand and referral of any repeat of this type of conduct to Department's CEO
D Swanborough	Breach of Code of Conduct regarding article published in Tamborine Mountain News 22/2/11	Reprimand and referral of any repeat of this type of conduct to Department's CEO
D Swanborough	Breach of Code of Conduct regarding article published in The Fassifern Guardian 6/4/11	Reprimand and referral of any repeat of this type of conduct to Department's CEO
D Swanborough	Breach of Code of Conduct regarding article published in The Beaudesert Times 20/4/11	Reprimand and referral of any repeat of this type of conduct to Department's CEO

S115 ADMINISTRATIVE ACTION COMPLAINTS

A general complaints process, adopted under the *Local Government Act 1993*, operated throughout the year. Under that process, two complaints required Stage 2 investigation.

In June 2011, Council adopted a Complaints Management Policy, which commits Council to managing complaints in a responsive, efficient, effective, fair and economical way. The policy includes an attached administrative action complaints process to replace the general complaints process from 2011/12.

S116 OVERSEAS TRAVEL

Council's Manager Infrastructure and Design, Seren McKenzie, participated in an Engineering Study Tour to the USA and England from 7-29 August 2010. Expenses attached to this study tour were funded by Institute Public Works Engineering Australia - Queensland Foundation.

S117 GRANTS PROVIDED TO COMMUNITY ORGANISATIONS

a. Grants from Council programs

Program	Grants paid
Community Grants Program	\$138,335
Public Halls Assistance Program	\$25,200
Environmental Grants Program	\$48,250
Regional Arts Development Fund	\$76,884
Total	\$288,669

b. Councillor discretionary fund payments

Council did not operate Councillor discretionary funds during the period.

S118 RESERVES AND CONTROLLED ROADS

Council has control of the following State Government land:

a. 1,466 ha of reserves as Trustee under the *Land Act 1994* (including 228 ha which Council leases to others)

b. 1,791 km of roads.

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

S119 OTHER MATTERS

a. Performance in implementing the five-year corporate plan and annual operational plan

See pages 20-21.

b. Particulars of other issues that are relevant to making an informed assessment of Council's operations and performance in the financial year.

See pages 22-57.

c. Details of any action taken for, and expenditure on, a service, facility or activity—

- i. supplied by another government, under an agreement for conducting a joint government activity; and
- ii. for which Council levied special rates or charges for the financial year.

Council did not levy any special rates or charges for a service, facility or activity supplied by another local government.

d. Number of invitations to change tenders under section 177(7)

No invitations to change tenders were issued during the year.

e. A list of the registers kept

The following registers were kept by Council in 2010/11

- Burials in Council cemeteries
- Impounded Animals
- Cat and Dog Registry
- Fees and Charges
- Local Laws and Subordinate Local Laws
- Register of Interests
- Register of Electoral Gifts
- Register of Gifts and Personal Benefits
- Register of Beneficial Enterprises
- Register of Council Policies
- Roads Register
- Pest Control and Entry Notices
- Show Cause and Enforcement Notices
- Environmentally-relevant Activities
- Development Applications Received
- Decision Notices and Negotiated Decision Notices (SPA)
- Business Activities to which Competitive

Neutrality Principle applies

- Asset Register
- Register of Pre-qualified Suppliers
- Register of Delegations
- Register of Backflow Prevention Devices

f. A summary of all concessions for rates and charges granted

Council allows a discount of five per cent on current year general rates and separate charge – community infrastructure 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) is received by Council on or before the due date for payment. The due date will be at least 30 days from the date of issue, as per section 52 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*.

As part of Council's commitment to preserve the environment, we provide 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.

In 2010/11, 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
- stock dip and pump sites held separately from the balance of holdings or held separately by trustees
- land identified as historic subdivisions under the Boonah Shire Council Planning Scheme.

Council gave exemption from waste collection charges to a number of organisations whose objects do not include the making of a profit.

g. The report on the internal audit for the year

See page 40.

h. A statement about the local government's activities during the year to implement its plan for equal opportunity in employment

See page 36.

i. The names of the local government's shareholder delegates for its corporate entities

Council did not operate any corporate entities.

j. A summary of investigation notices given in the year under section 137 of the *Business Activities Regulation* for competitive neutrality complaints

Council did not receive any investigation notices under the *Business Activities Regulation*.

k. The local government's decisions in the year on—

- i. the referee's recommendations on any complaints under section 145(3) of the *Business Activities Regulation*; and
- ii. the Queensland Competition Authority's recommendations under section 158(5) of the *Business Activities Regulation*

No decisions were required about recommendations under s145(3) or s158(5).

[Public Sector Ethics Act 1994](#)

S12(2) Action taken to implement the Code of Conduct for Employees

See page 18.

[Whistleblowers Protection Act 1994](#)

No Public Interest Disclosures were received by Council under the *Whistleblowers Protection Act 1994* between 1 July 2010 – 31 December 2010.

This legislation was superseded on 1 January 2011 by the *Public Interest Disclosure Act 2010*, which provides that all future Annual Reporting of Public Interest Disclosures to public sector agencies will be performed by the oversight agency (in other words, the Public Service Commission).



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 help readers evaluate Council's financial performance and position without the need to interpret the financial statements contained in the Annual Financial Report.

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 commence on page 70.

The three primary reports are:

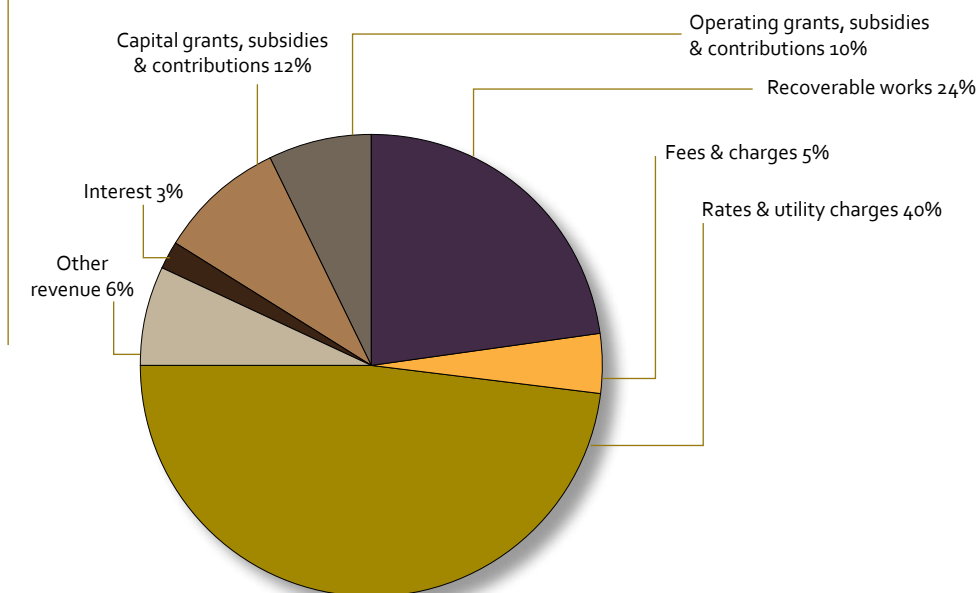
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows.

STATEMENT OF COMPREHENSIVE INCOME

This statement details the income and expenses of Council and discloses the increase or decrease in operating capacity over the reporting period.

SOURCES OF INCOME - WHERE OUR MONEY COMES FROM

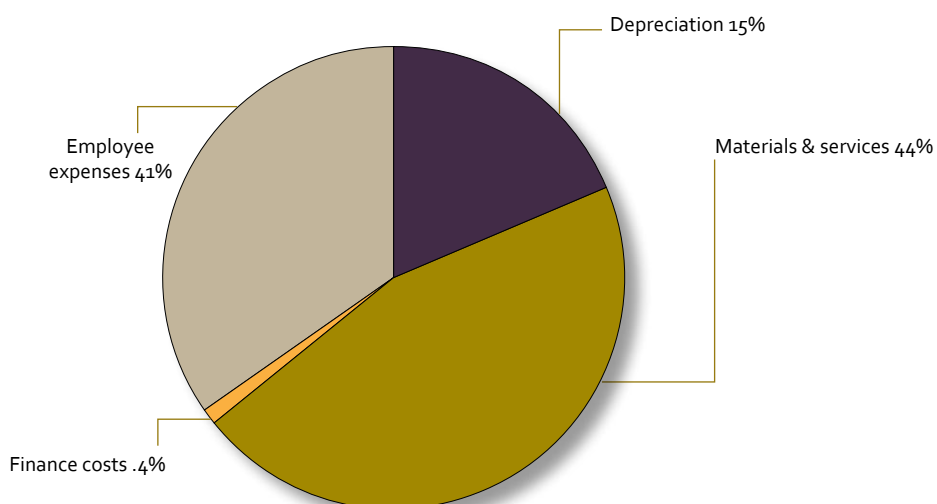
Rates and utility charges are Council's main source of income. However, other sources such as recoverable works, developer contributions, government grants and subsidies, and fees and charges are also an important income source to help fund the future growth of our region.



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. 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.





STATEMENT OF FINANCIAL POSITION

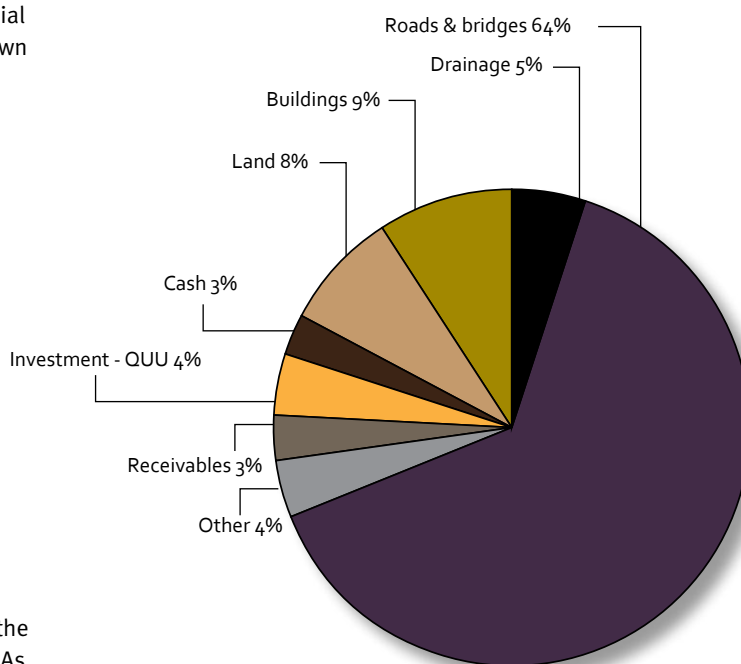
This statement details Council's net accumulated financial worth at the end of each financial year and is broken down into Council's assets and liabilities.

ASSETS - WHAT OUR COMMUNITY OWNS

The major components of our assets include:

- cash
- receivables
- property, plant and equipment
- capital work in progress
- investment - Queensland Urban Utilities (QUU).

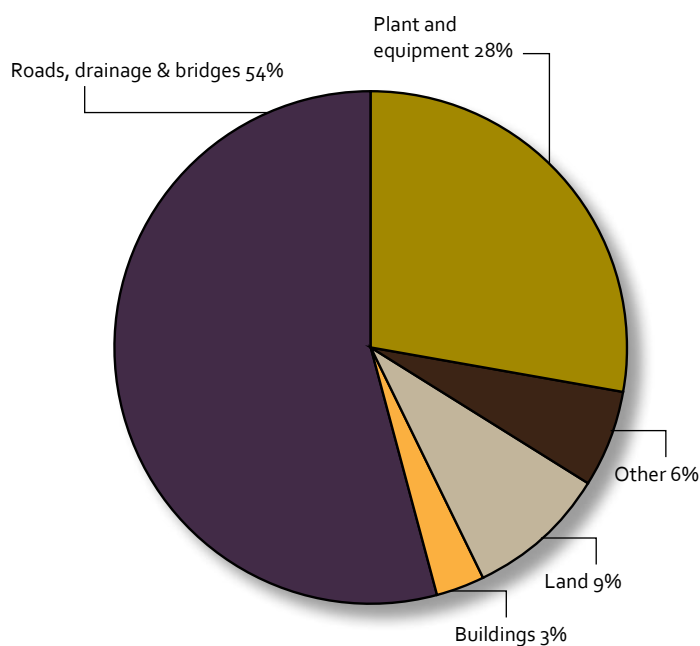
Property, plant and equipment accounts for 89% of Council's assets. This is a significant investment for the community and requires astute management to ensure the level of service provided by these assets is maintained. As at 30 June 2011, Council held assets worth \$656 million.



ASSETS - WHERE THE CAPITAL WORKS WAS SPENT

Capital works of \$12.4 million were undertaken during the period.

Major projects undertaken include roadworks at Kerry Road and Church Street, construction of the Doughty Park and Gallery Walk toilet blocks, the bridge upgrade program and the annual plant replacement program. This graph shows a summary of where the capital expenditure was spent.



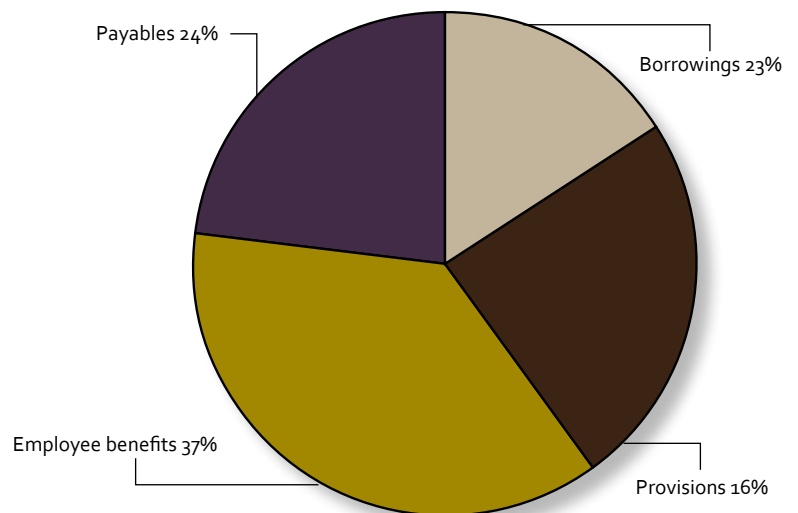


LIABILITIES - WHAT OUR COMMUNITY OWES

The major components of our liabilities include:

- payables
- employee benefits
- borrowings
- provisions.

Council's borrowings increased by \$1.3 million to \$4.8 million during the reporting period. This increase was due to \$3.5 million of new loans taken out and \$2.1 million of loans transferred to Queensland Urban Utilities during the financial year. Loan principal repayments of \$0.14 million were also made during the year. Our total liabilities as at 30 June 2011 were \$21.1 million.

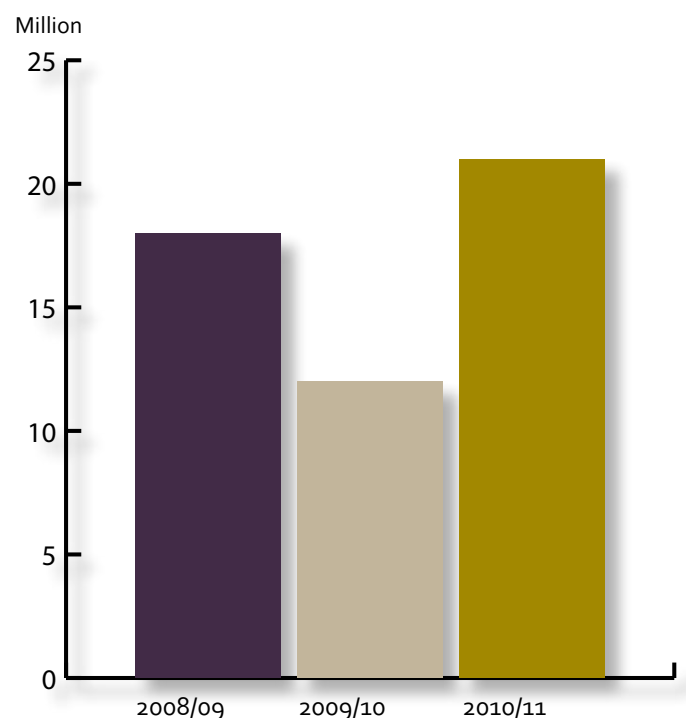


STATEMENT OF CASH FLOWS

The Statement of Cash Flows shows Council's cash inflows and outflows. This statement shows our ability to pay our bills and retain some money for the future. Our final cash balance, at 30 June 2011, was \$22.1 million.

Council's cash increased by \$8.15 million during the 2010/11 financial year. Cash held by Council is mainly invested, to maximise our interest earnings. Council also uses this money, rather than borrowing, to fund projects, to keep borrowings to a minimum and minimise financing costs.

Year end cash balances





FINANCIAL MANAGEMENT SUSTAINABILITY INDICATORS

The Department of Infrastructure and Planning has developed a range of sustainability indicators to assist in assessing the long-term sustainability of Council. The definition of sustainability for Queensland councils is 'A local Council is sustainable if its infrastructure capital and financial capital is able to be maintained over the long term'.

This table summarises the indicators and compares Council's actual results for the 2010/11 financial year against the targets set by the Department.

Indicator	Definition	Target	2010/11 actual	Result
Infrastructure capital ratios				
Asset sustainability ratio	This is an approximation of the extent to which Council's infrastructure assets are being replaced as they reach the end of their useful lives.	>90%	96%	Favourable
Asset consumption ratio	This ratio shows the written down current value of Council's depreciable assets relative to their 'as new' value. This ratio seeks to highlight the aged condition of Council's assets.	40-80%	86%	Favourable
Financial capital ratios				
Working capital ratio	This ratio measures the extent to which Council has liquid assets available to meet short term financial obligations.	>1	3.4	Favourable
Operating surplus ratio	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital purposes.	0-15%	17.5%	Favourable
Net financial liabilities ratio	This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.	≤60%	-11.6%	Favourable
Interest coverage ratio	This ratio indicates the extent to which Council's operating revenues are committed to interest expenses.	0-10%	-3.1%	Favourable

The net Operating Surplus (pre water Reform) has been used in calculating the Operating Surplus Ratio



Significant events

WATER REFORM IN SOUTH EAST QUEENSLAND

In May 2007, the Queensland Water Commission released its final report to the Queensland Government on urban water supply arrangements in South East Queensland. The report recommended a range of structural and regulatory reforms proposed for urban water supply arrangements in South East Queensland, including enhanced economic regulation and pricing.

BULK WATER REFORM

The *South East Queensland Water (Restructuring) Act 2007* provided the legislative basis to affect the first stage of the State Government's reforms by facilitating bulk water supply and transport business restructure in South East Queensland. Pursuant to transfer notices gazetted under the *Act*, bulk water assets and liabilities were transferred to the Queensland Bulk Water Transport Authority and the Queensland Bulk Water Supply Authority on 1 July 2008.

DISTRIBUTION AND RETAIL WATER REFORM

The *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 (the Act)* established a statutory body called the Central SEQ Distributor-Retailer Authority on 3 November 2009 to deliver water and wastewater services to customers within the local government areas of participating councils:

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

On 1 July 2010, the Authority acquired legislative power to begin trading, using the business name Queensland Urban Utilities.

The total contribution of each council to the Distributor-Retailers was calculated using a regulatory asset base (RAB) valuation approved by the Queensland Government for water pricing purposes. The RAB represented the market value of the assets at 25 June 2008, adjusted to 30 June 2010.

The RAB was used to determine each council's participation rights, which are Brisbane City Council 85.007%, Ipswich City Council 12.222%, Lockyer Valley Regional Council 0.903%, Scenic Rim Regional Council 1.042%, and Somerset Regional Council 0.826%, recorded in a signed participation agreement dated 25 June 2010.

Queensland Urban Utilities capital structure comprises \$4,231,321,925 in equity and participant loans allocated according to each Council's participation rights.

On 1 July 2010, the value of Scenic Rim Regional Council's participation rights was \$26,459,757 and the loan receivable was \$14,675,957. Since this consideration was less than the net assets carrying value of \$108,192,244, Council has incurred a loss on disposal of \$64,092,649 during the 2010/11 financial period.

NATURAL DISASTERS

An extraordinary flood event that occurred during the 2010/11 financial year affected large tracts of Queensland causing significant damage to infrastructure and property throughout many local government areas, including Scenic Rim Regional Council. This flood event was nominated as 'Disaster Event – Queensland Flooding and Tropical Cyclones Tasha and Anthony, November 2010 – February 2011' and was initially declared for the Scenic Rim

Regional Council area on 7 December 2010. Following heavy rainfall and associated flooding, several re-declarations occurred with the final declaration taking place at the end of January 2011.

The majority of the costs associated with this natural disaster event are funded under the State Government's Natural Disaster Relief and Recovery Arrangements (NDRRA). Works are classified as either emergent works or restoration works. Emergent works are works that have become necessary during the course of a disaster to protect eligible public assets or to restore essential services and maintain public safety. It also covers immediate post-disaster repairs to eligible assets to enable them to operate at a reasonable level of efficiency and temporary repairs to ensure access and safety. All emergent works have been completed. Restoration works relate to the reconstruction or replacement of eligible assets to their pre-disaster standard or level of service and must be finalised within two financial years of the date of the final activation. Below is a summary of the effect of this natural disaster on the finances of Council during the 2010/11 financial year.

EMERGENT WORKS

Total emergent works expenditure during the 2010/11 financial year was \$4,353,060 with \$3,911,034 claimed under NDRRA.

RESTORATION WORKS

Total restoration works expenditure during the 2010/11 financial year was \$1,560,776. Council received capital grant funding in advance of \$2,195,376 during the financial year.



Financial Statements



**Scenic Rim Regional Council
Financial Report**

For the year ended 30 June 2011

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Independent Audit Report

Scenic Rim Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
Income			
Recurrent revenue			
Rates and utility charges	3	30,883,123	36,477,016
Fees and charges	4	3,835,472	4,956,813
Interest received	5	2,306,461	1,013,603
Sales of contract and recoverable works	6	18,667,421	4,184,343
Grants, subsidies, contributions and donations	7 i)	7,626,679	4,610,770
Other revenues	8	2,723,741	5,046,548
Total recurrent revenue		66,042,897	56,289,093
Capital revenue			
Grants, subsidies, contributions and donations	7 ii)	9,621,809	13,290,605
Total revenue		75,664,706	69,579,698
Capital income	9	36,505	736,520
Total income		75,701,211	70,316,218
Expenses			
Recurrent expenses			
Employee expenses	10	26,081,254	27,256,561
Materials and services	11	28,107,871	24,183,060
Finance costs	12	442,900	472,193
Depreciation and amortisation	13	9,304,877	10,483,136
Total recurrent expenses		63,936,902	62,394,950
Capital expenses			
	14	1,345,685	884,759
Total expenses		65,282,587	63,279,709
Share of profit from associate (prior to distributions)	21	1,364,332	0
Net operating surplus (pre water reform)		11,782,956	7,036,509
Result of water reform process *	36	64,092,649	0
Net operating result (post legislated water reform)		(52,309,693)	7,036,509
Other comprehensive income			
Increase / (decrease) in asset revaluation surplus	30	7,820,956	(5,660,620)
Share of other comprehensive income from associate	21	11,368	0
Total comprehensive income for the year		(44,477,369)	1,375,889

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

* Since May 2007, South East Queensland water supply and wastewater arrangements have undergone major structural and regulatory reform instigated by the Queensland Government. The Scenic Rim Regional Council was legislated to participate in this reform process and to transfer all water supply and wastewater assets to the new Central SEQ Distributor-Retailer Authority (Queensland Urban Utilities). The consideration received by Council was calculated using a regulatory asset base valuation approved by the Queensland Government. Since this consideration was less than the carrying value of net assets transferred of \$108,192,244, Council has incurred a loss on disposal of \$64,092,649 during the 2010/11 financial period.

Scenic Rim Regional Council
Statement of Financial Position

As at 30 June 2011

	Note	2011 \$	2010 \$
Current assets			
Cash and cash equivalents	15	22,092,783	13,940,967
Trade and other receivables	16	5,543,639	5,859,833
Inventories	17	799,744	508,467
Other assets	18	461,474	438,180
		<u>28,897,640</u>	<u>20,747,447</u>
Non-current assets classified as held for sale	19	0	390,680
Total current assets		28,897,640	21,138,127
Non-current assets			
Trade and other receivables	16	14,753,793	62,336
Other financial assets	20	10	10
Investment in associate	21	27,167,316	0
Intangible assets	22	2,188,482	1,834,480
Property, plant and equipment	23	582,939,443	677,379,123
Total non-current assets		627,049,044	679,275,949
Total assets		655,946,684	700,414,076
Current liabilities			
Trade and other payables	24	4,968,498	5,645,221
Employee benefits	25	2,575,470	2,808,289
Borrowings	26	386,459	278,716
Provisions	27	637,295	694,187
Other liabilities	28	5,801	0
Total current liabilities		8,573,523	9,426,413
Non-current liabilities			
Employee benefits	25	5,307,214	5,913,902
Borrowings	26	4,460,766	3,305,570
Provisions	27	2,781,339	4,226,760
Total non-current liabilities		12,549,319	13,446,232
Total liabilities		21,122,842	22,872,645
Net assets		634,823,842	677,541,431
Equity			
Accumulated surplus	29	425,194,248	449,639,730
Asset revaluation surplus	30	209,629,594	227,901,701
Total equity		634,823,842	677,541,431

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

Scenic Rim Regional Council
Statement of Cash Flows

For the year ended 30 June 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
<i>Inflows:</i>			
General rates and utility charges		30,982,696	36,626,803
Rental and levies, fees and charges		3,835,472	4,956,813
Interest received		2,306,461	1,013,603
Grants, subsidies and contributions		7,626,679	4,610,770
Other income		22,056,984	9,447,690
GST received from customers		2,947,037	1,311,788
GST input tax credits from ATO		512,729	2,738,901
<i>Outflows:</i>			
Payments to suppliers		(29,570,402)	(22,969,169)
Payment to employees		(26,057,287)	(27,257,818)
Interest expense		(255,182)	(257,747)
GST paid to suppliers		(3,924,467)	(3,888,085)
Net cash inflow / (outflow) from operating activities	35	10,460,720	6,333,549
Cash flows from investing activities			
<i>Inflows:</i>			
Proceeds from sale of property plant and equipment		1,458,846	1,681,680
Grants, subsidies and contributions for capital acquisitions		4,576,496	7,233,486
Dividend received from associate		668,141	0
<i>Outflows:</i>			
Payments for property, plant and equipment		(12,377,023)	(22,206,136)
Net cash inflow / (outflow) from investing activities		(5,673,540)	(13,290,970)
Cash flows from financing activities			
<i>Inflows:</i>			
Proceeds from Borrowings		3,500,000	2,100,000
<i>Outflows:</i>			
Repayment of borrowings		(135,363)	(414,599)
Net cash inflow / (outflow) from financing activities		3,364,637	1,685,401
Net increase / (decrease) in cash held		8,151,816	(5,272,020)
Cash at beginning of reporting period		13,940,967	19,212,987
Cash at end of reporting period	15	22,092,783	13,940,967

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

Scenic Rim Regional Council
Statement of Changes in Equity

For the year ended 30 June 2011

	Accumulated surplus	Asset revaluation surplus	Total
Note	29 \$	30 \$	\$
Balance as at 1 July 2010	449,639,730	227,901,701	677,541,431
Net operating result (post legislated water reform)	(52,309,693)	0	(52,309,693)
Other comprehensive income			
Revaluations of Property, Plant and Equipment	0	6,606,672	6,606,672
Change in value of future rehabilitation cost	0	1,214,284	1,214,284
Share of other comprehensive income from associate	11,368	0	11,368
Total comprehensive income for the year	(52,298,325)	7,820,956	(44,477,369)
Transfers to and from reserves			
Transfers from/to asset revaluation surplus	26,093,063	(26,093,063)	0
Assets not previously recognised	1,759,780	0	1,759,780
Balance as at 30 June 2011	425,194,248	209,629,594	634,823,842
Balance as at 1 July 2009	442,603,221	233,562,321	676,165,542
Net operating surplus	7,036,509	0	7,036,509
Other comprehensive income			
Revaluations of Property, Plant and Equipment	0	(5,801,064)	(5,801,064)
Change in value of future rehabilitation cost	0	140,444	140,444
Total comprehensive income for the year	7,036,509	(5,660,620)	1,375,889
Balance as at 30 June 2010	449,639,730	227,901,701	677,541,431

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

1 Significant Accounting Policies

1.A Basis of Preparation

These general purpose financial statements for the period 1 July 2010 to 30 June 2011 have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board. They also comply with the requirements of the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting) Regulation 2010*.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

1.B Statement of Compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. 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, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets and the timing of the recognition of non-reciprocal grant revenue.

1.C Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

	Effective for annual report periods beginning on or after:
AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2013
AASB 124 <i>Related Party Disclosures</i> (December 2009)	1 January 2011
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)</i>	1 January 2013
2009-12 <i>Amendments to Australian Accounting Standards in relation to AASB 8 Operating Segments (December 2009)</i>	1 January 2011
2009-14 <i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (Interpretation 14) (December 2009)</i>	1 January 2011
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
AASB 2010-4 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>	1 January 2011
AASB 2010-5 <i>Amendments to Australian Accounting Standards</i>	1 January 2011
AASB 2010-6 <i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets</i>	1 July 2011

Scenic Rim Regional Council
Notes to the financial statements
 For the year ended 30 June 2011

AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2013
AASB 2010-8 <i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets</i>	1 January 2012
AASB 2010-9 <i>Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>	1 July 2011
AASB 2010-10 <i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters</i>	1 January 2013

Management have yet to assess the impact that AASB 9 *Financial Instruments* and 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* are likely to have on the financial statements of Council as it is anticipated that further amendments will occur. Council does not expect to implement the amendments prior to the adoption date of 1 January 2013.

The reported results and position of the council will not change on adoption of the other pronouncements as they do not result in any changes to the council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The council does not intend to adopt any of these pronouncements before their effective dates.

1.D Critical Accounting Estimates

The preparation of financial reports 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 and are deemed to include:

- Valuation of property, plant and equipment - Note 1.Q, Note 23(a) and Note 23(b)
- Depreciation of property, plant and equipment - Note 1.Q, Note 13 and Note 23(a)
- Impairment of property, plant and equipment - Note 1.T, Note 23(a) and Note 23(b)
- Provisions - Note 1.Y and Note 27
- Employee benefits - Note 1.W and Note 25
- Contingent liabilities - Note 32

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 2009* and is domiciled in Australia.

1.G Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.H Changes to Accounting Policies

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

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

1.1 Income

Rates, Fees and Charges, Interest, Sales of Contract and Recoverable Works, Grants and Other Revenue are recognised as revenue on receipt of funds or earlier upon 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.

Fees and Charges

Fees and charges are recognised upon receipt.

Interest Received

Interest received from term deposits is accrued over the term of the investment.

Sales of Contract and Recoverable Works

Sales of contract and recoverable works are recognised as a receivable when it is probable that it will be received and the amount is known. The contract work carried out is not subject to retentions.

Grants and Subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them.

Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements. Council does not currently have any reciprocal grants.

Non-Cash Contributions

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

Physical assets contributed to Council by developers in the form of road works, stormwater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

Cash Contributions

Council receives cash contributions from property developers to construct assets such as roads and footpaths and to connect new property developments to water and sewerage networks in the local government area. Where agreements between Council and the developers relating to these contributions are determined to fall within the scope of AASB Interpretation 18 Transfers of Assets from Customers these contributions are recognised as revenue when the related service obligations are fulfilled.

AASB Interpretation 18 has been applied prospectively from 1 July 2009. All cash contributions were recognised as revenue on receipt prior to 1 July 2009.

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.

Scenic Rim Regional Council
Notes to the financial statements
 For the year ended 30 June 2011

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 received but not banked at 30 June 2011, deposits held at call with financial institutions, and other short-term, highly liquid investments that are readily convertible to known amounts of cash at the Council's option and that are subject to a low risk of changes in value.

The Council considers all its term deposits, being for periods of six 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 an allowance being made for impairment if required.

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

The loan to Queensland Urban Utilities is recognised at book value and is an interest only loan.

1.L Financial assets and financial liabilities

Council recognises a financial asset or a financial liability in its statement of financial position, when, and only when, Council becomes a party to the contractual provision of the instrument.

Council has categorised and measured the financial assets and financial liabilities held at reporting date as follows:

Financial assets

Cash and cash equivalents – Note 1.J

Receivables – Note 1.K

Other financial assets – Note 1.N

Financial liabilities

Payables – Note 1.V

Borrowings – Note X

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

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

The fair value of borrowings, as disclosed in Note 26 to the accounts, is determined by reference to published price quotations in an active market and/or by reference to pricing models and valuation techniques. It reflects the value of the debt if the Council repaid it in full at reporting date. As it is the intention of the Council to hold its borrowings for their full term, no adjustment provision is made in these accounts.

The fair value of trade receivables approximates the amortised cost less any impairment. The fair value of payables approximates the amortised cost.

The fair value of other financial assets is represented by cost.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 37.

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

1.M Investment in an associate

An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control.

Investments in associates are accounted for in the financial statements using the equity method and are carried at the lower of cost and recoverable amount. Under this method, the entity's share of post-acquisition profits or losses of associates is recognised in Statement of Comprehensive Income and the interest in the equity of the associate is recognised in the Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the cost of the investment.

Investment in an associate held by Scenic Rim Regional Council is disclosed in Note 21.

1.N Other Financial Assets

Other Financial Assets represent equity investments.

Shares - Electricity Credit Union

Shares in the Electricity Credit Union are recognised at cost.

1.O Inventories

Stores and raw materials 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.P 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 the carrying value or fair value. Inventory items are always treated as current assets.

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

Scenic Rim Regional Council
Notes to the financial statements
For the year ended 30 June 2011

1.Q Property, Plant and Equipment

Items of plant and equipment with a total value of less than \$5,000, road reseals/resheeting with a total value of less than \$2,000 and all other 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
Buildings
Road and bridge network
Water (transferred to Queensland Urban Utilities 1 July 2010)
Sewerage (transferred to Queensland Urban Utilities 1 July 2010)
Drainage
Other infrastructure
Major plant and equipment (acquisition cost greater than \$100,000)
Other plant and equipment
Capital work in progress

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 and plant and equipment, received in the form of contributions, 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.

Capital Works 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.

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*. Other plant and equipment is 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 involves the application of a suitable index to the cost elements of each asset or an independent assessment of the value.

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).

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

Depreciation

Land is not depreciated as it has an unlimited useful life. Plant and equipment and other infrastructure assets are depreciated on a straight line basis over its useful life. Council has adopted the Advanced Straight-line Asset Management (Advanced SLAM) method of depreciation which is a consumption based depreciation for its infrastructure assets. When applying the Advanced SLAM method the asset lifecycle is divided into a number of distinct phases identified as periods of transition between various consumption ratings. The consumption (depreciation) of the asset is calculated by making reference to the time of transition for each phase taking into account the relative reduction in asset value.

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.R 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.

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

It has been determined that no active market exists 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.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.

An impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

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 25 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 25 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 33.

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

(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. This liability is disclosed in Note 25 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. This liability is provided in respect of refuse sites and quarries. Details can be found in Note 27.

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

The cost of the restoration provision is capitalised and amortised over the expected useful life of the refuse site or quarry. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus. If there is no available revaluation surplus, 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 Surplus

The asset revaluation surplus 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 the asset revaluation surplus.

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 surplus in respect of that class. Any excess is treated as an expense.

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

During 2010/11, the asset revaluation reserve applicable to water and sewerage assets was transferred to Council's accumulated surplus. This is disclosed in Note 30.

1.AA National Competition Policy

The Council has reviewed its activities to identify its business activities. Details of these activities are disclosed in Note 38.

Scenic Rim Regional Council
Notes to the financial statements
For the year ended 30 June 2011

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 Rounding and Comparatives

Amounts included in the financial statements have not been rounded.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1.DD 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. Details can be found in Note 34.

1.EE Controlled Entities

The *Boonah and District Art Gallery and Library Trust* and *The Boonah and District Performing Arts Centre Trust* are controlled entities of Council. The transactions and balances of these entities are not material and therefore are not consolidated with Council's financial statements.

1.FF 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.

Council has a participating interest in the Central SEQ Distributor-Retailer Authority (trading as QUU) governed by a Participation Agreement. The Authority is subject to the Local Government Tax Equivalent Regime (LGTER). Under the LGTER the Authority is required to make income tax equivalent payments to Council in accordance with the requirements of the Participation Agreement. Income tax equivalent payments from the Authority are recognised as revenue when the significant risks and rewards related to the corresponding assets have been transferred to Council.

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

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

2 Analysis of results by function

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

Year Ended 30 June 2011

Functions	Income		Total income	Total expenses	Net result for period (pre water reform)	Assets
	Grants	Other				
	2011 \$	2011 \$	2011 \$	2011 \$	2011 \$	2011 \$
Other Corporate Functions	4,175,408	36,687,623	40,863,031	28,360,935	12,502,096	187,218,648
Roads and Bridges	13,073,081	18,729,882	31,802,963	31,194,866	608,097	460,408,138
Waste Management	0	4,399,549	4,399,549	5,726,786	(1,327,237)	8,319,898
Total	17,248,489	59,817,054	77,065,543	65,282,587	11,782,956	655,946,684

Year Ended 30 June 2010

Functions	Income		Total income	Total expenses	Net result for period	Assets
	Grants	Other				
	2010 \$	2010 \$	2010 \$	2010 \$	2010 \$	2010 \$
Other Corporate Functions	8,254,869	32,972,676	41,227,545	31,634,360	9,593,185	133,059,562
Roads and Bridges	7,062,220	4,333,679	11,395,899	18,062,366	(6,666,467)	451,968,453
Water	1,809,000	6,706,250	8,515,250	6,040,634	2,474,616	59,315,651
Sewerage	775,286	2,851,970	3,627,256	2,574,544	1,052,712	49,420,918
Waste Management	0	5,550,268	5,550,268	4,967,805	582,463	6,649,492
Total	17,901,375	52,414,843	70,316,218	63,279,709	7,036,509	700,414,076

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

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 Management

Roads and Bridges

Construction and maintenance of Council's road and bridge network

Water

Water supply services
(Water function transferred to Queensland Urban Utilities 1 July 2010)

Sewerage

Sewerage services
(Sewerage function transferred to Queensland Urban Utilities 1 July 2010)

Waste Management

Waste collection and disposal services

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

	2011	2010
	\$	\$
3 Rates and utility charges		
General rates	24,706,756	22,964,793
Separate rates	4,126,696	3,842,054
Water	0	5,557,005
Sewerage	0	2,749,301
Garbage charges	3,354,164	2,799,627
Rates and utility charge revenue	32,187,616	37,912,780
Less: Discounts	(1,304,493)	(1,435,764)
Net rates and utility charges	30,883,123	36,477,016
4 Fees and charges		
Building fees	526,170	659,660
Caravan park fees	414,119	441,215
Planning application fees	656,765	824,671
Water standpipe fees	0	662,798
Other fees and charges	2,238,418	2,368,469
	3,835,472	4,956,813
5 Interest received		
Interest received from cash and cash equivalents	977,685	795,580
Over due rates and utility charges	333,247	218,023
Interest on shareholder loan - Queensland Urban Utilities	995,529	0
	2,306,461	1,013,603
6 Sales of contract and recoverable works		
Road maintenance performance contract	2,252,857	2,242,377
Other contracts and recoverable works	16,414,564	1,941,966
	18,667,421	4,184,343
7 Grants, subsidies, contributions and donations		
i) Recurrent - grants and subsidies, and other contributions are analysed as follows:		
General purpose grants	3,344,063	3,326,765
Commonwealth government grants	0	50,000
State Government subsidies & grants	4,156,509	578,043
Contributions	126,107	655,962
Total recurrent grants, subsidies, contributions and donations	7,626,679	4,610,770
ii) Capital - grants and subsidies, other contributions and donations are analysed as follows:		
a) Monetary revenue designated for capital funding purposes:		
Commonwealth government grants	901,000	2,910,394
State Government subsidies & grants	2,592,619	1,088,713
Contributions	1,082,877	3,234,379
	4,576,496	7,233,486
b) Non-monetary revenue received is analysed as follows:		
Roads and drainage contributed by developers at fair value	3,760,309	2,881,508
Other physical asset contributed by developers at fair value	1,285,004	3,175,611
	5,045,313	6,057,119
Total capital grants, subsidies, contributions and donations	9,621,809	13,290,605

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

	2011	2010
	\$	\$
Note		
8 Other revenues		
Tax equivalent - Queensland Urban Utilities	363,684	0
Amalgamation funding reimbursement	0	2,791,897
Other revenues	2,360,057	2,254,651
	2,723,741	5,046,548
9 Capital income		
Gain on disposal of capital assets		
Proceeds from the sale of property, plant and equipment	1,458,846	1,681,680
Less: Book value of property, plant and equipment sold	(1,422,341)	(945,160)
	36,505	736,520
10 Employee expenses		
Total staff wages and salaries	21,696,072	22,828,787
Councillors' remuneration	514,392	517,463
Annual, sick and long service leave entitlements	1,997,748	3,095,950
Superannuation	2,704,035	2,858,170
Other employee related expenses	1,267,143	1,568,067
	28,179,390	30,868,437
Less: Capitalised employee expenses	(2,098,136)	(3,611,876)
	26,081,254	27,256,561
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.		
Total Council employees at end of reporting period:		
Elected members	7	7
Administration staff	190	193
Depot and outdoors staff	172	213
Total full time equivalent employees	369	413
11 Materials and services		
Audit services	183,511	165,000
Cultural services	317,235	429,282
Donations paid	337,073	332,214
IT systems maintenance	640,478	604,886
Maintenance and operations - facilities	2,780,510	2,882,679
Maintenance and operations - fleet	2,358,300	2,590,347
Maintenance and operations - parks, gardens and cemeteries	433,245	566,881
Maintenance and operations - roads and bridges	3,445,034	1,699,607
Maintenance and operations - waste facilities	1,648,740	1,698,301
Maintenance and operations - water and sewerage	0	570,275
Office expenses	540,537	922,098
Pest and animal management	268,458	257,510
Recoverable works	9,305,395	1,328,552
Rentals - Operating leases	336,334	391,796
Strategic planning	344,787	560,095
Treated water	0	2,584,343
Waste collection contract	1,878,198	1,786,889
Other material and services	3,290,036	4,812,305
	28,107,871	24,183,060

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

	2011 \$	2010 \$
12 Finance costs		
Finance costs charged by the Queensland Treasury Corporation	159,336	96,968
Market Value Realisation Adjustment	(1,291)	2,459
Bank charges	97,137	158,320
Quarry sites restoration - change in present value over time (refer note 27)	10,478	10,085
Refuse sites restoration - change in present value over time (refer note 27)	177,240	204,361
	442,900	472,193
13 Depreciation and amortisation		
Buildings	505,058	925,010
Road and bridge network	5,780,527	5,909,890
Water	0	811,828
Sewerage	0	421,364
Drainage	287,976	280,529
Other infrastructure assets	711,494	0
Major plant and equipment	846,003	311,780
Other plant and equipment	980,604	1,714,202
Intangibles	193,215	108,533
	9,304,877	10,483,136
14 Capital expenses		
Loss on write-off of non-current assets		
Buildings	123,458	98,029
Road and bridge network	1,193,848	610,633
Water	0	35,457
Sewerage	0	46,169
Drainage	28,379	0
Major plant and equipment	0	45,787
Other plant and equipment	0	48,684
	1,345,685	884,759
15 Cash and cash equivalents		
Cash at bank and on hand	461,249	3,035,872
Term deposits at variable interest rates	21,631,534	10,905,095
Balance per statement of cash flows	22,092,783	13,940,967
Externally imposed expenditure restrictions at the reporting date in relation to unspent government grants and subsidies:	797,342	797,717
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	2,106,475	2,206,048
GST recoverable	464,701	0
Other debtors	2,988,514	3,668,168
Less: Impairment	(16,051)	(14,383)
	5,543,639	5,859,833
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 to community organisations	77,836	62,336
Shareholder loan - Queensland Urban Utilities	14,675,957	0
	14,753,793	62,336

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

	2011 \$	2010 \$
17 Inventories		
Workshop and supply	512,144	437,507
Quarry and road materials	287,600	70,960
	799,744	508,467
18 Other assets		
Prepayments	461,474	438,180
	461,474	438,180
19 Non-current assets classified as held for sale		
Land which Council has decided to sell as it is surplus to Councils requirements	0	390,680
	0	390,680
20 Other financial assets		
Shares - Electricity Credit Union	10	10
	10	10
21 Investment in associate		
Name of the associate - Queensland Urban Utilities		
Principal activity - Water and sewerage services		
Proportion of ownership interest - 1.042%		
Summarised financial information in respect of the associate is set out below:		
	\$'000	
Total assets	4,604,268	
Total liabilities	(2,024,808)	
Net assets	2,579,460	
Share of net assets	26,878	
Total revenue	874,283	
Total profit for the year	130,934	
Share of profit of associate	1,364	
Councils investment in the associate comprises:	\$	
Participation rights	27,167,316	0
Details of movements in participation rights		
Opening balance	26,459,757	0
Plus share of profit of associate	1,364,332	0
Plus share of other comprehensive income	11,368	0
less dividends received and accrued	(668,141)	0
Closing balance at end of year	27,167,316	0
22 Intangible assets		
Software	1,932,148	1,901,238
Less: Accumulated amortisation	(516,636)	(323,421)
Capital work in progress	772,970	256,663
	2,188,482	1,834,480

Scenic Rim Regional Council
Notes to the financial statements
For the year ended 30 June 2011

23(a) Property, plant and equipment

Basis of measurement	Land		Buildings		Road and bridge network		Water		Sewerage		Drainage		Other infrastructure		Major plant and equipment		Other plant and equipment		Capital work in progress		Total	
	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Valuation 2011	Cost 2011	Cost 2011	Cost 2011	Cost 2011	Cost 2011	Cost 2011	Cost 2011	Cost 2011
Asset Values																						
Opening gross value as at 1 July 2010	50,582,499	89,918,792	478,546,577	58,701,586	37,963,698	35,711,074	0	0	0	0	0	0	0	0	20,528,125	11,656,353	9,532,055	793,140,759				
Additions at cost	1,084,205	0	0	0	0	0	0	0	0	0	0	0	0	0	1,551,057	1,881,918	7,312,627	11,829,807				
Contributed assets at valuation	0	125,173	3,811,845	0	0	1,159,831	0	0	0	0	0	0	0	0	0	0	0	5,096,850				
Assets not previously recognised	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,920,946				
Disposals	0	(31,565)	0	0	0	0	0	0	0	0	0	0	0	0	(801,558)	(1,669,087)	0	(2,502,210)				
Disposals - Transfers to QUU	(2,731,097)	(23,539,857)	(26,345)	(58,701,586)	(37,963,698)	0	0	0	0	0	0	0	0	0	(8,667,513)	(1,144,826)	(1,375,239)	(134,150,161)				
Write-offs	0	(180,682)	(2,242,268)	0	0	(36,467)	0	0	0	0	0	0	0	0	0	0	0	0	(2,459,416)			
Revaluation adjustment due to valuation review	2,547,547	(155,250)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,365,732			
Assets classified as held for resale	55,680	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	55,680
Transfers between classes	0	636,126	6,325,678	0	0	118,340	0	0	0	0	0	0	0	0	324,711	(324,711)	(8,798,913)	0				
Closing gross value	51,538,834	66,772,738	486,415,488	0	0	36,952,778	0	0	0	0	0	0	0	0	12,934,822	10,399,647	6,670,529	677,297,987				

Accumulated depreciation and impairment

Opening balance as at 1 July 2010	0	8,781,304	66,102,336	13,748,033	8,820,547	4,945,655	0	0	0	0	0	0	0	0	8,253,517	5,110,246	0	115,761,637				
Depreciation provided in period	0	505,058	5,780,527	0	0	287,976	0	0	0	0	0	0	0	0	846,003	980,603	0	9,111,663				
Contributed assets at valuation	0	0	51,536	0	0	0	0	0	0	0	0	0	0	0	0	0	0	51,536				
Assets not previously recognised	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,161,166				
Depreciation on disposals	0	(5,239)	0	0	0	0	0	0	0	0	0	0	0	0	(602,564)	(807,066)	0	(1,414,869)				
Depreciation on disposals - Transfers to QUU	0	(1,059,846)	(8,117)	(13,748,033)	(8,820,547)	0	0	0	0	0	0	0	0	0	(1,599,387)	(721,987)	0	(25,957,917)				
Depreciation on write-offs	0	(57,224)	(1,048,418)	0	0	(8,089)	0	0	0	0	0	0	0	0	0	0	0	(1,113,731)				
Revaluation adjustment due to valuation review	0	(37,115)	0	0	0	0	0	0	0	0	0	0	0	0	(1,457,442)	0	0	(1,494,557)				
Revaluation adjustment due to condition assessment review	0	0	(3,746,383)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,746,383)				
Transfers between classes	0	(536,802)	0	0	0	0	0	0	0	0	0	0	0	0	(531,215)	531,215	0	0				
Closing accumulated depreciation balance	0	7,590,136	67,131,481	0	0	5,225,542	0	0	0	0	0	0	0	0	6,386,354	5,093,010	0	94,358,544				

Net Value as at 30 June 2011

51,538,834	59,182,602	419,284,007	0	0	31,727,236	2,661,131	6,568,468	5,306,637	6,670,529	582,939,443
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Range of estimated useful life in years

Not depreciated	10-150	12-100	20-100	60	13-72	5-25	2-25	Not depreciated
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**Scenic Rim Regional Council
Notes to the financial statements**
For the year ended 30 June 2011

23(a) Property, plant and equipment

Basis of measurement	Land		Buildings		Road and bridge network		Water		Sewerage		Drainage		Major plant and equipment		Other plant and equipment		Capital work in progress		Total
	Valuation 2010	\$	Valuation 2010	\$	Valuation 2010	\$	Valuation 2010	\$	Valuation 2010	\$	Valuation 2010	\$	Valuation 2010	\$	Cost 2010	\$	Cost 2010	\$	
Opening gross value as at 1 July 2009	50,290,147		86,402,011		468,924,116		57,811,402		37,027,461		34,226,734		20,888,778		10,372,198		3,776,609		769,719,456
Additions at cost	688,032		0		0		0		0		0		0		3,218,040		17,425,113		21,331,186
Contributed assets at valuation	0		720,000		2,881,508		449,459		578,380		1,427,771		0		0		0		6,057,118
Disposals	(5,000)		0		0		0		0		0		(298,186)		(1,782,699)		0		(2,085,885)
Write-offs	0		(108,365)		(950,842)		(155,186)		(62,390)		0		(62,467)		(151,186)		0		(1,490,436)
Assets classified as held for sale	(390,680)		0		0		0		0		0		0		0		0		(390,680)
Transfers between classes	0		2,905,145		7,691,796		595,911		420,247		56,568		0		0		(11,669,667)		0
Closing gross value	50,582,499		89,918,792		478,546,577		58,701,586		37,963,698		35,711,074		20,528,125		11,656,353		9,532,055		793,140,759

Accumulated depreciation and impairment

Opening balance as at 1 July 2009	0	7,887,169	54,711,051	13,055,933	8,415,404	4,665,126	8,172,276	4,607,411	0	101,514,370
Depreciation provided in period	0	925,010	5,909,890	811,828	421,364	280,529	311,780	1,714,201	0	10,374,603
Depreciation on disposals	0	0	0	0	0	0	(213,859)	(1,108,865)	0	(1,322,724)
Depreciation on write-offs	0	(10,336)	(340,209)	(119,729)	(16,221)	0	(16,680)	(102,501)	0	(605,676)
Impairment adjustment to the Asset Revaluation Surplus	0	0	5,801,064	0	0	0	0	0	0	5,801,064
Transfers between classes	0	(20,539)	20,539	0	0	0	0	0	0	0
Closing accumulated depreciation balance	0	8,781,304	66,102,336	13,748,033	8,820,547	4,945,655	8,253,517	5,110,246	0	115,761,637

Net Value as at 30 June 2010

50,582,499	81,137,488	412,444,242	44,953,554	29,143,151	30,765,419	12,274,608	6,546,108	9,532,055	677,379,123
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Range of estimated useful life in years

Not depreciated	10-150	12-100	20-100	20-100	60	3-50	3-50	Not depreciated
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Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

2011 **2010**
\$ **\$**

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 2011. All land was last revalued by Australia Pacific Valuers at 30 June 2009. An interim valuation was performed at 30 June 2011 based on a median increase of 5.2% as provided by R.B. Farren (registered valuer).

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 current market value as at 30 June 2011. All buildings were last independently revalued by Australia Pacific Valuers at 30 June 2009. Based on Council's assessment of relevant indices, the carrying value does not differ materially from the market value.

Road and bridge network and Drainage

The road and bridge network and drainage assets have been included at their written down current replacement cost as at 30 June 2011. The assets were last revalued independently by Australia Pacific Valuers at 30 June 2009.

An extraordinary flood event occurring between November 2010 and February 2011 impacted on the condition of Council's infrastructure assets. As a result of this flood event a condition assessment was performed by Moloney Asset Management Systems on the pavement, seals and kerbs at 30 June 2011 and assets were revalued based on the revised conditions. Based on Council's assessment of relevant indices and consideration of other matters, the carrying value does not differ materially from the current replacement cost.

Major Plant and Equipment

Major items of plant have been included at their written down current replacement cost as at 30 June 2011. Major items of plant were last revalued independently by Australia Pacific Valuers at 30 June 2009.

Other Plant and Equipment

Other plant and equipment is measured at original cost less accumulated depreciation.

24 Trade and other payables

Current

Creditors and accruals	4,968,498	5,482,617
GST payable	0	162,604
	4,968,498	5,645,221

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

	2011 \$	2010 \$
25 Employee benefits		
<i>Current</i>		
Salary and wages accrual	395,367	299,465
Annual leave	1,772,451	2,000,300
Long service leave	407,652	508,524
	2,575,470	2,808,289
<i>Non-current</i>		
Annual leave	988,571	1,127,964
Long service leave	4,318,643	4,785,938
	5,307,214	5,913,902

The current portion of employee benefit entitlements have been calculated at current pay levels and accrued entitlements as at 30 June 2011.

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.

26 Borrowings

Current

Queensland Treasury Corporation	386,459	278,716
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Non-current

Queensland Treasury Corporation	4,460,766	3,305,570
	4,847,225	3,584,286

Details of movements in borrowings:

Queensland Treasury Corporation		
Opening balance	3,584,286	1,799,458
Loans raised	3,500,000	2,100,000
Interest accrued	159,336	96,968
Market Value Realisation Adjustment	(1,291)	2,459
Principal and interest repayments	(294,699)	(414,599)
Transferred to Queensland Urban Utilities	(2,100,407)	0
Book value at period end	4,847,225	3,584,286

The loan market value at the reporting date was \$4,985,662. 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 the financial statements

For the year ended 30 June 2011

	2011 \$	2010 \$
27 Provisions		
<i>Current</i>		
Refuse sites restoration	637,295	694,187
	<u>637,295</u>	<u>694,187</u>
<i>Non-Current</i>		
Refuse sites restoration	2,570,185	4,019,567
Quarry rehabilitation	211,154	207,193
	<u>2,781,339</u>	<u>4,226,760</u>

Details of movements in provisions:

(a) Refuse sites restoration		
Opening balance	4,713,755	4,660,595
Increase (decrease) in provision - borrowing cost (refer note 12)	177,240	204,361
Increase (decrease) in estimate of future cost	(1,207,768)	(151,201)
Less amount spent during year	(475,747)	0
Balance at the end of period	<u>3,207,480</u>	<u>4,713,755</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		
Opening balance	207,193	186,351
Increase (decrease) in provision - borrowing cost (refer note 12)	10,478	10,085
Increase (decrease) in estimate of future cost	(6,517)	10,757
Balance at the end of period	<u>211,154</u>	<u>207,193</u>

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

28 Other liabilities

Unearned revenue	5,801	0
	<u>5,801</u>	<u>0</u>

29 Accumulated surplus

Movements in accumulated surplus were as follows:

Opening Balance brought forward	449,639,730	442,603,221
Net result for the period attributable to Council	(52,309,693)	7,036,509
Assets not previously recognised	1,759,780	0
Share of other comprehensive income from associate	11,368	0
Transfers from asset revaluation surplus	26,093,063	0
Closing accumulated surplus	<u>425,194,248</u>	<u>449,639,730</u>

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

2011
\$

2010
\$

30 Asset revaluation surplus

Movements in the asset revaluation surplus were as follows:

Balance at beginning of period	227,901,701	233,562,321
Revaluations of property, plant and equipment		
Land	2,547,547	0
Buildings	(118,135)	0
Road and bridge network	3,746,383	(5,801,064)
Other infrastructure	430,877	0
	<u>6,606,672</u>	<u>(5,801,064)</u>
Change in value of future rehabilitation costs		
Land	0	140,444
Other infrastructure	1,214,284	0
	<u>1,214,284</u>	<u>140,444</u>
Transfers to accumulated surplus		
Water	(14,849,072)	0
Sewerage	(11,243,991)	0
(Surplus no longer required following transfer of assets to Queensland Urban Utilities)	<u>(26,093,063)</u>	<u>0</u>
Balance at end of the year	<u>209,629,594</u>	<u>227,901,701</u>

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

Land	25,131,503	22,583,956
Buildings	27,946,788	28,064,923
Road and bridge network	137,589,377	133,842,994
Water	0	14,849,072
Sewerage	0	11,243,991
Drainage	12,816,507	12,816,507
Other infrastructure	1,645,161	0
Major plant and equipment	4,500,258	4,500,258
	<u>209,629,594</u>	<u>227,901,701</u>

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

2011
\$

2010
\$

31 Commitments for expenditure

Operating leases

Minimum lease payments in relation to non-cancellable operating leases are as follows:

Within one year	333,617	209,855
Later than 1 year but not later than 5 years	858,360	193,074
	1,191,977	402,929

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)	10,638,926	10,368,861
Contract for waste haulage services (expires 30/06/2014)	864,384	2,510,176
Contract for recyclable processing services (expires 30/06/2017)	698,515	90,000
Contracts for waste facility operational services	2,182,423	1,165,376
Contracts for Priority Infrastructure Plan	163,413	625,176
Contracts for Bromelton Structure Plan	0	290,180
Contracts for Beaudesert Growth Management Strategy	70,270	230,697
Contracts for Scenic Rim Planning Scheme	0	24,698
Contract for cleaning services (expires 30/06/2012)	150,000	162,875
	14,767,932	15,468,039

Capital Commitments

Contractual commitments at balance date but not recognised in the financial statements are as follows:

Plant and equipment purchases	116,356	687,649
Bridge works	227,703	0
Flood damage restoration works	2,254,341	0
Construction of amenities block - Doughty Park	0	205,536
	2,598,400	893,185

These expenditures are payable within one year

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

2011	2010
\$	\$

32 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:

665,585	548,287
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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 2010 the financial statements reported an accumulated surplus of \$16,218,220 and it is not anticipated any liability will arise.

Scenic Rim Regional Council was a participant in the establishment of the Central SEQ Distributor - Retailer Authority (Queensland Urban Utilities (QUU)). Council entered into a Deed of Guarantee and Indemnity with Queensland Treasury Corporation (QTC) on 4 June 2010 relating to a Generic Debt Pool Loan Facility and a Working Capital Facility that QTC made available to QUU. Scenic Rim Regional Council has guaranteed the due payment of 1.387% of all monies that are or may become payable by QUU to QTC under the loan facilities. The loan facilities have now expired and Council received written notice of discharge of the Guarantee and Indemnity on 30 July 2010.

0	693,500
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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.

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

2011
\$ 2010
\$

33 Superannuation

The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 Employee Benefits.

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.

The scheme has two elements referred to as the Defined Benefits Fund (DBF) and the Accumulation Benefits Fund (ABF). The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

The DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the DBF, 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 2010 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2009. The actuary indicated that "the DBF is in a very modest financial position with regard to the net asset coverage of vested liabilities. Investment returns will be volatile under the required investment strategy, particularly over short periods. The DBF therefore needs sufficient reserves to be able to withstand a reasonable range of such influences. Because the DBF is now running down and cash flows are negative, the VBI (vested benefit index) should not be allowed whenever possible to retreat below 100%. Once below 100%, benefits drawn reduce the available assets for remaining members and hence the net asset coverage of vested benefits declines further. In order to withstand a one in ten 'low return' outcome, the DBF would need reserves of the order of 8% to 10% having regard to the investment strategy adopted. Given the current position of the DBF, such reserve can essentially only eventuate from either excess investment returns over salary increases or additional employer contributions.

Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. Under the *Local Government Act 2009* the trustee of the scheme has the power to levy additional contributions on councils which have employees in the DBF when the actuary advises such additional contributions on councils which have employees in the DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

The next actuarial investigation will be made as at 1 July 2012.

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

2,643,215 2,803,492

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:

60,820 54,678

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

	2011 \$	2010 \$
34 Trust funds		
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	1,418,204	1,212,468
<p>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.</p>		
35 Reconciliation of net operating surplus to net cash inflow / (outflow) from operating activities		
Net operating result (post legislated water reform)	(52,309,693)	7,036,509
Non-cash operating items:		
Depreciation and amortisation	9,304,877	10,483,136
Change in restoration provisions expensed to finance costs	187,718	214,446
Share of profit from associate	(1,364,332)	0
Participation write-down due to water reform process	64,092,649	0
	72,220,912	10,697,582
Investing and development activities:		
Capital income	(36,505)	(736,520)
Capital expenses	1,345,685	884,759
	1,309,180	148,239
Financing activities:		
Capital grants, subsidies and contributions	(9,621,809)	(13,290,605)
	(9,621,809)	(13,290,605)
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	300,694	366,586
(Increase) decrease in inventories	(291,277)	226,965
(Increase) decrease in other operating assets	(23,294)	428,367
Increase (decrease) in payables	(678,014)	721,163
Increase (decrease) in accrued employee benefits	23,967	(1,257)
Increase (decrease) in provisions	(475,747)	0
Increase (decrease) in other liabilities	5,801	0
	(1,137,870)	1,741,824
Net cash inflow / (outflow) from operating activities	10,460,720	6,333,549

Scenic Rim Regional Council Notes to the financial statements

For the year ended 30 June 2011

36 Significant events

(a) Water reform in South East Queensland

In May 2007 the Queensland Water Commission released its final report to the Queensland Government on urban water supply arrangements in South East Queensland. The report recommended a range of structural and regulatory reforms proposed for urban water supply arrangements in South East Queensland including enhanced economic regulation and pricing.

Bulk water reform

The South East Queensland Water (Restructuring) Act 2007 provided the legislative basis to affect the first stage of the Government's reforms by facilitating bulk water supply and transport business restructure in South East Queensland. Pursuant to transfer notices gazetted under the Restructuring Act, bulk water assets and liabilities were transferred to the Queensland Bulk Water Transport Authority and the Queensland Bulk Water Supply Authority on 1 July 2008.

Distribution and retail water reform

The South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 (the Act) established a statutory body called the Central SEQ Distributor-Retailer Authority on 3 November 2009 to deliver water and wastewater services to customers within the local government areas of participating Councils:

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

On 1 July 2010 the Authority acquired legislative power to begin trading, using the business name Queensland Urban Utilities.

Under the Act, governance arrangements for the Authority were established in a Participation Agreement, which is operative from 25 June 2010. The Agreement provides for participation rights to be held by the participating Councils.

Legislation to introduce a cap on price increases was enacted on 1 July 2011. No financial impact is expected from the introduction of this legislation.

Legislative amendments allowing the local government participants to exit the Distributor-Retailers are not expected to be introduced until late 2011 or 2012 and as such, do not affect the preparation of 2010-11 financial reports.

Participation rights

The total contribution of each Council to the Distributor-Retailers was calculated using a regulatory asset base (RAB) valuation approved by the Queensland Government for water pricing purposes. The RAB represented the market value of the assets at 25 June 2008 adjusted to 30 June 2010.

RAB was used to determine each council's participation rights, which are Brisbane City Council 85.007%, Ipswich City Council 12.222%, Lockyer Valley Regional Council 0.903%, Scenic Rim Regional Council 1.042% and Somerset Regional Council 0.826% recorded in a signed participation agreement dated 25 June 2010.

Queensland Urban Utilities capital structure comprises \$4,231,321,925 in equity and participant loans allocated according to each Council's participation rights. On 1 July 2010 the value of Scenic Rim Regional Council's participation rights was \$26,459,757 and the loan receivable was \$14,675,957.

Scenic Rim Regional Council

Notes to the financial statements

For the year ended 30 June 2011

36 Significant events

Associates

Associates are entities that Scenic Rim Regional Council has significant influence over. Significant influence is the power to participate in the financial and operating policy decisions but is not control or joint control. Investments in associates are accounted for in the financial statements using the equity method and are carried at the lower of cost and recoverable amount. Under this method, the entity's share of post-acquisition profits or losses of associates is recognised in Statement of Comprehensive Income and the interest in the equity of the associate is recognised in the Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the cost of the investment.

Council returns

Participation return

As a party to the Participation Agreement, Council will receive a proportional share of net profits as a participation return. Returns will be paid from post-tax operating profits (after adjusting for capital receipts). Participation returns that have been declared prior to 30 June 2011 have been included in revenue.

Tax equivalents

Queensland Urban Utilities operates under an income tax equivalent regime; with all tax paid being distributed to the participating Councils on a pro-rata basis to their participation rights. Tax is payable quarterly based on a percentage of the Queensland Urban Utilities gross revenue until its first tax assessment.

Shareholder loans

Shareholder loans provide for a fixed interest rate of 6.78%, with monthly interest only payments for three years. On maturity, the terms will be renegotiated with Queensland Urban Utilities.

Assets and liabilities transferred

On 1 July 2010 the Council transferred the assets, liabilities, instruments and employees necessary for Queensland Urban Utilities to commence trading under a scheme made in accordance with the Act and gazetted on 29 June 2010.

Details of the transferred assets and liabilities are:

Assets	
Property, plant and equipment	106,817,005
Capital work in progress	1,375,239
Liabilities	
Employee entitlements	(863,474)
QTC debt	(2,100,407)
Book value of net assets transferred	105,228,363
RAB	44,099,595
Adjusted by:	
Employee entitlements	(863,474)
QTC debt	(2,100,407)
Loan receivable	(14,675,957)
Participation rights	26,459,757
Loan receivable 40% of RAB	17,639,838
Adjusted by:	
Employee entitlements	(863,474)
QTC debt	(2,100,407)
Loan receivable	14,675,957
Net loss on transfer	
Book value of net assets transferred	105,228,363
Less participation rights	(26,459,757)
Less loan receivable	(14,675,957)
Net loss on transfer	64,092,649

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

36 Significant events

(b) Natural disasters

An extraordinary flood event that occurred during the 2010/11 financial year affected large tracts of Queensland causing significant damage to infrastructure and property throughout many local government areas including Scenic Rim Regional Council. This flood event was nominated as "Disaster Event – Queensland Flooding and Tropical Cyclones Tasha and Anthony, November 2010 – February 2011" and was initially declared for the Scenic Rim Regional Council area on 7 December 2010. Following heavy rainfall and associated flooding, several re-declarations occurred with the final declaration taking place at the end of January 2011.

The majority of the costs associated with this natural disaster event are funded under the state governments Natural Disaster Relief and Recovery Arrangements (NDRRA). Under these arrangements Scenic Rim Regional Council is required to contribute to each activated natural disaster event up to a maximum trigger point. The trigger point for this event is \$246,000. There has also been a restriction placed on the claiming of costs associated with Council day labour with the maximum claimable being \$1,000,000. Extraordinary wages (including overtime) are claimable under NDRRA.

Under the NDRRA guidelines works are classified as either emergent works or restoration works. Emergent works are works that have become necessary during the course of a disaster to protect eligible public assets or to restore essential services and maintain public safety. It also covers immediate post-disaster repairs to eligible assets to enable them to operate at a reasonable level of efficiency and temporary repairs to ensure access and safety. Emergent works have been completed and a claim submitted under NDRRA. Restoration works relate to the reconstruction or replacement of eligible assets to their pre-disaster standard or level of service and must be finalised within 2 financial years of the date of the final activation.

Below is a summary of the effect of this natural disaster on the finances of Council during the 2010/11 financial year:

Emergent works

Expenditure that does not increase the pre-disaster service potential of the asset is treated as repairs (recurrent expenditure) and not capitalised. Therefore all emergent works have been treated as recurrent expenditure with the associated funding treated as operating grant revenue. Total emergent works expenditure during the 2010/11 financial year was \$4,353,060 with \$3,911,034 claimable under NDRRA. The breakdown of expenditure and revenue is as follows:

Expenses	
Employee expenses - day labour	1,196,026
Employee expenses - overtime	319,969
Materials and services (maintenance and operations - roads and bridges)	2,837,065
Total Expenses	4,353,060
Less claim trigger point	246,000
Less day labour not claimable	196,026
Operating grant received under NDRRA	3,911,034

Restoration works

The reduced service potential of assets affected by these events has been recognised through the end of year revaluation process and hence their carrying value reduced. As the work is completed to restore these assets to their pre-disaster service potential, this shall be accounted for as an increase to the carrying value and thus such expenditure shall be capitalised upon completion of the works. Therefore all restoration works have been treated as capital expenditure with the associated revenue treated as capital grant revenue. Total restoration works expenditure during the 2010/11 financial year was \$1,560,776. Council received capital grant funding in advance of \$2,195,376 during the financial year. The breakdown of capital expenditure and capital revenue is as follows:

Capital Work in Progress	1,560,776
Capital grant received in advance under NDRRA	2,195,376

Scenic Rim Regional Council Notes to the financial statements

For the year ended 30 June 2011

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. Final repayment dates vary from 6 January 2014 to 24 August 2028.

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

Cash

Category

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	
		2011	2010	2011	2010	2011	2010	2011	2010
Financial assets									
Cash and cash equivalents	15	22,092,783	13,940,967	0	0	0	0	22,092,783	13,940,967
Trade and other receivables (at amortised cost)	16	14,675,957	0	2,106,475	2,206,048	3,515,000	3,716,121	20,297,432	5,922,169
Other financial assets	20	0	0	0	0	10	10	10	10
		36,768,740	13,940,967	2,106,475	2,206,048	3,515,010	3,716,131	42,390,225	19,863,146
Weighted average interest rate		6.2%	4.9%	11.0%	11.0%				
Financial liabilities									
Trade and other payables (at cost)	24	0	0	0	0	4,968,498	5,645,221	4,968,498	5,645,221
Borrowings (at amortised cost)	26	4,847,225	3,584,286	0	0	0	0	4,847,225	3,584,286
		4,847,225	3,584,286	0	0	4,968,498	5,645,221	9,815,723	9,229,507
Weighted average interest rate		6.3%	5.4%						
Net financial assets		31,921,515	10,356,681	2,106,475	2,206,048	(1,453,488)	(1,929,090)	32,574,502	10,633,639

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 the financial statements

For the year ended 30 June 2011

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	
	2011	2010	2011	2010	2011	2010
Financial assets	0	0	220,928	139,410	220,928	139,410
Financial liabilities	(48,472)	(35,843)	(48,472)	(35,843)	(48,472)	(35,843)
Net	(48,472)	(35,843)	172,456	103,567	172,456	103,567

(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 the financial statements

For the year ended 30 June 2011

37 Financial instruments

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

Financial assets	2011	2010
Cash assets and cash equivalents	22,092,783	13,940,967
Trade and other receivables	20,297,432	5,922,169
Other financial assets	10	10
	<u>42,390,225</u>	<u>19,863,146</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	22,092,783	0	0	0	0	0	22,092,783
Trade and other receivables	19,998,720	207,012	69,854	0	5,795	16,051	20,297,432
Other financial assets	10	0	0	0	0	0	10

(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:

	2011	2010
Within one year	5,638,020	6,128,984
Later than 1 year but not later than 5 years	1,975,746	1,535,918
Later than 5 years	4,933,948	3,430,782
	<u>12,547,714</u>	<u>11,095,684</u>

Scenic Rim Regional Council
Notes to the financial statements

For the year ended 30 June 2011

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
 Waste Management

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

	Recoverable Works (Roads)	Building Services	Waste Management
Revenue for services provided to the Council	0	0	0
Revenue for services provided to external clients	18,667,421	882,083	4,357,298
Community service obligations	0	0	3,036,076
	18,667,421	882,083	7,393,374
Less : Expenditure	14,208,578	1,583,018	6,602,984
Surplus / (deficit)	4,458,843	(700,935)	790,390

Activities	CSO description	Actual
Waste Management	Operation of transfer stations and landfill site	3,036,076

Scenic Rim Regional Council
Financial Report
For the year ended 30 June 2011

Management Certificate
For the year ended 30 June 2011

These general purpose financial statements have been prepared pursuant to Section 102 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* (the Regulation) and other prescribed requirements.

In accordance with Section 161 of the Regulation we certify that these general purpose financial statements:

- (i) have been prepared in accordance with the relevant accounting documents; and
- (ii) accurately reflect the local government's financial performance and position for the financial year.

In addition we certify that, in our opinion:

- (i) the prescribed requirements of the *Local Government Act 2009* and associated Regulations for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements have been prepared in accordance with Australian accounting standards (including Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board); and
- (iii) the general purpose financial statements present a true and fair view of the Council's financial position as at 30 June 2011 and of its financial performance and cash flows for the financial year ended on that date.



Mayor, John Brent
Scenic Rim Regional Council
Date: 8 November 2011



Chief Executive Officer, Craig Barke
Scenic Rim Regional Council
Date: 8 November 2011

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Scenic Rim Regional Council

Report on the Financial Report

I have audited the accompanying financial report of Scenic Rim Regional Council which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government (Finance, Plans and Reporting) Regulation 2010*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from 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 the risks of material misstatement of 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 of the financial report that gives a true and fair view 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 used 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 all 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.

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 relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Scenic Rim Regional Council for the financial year 1 July 2010 to 30 June 2011 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Scenic Rim Regional Council for the year ended 30 June 2011. Where the financial report is included on Scenic Rim Regional Council's website the Council is responsible for the integrity of Scenic Rim Regional Council's website and I have not been engaged to report on the integrity of Scenic Rim Regional Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

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



Stephen Tarling
as Delegate of the Auditor-General of Queensland

8 November 2011

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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 55405111
Fax: 07 55405103

2010-2011 ANNUAL REPORT

