

Budget 2011/12

Additional Legislative Disclosures

In accordance with s99(4) of the Local Government (Finance, Plans and Reporting) Regulation 2010, the Council is required to report the following information in regards to the estimated figures contained within the budget in relation to its participation in Unitywater as well as disclose any other incomes or costs that occur between Council and Unitywater.

	2011/12	2012/13	2013/14
Participant Income that Council will receive from Unitywater	\$	\$	\$
Estimated Profits of Unitywater paid to Council	24,500,000	25,281,550	26,088,031
Estimated Tax Equivalents of Unitywater paid to Council	7,300,000	7,532,870	7,773,169
Interest on Senior Debt of Unitywater paid to Council	24,900,000	24,900,000	24,900,000
Interest on Subordinated Debt of Unitywater paid to Council	22,500,000	22,500,000	22,500,000
Total Participation Returns from Unitywater	79,200,000	80,214,420	81,261,200
Less Costs to service Participation			
Interest Expense on Water related debt held and paid by Council	(16,523,713)	(15,800,735)	(15,030,314)
Redemption Payments on Water related debt held and paid by Council	(11,017,230)	(11,740,208)	(12,510,629)
Water subsidy paid to Unitywater	(23,700,000)	(24,309,101)	0
Total Participation Costs incurred by Council with Unitywater	(51,240,943)	(51,850,044)	(27,540,943)
Net returns based on Participation with Unitywater	27,959,057	28,364,376	53,720,257
Estimated Traditional Returns from MB Water (Moreton Bay Water)	38,036,000	39,249,348	41,792,706
Increase/(decrease) in water returns - Unitywater compared to MB Water	(10,076,943)	(10,884,972)	11,927,551
Other incomes that Council will receive from Unitywater			
Service level agreement for Records Management paid to Council	1,200	0	0
Service level agreement for Information Technology paid to Council	960,000	0	0
Service level agreement for Development Services paid to Council	96,000	0	0
General Rates and Waste Utility Charges of Unitywater paid to Council	11,935	12,514	13,758
Interest on Working Capital loan of Unitywater paid to Council	1,144,000	876,000	590,000
Redemption of Working Capital loan of Unitywater paid to Council	3,908,937	4,181,039	4,472,083
Costs that Council will pay to Unitywater			
Maintenance services for Council owned sewerage pump stations	418,770	429,533	441,286
General electrical services on assets owned by Council	9,500	9,744	10,011
Water access charges	413,280	423,901	435,501
Water Consumption Charges	779,700	799,739	821,622
Sewerage Charges	1,301,000	1,334,436	1,370,951
Trade Waste Charges	30,000	30,771	31,613

In accordance with s99(5) and s99(6) of the Local Government (Finance, Plans and Reporting) Regulation 2010, the Council is required to report the following information; The total value of the change, expressed as a percentage in the rates and utility charges levied for the financial year (2011/12) compared to the rates and utility charges levied in the previous budget (2010/11). The calculation of this percentage for a financial year excludes rebates and discounts applicable on rates and utility charges.

	Adopted Budget 2010/11	Adopted Budget 2011/12	% Change from 2010/11 to 2011/12
Gross Rates and Utility Charges	199,575,224	211,124,103	5.79%
Gross Rates and Utility Charges (excluding GROWTH)	199,575,224	208,624,103	4.53%

An important factor to consider when assessing the percentage change is that Council estimates an amount of rates revenue that is attributable to "GROWTH". Growth is the revenue that occurs as new properties (be it residential or commercial) are levied rates and utility charges for the first time in 2011/12. Council estimates growth to be in the amount of \$2.5 million for 2011/12.

Growth in rate revenue distorts the percentage change comparison as Council now has more properties to levy rates against in 2011/12 as compared to 2010/11. A more accurate percentage change comparison is when new ratepayers (growth) being levied rates for the first time in 2011/12 are excluded. This results in a comparison where the 2010/11 rate revenue is compared on equal terms to the 2011/12 rate revenue.

One further point of note is that the percentage change is a combined increase across all types of differential general rating categories, special charges and waste utility charges as defined in the Council's revenue statement (included in this budget). Council has in total 233 differential general rating categories (examples being, residential properties, commercial properties, agricultural properties, hotels, shopping centres, retirement villages and many more) and a number of different special charges and waste utility charges which it levies.