



SPECIAL MEETING

AGENDA

11 JULY 2019

Your attendance is required at a Special meeting of Council to be held in the Council Chambers, 4 Lagoon Place, Yeppoon on 11 July 2019 commencing at 9.00am for transaction of the enclosed business.

A handwritten signature in black ink, appearing to read "Mark Deane", is positioned above the title of the Chief Executive Officer.

CHIEF EXECUTIVE OFFICER
8 July 2019

Next Meeting Date: 15.07.19

Please note:

In accordance with the *Local Government Regulation 2012*, please be advised that all discussion held during the meeting is recorded for the purpose of verifying the minutes. This will include any discussion involving a Councillor, staff member or a member of the public.

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1 OPENING

2 ATTENDANCE

Members Present:

Mayor, Councillor Bill Ludwig (Chairperson)
Deputy Mayor, Councillor Nigel Hutton
Councillor Adam Belot
Councillor Pat Eastwood
Councillor Jan Kelly
Councillor Glenda Mather
Councillor Tom Wyatt

Officers in Attendance:

Mrs Chris Murdoch – Chief Executive Officer
Mr Brett Bacon – Executive Director Liveability and Wellbeing
Mr Dan Toon – Executive Director Infrastructure
Mrs Andrea Ellis – Chief Financial Officer
Mr Matthew Willcocks - Chief Technology Officer
Mr Nick Sheehan - Chief Human Resources Officer

3 LEAVE OF ABSENCE / APOLOGIES

Nil

4 DECLARATION OF INTEREST IN MATTERS ON THE AGENDA

5 BUSINESS ARISING OR OUTSTANDING FROM PREVIOUS MEETINGS

Nil

6 PRESENTATION OF PETITIONS

Nil

7 MAYORAL MINUTE

Nil

8 COUNCILLOR/DELEGATE REPORTS

Nil

**9 AUDIT, RISK AND BUSINESS IMPROVEMENT COMMITTEE
 REPORTS**

Nil

10 REPORTS

10.1 OPERATIONAL PLAN 2019-20

| | |
|-----------------------------|--|
| File No: | 12.5.2 |
| Attachments: | 1. Operational Plan 2019-20 ↓ |
| Responsible Officer: | Andrea Ellis - Chief Financial Officer |
| Author: | Suzanne Pambid - Governance Officer |

SUMMARY

This report recommends the adoption of Council's Operational Plan for 2019-20. The Local Government Regulation 2012 requires the Chief Executive Officer to present to Council, the Operational Plan and its planned activities and future directions for the community and the organisation for the financial year that is consistent with its adopted Corporate Plan.

The Operational Plan 2019-20 is based on the Corporate Plan 2014-2020. The Operational Plan recognises Council's key strategies and how these and core business will be resourced in the delivery of the plan.

OFFICER'S RECOMMENDATION

THAT Council adopts its annual Operational Plan for the 2019-20 financial year in accordance with Section 174 of the *Local Government Regulation 2012*.

BACKGROUND

Council developed a Corporate Plan in consultation with the community that outlines the vision and future direction of the organisation for a period of five (5) years. Council resolved on 20 June 2019 to extend the existing Corporate Plan 2014-2019 to 2014-2020 to enable adequate time for the new plan (2020-2030) to be developed in alignment with the Community Plan. Each year Council is required to adopt an Operational Plan that contributes to the achievement of the outcomes and commitments outlined in the Corporate Plan.

The 2019-20 Operational Plan provides the detail of the key programs and identified outcomes to be achieved against the Corporate Plan for the 2019-20 financial year.

COMMENTARY

Each financial year Council adopts an Operational Plan with its Budget, which captures key projects, and priorities to be actioned based on the outcomes of the Corporate Plan 2014-2020. The 2019-20 Operational Plan (as attached) is provided for adoption before Council considers and accepts the 2019-20 Budget.

Section 104(5)(a) of the *Local Government Act 2009*, identifies the annual Operational Plan as one of the key financial planning documents of Council. The annual Operational Plan is required to be prepared under Section 174(1) of the *Local Government Regulation 2012* and must be consistent with the annual Budget, showing how Council will progress the implementation of the Corporate Plan and state how Council will manage its operational risks. Section 174(5) of the *Local Government Regulation 2012* requires Council to discharge its responsibilities in a way that is consistent with its annual Operational Plan.

As such, the 2019-2020 Operational Plan is presented in accordance with the legislative requirements from the *Local Government Act 2009* and the *Local Government Regulation 2012*.

This Operational Plan has direct linkages to the Corporate Plan and directs the key initiatives to be undertaken by Council throughout the year.

The attached Operational Plan provides for the delivery of services in 2019-20 and identifies:

- what services will be delivered;
- how these programmes link with the Corporate Plan 2014-2020; and
- how progress of each of the services is to be measured, with respect to the delivery of that service in line with the objectives of the Corporate Plan.

There are a total of 103 key performance indicators and initiatives to be delivered in the 2019-20 year. A breakdown of the initiatives for each strategic theme (Corporate Plan) is as follows:

| Theme | Total KPI's and Initiatives for 2019-20 |
|-------------|---|
| Assets | 21 |
| Environment | 12 |
| Economy | 6 |
| Community | 14 |
| Governance | 50 |

PREVIOUS DECISIONS

The Corporate Plan 2014-2019 was adopted by Council on 8 July 2014.

Council extended the duration of the Corporate Plan 2014-2019 to 2014-2020 on 20 June 2019.

BUDGET IMPLICATIONS

Financial performance aligns with the budget and allocation of resources to deliver the outcomes of the Operational Plan.

LEGISLATIVE CONTEXT

Section 174 of the *Local Government Regulation 2012* requires a local government to prepare and adopt an annual operational plan for each financial year.

LEGAL IMPLICATIONS

Subject to the adoption of the annual operational plan, there are no legal implications relating to this report.

STAFFING IMPLICATIONS

Detailed consultation with the leadership team has been conducted in the preparation of the 2019-20 Operational Plan, to develop strong and accountable key performance indicators that are relevant and reportable.

RISK ASSESSMENT

The significant achievements of the Operational Plan 2019-20 will be regularly reported through corporate communications and media channels as required.

Overall achievements will be documented in quarterly progress reports to Council and will be incorporated into Council's Annual Report and published on Council's website.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

The Operational Plan 2019-20 is to be adopted as part of the overall annual Budget process and it is recommended that the Operational Plan as tabled be approved.

10.1 - OPERATIONAL PLAN 2019-20

Operational Plan 2019-20

Meeting Date: 11 July 2019

Attachment No: 1

OPERATIONAL PLAN 2019-20

| <i>Assets</i> | | | |
|--|-----------------------|------|---|
| Goal: Reliable, durable, cost effective infrastructure and Council assets which meet the needs and aspirations of the communities of Livingstone Shire. | | | |
| Action | Responsible Portfolio | Role | Performance Measure |
| AM1 Develop an innovative and integrated framework for long term, cost effective asset management. | | | |
| AM1.1: Annual review of Asset Management Plans. | I | L | 100% reviewed (Roads, Water and Sewer, Fleet and Buildings) and updated as required. |
| AM1.2: Development of operational works program for roads and drainage infrastructure. | I | L | 100% completed and entered in to budget. |
| AM1.3: Regularly inspect roads and drainage infrastructure and prioritise maintenance works. | I | L | 100% as per adopted inspection frequency. |
| AM1.4: Organisational Asset Management. | ORG | P | Asset management strategy implemented. |
| AM1.5: Asset Audit and Creation of Asset Management Plan for all ICT Assets. | ICT | L | 100% complete by 30 June 2020. |
| AM2 Identify infrastructure and assets requirements through community consultation and technical expertise. | | | |
| AM2.1: Capital Projects 2019/20 to 2028/29 relevant to Construction and Maintenance Unit are identified and submitted for inclusion in Corporate project register. | I | L | 100% complete prior to budget adoption. |
| AM2.2: Inspect assets 'to be contributed' at hold points identified in development Decision Notice. | I | L | 10 completed and construction ready per annum. |
| AM2.3: Development of Strategic Asset Management Plan for LSC. | I | L | 100% complete by 30 June 2020. |
| AM3 Design and implement practical infrastructure solutions. | | | |
| AM3.1: Engineering Designs completed for projects in the Forward Works Program. | I | L | 10 completed and construction ready per annum. |
| AM3.2: Yeeppoon Sewage Treatment Plant upgrade. | I | L | 100% complete by 30 June 2020. |
| AM3.3: Water Recycling System Augmentation. | I | L | 100% complete by 30 June 2020. |
| AM4 Operate, maintain and use Council assets to deliver efficient and cost effective service to the community. | | | |
| AM4.1: Plant Replacement - Annual asset renewals program achieved in accordance with replacement guidelines. | I | L | 90% achieved in accordance with replacement thresholds. |
| AM4.2: Deliver annual road and stormwater maintenance program. | I | L | 100% complete within budget. |
| AM4.3: Provision of safe water supply. | I | L | 98% of samples taken to be compliant with Drinking Water Quality Management Plan. |
| AM4.4: Provision of safe water supply. | I | L | 95% of Sewerage Treatment Plant discharges to comply with environmental authority requirements. |

| | | | |
|---|----|---|--|
| AM4.5: Management of trade waste discharges to sewer. | I | L | Trade waste approvals for 100% of relevant businesses. |
| AM4.6: Deliver Capital Program. | I | L | Allocated Capital projects delivered within +/- 5% of total projects adopted/revised budget, 100% compliance with funding agreement. |
| AM4.7: Delivery of Facilities Maintenance Program. | I | L | 95% of maintenance requirements delivered. |
| AM4.8: Issue tenures in accordance with relevant legislation. | LW | L | 100% of tenures issued in accordance with relevant legislation. |
| AM4.9: Address breaches of Council issued tenures within identified timeframes. | LW | L | 100% of breaches of Council issued tenures within identified timeframes. |
| AM4.10: Emu Park Sewage Treatment Plant upgrade. | I | L | 100% complete by 30 June 2020. |

Environment

Goal: An environment which is valued and sustainable, and maintains a balance between the natural and built forms for the benefit of current and future generations.

| Action | Responsible Portfolio | Role | Performance Measure |
|---|-----------------------|------|--|
| EN1 Apply environmentally responsible land use planning to balance environmental and development outcomes. | | | |
| EN1.1: Development Applications responded to within business rules timeframes. | I | L | 95% of referrals received responded to. |
| EN1.2: A Coastal Hazard Adaptation Strategy is developed through the QCoast2100 programme to address the potential impacts of coastal hazards. | LW | L | Organisational carbon strategy produced. |
| EN1.3: Identify and prioritise rolling amendments to Livingstone Planning Scheme 2018 and report to Council to advance amendment process. | LW | L | 100% of identified amendments advancing through the process. |
| EN2 Recognise and understand the various eco-systems of the Shire to encourage their sustainable use and appreciation through appropriate accessibility. | | | |
| EN2.1: Provide information and public education material to recognise, understand and utilise ecosystems of the Shire sustainably. | LW | L | 2 events delivered - Habitat Stepping Stones and support Sustainable Living event. |
| EN2.2: Pest and vector services are client connected and outcome driven. | LW | L | 100% of pest weed contracts completed within contractual time frames, 100% of pest and vector related customer request responses initiated within two (2) business days. |

| | | | |
|---|------------------------------|-------------|--|
| EN2.3: Vector breeding locations identified and managed to reduce potential impacts on the community. | LW | L | 100% of permanent vector control sites monitored weekly and twenty (20) vector surveys undertaken each month between 1 October 2019 and 31 May 2020. |
| EN3 Minimise impact on the natural environment through effective waste management and pollution control policies and programs. | | | |
| EN3.1: Waste and Recycling service delivered across the shire. | I | L | 98% of bins for new services provided <=4 days of receipt of customer request and 100% of missed services rectified <=2 days. |
| EN3.2: Implementation of Waste Reduction and Recycling Plan. | I | L | 2 community education / awareness activities delivered. |
| EN3.3: Support effective waste management and pollution control programs. | LW | L | 2 events delivered - Clean Up Australia Day Event/ Erosion and Sediment Control training. |
| EN4 Actively participate in conservation and enhancement programs to ensure the preservation of natural assets and identifiable built form. | | | |
| EN4.1: Minimal impact on environment of all construction and maintenance activities. | I | L | 100% with zero breaches. |
| EN4.2: Climate Change mitigation strategies adopted and embedded into Council's mainstream operations. | LW | L | 100% completion of Organisational (LSC) Carbon Strategy. |
| EN4.3: Biodiversity Strategy. | LW | L | 25% complete by 30 June 2020. |
| EN5 Proactively advocate to government on matters which impact on the health, wellbeing and sustainability of our Shire's natural environment. | | | |
| EN5.1: Advocate to other levels of government on matters which impact sustainability of the natural environment. | LW | L | 100% response to government policy and regulatory reviews. |
| EN5.2: Identify and prioritise rolling amendments to Livingstone Planning Scheme 2018 and report to Council to advance amendment processes. | LW | L | 100% of identified amendments advancing through the process. |
| <h2>Economy</h2> | | | |
| Goal: A diverse, strong, innovative and sustainable local economy providing employment and business opportunities for current and future generations. | | | |
| Action | Responsible Portfolio | Role | Performance Measure |
| EC1 Identify and capitalise on economic opportunities for the benefit of the community. | | | |
| EC1.1: Implement Invest Capricorn Coast Region Economic Development Plan. | LW | L | 95% of year two (2) actions implemented, 4 quarterly workshops held and attendance numbers recorded. |
| EC2 Facilitate, encourage and enable the establishment of businesses and industries and the retention, growth and diversification of existing businesses and industries in suitable locations. | | | |
| EC2.1: The Gateway Business and Industry Park. | LW | L | 3 land sales achieved in Stages 1 and 2. |

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| EC2.2: Investment Attraction Programme. | LW | L | 100% complete by 30 June 2020. |
| EC3 Promote Livingstone Shire as a desirable destination for investment, business, industry, tourism and living. | | | |
| EC3.1: Develop, implement and review three (3) specific marketing plans (new/revised) each quarter which promote Council services, tourism and the economy. | LW | L | 3 marketing plans developed, implemented or reviewed each quarter which promote Council services, tourism and the economy. |
| EC3.2: Capricorn Enterprise funding agreement established and yearly actions implemented. | LW | L | 100% of year one (1) actions complete by 30 June 2020. |
| EC4 Establish initiative including partnerships with both government and the private sector to create enterprises and undertake projects that generate jobs, wealth creation opportunities and sustainable economic growth. | | | |
| EC4.1: Implement Capricorn Coast Smart Region Strategy. | LW | L | 70% of actions achieved (noting many of these are reliant on funding and other Council Units. |
| <h2>Community</h2> | | | |
| Goal: Diverse and unique communities that are connected with the larger community in the common pursuit of an engaged, supportive, inclusive, creative and confident Shire. | | | |
| Action | Responsible Portfolio | Role | Performance Measure |
| CO1 Facilitate, encourage and enable self-sustainable community associations and volunteer groups to pursue their diverse aspirations. | | | |
| CO1.1: Volunteering Programmes enhancement. | LW | L | 9 programmes per annum. |
| CO2 Facilitate programs and support local social, cultural, artistic and community building initiatives. | | | |
| CO2.1: Active and healthy library spaces | LW | L | 10% increase in membership and 12 events / activities per annum. |
| CO2.2: Delivery of community development programmes which build the capacity of Livingstone's community. | LW | L | 100% compliance with Service Contracts (Community Centre, Livingstone Loop, ParentLink) and 100% adherence to funding agreements. |
| CO2.3: Strengthening Family Connections comply with performance measures and reporting requirements of funding agreement. | LW | L | 100% compliance. |
| CO2.4: Yelloon Place Making Strategy Year 2 initiatives implemented. | LW | L | 90% of actions achieved by 30 June 2020. |
| CO2.5: Local law requirements promoted through educational activities. | LW | L | 1 Dog in the park day conducted (micro-chipping) and community education and awareness activity. |
| CO3 Provide community facilities and services to encourage an enable participation in active and healthy lifestyles. | | | |

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| CO3.1: Open spaces maintained in accordance identified community standards. | LW | L | 100% of park maintenance service standards achieved and 100% of works up to date. |
| CO4 Promote and encourage community health and wellbeing through programs addressing environmental health, community safety issues, social cohesion and inclusiveness. | | | |
| CO4.1: Building and plumbing compliance activities are undertaken in accordance with Council's Risk Based Land Use Compliance Policy. | LW | L | 100% of Building and Plumbing Compliance complaints risk rated in accordance with Council's Risk Based Land use Compliance Policy. 5% of notifiable plumbing works (Form 4) audits are completed per annum. |
| CO4.2: Building and plumbing compliance services are client connected and outcome driven. | LW | L | 100% of customer request responses initiated within two (2) business days. |
| CO4.3: Environmental health services comply with statutory requirements. | LW | L | 100% of food licence/permit applications completed in accordance with legislative requirements. |
| CO4.4: Environmental health annual inspections (non public). | LW | L | 95% of inspections completed per annum. |
| CO4.5: Local law services comply with statutory requirements. | LW | L | 100% of Local Law licence renewals completed within legislative or policy timeframes and 100% of licence/permit applications processed within ten (10) days. |
| CO4.6: Reconciliation Action Plan. | LW | L | 100% complete by 30 June 2020. |
| CO5 Facilitate the provision of programmes, activities and facilities which create opportunities for the Shire's youth to develop skills and pursue endeavours to equip them for life and enable them to make a valued contribution to the community. | | | |
| CO5.1: Delivery of community development programmes which build the capacity of Livingstone's community. | LW | L | 100% compliance with Youth Services contract. |
| <h2>Governance</h2> | | | |
| Goal: An efficient, progressive, transparent and financially sustainable organisation which is responsive to the needs of the community through sound decision making and leadership. | | | |
| Action | Responsible Portfolio | Role | Performance Measure |
| GO1 Inform and empower the community through ongoing engagement and communication. | | | |
| GO1.1: Management of Council's after hours call-centre provider. | LW | L | 95% of compliance with contract deliverables for After Hours provider. |
| GO1.2: Prompt handling of call-centre phone calls. | LW | L | Average Handling Times in Call Centre to be under 340 seconds. |

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| GO1.3: Implementation and review of the objectives from Council's Events Attraction Strategy. | LW | L | 100 % percentage of actions within Council's Events Attraction Strategy identified for year one (1) implemented. |
| GO1.4: Get Ready Get Resilient Day | LW | L | 1 event hosted. |
| GO1.5: Ensure provision of quality innovative customer service to internal and external customers. | ORG | P | 10% reduction in long term customer service requests. |
| GO2 Develop strategic plans and policies to address local and regional issues and guide service provision. | | | |
| GO2.1: Environmental Health Policy and Delegations Review. | LW | L | 100% complete by 30 June 2020. |
| GO2-OP-OW6: Development of Corporate Plan 2020-2030. | FBE | L | Corporate Plan adopted by 30 June 2020. |
| GO2-OP1: Development of a Governance Framework. | FBE | L | Governance Framework completed by 30 June 2020. |
| GO2-OP2: Climate Change Policy | LW | L | 25% complete by 30 June 2020. |
| GO3 Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk. | | | |
| GO3.1: Council formally reviews the budget during the financial year. | FBE | L | Budget reviewed at least three (3) times per annum. |
| GO3.2: Sustainable Financial position maintained. | FBE | L | Long Term Strategic Financial Plan reviewed (100%). |
| GO3.3: 2018-19 financial audit completed on program, with unmodified audit opinion. | FBE | L | Unqualified external audit opinion on General Purpose Financial Statements (100%). |
| GO3.4: Procurement Compliance. | FBE | L | 95% policy compliant. |
| GO3.5: Project governance framework is embedded across the organisation. | FBE | L | Project Portfolio Management system and reporting (100% compliance for all organisational projects), education and training sessions held bimonthly. |
| GO3.6: Outstanding rates and charges management. | FBE | L | <5% bi-annually rates outstanding as a percentage of rates levied, prior to six monthly rates billing. |
| GO3.7: Research, design, develop and implement a Performance management and review process. | PC | L | 50% complete by 30 June 2020. |
| GO3.8: Research and implement a Leadership Development Program. | PC | L | 100% complete by 30 June 2020. |
| GO3.9: Develop a comprehensive learning and development calendar. | PC | L | 100% of staff compliant with position requirements. |
| GO3.10: Manage Councils budget in alignment with financial sustainability ratios. | ORG | P | Operating Surplus Ratio, Net Financial Liabilities Ratio and Asset Sustainability Ratio are equal to or better than the adopted / revised budget. |
| GO3.11: Provide a safe work environment for employees and encourage a proactive approach to Work Health and Safety. | ORG | P | 10% reduction in Lost Time Injuries / Days lost by 30 June 2020. |
| GO3.12: Develop an LSC Workforce Plan and identify key strategies and actions. | PC | L | Workforce Plan completed by 30 June 2020. |
| GO4 Provide transparent and accountable decision making reflecting positive leadership to the community. | | | |
| GO4.1: Ensuring legislative timeframes are met for Council Meeting and Minutes. | OCEO | L | 100% compliant with legislative requirements. |

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|--|-----|---|--|
| GO4.2: Delegations and Authorisations Registers are current. | FBE | L | Annual review of CEO delegations 100% complete, public register 100% maintained and all staff have the required delegations to perform their roles (100%). |
| GO4.3: Provide fit for purpose access ICT Infrastructure. | ICT | L | Website and e-service availability >=98%, Network availability >=95%. |
| GO4.4: Local Disaster Management Group meetings. | LW | L | 4 meetings held. |
| GO4.5: Local law service comply with statutory requirements. | LW | L | 100% of customer request responses initiated within two (2) business days. |
| GO4.5: IT Transformation Project | ICT | L | Project 25% complete in line with Project Plan by 30 June 2020. |
| GO4.6: Enterprise Risk Management Capability Advancement. | FBE | L | ERM Capability Advancement completed by 30 June 2020. |
| GO4.7: Formalise Integrated Planning and Reporting Framework. | FBE | L | Integrated Planning and Reporting Framework completed by 30 June 2020. |
| GO5 Deliver customer focussed and responsive services efficiently and effectively. | | | |
| GO5.1: Service Delivery Programme of Work. | FBE | L | 100% complete in line with programme timeline. |
| GO5.2: Validate Council can continue business operations in the unlikely event of an event impacting the organisation. | FBE | L | Annual test of Business Continuity Plans, Business Continuity Plans reviewed annually in line with the Business Continuity Management Framework. |
| GO5.3: Provide fit for purpose access to ICT Infrastructure. | ICT | L | Website and e-service availability >=98% |
| GO5.4: Implement an electronic Workplace Health and Safety System. | PC | L | 50% complete by 30 June 2020. |
| GO5.5: Workplace Health and Safety Compliance. | PC | L | 75% compliance achieved. |
| GO5.6: Implement a comprehensive health and wellbeing strategy covering physical health, mental health, diet and sun safety. | PC | L | 90% completed to schedule per quarter. |
| GO5.7: Management of Council's After Hours provider. | LW | L | Percentage of compliance with contract deliverables for After Hours provider. |
| GO5.8: Quality Assurance Audits - Liveability and Wellbeing | LW | L | Two (2), 100% completed. |
| GO5.9: Building and Plumbing - compliance with legislative timeframes. | LW | L | 100% of building and plumbing approvals determined within ten (10) business days from the commencement of the decision stage. |
| GO5.10: Assessment building and plumbing service quality. | LW | L | 12 peer reviews of approvals per annum. |
| GO5.11: Building and plumbing services are client connected and outcome driven. | LW | L | 100% of customer request responses initiated within two (2) days, 95% customer satisfaction. |
| GO5.12: Development assessment services are client connected and outcome driven. | LW | L | 85% customer satisfaction and 100% of customer request responses initiated within two (2) business days. |

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|---|------|---|--|
| GO5.13: Development assessment services comply with statutory requirements. | LW | L | 85% of development approvals determined within twenty-five (25) business days and 100% of development applications considered by the Development Control Unit within five (5) business days. |
| GO5.14: Undertake development compliance services. | LW | L | 100% of Development Compliance complaints risk rated in accordance with Council's Risk Based Land Use Compliance Policy. |
| GO5.15: Environmental Health compliance activities are undertaken. | LW | L | 100% of Development Compliance complaints risk rated in accordance with Council's Risk Based Land Use Compliance Policy. |
| GO5.16: Local Law services comply with statutory requirements. | LW | L | 100% of customer request responses initiated within two (2) days. |
| GO5.17: Infrastructure - Quality Assurance Certification. | I | L | 100% complete. |
| GO5.18: Organisational culture development program. | ORG | P | Cultural Values Assessment completed. |
| GO5.19: Implement the most current version of InfoCouncil to support compliance for Council meetings and decision making. | OCEO | L | 100% complete by 30 June 2020. |
| GO5.20: Review of Arts and Cultural Strategic Plan. | LW | L | 50% complete by 30 June 2020. |
| GO5.21: Livingstone Whole of Community Plan. | LW | L | 100% complete by 30 June 2020. |

Legend

| Role | Responsible Portfolio |
|-------------|-------------------------------------|
| P = Partner | LW = Liveability & Wellbeing |
| L = Leader | I = Infrastructure |
| | PC = People & Culture |
| | FBE = Finance & Business Excellence |
| | OCEO = Office of the CEO |
| | ORG = Organisation |

10.2 2019-20 REVENUE STATEMENT

| | |
|-----------------------------|---|
| File No: | 12.5.2 |
| Attachments: | 1. Revenue Statement 2019-20 ↓ |
| Responsible Officer: | Andrea Ellis - Chief Financial Officer |
| Author: | Priscilla Graham - Coordinator Revenue |

SUMMARY

Council is required under Section 169(2)(b) of the Local Government Regulation 2012 to include a Revenue Statement in its annual Budget. This report recommends the adoption of this document as part of the 2019-20 Budget as well as other key measures that Council will use to generate its rating revenue.

OFFICER'S RECOMMENDATION

THAT Pursuant to Section 104(5) of the *Local Government Act 2009* and Section 172 of the *Local Government Regulation 2012*, Council adopt the Revenue Statement 1 July 2019 – 30 June 2020.

BACKGROUND

Council applies the principles set out in the Revenue Policy when making and levying rates and charges, granting concessions and recovering unpaid amounts. The Revenue Policy sets out the strategic intent to guide the development of the rating strategy, as contained within the Revenue Statement.

The Revenue Statement is a key statutory document of Council and is required to be adopted as part of the annual budget. The Revenue Statement is reviewed every year as part of the budget development process. Changes made to the documents reflect the wishes of Council in making and levying rates for the coming year.

In accordance with Section 169(2)(b) of the *Local Government Regulation 2012*, Council's Budget for each financial year must include the adoption of a Revenue Statement. The Livingstone Shire Council's Revenue Statement has been extensively reviewed and developed to outline:

- the rates and charges that will be levied in the 2019/20 financial year;
- the differential general rating categories which will be levied;
- a description of each rating category;
- special rates and charges that will be applied;
- concessions that will be granted for rates and charges;
- criteria for cost-recovery fees; and
- criteria used to determine charges for business activities.

COMMENTARY

In conjunction with the Budget preparation, Council has undertaken an extensive review of the Revenue Statement for the 2019-20 financial year. The Revenue Statement incorporates the principles and vision of the Revenue Policy and has been reviewed by both Council officers and King and Company Solicitors to ensure the Policy and all amendments correctly reference legislation and the document meets regulatory requirements.

The Revenue Statement presented is the result of extensive rating methodology workshops undertaken by Council over several months. Council officers have spent significant time

reviewing the Shire properties, land use, economic diversity and providing various revenue models in preparation and support of the 2019-20 Budget.

PREVIOUS DECISIONS

The previous Revenue Statement titled "Revenue Statement 1 July 2018 – 30 June 2019" was adopted by Council on the 24 July 2018 in conjunction with the 2019-20 Budget.

BUDGET IMPLICATIONS

Rates and charges are the largest source of revenue for Council. The adoption of the Revenue Statement 1 July 2019 to 30 June 2020 ensures that Council can rate in accordance with the proposed 2019-20 Budget.

Rates and Charges applicable under the Revenue Statement contribute to more than 80% of the budgeted revenue identified within the 2019-20 Budget presented today.

Council's Long Term Financial Forecast assumes annual rate increases on top of natural growth aligned with CPI ranging from 2.0% to 2.4% over the life of the forecast. Natural growth in assessments is estimated at 1% over the term of the plan.

Changes in future rate increases or natural growth estimates will impact the amount of rates revenue generated and will affect Council's long term sustainability unless there are corresponding reductions in costs or increases in other revenues.

LEGISLATIVE CONTEXT

Section 169(2)(b) of the *Local Government Regulation 2012*, identifies that Council's Budget must also include the Revenue Statement.

Section 172 of the *Local Government Regulation 2012*, outlines the requirements of the Revenue Statement.

LEGAL IMPLICATIONS

The adoption of the Revenue Statement ensures Council's compliance with the requirements of the *Local Government Regulation 2012* and provides the basis for the levying of rates and charges for the 2019-20 financial year.

The Revenue Statement may only be adopted at the budget meeting for the year and once passed, it cannot be changed until the following year.

The Revenue Statement is consistent with Council's 2019-20 Revenue Policy adopted on the 4 June 2019.

Both the Revenue Statement and Policy have been reviewed by Council's external legal advisors.

STAFFING IMPLICATIONS

The Chief Executive Officer has been delegated the power to determine the category that each parcel of rateable land belongs. This delegation is exercised with regard to the definitions contained within the Revenue Statement.

All other issues arising from this report will be dealt with in accordance with existing delegations.

RISK ASSESSMENT

The policy has been reviewed by King and Company Solicitors in order to mitigate any unforeseen risks.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: **Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.**

LOCAL GOVERNMENT PRINCIPLES

The Local Government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and Local Government employees.

CONCLUSION

The Livingstone Shire Council 2019-20 Revenue Statement has been drafted to comply with Section 104(5) of the *Local Government Act 2009* and in accordance with Section 172 of the *Local Government Regulation 2012*. The Revenue Statement 1 July 2019 – 30 June 2020 is presented for adoption to support the 2019-20 Budget.

10.2 - 2019-20 REVENUE STATEMENT

Revenue Statement 2019-20

Meeting Date: 11 July 2019

Attachment No: 1



REVENUE STATEMENT

1 July 2019 – 30 June 2020

The Livingstone Shire Council 2019–20 Revenue Statement has been drafted to comply with section 104(5) of the *Local Government Act 2009* and in accordance with sections 169(2)(b) and 172 of the *Local Government Regulation 2012*.

1. Overview

This Revenue Statement has been developed to outline:

- the rates and charges that will be levied in the 2019-20 financial year;
- the differential general rating categories which will be levied;
- a description of each rating category;
- special rates and charges that will be applied;
- concessions that will be granted for rates and charges;
- criteria for cost-recovery fees; and
- criteria used to determine charges for business activities.

Council will apply the principles set out in the Revenue Policy when making and levying rates and charges, granting concessions and recovering unpaid amounts.

2. Applicability

This Revenue Statement applies to the financial period from 1 July 2019 to 30 June 2020. It is approved in conjunction with the Budget as presented to Council.

It is not intended that this Revenue Statement reproduce all related policies. Related adopted policies will be referred to within the Revenue Statement where appropriate.

3. Rates and Charges (s 94 *Local Government Act 2009*)

For the financial year beginning 1 July 2019, Livingstone Shire Council will make and levy rates and charges. Rates and charges to be levied will include:

- 1) Differential General Rates;
- 2) Special Rates and Charges;
- 3) Separate Charges; and
- 4) Utility Charges for Water, Sewerage and Waste Management.

4. General Rates Rationale

Council calculates and levies rates and charges utilising the rateable value of the land. This valuation is set by the Department of Natural Resources each year. The general rate charged on each parcel of land may be determined by dividing the total income needed from general rates by the rateable valuation of lands. However, there is considerable diversity in the Shire in terms of land use and location (such as between the urban and rural areas), land values, access to, and actual and potential demands for services and facilities.

Council is committed to spreading the general rates burden equitably among categories and classes of ratepayers. This does not mean the general rate is levied on a "user pays system". Instead, Council has designed the general rating system taking into account the following factors:

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- The relative rateable value of lands and the general rates that would be payable if only one general rate were levied;
- The use of the land as it relates to actual and potential demand for Council services;
- Location of the land as it relates to actual and potential demand for Council services; and
- The impact of rateable valuations on the level of general rates to be paid.

6. General Rates – Categories and Descriptions (Chapter 4, Part 5, Division 1 *Local Government Regulation 2012*)

Council adopts Differential General Rating for the following reasons:

- Council is committed to spreading the general rates burden equitably;
- The use of a single general rate would not result in an equitable distribution of the rates burden among ratepayers;
- Certain land uses and locations of lands require and/or impose greater demands on Council services relative to other land uses and locations; and
- Valuation relativities between commercial/industrial, lands used for tourist facilities, rural, islands, urban, productive and residential uses, do not reflect the intensity of land use nor the actual or potential demands on Council services and facilities.

For the purpose of making and levying Differential General Rates, Council has resolved to categorise all rateable land in its area into categories specified in Schedule 1. The Council delegates to the Chief Executive Officer the power to identify the rating category applicable to each parcel of rateable land. In undertaking this task the Chief Executive Officer will be guided by the descriptions of each category. Further:

- The identifiers for the purpose of such categories are set out within each of the categories specified hereunder in the schedule;
- In applying those identifiers to the rateable land within its area, the Chief Executive Officer may have regard to the intention expressed in relation to the description determined in respect of each such category;
- The primary land use codes supplied by the Department of Natural Resources and Mines and recorded in Council's rating files, identify the principal uses of the land as the indicators of whether rateable land falls within a particular category (until otherwise decided or amended, those land use codes shall constitute the "land use codes" for rating and charging purposes, see Schedule 2);
- In cases where there are multiple land uses; the land will be categorised with reference to its primary economic use;
- Where information becomes available that the land use code provided by the Department of Natural Resources and Mines has been superseded or is incorrect, the property may be included in another rating category by reference to the actual land use of the property and the description adopted for that rating category; and
- Subdivisions have a primary Council land use code of 72 and will be placed into the general rating category in which they would normally be situated (prior to the discounted valuation – Site Value or Unimproved Value). The value of subdivisions will be discounted by 40% for rating purposes in accordance with section 50(2) of the *Land Valuation Act 2010*.

The terms 'UV', 'Unimproved Valuation' 'SV' and 'Site Valuation' refer to the unimproved valuation and Site Valuation assigned by the Queensland Department of Natural Resources and Mines for the applicable year of valuation.

7. Link with other Council Plans

Rates and Charges have been set with Council's Long Term Financial Forecast, Corporate Plan, Operational Plan and Asset Management Plans in mind. The alignment of these plans will ensure that Council is able to deliver the services at the level expected by the community and over the long term Council will be better equipped to deliver on the aspirations of each of

the communities in the region. Council's Operational Plan, Asset Management Plans and Budget are the mechanisms used to ensure that steps towards the delivery of the Long Term Financial Forecast are being made. It is Council's assessment that the Rates and Charges set in this Revenue Statement will generate revenue for Council that will deliver the Budget as set and the first steps toward the delivery of sustainable services as documented in the long term financial plan.

Commencing with the 2019-20 Budget Council will ensure that the funds required from rates for capital renewal and replacements is determined by reference to Council's Asset Management Plans and Asset Management System. Council utilises a system which determines that timing of asset renewal and replacement based on condition assessments and the life of each asset.

8. Operating Capacity

Council's current budget and long term financial goal is to increase, where possible, the operating capability of Council. Council's position is to maintain a reasonable level of services across all activities and functions. Council plans to maintain, replace and upgrade infrastructure in line with the level of revenue raised and Council's asset management plans and systems.

Council policy is to:

- 1) Replace plant and equipment in accordance with the Fleet Renewal Program;
- 2) Maintain and upgrade the Regional Road Network;
- 3) Improve and upgrade Water Supply infrastructure;
- 4) Improve and upgrade Waste Water infrastructure;
- 5) Maintain and upgrade other infrastructure; and
- 6) Maintain and improve the current level of services to residents.

The maintenance, upgrading and improvements to services and infrastructure will be based on current revenue levels and in accordance with the current borrowing policy.

Provisions

Council will ensure cash funds are available to cover 100% of the current liability in respect of Long Service Leave and Annual Leave and the pro-rata portion of the non-current Long Service Leave Entitlements payable upon a person ceasing employment with Council.

Depreciation Policy

In order to comply with the requirements of the *Local Government Act 2009* and *Local Government Regulation 2012*, Council will fund depreciation so as to reduce significant financial outlays required to replace existing assets. In determining the extent of depreciation funding Council will give consideration to the current needs of the Region. It is Council's intention to fund major infrastructure depreciation where the replacement of the asset could not be easily undertaken with funds obtained on a year-by-year basis. In particular, this relates to water and waste water assets, and plant and machinery. In relation to other assets Council will attempt to undertake works that are either of a capital or preventative major maintenance nature to the equivalent level of depreciation so as to maintain the existing value of the asset. This particularly applies to roads and buildings.

Application of the Code of Competitive Conduct

Council will be adopting and applying the Code of Competitive Conduct to the Water and Sewerage Operations, Waste Operations, Caravan Parks, and Building Certification business activities during the 2019-20 year.

National Competition Policy

In accordance with section 47 of the *Local Government Act 2009*, the Code of Competitive Conduct shall be applied for the 2019-20 financial year to all of Council's businesses. Pursuant to section 43 and section 44 of the *Local Government Act 2009*, the following Council

businesses when combined are over the set threshold to be considered as Significant Business Activity (\$13.96 Million 2019-20):

- Water
- Waste Water (Sewerage)

The Public Benefit Assessment of the Water and Waste Water activity recommended that Council operate this part of Council's activities by application of the Full Cost Pricing methodology of pricing the Two Part Water Tariff. Council will apply the Competitive Neutrality Principle and attempt to set rates, fees and charges on the basis of Full Cost Pricing. The implementation of the business reforms are designed to make Council activities more transparent and accountable. An assessment of the 2019-20 Charges have been made to determine whether the charges are set at a level to recover full costs or are set at a full cost price level.

GENERAL RATING CATEGORIES 2019-20

Schedule 1

| No. | Category | Description | Identifiers (Land Use Codes) |
|-----|--|--|--|
| L1 | Commercial/ Light Industry ≤\$400,000 | Lands where the dominant use or intended use is commercial and light industrial purposes and the rateable valuation is \$400,000 or less. | 1,4,6,7,10 to 49 and 72 (excl. lands in any other category). |
| L1A | Commercial/ Light Industry >\$400,000 | Lands where the dominant use or intended use is commercial and light industrial purposes and the rateable valuation is greater than \$400,000. | 1,4,6,7,10 to 49 and 72 (excl. lands in any other category). |
| L2 | Retail Warehouse, Business/Shopping Complex or Outdoor Sales | Lands where the dominant use or intended use is a retail warehouse, business/shopping complex, or outdoor sales with an area greater than 400m ² . | 10,11,12,13,14, 15,16,23,24,28, 33, 35 inclusive and 36. |
| L2A | Major Shopping Centres with a floor area 0 – 10,000 sqm | Lands where the dominant use or intended use is a major shopping centre with onsite parking and a floor area of 0 – 10,000 sqm. | 12 to 16 inclusive and 23. |
| L2B | Major Shopping Centres with a floor area 10,001 – 50,000 sqm | Lands where the dominant use or intended use is a major shopping centre with onsite parking and a floor area greater than 10,001 up to 50,000 sqm. | 12 to 16 inclusive and 23. |
| L3 | Heavy and Noxious Industry | Lands on the mainland where the purpose of use or intended use is a fuel dump or storage and oil refinery, heavy or general industry, or industry which emanates offensive noise, odour and dust and includes abattoirs. | 31, 35, 37 |
| L4 | Island Commercial/ Industrial | Lands on the islands where the dominant use or intended use is commercial or light industrial. | 1, 4, 6, 7, 10 to 49 (excl. lands in any other category). |
| L5 | Extractive | Lands on the mainland where the purpose of use or intended use extracts minerals or other substances from the ground or other environments including related activities. | 40 |

| | | | |
|-----|--|---|---|
| L6 | Other Rural | Lands where the use or intended use is non-residential rural, agricultural or farming purposes. | 60 to 63, 67 to 89 and 93 to 94 (excl. 72 or. Lands in any other category). |
| L6A | Beef Cattle Production 1 | Lands where the use or intended use is Cattle Breeding, Grazing or Fattening and the rateable valuation is less than \$1,000,001. | 64 to 66 |
| L6B | Beef Cattle Production 2 | Lands where the use or intended use is Cattle Breeding, Grazing or Fattening and the rateable valuation is greater than \$1,000,000. | 64 to 66 |
| L8 | Major Tourism /Accommodation Facilities | All lands where the dominant purpose for which it is used or intended for use is that of Accommodation – Tourist Facilities and- a) The land is used or intended for use commercially for that purpose; and b) The land is greater than 5ha. in area; and c) he accommodation capacity is greater than 100 rooms. | 18 |
| L9 | Residential 1 - Owner Occupied/Vacant Land | Lands where the dominant use or intended use is residential purposes, Owner Occupied/Principal Place of Residence or Vacant Land, and the rateable valuation is less than \$125,001. (excl. lands in any other category). | 1, 2, 6 and 72 |
| L10 | Residential 2 - Owner Occupied/Vacant Land | Lands where the dominant use or intended use is residential purposes, Owner Occupied/Principal Place of Residence or Vacant Land, and the rateable valuation is more than \$125,000 and less than \$225,001. (excl. lands in any other category). | 1, 2, 6 and 72 |
| L11 | Residential 3 - Owner Occupied/Vacant Land | Lands where the dominant use or intended use is residential purposes, Owner Occupied/Principal Place of Residence or Vacant Land, and the rateable valuation is more than \$225,000 and less than \$500,001. (excl. lands in any other category). | 1, 2, 6 and 72 |
| L12 | Residential 4 - Owner Occupied/Vacant Land | Lands where the dominant use or intended use is residential purposes, Owner Occupied or Vacant and- a) For Owner Occupied/Principal Place of Residence Land – the land has a rateable valuation more than \$500,000 and less than \$750,001; and b) For Vacant land – the land has a rateable valuation more than \$500,000 and less than \$600,001. (excl. lands in any other category). | 1,2,6 and 72 |
| L13 | Residential 5 - Owner Occupied | Lands where the dominant use or intended use is residential purposes, Owner Occupied/Principal Place of Residence and the rateable valuation is more than \$750,000 and less than \$1,000,001. (excl. lands in any other category). | 2 and 6 |

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|------|--|---|---------------------|
| L14 | Residential 6 - Owner Occupied | Lands where the dominant use or intended use is residential purposes, Owner Occupied/Principal Place of Residence and the rateable valuation is more than \$1,000,000. (excl. lands in any other category). | 2 and 6 |
| L9A | Residential 1 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is less than \$125,001. | 2 and 6 |
| L10A | Residential 2 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is more than \$125,000 and less than \$225,001. | 2 and 6 |
| L11A | Residential 3 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is more than \$225,000 and less than \$500,001. | 2 and 6 |
| L12A | Residential 4 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is more than \$500,000 and less than \$750,001. | 2 and 6 |
| L13A | Residential 5 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is more than \$750,000 and less than \$1,000,001. | 2 and 6 |
| L14A | Residential 6 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is more than \$1,000,000. | 2 and 6 |
| L15 | Large Residential 1 – Owner Occupied/Vacant Land | Lands, Owner Occupied/Principal Place of Residence or Vacant Land, used or intended for use for residential purposes, with a rateable valuation less than \$225,001:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. (excl. lands in any other category) | 1,2,4,5,6,72 and 94 |
| L16 | Large Residential 2 – Owner Occupied/Vacant Land | Lands, Owner Occupied/Principal Place of Residence or Vacant Land, used or intended for use for residential purposes, with a rateable valuation is more than \$225,000 and less than \$500,001- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. (excl. lands in any other category). | 1,2,4,5,6,72 and 94 |

| | | | |
|------|---|--|---------------------|
| L17 | Large Residential 3 – Owner Occupied/Vacant Land | Lands where the dominant use or intended use is residential purposes, and having an area of 4000m ² or greater; or having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater; and:- a) For Owner Occupied Land/Principal Place of Residence – the land has a rateable valuation more than \$500,000 and less than \$1,000,001; and b) For Vacant Land - the land has a rateable valuation more than \$500,000 and less than \$600,001. (excl. lands in any other category). | 1,2,4,5,6,72 and 94 |
| L18 | Large Residential 4 – Owner Occupied | Lands, Owner Occupied/Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation more than \$1,000,000 and less than \$10,000,001:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. (excl. lands in any other category). | 2,5 and 6 |
| L19 | Large Residential 5 – Owner Occupied | Lands, Owner Occupied/Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation more than \$10,000,000:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. (excl. lands in any other category). | 2,5 and 6 |
| L15A | Large Residential 1 – Non Owner Occupied | Lands, Non Owner Occupied/not Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation is less than \$225,001: a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. | 2,5 and 6 |
| L16A | Large Residential 2 – Non Owner Occupied | Lands, Non Owner Occupied/not Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation more than \$225,000 and less than \$500,001:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. | 2,5 and 6 |

| | | | |
|------|---|--|-------------|
| L17A | Large Residential 3 – Non Owner Occupied | Lands, Non Owner Occupied/not Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation more than \$500,000 and less than \$1,000,001:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. | 2,5 and 6 |
| L18A | Large Residential 4 – Non Owner Occupied | Lands, Non Owner Occupied/not Principal Place of Residence used or intended for use is for residential purposes, with a rateable valuation more than \$1,000,000 and less than \$10,000,001:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. | 2,5 and 6 |
| L19A | Large Residential 5 – Non Owner Occupied | Lands, Non Owner Occupied/not Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation more than \$10,000,000:- a) Having an area 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² . | 2,5 and 6 |
| L21 | Strata (residential) – Owner Occupied | Lands that are part of a community title scheme and the dominant use or intended use is residential purposes, and dwelling/s is/are Owner Occupied/Principal Place of Residence. (excl. lands in any other category) | 8 or 9 |
| L21A | Flats and Strata (residential) – Non Owner Occupied | Lands that are part of a community title scheme or a parcel of land for two or more self-contained dwellings (including flats, & secondary dwellings), and the dominant use or intended use is residential purposes, and dwelling/s is/are not Owner Occupied/not Principal Place of Residence. | 3, 8 or 9 |
| L22 | Strata (commercial/ industrial) | Lands that are part of a community title scheme, and the dominant use or intended use is commercial or industrial purposes. | 8 or 9 |
| L23 | Strata >500sqm – Owner Occupied / Vacant Land | All land in a Community Title Scheme where the dominant use or intended use is for residential purposes, Owner Occupied/Principal Place of Residence or Vacant Land, and the individual lot size is not less than 500sqm. | 8 or 9 |
| L23A | Strata >500sqm - Non Owner Occupied | All land in a Community Title Scheme where the dominant use or intended use is for residential purposes, not Owner Occupied (not Principal Place of Residence) and the individual lot size is not less than 500sqm. | 8 or 9 |
| L24 | Vacant land >\$600,000 | Vacant land where the valuation is greater than \$600,000. | 1, 4 and 72 |

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|-----|---------------------|---|---|
| L26 | Special uses | Lands on the mainland where the dominant use is non-commercial in nature and the land is used or intended to be used for social and community welfare, defence or education purposes. | 21, 50 – 59, 92, and 96 – 100 |
| L27 | Other | All lands not included elsewhere. Including but not limited to Transformers, Stratum, and Reservoirs, Dams and Bores. | 90, 91 and 95 or not elsewhere categorised. |
| L28 | Reservoir/Pump site | Lands where the valuation is less than \$10,000 and used for the purpose of a Reservoir, Dam, Pump site, or Bores. | 95 |

Objections to Rate Category Classification

A landowner may object:

- 1) only to the categorisation of the land; and
- 2) on the sole ground that, having regard to the description decided by Livingstone Shire Council by which rateable land is categorised, the land should have been included, as at the date of issue of the relevant rate notice, in another rating category.

The objection must be made by giving notice of the objection to the Chief Executive Officer, Council's nominated Rating Decision Maker.

The official objection form is available at Council's Customer Service Centres or alternatively can be downloaded from Council's website: www.livingstone.qld.gov.au.

The notice of the objection must:

- 1) be given on the approved form within 30 days after the date of issue of the rate notice or any further period allowed by Livingstone Shire Council;
- 2) be addressed to The Chief Executive Officer, Livingstone Shire Council, PO Box 2292, Yeppoon QLD 4703;
- 3) nominate the rating category in which the owner claims the land should have been included; and
- 4) specify the facts and circumstances on which the claim is based.

On receipt of an objection the Chief Executive Officer or delegated officer will, within 60 days after the end of the period within which the objection had to be made:

- 1) consider the categorisation of the land;
- 2) consider the facts and circumstances on which the claim is based;
- 3) decide to:
 - a) allow the objection; or
 - b) disallow the objection; or
- 4) decide that the land should be included in another rating category; and
- 5) give written notice of the decision to the owner, stating the reasons for the decision.

If the owner is not satisfied with the decision an appeal may be started by filing a notice of appeal in the Land Court registry within 35 days after the owner received notice of the decision or failure, in a form approved by the Land Court.

Note that:

- the sole ground on which an owner may object is that Council has miscategorised the land with respect to the criteria for the category in which the land has been included as at the date of issue of the relevant rate notice;
- giving a notice of objection will not, in the meantime, affect the levy and recovery of rates (the rates as issued must be paid by the due date); and
- if an owner's land is included in another rating category because of the objection, an adjustment of rates will be made.

For the financial period from 1 July 2019 to 30 June 2020 the Differential General Rates and minimum general rates will be levied on the Differential General Rate categories as follows:

General Rating Categories

| Category No. | Category | General Rate (cents in the Dollar of Rateable Value) | Minimum General Rate (\$) |
|--------------|---|--|---------------------------|
| L1 | Mainland Commercial/Light Industry ≤\$400,000 | 1.8455 | 1,307 |
| L1A | Mainland Commercial/Light Industry >\$400,000 | 1.9989 | 1,345 |
| L2 | Retail Warehouse, Business/Shopping Complex, or Outdoor Sales | 2.1369 | 4,084 |
| L2A | Major Shopping Centres with a floor area 0 – 10,000 sqm | 2.5107 | 28,394 |
| L2B | Major Shopping Centres with a floor area 10,001 – 50,000 sqm | 3.2198 | 218,014 |
| L3 | Heavy and Noxious Industry | 2.5716 | 3,010 |
| L4 | Island Commercial / Industrial | 1.5431 | 2,042 |
| L5 | Extractive | 6.8586 | 3,793 |
| L6 | Other Rural | 1.2554 | 1,390 |
| L6A | Beef Cattle Production 1 | 1.2415 | 1,390 |
| L6B | Beef Cattle Production 2 | 1.1367 | 14,851 |
| L8 | Major Tourism/Accommodation Facilities | 2.8416 | 150,382 |
| L9 | Residential 1 – Owner Occupied/Vacant Land | 1.0861 | 679 |
| L9A | Residential 1 - Non Owner Occupied | 1.1404 | 713 |
| L10 | Residential 2 – Owner Occupied/Vacant Land | 1.0317 | 1,358 |
| L10A | Residential 2 - Non Owner Occupied | 1.0833 | 1,426 |
| L11 | Residential 3 – Owner Occupied/Vacant Land | 0.9784 | 2,329 |
| L11A | Residential 3 - Non Owner Occupied | 1.0273 | 2,445 |
| L12 | Residential 4 – Owner Occupied/Vacant Land | 0.8711 | 4,888 |
| L12A | Residential 4 - Non Owner Occupied | 0.9147 | 5,132 |
| L13 | Residential 5 – Owner Occupied | 0.8145 | 6,539 |
| L13A | Residential 5 - Non Owner Occupied | 0.8552 | 6,866 |
| L14 | Residential 6 – Owner Occupied | 0.7614 | 8,146 |
| L14A | Residential 6 - Non Owner Occupied | 0.7995 | 8,553 |
| L15 | Large Residential 1 – Owner Occupied/Vacant Land | 1.1539 | 742 |
| L15A | Large Residential 1 - Non Owner Occupied | 1.2116 | 779 |
| L16 | Large Residential 2 – Owner Occupied/Vacant Land | 1.0995 | 2,596 |
| L16A | Large Residential 2 - Non Owner Occupied | 1.1545 | 2,726 |
| L17 | Large Residential 3 – Owner Occupied/Vacant Land | 0.9930 | 5,501 |
| L17A | Large Residential 3 - Non Owner Occupied | 1.0427 | 5,776 |
| L18 | Large Residential 4 – Owner Occupied | 0.7974 | 9,932 |

Revenue Statement
Adopted/Approved: Draft
Version: 6.4

Portfolio: Office of the CEO
Business Unit: Finance and Business Excellence

| | | | |
|------|--|--------|--------|
| L18A | Large Residential 4 - Non Owner Occupied | 0.8373 | 10,429 |
| L19 | Large Residential 5 – Owner Occupied | 0.5581 | 79,739 |
| L19A | Large Residential 5 - Non Owner Occupied | 0.5860 | 83,726 |
| L21 | Strata (residential) – Owner Occupied | 1.2321 | 752 |
| L21A | Flat and Strata (residential) - Non Owner Occupied | 1.2937 | 790 |
| L22 | Strata (commercial/industrial) | 2.1524 | 1,307 |
| L23 | Strata >500sqm – Owner Occupied | 2.7237 | 1,368 |
| L23A | Strata >500sqm - Non Owner Occupied | 2.8599 | 1,436 |
| L24 | Vacant land >\$600,000 | 2.4212 | 1,337 |
| L26 | Special uses | 1.5898 | 2,227 |
| L27 | Other | 2.0114 | 1,345 |
| L28 | Reservoir/pump site < \$10,000 | 2.1566 | 557 |

Minimum General Rates will not apply to land to which Sections 49-51 of the *Land Valuation Act 2010* applies.

9. Limitation on Rate Increase (Chapter 4, Part 9, Division 3 *Local Government Regulation 2012*)

Council has determined that it is not appropriate to apply limits to increases applicable to any of the Differential Categories identified in this Revenue Statement and will not be making a resolution to limit the increases in rates and charges for the current period.

10. Special Rates/Charges (s 94 *Local Government Act 2009*)

The charges are calculated on the estimated cost to Council of providing the services, Council will make and levy upon identified land pursuant to section 94 of the *Local Government Act 2009*, special charges to defray the expense it incurs in providing identified services or facilities, or engaging in identified activities because, the land or its occupiers has especially benefited, or will especially benefit from, or will have special access to the identified services, facilities or activities, or the occupier of the land or the use made or to be made of the land especially contributes to the need for the services, facility or activity. Revenue raised from these rates will only be used to fund the implementation program for the specific services, facilities or activities. Discount in accordance with section 130 of the *Local Government Regulation 2012* will not apply to these charges.

Rural Fire Services Levy

Pursuant to section 128A of the *Fire and Emergency Service Act 1990* and section 94 of the *Local Government Act 2009*, Council make and levy special charge for the purpose of raising revenue for each Rural Fire Brigade as set out in the table below:

Keppel Group

| Rural Fire Brigade | Levy 2019-20 | Rural Fire Brigade | Levy 2019-20 |
|--------------------|--------------|--------------------|--------------|
| Adelaide Park Road | \$40 | Kunwarara | - |
| Barmoya | - | Marlborough | \$30 |
| Belmont | \$80 | Maryvale | \$40 |
| Bondoola | \$45 | Mt Gardiner | - |
| Bungundarra | \$70 | Nankin | \$80 |
| Byfield | \$25 | Nerimbera | \$10 |
| Canal Creek | - | Ogmore | - |
| Canoona | - | Rossmoya | - |
| Cawarral | \$65 | Stanage Bay | \$25 |

| | | | |
|---------------------|-------|-----------------|-------|
| Cooberrie | \$25 | Stockyard Point | \$50 |
| Coowonga | \$100 | Tanby | \$50 |
| Great Keppel Island | - | The Caves | \$100 |
| Hidden Valley | \$60 | Wattlebank | - |
| Jardine | \$30 | Woodbury | \$30 |
| Keppel Sands | \$50 | | |

The rateable land to which the special charge will apply is land within the areas separately described on a map titled:

Keppel Group

| | |
|--|--|
| 'Rural Fire Brigade – Adelaide Park' | 'Rural Fire Brigade – Kunwarara' |
| 'Rural Fire Brigade – Barmoya' | 'Rural Fire Brigade – Marlborough' |
| 'Rural Fire Brigade – Belmont' | 'Rural Fire Brigade – Maryvale' |
| 'Rural Fire Brigade – Bondoola' | 'Rural Fire Brigade – Mount Gardiner' |
| 'Rural Fire Brigade – Bungundarra' | 'Rural Fire Brigade – Nankin' |
| 'Rural Fire Brigade – Byfield' | 'Rural Fire Brigade – Nerimbera' |
| 'Rural Fire Brigade – Canoona' | 'Rural Fire Brigade – Ogmoo' |
| 'Rural Fire Brigade – Canal Creek' | 'Rural Fire Brigade – Rossmoya' |
| 'Rural Fire Brigade – Cawarral' | 'Rural Fire Brigade – Stanage Bay' |
| 'Rural Fire Brigade – Cooberrie' | 'Rural Fire Brigade – Stockyard Point' |
| 'Rural Fire Brigade – Coowonga' | 'Rural Fire Brigade – Tanby' |
| 'Rural Fire Brigade – Great Keppel Island' | 'Rural Fire Brigade – The Caves' |
| 'Rural Fire Brigade – Hidden Valley' | 'Rural Fire Brigade – Wattlebank' |
| 'Rural Fire Brigade – Jardine' | 'Rural Fire Brigade – Woodbury' |
| 'Rural Fire Brigade – Keppel Sands' | |

Rural Fire Brigade Maps are available upon request from the Rural Fire Service, Queensland Fire and Emergency Services, Rockhampton Area Office.

The overall plan for each special charge is to fund the provision of fire prevention and firefighting services, facilities and activities by the rural fire brigades identified in the special charge table in the defined benefit areas.

The time for implementing the overall plan is twelve (12) months ending 30 June 2020. However, provision of rural firefighting services is an ongoing activity, and further special charges are expected to be made in future years.

The works and services specified in the overall plan will be carried out or provided during the financial year ending on 30 June 2020.

The estimated cost of implementing the overall plan (being the cost of planned works and replacement of capital items for the period) is \$238,220.

The special charge is intended to raise all funds necessary to carry out the overall plan.

The occupier/owner of the land to be levied with the special charge has specifically benefited, or will specifically benefit, from the implementation of the overall plan, comprising firefighting services, because the rural fire brigades are charged with firefighting and fire prevention under *the Fire and Emergency Services Act 1990* and whose services could not be provided or maintained without the imposition of the special charge.

North West Emu Park Sewerage Benefited Area – Special Charge

Pursuant to section 94 of the *Local Government Act 2009*, Council will make and levy a special charge for the provision of reticulated sewerage to North West Emu Park.

The rateable land to which the charge applies is every parcel of rateable land within the areas separately described on a map titled 'North West Emu Park Sewerage Benefited Area' (see Attachment 1).

The service, facility or activity for which the special charge is made is the construction and commissioning of sewerage infrastructure necessary for providing reticulated sewerage to North West Emu Park. The construction was completed during the Financial Year 2009-10, and there are no further works to be undertaken.

The cost of implementing the overall plan is \$2,377,000 (being the cost of infrastructure constructed).

The charge is to reimburse Council \$1,244,208 of the funds expended on the project. Council funded the cost of construction of the sewerage reticulation infrastructure from its own revenue sources.

The annual implementation plan in 2019-20 comprises reimbursement to Council of part of the cost that it has incurred to construct the North West Emu Park Sewerage Scheme.

The funds have been raised per parcel to date:

| | |
|---------|----------|
| 2009-10 | \$481.00 |
| 2010-11 | \$478.00 |
| 2011-12 | \$478.00 |
| 2012-13 | \$478.00 |
| 2013-14 | \$478.00 |
| 2014-15 | \$478.00 |
| 2015-16 | \$478.00 |
| 2016-17 | \$478.00 |
| 2017-18 | \$478.00 |
| 2018-19 | \$478.00 |

With the implementation of the North West Emu Park Sewerage Project, the Council has designated the area covered by the Project as a benefited area to enable the charging of a Special Charge to partially fund the costs of the reticulation system of the Project. Other funding will include contributions by developers of land within the benefited area.

The occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, because they will enjoy access to an efficient convenient and healthy system for the removal and treatment of sewerage, which access to which would not have occurred if Council had not undertaken the project of constructing the sewerage reticulation infrastructure.

The charge shall apply per parcel for the duration of twenty (20) years commencing 1 July 2009. The charge being \$481 per parcel for the first year commencing 1 July 2009. The annual charge of \$478 per parcel will then apply for the remaining nineteen (19) years commencing 1 July 2010.

Council will, pursuant to section 121(a) of the *Local Government Regulation 2012*, grant a remission of the North West Emu Park Sewerage Benefited Area – Special Charge on those assessments where the sum of \$3,075.64 is paid to Council by 30 August 2019 (which amount represents the 2019-20 per assessment cost to Council (excluding developer contributions and funding from other sources) of constructing and commissioning of the relevant sewerage infrastructure), on the grounds that to require those ratepayers that elect to make this lump sum payment, to also pay the special charge constitutes hardship.

Where the property is currently vacant land and there is a building application lodged or there is an application lodged to reconfigure the lot, the total amount outstanding would be required to be paid at the time of lodging the application.

All parcels within the 'North West Emu Park Sewerage Benefited Area' are now included within the Capricorn Coast Sewerage Service Area, and will incur, in addition to the above special charge, the Capricorn Coast Sewerage Scheme Charge.

Causeway Township Sewerage Benefited Area – Special Charge

Pursuant to section 94 of the *Local Government Act 2009*, Council will make and levy a special charge for the provision of reticulated sewerage to Causeway Township.

The rateable land to which the charge applies is every parcel of rateable land within the areas separately described on a map titled 'Causeway Township Sewerage Benefited Area' (see Attachment 2).

The service, facility or activity for which the special charge is made is the construction and commissioning of sewerage infrastructure necessary for providing reticulated sewerage to Causeway Township. The works was completed during the financial year 2009-10, and there is no further works to be undertaken.

The cost of implementing the overall plan is \$850,000 (being the cost of infrastructure constructed).

The charge is expected to reimburse Council \$386,400 of the funds expended on the project. Council funded the cost of construction of the sewerage reticulation infrastructure from its own revenue sources.

The annual implementation plan in 2019-20 comprises reimbursement to Council of part of the cost that it has incurred to construct the Causeway Township Sewerage Scheme.

The funds have been raised per parcel to date:

| | |
|---------|----------|
| 2009-10 | \$235.50 |
| 2010-11 | \$468.00 |
| 2011-12 | \$468.00 |
| 2012-13 | \$468.00 |
| 2013-14 | \$468.00 |
| 2014-15 | \$468.00 |
| 2015-16 | \$468.00 |
| 2016-17 | \$468.00 |
| 2017-18 | \$468.00 |
| 2018-19 | \$468.00 |

With the implementation of the Causeway Township Sewerage Project, the Council has designated the area covered by the Project as a benefited area to enable the charging of a Special Charge to partially fund the costs of the reticulation system of the Project. Other funding will include contributions by developers of land within the benefited area.

The occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, because they will enjoy access to an efficient convenient and healthy system for the removal and treatment of sewerage, which access to which would not have occurred if Council had not undertaken the project of constructing the sewerage reticulation infrastructure.

The charge shall apply per parcel for the duration of twenty (20) years commencing 1 July 2009. The charge being \$235.50 per parcel for the first year commencing 1 July 2009. The annual charge of \$468 per parcel will then apply for the remaining nineteen (19) years commencing 1 July 2010.

Council will, pursuant to section 121(a) of the *Local Government Regulation 2012*, grant a remission of the Causeway Township Sewerage Benefited Area – Special Charge on those assessments where the sum of \$3,314.23 is paid to Council by 30 August 2019 (which amount represents the 2019-20 per assessment cost to Council (excluding developer contributions and funding from other sources) of constructing and commissioning of the relevant sewerage infrastructure), on the grounds that to require those ratepayers that elect to make this lump sum payment, to also pay the special charge constitutes hardship.

Where the property is currently vacant land and there is a building application lodged or there is an application lodged to reconfigure the lot, the total amount outstanding would be required to be paid at the time of lodging the application.

All parcels within the 'Causeway Township Sewerage Benefited Area' are now included within the Capricorn Coast Sewerage Service Area, and will incur, in addition to the above special charge, the Capricorn Coast Sewerage Scheme Rate Charge.

Mulambin Sewerage Benefited Area – Special Charge

Pursuant to section 94 of the *Local Government Act 2009*, Council make and levy a special charge for the provision of reticulated sewerage to the identified part of Mulambin.

The rateable land to which the charge applies is every parcel of rateable land within the areas separately described on a map titled 'Mulambin Sewerage Benefited Area' (see Attachment 3).

The service, facility or activity for which the special charge is made is the construction and commissioning of trunk sewerage infrastructure necessary for providing reticulated sewerage to the Mulambin Sewerage Benefited Area. The works were completed during the financial year 2006-07, and there is no further works to be undertaken.

The cost of implementing the overall plan is approximately \$1,100,000 (being the cost of infrastructure constructed to the connection at Lammemoor). Contribution identified below is also apportioned towards the trunk infrastructure from Lammemoor back to the Yeppoon Sewerage Treatment Plant.

The charge is expected to reimburse Council \$145,314 of the funds expended on the project. Council funded the cost of construction of the sewerage reticulation infrastructure from its own revenue sources.

The annual implementation plan in 2019-20 comprises reimbursement to Council of part of the cost that it has incurred to construct the Mulambin Sewerage Scheme.

The funds have been raised per parcel to date:

| | |
|---------|----------|
| 2014-15 | \$722.00 |
| 2015-16 | \$722.00 |
| 2016-17 | \$722.00 |
| 2017-18 | \$722.00 |
| 2018-19 | \$722.00 |

With the implementation of the Mulambin Sewerage Project, the Council has designated the area covered by the Project as a benefited area to enable the charging of a Special Charge to partially fund the costs of the reticulation system of the Project. Other funding will include contributions by developers of land within the benefited area.

The occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, because they will enjoy access to an efficient convenient and healthy system for the removal and treatment of sewerage, access to which would not have occurred if Council had not undertaken the project of constructing the sewerage reticulation infrastructure.

The charge shall be \$722 per annum for the balance of the ten (10) years per parcel commencing 1 July 2014.

Council will, pursuant to section 121(a) of the *Local Government Regulation 2012*, grant a remission of the Mulambin Sewerage Benefited Area – Special Charge on those assessments where the sum of \$3,128.63 is paid to Council by 30 August 2019 (which amount represents the 2019-20 per assessment cost to Council (excluding developer contributions and funding from other sources) of constructing and commissioning of the relevant sewerage infrastructure), on the grounds that to require those ratepayers that elect to make this lump sum payment, to also pay the special charge constitutes hardship.

Where the property is currently vacant land and there is a building application lodged or there is an application lodged to reconfigure the lot, the total amount outstanding would be required to be paid at the time of lodging the application.

All parcels within the 'Mulambin Sewerage Benefited Area' are now included within the Capricorn Coast Sewerage Service Area, and will incur, in addition to the above special charge, the Capricorn Coast Sewerage Scheme Rate Charge.

Muskers Beach Revetment Wall – Special Charge

Pursuant to section 94 of the *Local Government Act 2009*, Council make and levy a special charge for the provision of a Revetment Wall to protect the identified properties adjoining Muskers Beach; 22 Kennedy Street through to 48 Reef Street in Zilzie.

The rateable land to which the charge applies is every parcel of rateable land within the area separately described on a map titled 'Muskers Beach Revetment Wall Benefited Area' (see Attachment 4).

The service, facility or activity for which the special charge is made is the design and construction of a stacked sand filled geotextile container revetment wall necessary to provide protection against erosion of the properties by wave action. The works were completed during the financial year 2015-16, and there is no further work to be undertaken.

The cost of implementing the overall plan is approximately \$1,543,252 (being the cost of investigation, design and construction of the revetment wall).

The charge is expected to reimburse Council \$1,360,450 of the funds expended on the project. Council funded the cost of construction of the Muskers Beach revetment wall from its own revenue sources.

The annual implementation plan in 2019-20 comprises reimbursement to Council of part of the cost that it has incurred to construct the Muskers Beach revetment wall.

With the implementation of the Muskers Beach revetment wall, the Council has designated the area covered by the Project as a benefited area to enable the charging of a Special Charge to partially fund the costs of the construction costs of the Project.

The occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, because the revetment wall construction to be funded by the special charge will provide an increased level of protection from adverse coastal processes such as storm surge and wave action. Protection which would not have occurred if Council had not undertaken the project of constructing the revetment wall infrastructure.

The charge shall vary from property to property in accordance with the length of property frontage adjacent to the wall. The annual charge per property will be applied for the balance of the fifteen (15) years per parcel from 1 July 2016 on the basis of \$192.56 per l/m of property frontage.

Council will, pursuant to section 121(a) of the *Local Government Regulation 2012*, grant a remission of the Muskers Beach Revetment Wall – Special Charge on those assessments that elect to make a lump sum payment (value available upon request on a per property basis) prior to the 30 August 2019 (the lump sum value is representative of the 2019-20 per assessment cost to Council), on the grounds that to require those ratepayers that elect to make this lump sum payment, to also pay the special charge constitutes hardship.

The combined charges for the entire Muskers Beach revetment wall benefited area shall equate to a total of \$95,305 for the financial year commencing 1 July 2019.

11. Separate Charges (s 94 *Local Government Act 2009*, Chapter 4, Part 8 *Local Government Regulation 2012*)

Council will make and levy pursuant to section 94 of the *Local Government Act 2009* separate charges to defray the expense it incurs in providing identified services or facilities or engaging in identified activities for the benefit of its local governed area. The charges are calculated on the basis of the estimated cost to Council of providing these services. Revenue raised from these charges will only be used to fund either all or part of the costs associated with the activities.

Council considers that the benefit of each service, facility or activity is shared equally by all parcels of rateable land, regardless of their value.

Road Network Separate Charge

Council will make and levy a separate charge to defray part of the cost of maintaining the road network within the region. Council will make and levy the charge equally on all rateable land within the Livingstone Shire Council area.

The amount of the Road Network Separate Charge will be \$560 per annum per rateable assessment throughout the region.

Discount in accordance with section 130 of the *Local Government Regulation 2012* will not apply to this charge.

Natural Environment Separate Charge

Council will make and levy a separate charge to defray part of the cost of formulating and implementing initiatives for environmental protection, enhancement and conservation, including various waste management initiatives that contribute to these outcomes.

Council will make and levy the charge equally on all rateable land within the Livingstone Shire Council area.

The amount of the Natural Environment Separate Charge will be \$65 per annum per rateable assessment throughout the region.

Discount in accordance with section 130 of the *Local Government Regulation 2012* will not apply to this charge.

Disaster Response Separate Charge

The total cost of natural disasters in Queensland is increasing at a significant rate, with this rise in cost, Local Government has a responsibility to ensure measures to mitigate, prepare, respond, recover and build community resilience are implemented. The State Governments 'Queensland Strategy for Disaster Resilience 2017' states Local Government has the responsibility for building community understanding and capability to manage risk and enhance community resilience.

Council will make and levy a separate charge that will assist in the support of the State Emergency Services including the ongoing cost of maintenance of facilities and emergency equipment so vital for our volunteers to assist the community. Secondly, provide mitigation strategies based on hazards and risks from disasters in the Livingstone Shire area as well as provide funding to recover from disaster events that impact our shire.

Council will make and levy the charge equally on all rateable land within the Livingstone Shire Council area.

The amount of the Disaster Response Separate Charge will be \$25 per annum per rateable assessment throughout the region.

Discount in accordance with section 130 of the *Local Government Regulation 2012* will not apply to this charge.

12. Utility and Service Charges (s 94 *Local Government Act 2009*)

Council will make and levy utility service charges, pursuant to section 94 of the *Local Government Act 2009*, for the financial year beginning 1 July 2019 on the basis of an equitable distribution of the burden on those who utilise, or stand to benefit from, the provision of the utility services.

Water

Water charges will be set to recover all of the costs associated with the provision of water services by Council in the financial year. These costs include loan interest, depreciation, the cost of ongoing maintenance and operation of the system including treatment plant operations and the provision of infrastructure. As the water and waste water functions are a Type 3 activity under the National Competition Policy requirements, the charges are also made to recover tax equivalents, return on investment and other competitive neutrality adjustments.

Subject to any express provision to the contrary Council will charge all land connected to its water supply or capable of connection to the supply, a two-part tariff for the period 1 July 2019 to 30 June 2020, comprised of:

- a graduated single tier access charge for land connected to Council's water supply, or capable of connection to the supply; and
- a multi-tiered consumption charge for residential users and a single tier charge for non-residential users.

The following additional policy is adopted in relation to access charges:

- 1) The access charge for an individual residential community title lot will be the sum payable for a 20mm water meter connection, regardless of the true size of the connection to the lot itself or to the development of which it forms part;
- 2) The access charge for premises that contain residential flats or more than one self-contained residential occupancies will be the sum payable for a 20mm water meter connection multiplied by the number of flats or individual self-contained residential occupancies upon the premises, regardless of the connection of a meter or the true size of the connection to the premises. This includes secondary dwellings which may or may not have an individual meter for each self-contained dwelling;
- 3) To prevent doubt, a management lot in a staged residential community titles scheme is not a residential community title lot;
- 4) The access charge for an individual commercial community title lot will be:
 - a) if the size of the water meter at the boundary of the scheme land (i.e. the meter to which the property services to individual scheme lots connect) is not greater than 50mm, then the access charge per lot shall be the sum payable for a 20mm water meter connection; and
 - b) if the size of the water meter at the boundary of the scheme land is greater than 50mm, the standard non-residential access charges according to the meter size will apply.
- 5) Combined Fire and General (Non-Firefighting) Connections - subject to an assessment by a suitably qualified hydraulic designer and evidence of such being presented to Council, the access charge for a combined fire and general connection may be reduced to the equivalent charge for the general component of the connection. For example, the general component of a warehouse with a 100mm combined fire and general connection may be that of a 20mm connection. In this instance, Council could approve an access charge based on a 20mm connection.

The following additional policy is adopted in relation to consumption charges:

- 1) Where water is supplied to premises that comprise a residential flats development, the consumption volume allowed in each tier will be multiplied by the number of flats, or self-contained dwellings upon the premises;
- 2) Where water is supplied to premises that comprise a community titles scheme, and;
 - a) the supply to each individual lot in the scheme is not separately metered from the supply to each other lot and from the supply to the common property; or
 - b) the supply to each individual lot in the scheme is separately metered from the supply to each other lot but the supply to common property is not separately metered from the supplies to the lots;

Council will levy the consumption charges for the water supplied to the premises (the scheme) in a manner permitted by section 196 of the *Body Corporate and Community Management Act 1997*, namely;

- a) Council will levy each lot-owner for a share of the supplied volume recorded by the water meter at the boundary of the scheme land, and that share will be equivalent to the ratio of the contribution schedule lot entitlement of the owner's lot to the

- aggregate of contribution schedule lot entitlements recorded in the community management statement for the community titles scheme; or
- b) For a community titles scheme in which there is only a single schedule of lot entitlements rather than a contributions schedule and an interest schedule (i.e. a scheme that continues to be governed by the *Building Units and Group Titles Act 1980* rather than by the *Body Corporate and Community Management Act 1997*), Council will levy each lot-owner for a share of the supplied volume recorded by the water meter at the boundary of the scheme land, and that share will be equivalent to the ratio of the lot entitlement of the owner's lot to the aggregate of lot entitlements recorded in the building units plan or the group title plan of which the lot is part; or
 - c) Alternatively to levying the consumption charges on the basis of lot entitlement, Council may exercise its discretion to enter with the body corporate for a community titles scheme to which the *Body Corporate and Community Management Act 1997* applies an arrangement under which the body corporate accepts liability for the full consumption charge payable upon the supplied volume recorded on the water meter at the boundary of the scheme land, in which case Council will levy the body corporate for the full amount of the consumption charge and will make no separate levies against lots in the scheme.
- 3) Where water is supplied to the common property of a community titles scheme, and that supply is metered separately from the water supplied to the individual lots in the scheme, Council will levy upon the body corporate the consumption charge for that water;
 - 4) Where more than one dwelling house is situated upon a single parcel of land (that is to say, the land the subject of a single valuation), Council will charge a separate two-part tariff for each dwelling house as if each were located upon a different, individually-valued parcel;
 - 5) Where a dwelling house is situated partly upon one parcel of land and partly upon another, Council will charge a single two-part tariff for supply to the building, and will levy the tariff against the parcel upon which the dominant portion of the house is situated. The dominant portion will be the portion of the house that has the greater floor area;
 - 6) The following provisions apply to premises serviced by a designated fire service:
 - a) Council will charge a separate two-part tariff for the service, in addition to the tariff/s it charges for any other water service connection/s to the land;
 - b) The access charge for the service will be determined upon the basis that the service connects to a 20mm water meter;
 - c) Standard consumption charges will apply unless Council resolves to discount the charge pursuant to this resolution;
 - d) The consumption charge will be, for a quarter for which the Queensland Fire and Rescue Service reports or verifies, or Council otherwise verifies, use of the service to fight a fire, either the standard consumption charge or that sum discounted by a percentage Council determines as appropriate;
 - e) If the Queensland Fire and Rescue Service reports or verifies, or Council otherwise verifies, that the service was used during a quarter to fight a fire, and Council determines after the end of that quarter that a discounted consumption charge was appropriate for the quarter, Council may credit against the next quarterly consumption charge the difference between the charge paid and the discounted charge determined as appropriate; and
 - f) To prevent doubt, Council may determine that a 100% discount is or was appropriate.
 - 7) For non-licensed premises (ie premises for which there exists no liquor license) occupied or used by approved sporting bodies, or approved non-profit charitable organisations, Council will provide a remission in accordance with its remissions policy for access to Council's water supply, and water consumed from that supply will be charged at residential rates;

- 8) Council will apply section 102 of the *Local Government Regulation 2012* to calculating water consumption charges against land or premises for which consumption charges were made and levied, so that:
 - a) Regardless of whether the meter reading for the fourth quarter of the 2018-19 financial year occurs before the end of that financial year or after the beginning of the 2019-20 financial year, the consumption charge for that quarter is calculated in accordance with the relevant basis of charge for the 2018-19 financial year; and
 - b) Regardless of whether the meter reading for the fourth quarter of the 2019-20 financial year occurs before the end of that financial year or after the beginning of the 2020-21 financial year, the consumption charge for that quarter is calculated in accordance with the relevant basis of consumption charge for the 2019-20 financial year.
- 9) Council will apply section 102 of the *Local Government Regulation 2012* to the reading of water meters so that if a meter is due to be read on a particular day (e.g. the last day of a quarter) to enable Council to calculate a consumption charge to be levied, the meter will be deemed read on that particular day if it is read within 2 weeks before the day or 2 weeks after the day;
- 10) The commencing water meter reading for a quarterly consumption charge cycle (i.e. a quarter plus or minus 2 weeks at the beginning and the end of the quarter) is the reading last recorded in a quarterly charge cycle, or, in the case of a new meter connection, the reading recorded on the day of connection;
- 11) The minimum value of a debt required to raise a charge will be \$5.00. If the total charge on an Assessment is less than this amount, then the charges will not be raised and consequently a bill will not be issued. This charge is not raised at all and is effectively written off which will prevent the raising of small balances where the cost of administration, printing, postage and collection is greater than the revenue returned; and
- 12) For the purposes of making and levying water charges the following definitions apply:
 - a) An approved sporting body is an association of persons, incorporated or not, and whether an individual association or a member of a class of association, that Council accepts or approves by resolution as a body that benefits the community by organising and conducting a sporting activity or sporting activities and whose constitution prevents the distribution of its income and assets to its members;
 - b) An approved charitable organisation is an organisation incorporated or not, that Council accepts or approves by resolution as a charitable organisation, and whose constitution prevents the distribution of its income and assets to its members;
 - c) A community title lot is a lot in a community titles scheme;
 - d) A community titles scheme is a community titles scheme created under the *Body Corporate and Community Management Act 1997*, or is a development similar to such a scheme but that continues to be governed by the *Building Units and Group Titles Act 1980* rather than by the *Body Corporate and Community Management Act 1997* (e.g. a development created under the *Integrated Resort Development Act 1987*);
 - e) A contribution schedule lot entitlement is an entitlement by that name, recorded in the community management statement (or analogous instrument) for a community titles scheme;
 - f) A designated fire service is a water supply service to premises, specifically dedicated for use in fighting fires; and
 - g) A flat is a self-contained residential unit or module that is not a community title lot; but (to prevent doubt) the expression does not include a bedroom in a boarding house.

Capricorn Coast Water Supply

For the financial period beginning 1 July 2019 a water supply charge will apply to all land in the Capricorn Coast Water Supply Area, either rateable or non-rateable, that is connected or capable of being connected whether occupied or not occupied, including residential and commercial users, and community title lots.

The access charge for all properties located within the boundaries, and approved properties outside the boundaries of the Capricorn Coast Water Supply Area, will be as detailed in the water access charges table below per meter or per lot as appropriate for the period 1 July 2019 to 30 June 2020 and will generally be levied on a half yearly basis.

Capricorn Coast Water Supply Scheme – Residential & Non-Residential Access Charges

| Meter Size | Annual Charge |
|-------------|---------------|
| 20mm | \$ 666 |
| 25mm | \$ 1,039 |
| 32mm | \$ 1,703 |
| 40mm | \$ 2,661 |
| 50mm | \$ 4,158 |
| 65mm | \$ 7,027 |
| 75mm | \$ 9,595 |
| 80mm | \$ 10,918 |
| 100mm | \$ 16,632 |
| 150mm | \$ 37,422 |
| 200mm | \$ 66,526 |
| Vacant Land | \$ 666 |

The access charge for unoccupied land that is capable of connection to Council's water supply will be the sum payable for a 20mm residential water meter connection.

The consumption charge for all properties located within the boundaries and approved properties outside the boundaries of the Capricorn Coast Water Supply Area shall be charged an amount per kilolitre as detailed in the consumption charges table below. The water period for the consumption charge will be for a period from 1 July 2019 to 30 June 2020 and billing will generally be in arrears on a quarterly basis.

Capricorn Coast Water Supply Scheme – Non Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|--------------|---------------------------|----------------------|
| Single Tier | All consumption | \$2.03/kl |

Capricorn Coast Water Supply Scheme – Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|----------------------|--|----------------------|
| 1 st Tier | up to 75kl per quarter | \$0.89/kl |
| 2 nd Tier | 76kl to 150kl per quarter | \$1.37/kl |
| 3 rd Tier | all usage greater than 150kl per quarter | \$2.77/kl |

The Caves and Marlborough Water Supply

A water supply charge will be levied for the financial period beginning 1 July 2019 upon all land within, and approved land outside, the Caves Water Supply Area and the Marlborough Water Supply Area to which water is supplied or capable of supply, whether rateable or non-rateable, occupied or not occupied.

The access charge for all properties located within the boundaries, and approved properties outside the boundaries of The Caves Water Supply Area and the Marlborough Water Supply Area, will be as detailed in the water access charges table below per meter or per lot as appropriate for the period 1 July 2019 to 30 June 2020 and will generally be levied on a half yearly basis.

The Caves & Marlborough Water Supply Scheme – Non Residential & Residential Access Charges

| Meter Size | Annual Charge |
|-------------|---------------|
| 20mm | \$ 459 |
| 25mm | \$ 718 |
| 32mm | \$ 1,175 |
| 40mm | \$ 1,837 |
| 50mm | \$ 2,870 |
| 65mm | \$ 4,850 |
| 75mm | \$ 6,457 |
| 80mm | \$ 7,346 |
| 100mm | \$ 10,946 |
| 150mm | \$ 25,827 |
| 200mm | \$ 45,914 |
| Vacant Land | \$ 459 |

The access charge for unoccupied land that is capable of connection to Council's water supply, will be the sum payable for a 20mm residential water meter connection.

The consumption charge for all properties located within the boundaries and approved properties outside the boundaries of the Caves Water Supply Scheme Area shall be charged an amount per kilolitre as detailed in the consumption charges table below. The water period for the consumption charge will be for a period from 1 July 2019 to 30 June 2020 and billing will generally be in arrears on a quarterly basis.

The Caves & Marlborough Water Supply Scheme – Non Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|--------------|---------------------------|----------------------|
| Single Tier | All consumption | \$2.03/kl |

The Caves & Marlborough Water Supply Scheme – Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|----------------------|--|----------------------|
| 1 st Tier | up to 75kl per quarter | \$0.89/kl |
| 2 nd Tier | 76kl to 150kl per quarter | \$1.37/kl |
| 3 rd Tier | all usage greater than 150kl per quarter | \$2.77/kl |

Nerimbera Water Supply

A water supply charge will be levied by Council for the financial period beginning 1 July 2019, on all land to which water is supplied or capable of supply whether rateable or non-rateable, whether occupied or not occupied in the Nerimbera Water Supply Area.

The access charge for all properties located within the boundaries, and approved properties outside the boundaries of the Nerimbera Water Supply Area, will be as detailed in the water access charges table below per meter or per lot as appropriate for the period 1 July 2019 to the 30 June 2020 and will generally be levied on a half yearly basis.

Nerimbera Water Supply Scheme – Non Residential & Residential Access Charges

| Meter Size | Annual Charge |
|-------------|---------------|
| 20mm | \$ 438 |
| 25mm | \$ 684 |
| 40mm | \$ 1,751 |
| 100mm | \$ 10,946 |
| Vacant Land | \$ 438 |

The access charge for unoccupied land that is capable of connection to Council's water supply will be the sum payable for a 20mm residential water meter connection.

The consumption charge detailed in the consumption charges table below will apply for all water consumed in the water period (year). This charge will apply to all properties located within the boundaries and approved properties outside the boundaries of the Nerimbera Water Supply Area. The water period (year) for the consumption charge will be for a period from 1 July 2019 to 30 June 2020 and billing will generally be in arrears on a quarterly basis.

Nerimbera Water Supply Scheme – Non Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|--------------|---------------------------|----------------------|
| Single Tier | All consumption | \$2.03/kl |

Nerimbera Water Supply Scheme – Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|----------------------|--|----------------------|
| 1 st Tier | up to 75kl per quarter | \$0.89/kl |
| 2 nd Tier | 76kl to 150kl per quarter | \$1.37/kl |
| 3 rd Tier | all usage greater than 150kl per quarter | \$2.77/kl |

Ogmore Water Supply

A water supply charge will be levied for the financial period beginning 1 July 2019 upon all land within, and approved land outside, the Ogmore Water Supply Area to which water is supplied, whether rateable or non-rateable, occupied or not occupied.

The access charge for all properties located within the boundaries, and approved properties outside the boundaries of the Ogmore Water Supply Area, will be as detailed in the water access charges table below per meter or per lot as appropriate for the period 1 July 2019 to 30 June 2020 and will generally be levied on a half yearly basis.

The Ogmore Water Supply Scheme – Non Residential & Residential Access Charges

| Meter Size | Annual Charge |
|-------------|---------------|
| 20mm | \$ 385 |
| Vacant Land | \$ 385 |

The access charge for unoccupied land that is capable of connection to Council's water supply will be the sum payable for a 20mm residential water meter connection.

The consumption charge for all properties located within the boundaries and approved properties outside the boundaries of the Ogmore Water Supply Scheme Area shall be charged an amount per kilolitre as detailed in the consumption charges table below. The water period for the consumption charge will be for a period from 1 July 2019 to 30 June 2020 and billing will generally be in arrears on a quarterly basis.

The Ogmore Water Supply Scheme – Non Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|--------------|---------------------------|----------------------|
| Single Tier | All consumption | \$2.03/kl |

The Ogmore Water Supply Scheme – Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|----------------------|--|----------------------|
| 1 st Tier | up to 75kl per quarter | \$0.89/kl |
| 2 nd Tier | 76kl to 150kl per quarter | \$1.37/kl |
| 3 rd Tier | all usage greater than 150kl per quarter | \$2.77/kl |

Sewerage

For the financial period beginning 1 July 2019 Council will make and levy a sewerage charge in respect of land within the Declared Sewerage Areas of Livingstone Shire to which the Council provides or is prepared to provide sewerage services, including areas to which such services are extended from time to time during the course of the financial year. Council will make and levy the charge whether the land is rateable or not and, whether the land is occupied or not.

The sewerage charge will be set to recover all of the costs associated with the provision of sewerage reticulation services provided by Council in the financial year. These costs include loan interest, depreciation and the cost of ongoing maintenance and operation of the system, including treatment plant operations.

For occupied land, whether rateable or not, charges for the twelve (12) months ended 30 June 2020 will be made and levied on the following basis:

- 1) Generally, a sewerage charge will be levied in respect of each water closet pedestal or urinal installed;
- 2) However, for a single dwelling, residential unit, stables property or a property subject to a residential differential rate, only the first water closet pedestal will attract the normal sewerage pedestal charge:
 - The term single dwelling is to be given its ordinary meaning as a residential property used for ordinary domestic purposes and includes home office situations such as for example, where desk or computer work may be done, phone calls made or answered from within the premises for business purposes but where there are no more than 1 (one) non-resident employee on the premises and no significant external indicia to distinguish the premises from any other domestic residence; and
 - The term single dwelling does not include premises where a distinct externally visible business activity has been established.
- 3) In the case of flats, the sewerage charge is calculated by multiplying the number of flats by the charge for the first water closet pedestal;
- 4) In the case of Retirement Villages or Aged/Nursing Homes incorporating independent living accommodation, the sewerage charge will be levied on the first pedestal only in each independent living unit/cottage. Sewerage charges will be levied on a per pedestal/urinal basis for pedestals/urinals installed elsewhere at the Aged/Nursing Homes properties; and
- 5) For all other premises, the sewerage charge is calculated on the number of pedestals together with the number of urinals multiplied by the charge for the first water closet pedestal. For the purpose of this paragraph, each 1200mm of a continuous style urinal or part thereof will count as one urinal.

Where there is more than one dwelling house on a land parcel, charges shall apply as if each house were on a separate land parcel. Where there is more than one commercial or industrial building upon a land parcel, charges will apply as if each building were on a separate land parcel.

Where a building is used for more purposes than one, charges will be levied by reference to the dominant use of the building, determined by Council.

For properties within the Differential General Rating Category 6, 6(a) or 6(b) (Other Rural or Beef Production 1 or 2), the sewerage utility charge is levied on the same basis as residential properties, even though to be eligible the properties must be classified as commercial use properties.

For the purpose of these charges:

- 1) A community titles lot is taken to be:
 - a) a single dwelling if it is used wholly or predominantly as a place of residence; and

- b) a non-dwelling property in any other case.
- 2) A community title lot is a lot in a community titles scheme;
- 3) A community titles scheme is a community titles scheme created under or by virtue of the *Body Corporate and Community Management Act 1997*, or is a development similar to such a scheme but that continues to be governed by the *Building Units and Group Titles Act 1980* rather than by the *Body Corporate and Community Management Act* (e.g. a development created under the *Integrated Resort Development Act 1987*); and
- 4) A contribution schedule lot entitlement is an entitlement by that name, recorded in the community management statement (or analogous instrument) for a community titles scheme.

The sewerage charges will be those shown in the following tables:

Livingstone Shire Council Sewerage Scheme – Charges

| Sewered Premises | Basis | Number of Charges |
|--|--|--------------------------|
| Private Dwelling/Residential Unit or Stables or property subject to rural differential rate. | Each Residence (regardless of number of pedestals) | 1 Charge |
| Flats | Each Flat | 1 Charge |
| Aged/Nursing Home Plus Aged/Nursing other fixtures | Each Unit/Cottage Each Pedestal/Urinal | 1 Charge 1 Charge |
| Other Premises | Each Pedestal / 1200mm of Urinal or part thereof | 1 Charge |
| Vacant Land | Each rateable property | 1 Vacant Land Charge |

For those properties in the Declared Sewerage Area, the annual charges as per the above schedule will be:

| Declared Sewerage Area | Amount of Charge | Amount of Vacant Land Charge |
|------------------------|------------------|------------------------------|
| Capricorn Coast | \$ 813.00 | \$ 772.00 |

Waste & Recycling

For the financial period beginning 1 July 2019, Council will make and levy the following utility charges:

| Schedule of Waste Collection and Recycling Charges | |
|---|---------------|
| Service | Annual Charge |
| Domestic Services | |
| Combined Waste and Recycling Collection | \$501 |
| Additional Collection – Waste | \$393 |
| Additional Collection – Recycling | \$250 |
| Ogmore - Waste Collection | \$248 |
| Great Keppel Island - Combined Waste and Recycling Collection | \$613 |
| Great Keppel Island - Additional Collection - Waste | \$535 |
| Great Keppel Island - Additional Collection - Recycling | \$225 |

| Commercial Services | |
|---|-------|
| Waste Collection | \$500 |
| Additional Collection – Waste | \$500 |
| Recycling Collection | \$256 |
| Additional Collection - Recycling | \$256 |
| Ogmore - Waste Collection | \$288 |
| Great Keppel Island - Combined Waste and Recycling Collection | \$700 |
| Great Keppel Island - Additional Collection – Waste | \$535 |
| Great Keppel Island - Additional Collection – Recycling | \$225 |

Services to be provided

- 1) At its 6 February 2018 Meeting, Council adopted Designated Waste Collection Areas in which it may conduct collection services. At the same meeting, Council also adopted the following information for each Designated Waste Collection Area:
 - a) Types of general waste collection to be provided;
 - b) The standard general waste container (MGB) and the quantity to be provided per premises; and
 - c) The frequency of collection.

This information is located in the Waste Management Schedule which is appended to Council's Waste and Recycling Collection Policy.

- 2) Collection services will be provided in accordance with the Waste Management Schedule.

Application of Waste Collection and Recycling Charges

- 1) Waste Collection and Recycling Charges will only be applied to properties within the Designated Waste Collection Areas which have a structure that has the potential to generate general waste.
- 2) If a property has one or more residential structures or units capable of separate occupation, the relevant Waste Collection and Recycling Charges (Domestic Services) will be levied for each structure or unit.
- 3) Where a collection service is provided to a residence on a property within Category 6, 6(a) or 6(b) (Other Rural or Beef Production 1 or 2), the relevant Waste Collection and Recycling Charges (Domestic Services) will be levied.
- 4) For newly constructed structures, the Combined Waste and Recycling Collection charge will be applied from the plumbing/building approval or delivery of the MGB, whichever occurs first.
- 5) If a collection service is cancelled in accordance with 5.6 of Council's Waste and Recycling Collection Procedure, charges will not be levied.
- 6) If there is more than one commercial operator on land capable of separate occupation, the owner will be charged the appropriate fee according to the quantity of collections provided.

Domestic Services Charges**Combined Waste and Recycling Collection** charge:

provision of one waste MGB, one recycling MGB and a collection service in accordance with the Waste Management Schedule.

Additional Collection – Waste and **Additional Collection – Recycling** charges:

provision of additional collection services in accordance with 5.3 of Council's Waste and Recycling Collection Procedure.

| |
|---|
| NOTE: to be provided on the same day as existing collection service. |
| Ogmore - Waste Collection charge: provision of one waste MGB and a collection service in accordance with the Waste Management Schedule. |
| Great Keppel Island - Combined Waste and Recycling Collection charge: provision of one waste MGB, one recycling MGB and a collection service in accordance with the Waste Management Schedule. |
| Great Keppel Island – Additional Collection – Waste and Great Keppel Island – Additional Collection – Recycling charges: provision of additional collection services in accordance with 5.3 of Council's Waste and Recycling Collection Procedure. NOTE: to be provided on the same day as existing collection service |

Commercial Services Charges

| |
|--|
| Waste Collection charge: provision of one waste MGB and a collection service in accordance with the Waste Management Schedule. |
| Recycling Collection charge: provision of one recycling MGB and a collection service in accordance with the Waste Management Schedule. |
| Additional Collection – Waste and Additional Collection – Recycling charges: provision of additional collection services in accordance with 5.3 of Council's Waste and Recycling Collection Procedure. |

13. Cost Recovery Fees (s 97 *Local Government Act 2009*)

Section 97 states that Council may fix a cost recovery fee for any of the following:

- 1) An application for, or the issue of, an approval, consent, license, permission, registration or other authority under a local government act;
- 2) Recording a change of ownership of land;
- 3) Giving information kept under a local government act;
- 4) Seizing property or animals under a local government act; or
- 5) Performing a function other than one mentioned in paragraphs (a) to (d), imposed upon Council under the *Building Act 1975* or the *Plumbing and Drainage Act 2018*.

The principles of Full Cost Pricing are applied in calculating all cost recovery fees of the Council where applicable, but the fees will not exceed the cost to Council of providing the service or taking the action for which each fee is charged.

Cost Recovery Fees are listed in Council's Register of Fees and Charges which was last adopted at Council's Meeting held on 20 June 2019.

14. Other Fees and Charges (s 262 *Local Government Act 2009*)

Council has the power to conduct business activities and make business activity fees for services and facilities it provides on this basis. Business activity fees are made where Council provides a service and the other party to the transaction can choose whether or not to avail itself of the service. Business activity fees are a class of charge, which are purely commercial in application and are subject to the Commonwealth's Goods and Services Tax.

Business activity fees include but are not confined to the following: rents, plant hire, private works and hire of facilities.

15. Time for Payment (s 118 *Local Government Regulation 2012*)

Rates and utility charges referred to in this Revenue Statement shall generally be levied half yearly (billing periods beginning July/August and January/February) with the exception of water consumption which will be levied at quarterly intervals on a rolling basis. Such rates and utility charges shall be payable by the due date detailed on the rate notice.

All rates and charges issued will be due and payable within 35 days of the issue of a notice to pay.

16 Interest (s 133 *Local Government Regulation 2012*)

In accordance with the *Local Government Regulation 2012*, overdue rates will bear interest at the rate of seven (7) percent per annum compounded monthly, to be calculated from the end of the financial half year in which they fall due and charged at the end of each month or at such other time as required for the issuing of statutory notices.

17. Discount (s 130 *Local Government Regulation 2012*)

Discount at the rate of ten (10) percent will be allowed on gross Council rates and charges, excluding any charge specifically excluded from discount entitlement, provided payment of the full amount outstanding, including any overdue rates and interest to the date of payment, less any discount entitlement, is paid by the due date on original notice of the levy.

Charges excluded from discount entitlement include:

Rural Fire Levy
Emergency Services Levy
North West Emu Park Sewerage Benefited Area Special Charge
Causeway Township Sewerage Benefited Area Special Charge
Mulambin Sewerage Benefited Area Special Charge
Muskers Beach Revetment Wall – Special Charge
Water Consumption Charges
Natural Environment Separate Charge
Road Network Separate Charge
Disaster Response Separate Charge

18. Rate Concessions (s 121 *Local Government Regulation 2012*)

Council approves concessions each year prior to its budget meeting, in the form of the Rate Rebates and Remissions Policy. This will be adopted with the 2019-20 Budget. The main areas of concessions are as follows:

Pensioner Subsidy

For pensioner ratepayers of their principal place of residence, Council will offer a subsidy (upon the same terms and conditions as the Queensland Government Pensioner Rate Subsidy Scheme, a remission 20% (to a maximum of \$300) on all rates levied in respect of the property the person owns and occupies, excluding special rates/charges, water consumption charges, and rural and state fire levies/charges.

For ratepayers of their principal place of residence, a person in receipt of a Widow/ers Allowance will be entitled to a remission of twenty (20) percent (to a maximum of \$300) on all rates levied in respect of the property the person owns and occupies, excluding special rates/charges, water consumption charges, and rural and state fire levies/charges.

In both cases, the remission is offered on the basis that the ratepayers are pensioners (as defined by the *Local Government Regulation 2012*).

Permit to Occupy – Separate Charges

Council will grant a concession of all Separate Charges on those assessments that only contain a permit to occupy for pump sites provided the ratepayer as shown on the assessment is the owner of another property in the Council area on which the Separate Charges have been levied.

The concession is offered on the basis that the payment of the additional separate charge will cause the ratepayer hardship.

Permit to Occupy – General Rates

Council will grant a concession of up to \$600.00 in General Rates for properties on those assessments that only contain a permit to occupy for pump sites provided the ratepayer as shown on the assessment is the owner of another property in the Council area on which General Rates have been levied.

The remission is offered on the basis that the payment of General Rates will cause the ratepayer hardship.

Sporting Clubs and Associations

Council will grant varied levels of concessions to charitable and other Non-Profit and Charitable Community Groups, including not-for-profit Sporting Bodies, in accordance with the provisions of the Rates Rebates and Remissions Policy.

The concessions are offered on the basis that the ratepayers are entities whose objectives do not include the making of a profit.

19. Authority

It is a requirement of the *Local Government Act 2009* that for each financial year Council adopt, by resolution, a Revenue Statement.

20. Repeals/Amendments

This Statement repeals the former Livingstone Shire Council Statement titled 'Revenue Statement'.

| Version | Date | Action |
|---------|------------|--|
| 1 | 22/07/2014 | Adopted |
| 2 | 24/07/2015 | Amended Policy Adopted |
| 3 | 12/07/2015 | Amended Policy Adopted |
| 4 | 12/07/2016 | Amended Policy Adopted |
| 5 | 27/06/2017 | Amended Policy Adopted |
| 6 | 27/07/2018 | Amended Policy Adopted |
| 6.1 | 02/10/2018 | Administrative Amendments – reflect organisational restructure |
| 6.4 | 20/06/2019 | Draft |

CHRIS MURDOCH
CHIEF EXECUTIVE OFFICER

Revenue Statement
Adopted/Approved: Draft
Version: 6.4

Portfolio: Office of the CEO
Business Unit: Finance and Business Excellence

SCHEDULE 2 - Land Use Codes

- 01 Vacant Urban Land
- 02 Single Unit Dwelling
- 03 Multi Unit Dwelling (Flats, Bed & Breakfast)
- 04 Large Homesite – Vacant
- 05 Large Homesite – Dwelling
- 06 Outbuilding
- 07 Guest House/Private Hotel
- 08 Building Units
- 09 Group Titles
- 10 Combined Multi-dwellings/Shops
- 11 Shop-Single
- 12 Shops - Shopping Group (more than six shops)
- 13 Shops - Shopping Group - two to six shops
- 14 Shops - Main Retail (Central Business District)
- 15 Shops - Secondary Retail (Fringe Central Business District) presence of service industry
- 16 Drive in shopping centre
- 17 Restaurant
- 18 Special Tourist Attraction
- 19 Walkway
- 20 Marina
- 21 Residential Institutions (Non-medical care)
- 22 Car Parks
- 23 Retail Warehouse
- 24 Sales area outdoors (Dealers, boats, cars etc)
- 25 Professional Offices
- 26 Funeral Parlours
- 27 Hospitals, conv. Homes (Medical care) (Private)
- 28 Warehouse & Bulk Stores
- 29 Transport Terminal
- 30 Service Station
- 31 Oil depot & refinery
- 32 Wharves
- 33 Builders yards
- 34 Cold Stores - ice works
- 35 General Industry
- 36 Light Industry
- 37 Noxious/offensive industry (including Abattoir)
- 38 Advertising – Hoarding
- 39 Harbour Industries
- 40 Extractive
- 41 Child Care ex kindergarten
- 42 Hotel/Tavern
- 43 Motels
- 44 Nurseries (Plants)
- 45 Theatres cinemas
- 46 Drive-in Theatre
- 47 Licensed club
- 48 Sports clubs/facilities
- 49 Caravan Parks

Revenue Statement
Adopted/Approved: Draft
Version: 6.4

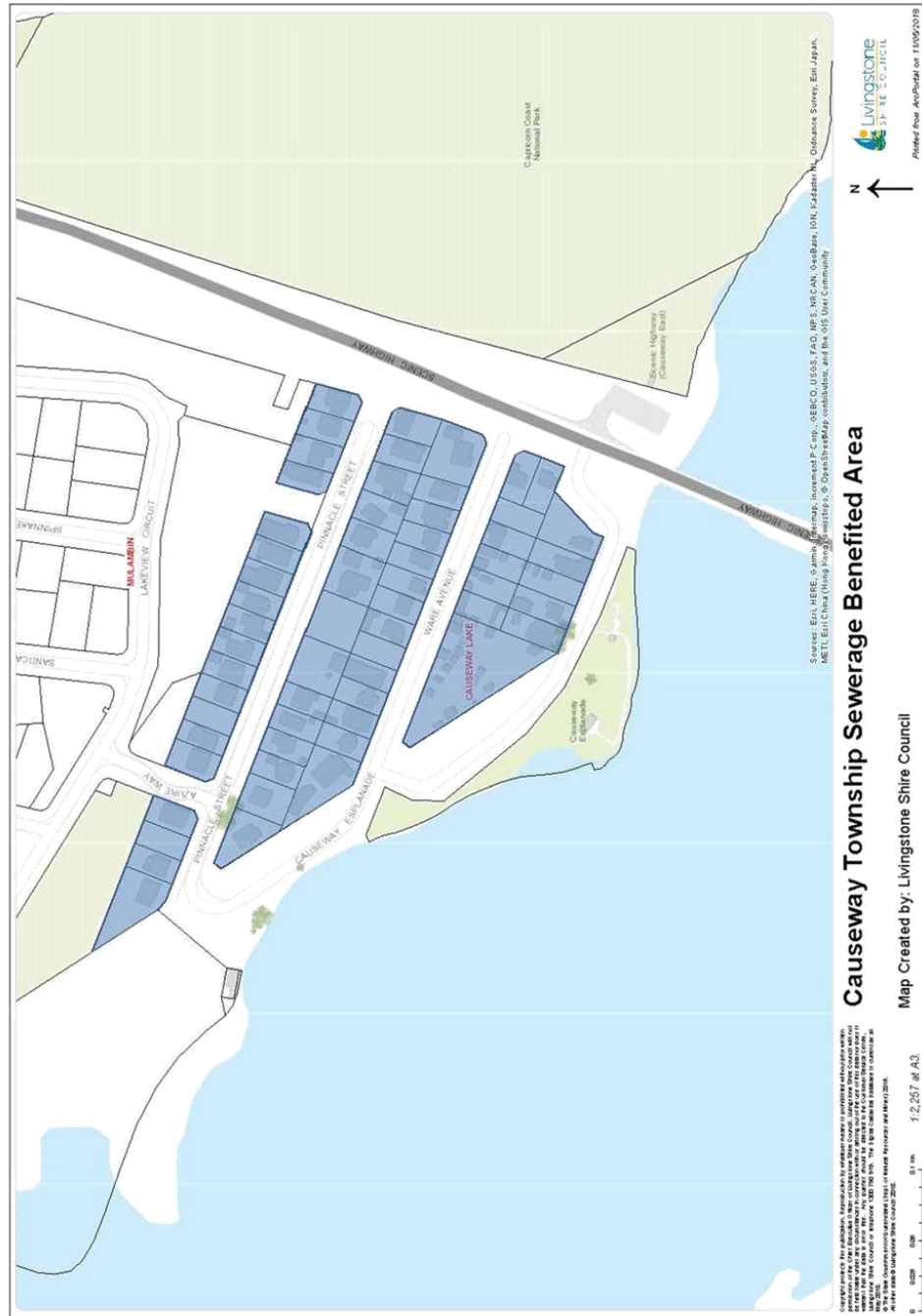
Portfolio: Office of the CEO
Business Unit: Finance and Business Excellence

50 Other Clubs (non business)
51 Religious
52 Cemeteries (incl. Crematoria)
53 not allocated
54 not allocated
55 Library
56 Show Grounds/Racecourse/Airfield
57 Parks/Gardens
58 Educational incl. Kindergarten
59 not allocated
60 Sheep Grazing – dry
61 Sheep breeding
62 not allocated
63 not allocated
64 Cattle Grazing – Breeding
65 Cattle breeding & fattening
66 Cattle fattening
67 Goats
68 Dairy Cattle - Milk-Quota
69 Dairy Cattle - no quota
70 Dairy Cattle – cream
71 Oil seeds
72 not allocated
73 Agriculture – Grains
74 Agriculture - Turf Farms
75 Sugar Cane
76 Tobacco
77 Cotton
78 Rice
79 Orchards
80 Tropical Fruits
81 Pineapples
82 Vineyards
83 Small Crops & Fodder – Irrigated
84 Small Crops & Fodder - non irrigated
85 Pigs
86 Horses
87 Poultry
88 Forestry & Logs
89 Animals Special
90 Stratum
91 Transformers
92 Defence Force Establishment
93 Peanuts
94 Vacant Rural Land (Excl. 1 & 4)
95 Reservoir, Dams, Pump sites, Bores
96 Public Hospital
97 Welfare home/institution
98 not allocated
99 Community Protection Centre

Revenue Statement
Adopted/Approved: Draft
Version: 6.4

Portfolio: Office of the CEO
Business Unit: Finance and Business Excellence

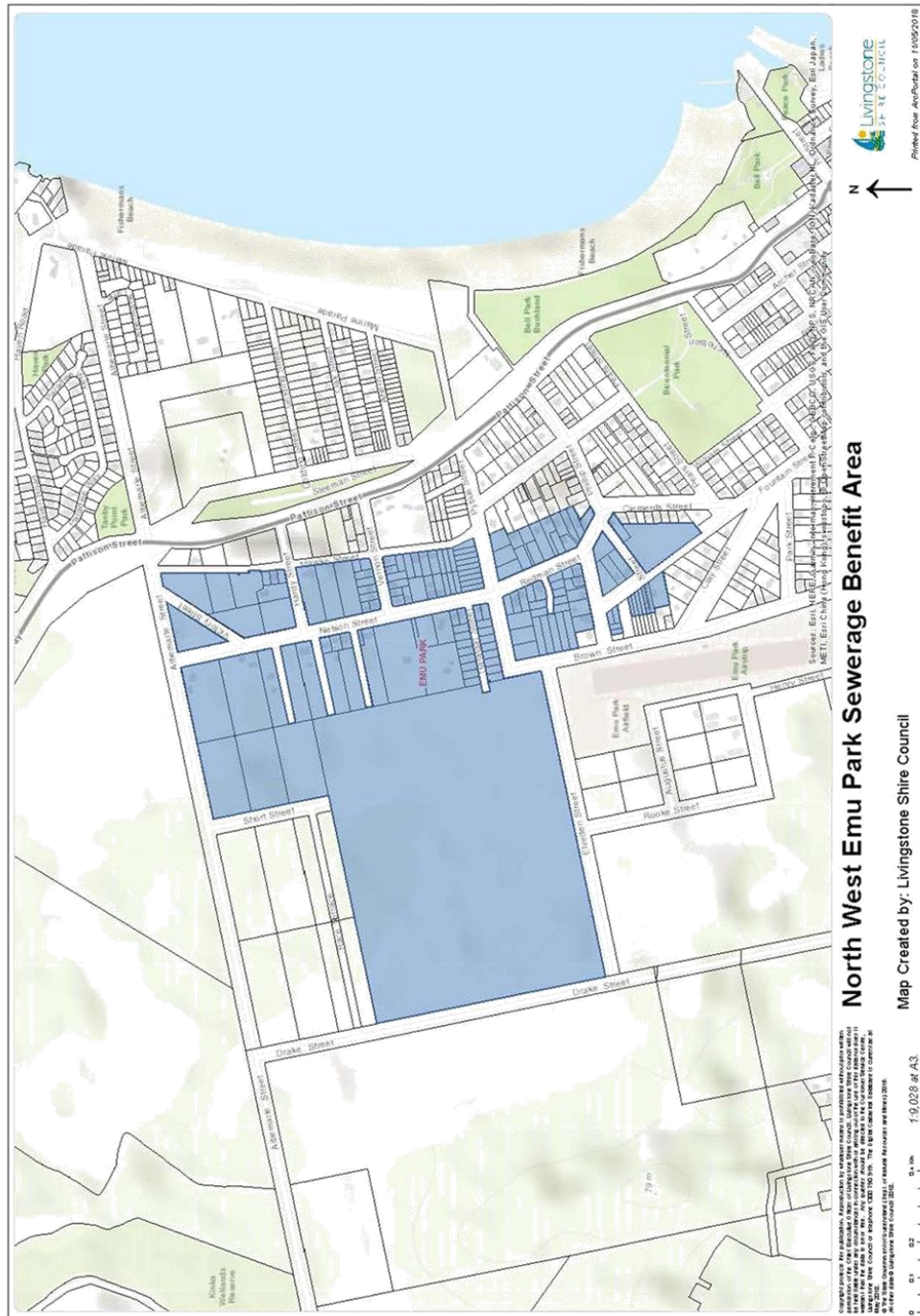
Attachment 1



Revenue Statement
 Adopted/Approved: Draft
 Version: 6.4

Portfolio: Office of the CEO
 Business Unit: Finance and Business Excellence

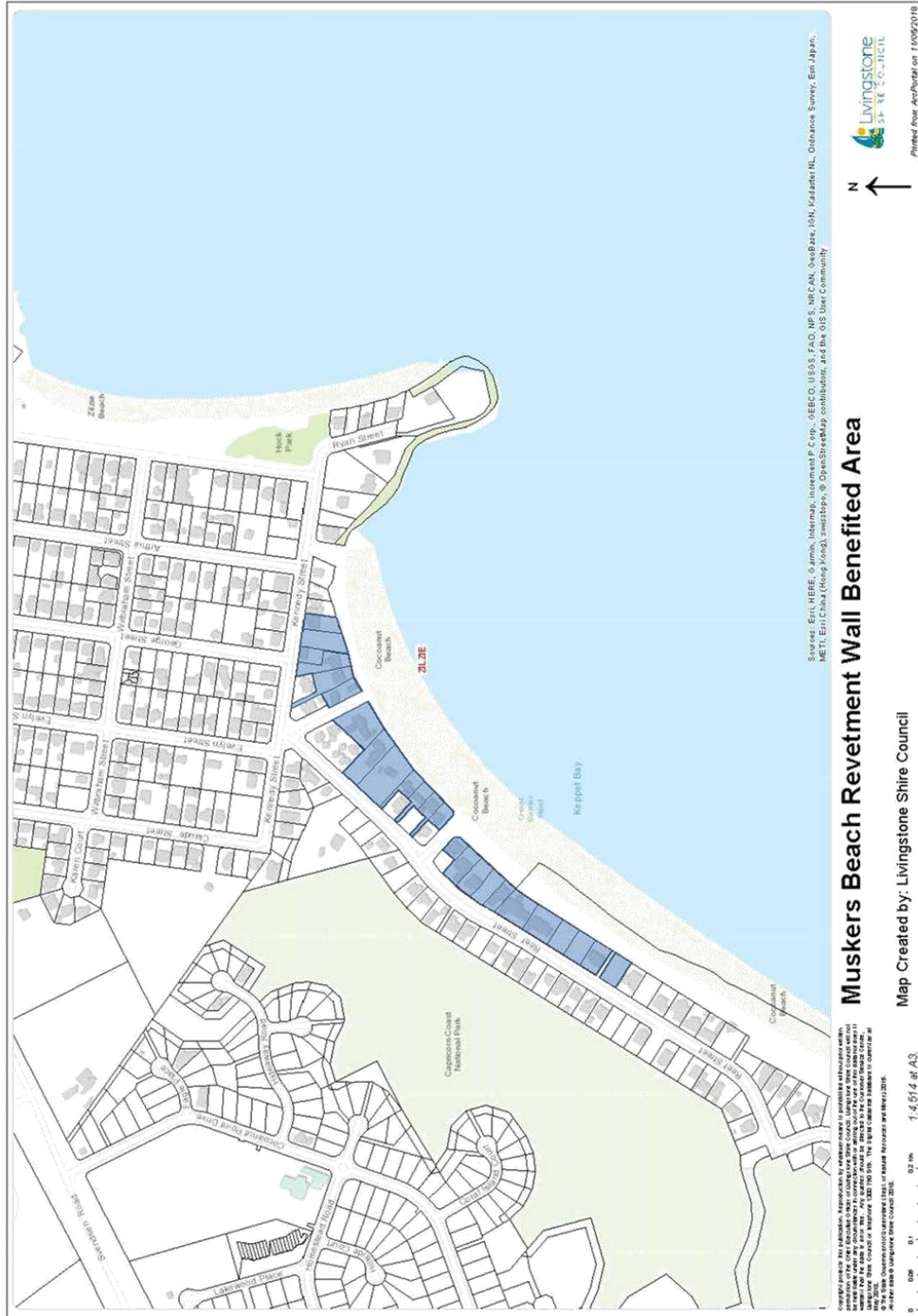
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Revenue Statement
Adopted/Approved: Draft
Version: 6.4

Portfolio: Office of the CEO
Business Unit: Finance and Business Excellence

Attachment 4



Revenue Statement
 Adopted/Approved: Draft
 Version: 6.4

Portfolio: Office of the CEO
 Business Unit: Finance and Business Excellence

10.3 DIFFERENTIAL GENERAL RATES

File No: 12.5.2
Attachments: Nil
Responsible Officer: Andrea Ellis - Chief Financial Officer
Author: Priscilla Graham - Coordinator Revenue

SUMMARY

This report presents the differential general rates for the 2019-20 financial year for adoption to support the 2019-20 Budget.

OFFICER'S RECOMMENDATION

THAT

- (a) Pursuant to Section 81 of the *Local Government Regulation 2012*, the categories in to which rateable land is categorised, the description of those categories and pursuant to Sections 81(4) and 81(5) of the *Local Government Regulation 2012*, the method by which land is to be identified and included in its appropriate category is as follows:

| No. | Category | Description | Identifiers (Land Use Codes) |
|-----|--|---|--|
| L1 | Commercial/ Light Industry ≤\$400,000 | Lands where the dominant use or intended use is commercial and light industrial purposes and the rateable valuation is \$400,000 or less. | 1,4,6,7,10 to 49 and 72 (excl. lands in any other category). |
| L1A | Commercial/ Light Industry >\$400,000 | Lands where the dominant use or intended use is commercial and light industrial purposes and the rateable valuation is greater than \$400,000. | 1,4,6,7,10 to 49 and 72 (excl. lands in any other category). |
| L2 | Retail Warehouse, Business/Shop ping Complex or Outdoor Sales | Lands where the dominant use or intended use is a retail warehouse, business/shopping complex, or outdoor sales with an area greater than 400m ² . | 10,11,12,13,14,15,16,23,24,28,33, 35 inclusive and 36. |
| L2A | Major Shopping Centres with a floor area 0 – 10,000 sqm | Lands where the dominant use or intended use is a major shopping centre with onsite parking and a floor area of 0 – 10,000 sqm. | 12 to 16 inclusive and 23. |
| L2B | Major Shopping Centres with a floor area 10,001 – 50,000 sqm | Lands where the dominant use or intended use is a major shopping centre with onsite parking and a floor area greater than 10,001 up to 50,000 sqm. | 12 to 16 inclusive and 23. |
| L3 | Heavy and Noxious Industry | Lands on the mainland where the purpose of use or intended use is a fuel dump or storage and oil refinery, heavy or general industry, or industry which emanates offensive noise, | 31, 35, 37 |

| | | | |
|-----|--|---|---|
| | | odour and dust and includes abattoirs. | |
| L4 | Island Commercial/Industrial | Lands on the islands where the dominant use or intended use is commercial or light industrial. | 1, 4, 6, 7, 10 to 49 (excl. lands in any other category). |
| L5 | Extractive | Lands on the mainland where the purpose of use or intended use extracts minerals or other substances from the ground or other environments including related activities. | 40 |
| L6 | Other Rural | Lands where the use or intended use is non-residential rural, agricultural or farming purposes. | 60 to 63, 67 to 89 and 93 to 94 (excl. 72 or. Lands in any other category). |
| L6A | Beef Cattle Production 1 | Lands where the use or intended use is Cattle Breeding, Grazing or Fattening and the rateable valuation is less than \$1,000,001. | 64 to 66 |
| L6B | Beef Cattle Production 2 | Lands where the use or intended use is Cattle Breeding, Grazing or Fattening and the rateable valuation is greater than \$1,000,000. | 64 to 66 |
| L8 | Major Tourism /Accommodation Facilities | All lands where the dominant purpose for which it is used or intended for use is that of Accommodation – Tourist Facilities and- a) The land is used or intended for use commercially for that purpose; and b) The land is greater than 5ha. in area; and c) the accommodation capacity is greater than 100 rooms. | 18 |
| L9 | Residential 1 - Owner Occupied/Vacant Land | Lands where the dominant use or intended use is residential purposes, Owner Occupied/Principal Place of Residence or Vacant Land, and the rateable valuation is less than \$125,001. (excl. lands in any other category). | 1, 2, 6 and 72 |
| L10 | Residential 2 - Owner Occupied/Vacant Land | Lands where the dominant use or intended use is residential purposes, Owner Occupied/Principal Place of Residence or Vacant Land, and the rateable valuation is more than \$125,000 and less than \$225,001. (excl. lands in any other category). | 1, 2, 6 and 72 |
| L11 | Residential 3 - Owner Occupied/Vacant Land | Lands where the dominant use or intended use is residential purposes, Owner Occupied/Principal Place of Residence or Vacant Land, and the rateable valuation is more than \$225,000 and less than \$500,001. (excl. lands in any other category). | 1, 2, 6 and 72 |
| L12 | Residential 4 - Owner Occupied/Vac | Lands where the dominant use or intended use is residential purposes, Owner Occupied or | 1,2,6 and 72 |

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| | ant Land | Vacant and- a) For Owner Occupied/Principal Place of Residence Land – the land has a rateable valuation more than \$500,000 and less than \$750,001; and b) For Vacant land – the land has a rateable valuation more than \$500,000 and less than \$600,001. (excl. lands in any other category). | |
| L13 | Residential 5 - Owner Occupied | Lands where the dominant use or intended use is residential purposes, Owner Occupied/Principal Place of Residence and the rateable valuation is more than \$750,000 and less than \$1,000,001. (excl. lands in any other category). | 2 and 6 |
| L14 | Residential 6 - Owner Occupied | Lands where the dominant use or intended use is residential purposes, Owner Occupied/Principal Place of Residence and the rateable valuation is more than \$1,000,000. (excl. lands in any other category). | 2 and 6 |
| L9A | Residential 1 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is less than \$125,001. | 2 and 6 |
| L10A | Residential 2 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is more than \$125,000 and less than \$225,001. | 2 and 6 |
| L11A | Residential 3 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is more than \$225,000 and less than \$500,001. | 2 and 6 |
| L12A | Residential 4 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is more than \$500,000 and less than \$750,001. | 2 and 6 |
| L13A | Residential 5 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is more than \$750,000 and less than \$1,000,001. | 2 and 6 |
| L14A | Residential 6 - Non Owner Occupied | Lands where the dominant use or intended use is residential purposes, not Owner Occupied/not Principal Place of Residence and the rateable valuation is more than \$1,000,000. | 2 and 6 |
| L15 | Large Residential 1 – Owner Occupied/Vacant Land | Lands, Owner Occupied/Principal Place of Residence or Vacant Land, used or intended for use for residential purposes, with a rateable valuation less than \$225,001:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but | 1,2,4,5,6,72 and 94 |

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|-----|--|--|---------------------|
| | | located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. (excl. lands in any other category) | |
| L16 | Large Residential 2 – Owner Occupied/Vacant Land | Lands, Owner Occupied/Principal Place of Residence or Vacant Land, used or intended for use for residential purposes, with a rateable valuation is more than \$225,000 and less than \$500,001- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. (excl. lands in any other category). | 1,2,4,5,6,72 and 94 |
| L17 | Large Residential 3 – Owner Occupied/Vacant Land | Lands where the dominant use or intended use is residential purposes, and having an area of 4000m ² or greater; or having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater; and:- a) For Owner Occupied Land/Principal Place of Residence – the land has a rateable valuation more than \$500,000 and less than \$1,000,001; and b) For Vacant Land - the land has a rateable valuation more than \$500,000 and less than \$600,001. (excl. lands in any other category). | 1,2,4,5,6,72 and 94 |
| L18 | Large Residential 4 – Owner Occupied | Lands, Owner Occupied/Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation more than \$1,000,000 and less than \$10,000,001:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. (excl. lands in any other category). | 2,5 and 6 |
| L19 | Large Residential 5 – Owner Occupied | Lands, Owner Occupied/Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation more than \$10,000,000:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. (excl. lands in any other category). | 2,5 and 6 |

| | | | |
|------|--|--|-----------|
| L15A | Large Residential 1 – Non Owner Occupied | Lands, Non Owner Occupied/not Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation is less than \$225,001: a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. | 2,5 and 6 |
| L16A | Large Residential 2 – Non Owner Occupied | Lands, Non Owner Occupied/not Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation more than \$225,000 and less than \$500,001:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. | 2,5 and 6 |
| L17A | Large Residential 3 – Non Owner Occupied | Lands, Non Owner Occupied/not Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation more than \$500,000 and less than \$1,000,001:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. | 2,5 and 6 |
| L18A | Large Residential 4 – Non Owner Occupied | Lands, Non Owner Occupied/not Principal Place of Residence used or intended for use is for residential purposes, with a rateable valuation more than \$1,000,000 and less than \$10,000,001:- a) Having an area of 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² or greater. | 2,5 and 6 |
| L19A | Large Residential 5 – Non Owner Occupied | Lands, Non Owner Occupied/not Principal Place of Residence used or intended for use for residential purposes, with a rateable valuation more than \$10,000,000:- a) Having an area 4000m ² or greater; or b) Having an area of less than 4000m ² but located within a Council planning scheme zone or precinct with a preferred minimum lot size of 4000m ² . | 2,5 and 6 |
| L21 | Strata (residential) – Owner Occupied | Lands that are part of a community title scheme and the dominant use or intended use is residential purposes, and dwelling/s is/are Owner Occupied/Principal Place of Residence. | 8 or 9 |

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| | | (excl. lands in any other category) | |
| L21A | Flats and Strata (residential) – Non Owner Occupied | Lands that are part of a community title scheme or a parcel of land for two or more self-contained dwellings (including flats, & secondary dwellings), and the dominant use or intended use is residential purposes, and dwelling/s is/are not Owner Occupied/not Principal Place of Residence. | 3, 8 or 9 |
| L22 | Strata (commercial/ industrial) | Lands that are part of a community title scheme, and the dominant use or intended use is commercial or industrial purposes. | 8 or 9 |
| L23 | Strata >500sqm – Owner Occupied / Vacant Land | All land in a Community Title Scheme where the dominant use or intended use is for residential purposes, Owner Occupied/Principal Place of Residence or Vacant Land, and the individual lot size is not less than 500sqm. | 8 or 9 |
| L23A | Strata >500sqm - Non Owner Occupied | All land in a Community Title Scheme where the dominant use or intended use is for residential purposes, not Owner Occupied (not Principal Place of Residence) and the individual lot size is not less than 500sqm. | 8 or 9 |
| L24 | Vacant land >\$600,000 | Vacant land where the valuation is greater than \$600,000. | 1, 4 and 72 |
| L26 | Special uses | Lands on the mainland where the dominant use is non-commercial in nature and the land is used or intended to be used for social and community welfare, defence or education purposes. | 21, 50 – 59, 92, and 96 – 100 |
| L27 | Other | All lands not included elsewhere. Including but not limited to Transformers, Stratum, and Reservoirs, Dams and Bores. | 90, 91 and 95 or not elsewhere categorised. |
| L28 | Reservoir/Pump site | Lands where the valuation is less than \$10,000 and used for the purpose of a Reservoir, Dam, Pump site, or Bores. | 95 |

- (b) Council delegates to the Chief Executive Officer the power, pursuant to Sections 81(4) and 81(5) of the *Local Government Regulation 2012*, to identify the rating category to which each parcel of rateable land belongs.

- (c) Pursuant to Section 94 of the *Local Government Act 2009* and Section 80 of the *Local Government Regulation 2012*, the differential general rate to be made and levied for each differential general rate category and, pursuant to Section 77 of the *Local Government Regulation 2012*, the minimum general rate to be made and levied for each differential general rate category, is as follows:

| Category No. | Category | General Rate (cents in the Dollar of Rateable Value) | Minimum General Rate (\$) |
|--------------|---|--|---------------------------|
| L1 | Mainland Commercial/Light Industry ≤\$400,000 | 1.8455 | 1,307 |
| L1A | Mainland Commercial/Light Industry >\$400,000 | 1.9989 | 1,345 |
| L2 | Retail Warehouse, Business/Shopping Complex, or Outdoor Sales | 2.1369 | 4,084 |
| L2A | Major Shopping Centres with a floor area 0 – 10,000 sqm | 2.5107 | 28,394 |
| L2B | Major Shopping Centres with a floor area 10,001 – 50,000 sqm | 3.2198 | 218,014 |
| L3 | Heavy and Noxious Industry | 2.5716 | 3,010 |
| L4 | Island Commercial / Industrial | 1.5431 | 2,042 |
| L5 | Extractive | 6.8586 | 3,793 |
| L6 | Other Rural | 1.2554 | 1,390 |
| L6A | Beef Cattle Production 1 | 1.2415 | 1,390 |
| L6B | Beef Cattle Production 2 | 1.1367 | 14,851 |
| L8 | Major Tourism/Accommodation Facilities | 2.8416 | 150,382 |
| L9 | Residential 1 – Owner Occupied/Vacant Land | 1.0861 | 679 |
| L9A | Residential 1 - Non Owner Occupied | 1.1404 | 713 |
| L10 | Residential 2 – Owner Occupied/Vacant Land | 1.0317 | 1,358 |
| L10A | Residential 2 - Non Owner Occupied | 1.0833 | 1,426 |
| L11 | Residential 3 – Owner Occupied/Vacant Land | 0.9784 | 2,329 |
| L11A | Residential 3 - Non Owner Occupied | 1.0273 | 2,445 |
| L12 | Residential 4 – Owner Occupied/Vacant Land | 0.8711 | 4,888 |
| L12A | Residential 4 - Non Owner Occupied | 0.9147 | 5,132 |
| L13 | Residential 5 – Owner Occupied | 0.8145 | 6,539 |
| L13A | Residential 5 - Non Owner Occupied | 0.8552 | 6,866 |
| L14 | Residential 6 – Owner Occupied | 0.7614 | 8,146 |
| L14A | Residential 6 - Non Owner Occupied | 0.7995 | 8,553 |
| L15 | Large Residential 1 – Owner Occupied/Vacant Land | 1.1539 | 742 |
| L15A | Large Residential 1 - Non Owner Occupied | 1.2116 | 779 |
| L16 | Large Residential 2 – Owner Occupied/Vacant Land | 1.0995 | 2,596 |
| L16A | Large Residential 2 - Non Owner Occupied | 1.1545 | 2,726 |

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|------|--|--------|--------|
| L17 | Large Residential 3 – Owner Occupied/Vacant Land | 0.9930 | 5,501 |
| L17A | Large Residential 3 - Non Owner Occupied | 1.0427 | 5,776 |
| L18 | Large Residential 4 – Owner Occupied | 0.7974 | 9,932 |
| L18A | Large Residential 4 - Non Owner Occupied | 0.8373 | 10,429 |
| L19 | Large Residential 5 – Owner Occupied | 0.5581 | 79,739 |
| L19A | Large Residential 5 - Non Owner Occupied | 0.5860 | 83,726 |
| L21 | Strata (residential) – Owner Occupied | 1.2321 | 752 |
| L21A | Flat and Strata (residential) - Non Owner Occupied | 1.2937 | 790 |
| L22 | Strata (commercial/industrial) | 2.1524 | 1,307 |
| L23 | Strata >500sqm – Owner Occupied | 2.7237 | 1,368 |
| L23A | Strata >500sqm - Non Owner Occupied | 2.8599 | 1,436 |
| L24 | Vacant land >\$600,000 | 2.4212 | 1,337 |
| L26 | Special uses | 1.5898 | 2,227 |
| L27 | Other | 2.0114 | 1,345 |
| L28 | Reservoir/pump site < \$10,000 | 2.1566 | 557 |

BACKGROUND

Council acknowledges that there is considerable diversity in the Livingstone Shire in terms of land use and location (such as between the urban and rural areas), land values, access to, and actual and potential demands for services and facilities. Council is committed to spreading the general rates equitably among categories and classes of ratepayers. Therefore, Council adopts the differential general rating categories outlined, in a commitment to spread the general rates fairly and equitably, taking into account the following factors:

- The relative rateable value of lands and the general rates that would be payable if only one general rate were levied;
- The use of the land as it relates to actual and potential demand for Council services;
- Location of the land as it relates to actual and potential demand for Council services; and
- The impact of rateable valuations on the level of general rates to be paid.

Council also applies the principles set out in the Revenue Policy (adopted on the 4 June 2019) when making and levying rates and charges:

- Equity for like properties
- User pays
- Meaningful contribution
- Predictability
- Fairness

Council will have regard to the principles by:

- a) operating a rating system whereby land is categorised into rates categories developed by Council for differential rating purposes by having regard to such factors but not limited to, actual and potential demands placed on Council, location and use of land, the unimproved and site value of land and the land's capacity to generate revenue (Equity);

- b) using special and separate rates and charges and utility charges as appropriate to compensate for cost of service delivery (User pays);
- c) National Competition Policy legislation where applicable (User pays);
- d) establishing an appropriate number of differential rates categories and setting an appropriate level of rates for each category (Meaningful contribution);
- e) requiring a minimum contribution from each ratepayer towards the overall running of the Council, except where legislation prevents a minimum being set by the application of minimum general rates (Meaningful contribution);
- f) taking into account timing of the levy of rates with the financial cycle of local economic activity, in order to assist the smooth running of the local economy (Predictability);
- g) benchmarking any variations in rates and charges from year to year, against the general price movements that occur in other sectors of the community as measured by indexes such as the Road Input Cost Index, the Consumer Price Index, Council Cost Index (as calculated by the Local Government Association of Queensland) and their components. While taking these movements into consideration, Council needs to ensure that the rates and charges made are sufficient to cover the cost of its operations and that Council is able to continue to provide services to the community at a level consistent with the growth and development of the area (Predictability);
- h) having in place a rating regime that is simple and efficient to administer (fairness); and
- i) making it clear what are the responsibilities (Council and ratepayers') in relation to the rating process (Fairness).

COMMENTARY

Council adopts Differential General Rating for the following reasons:

- Council is committed to spreading the general rates burden equitably;
- The use of a single general rate would not result in an equitable distribution of the rates burden among ratepayers;
- Certain land uses and locations of lands require and/or impose greater demands on Council services relative to other land uses and locations; and
- Valuation relativities between commercial/industrial, lands used for tourist facilities, rural, islands, urban, productive and residential uses, do not reflect the intensity of land use nor the actual or potential demands on Council services and facilities.

Review of the Differential General Rating structure for the 2019-20 financial year has been undertaken in both the commercial and the residential categories. The Differential Rating Categories identified are intended to recognise the contribution level of rates levied based on the services being consumed. This enables Council to ensure that the equity principle is being fairly applied to the rating system and each rating category, reflective of the intensity of land use and/or the actual or potential demands on Council services and facilities.

PREVIOUS DECISIONS

Previous Differential General Rates were adopted in conjunction with the 2018-19 Budget on the 24th July 2018. The Separate charges identified reflect discussions had with Councillors during the 2019-20 series of Budget Workshops.

Council adopted the Revenue Policy on 4 June 2019.

BUDGET IMPLICATIONS

Differential categories, and levies identified reflect the General Rate revenue represented within the 2019/20 Budget and Long Term Financial Forecasts.

LEGISLATIVE CONTEXT

Section 81 of the *Local Government Regulation 2012*, outlines the requirements regarding the categorisation of land for differential rating such as; the method by which land is to be identified.

Section 80 of the *Local Government Regulation 2012*, outlines the requirements in regard to identifying the rate to be made and levied per differential rate category.

Section 77 of the *Local Government Regulation 2012*, outlines the requirements in regard to identifying the minimum general rate to be made and levied per differential general rate category.

LEGAL IMPLICATIONS

The adoption of the Differential General Rates ensures Council's compliance with the requirements of the *Local Government Regulation 2012* and provides for the basis for the levying of general rates and charges for the 2019-20 financial year.

The differential rates form part of the Revenue Statement. The Revenue Statement may only be adopted at the Budget meeting for the year and once passed, it cannot be changed until the following year.

STAFFING IMPLICATIONS

The Chief Executive Officer has been delegated the power to identify the rating category applicable to each parcel of rateable land. In undertaking this task the Chief Executive Officer will be guided by the descriptions of each category.

Administration and the half-yearly levy of General Rates and Charges is managed by current staffing levels in accordance with existing delegations.

RISK ASSESSMENT

Differential Categories have been reviewed by Council's external legal advisors in order to mitigate any unforeseen risks.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: **Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.**

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

The Livingstone Shire Council adopt the Differential General Rates for the 2019-20 financial year as outlined within the report and Revenue Statement 1 July 2019 - 30 June 2020 to support the 2019-20 Budget.

10.4 SEPERATE CHARGES

File No: 12.5.2
Attachments: Nil
Responsible Officer: Andrea Ellis - Chief Financial Officer
Author: Priscilla Graham - Coordinator Revenue

SUMMARY

This report presents the Separate Charges for the 2019-20 financial year for adoption to support the 2019-20 Budget.

OFFICER'S RECOMMENDATION

THAT

- (a) Pursuant to Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, Council make and levy a Separate Charge (to be known as the "Road Network Separate Charge"), in the sum of \$560 per annum per rateable assessment, to be levied equally on all rateable land in the region, for the purposes of defraying part of the cost of maintaining the road network for the financial year beginning 1 July, 2019.

Discount in accordance with Section 130 of the *Local Government Regulation 2012*, will not apply to this charge purposes.

- (b) Pursuant to Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, Council make and levy a Separate Charge (to be known as the "Natural Environment Separate Charge"), in the sum of \$65 per annum per rateable assessment, to be levied equally on all rateable land in the region, for the purposes of defraying part of the cost of formulating and implementing initiatives for environmental protection, enhancement and conservation, including various waste management initiatives that contribute to these outcomes for the financial year beginning 1 July, 2019.

Discount in accordance with Section 130 of the *Local Government Regulation 2012*, will not apply to this charge.

- (c) Pursuant to Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, Council make and levy a Separate Charge (to be known as the "Disaster Response Separate Charge"), in the sum of \$25 per annum per rateable assessment, to be levied equally on all rateable land in the region, for the financial year beginning 1 July, 2019 for the purposes of:

-

- a. Assisting in the support of the State Emergency Services including the ongoing cost of maintenance of facilities and emergency equipment;
- b. Providing mitigation strategies based on hazards and risks from disasters in the Livingstone Shire area; and
- c. Providing funding to recover from disaster events that impact the Livingstone Shire area.

Discount in accordance with Section 130 of the *Local Government Regulation 2012*, will not apply to this charge.

BACKGROUND

In accordance with Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, Council can adopt to make and levy Separate Charges to defray the expense it incurs in providing identified services or facilities or engaging in identified activities for the benefit of its local governed area. The charges are calculated on the basis of the estimated cost to Council of providing these services. Revenue raised from these charges will only be used to fund either all or part of the costs associated with the activities.

Separate Charges of Livingstone Shire Council include the Road Network Charge, Natural Environment Charge, and the new Disaster Response Charge.

COMMENTARY

In conjunction with the Budget preparation, Council has undertaken an extensive review of the rates and charges for the 2019-20 financial year. Separate Charges are adopted when Council considers that the benefit of each service, facility or activity is shared equally by all parcels of rateable land, regardless of their value. The following Separate Charges presented reflect the decisions made and modelled throughout budget workshops conducted over several months.

Road Network Separate Charge

Council will make and levy a Separate Charge to defray part of the cost of maintaining the road network within the region. Council will make and levy the charge equally on all rateable land within the Livingstone Shire Council area.

The amount of the Road Network Separate Charge will be \$560 per annum per rateable assessment throughout the region.

Discount in accordance with Section 130 of the *Local Government Regulation 2012* will not apply to this charge.

Natural Environment Separate Charge

Council will make and levy a Separate Charge to defray part of the cost of formulating and implementing initiatives for environmental protection, enhancement and conservation, including various waste management initiatives that contribute to these outcomes.

Council will make and levy the charge equally on all rateable land within the Livingstone Shire Council area.

The amount of the Natural Environment Separate Charge will be \$65 per annum per rateable assessment throughout the region.

Discount in accordance with Section 130 of the *Local Government Regulation 2012* will not apply to this charge.

Disaster Response Separate Charge

The total cost of natural disasters in Queensland is increasing at a significant rate, with this rise in costs, Local Government have a responsibility to ensure measures to mitigate, prepare, respond, recover and build community resilience are implemented. The State Governments 'Queensland Strategy for Disaster Resilience 2017' states Local Government has the responsibility for building community understanding and capability to manage risk and enhance community resilience.

Council will make and levy a Separate Charge that will assist in the support of the State Emergency Services including the ongoing cost of maintenance of facilities and emergency equipment so vital for our volunteers to assist the community. Secondly, provide mitigation strategies based on hazards and risks from disasters in the Livingstone Shire area as well as provide funding to recover from disaster events that impact our shire.

Council will make and levy the charge equally on all rateable land within the Livingstone Shire Council area.

The amount of the Disaster Response Separate Charge will be \$25 per annum per rateable assessment throughout the region. It is a Separate Charge for the 2019-20 financial year.

Discount in accordance with Section 130 of the *Local Government Regulation 2012* will not apply to this charge.

PREVIOUS DECISIONS

Previous Separate Charges were adopted in conjunction with the 2018-19 Budget on the 24 July 2018. The Separate Charges identified reflect discussions had with Councillors during the 2019-20 series of Budget Workshops.

BUDGET IMPLICATIONS

Separate Charges outlined within the recommendation reflect the Separate Charge revenues represented within the 2019-20 Budget and Long Term Financial Forecasts.

LEGISLATIVE CONTEXT

Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, provides Council the authority to make and levy Separate charges.

Discount in accordance with Section 130 of the *Local Government Regulation 2012*, does not apply to separate charges.

LEGAL IMPLICATIONS

The adoption of the Separate Charges ensures Council's compliance with the requirements of the *Local Government Regulation 2012* and provides for the basis for the levying of Separate charges for the 2019-20 financial year.

STAFFING IMPLICATIONS

The administration and half-yearly levy of Separate Charges is managed by current staffing levels in accordance with current delegations.

RISK ASSESSMENT

The Revenue Statement inclusive of the Separate Charges has been reviewed by King and Company Solicitors in order to mitigate any unforeseen risks.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

The Separate Charges are presented for adoption to support the 2019-20 Budget.

10.5 SPECIAL CHARGES

File No: 12.5.2
Attachments: Nil
Responsible Officer: Andrea Ellis - Chief Financial Officer
Author: Priscilla Graham - Coordinator Revenue

SUMMARY

This report presents the special charges for the 2019-20 financial year for adoption to support the 2019-20 Budget.

OFFICER'S RECOMMENDATION

THAT

- (a) Pursuant to Section 94 of the *Local Government Act 2009* and Section 94 of the *Local Government Regulation 2012*, Council make and levy a special charge (to be known as the "Rural Fire Services Levy") for the purpose of raising revenue for each Rural Fire Brigade as set out in the table below:

Keppel Group

| Rural Fire Brigade | Levy 2019-20 | Rural Fire Brigade | Levy 2019-20 |
|---------------------|--------------|--------------------|--------------|
| Adelaide Park Road | \$40 | Kunwarara | - |
| Barmoya | - | Marlborough | \$30 |
| Belmont | \$80 | Maryvale | \$40 |
| Bondoola | \$45 | Mt Gardiner | - |
| Bungundarra | \$70 | Nankin | \$80 |
| Byfield | \$25 | Nerimbera | \$10 |
| Canal Creek | - | Ogmore | - |
| Canoona | - | Rossmoya | - |
| Cawarral | \$65 | Stanage Bay | \$25 |
| Cooberrie | \$25 | Stockyard Point | \$50 |
| Coowonga | \$100 | Tanby | \$50 |
| Great Keppel Island | - | The Caves | \$100 |
| Hidden Valley | \$60 | Wattlebank | - |
| Jardine | \$30 | Woodbury | \$30 |
| Keppel Sands | \$50 | | |

The rateable land to which the special charge will apply is land within the areas separately described on a map titled:

Keppel Group

| | |
|--------------------------------------|--|
| 'Rural Fire Brigade – Adelaide Park' | 'Rural Fire Brigade – Kunwarara' |
| 'Rural Fire Brigade – Barmoya' | 'Rural Fire Brigade – Marlborough' |
| 'Rural Fire Brigade – Belmont' | 'Rural Fire Brigade – Maryvale' |
| 'Rural Fire Brigade – Bondoola' | 'Rural Fire Brigade – Mount Gardiner' |
| 'Rural Fire Brigade – Bungundarra' | 'Rural Fire Brigade – Nankin' |
| 'Rural Fire Brigade – Byfield' | 'Rural Fire Brigade – Nerimbera' |
| 'Rural Fire Brigade – Canoona' | 'Rural Fire Brigade – Ogmore' |
| 'Rural Fire Brigade – Canal Creek' | 'Rural Fire Brigade – Rossmoya' |
| 'Rural Fire Brigade – Cawarral' | 'Rural Fire Brigade – Stanage Bay' |
| 'Rural Fire Brigade – Cooberrie' | 'Rural Fire Brigade – Stockyard Point' |

'Rural Fire Brigade – Coowonga' 'Rural Fire Brigade – Tanby'
'Rural Fire Brigade – Great Keppel Island' 'Rural Fire Brigade – The Caves'
'Rural Fire Brigade – Hidden Valley' 'Rural Fire Brigade – Wattlebank'
'Rural Fire Brigade – Jardine' 'Rural Fire Brigade – Woodbury'
'Rural Fire Brigade – Keppel Sands'

Rural Fire Brigade Maps are available upon request from the Rural Fire Service, Queensland Fire and Emergency Services, Rockhampton Area Office.

The overall plan for each special charge is to fund the provision of fire prevention and firefighting services, facilities and activities by the rural fire brigades identified in the special charge table in the defined benefit areas.

The time for implementing the overall plan is twelve (12) months ending 30 June 2020. However, provision of rural firefighting services is an ongoing activity and further special charges are expected to be made in future years.

The works and services specified in the overall plan will be carried out or provided during the financial year ending on 30 June 2020.

The estimated cost of implementing the overall plan (being the cost of planned works and replacement of capital items for the period) is \$238,220.

The special charge is intended to raise all funds necessary to carry out the overall plan.

The occupier/owner of the land to be levied with the special charge has specifically benefited, or will specifically benefit, from the implementation of the overall plan, comprising firefighting services, because the rural fire brigades are charged with firefighting and fire prevention under *the Fire and Emergency Services Act 1990* and whose services could not be provided or maintained without the imposition of the special charge.

(b) Pursuant to Section 94 of the *Local Government Act 2009* and Section 94 of the *Local Government Regulation 2012*, Council make and levy a special charge (to be known as the "North West Emu Park Sewerage Benefited Area – Special Charge") of \$478 per rateable assessment for the provision of reticulated sewerage to North West Emu Park.

The rateable land to which the charge applies is every parcel of rateable land within the areas separately described on a map titled 'North West Emu Park Sewerage Benefited Area' (see Attachment 1 contained within the Revenue Statement).

The service, facility or activity for which the special charge is made is the construction and commissioning of sewerage infrastructure necessary for providing reticulated sewerage to North West Emu Park. The construction was completed during the Financial Year 2009-10, and there are no further works to be undertaken.

The overall plan for this special charge was adopted by Council at its 2009-10 Budget meeting. The cost of implementing the overall plan is \$2,377,000 (being the cost of infrastructure constructed).

The charge is to reimburse Council \$1,244,208 of the funds expended on the project. Council funded the cost of construction of the sewerage reticulation infrastructure from its own revenue sources.

The annual implementation plan in 2019-20 comprises reimbursement to Council of part of the cost that it has incurred to construct the North West Emu Park Sewerage Scheme.

The occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, because they will enjoy access to an efficient convenient and healthy system for the removal and treatment of sewerage, which access would not have occurred if Council had not undertaken the project of constructing the sewerage reticulation infrastructure.

Council will, pursuant to Section 121(a) of the *Local Government Regulation 2012*, grant

a remission of the North West Emu Park Sewerage Benefited Area – Special Charge on those assessments where the sum of \$3,075.64 is paid to Council by 30 August 2019 (which amount represents the 2019-20 per assessment cost to Council (excluding developer contributions and funding from other sources) of constructing and commissioning of the relevant sewerage infrastructure), on the grounds that to require those ratepayers that elect to make this lump sum payment, to also pay the special charge constitutes hardship.

- (c) Pursuant to Section 94 of the *Local Government Act 2009* and Section 94 of the *Local Government Regulation 2012*, Council make and levy a special charge (to be known as the “Causeway Township Sewerage Benefited Area – Special Charge”) of \$468 per rateable assessment for the provision of reticulated sewerage to Causeway Township.

The rateable land to which the charge applies is every parcel of rateable land within the areas separately described on a map titled ‘Causeway Township Sewerage Benefited Area’ (see Attachment 2 contained within the Revenue Statement).

The service, facility or activity for which the special charge is made is the construction and commissioning of sewerage infrastructure necessary for providing reticulated sewerage to Causeway Township. The works was completed during the financial year 2009-10 and there is no further works to be undertaken.

The overall plan for this special charge was adopted by Council at its 2009-10 Budget meeting. The cost of implementing the overall plan is \$850,000 (being the cost of infrastructure constructed).

The charge is expected to reimburse Council \$386,400 of the funds expended on the project. Council funded the cost of construction of the sewerage reticulation infrastructure from its own revenue sources.

The annual implementation plan in 2019-20 comprises reimbursement to Council of part of the cost that it has incurred to construct the Causeway Township Sewerage Scheme.

The occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, because they will enjoy access to an efficient convenient and healthy system for the removal and treatment of sewerage, which access to which would not have occurred if Council had not undertaken the project of constructing the sewerage reticulation infrastructure.

Council will, pursuant to Section 121(a) of the *Local Government Regulation 2012*, grant a remission of the Causeway Township Sewerage Benefited Area – Special Charge on those assessments where the sum of \$3,314.23 is paid to Council by 30 August 2019 (which amount represents the 2019-20 per assessment cost to Council (excluding developer contributions and funding from other sources) of constructing and commissioning of the relevant sewerage infrastructure), on the grounds that to require those ratepayers that elect to make this lump sum payment, to also pay the special charge constitutes hardship.

- (d) Pursuant to Section 94 of the *Local Government Act 2009* and Section 94 of the *Local Government Regulation 2012*, Council make and levy a special charge (to be known as the “Mulambin Sewerage Benefited Area – Special Charge”) of \$722 per rateable assessment for the provision of reticulated sewerage to the identified part of Mulambin.

The rateable land to which the charge applies is every parcel of rateable land within the areas separately described on a map titled ‘Mulambin Sewerage Benefited Area’ (see Attachment 3).

The service, facility or activity for which the special charge is made is the construction and commissioning of trunk sewerage infrastructure necessary for providing reticulated sewerage to the Mulambin Sewerage Benefited Area. The works were completed during

the financial year 2006-07 and there is no further works to be undertaken.

The overall plan for this special charge was adopted by Council at its 2006-07 Budget meeting. The cost of implementing the overall plan is approximately \$1,100,000 (being the cost of infrastructure constructed to the connection at Lammermoor). Contribution identified below is also apportioned towards the trunk infrastructure from Lammermoor back to the Yeppoon Sewerage Treatment Plant.

The charge is expected to reimburse Council \$145,314 of the funds expended on the project. Council funded the cost of construction of the sewerage reticulation infrastructure from its own revenue sources.

The annual implementation plan in 2019-20 comprises reimbursement to Council of part of the cost that it has incurred to construct the Mulambin Sewerage Scheme.

The occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, because they will enjoy access to an efficient convenient and healthy system for the removal and treatment of sewerage, access to which would not have occurred if Council had not undertaken the project of constructing the sewerage reticulation infrastructure.

Council will, pursuant to section 121(a) of the *Local Government Regulation 2012*, grant a remission of the Mulambin Sewerage Benefited Area – Special Charge on those assessments where the sum of \$3,128.63 is paid to Council by 30 August 2019 (which amount represents the 2019-20 per assessment cost to Council (excluding developer contributions and funding from other sources) of constructing and commissioning of the relevant sewerage infrastructure), on the grounds that to require those ratepayers that elect to make this lump sum payment, to also pay the special charge constitutes hardship.

- (e) Pursuant to Section 94 of the *Local Government Act 2009* and Section 94 of the *Local Government Regulation 2012*, Council make and levy a special charge (to be known as the “Muskers Beach Revetment Wall – Special Charge”) of \$192.65, per lineal metre of Muskers Beach frontage, per rateable assessment for the provision of a Revetment Wall to protect the identified properties adjoining Muskers Beach; 22 Kennedy Street through to 48 Reef Street in Zilzie.

The rateable land to which the charge applies is every parcel of rateable land within the area separately described on a map titled ‘Muskers Beach Revetment Wall Benefited Area’ (see Attachment 4 of the Revenue Statement).

The service, facility or activity for which the special charge is made is the design and construction of a stacked sand filled geotextile container revetment wall necessary to provide protection against erosion of the properties by wave action. The works were completed during the financial year 2015-16, and there is no further work to be undertaken.

The overall plan for this special charge was adopted by Council at its 2015-16 Budget meeting. The cost of implementing the overall plan is approximately \$1,543,252 (being the cost of investigation, design and construction of the revetment wall).

The charge is expected to reimburse Council \$1,360,450 of the funds expended on the project. Council funded the cost of construction of the Muskers Beach revetment wall from its own revenue sources.

The annual implementation plan in 2019-20 comprises reimbursement to Council of part of the cost that it has incurred to construct the Muskers Beach revetment wall.

The occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, because the revetment wall construction to be funded by the special charge will provide an increased level of protection from adverse coastal processes such as storm surge and wave action. Protection which would not have occurred if Council had not undertaken the project of

constructing the revetment wall infrastructure.

The charge shall vary from property to property in accordance with the length of property frontage adjacent to the wall.

Council will, pursuant to Section 121(a) of the *Local Government Regulation 2012*, grant a remission of the Musklers Beach Revetment Wall – Special Charge on those assessments that elect to make a lump sum payment (value available upon request on a per property basis) prior to the 30 August 2019 (the lump sum value is representative of the 2019-20 per assessment cost to Council), on the grounds that to require those ratepayers that elect to make this lump sum payment, to also pay the special charge constitutes hardship.

BACKGROUND

Special Rates and Charges are levied by Council to fund services or facilities that will especially benefit the owners of properties in a specific area. Revenue raised from these rates will only be used to fund the implementation program for the specific services, facilities or activities specified.

COMMENTARY

Special charges are adopted in accordance with Section 94 of the *Local Government Act 2009*. The Special charges are calculated on the estimated cost to Council of providing the services, Council will make and levy upon identified land pursuant to Section 94 of the *Local Government Act 2009*, special charges as outlined within the recommendation to defray the expense it incurs in providing identified services or facilities, or engaging in identified activities because, the land or its occupiers has especially benefited, or will especially benefit from, or will have special access to the identified services, facilities or activities, or the occupier of the land or the use made or to be made of the land especially contributes to the need for the services, facility or activity. Revenue raised from these rates will only be used to fund the implementation program for the specific services, facilities or activities. Discount in accordance with Section 130 of the *Local Government Regulation 2012* will not apply to these charges.

Special Charges identified include the Rural Fire Services Levy, North West Emu Park Sewerage Benefited Area, Causeway Township Sewerage Benefited Area, Mulambin Sewerage Benefited Area, and the Musklers Beach Revetment Wall.

PREVIOUS DECISIONS

Previous Special charges were adopted in conjunction with the 2018-19 Budget on the 24 July 2018.

BUDGET IMPLICATIONS

Special charges outlined within the recommendation reflect the Special charges revenue represented within the 2019-20 Budget and Long Term Financial Forecasts.

LEGISLATIVE CONTEXT

Section 94 of the *Local Government Act 2009* and Section 94 of the *Local Government Regulation 2012*, provides Council the authority to make and levy Special charges.

Discount in accordance with Section 130 of the *Local Government Regulation 2012*, does not apply to separate charges.

LEGAL IMPLICATIONS

The adoption of the Special charges ensures Council's compliance with the requirements of the *Local Government Act 2009* and provides for the basis for the levying of Special charges for the 2019-20 financial year.

STAFFING IMPLICATIONS

The administration and half yearly levy of special charges is managed by current staffing levels in accordance with existing delegations.

RISK ASSESSMENT

The Revenue Statement inclusive of the Special charges has been reviewed by Councils external legal advisors in order to mitigate any unforeseen risks.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

The special charges are presented for adoption to support the 2019-20 Budget.

10.6 SEWERAGE UTILITY CHARGES

File No: 12.5.2
Attachments: Nil
Responsible Officer: Andrea Ellis - Chief Financial Officer
Author: Priscilla Graham - Coordinator Revenue

SUMMARY

This report presents the Sewerage Utility Charges for the 2019-20 financial year for adoption to support the 2019-20 Budget.

OFFICER'S RECOMMENDATION

THAT

- (a) Pursuant to Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, Council make and levy Sewerage Utility Charges, for the supply of sewerage services by the Council, as follows:

| <i>Declared Sewered Area</i> | <i>Amount of Charge</i> | <i>Amount of Vacant Land Charge</i> |
|------------------------------|-------------------------|-------------------------------------|
| Capricorn Coast | \$ 813.00 | \$ 772.00 |

- (b) The application of the above levied sewerage charges be in accordance with the further detail provided in Council's adopted Revenue Statement 2019-20.

BACKGROUND

The Sewerage Utility Charges are set to recover all of the costs associated with the provision of sewerage reticulation services provided by Council. Domestic charges are generally one charge, whilst Commercial charges are allocated per pedestal or urinal as outlined within this report.

COMMENTARY

For the financial period beginning 1 July 2019, Council will make and levy a sewerage charge in respect of land within the Declared Sewerage Areas of Livingstone Shire to which the Council provides, or is prepared to provide sewerage services, including areas to which such services are extended from time to time during the course of the financial year. Council will make and levy the charge whether the land is rateable or not and whether the land is occupied or not.

The sewerage charge will be set to recover all of the costs associated with the provision of sewerage reticulation services provided by Council in the financial year. These costs include loan interest, depreciation and the cost of ongoing maintenance and operation of the system, including treatment plant operations.

For occupied land, whether rateable or not, charges for the twelve (12) months ended 30 June 2020 will be made and levied on the following basis:

- 1) Generally, a sewerage charge will be levied in respect of each water closet pedestal or urinal installed;
- 2) However, for a single dwelling, residential unit, stables property or a property subject to a residential differential rate, only the first water closet pedestal will attract the normal sewerage pedestal charge;
 - The term "single dwelling" is to be given its ordinary meaning as a residential property used for ordinary domestic purposes and includes home office situations

such as for example, where desk or computer work may be done, phone calls made or answered from within the premises for business purposes but where there are no more than 1 (one) non-resident employee on the premises and no significant external indicia to distinguish the premises from any other domestic residence; and

- The term single dwelling does not include premises where a distinct externally visible business activity has been established.
- 3) In the case of flats, the sewerage charge is calculated by multiplying the number of flats by the charge for the first water closet pedestal;
 - 4) In the case of Retirement Villages or Aged/Nursing Homes incorporating independent living accommodation, the sewerage charge will be levied on the first pedestal only in each independent living unit/cottage. Sewerage charges will be levied on a per pedestal/urinal basis for pedestals/urinals installed elsewhere at the Aged/Nursing Homes properties; and
 - 5) For all other premises, the sewerage charge is calculated on the number of pedestals together with the number of urinals multiplied by the charge for the first water closet pedestal. For the purpose of this paragraph, each 1200mm of a continuous style urinal or part thereof will count as one urinal.

Where there is more than one dwelling house on a land parcel, charges shall apply as if each house were on a separate land parcel. Where there is more than one commercial or industrial building upon a land parcel, charges will apply as if each building were on a separate land parcel.

Where a building is used for more purposes than one, charges will be levied by reference to the dominant use of the building, determined by Council.

For properties within the Differential General Rating Category 6, 6(a) or 6(b) (Other Rural or Beef Production 1 or 2), the Sewerage Utility Charge is levied on the same basis as residential properties, even though to be eligible the properties must be classified as commercial use properties.

For the purpose of these charges:

- 1) A community titles lot is taken to be:
 - a) A single dwelling if it is used wholly or predominantly as a place of residence; and
 - b) A non-dwelling property in any other case.
- 2) A community title lot is a lot in a community titles scheme;
- 3) A community titles scheme is a community titles scheme created under or by virtue of the *Body Corporate and Community Management Act 1997*, or is a development similar to such a scheme but that continues to be governed by the *Building Units and Group Titles Act 1980* rather than by the *Body Corporate and Community Management Act* (e.g. a development created under the *Integrated Resort Development Act 1987*); and
- 4) A contribution schedule lot entitlement is an entitlement by that name, recorded in the community management statement (or analogous instrument) for a community titles scheme.

The sewerage charges will be those shown in the following tables:

Livingstone Shire Council Sewerage Scheme – Charges

| Sewered Premises | Basis | Number of Charges |
|--|--|--------------------------|
| Private Dwelling/Residential Unit or Stables or property subject to rural differential rate. | Each Residence (regardless of number of pedestals) | 1 Charge |
| Flats | Each Flat | 1 Charge |
| Aged/Nursing Home Plus Aged/Nursing other fixtures | Each Unit/Cottage Each Pedestal/Urinal | 1 Charge 1 Charge |
| Other Premises | Each Pedestal / 1200mm of Urinal or part thereof | 1 Charge |
| Vacant Land | Each rateable property | 1 Vacant Land Charge |

For those properties in the Declared Sewerage Area, the annual charges as per the above schedule will be:

| Declared Sewered Area | Amount of Charge | Amount of Vacant Land Charge |
|------------------------------|-------------------------|-------------------------------------|
| Capricorn Coast | \$ 813.00 | \$ 772.00 |

PREVIOUS DECISIONS

Previous Sewerage charges were adopted in conjunction with the 2018-19 Budget on the 24th July 2018. The Separate charges identified reflect discussions had with Councillors during the 2019-20 series of Budget Workshops

BUDGET IMPLICATIONS

Sewerage Charges outlined within the recommendation reflect the related revenue represented within the 2019-20 Budget and Long Term Financial Forecasts.

LEGISLATIVE CONTEXT

Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, provides Council the authority to make and levy Sewerage Utility Charges, for the supply of sewerage services.

LEGAL IMPLICATIONS

The adoption of the Sewerage charges ensures Council's compliance with the requirements of the *Local Government Act 2009* and provides for the basis for the levying of Sewerage charges for the 2019-20 financial year.

STAFFING IMPLICATIONS

The administration and half-yearly levy of Separate charges is managed by current staffing levels in accordance with current delegations.

RISK ASSESSMENT

The Revenue Statement inclusive of the Sewerage charges has been reviewed by Councils' external legal advisors in order to mitigate any unforeseen risks.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

The sewerage Utility Charges are presented for adoption to support the 2019-20 Budget.

10.7 WATER UTILITY CHARGES

File No: 12.5.2
Attachments: Nil
Responsible Officer: Andrea Ellis - Chief Financial Officer
Author: Priscilla Graham - Coordinator Revenue

SUMMARY

This report presents the water utility charges for the 2019-20 financial year for adoption to support the 2019-20 Budget.

OFFICER'S RECOMMENDATION

THAT

Capricorn Coast Water Supply Charges

- (a) Pursuant to Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, Council make and levy water utility charges, for the supply of Capricorn Coast water services by the Council, as follows:

Capricorn Coast Water Supply Scheme – Residential & Non-Residential Access Charges

| Meter Size | Annual Access Charge |
|-------------|----------------------|
| 20mm | \$ 666 |
| 25mm | \$ 1,039 |
| 32mm | \$ 1,703 |
| 40mm | \$ 2,661 |
| 50mm | \$ 4,158 |
| 65mm | \$ 7,027 |
| 75mm | \$ 9,595 |
| 80mm | \$ 10,918 |
| 100mm | \$ 16,632 |
| 150mm | \$ 37,422 |
| 200mm | \$ 66,526 |
| Vacant Land | \$ 666 |

Capricorn Coast Water Supply Scheme – Non Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|--------------|---------------------------|----------------------|
| Single Tier | All consumption | \$2.03/kl |

Capricorn Coast Water Supply Scheme – Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|----------------------|--|----------------------|
| 1 st Tier | up to 75kl per quarter | \$0.89/kl |
| 2 nd Tier | 76kl to 150kl per quarter | \$1.37/kl |
| 3 rd Tier | all usage greater than 150kl per quarter | \$2.77/kl |

- (b) The application of the above levied Capricorn Coast water supply charges be in accordance with the further detail provided in Council's adopted

Revenue Statement 2019-20.

The Caves and Marlborough Water Supply

- (a) Pursuant to Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, Council make and levy water utility charges, for the supply of The Caves and Marlborough water services by the Council, as follows:

The Caves & Marlborough Water Supply Scheme – Non Residential & Residential Access Charges

| Meter Size | Annual Access Charge |
|-------------|----------------------|
| 20mm | \$ 459 |
| 25mm | \$ 718 |
| 32mm | \$ 1,175 |
| 40mm | \$ 1,837 |
| 50mm | \$ 2,870 |
| 65mm | \$ 4,850 |
| 75mm | \$ 6,457 |
| 80mm | \$ 7,346 |
| 100mm | \$ 10,946 |
| 150mm | \$ 25,827 |
| 200mm | \$ 45,914 |
| Vacant Land | \$ 459 |

The Caves & Marlborough Water Supply Scheme – Non Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|--------------|---------------------------|----------------------|
| Single Tier | All consumption | \$2.03/kl |

The Caves & Marlborough Water Supply Scheme – Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|----------------------|--|----------------------|
| 1 st Tier | up to 75kl per quarter | \$0.89/kl |
| 2 nd Tier | 76kl to 150kl per quarter | \$1.37/kl |
| 3 rd Tier | all usage greater than 150kl per quarter | \$2.77/kl |

- (b) The application of the above levied The Caves and Marlborough water supply charges be in accordance with the further detail provided in Council's adopted Revenue Statement 2019-20.

Nerimbera Water Supply

- (a) Pursuant to Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, Council make and levy water utility charges, for the supply of Nerimbera water services by the Council, as follows:

Nerimbera Water Supply Scheme – Non Residential & Residential Access Charges

| Meter Size | Annual Access Charge |
|-------------|----------------------|
| 20mm | \$ 438 |
| 25mm | \$ 684 |
| 40mm | \$ 1,751 |
| 100mm | \$ 10,946 |
| Vacant Land | \$ 438 |

Nerimbera Water Supply Scheme – Non Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|--------------|---------------------------|----------------------|
| Single Tier | All consumption | \$2.03/kl |

Nerimbera Water Supply Scheme – Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|----------------------|--|----------------------|
| 1 st Tier | up to 75kl per quarter | \$0.89/kl |
| 2 nd Tier | 76kl to 150kl per quarter | \$1.37/kl |
| 3 rd Tier | all usage greater than 150kl per quarter | \$2.77/kl |

- (b) The application of the above levied Nerimbera water supply charges be in accordance with the further detail provided in Council's adopted Revenue Statement 2019-20.

Ogmore Water Supply

- (a) Pursuant to Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, Council make and levy water utility charges, for the supply of Ogmore water services by the Council, as follows:

The Ogmore Water Supply Scheme – Non Residential & Residential Access Charges

| Meter Size | Annual Access Charge |
|-------------|----------------------|
| 20mm | \$ 385.00 |
| Vacant Land | \$ 385.00 |

The Ogmore Water Supply Scheme – Non Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|--------------|---------------------------|----------------------|
| Single Tier | All consumption | \$2.03/kl |

The Ogmore Water Supply Scheme – Residential Water Consumption Charges

| Billing Tier | Kilolitres (kl) Per Meter | Charge per Kilolitre |
|----------------------|--|----------------------|
| 1 st Tier | up to 75kl per quarter | \$0.89/kl |
| 2 nd Tier | 76kl to 150kl per quarter | \$1.37/kl |
| 3 rd Tier | all usage greater than 150kl per quarter | \$2.77/kl |

- (b) The application of the above levied Ogmore water supply charges be in accordance with the further detail provided in Council's adopted Revenue Statement 2019-20.

BACKGROUND

Water Utility charges consist of both Water Access charges (issued half-yearly) and Water Consumption charges (issued at quarterly intervals). Water access refers to the provision of water to a property. It also covers the costs of maintenance and operation of the water system including the water treatment plant and infrastructure.

COMMENTARY

Water charges will be set to recover all of the costs associated with the provision of water services by Council in the financial year. These costs include loan interest, depreciation, the cost of ongoing maintenance and operation of the system including treatment plant operations and the provision of infrastructure. As the water and waste water functions are a significant business activity under the National Competition Policy requirements, the charges are also made to recover tax equivalents, return on investment and other competitive neutrality adjustments.

Subject to any express provision to the contrary, Council will charge all land connected to its water supply or capable of connection to the supply, a two-part tariff for the period 1 July 2019 to 30 June 2020, comprised of:

- a graduated single tier access charge for land connected to Council's water supply, or capable of connection to the supply; and
- a multi-tiered consumption charge for residential users and a single tier charge for non-residential users.

The application of the water supply charges (including water consumption) are in accordance with further policy and tables outlined within the Revenue Statement.

For the financial period beginning 1 July 2019 a water supply charge will apply to all land in the Livingstone Shires Water Supply Areas (further detail is contained within the Revenue Statement), either rateable or non-rateable, that is connected or capable of being connected whether occupied or not occupied, including residential and commercial users and community title lots.

The access charge for all properties located within the boundaries and approved properties outside the boundaries of the Shire's Water Supply Areas, will be as detailed in the water access charges tables as identified within the recommendation and contained within the Revenue Statement. Access charges identified are applied per meter or per lot as appropriate for the period 1 July 2019 to 30 June 2020 and will generally be levied on a half yearly basis.

The access charge for unoccupied land that is capable of connection to Council's water supply will be the sum payable for a 20mm residential water meter connection.

The consumption charge for all properties located within the boundaries and approved properties outside the boundaries of the Livingstone Shire Council Water Supply Areas shall be charged an amount per kilolitre as detailed in the consumption charges tables contained within this report and the Revenue Statement. The water period for the consumption charge will be for a period from 1 July 2019 to 30 June 2020 and billing will generally be in arrears on a quarterly basis.

PREVIOUS DECISIONS

Previous Water Utility charges were adopted in conjunction with the 2018-19 Budget on the 24 July 2018. The Water Utility charges identified reflect discussions had with Councillors during the 2019-20 series of Budget Workshops.

Council resolved to adopt full cost pricing principles to the water, sewerage and waste activities from 1 July 2017 at its Ordinary Meeting on the 20 June 2017.

BUDGET IMPLICATIONS

Water Utility Charges outlined within the recommendation reflect the Water Utility charge revenues represented within the 2019-20 Budget and Long Term Financial Forecasts.

Long term pricing paths are being developed which will underpin the pricing of the methodology to achieve full cost pricing within the forecast period.

LEGISLATIVE CONTEXT

Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, provides the authority for Council to make and levy Utility charges, for the supply of Water services by the Council.

LEGAL IMPLICATIONS

The adoption of the Water Utility charges ensures Council's compliance with the requirements of the *Local Government Act 2009* and provides for the basis for the levying of Water Utility charges for the 2019-20 financial year.

STAFFING IMPLICATIONS

The administration and half-yearly levy of Water Access Utility charges and Quarterly Water Consumption charges is managed by current staffing levels in accordance with current delegations.

RISK ASSESSMENT

The Revenue Statement inclusive of the Water Utility charges has been reviewed by King and Company Solicitors in order to mitigate any unforeseen risks.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: **Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.**

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

The Water Utility charges are presented for adoption to support the 2019-20 Budget.

10.8 WASTE MANAGEMENT UTILITY CHARGES

File No: 12.5.2
Attachments: Nil
Responsible Officer: Andrea Ellis - Chief Financial Officer
Author: Priscilla Graham - Coordinator Revenue

SUMMARY

This report presents the Waste Management charges for the 2019-20 financial year for adoption to support the 2019-20 Budget.

OFFICER'S RECOMMENDATION

THAT

- (a) Pursuant to Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, Council make and levy Waste Management Utility Charges, for the supply of waste management services by the Council, as follows:

| Schedule of Waste Collection and Recycling Charges | |
|---|----------------------|
| Service | Annual Charge |
| Domestic Services | |
| Combined Waste and Recycling Collection | \$501 |
| Additional Collection – Waste | \$393 |
| Additional Collection – Recycling | \$250 |
| Ogmore - Waste Collection | \$248 |
| Great Keppel Island - Combined Waste and Recycling Collection | \$613 |
| Great Keppel Island - Additional Collection - Waste | \$535 |
| Great Keppel Island - Additional Collection - Recycling | \$225 |
| Commercial Services | |
| Waste Collection | \$500 |
| Additional Collection – Waste | \$500 |
| Recycling Collection | \$256 |
| Additional Collection - Recycling | \$256 |
| Ogmore - Waste Collection | \$288 |
| Great Keppel Island - Combined Waste and Recycling Collection | \$700 |
| Great Keppel Island - Additional Collection – Waste | \$535 |
| Great Keppel Island - Additional Collection – Recycling | \$225 |

- (b) The application of the above levied waste collection and recycling charges be in accordance with the further detail provided in Council's adopted Revenue Statement 2019-20.

BACKGROUND

The Waste Management Utility Charges incorporate the general waste and recycling charges applied based on the number of bins at the property. Commercial charges are levied per bin per collection relative to the type of service outlined within the schedule of waste collection and recycling charges.

COMMENTARY

Services to be provided

- 1) At its 6 February 2018 Meeting, Council adopted Designated Waste Collection Areas in which it may conduct collection services. At the same meeting, Council also adopted the following information for each Designated Waste Collection Area:
 - a) Types of general waste collection to be provided;
 - b) The standard general waste container (MGB) and the quantity to be provided per premises; and
 - c) The frequency of collection.

This information is located in the Waste Management Schedule which is appended to Council's Waste and Recycling Collection Policy.

- 2) Collection services will be provided in accordance with the Waste Management Schedule.

Application of Waste Collection and Recycling Charges

- 1) Waste Collection and Recycling Charges will only be applied to properties within the Designated Waste Collection Areas which have a structure that has the potential to generate general waste.
- 2) If a property has one or more residential structures or units capable of separate occupation, the relevant Waste Collection and Recycling Charges (Domestic Services) will be levied for each structure or unit.
- 3) Where a collection service is provided to a residence on a property within Category 6, 6(a) or 6(b) (Other Rural or Beef Production 1 or 2), the relevant Waste Collection and Recycling Charges (Domestic Services) will be levied.
- 4) For newly constructed structures, the Combined Waste and Recycling Collection Charge will be applied from the plumbing/building approval or delivery of the MGB, whichever occurs first.
- 5) If a collection service is cancelled in accordance with 5.6 of Council's Waste and Recycling Collection Procedure, charges will not be levied.
- 6) If there is more than one commercial operator on land capable of separate occupation, the owner will be charged the appropriate fee according to the quantity of collections provided.

Domestic Services Charges

Combined Waste and Recycling Collection charge:

provision of one waste MGB, one recycling MGB and a collection service in accordance with the Waste Management Schedule.

Additional Collection – Waste and **Additional Collection – Recycling** charges:

provision of additional collection services in accordance with 5.3 of Council's Waste and Recycling Collection Procedure.

NOTE: to be provided on the same day as existing collection service

Ogmore - Waste Collection charges:

provision of one waste MGB and a collection service in accordance with the Waste Management Schedule.

Great Keppel Island - Combined Waste and Recycling Collection charge:
provision of one waste MGB, one recycling MGB and a collection service in accordance with the Waste Management Schedule.

Great Keppel Island – Additional Collection – Waste and **Great Keppel Island – Additional Collection – Recycling** charges:
provision of additional collection services in accordance with 5.3 of Council's Waste and Recycling Collection Procedure.
NOTE: to be provided on the same day as existing collection service

Commercial Services Charges

Waste Collection charge:
provision of one waste MGB and a collection service in accordance with the Waste Management Schedule.

Recycling Collection charge:
provision of one recycling MGB and a collection service in accordance with the Waste Management Schedule.

Additional Collection – Waste and **Additional Collection – Recycling** charges:
provision of additional collection service in accordance with 5.3 of Council's Waste and Recycling Collection Procedure.

PREVIOUS DECISIONS

Previous Waste Management Utility Charges were adopted in conjunction with the 2018-19 Budget on the 24th July 2018. The Separate charges identified reflect discussions had with Councillor's during the 2019-20 series of Budget Workshops

BUDGET IMPLICATIONS

Waste Management Utility Charges outlined within the recommendation reflect the related revenue represented within the 2019-20 Budget and Long Term Financial Forecasts.

Council has received \$956,607 from the Department of Environment and Science to cover the cost of the levy for the disposal of eligible municipal solid waste to landfill for the 2019-20 financial year.

LEGISLATIVE CONTEXT

Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, provides Council the authority to make and levy Waste Management Utility Charges, for the supply of waste management services

LEGAL IMPLICATIONS

The adoption of the Waste Management Utility Charges ensures Council's compliance with the requirements of the *Local Government Act 2009* and provides the basis for the levying of Waste Management Utility Charges for the 2019-20 financial year.

STAFFING IMPLICATIONS

The administration and half-yearly levy of Waste Management Utility Charges is managed by current staffing levels in accordance with current delegations.

RISK ASSESSMENT

The Revenue Statement inclusive of the Waste Management Utility Charges has been reviewed by Council's legal advisors in order to mitigate any unforeseen risks.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

The Waste Management Utility Charges are presented for adoption to support the 2019-20 Budget.

10.9 DISCOUNT

| | |
|-----------------------------|---|
| File No: | 12.5.2 |
| Attachments: | Nil |
| Responsible Officer: | Andrea Ellis - Chief Financial Officer |
| Author: | Priscilla Graham - Coordinator Revenue |

SUMMARY

This report presents for the adoption of the discount for prompt payment of rates and charges for the 2019-20 financial year for adoption to support the 2019-20 Budget.

OFFICER'S RECOMMENDATION

THAT pursuant to Section 130 of the *Local Government Regulation 2012*, Council will allow a discount of 10% on the gross differential general rates, sewerage utility charges, water utility charges and waste management utility charges made and levied, excluding the water consumption charges, emergency services levy, special and separate rates and charges, provided payment of the full amount outstanding, including any overdue rates and interest to the date of payment, less any discount entitlement, is paid by the due date on original notice of the levy.

BACKGROUND

Council offers a discount to encourage on time payment of rates and utility charges and reward ratepayers for the responsible management of their accounts. It is estimated that ninety (90) percent of ratepayers take advantage of this incentive and ensure their half-yearly rates and utility notices are paid by the due date for discount.

COMMENTARY

Discount at the rate of ten (10) percent will be allowed on gross Council rates and charges, excluding any charge specifically excluded from discount entitlement, provided payment of the full amount outstanding, including any overdue rates and interest to the date of payment, less any discount entitlement, is paid by the due date on original notice of the levy.

Charges excluded from discount entitlement include:

Rural Fire Levy

Emergency Services Levy

North West Emu Park Sewerage Benefited Area Special Charge

Causeway Township Sewerage Benefited Area Special Charge

Mulambin Sewerage Benefited Area Special Charge

Muskers Beach Revetment Wall – Special Charge

Water Consumption Charges

Natural Environment Separate Charge

Road Network Separate Charge

Disaster Response Separate Charge

PREVIOUS DECISIONS

The previous rate of discount for on time payment was adopted within the Revenue Statement 2018-19 in conjunction with the 2018-19 Budget. The discount identified reflects discussions had with Councillors during the 2019-20 series of Budget Workshops.

BUDGET IMPLICATIONS

The 2019-20 Budget estimates approximately 90% of ratepayers take advantage of the 10% prompt payment discount.

LEGISLATIVE CONTEXT

Section 130 of the *Local Government Regulation 2012*, provides the ability for Council to allow a discount for the payment of rates and charges before the due date for discount.

LEGAL IMPLICATIONS

The adoption of the discount ensures Council's compliance with the requirements of the *Local Government Regulation 2012*.

STAFFING IMPLICATIONS

The administration of the discount is managed by current staffing levels in accordance with the Revenue Statement.

Applications in regard to missed discount are processed in accordance with the Rates Payment Policy.

RISK ASSESSMENT

Risk is mitigated by the due date of payment clearly identified upon notices and additional marketing of discount dates.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

This report seeks the adoption of the discount for prompt payment of rates and charges for the 2019-20 financial year in support of the 2019-20 Budget.

10.10 INTEREST

| | |
|-----------------------------|---|
| File No: | 12.5.2 |
| Attachments: | Nil |
| Responsible Officer: | Andrea Ellis - Chief Financial Officer |
| Author: | Priscilla Graham - Coordinator Revenue |

SUMMARY

This report seeks the adoption of the rate of interest applied to all overdue rates and utilities (including water consumption) for the 2019-20 financial year.

OFFICER'S RECOMMENDATION

THAT pursuant to Section 133 of the *Local Government Regulation 2012*, overdue rates will bear interest at the rate of seven (7) percent per annum compounded monthly, to be calculated from the end of the financial half year in which they fall due and charged at the end of each month or at such other time as required for the issuing of statutory notices.

BACKGROUND

In accordance with the *Local Government Regulation 2012*, overdue rates will bear interest at the rate of seven (7) percent per annum compounded monthly, to be calculated from the end of the financial half year in which they fall due and charged at the end of each month or at such other time as required for the issuing of statutory notices.

COMMENTARY

The *Local Government Regulation 2012*, outlines the maximum statutory rate of interest being the prescribed rate for a day of eight (8) percent plus the bank bill yield rate. Council has identified that this rate of interest is unintentionally increasing the difficulty of our ratepayers to pay down their arrears. Council recognises that many of these ratepayers are genuinely attempting to pay down their overdue balances. Therefore, Council has opted to reduce the level of interest applied to seven (7) percent. The seven (7) percent per annum, compounded monthly, to be calculated from the end of the financial half year in which they fall due and charged at the end of each month until the arrears are paid in full.

PREVIOUS DECISIONS

The previous rate of interest applied to arrears was adopted within the Revenue Statement 2018-19 in conjunction with the 2018-19 Budget. The application of the interest and the rate of seven (7) percent is reflective of discussions had with Councillor's during the 2019-20 series of Budget Workshops.

BUDGET IMPLICATIONS

The application of the interest on arrears outlined within the recommendation is reflected within the interest revenues represented within the 2019-20 Budget and Long Term Financial Forecasts.

The interest outlined within the recommendation reflects the related revenue represented within the 2019-20 Budget and Long Term Financial Forecasts.

LEGISLATIVE CONTEXT

Section 133 of the *Local Government Regulation 2012* identifies the maximum statutory interest rate in which a Local Government can charge.

LEGAL IMPLICATIONS

Adoption of the interest rate applicable for overdue rates and charges ensures compliance with the requirements of the *Local Government Regulation 2012*.

STAFFING IMPLICATIONS

The administration of the interest is managed by current staffing levels within the Revenue and Rates function.

RISK ASSESSMENT

No risk is foreseen.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

The seven (7) percent rate of interest to be applied to all overdue rates and utilities (including water consumption) for the 2019-20 financial year is presented for adoption in support of the 2019-20 Budget.

10.11 LEVY AND PAYMENT

File No: 12.5.2
Attachments: Nil
Responsible Officer: Andrea Ellis - Chief Financial Officer
Author: Priscilla Graham - Coordinator Revenue

SUMMARY

This report presents the levy and payment periods for the 2019-20 rates and charges for adoption to support the 2019-20 Budget.

OFFICER'S RECOMMENDATION

THAT;

- (a) Pursuant to Section 107 of the *Local Government Regulation 2012* and Section 114 of the *Fire and Emergency Services Act 1990*, Council's Rates and Charges, and the State Government's Emergency Management, Fire and Rescue Levy shall generally be levied half yearly (billing periods beginning August and January/February) with the exception of water consumption which will be levied at quarterly intervals on a rolling basis. Such rates and utility charges shall be payable by the due date detailed on the rate notice.
- (b) Council will apply Section 102 of the *Local Government Regulation 2012* to the reading of water meters so that if a meter is due to be read on a particular day (e.g. the last day of a quarter) to enable Council to calculate a consumption charge to be levied, the meter will be deemed read on that particular day if it is read within 2 weeks before the day or 2 weeks after the day.
- (c) Pursuant to Section 118 of the *Local Government Regulation 2012*, that Council's Rates and Charges, and the State Government's Emergency Management, Fire and Rescue Levy, be paid within 35 days of the date of the issue of the rate notice.

BACKGROUND

Livingstone Shire Council Rates and Utility Charges shall generally be levied half yearly with the exception of water consumption which will be levied at quarterly intervals on a rolling basis. Such Rates and Utility Charges issued will be provided thirty-five (35) days for payment.

COMMENTARY

Rates and Utility Charges are billed half yearly. Billing periods being 1 July 2019 to 31 December 2019 (issued August) and 1 January 2020 to 30 June 2020 (issued January/February) with the exception of water consumption which will be levied at quarterly intervals on a rolling basis. Notices become due and payable within 35 days of the issue of the rate and utility notice.

PREVIOUS DECISIONS

The previous levy and payment periods for the 2018-19 year were identified within the Revenue Statement 2019-20 and adopted on the 24th June 2018 in conjunction with the 2018-19 Budget.

BUDGET IMPLICATIONS

Any extension of payment periods can adversely affect the budgeted revenue as it delays/reduces cash flow and subsequent debt recovery actions.

LEGISLATIVE CONTEXT

Section 107 of the *Local Government Regulation 2012*, outlines the requirement for Council to identify the billing periods for rates and utility charges.

Section 114 of the *Fire and Emergency Services Act 1990*, outlines the requirement for Council to identify the billing periods for the State Government's Emergency Management, Fire and Rescue Levy

Section 102 of the *Local Government Regulation 2012*, details the requirements in regard to reading of water meters.

Section 118 of the *Local Government Regulation 2012*, outlines the Councils ability to decide the date by which, rates or charges must be paid.

LEGAL IMPLICATIONS

Adoption of levy and payment periods ensures compliance with the requirements of the *Local Government Regulation 2012*.

STAFFING IMPLICATIONS

The administration of the levy and payment period is managed by current staffing levels in accordance with the Revenue Statement.

Applications in regard to missed discount are processed in accordance with the Rates Payment Policy.

RISK ASSESSMENT

Risk is mitigated by strategies to identify with ratepayers that Rates and Utility Notices have issued and the subsequent dates due for payment.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

The levy and payment periods for the 2019-20 rates and charges are presented for adoption in support of the 2019-20 Budget.

10.12 RATING REBATES AND CONCESSIONS

File No: 12.5.2
Attachments: 1. Rates Rebates and Remissions Policy [↓](#)
Responsible Officer: Andrea Ellis - Chief Financial Officer
Author: Priscilla Graham - Coordinator Revenue

SUMMARY

This report presents the Rates Rebates and Remissions Policy for the 2019-20 financial year for adoption to support the 2019-20 Budget.

OFFICER'S RECOMMENDATION

THAT

- (a) Pursuant to Sections 120, 121 and 122 of the *Local Government Regulation 2012*, Council adopt the Rates Rebates and Remissions Policy.
- (b) Pursuant to Sections 120, 121 and 122 of the *Local Government Regulation 2012*, Council will offer a subsidy (upon the same terms and conditions as the Queensland Government Pensioner Rate Subsidy Scheme), a 20% remission (to a maximum of \$300) on all rates levied in respect of the property the person owns and occupies, excluding special rates/charges, water consumption charges and rural and state fire levies/charges. The Council Pensioner Subsidy includes a person in receipt of a Widow/ers Allowance.

The remission is offered on the basis that the ratepayers are pensioners (as defined by the *Local Government Regulation 2012*).

- (c) Pursuant to Sections 120, 121 and 122 of the *Local Government Regulation 2012*, Council will grant varied levels of concessions to approved charitable and other not-for-profit Community Groups, including not-for-profit Sporting Bodies, in accordance with the provisions of the Rates Rebates and Remissions Policy. The concessions are offered in accordance with eligibility criteria outlined within the Rates Rebates and Remissions Policy and are offered on the basis that the ratepayers are entities whose objectives do not include the making of a profit.
- (d) General Rate Remissions - In accordance with Part 10 of the *Local Government Regulation 2012*, the properties where 100% remission of general rates applies may be exempted from payment of general rates in lieu of the provision of a remission.
- (e) Permits to Occupy (Pump Sites)
Council will grant a remission on the following basis for those assessments that only contain a Permit to Occupy for pump sites provided the ratepayer as shown on the assessment is the owner of another property in the Council area on which the rate or charge has been levied:
 - (a) Separate Charges – 100% remission
 - (b) General Rates – Maximum remission of \$600.00
- (f) Nature Refuge Agreements
Council will grant a rebate for properties where a Nature Refuge Agreement exists over the property or part thereof; and an application is submitted by the land owner/s. The amount of rebate is proportional to the area of land covered by the nature refuge agreement.

BACKGROUND

In accordance with Sections 120,121 and 122 of the *Local Government Regulation 2012*, Council will offer rebates and remissions in accordance with the Rates Rebates and Remissions Policy and strict eligibility criteria. The Policy identifies target groups and establishes guidelines to assess requests for rates and utility charge remissions in order to alleviate the impact of Local Government rates and charges, particularly in relation to not-for-profit/community organisations and ratepayers who are in receipt of an approved Government pension or land holders with approved Nature Refuge Agreements.

COMMENTARY

The Rates Rebates and Remissions Policy is generally reviewed annually in conjunction with the Budget. The Policy may be reviewed at any stage throughout the financial year upon resolution of Council.

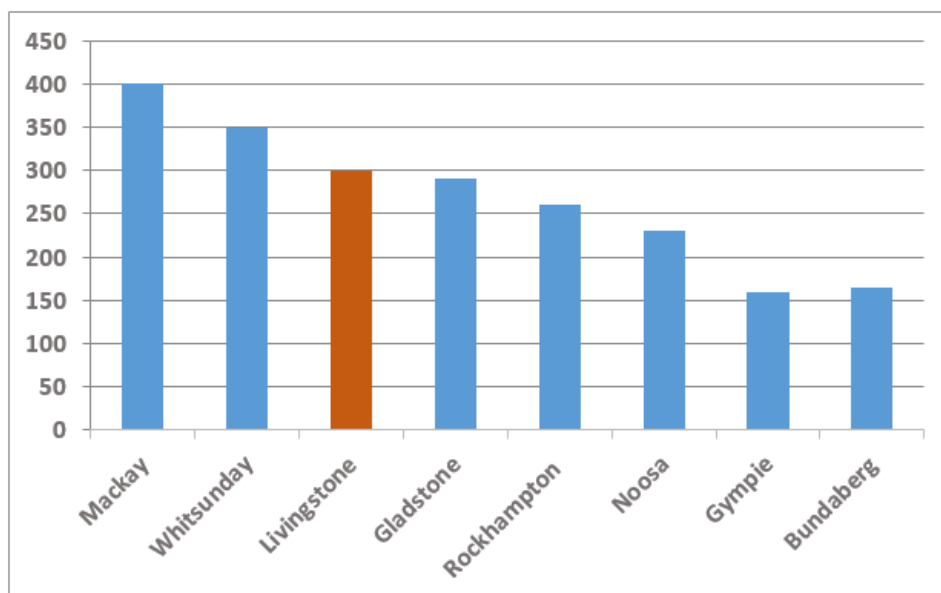
Council provides various levels of remissions for the following categories of ratepayers.

Approved Government Pensioners

The pensioner remission is intended to encourage and assist pensioners to be independent and continue to live in their own homes where possible.

Eligible pensioners will receive a remission of 20% (to a maximum of \$300) on all rates levied in respect of the property in which they both own and reside. This is in addition to the 20% of the gross rates and charges (up to a maximum of \$200) available under the Queensland State Government Pension Rebate. The total cost of providing the Council's pensioner remission is an estimated \$700,000 for 2019-20.

The below graph provides a comparison of Council's pensioner remission compared to a selection of other Local Governments, with Council's remission offered ranking 3rd highest out of the eight sampled.



Not-For-Profit/Charitable Organisations

Council grants varied levels of concessions to charitable and other not-for-profit organisations including charitable community groups, the Surf Life Saving Clubs, Community Showgrounds, Community Kindergartens, Rural Fire Brigades, Community Art Associations, Charitable Organisations assisting the Aged/Disadvantaged and Sporting Clubs and Associations.

The estimated total value of remissions offered to the Not-For-Profit/Charitable Organisations for the 2019-20 financial year is an estimated \$250,000. This excludes any

additional grants, in kind donations or other funding the organisations may obtain from Livingstone Shire Council.

Nature Refuge Agreements

Providing assistance for the conservation of significant natural resources in private landholdings in rural areas is an action which can be taken to address the problems of land degradation and loss of natural resources. The broader community benefits associated with natural area conservation includes; improvements to overall catchment health, retention of critical habitats, reduced erosion and improved water quality.

To address these issues, Council has introduced a rates rebate scheme to encourage the conservation of high value vegetation and wildlife habitat on private land. A rate rebate recognises the landowners' commitment to maintain the nature refuge area of their land. The use of the Nature Refuge Agreement as a condition of a rate rebate has been determined as the most appropriate method of identifying suitable properties as they offer the highest level of protection and are automatically transferred with ownership of the land. The amount of rebate is proportional to the area of land covered by the Nature refuge agreement.

It is estimated that by offering this remission, Council is supporting the management of one thousand and eighty-six (1,086) hectares of land protected by Nature Refuge Agreements for a cost of approximately \$5,000 per annum.

General Rate Remissions

In accordance with Part 10 of the *Local Government Regulation 2012*, the properties where 100% remission of general rates applies under the acts may be exempt from the payment of general rates in lieu of the provision of a remission.

Permits to Occupy

Council grants a 100% remission on separate charges and a maximum of remission of \$600 of general rates upon assessments that only contain a Permit to Occupy for a pump site provided the ratepayer as shown on the assessment is the owner of another property in the Council area on which the rate or charge has been levied.

PREVIOUS DECISIONS

The previous Rates Rebates and Remissions Policy was adopted by Council on the 24 July 2018 in conjunction with the 2018-19 Budget. The remissions identified reflect discussions had with Councillor's during the 2019-20 series of Budget Workshops.

BUDGET IMPLICATIONS

Remissions provided under the Rates Rebates and Remissions Policy are in accordance with the remissions allocated within the 2019-20 Budget.

LEGISLATIVE CONTEXT

Sections 120, 121 and 122 of the *Local Government Regulation 2012*, identify the provisions made to allow Council the ability to apply remissions to certain categories of ratepayers.

The Rates Rebates and Remissions Policy may be reviewed at any time throughout the year upon resolution of Council.

LEGAL IMPLICATIONS

The adoption of the Rates Rebates and Remissions Policy ensures compliance with the requirements of the *Local Government Regulation 2012* and provides the guidelines and levels of remission required in order to assess requests for rates and utility charges remissions.

STAFFING IMPLICATIONS

The application of the Rates Rebates and Remissions Policy is managed by current staffing levels in accordance with current delegations.

RISK ASSESSMENT

Risk is mitigated by the application of strict eligibility criteria to ensure the appropriate target groups meet criteria.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

The Rates Rebates and Remissions Policy is presented for adoption to support the 2019-20 Budget.

10.12 - RATING REBATES AND CONCESSIONS

Rates Rebates and Remissions Policy

Meeting Date: 11 July 2019

Attachment No: 1



RATES, REBATES AND REMISSIONS POLICY (COMMUNITY POLICY)

1. Scope

The Rates, Rebates and Remissions Policy (this 'Policy') applies to any person, group or organisation seeking remissions for rates and/or utility charges.

2. Purpose

To identify target groups and establish guidelines to assess requests for rates and utility charge remissions in order to alleviate the impact of Local Government rates and charges, particularly in relation to not-for-profit/community organisations, ratepayers who are in receipt of an approved Government pension or land holders with approved Nature Refuge Agreements.

3. References (legislation/related documents)

Legislative reference

Local Government Act 2009

Local Government Regulation 2012

Related documents

Revenue Policy

Revenue Statement

4. Definitions

To assist in interpretation, the following definitions shall apply:

| | |
|---------|----------------------------|
| Council | Livingstone Shire Council. |
|---------|----------------------------|

5. Policy Statement

Rate Remissions will be considered for the following categories of ratepayers, also noting that Council's prompt payment discount shall be calculated on gross rates prior to remission.

5.1 Approved Government Pensioners

Rate remissions/subsidies are available to approved pensioners who are in receipt of a pension for entitlements from Centrelink or the Department of Veterans' Affairs or Widow's allowance.

The Scheme is directed to the elderly, invalid or otherwise disadvantaged citizens of the community whose principal or sole source of income is a pension or allowance paid by Centrelink or the Department of Veterans' Affairs and who are the owners of property in which they reside and have responsibility for payment of Council rates and charges thereon.

Rates, Rebates and Remissions Policy

Adopted/Approved: DRAFT

Version: 7

Portfolio: Office of the CEO

Business Unit: Finance and Business Excellence

5.1.1 Eligibility

Approved Pensioner, is a person who:

- a) Is and remains an eligible holder of a Queensland "Pensioner Concession Card" issued by Centrelink or the Department of Veterans Affairs, or a Queensland "Repatriation Health Card - For All Conditions" issued by the Department of Veterans Affairs; and
- b) Is the owner or life tenant (either solely or jointly) of the property which is his/her principal place of residence; and
- c) Has, either solely or jointly with a co-owner, the legal responsibility for the payment of rates and charges which are levied in respect of the property; or
- d) A person who is and remains in receipt of a Widow's or Widower's Allowance.

5.1.2 Close of Applications

Applications for remissions will be considered at any time during the rating period (i.e. half yearly). Applications received after the date of levy will be considered only from the commencement of the current rating period. Rebates will not be granted retrospectively without prior approval from the State Government Concessions Unit.

Applications must be made in writing using Council's approved form and a new application will need to be submitted where a change of address occurs.

5.1.3 Amount of Remission

For an approved ratepayer, Council remissions will apply as per the Revenue Statement adopted by Council each year.

Should an applicant/person be entitled to only part of the State Subsidy, because of part ownership of the property, or other relevant reason, the Council remission would be similarly reduced.

5.2 Not-For-Profit/Charitable Organisations

Rate remissions are available to approved organisations whose objectives do not include the making of profit and who provide services to their membership and the community at large.

5.2.1 Eligibility

Not-For-Profit/Community Organisation, is an incorporated body who:

- a) Does not include the making of profit in its objectives;
- b) Does not charge a commercial fee for service;
- c) Is located within the Livingstone Shire Council area and the majority of its members reside in the Council area;
- d) Does not receive income from gaming machines and/or from the sale of alcohol in an organised manner (e.g. bar with regular hours of operation with permanent liquor license);
- e) Is the owner, lessee or life tenant of the property;
- f) The property is the incorporated body's main grounds/base/club house or residence;
- g) Has, either solely or jointly with a co-owner, the legal responsibility for the payment of rates and charges which are levied in respect of the property;

- h) Is not a religious body or entity or educational institution recognised under State or Federal statute or law; and
- i) Is not a State and Federal entity whose activities are controlled or Governed by State or Federal statute or law.

Should an applicant only have part ownership of the property the Council remission would be similarly reduced.

5.2.2 Close of Applications

Eligibility for a remission will be assessed by Council on an annual basis prior to issue of the first rate notice each financial year (generally June/July). Organisations that are not automatically provided with a remission, and believe that they meet the relevant criteria, may apply for approval at any time. If an application is approved by Council, remissions will be applied from the beginning of the current rating period (remissions will not be applied retrospectively).

5.2.3 Amount of Remission

(a) Category One (1) – Surf Life Saving Organisations

- Remission Level General Rates – 100%
- Remission Level Road Network Separate Charge – 100%
- Remission Level Environment Levy Separate Charge – 100%
- Remission Level Disaster Response Levy – 0%
- Remission Level Special Rates/Charges – 0%
- Remission Level Water Access Charges – 100%
- Remission Level Water Consumption Charges – Charged at residential rates
- Remission Level Sewerage Charges – 100%
- Remission Level Waste Charges – 100%
- Cap – N/A

(b) Category Two (2) - Showground Related Organisations

- Remission Level General Rates – 100%
- Remission Level Road Network Separate Charge – 100%
- Remission Level Environment Levy Separate Charge – 100%
- Remission Level Disaster Response Levy – 0%
- Remission Level Special Rates/Charges – 0%
- Remission Level Water Access Charges – 50%
- Remission Level Water Consumption Charges – Charged at residential rates
- Remission Level Sewerage Charges – 50%
- Remission Level Waste Charges – 50%
- Cap – N/A

Identified Assessments

- 132506 65 Barmoya Road, THE CAVES
- 139271 65 Racecourse Road, BARMOYA
- 135459 26 Morris Street, YEPPON

(c) Category Three (3) – Kindergartens

- Remission Level General Rates – 50%
- Remission Level Road Network Separate Charge – 50%
- Remission Level Special Rates/Charges – 0%

- Remission Level Environment Separate Charge – 0%
 - Remission Level Disaster Response Levy – 0%
 - Remission Level Water Access Charges – 50%
 - Remission Level Water Consumption Charges – Charged at residential rates
 - Remission Level Sewerage Charges – 50%
 - Remission Level Waste Charges – 50%
 - Cap - \$ 1,000.00
- (d) Category Four (4) – Charitable Organisations Benefiting the Aged/Disadvantaged
- Remission Level General Rates – 100%
 - Remission Level Road Network Separate Charge – 100%
 - Remission Level Environment Levy Separate Charge – 100%
 - Remission Level Disaster Response Levy – 0%
 - Remission Level Special Rates/Charges – 0%
 - Remission Level Water Access Charges – 50%
 - Remission Level Water Consumption Charges – 0%
 - Remission Level Sewerage Charges – 50%
 - Remission Level Waste Charges – 50%
 - Cap - \$ 1,000.00 for Service Charges only
- (e) Category Five (5) – Sporting Clubs & Associations – Without Liquor & Gaming Licenses
- Remission Level General Rates – 100%
 - Remission Level Road Network Separate Charge – 100%
 - Remission Level Environment Levy Separate Charge – 100%
 - Remission Level Disaster Response Levy – 0%
 - Remission Level Special Rates/Charges – 0%
 - Remission Level Water Access Charges – 50%
 - Remission Level Water Consumption Charges – Charged at residential rates
 - Remission Level Sewerage Charges – 50%
 - Remission Level Waste Charges – 50%
 - Cap - \$ 2,000.00 for Service Charges only
- (f) Category Six (6) – Sporting Clubs & Associations – With Liquor Licenses but No Gaming Licenses
- Remission Level General Rates – 50%
 - Remission Level Road Network Separate Charge – 50%
 - Remission Level Environment Separate Charge – 0%
 - Remission Level Disaster Response Levy – 0%
 - Remission Level Special Rates/Charges – 0%
 - Remission Level Water Access Charges – 50%
 - Remission Level Water Consumption Charges – Charged at residential rates
 - Remission Level Sewerage Charges – 50%
 - Remission Level Waste Charges – 50%
 - Cap - \$ 2,000.00

Rates, Rebates and Remissions Policy

Adopted/Approved: DRAFT
Version: 7

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Business Unit: Finance and Business Excellence

- (g) Category Seven (7) – Not for Profit Co-operatives/Organisations providing stand-alone Aged/Disadvantaged and at risk accommodation facilities within the Livingstone Shire Council Boundaries. (Criteria 5.2.1(f) does not apply to this Category)
- Remission Level General Rates – 25%
 - Remission Level Road Network Separate Charge – 25%
 - Remission Level Environment Separate Charge – 0%
 - Remission Level Disaster Response Levy – 0%
 - Remission Level Special Rates/Charges – 0%
 - Remission Level Water Access Charges – 25%
 - Remission Level Sewerage Charges – 25%
 - Remission Level Waste Charges – 25%
 - Cap – N/A
- (h) Category Eight (8) – Sporting Clubs & Associations – With Liquor & Gaming Licenses
- Remission Level General Rates – 0%
 - Remission Level Road Network Separate Charge – 100%
 - Remission Level Environment Levy Separate Charge – 100%
 - Remission Level Disaster Response Levy – 0%
 - Remission Level Special Rates/Charges – 0%
 - Remission Level Water Access Charges – 0%
 - Remission Level Water Consumption Charges – 0%
 - Remission Level Sewerage Charges – 0%
 - Remission Level Waste Charges – 0%
 - Cap – N/A
- (i) Category Nine (9) - All Other Not For Profit/Charitable Organisations
- Remission Level General Rates – 100%
 - Remission Level Road Network Separate Charge – 100%
 - Remission Level Environment Levy Separate Charge – 100%
 - Remission Level Disaster Response Levy – 0%
 - Remission Level Special Rates/Charges – 0%
 - Remission Level Water Access Charges – 50%
 - Remission Level Water Consumption Charges – Charged at residential rates
 - Remission Level Sewerage Charges – 50%
 - Remission Level Waste Charges – 50%
 - Cap - \$ 2,000.00 for Service Charges only
- (j) Category Ten (10) - Rural Fire Brigade
- Remission Level General Rates – 100%
 - Remission Level Separate Rates/Charges – 100%
 - Remission Level Special Rates/Charges – 0%
 - Remission Level Water Access Charges – 100%
 - Remission Level Water Consumption Charges – 100%
 - Remission Level Sewerage Charges – 100%
 - Remission Level Waste Charges – 100%
 - Cap - N/A

Rates, Rebates and Remissions Policy

Adopted/Approved: DRAFT
Version: 7

Portfolio: Office of the CEO
Business Unit: Finance and Business Excellence

- (k) Category Eleven (11) – Identified Not for Profit Integrated Retirement/Aged Care Facilities or stand-alone Aged Care Facilities within the Livingstone Shire Council area (Criteria 5.2.1(f) and 5.2.1(h) above does not apply to this Category)

Remission Level General Rates – 100%
Remission Level Road Network Separate Charge – 100%
Remission Level Environment Levy Separate Charge – 100%
Remission Level Disaster Response Levy – 0%
Remission Level Special Rates/Charges – 0%
Remission Level Sewerage Charges – 20%
Cap - N/A

Identified Assessments

141391 44 Svendsen Road, ZILZIE
135661 150 Rockhampton Road, YEPPOON
135730 26 Magpie Street, YEPPOON
135553 24 Birdwood Avenue, YEPPOON
127621 118-126 Pattison Street, EMU PARK

NOTE for all categories: Sewerage charges are not to be levied in respect of public amenities blocks that are locked and controlled by the clubs.

5.3 General Rate Remissions

In accordance with Part 10 of the *Local Government Regulation 2012*, the properties where 100% remission of general rates applies may be exempted from payment of general rates in lieu of the provision of a remission.

5.4 Permits to Occupy (Pump Sites)

Council will grant a remission on the following basis for those assessments that only contain a permit to occupy for pump sites provided the ratepayer as shown on the assessment is the owner of another property in the Council area on which the rate or charge has been levied:

- (a) Separate Charges – 100% remission
(b) General Rates – Maximum remission of \$600.00.

5.5 Nature Refuge Agreements

Providing assistance for the conservation of significant natural resources in private landholdings in rural areas is an action which can be taken to address the problems of land degradation and loss of natural resources. The broader community benefits associated with natural area conservation include; improvements to overall catchment health, retention of critical habitats, reduced erosion and improved water quality.

To address these issues Council has introduced a rates rebate scheme to encourage the conservation of high value vegetation and wildlife habitat on private land.

A rate rebate recognises the landowners' commitment to maintain the nature refuge area of their land. The use of the nature refuge agreement as a condition of a rate rebate has been determined as the most appropriate method of identifying suitable properties as they offer the highest level of protection and are automatically transferred with ownership of the land. The amount of rebate is proportional to the area of land covered by the nature refuge agreement.

5.5.1 Eligibility

General requirements for attracting the rebate include:

- (a) A Nature Refuge Agreement exists over the property or that part of the property subject to the rates reduction application, between the owner and the Queensland Department of Environment and Science; and
- (b) An application is submitted by the land owner/s.

5.5.2 Close of Applications

Applications may be made at any time and approved properties will receive the rebate from the next rates notice.

5.5.3 Amount of Remission

Rates discount will apply as follows:

| | |
|---|---|
| Less than 10% of the assessment area | 10% of overall general rates to a maximum of \$324 per annum. |
| 10% to less than 20% of the assessment area | 15% of overall general rates to a maximum of \$540 per annum. |
| 20% to less than 40% of the assessment area | 20% of overall general rates to a maximum of \$810 per annum. |
| 40% or greater of the assessment area | 25% of overall general rates to a maximum of \$1,080 per annum. |

6. Changes to this Policy

This Policy is to remain in force until otherwise amended/replaced or other circumstances as determined from time to time by the Council.

7. Repeals/Amendments

This Policy repeals the former Livingstone Shire Council Policy titled 'Rates Rebates and Remission Policy'.

| Version | Date | Action |
|---------|------------|------------------------|
| 1 | 12/08/2014 | Adopted |
| 2 | 11/11/2014 | Amended Policy Adopted |
| 3 | 24/07/2015 | Amended Policy Adopted |
| 4 | 12/07/2016 | Amended Policy Adopted |
| 5 | 27/06/2017 | Amended Policy Adopted |
| 6 | 24/07/2018 | Amended Policy Adopted |

CHRIS MURDOCH
CHIEF EXECUTIVE OFFICER

Rates, Rebates and Remissions Policy

Adopted/Approved: DRAFT
Version: 7

Portfolio: Office of the CEO
Business Unit: Finance and Business Excellence

10.13 2018-19 STATEMENT OF ESTIMATED FINANCIAL POSITION

| | |
|-----------------------------|---|
| File No: | 12.5.2 |
| Attachments: | 1. 2018-19 Estimated Statement of Financial Position ↓ |
| Responsible Officer: | Andrea Ellis - Chief Financial Officer |
| Author: | Damien Cross - Coordinator Accounting Services |

SUMMARY

This report presents the Estimated Statement of Financial Position as at 30 June 2019 for Council's adoption in accordance with Section 205 of the Local Government Regulation 2012.

OFFICER'S RECOMMENDATION

THAT pursuant to Section 205 of the *Local Government Regulation 2012*, Council resolve to receive the Statement of Estimated Financial Position as at 30 June 2019 as contained in Attachment One (1).

COMMENTARY

In accordance with Section 205 of the *Local Government Regulation 2012* the Chief Executive Officer must present to the Local Governments annual budget meeting a statement of the Council's estimated financial position as at 30 June for the immediate previous financial year. The attached document is comprised of a Statement of Estimated Income and Expenditure, Statement of Estimated Financial Position and Statement of Estimated Cash Flows for the year ended 30 June 2019.

The attached provides a comparison between Council's estimated financial position as at 30 June 2019 and the 2018-19 Quarter 3 Revised Budget (19Q3), as adopted by Council on 4 June 2019. Commentary has been added into the attached estimated statement of financial position for a small number of budget variances which have arisen after Council adopted the 19Q3 budget. It should be noted that Council's final financial position is subject to the completion and external audit of Council's 2018-19 general purpose financial statements.

PREVIOUS DECISIONS

No previous decisions have been made by Council in relation to the attached 2018-19 statement of estimated financial position.

BUDGET IMPLICATIONS

The attached outlines the estimated financial position of Council as at 30 June 2019 in comparison to the 2018-19 Quarter 3 Revised Budget (19Q3). This estimated position is subject to change following the completion and external audit of Council's 2018-19 general purpose financial statements.

LEGISLATIVE CONTEXT

The Chief Executive Officer must present to the Local Governments annual budget meeting a Statement of Estimated Financial Position for the previous financial year in accordance with Section 205 of the *Local Government Regulation 2012*.

LEGAL IMPLICATIONS

There are no foreseen legal implications associated with the adoption of the attached 2018-19 Statement of Estimated Financial Position.

STAFFING IMPLICATIONS

There are no staffing implications associated with the adoption of the attached 2018-19 Statement of Estimated Financial Position.

RISK ASSESSMENT

Regular robust reporting of Council's Financial Policies assists in creating a framework of financial responsibility within the Council and providing sound long term financial management of Council's operations.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

Pursuant to Section 205 of the *Local Government Regulation 2012* the Chief Executive Officer must present to the Local Governments annual budget meeting a Statement of Estimated Financial Position as at 30 June for the immediate previous financial year. The attached provides a comparison between Council's Estimated Financial Position as at 30 June 2019 and the 2018-19 Quarter 3 Revised Budget (19Q3) as adopted by Council on 4 June 2019.

10.13 - 2018-19 STATEMENT OF ESTIMATED FINANCIAL POSITION

2018-19 Estimated Statement of Financial Position

Meeting Date: 11 July 2019

Attachment No: 1

| LIVINGSTONE SHIRE COUNCIL | | | | | |
|---|------------------------------|------------------------------|---|---|--|
| STATEMENT OF ESTIMATED INCOME AND EXPENDITURE | | | | | |
| FOR THE YEAR ENDING 30 JUNE 2019 | | | | | |
| | 2018-19 Q3 Revised Budget | 2018-19 Estimated Actuals | Variance Estimated Actuals vs 2018-19 Q3 Revised Budget | Variance Estimated Actuals vs 2018-19 Q3 Revised Budget | Variance Commentary |
| | \$'000 | \$'000 | \$'000 | % | |
| Operating Revenue | | | | | |
| Rates and utility charges | 72,088 | 72,088 | - | 0% | |
| Fees and charges | 3,653 | 3,653 | - | 0% | |
| Rental income | 339 | 339 | - | 0% | |
| Interest Revenue | 997 | 997 | - | 0% | |
| Sales revenue | 3,005 | 3,005 | - | 0% | |
| Operational grants and subsidies | 7,102 | 6,146 | (956) | -13% | \$956k Prepayment of 2019-20 Waste Levy recognised as unearned revenue at 30 June 2019 |
| Other revenues | 573 | 573 | - | 0% | |
| Total Operating Revenue | 87,757 | 86,801 | (956) | -1% | |
| Operating Expenses | | | | | |
| Employee benefits | 31,233 | 31,233 | - | 0% | |
| Materials and services | 28,824 | 28,824 | - | 0% | |
| Finance costs | 4,250 | 4,250 | - | 0% | |
| Depreciation and amortisation | 22,447 | 22,447 | - | 0% | |
| Other expenses | 1,253 | 1,253 | - | 0% | |
| Total Operating Expenditure | 88,007 | 88,007 | - | 0% | |
| Operating Surplus/(Deficit) | (250) | (1,206) | (956) | 382% | |
| Capital Revenue | | | | | |
| Infrastructure cash contributions | 665 | 1,265 | 600 | 90% | \$600k increase for higher than anticipated infrastructure charges received in cash |
| Capital grants and subsidies | 12,128 | 12,128 | - | 0% | |
| Other capital income | (37) | (37) | - | 0% | |
| Total Capital Revenue | 12,756 | 13,356 | 600 | 5% | |
| Capital Expenditure | | | | | |
| Other capital expenditure | 143 | 143 | - | 0% | |
| Total Capital Expenditure | 143 | 143 | - | 0% | |
| Net Result | 12,363 | 12,007 | (356) | -3% | |

| LIVINGSTONE SHIRE COUNCIL STATEMENT OF ESTIMATED FINANCIAL POSITION FOR THE YEAR ENDING 30 JUNE 2019 | | | | | |
|--|------------------------------|------------------------------|---|---|---|
| | 2018-19 Q3 Revised Budget | 2018-19 Estimated Actuals | Variance Estimated Actuals vs 2018-19 Q3 Revised Budget | Variance Estimated Actuals vs 2018-19 Q3 Revised Budget | Variance Commentary |
| | \$'000 | \$'000 | \$'000 | % | |
| Assets | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 15,098 | 15,698 | 600 | | \$600k increase for higher than anticipated infrastructure charges received in cash |
| Trade and other receivables | 8,295 | 8,295 | - | 0% | |
| Inventories | 8,107 | 8,107 | - | 0% | |
| Other Current Assets | 931 | 931 | - | 0% | |
| Total Current Assets | 32,431 | 33,031 | 600 | 2% | |
| Non Current Assets | | | | | |
| Inventories | 9,314 | 9,314 | - | 0% | |
| Property, Plant and Equipment | 973,484 | 973,484 | - | 0% | |
| Total Non Current Assets | 982,798 | 982,798 | - | 0% | |
| Total Assets | 1,015,229 | 1,015,829 | 600 | 0% | |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 4,184 | 4,184 | - | 0% | |
| Borrowings | 4,989 | 4,989 | - | 0% | |
| Provisions | 3,020 | 3,020 | - | 0% | |
| Other Current Liabilities | 111 | 1,067 | 956 | | \$956k Prepayment of 2019-20 Waste Levy recognised as 861% unearned revenue at 30 June 2019 |
| Total Current Liabilities | 12,304 | 13,260 | 956 | 8% | |
| Non Current Liabilities | | | | | |
| Borrowings | 75,541 | 75,541 | - | 0% | |
| Provisions | 11,522 | 11,522 | - | 0% | |
| Other Current Liabilities | 132 | 132 | - | 0% | |
| Total Non Current Liabilities | 87,195 | 87,195 | - | 0% | |
| Total Liabilities | 99,499 | 100,455 | 956 | 1% | |
| Net Community Assets | 915,730 | 915,374 | (356) | 0% | |
| Community Equity | | | | | |
| Retained Surplus | 896,690 | 896,334 | (356) | | 0% Net Effect of changes listed above |
| Asset revaluation surplus | 19,040 | 19,040 | - | 0% | |
| Total Community Equity | 915,730 | 915,374 | (356) | 0% | |

| LIVINGSTONE SHIRE COUNCIL STATEMENT OF ESTIMATED CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2019 | | | | | |
|--|------------------------------|------------------------------|---|---|---|
| | 2018-19 Q3 Revised Budget | 2018-19 Estimated Actuals | Variance Estimated Actuals vs 2018-19 Q3 Revised Budget | Variance Estimated Actuals vs 2018-19 Q3 Revised Budget | Variance Commentary |
| | \$'000 | \$'000 | \$'000 | % | |
| Cash Flows from Operating Activities | | | | | |
| Receipts from customers | 78,814 | 78,814 | - | 0% | |
| Payments to suppliers and employees | (70,885) | (70,885) | - | 0% | |
| Payments for land held as inventory | (2,540) | (2,540) | - | 0% | |
| Proceeds from sale of land held as inventory | 251 | 251 | - | 0% | |
| Interest received | 997 | 997 | - | 0% | |
| Non-capital grants and contributions | 7,053 | 7,053 | - | 0% | |
| Borrowing costs | (4,109) | (4,109) | - | 0% | |
| Net Cash Inflow from Operating Activities | 9,581 | 9,581 | - | 0% | |
| Cash Flows from Investing Activities | | | | | |
| Payments for property, plant and equipment | (45,764) | (45,764) | - | 0% | |
| Grants, subsidies, contributions and donations | 12,793 | 13,393 | 600 | 5% | \$600k increase for higher than anticipated infrastructure charges received in cash |
| Proceeds from sale of property, plant and equipment | 233 | 233 | - | 0% | |
| Other cash flows from investing activities | (191) | (191) | - | 0% | |
| Net Cash Outflow from Investing Activities | (32,929) | (32,329) | 600 | -2% | |
| Cash Flows from Financing Activities | | | | | |
| Proceeds from borrowings | - | - | - | 0% | |
| Repayment of borrowings | (4,751) | (4,751) | - | 0% | |
| Net Cash Outflow from Financing Activities | (4,751) | (4,751) | - | 0% | |
| Total Cash Flows | | | | | |
| Net decrease in cash and cash equivalents held | (28,099) | (27,499) | 600 | -2% | |
| Opening cash and cash equivalents | 43,197 | 43,197 | - | 0% | |
| Closing cash and cash equivalents | 15,098 | 15,698 | 600 | 4% | |

10.14 2019-20 DEBT POLICY

File No: 12.5.1
Attachments: 1. [2019-20 Debt Policy](#)
Responsible Officer: Andrea Ellis - Chief Financial Officer
Author: Damien Cross - Coordinator Accounting Services

SUMMARY

This report presents the 2019-20 Debt Policy for Council's adoption in accordance with Section 192 of the Local Government Regulation 2012.

OFFICER'S RECOMMENDATION

THAT pursuant to Section 192 of the *Local Government Regulation 2012*, Council adopts the 2019-20 Debt Policy.

COMMENTARY

Council's current Debt Policy was adopted on 24 July 2018 as part of the special Council meeting held to adopt the 2018-19 budget. Council is required under Section 192 of the *Local Government Regulation 2012* to adopt a Debt Policy on an annual basis. The attached Policy provides Council with a contemporary debt policy for responsible financial management on the loan funding of infrastructure capital projects by ensuring the level of Council indebtedness is within acceptable limits to Council, its ratepayers and interested external parties. Council will restrict all borrowings to expenditure on identified capital projects that are considered by Council to be of the highest priority and which cannot be funded from revenue, as identified by the adopted budget.

In accordance with Council's 2019-20 Long Term Financial Plan, no debt is budgeted to be borrowed during the 2019-20 financial year. Council has identified alternative funding sources for the 2019-20 capital works program. Over the forecast ten year period of the 2019-20 Long Term Financial Plan through until the 2028-29 financial year, this policy outlines that debt will only be used as a funding source in the 2024-25 financial year.

PREVIOUS DECISIONS

Council adopted the current Debt Policy on 24 July 2018.

BUDGET IMPLICATIONS

Table 1 in the attached outlines the total debt repayments to be paid over the forecast 10 years of the 2019-20 Long Term Financial Plan. Table 2 in the attached outlines that the total interest expense and administration fees payable during the 2019-20 financial year is approximately \$3.8M.

Council's total debt borrowings are forecast to decrease from \$80.5million at 30 June 2019 to \$18.5m at 30 June 2029.

LEGISLATIVE CONTEXT

Adoption of this policy is required in accordance with Section 192 of the *Local Government Regulation 2012*. In accordance with Section 199 of the *Local Government Regulation 2012*, Council must allow the public to inspect the debt policy at the Local Government's Public Office, on the Local Government's website and to purchase copies of this policy if desired.

LEGAL IMPLICATIONS

There are no foreseen legal implications associated with the adoption of this policy.

STAFFING IMPLICATIONS

There are no foreseen staffing implications associated with the adoption of this policy.

RISK ASSESSMENT

Regular robust reporting of Council's financial policies assists in creating a framework of financial responsibility within the Council and providing sound long term financial management of Council's operations.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

In accordance with Section 192 of the *Local Government Regulation 2012* Council is required to adopt a debt policy on an annual basis. The attached policy provides Council with a contemporary debt policy for responsible financial management for the loan funding of infrastructure capital projects by ensuring the level of Council indebtedness is within acceptable limits to Council, its ratepayers and interested external parties.

10.14 - 2019-20 DEBT POLICY

2019-20 Debt Policy

Meeting Date: 11 July 2019

Attachment No: 1



DEBT POLICY (STATUTORY POLICY)

1. Scope

The Debt Policy (this 'Policy') applies to the use of loan borrowings to fund infrastructure and other important capital projects.

2. Purpose

This Policy provides Council with a contemporary Debt Policy for responsible financial management on the loan funding of infrastructure capital projects by ensuring the level of Council indebtedness is within acceptable limits to Council, its ratepayers and interested external parties.

3. Related Documents

Local Government Act 2009
Local Government Regulation 2012
Statutory Bodies Financial Arrangements Act 1982

4. Definitions

To assist in interpretation, the following definitions shall apply:

| | |
|----------------|--|
| CEO | Chief Executive Officer A person who holds an appointment under section 194 of the <i>Local Government Act 2009</i> . This includes a person acting in this position. |
| Council | Livingstone Shire Council. |
| The Act | <i>Local Government Act 2009</i> . |
| The Regulation | <i>Local Government Regulation 2012</i> . |
| SBFAA | <i>Statutory Bodies Financial Arrangements Act 1982</i> . |

5. Policy Statement

As a general principle, Council recognises that loan borrowings for capital works are an important funding source for Local Government and that the full cost of infrastructure should not be borne entirely by present-day ratepayers, but be contributed to by future ratepayers who will also derive benefits (i.e. intergenerational equity). Whilst recognising the importance of loan borrowings, Council should not place undue reliance upon loans as a source of income.

Debt Policy

Adopted/Approved: DRAFT
Version: 7

Portfolio: Office of the CEO
Business Unit: Finance and Business Excellence

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Council will restrict all borrowings to expenditure on identified capital projects that are considered by Council to be of the highest priority and which cannot be funded from revenue, as identified by the adopted budget. Under no circumstances should Council use long-term debt to finance operating activities or recurrent expenditure. A working capital facility or overdraft may be utilised to assist in funding short term cash flow requirements that may arise.

The basis for determination of the utilisation of loan funds will be as follows:

- Borrowings are considered to be a financial funding last resort and only as a tool to be used in a strategic perspective to achieve the provision of services to the community;
- Borrowings for infrastructure that provides a return on assets will take priority over borrowing for other assets. Where a capital project for a service that is funded by utility or user charges e.g. water, sewer, waste, is determined to be funded by way of loans, the user charge should reflect the cost of providing the service including the loan servicing costs.
- Other specific capital projects, not funded by user charges, should only be considered for loan funding where the project is considered by Council to be of long term benefit to the majority of ratepayers.
- Prior to undertaking any borrowing, Council shall assess its capacity to repay the loan, to ensure that the community is not burdened with unnecessary risk and rate/charge increases.
- The term of any loan should not exceed the expected life of the asset being funded.
- All borrowings will be considered in line with Council's long term financial forecast.

TEN YEAR LOAN PROGRAMME FORECAST

Council utilises loan borrowings to fund major capital and infrastructure works. Repayments are spread over a long period of up to twenty years (20) as the Capital Works Projects funded all have long useful lives. This Policy includes the following information:

- 1) New borrowings for the current and the next nine (9) financial years; and
- 2) Repayment schedule for new and existing borrowings.

The following ten (10) year program is proposed by Council, although allocations in future years are revised on an annual basis in conjunction with the review of its short and long term budgets:

**TABLE (1)
TEN YEAR BORROWING AND REPAYMENT SCHEDULE**

| Financial year | New borrowing amount (\$) | Loan redemption amount (\$) | Repayment period (years) |
|----------------|---------------------------|-----------------------------|--------------------------|
| 2019-20 | - | 4,999,000 | - |
| 2020-21 | - | 5,270,000 | - |
| 2021-22 | - | 5,545,000 | - |
| 2022-23 | - | 5,834,000 | - |
| 2023-24 | - | 6,132,000 | - |
| 2024-25 | 2,000,000 | 6,506,000 | 20 |
| 2025-26 | - | 6,878,000 | - |
| 2026-27 | - | 7,236,000 | - |
| 2027-28 | - | 7,611,000 | - |
| 2028-29 | - | 8,012,000 | - |

Debt Policy

Adopted/Approved: DRAFT
Version: 7

Portfolio: Office of the CEO
Business Unit: Finance and Business Excellence

REPAYMENT SCHEDULE

The loan portfolio of Council is raised solely with the Queensland Treasury Corporation. The Queensland Treasury Corporation maintains Council debt as the Book Debt plus a market provision, to market value the total liability outstanding. The provision is principally a result of past movements in the market value of the liabilities within each debt pool. If the Council was to liquidate this debt it would be required to pay the market value of the loan portfolio.

Council intends maintaining a repayment schedule consistent with an interest and principal repayment calculation so that the exposure to interest rate fluctuations are minimised. The budgeted loan portfolio of Council for 2019-20 is as follows:

**TABLE (2)
BUDGETED INTEREST AND REDEMPTION
FOR THE PERIOD TO 30 JUNE 2020**

| | A | B | C | D | E |
|----------------------|------------------------|------------------|------------------|--------------|----------------------------------|
| | | | | | (A - C + D) |
| FUNCTION DESCRIPTION | EST BALANCE 01-07-2019 | ADMIN & INTEREST | REDEMPTION | NEW ADVANCES | EST BOOK DEBT BALANCE 30-06-2020 |
| Water and Sewerage | 26,286,262 | 1,230,042 | 1,563,753 | 0 | 24,722,509 |
| Waste | 10,498,740 | 577,737 | 777,295 | 0 | 9,721,445 |
| Other Infrastructure | 43,743,998 | 2,036,688 | 2,658,540 | 0 | 41,085,458 |
| TOTAL | 80,529,000 | 3,844,467 | 4,999,588 | 0 | 75,529,412 |

6. Changes to this Policy

This Policy will be reviewed when any of the following occur:

1. As required by legislation - this Policy is to be reviewed at least annually in conjunction with the budget;
2. The related information is amended or replaced; or
3. Other circumstances as determined from time to time by the Council.

7. Repeals/Amendments

This Policy repeals the former Livingstone Shire Council Policy titled 'Debt Policy (v6)'.

| Version | Date | Action |
|---------|------------|------------------------|
| 1 | 14/01/2014 | Adopted |
| 2 | 22/07/2014 | Amended Policy Adopted |
| 3 | 24/07/2015 | Amended Policy Adopted |
| 4 | 12/07/2016 | Amended Policy Adopted |
| 5 | 27/06/2017 | Amended Policy Adopted |
| 6 | 24/07/2018 | Amended Policy Adopted |

CHRIS MURDOCH
CHIEF EXECUTIVE OFFICER

Debt Policy

Adopted/Approved: DRAFT
Version: 7

Portfolio: Office of the CEO
Business Unit: Finance and Business Excellence

Page 3 of 3

10.15 2019-20 SIGNIFICANT AND OTHER BUSINESS ACTIVITIES

| | |
|-----------------------------|--|
| File No: | 12.5.2 |
| Attachments: | 1. 2019-20 Estimated Business Activity Statements ↓ |
| Responsible Officer: | Andrea Ellis - Chief Financial Officer |
| Author: | Damien Cross - Coordinator Accounting Services |

SUMMARY

This report identifies the business activities that will be conducted by Council during the 2019-20 financial year and recommends that Council resolve to apply the code of competitive conduct to Council's water & sewerage, waste and caravan parks operations during the 2019-20 financial year pursuant to Section 47(7) of the Local Government Act 2009. This report also outlines that Council's water & sewerage operations for the 2019-20 financial year are a significant business activity under Section 43 of the Local Government Act 2009.

OFFICER'S RECOMMENDATION**THAT:**

1. Council note that the following are all business activities that are to be conducted by Council during the 2019-20 financial year:
 - Water and Sewerage Operations
 - Waste Operations
 - Building Certification
 - Caravan Parks
 - Car Parking
 - Car Wash Operations
 - Cemetery Operations
 2. Council note that for the 2019-20 financial year Council's combined water & sewerage operations are a significant business activity which is subject to national competition policy arrangements under Section 43 of the *Local Government Act 2009*.
 3. Council note that for the 2019-20 financial year, the competitive neutrality principal will be applied to the significant business activity of water & sewerage operations. The level of reform applied to this significant business activity is full cost pricing.
 4. Council note that for the 2019-20 financial year, Council will not conduct any significant business activity that was not conducted in the preceding financial year, that is, there are no new significant business activities to be conducted in the 2019-20 financial year.
 5. Council note that Council's building certification activities are a prescribed business activity under Section 38 of the *Local Government Regulation 2012* meaning that the code of competitive conduct will mandatorily apply to Council's building certification activities in the 2019-20 financial year in accordance with Section 47 of the *Local Government Act 2009*.
 6. Council note that for the 2019-20 financial year Council's combined water & sewerage operations and waste operations are prescribed business activities under Section 39 of the *Local Government Regulation 2012*.
-

7. Council resolve for the 2019-20 financial year that the following prescribed business activities apply the code of competitive conduct under Section 47(7) of the *Local Government Act 2009*:
 - Water & Sewerage Operations
 - Waste Operations
 - Caravan Park Operations
8. Council note that for the 2019-20 financial year the code of competitive conduct will not apply to the car parking, car wash or cemetery operations of Council, all of which are not prescribed business activities under Section 39 of the *Local Government Regulation 2012*, as all have expenditure under the prescribed business activity threshold.

BACKGROUND

Pursuant to Sections 45 and 47 of the *Local Government Act 2009*, each financial year Council is required to identify those activities that are business activities and determine whether competition reform needs to be applied to assist in removing anti-competitive conduct, encourage greater transparency in the operation of Council's business activities and improve the allocation of Council's limited resources. Activities of Council will be identified as business activities if they trade in goods and services to clients and could potentially be delivered by a private sector firm for the purposes of earning profits in the absence of Council's involvement. They do not include activities of Council considered non-competitive.

Each financial year Council is required to decide by resolution whether the code of competitive conduct is to apply to each of its business activities which are prescribed under the *Local Government Regulation 2012* (a prescribed business activity). Council may also voluntarily elect to apply the code of competitive conduct to business activities that are not prescribed business activities in accordance with Section 47(9) of the *Local Government Act 2009*.

COMMENTARY

Identification of Business Activities

Council has reviewed its operations and lists below all of the business activities that it conducts. Council reviews all business activities to identify any new significant business activities and to ensure any previous identified significant business activities continue to meet the regulated threshold.

The following are all business activities that are to be conducted by Council during the 2019-20 financial year:

1. Water and Sewerage Operations
2. Building Certification
3. Waste Operations
4. Caravan Parks
5. Car Parking
6. Car Wash Operations
7. Cemetery Operations

Significant Business Activities

The threshold used to determine if a local government is carrying on a significant business activity in relation to the provision of combined water and sewerage services has been changed as a result of a recent amendment to the *Local Government Regulation 2012*. The

provision of combined water and sewerage services is a significant business activity if 10,000 or more premises are connected to a water service as at 30 June of the previous financial year. Council had in excess of 10,000 premises connected to a water service as at 30 June 2019. As a result, Council is required to apply the code of competitive conduct to Council's water & sewerage operations.

Prescribed Business Activities

Building Certification Activities

Pursuant to Section 47(3) of the *Local Government Act 2009*, the code of competitive conduct will mandatorily apply to the business certification activities of Council.

Waste Operations

Since the 1 January 2014 Council has resolved to apply the code of competitive conduct to waste operations. Section 19 of the *Local Government Regulation 2012* states that any business activity, other than combined water and sewerage activities, that has expenditure of at least \$9.70M for the previous financial year is a significant business activity for the current financial year. Whilst Council's waste operations in the 2018-19 financial year had total expenditure of less than the significant business activity threshold of \$9.70M, the 2018-19 total expenditure of Council's waste operations was over the prescribed business activity threshold of \$340,000. On this basis it is recommended that Council continue to apply the code of competitive conduct to waste operations as a prescribed business activity.

Caravan Parks

Council should note that the code of competitive conduct has been applied to Council's caravan park operations since 1 January 2014. During November 2017, Council entered into lease arrangements for two of Council's three caravan parks. The terms of the leases are that the lessee's are responsible for the operational expenditure associated with the day-to-day management of these caravan parks. The terms and conditions of these leases have reduced the operational expenditure budgeted to be incurred by Council on caravan park activities in since the inception of these leases.

In determining if a business activity is a prescribed business activity in accordance with Section 47 of the *Local Government Act 2009*, the amount of total current expenditure for the business activity for the immediate previous financial year must be \$340,000 or more. Council's total budgeted current expenditure for caravan park operations for the 2018-19 financial year is over this prescribed threshold. As a result it is expected that the total current actual expenditure incurred during the 2018-19 financial year will be over this threshold as well. On this basis it is recommended that the code of competitive conduct continue to be applied to caravan park operations for the 2019-20 financial year.

Other Business Activities

The other identified business activities of Council listed above are car parking, car wash and cemetery operations.

The recommendations in relation to these business activities below are based on the following:

- The suitability of applying the code of competitive conduct with regard to Council's primary purpose of conducting the business activity with the primary purpose being either of a commercial or a community service nature.
- The amount of actual or potential competition that exists.
- The effect the Council business activity will have on the actual or potential competition.
- The cost to be borne by ratepayers of applying the code of competitive conduct.

It is recommended that Council does not apply the code of competitive conduct to the business activities listed immediately below for the reasons outlined:

| Business Activity | Comment |
|---------------------|---|
| Car Parking | Principle purpose is to increase availability of parking in the Yeppoon central business district and the costs of applying competition reforms to the activity outweigh any realisable benefits. |
| Car Wash Operations | Expenditure is under the prescribed business activity threshold and the costs of applying competition reforms to the activity outweigh any realisable benefits. |
| Cemetery Operations | Primarily undertaken as a community service with little or no competition. |

Estimated Activity Statements

Pursuant to Section 34 of the *Local Government Regulation 2012*, the estimated activity statements for the business activities of waste & sewerage operations, waste operations, caravan park operations and building certification activities are presented in attachment 1 to this report.

BUDGET IMPLICATIONS

There is administrative effort required to apply the code of competitive conduct to Council's water & sewerage operations, waste operations, caravan park operations and building certification activities for the 2019-20 financial year. This administrative effort is to be delivered within existing human resources.

LEGISLATIVE CONTEXT

Pursuant to Sections 45 and 47 of the *Local Government Act 2009*, Council must identify activities that are business activities and resolve whether the code of competitive conduct should or should not be applied to each of its prescribed business activities for the financial year.

Pursuant to Section 43 of the *Local Government Act 2009*, Council must apply the code of competitive conduct to a significant business activity.

In accordance with Section 34 of the *Local Government Regulation 2012* Council's budget is required to contain an estimated activity statement of each business activity.

Section 19, and 39 of the *Local Government Regulation 2012* set the thresholds that a business activity must meet to be a significant business activity and to determine whether a business activity is a prescribed business activity for the purpose of applying the NCP Code of Competitive Conduct.

LEGAL IMPLICATIONS

There are no foreseen legal implications regarding the application of the code of competitive conduct to the business activities of Council for the 2019-20 financial year.

STAFFING IMPLICATIONS

There are no foreseen staffing implications associated with the application of the code of competitive conduct to the prescribed business activities of water and sewerage operations, waste operations, caravan park operations and building certification activities.

RISK ASSESSMENT

There are regulatory risks involved with implementing national competition policy. Council is legally required to make certain resolutions and disclosures as part of its annual budget and annual general purpose financial statements respectively regarding its business activities.

These obligations have been reviewed to ensure Council has discharged all of its legal requirements.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: **Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.**

LOCAL GOVERNMENT PRINCIPLES

The Local Government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, Local Government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

Pursuant to Sections 45 and 47 of the *Local Government Act 2009*, each financial year Council is required to identify those activities that are business activities and determine whether competition reform needs to be applied. Pursuant to Section 47(4) of the *Local Government Act 2009*, the code of competitive conduct mandatorily applies to Council's business certification activities. Council had in excess of 10,000 premises connected to a water service as at 30 June 2019 and as a result Council's combined water and sewerage activities are a significant business activity for the 2019-20 financial year.

It is recommended that Council resolve to apply the code of competitive conduct to Council's prescribed business activities of water & sewerage operations, waste operations and caravan park operations. The estimated activity statements for each business activity are presented pursuant to Section 34 of the *Local Government Regulation 2012* for adoption as outlined in Attachment 1 to this report.

10.15 - 2019-20 SIGNIFICANT AND OTHER BUSINESS ACTIVITIES

2019-20 Estimated Business Activity Statements

Meeting Date: 11 July 2019

Attachment No: 1

2019-20 ESTIMATED ACTIVITY STATEMENTS

Council has decided by resolution that the Code of Competitive Conduct is to be applied to the following Business Activities for the 2019-20 Financial Year:

| | SIGNIFICANT BUSINESS ACTIVITY | OTHER BUSINESS ACTIVITIES | | |
|--|-------------------------------|---------------------------|------------------------------|---------------------|
| | | Waste Operations \$ | Building Certification \$ | Caravan Parks \$ |
| Operational Revenues for services provided to Council | \$20,000 | \$200,000 | \$0 | \$0 |
| Operational Revenues for services provided to External Clients | \$27,315,456 | \$8,410,139 | \$220,000 | \$333,410 |
| Community Service Obligations | \$0 | \$301,500 | \$0 | \$0 |
| Total Operational Revenue | \$27,335,456 | \$8,911,639 | \$220,000 | \$333,410 |
| Less: Operational Expenditure | \$22,428,726 | \$7,781,413 | \$156,626 | \$306,467 |
| Estimated Operational Surplus before Dividend | \$4,906,730 | \$1,130,226 | \$63,374 | \$26,943 |
| List of Community Service Obligations (CSO) | | | | |
| Charity Waste and Waste Disposal Vouchers | \$0 | \$301,500 | \$0 | \$0 |
| Total | \$0 | \$301,500 | \$0 | \$0 |

The CSO value is determined by Council and represents an activity's costs which would not be incurred if the activity's primary objective was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council. The 2019-20 budget provides \$301,500 of CSO's by Council to the waste operations business activity comprised as follows:

| | |
|---|------------------|
| Disposal of unwanted materials by approved charities at Council's waste facilities | \$20,000 |
| Waste disposal vouchers provided to residential ratepayers for disposal of eligible waste materials at Council's waste facilities | \$281,500 |
| | \$301,500 |

**10.16 ADOPTION OF 2019-20 BUDGET AND LONG TERM FINANCIAL FORECAST
2019-20 TO 2028-29**

| | |
|---------------------|--|
| File No: | 12.5.1 |
| Attachments: | 1. 2019-20 Budget and Long Term Financial Forecast 2019-20 to 2028-29 ↓ |
| | 2. Relevant Measures of Financial Sustainability ↓ |
| | 3. Percentage change of Rates and Utility Charges ↓ |

Responsible Officer: Chris Murdoch - Chief Executive Officer

Author: Andrea Ellis - Chief Financial Officer

SUMMARY

This report presents the 2019-20 Budget and long term financial forecast for the Livingstone Shire Council for adoption as part of the 2019-20 budget process.

OFFICER'S RECOMMENDATION

THAT Council resolve to adopt pursuant to Section 107A of the *Local Government Act 2009* and Sections 169 and 170 of the *Local Government Regulation 2012* the Budget for the financial year 2019-20 and the long term financial forecast for the financial years 2019-20 to 2028-29 as contained in the document entitled 2019-20 Budget and Long Term Financial Forecast (Attachment 1) and set out in the pages contained therein:

- i. Statement of Financial Position (Attachment 1)*
- ii. Statement of Cash Flows (Attachment 1)*
- iii. Statement of Income and Expenditure (Attachment 1)*
- iv. Statement of Changes in Equity (Attachment 1)*
- v. Long-Term Financial Forecast (Attachment 1)*
- vi. Relevant Measures of Financial Sustainability (Attachment 2)*
- vii. Percentage of Change in Rates & Utility Charges (Attachment 3)*

BACKGROUND

Sections 169 and 170 of the *Local Government Regulation 2012* prescribe the requirements for the adoption of Council's budget. This report complies with the disclosure requirements of the *Local Government Regulation 2012*.

Under the *Local Government Regulation 2012*, Council must prepare an accrual based budget for each financial year which is consistent with the 5-year Corporate Plan and Annual Operational Plan. To comply with the *Local Government Regulation 2012*, Council must also publish results against a series of measures of financial sustainability for the budget and the next nine (9) years.

To meet legislative requirements, included in the 2019-20 Budget (Attachment 1) are the following financial statements:

- Statement of Financial Position;
 - Statement of Cash Flows;
 - Statement of Income and Expenditure; and
 - Statement of Changes in Equity.
-

Additional disclosures required are:

- Relevant Measures of Financial Sustainability (Attachment 2)
- Percentage of Change in Rates Levied from 2018-19 (Attachment 3)

The Statement of Income and Expenditure, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Equity have all been prepared on an accrual basis and contain Council's budget for 2019-20 and the next two financial years and Council's long term financial forecast.

The budget must also contain Council's Revenue Policy and Revenue Statement which due to the complex nature of the Revenue Statement will be adopted via separate reports.

The Statement of Estimated Financial Position for 2018-19 and the estimated costs of Council's significant and other business activities will be adopted via separate reports.

COMMENTARY

The 2019-20 Budget presents the overall position of a deficit of \$2.219 million, with an underlying surplus of \$98,000. The underlying surplus excludes the net cost of declared weather events, and profit/loss on sale of land. These activities are considered to be one-off or other events that have the potential to distort the reporting result.

Brief discussions on each of the major line items of the budget are outlined below.

Revenue

Rates and utility charges

Full details of Council's rates and utility charges are outlined in Council's Revenue Statement which is the subject of a separate report. Total budgeted rates and utility charges for the year is \$80.019 million with estimated discounts and remissions of \$6.481 million.

The increase in the yield from general rates for 2019-20 compared to the previous year is 1.1%. When the changes to the levies, charges and other rates are taken into account the overall increase in yield is 2.2%. The increase in yield from 2018-19 is a combination of the natural growth in assessments, changes in categorisation, changes in rating categories and the general increase to the minimum charges and rates in the dollar and other charges applied by Council. An average owner occupied residential property will see a combined increase of all rates and charges which equates to approximately \$82.53 for the year.

Fees and charges

Budgeted fees and charges are \$4.996 million which is around \$1.343 million more than the estimated position for the previous financial year. The introduction of the waste levy from 1 July 2019 will result in the cost being recovered for waste disposed of directly at the landfill and transfer stations. A conservative approach has been taken to estimating the level of development activity within the region, and this will be monitored throughout the year and updated as part of the regular budget review process.

Sales, contract and recoverable Works

General recoverable works have been reduced based on known contracting opportunities and level of Council's infrastructure workloads. This line item also includes accounting adjustments required for the sale of land at the Gateway Business and Industry Park and the Capricorn Homemaker Centre.

Operating grants and subsidies

The majority of the remaining grant funding relates to the Commonwealth Government's financial assistance grant estimated at \$4.158 million and other minor grants and subsidies received for community support and development programs, libraries, youth programs, Regional Arts Development Fund and fuel tax credits.

Interest received

Interest from investments will be approximately \$0.144 million more than the estimated 2018-19 financial position due to changes in the timing of capital works cash flows and a reduction in overall operating cash flows. The estimated interest rate on investments is 2.5% per annum which is reflective of the current average investment rate on Council's term deposits.

Expenditure

Employee benefits

Employee benefits represent the operational employee costs, including Councillors remuneration of the organisation and includes all employee related expenditure including items such as superannuation, fringe benefits tax, training, and worker's compensation insurance.

Employee costs have been increased by \$1.318 million or 4.0% to \$32.550 million in the 2018-19 Budget. The increase is related to a reduction in capitalised employee expenses with a corresponding reduction in the capital works program, recruitment for vacant positions, accounting adjustments to leave provisions and administrative increases paid to all award employees. As with previous years, the capital works program has a significant day labour component. The operating budget assumes the capital program will be completed as planned.

Materials and Services

The budget for materials and services has reduced by \$0.370 million in 2019-20 to \$28.556 million. Council is continually reviewing contingency funding, reductions in funding for one-off operational projects and an increased understanding of the actual amounts required to provide current services. The budget reflects the anticipated changes in applicable allows for growth and price.

External Loan interest expense

These finance costs pertain to the interest on Council's loans from Queensland Treasury Corporation. Finance costs have decreased by \$0.263 million as Council continues to pay down existing debt and no new borrowings are expected until 2024-25.

Council's debt is forecast to reduce from \$80.529 million to \$18.507 million at the end of 2028-29. This assumes an additional borrowing estimated for 2024-25 of \$2.0 million for an additional cell at the Yeppoon Landfill.

Depreciation

Depreciation expenses of \$21.893 million are included in the 2019-20 Budget. There may be some change in this line item during the year as the ongoing reviews of Council Asset Management Plans, asset replacement values and useful lives are completed.

Capital

The main sources of capital funding are internal sources of \$17.219 million, grants and subsidies of \$11.076 million, disposal proceeds from asset sales \$8.666 million and application of contributions from developers of \$4.099 million.

These funding sources will be used for the construction or acquisition of assets worth \$36.062 million and loan principal repayments of \$4.999 million.

Financial Sustainability

Under the *Local Government Regulation 2012*, Council must prepare an accrual based budget for each financial year which is consistent with the 5-year Corporate Plan and Annual Operational Plan. To comply with the *Local Government Regulation 2012*, Council must also publish results against a series of measures of financial sustainability for the budget year and the next nine (9) years.

The 2019-20 Budget results against each measure of financial sustainability are given in the following table:

| Relevant Measure of Financial Sustainability | Result | Recommended Target |
|---|---------------|---------------------------|
| Asset Sustainability Ratio | 64.9% | Greater than 90% |
| Net Financial Liabilities Ratio | 75.7% | Less than 60% |
| Operating Surplus Ratio | -2.6% | Between 0% and 10% |

Whilst the Asset Sustainability Ratio is less than the recommended target, this ratio has improved on previous forecasts, which reflects a reduced capital expenditure program and the value of new infrastructure required to be constructed as existing assets have reached capacity (Yeppoon Sewerage Treatment Plant and Yeppoon Cemetery).

The Net Financial Liabilities Ratio is greater than the recommended target, which is largely related to changes in accounting standards regarding the treatment of certain revenue received in advance. This ratio forecast to fall below the upper level target by 2021-22.

Whilst the Operating Surplus Ratio is less than the recommended range for 2019-20, it is forecast to remain within the target parameters for the next nine (9) years.

The results of the full ten years are included in Attachment 2 and show that on average the Net Financial Liabilities Ratio and the Operating Surplus Ratio are within the indicators over the long term. The Asset Sustainability Ratio improves over the long term.

PREVIOUS DECISIONS

Council adopted the 2018-19 Revised Budget on 4 June 2019. This formed the basis of the 2019-20 Budget and Long Term forecast.

BUDGET IMPLICATIONS

The underlying budgeted operating surplus, is largely contingent upon containing estimated costs within the budgeted amount.

There is limited scope for new projects and additional funding for services in the short term whilst working towards achieving a balanced budget in 2019-20. Should the need arise for additional funds during the year, offset savings and re-prioritisation of resources will be required and these will be addressed through regular budget reviews.

The use of Council's day labour on capital projects will need to be maintained and any diversion from capital projects to operational projects will impact on the operating result.

If Council can contain its costs and maintain revenue at the level outlined in the 2018-19 Budget and forward estimates, Council is forecasted to maintain operating surpluses for the life of the long term financial forecast.

Changes in accounting standards which come into effect over the next three financial years will impact on the timing of revenues being brought to account. The largest impact will be in relation to rates paid in advance which are currently brought to account at the time of receipt. Under the new standards the revenue will need to be treated as received in advance and therefore a timing issue will arise in the first year.

LEGISLATIVE CONTEXT

Sections 169 and 170 of the *Local Government Regulation 2012* prescribe the requirements for the adoption of Council's budget.

LEGAL IMPLICATIONS

Under the *Local Government Regulation 2012* Council must prepare an accrual based budget for each financial year which is consistent with Council's 5-year Corporate Plan and Annual Operational Plan. To comply with the *Local Government Regulation 2012*, council must also publish against a series of measures of financial sustainability for the budget year and the next nine (9) years.

STAFFING IMPLICATIONS

Matters arising from this report will be dealt with in accordance with existing delegations.

RISK ASSESSMENT

Council manages financial risk by:

- the use of planning, project and program management and risk management methodologies;
- developing and maintaining operational plans for the delivery of projects and services;
- regular reporting on all key projects funded by the Annual Operational Plan and Budget;
- monitoring the efficiency and effectiveness of services delivered within the Annual Operational Plan and Budget both quarterly and annual reporting by the CEO to Council;
- monthly reporting on financial position and performance on operating activities and capital projects to Councillors, executives and staff.
- ensuring executives and staff within Council are both appropriately skilled and accountable for identifying and effectively managing costs within their area of responsibility; and
- providing tools, training and advice to the organisation to ensure effective management of costs and financial obligations.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: **Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.**

LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

CONCLUSION

Section 107A of the *Local Government Act 2009* and Sections 169 and 170 of the *Local Government Regulation 2012* prescribe the requirements for the adoption of Council's budget. This report complies with the requirements of the regulation.

**10.16 - ADOPTION OF 2019-20 BUDGET
AND LONG TERM FINANCIAL
FORECAST 2019-20 TO 2028-29**

**2019-20 Budget and Long Term
Financial Forecast 2019-20 to 2028-29**

Meeting Date: 11 July 2019

Attachment No: 1

| STATEMENT OF FINANCIAL POSITION | | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 2019-20 BUDGET AND LONG TERM FINANCIAL FORECAST 2020 TO 2029 | | | | | | | | | | |
| | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | |
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | | | | | | | |
| Current Assets | | | | | | | | | | |
| Cash and Cash equivalents | 17,630 | 20,379 | 23,610 | 20,161 | 19,130 | 19,355 | 20,119 | 22,290 | 25,349 | 27,280 |
| Trade and other receivables | 8,335 | 8,603 | 8,946 | 9,209 | 9,254 | 9,665 | 10,188 | 10,552 | 10,700 | 11,112 |
| Inventories | 3,485 | 2,522 | 1,177 | 1,177 | 1,177 | 1,177 | 1,177 | 1,177 | 1,177 | 1,177 |
| Other current assets | 930 | 930 | 930 | 930 | 930 | 930 | 930 | 930 | 930 | 930 |
| Total Current Assets | 30,380 | 32,435 | 34,663 | 31,477 | 30,490 | 31,126 | 32,414 | 34,949 | 38,156 | 40,499 |
| Non-current assets | | | | | | | | | | |
| Land held for development or sale | 2,923 | 2,923 | 2,923 | 2,923 | 2,923 | 2,923 | 2,923 | 2,923 | 2,923 | 2,923 |
| Property, plant & equipment | 995,051 | 993,070 | 1,002,049 | 1,007,631 | 1,005,502 | 1,016,691 | 1,020,521 | 1,035,003 | 1,039,917 | 1,042,608 |
| Total non-current assets | 997,974 | 995,993 | 1,004,972 | 1,010,554 | 1,008,425 | 1,019,614 | 1,023,444 | 1,037,926 | 1,042,840 | 1,045,531 |
| TOTAL ASSETS | 1,028,354 | 1,028,427 | 1,039,635 | 1,042,031 | 1,038,915 | 1,050,740 | 1,055,857 | 1,072,875 | 1,080,996 | 1,086,030 |
| LIABILITIES | | | | | | | | | | |
| Current liabilities | | | | | | | | | | |
| Trade and other payables | 4,220 | 4,338 | 4,425 | 4,534 | 4,601 | 4,791 | 4,935 | 5,085 | 5,227 | 5,401 |
| Borrowings | 5,270 | 5,545 | 5,834 | 6,132 | 6,460 | 6,878 | 7,236 | 7,611 | 8,012 | 6,239 |
| Provisions | 3,011 | 3,011 | 4,671 | 5,439 | 5,802 | 3,177 | 3,181 | 3,185 | 3,189 | 3,192 |
| Other current liabilities | 1,038 | 1,008 | 957 | 957 | - | - | - | - | - | - |
| Total current liabilities | 13,538 | 13,901 | 15,886 | 17,062 | 16,863 | 14,846 | 15,352 | 15,881 | 16,428 | 14,833 |
| Non-current liabilities | | | | | | | | | | |
| Trade and other payables | 132 | 92 | 52 | - | - | - | - | - | - | - |
| Borrowings | 70,260 | 64,716 | 58,882 | 52,750 | 46,290 | 41,367 | 34,130 | 26,520 | 18,507 | 12,268 |
| Provisions | 11,527 | 11,530 | 9,880 | 7,470 | 4,703 | 4,567 | 4,434 | 4,304 | 4,176 | 4,051 |
| Total non-current liabilities | 81,920 | 76,338 | 68,814 | 60,220 | 50,993 | 45,934 | 38,564 | 30,824 | 22,683 | 16,319 |
| TOTAL LIABILITIES | 95,457 | 90,239 | 84,700 | 77,282 | 67,856 | 60,779 | 53,916 | 46,704 | 39,111 | 31,152 |
| NET COMMUNITY ASSETS | 932,897 | 938,189 | 954,935 | 964,749 | 971,059 | 989,961 | 1,001,941 | 1,026,171 | 1,041,885 | 1,054,878 |
| COMMUNITY EQUITY | | | | | | | | | | |
| Retained surplus | 28,057 | 28,057 | 38,611 | 42,259 | 42,259 | 52,473 | 52,473 | 64,352 | 68,425 | 68,425 |
| Asset revaluation surplus | 904,840 | 910,132 | 916,324 | 922,490 | 928,800 | 937,488 | 949,468 | 961,819 | 973,460 | 986,453 |
| TOTAL COMMUNITY EQUITY | 932,897 | 938,189 | 954,935 | 964,749 | 971,059 | 989,961 | 1,001,941 | 1,026,171 | 1,041,885 | 1,054,878 |

STATEMENT OF CASH FLOWS
2019-20 BUDGET AND LONG TERM FINANCIAL FORECAST 2020 TO 2029

| | Budget 2019-20 \$'000 | Forecast 2020-21 \$'000 | Forecast 2021-22 \$'000 | Forecast 2022-23 \$'000 | Forecast 2023-24 \$'000 | Forecast 2024-25 \$'000 | Forecast 2025-26 \$'000 | Forecast 2026-27 \$'000 | Forecast 2027-28 \$'000 | Forecast 2028-29 \$'000 |
|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Cash Flows from Operating Activities | | | | | | | | | | |
| Receipts from customers | 81,312 | 83,525 | 86,888 | 89,576 | 90,390 | 93,903 | 99,095 | 102,895 | 104,795 | 108,358 |
| Payments to suppliers and employees | (62,243) | (63,564) | (64,694) | (66,262) | (67,528) | (69,846) | (71,936) | (74,075) | (76,296) | (78,543) |
| Payments for land held as inventory | - | - | - | - | - | - | - | - | - | - |
| Proceeds from sale of land held as inventory | 8,696 | 1,012 | 2,034 | - | - | - | - | - | - | - |
| Interest received | 1,147 | 1,251 | 1,342 | 1,350 | 1,316 | 1,336 | 1,366 | 1,429 | 1,524 | 1,612 |
| Borrowing costs | (3,845) | (3,574) | (3,299) | (3,010) | (2,713) | (2,413) | (2,094) | (1,735) | (1,361) | (959) |
| Payment of landfill provision | (300) | (306) | (312) | (1,977) | (2,752) | (3,122) | (503) | (513) | (524) | (534) |
| Non-capital grants and contributions | 5,766 | 5,882 | 6,012 | 6,145 | 6,282 | 6,422 | 6,572 | 6,729 | 6,892 | 7,054 |
| Cash inflow/(outflow) from Operating Activities | 30,533 | 24,224 | 27,970 | 25,821 | 24,994 | 26,280 | 32,498 | 34,729 | 35,029 | 36,987 |
| Cash flows from Investing Activities | | | | | | | | | | |
| Payments for property, plant and equipment | (36,043) | (20,940) | (21,912) | (26,179) | (22,812) | (24,414) | (28,127) | (27,577) | (26,750) | (29,578) |
| Grants and contributions received | 11,472 | 4,805 | 2,808 | 2,794 | 3,874 | 2,864 | 3,270 | 2,255 | 2,391 | 2,534 |
| Proceeds from the sale of assets | 1,570 | (70) | (91) | (52) | (957) | - | - | - | - | - |
| Other investing activities | | | | | | | | | | |
| Cash inflow/(outflow) from Investing Activities | (23,002) | (16,205) | (19,195) | (23,437) | (19,894) | (21,549) | (24,856) | (25,321) | (24,359) | (27,044) |
| Cash flows from Financing Activities | | | | | | | | | | |
| Proceeds from borrowings | - | - | - | - | - | 2,000 | - | - | - | - |
| Repayment of borrowings | (4,999) | (5,270) | (5,545) | (5,834) | (6,132) | (6,506) | (6,878) | (7,236) | (7,611) | (8,012) |
| Cash inflow/(outflow) from Financing Activities | (4,999) | (5,270) | (5,545) | (5,834) | (6,132) | (4,506) | (6,878) | (7,236) | (7,611) | (8,012) |
| Net increase/(decrease) in Cash Held | 2,532 | 2,749 | 3,231 | (3,449) | (1,031) | 225 | 764 | 2,171 | 3,059 | 1,930 |
| Cash at the beginning of the financial year | 15,098 | 17,630 | 20,379 | 23,610 | 20,161 | 19,130 | 19,355 | 20,119 | 22,290 | 25,349 |
| Cash at the end of the financial year | 17,630 | 20,379 | 23,610 | 20,161 | 19,130 | 19,355 | 20,119 | 22,290 | 25,349 | 27,280 |

| STATEMENT OF INCOME AND EXPENDITURE | | | | | | | | | | |
|--|----------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 2019-20 BUDGET AND LONG TERM FINANCIAL FORECAST 2020 TO 2029 | | | | | | | | | | |
| | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | |
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating Income | | | | | | | | | | |
| Gross rates and utility charges | 80,019 | 82,588 | 84,161 | 86,863 | 89,652 | 93,734 | 97,317 | 101,135 | 105,103 | 109,227 |
| Less: discounts & remissions | (6,481) | (6,847) | (7,205) | (7,608) | (8,037) | (8,537) | (9,072) | (9,641) | (10,247) | (10,892) |
| Net rates and utility charges | 73,538 | 75,741 | 76,956 | 79,255 | 81,615 | 85,197 | 88,246 | 91,494 | 94,856 | 98,335 |
| Fees and charges | 4,996 | 5,163 | 5,365 | 5,573 | 5,788 | 6,016 | 6,251 | 6,537 | 6,833 | 7,108 |
| Rental Income | 382 | 390 | 399 | 408 | 417 | 426 | 436 | 447 | 457 | 468 |
| Interest revenue | 1,147 | 1,251 | 1,342 | 1,350 | 1,316 | 1,336 | 1,366 | 1,429 | 1,524 | 1,612 |
| Sales revenue | (398) | 2,006 | 4,646 | 4,036 | 2,036 | 2,077 | 4,077 | 4,159 | 2,159 | 2,202 |
| Operational grants and subsidies | 5,768 | 5,895 | 6,025 | 6,157 | 6,293 | 6,438 | 6,586 | 6,744 | 6,906 | 7,071 |
| Other income | 559 | 573 | 587 | 602 | 617 | 632 | 648 | 664 | 681 | 698 |
| Total Operating Income | 85,992 | 91,019 | 95,320 | 97,382 | 98,082 | 102,123 | 107,609 | 111,473 | 113,416 | 117,495 |
| Capital Income | | | | | | | | | | |
| Contributions from developers | 1,500 | 1,590 | 1,685 | 1,787 | 1,894 | 2,007 | 2,128 | 2,255 | 2,391 | 2,534 |
| Capital grants and subsidies | 9,972 | 3,215 | 1,123 | 1,008 | 1,980 | 857 | 1,142 | - | - | - |
| Total Capital Income | 11,472 | 4,805 | 2,808 | 2,794 | 3,874 | 2,864 | 3,270 | 2,255 | 2,391 | 2,534 |
| Total Income | 97,464 | 95,825 | 98,129 | 100,176 | 101,956 | 104,987 | 110,879 | 113,729 | 115,806 | 120,030 |
| Operating expenses | | | | | | | | | | |
| Employee benefits | 32,550 | 32,888 | 33,014 | 33,788 | 34,579 | 35,445 | 36,331 | 37,276 | 38,245 | 39,239 |
| Materials and services | 28,556 | 29,601 | 30,552 | 31,346 | 31,754 | 33,304 | 34,435 | 35,607 | 36,820 | 38,076 |
| Depreciation and amortisation | 21,893 | 22,922 | 23,487 | 24,245 | 24,942 | 23,439 | 24,297 | 24,973 | 25,910 | 26,887 |
| Finance Costs | 151 | 156 | 161 | 166 | 171 | 177 | 182 | 188 | 194 | 200 |
| External Loan interest expense | 3,845 | 3,574 | 3,299 | 3,010 | 2,713 | 2,413 | 2,094 | 1,735 | 1,361 | 959 |
| Other operating expenses | 1,215 | 1,243 | 1,271 | 1,300 | 1,329 | 1,361 | 1,395 | 1,430 | 1,466 | 1,502 |
| Total Operating Expenses | 88,211 | 90,384 | 91,785 | 93,855 | 95,488 | 96,139 | 98,736 | 101,210 | 103,995 | 106,864 |
| Capital Expenses | | | | | | | | | | |
| Restoration and rehabilitation provision | 146 | 149 | 152 | 155 | 158 | 161 | 164 | 167 | 170 | 173 |
| Total Capital Expenses | 146 | 149 | 152 | 155 | 158 | 161 | 164 | 167 | 170 | 173 |
| Net Result | 9,107 | 5,292 | 6,192 | 6,166 | 6,310 | 8,687 | 11,980 | 12,352 | 11,641 | 12,992 |
| Operating Result | (2,219) | 636 | 3,536 | 3,527 | 2,594 | 5,984 | 8,874 | 10,263 | 9,420 | 10,631 |
| Underlying Result | 98 | 587 | 2,847 | 3,527 | 2,594 | 5,984 | 8,874 | 10,263 | 9,420 | 10,631 |

BUDGET 2019-20

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| STATEMENT OF CHANGES IN EQUITY | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| 2019-20 BUDGET AND LONG TERM FINANCIAL FORECAST 2020 TO 2029 | | | | | | | | | | |
| | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | |
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Retained Surplus | | | | | | | | | | |
| Opening balance | 896,690 | 904,840 | 910,132 | 916,324 | 922,490 | 928,800 | 937,488 | 949,468 | 961,819 | 973,460 |
| Net Result | 9,107 | 5,292 | 6,192 | 6,166 | 6,310 | 8,687 | 11,980 | 12,352 | 11,641 | 12,992 |
| Closing Balance | 905,797 | 910,132 | 916,324 | 922,490 | 928,800 | 937,488 | 949,468 | 961,819 | 973,460 | 986,453 |
| Asset Revaluation Surplus | | | | | | | | | | |
| Opening balance | 19,040 | 28,057 | 28,057 | 38,611 | 42,259 | 42,259 | 52,473 | 52,473 | 64,352 | 68,425 |
| Change in asset revaluation surplus | 9,014 | - | 10,554 | 3,648 | - | 10,214 | - | 11,878 | 4,073 | - |
| Closing Balance | 28,054 | 28,057 | 38,611 | 42,259 | 42,259 | 52,473 | 52,473 | 64,352 | 68,425 | 68,425 |
| Total Community Equity | 933,851 | 938,189 | 954,935 | 964,749 | 971,059 | 989,961 | 1,001,941 | 1,026,171 | 1,041,885 | 1,054,878 |

10.16 - ADOPTION OF 2019-20 BUDGET AND LONG TERM FINANCIAL FORECAST 2019-20 TO 2028-29

Relevant Measures of Financial Sustainability

Meeting Date: 11 July 2019

Attachment No: 2

**MEASURES OF FINANCIAL SUSTAINABILITY
2019-20 BUDGET AND LONG TERM FINANCIAL FORECAST 2020 TO 2029**

In accordance with section 169 of the *Local Government Regulation 2012*, the Council is required to disclose in the budget certain measures of financial sustainability.

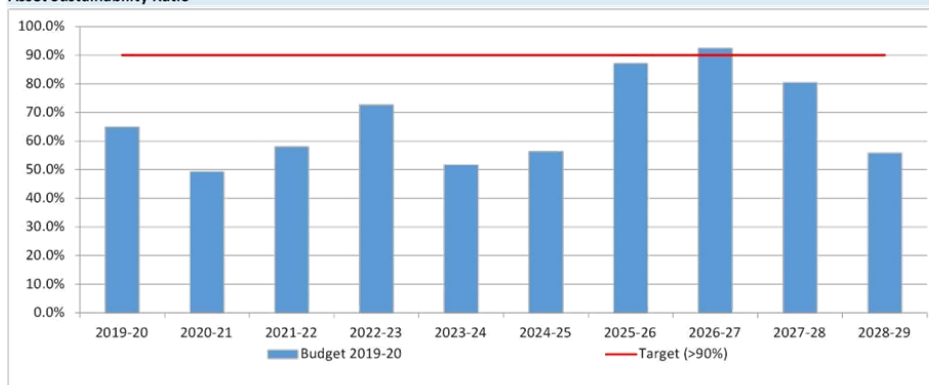
The Queensland Government defines a sustainable local government as being 'able to maintain its financial capital and infrastructure capital over the long term' (*Local Government Act 2009*, section 104(2)).

To ensure the Council continues along the path of financial sustainability into the future, key long term strategic plans are developed and integrated, demonstrating a strategy is in place to manage the financial implications of its long term planning.

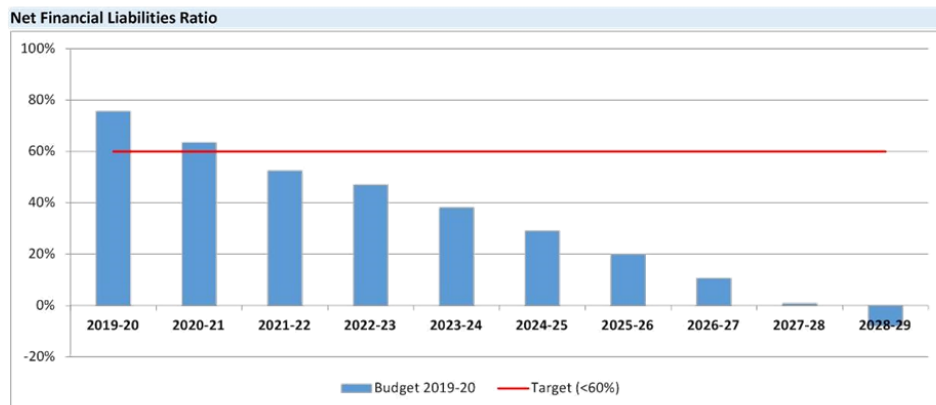
The three financial sustainability measures cover the period of the annual budget plus the next nine financial years (10 years in total).

The target indicated in each graph are sourced from the 'Financial management (sustainability) guideline 2013' which is available from the website of The Department of Local Government, Racing and Multicultural Affairs.

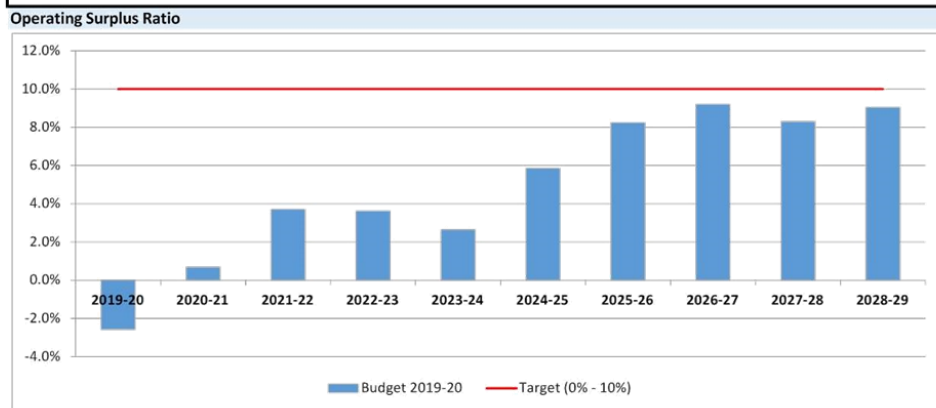
Asset Sustainability Ratio



| Description | Measure | Target |
|---|--|--|
| Demonstrates the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives. | $\frac{\text{Capital expenditure on replacement assets}}{\text{Depreciation expense}}$ | Greater than 90% (on average over the long term) |
| Commentary | | |
| Capital expenditure can broadly be classified as New (building something entirely new) or renewal (replacing an old asset with a new one). This ratio measures how much capital expenditure goes toward replacing existing assets each year when divided by depreciation expense. As the ten year forecast indicates Council's ratio is below the target of 90%, however improves significantly over the medium to long term which reflects Council's commitment to investing in existing assets over new assets. | | |



| Description | Measure | Target |
|---|--|--|
| Demonstrates the extent to which the net financial liabilities of Council can be serviced by its operating revenues. | $\frac{\text{Total Liabilities less Current Asset}}{\text{Operating Revenue}}$ | Not greater than 60% (on average over the long term) |
| Commentary | | |
| Council is forecasting high (greater than 60%) for the first year (1) years in the ten year forecast period and achieves from year two (2) onwards. Council remains on track to achieve the target of less than 60% in 2020-21. | | |



| Description | Measure | Target |
|---|---|---|
| Demonstrates the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes | $\frac{\text{Net operating surplus/(deficit)}}{\text{Operating Revenue}}$ | Between 0 & 10% (on average over the long term) |
| Commentary | | |
| Council is forecasting a positive (greater than 0%) operating surplus ratio in nine (9) out of the ten years taking. A positive ratio indicates that recurring operating revenue exceeds recurring operating expenses and this assists in funding capital expenditure. This can result in less reliance on borrowing money to fund capital expenditure and thus reduces Council debt. The positive operating surplus ratio of Council for the majority of the ten year period is a very strong indicator of long term sustainability. | | |

10.16 - ADOPTION OF 2019-20 BUDGET AND LONG TERM FINANCIAL FORECAST 2019-20 TO 2028-29

Percentage change of Rates and Utility Charges

Meeting Date: 11 July 2019

Attachment No: 3

**TOTAL VALUE OF CHANGE IN RATES AND CHARGES LEVIED FROM 2018-19
2019-20 BUDGET AND LONG TERM FINANCIAL FORECAST 2020 TO 2029**

In accordance with section 169 of the *Local Government Regulation 2012*, the Council is required to report the total value of the change, expressed as a percentage in the rates and utility charges levied for the financial year (2019-20) compared with the rates and utility charges levied in the previous original adopted budget (2018-19). Council has also included the total value of change based on the forecast results for 2018-19 (19Q3). The calculation of this percentage for a financial year excludes rebates and discounts applicable on rates and utility charges.

| | 2018-19 | 2018-19 | 2019-20 | 2018-19 Original vs | | 2018-19 Forecast | |
|---------------------------------------|---------------|---------------|---------------|---------------------|-------------|------------------|-------------|
| | Original | Forecast | Budget | 2019-20 Budget | | Budget (19Q3) vs | |
| | Budget | Budget | | Variance | Variance | Variance | Variance |
| | \$000 | \$000 | \$000 | \$000 | % | \$000 | % |
| General Rates | 31,772 | 32,056 | 32,423 | 651 | 2.0% | 367 | 1.1% |
| Separate Charges | 11,292 | 11,090 | 11,385 | 93 | 0.8% | 295 | 2.7% |
| Special Charges | 151 | 386 | 390 | 239 | 158.1% | 4 | 1.0% |
| Water Utility and consumption charges | 17,102 | 17,302 | 17,787 | 685 | 4.0% | 485 | 2.8% |
| Waste charges | 6,644 | 6,644 | 6,916 | 272 | 4.1% | 272 | 4.1% |
| Sewerage Charges | 10,802 | 10,802 | 11,118 | 316 | 2.9% | 316 | 2.9% |
| Total Rates and Charges Levied | 77,763 | 78,281 | 80,019 | 2,256 | 2.9% | 1,738 | 2.2% |

11 URGENT BUSINESS/QUESTIONS

Urgent Business is a provision in the Agenda for members to raise questions or matters of a genuinely urgent or emergent nature, that are not a change to Council Policy and can not be delayed until the next scheduled Council or Committee Meeting

12 CLOSURE OF MEETING