



GYMPIE REGIONAL COUNCIL

MINUTES

of the

SPECIAL MEETING

CHAIRMAN: Cr GC Hartwig (Mayor)

Held in the Fossickers Room

Civic Centre

Mellor Street

Gympie Qld 4570

On Wednesday, 29 July 2020

At 9am



Gympie Regional Council SPECIAL

Mayor GC Hartwig (Chairman)

Crs J Milne, NG Jensen, SA Waldock, BM Devereaux, DH Stewart, HT Smerdon, WA Polley and RA Fredman.

CONTENTS:

ACKNOWLEDGEMENT	3
SECTION 1: APOLOGIES / LEAVE OF ABSENCE	3
SECTION 2: DISCLOSURE OF INTERESTS	3
SECTION 3: CORPORATE SERVICES/CFO	4
3.1 2020-21 FINANCIAL POLICIES	4
3.2 2020-21 COMPETITION REFORM.....	8
3.3 2020-21 REVENUE STATEMENT	11
3.4 ADOPTION OF THE 2020-21 BUDGET AND LONG TERM FINANCIAL FORECAST 2020-21 TO 2029-30.....	32
3.5 FINANCIAL SUSTAINABILITY POLICY AND 2020/2021 TO 2029/2030 LONG TERM FINANCIAL PLAN.....	39
SECTION 4: OFFICE OF THE CEO	42
4.1 OPERATIONAL PLAN 2020/2021.....	42
SECTION 5: ATTACHMENTS.....	44
3.1 2020-21 FINANCIAL POLICIES	
ATTACHMENT 1 2020-21 INVESTMENT POLICY	45
ATTACHMENT 2 2020-21 DEBT POLICY.....	54
ATTACHMENT 3 RATES AND CHARGES DEBT MANAGEMENT AND RECOVERY POLICY	60
ATTACHMENT 4 FINANCIAL HARDSHIP POLICY.....	64
3.2 2020-21 COMPETITION REFORM	
ATTACHMENT 1 2020-21 COMPETITION AND REFORM POLICY	74
3.3 2020-21 REVENUE STATEMENT	
ATTACHMENT 1 2020-2021 REVENUE STATEMENT	83
3.4 ADOPTION OF THE 2020-21 BUDGET AND LONG TERM FINANCIAL FORECAST 2020-21 TO 2029-30	
ATTACHMENT 1 2020/2021 BUDGET AND LONG TERM FORECAST 2021 TO 2030.....	127
ATTACHMENT 2 ESTIMATED FINANCIAL POSITION TO 30 JUNE 2020.....	134
ATTACHMENT 3 PROPOSED CAPITAL WORKS LISTING 2020/21	137
3.5 FINANCIAL SUSTAINABILITY POLICY AND 2020/2021 TO 2029/2030 LONG TERM FINANCIAL PLAN	
ATTACHMENT 1 FINANCIAL SUSTAINABILITY POLICY	139
ATTACHMENT 2 2020/2021 TO 2029/2030 LONG TERM FINANCIAL PLAN.....	143
4.1 OPERATIONAL PLAN 2020/2021	
ATTACHMENT 1 GYMPIE REGIONAL COUNCIL OPERATIONAL PLAN 2020/2021	171

The meeting commenced at 9.01am.

PRESENT: Mayor Cr GC Hartwig (Chairman), NG Jensen, SA Waldock, BM Devereaux, DH Stewart, HT Smerdon, WA Polley and RA Fredman.

Also in attendance were Chief Executive Officer (Mr S Gray), Acting Director Corporate Services/CFO (Mr D Lewis), Acting Director Economic and Community Development (Ms S Cormack), Manager Governance (Mr B Hayes), Acting Manager – Finance and Risk (Ms D Hatherell) and Minutes Clerk (Ms T Byrne).

ACKNOWLEDGEMENT

Cr Devereaux gave the following acknowledgement:

I would like to begin by acknowledging the Kabi Kabi people, Traditional Custodians of the land on which we meet today, and pay my respects to their Elders past and present. I extend that respect to Aboriginal and Torres Strait Islander peoples here today.

SECTION 1: APOLOGIES / LEAVE OF ABSENCE

SECTION 2: DISCLOSURE OF INTERESTS

SECTION 3: CORPORATE SERVICES/CFO

3.1 2020-21 Financial Policies

PORTFOLIO: Finance

DIRECTORATE: Corporate Services/CFO

DOC ID:

LINKS TO CORPORATE/OPERATIONAL PLAN

STRATEGIC THEMES:

1. Our Infrastructure - well planned, integrated and safe
2. Our Community - active, diverse, creative and engaged
3. Our Economy - dynamic, productive and resilient
4. Our Environment - sustainable, well-managed and accessible
5. Our Organisation - accountable, responsive, efficient and innovative

Cr Milne entered the meeting at 9.01am.

1. BACKGROUND AND PREVIOUS COUNCIL CONSIDERATION

The *Local Government Regulation 2012* requires Council to adopt or review specified policies each financial year.

2. REPORT

The *Local Government Regulation 2012* requires Council to prepare an Investment Policy, Debt Policy, Revenue Policy and Procurement Policy. The Investment Policy, Debt Policy, Revenue Policy and Procurement Policy are key statutory policies of Council and underpin elements of the 2020-21 Budget.

It is better also better practice for Councils to have in place policies associated with the recovery of outstanding rates and charges, the management of sundry debts and the management of financial hardship.

Investment Policy

Under Section 191 of the *Local Government Regulation 2012*, Council must prepare and adopt an investment policy that outlines Council's investment objectives and overall risk philosophy together with the procedures for achieving the goals outlined in the policy.

The attached Investment Policy provides Council's finance officers with an investment framework within which to place Council investments to achieve competitive returns whilst adequately managing risk exposure and ensuring cash funds are available to meet Council's short-term cash requirements. In order of priority, the order of investment activities is preservation of capital, liquidity and return.

Council's 2020-21 Investment Policy has been amended to include more specific investment guidelines and quarterly reporting to Council on investment performance against benchmarked standards.

Debt Policy

Under Section 192 of the *Local Government Regulation 2012*, Council must prepare and adopt a debt policy each financial year. The debt policy must state new borrowings for the current financial year and the next nine years and the time over which Council plans to repay existing and new borrowings.

The attached 2020-21 Debt (Borrowing) Policy forecasts the following borrowings:

Financial Year	\$'000
2020-21	18,998
2021-22	9,770
2022-23	2,500
2023-24	3,000
2024-25	3,100
2025-26	3,300
2026-27	3,300
2027-28	3,300
2028-29	3,300
2029-30	3,300

As previously resolved by Council, forecast borrowings for the 2020-21 financial year include a temporary \$10m working capital facility.

Under Council's debt policy, Council will not utilise loan funds to finance operating activities and where capital assets are funded through borrowings, Council will repay the loans within the shortest term possible with the maximum term not exceeding the life of the asset. Current loans are planned to be repaid within their existing loan terms, however, additional repayments will be made where sufficient funds are available, and it is advantageous to do so.

Revenue Policy

Section 169 (2) (c) of the *Local Government Regulation 2012*, requires Council to include a Revenue Policy in its annual budget.

Section 193 (3) of the *Local Government Regulation 2012* requires Council to review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the Revenue Policy to be adopted for the next financial year.

Council's 2020-21 Revenue Policy was adopted at the 24 June 2020 Ordinary Meeting under minute M04/06/20.

Procurement Policy

Section 198 (1) of the *Local Government Regulation 2012* requires Council to prepare and adopt a policy about procurement (a procurement policy). Under Section 198 (3) of the *Local*

Government Regulation 2012, Council must review its procurement policy annually. Council's Procurement Policy is currently being reviewed and is scheduled to be workshopped with Council on 12 August 2020, with a revised policy scheduled for adoption in October 2020.

Rates and Charges Debt Management and Recovery Policy

This policy has been in place for a number of years and provides a process that is consistent and ethical for the recovery of outstanding rates and charges in accordance with the *Local Government Regulation 2012*.

The management and recovery of outstanding revenue is an important aspect of Council's financial management. It is Council policy to pursue the collection of outstanding revenue diligently but with due concern for any financial hardship faced by property owners.

The Rates and Charges Debt Management and Recovery Policy has been rewritten as part of the 2020-21 Budget Process.

Sundry Debt and Recovery Policy

Council's Sundry Debt and Recovery Policy is currently in draft form and is yet to be workshopped with Council. As this is a non-statutory policy of Council, it is anticipated that the policy will be workshopped with Council during September with a view to adoption in October 2020. The policy will then be regularly reviewed as part of Council's annual budget process.

Financial Hardship Policy

Council recognises the diversity of ratepayers within the region and acknowledges that unforeseen personal circumstances may arise that can adversely affect the affordability of rate expenses.

These circumstances may include but are not limited to, sudden illness, death of a partner, loss of employment, being impacted by a natural disaster such as fire, flood or drought or other cause that may impact a ratepayer's ability to pay.

Recognising the above and noting the impacts of COVID-19 on the local community, Council has developed, as part of its 2020-21 Budget Process a Financial Hardship Policy.

3. BUDGET IMPLICATIONS

The above policies underpin key elements of the 2020-21 budget.

4. POLICY IMPLICATIONS

The adoption of these policies satisfies Council's legislative obligations and provides clear guidance to officers to ensure ongoing understanding and compliance.

5. CONSULTATION

The implications of these policies will be incorporated into extensive communications associated with the 2020-21 Budget.

6. CONCLUSION

The policies discussed in this report have been used in the formulation of Council's annual budget and have been reviewed or developed as part of the 2020-21 Budget process.

ATTACHMENTS

- 1. 2020-21 Investment Policy
- 2. 2020-21 Debt Policy
- 3. Rates and Charges Debt Management and Recovery Policy
- 4. Financial Hardship Policy

M22/07/20

Moved Cr DH Stewart

Seconded Cr BM Devereaux

That pursuant to Section 191 of the *Local Government Regulation 2012*, Council adopt the 2020-21 Investment Policy, as tabled;

And Further;

That pursuant to Section 192 of the *Local Government Regulation 2012*, Council adopt the 2020-21 Debt Policy, as tabled.

And Further;

That Council adopt the Rates and Charges Debt Management and Recovery Policy and the Financial Hardship Concession Policy as tabled.

Carried

FOR: Cr HT Smerdon, Cr DH Stewart, Cr RA Fredman, Cr NG Jensen, Cr GC Hartwig, Cr SA Waldock, Cr WA Polley, Cr BM Devereaux and Cr J Milne

AGAINST: Nil

3.2 2020-21 Competition Reform

PORTFOLIO: Finance

DIRECTORATE: Corporate Services/CFO

DOC ID:

LINKS TO CORPORATE/OPERATIONAL PLAN

STRATEGIC THEMES:

1. Our Infrastructure - well planned, integrated and safe
2. Our Community - active, diverse, creative and engaged
3. Our Economy - dynamic, productive and resilient
4. Our Environment - sustainable, well-managed and accessible
5. Our Organisation - accountable, responsive, efficient and innovative

1. BACKGROUND AND PREVIOUS COUNCIL CONSIDERATION

The *Local Government Act 2009* provides the framework and requirements in relation to Beneficial Enterprises and Business Activities for Local Governments.

2. REPORT

Chapter 3, Part 2, Division 2, Section 45 of the *Local Government Act 2009* states that the local government's annual report must contain a list of all of the business activities that the local government conducts each year and must identify those business activities which are significant. The annual report must also state whether competitive neutrality principles apply and if not the reasons for not applying same.

Chapter 3, Part 2, Division 2, Section 47 of the *Local Government Act 2009* requires Council to decide each financial year, by resolution, whether or not to apply the code of competitive conduct to a business activity prescribed under regulation.

The attached 2020-21 Competition Reform Policy (the Policy) provides Council's officers with a framework to manage Council's business activities.

The Policy identifies that Council undertakes the following business activities:

- Water and Sewerage Services (Water Business Unit)
- Waste Management Services (Waste Management Unit)
- Building Certification Services (Building Services Unit).

The Policy also identifies that Council will apply the Code of Competitive Conduct to its Water Business and Building Services Units. The policy further identifies that Council will not apply the Code of Competitive Conduct to its Waste Business Unit as it does not meet the definition of a significant business activity pursuant to Section 19 (3) of the *Local Government Regulation 2012* and by applying the code unnecessary administrative costs would be incurred by Council.

The implications of the 2020-21 Competition Reform Policy will be progressively implemented during the 2020-21 financial year and will inform Council's 2021-22 Budget.

Specific commentary on each of Council's business activities follow.

Water Business Unit (WBU)

Council's WBU has been identified as a significant business activity under the *Local Government Act 2009* given that its water services exceed the threshold of 10,000 or more connections as at 30 June 2019.

As Council's WBU has been identified as a significant business activity under the *Local Government Act 2009* Council must decide by resolution whether or not to apply the competitive neutrality principle in relation to the WBU and in addition the level of reform to be applied.

Under Section 44 (1) of the *Local Government Act 2009*, Council can apply the competitive neutrality principle by

- (a) *commercialisation of a significant business activity; or*
- (b) *full cost pricing of a significant business activity.*

At Council's Ordinary Meeting on 22 July 2020, Council resolved having considered the Public Benefit Assessment and the net community benefit of the available reform options, under Section 44 (1) of the *Local Government Act 2009* to apply the competitive neutrality principle to its Water Business Unit by applying a Full Cost Pricing business model, as the adoption of the Full Cost Pricing business model provided the greatest community net benefit when compared to the Commercialised Business Unit business model.

Waste Management Unit

Under Section 43 (4) of the *Local Government Act 2009*, a significant business activity is a business activity of a local government conducted in competition, or potential competition with the private sector and meets the threshold prescribed under a regulation.

Under Section 19 (3) of the *Local Government Regulation 2012*, for a business other than combined water and sewerage services, the threshold is expenditure of at least \$9.7m for the financial year immediately before the current financial year.

In Council's interim financial results for the 2020-21 financial year, Council's Waste Business Unit expenditure is under the abovementioned expenditure threshold and as such is not required to be classified as a significant business activity.

Building Services

Under Section 47 (3) (a) of the *Local Government Act 2009*, Council must apply the code of competitive conduct to its Building Certification Unit.

3. BUDGET IMPLICATIONS

This policy underpins elements of the 2020-21 budget.

4. POLICY IMPLICATIONS

The adoption of this policy satisfies Council's legislative obligations and provides clear guidance to staff to ensure ongoing understanding and compliance.

5. CONSULTATION

The implications of this policy will be incorporated into extensive communications associated with the 2020-21 Budget.

6. CONCLUSION

This policy has been used in the formulation of Council's annual budget and has been reviewed as part of the 2020-21 Budget process with the policy remaining largely unchanged.

ATTACHMENTS

1. 2020-21 Competition and Reform Policy

M23/07/20

Moved Cr HT Smerdon

Seconded Cr WA Polley

That pursuant to Chapter 3, Part 2, Division 2 of the *Local Government Act 2009*, that the 2020-21 Competition Reform Policy, as tabled, be adopted;

And further;

That pursuant to Chapter 3 Part 2 Division 2 of the *Local Government Act 2009* that Council resolves not to apply the Code of Competitive Conduct to its Waste Business Unit as it does not meet the definition of a significant business activity pursuant to Section 19 (3) of the *Local Government Regulation 2012* and by applying the code unnecessary administrative costs would be incurred by Council.

And further;

That pursuant to Section 47 (3) of the *Local Government Act 2009*, Council continue to apply the Code of Competitive Conduct by applying a Full Cost Pricing business model to its Building Services Unit.

Carried

FOR: Cr HT Smerdon, Cr DH Stewart, Cr RA Fredman, Cr NG Jensen, Cr GC Hartwig, Cr SA Waldock, Cr WA Polley, Cr BM Devereaux and Cr J Milne

AGAINST: Nil

3.3 2020-21 Revenue Statement

PORTFOLIO: Finance

DIRECTORATE: Corporate Services/CFO

DOC ID:

LINKS TO CORPORATE/OPERATIONAL PLAN

STRATEGIC THEMES:

1. Our Infrastructure - well planned, integrated and safe
2. Our Community - active, diverse, creative and engaged
3. Our Economy - dynamic, productive and resilient
4. Our Environment - sustainable, well-managed and accessible
5. Our Organisation - accountable, responsive, efficient and innovative

1. BACKGROUND AND PREVIOUS COUNCIL CONSIDERATION

Council is required under Section 169 (2) (b) of the *Local Government Regulation 2012* to include a revenue statement in its annual budget.

Council's Revenue Statement is a key statutory document that underpins the rates and utility charges of Council.

This report recommends the adoption of Council's 2020-21 Revenue Statement.

2. REPORT

Section 172 of the *Local Government Regulation 2012* details what must be included in the revenue statement while Section 193 (2) of the *Local Government Regulation 2012* states that the guidelines for preparing the revenue statement may be included in the revenue policy.

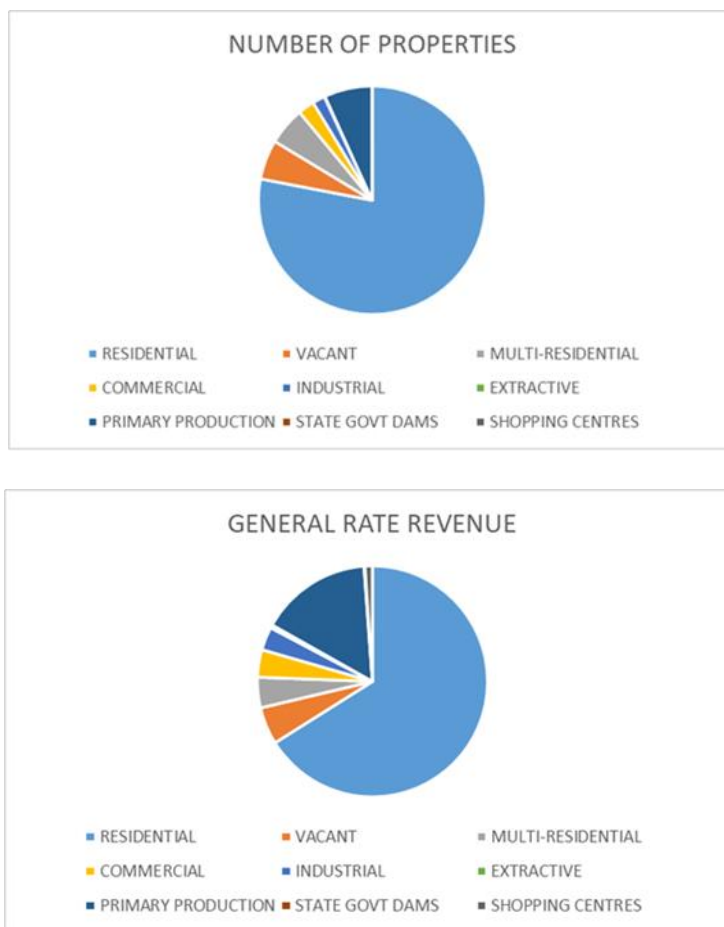
Following a series of budget workshops throughout April, June and July 2020, Council is now in a position to formalise its Revenue Statement for the 2020-21 financial year which reflects Council's direction in relation to the making and levying of rates and charges.

The 2020-21 Revenue Statement will achieve an initial yield of \$81.11m in rates and utility charges with \$4.31m allowed for discounts and remissions. The net yield from rates and utility charges will be \$76.8m.

The budgeted increase in yield from rates and charges from the 2020-21 Revenue Statement compared to the 2019-20 financial year is 3.91%. In relation to general rates, the 2020-21 Revenue Statement will achieve an initial yield of \$44.63m or increase of 3.52% with \$4.31m allowed for discounts and remissions.

In 2020-21 in accordance with Section 80 of the *Local Government Regulation 2012*, Council will continue to use differential general rates with fifty-seven (57) differential rating categories being utilised.

The 2020-21 breakdown by rating category follows:



The Department of Natural Resources, Mines and Energy has not issued new property valuations for the region for 2020-21.

To keep the overall increase in rates to a minimum, whilst considering Council's income requirements, several rating scenarios focusing on the creation of new rating categories were modelled during numerous Council budget workshops. Ultimately, Council has selected a combination of strategies that provided the best outcome for the majority of property owners.

For the 2020-2021 Budget, the majority of ratepayers will receive an increase of 3% in both the rate in the dollar and the minimum general rate.

Key items in the attached Revenue Statement include:

- An overall 3.52 % increase in the yield from general rates for all categories;
- For rural and rural townships residential and primary production categories, a 3% increase in the minimum general rates, while the rate in the dollar remained unchanged;
- An increase of 3% in both the rate in the dollar and the minimum general rate for all other residential categories;
- An average increase in the Shopping Centres category of 19.88%;

- An average increase in the yield from the general rates of newly created categories of 43.87%. New rating categories have been created in:
 - Commercial
 - Light Industry
 - Dam/Water Extraction
 - Electrical, Reticulation & Telecommunications Infrastructure
 - Noxious & Extractive Industry;
- Domestic and Commercial Waste Collection Charges increase by 3%;
- The Waste Management Charge increases 3%;
- Water and Sewerage Access Charges increase by 3%;
- Water Consumption Charges will increase by 7.5% to ensure that sufficient funds are available to cover operating costs and the maintenance of existing infrastructure;
- The separate charge Economic Development Levy has increased by \$2 to \$68.20 per assessment;
- The separate charge Roads Infrastructure Charge has increased by \$3.50 to \$120.70 per assessment;
- The separate charge Environmental Levy has increased by \$1.20 to \$38.50 per assessment;
- The special charge for Rural Fire Levy has remained unchanged at \$25.00 per assessment;
- The special charge for Moy Pocket Road Maintenance Charge has increased by \$4,380.40 to \$150,385.00 on all rateable land to which the overall plan applies;
- Retention of early payment discounts of 10% on general rates;
- Retention of the amount for pensioner remissions at \$160 per annum;
- Reduction in the compound interest charged on overdue rates and charges from 9.83% per annum to 8.53% per annum in order to conform to the new maximum allowed under legislation.

3. BUDGET IMPLICATIONS

Rates and charges are the largest source of revenue for Council. The adoption of the 2020-21 Revenue Statement ensures that Council can rate in accordance with the proposed 2020-21 Budget.

Council's Long Term Financial Plan assumes annual general rate increases of 3.00% for 2020-21 and 2021-22, 2.5% for 2022-23 and 2% for the remaining years of the forecast years. These amounts are reviewed each year as part of the budget process.

Changes in the future rate increases or natural growth estimates will impact on 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.

4. POLICY 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 2020-21 financial year.

The 2020-21 Revenue Statement is consistent with Council's 2020-21 Revenue Policy.

As part of the development of the 2020-21 Revenue Statement, advice was sought from Council's legal advisors on the number of changes made to rating categories and the structure of the Revenue Statement compared to previous years.

5. CONSULTATION

The implications of the 2020-21 Revenue Statement will be incorporated into extensive communications associated with the 2020-21 Budget

6. CONCLUSION

Section 169 (2) (b) of the *Local Government Regulation 2012* requires Council to include a revenue statement in its annual budget. The 2020-21 Revenue Statement is an explanatory statement, detailing the revenue measures adopted in Council's 2020-21 Budget and provides the basis for the generation of Council's rates revenue.

ATTACHMENTS

- [1.](#) 2020-2021 Revenue Statement

M24/07/20**Moved Cr DH Stewart****Seconded Cr BM Devereaux****That Council resolve:**

- a) Pursuant to Section 81 of the *Local Government Regulation 2012*, to adopt the categories into which rateable land is categorised, and the description of those categories, as follows:

Category No	Category Name	Description	Identification
22	Residential Gympie & Surrounds	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Gympie & Surrounds area of the map marked Gympie & Surrounds Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Gympie & Surrounds Rating Area, or as identified by the CEO.
42	Residential Cooloola Cove	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Cooloola Cove area of the map marked Cooloola Cove Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Cooloola Cove Rating Area, or as identified by the CEO.
52	Residential Tin Can Bay	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Tin Can Bay area of the map marked Tin Can Bay Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Tin Can Bay Rating Area, or as identified by the CEO.
62	Residential Rainbow Beach	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Rainbow Beach area of the map marked Rainbow Beach Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Rainbow Beach Rating Area, or as identified by the CEO.
32	Residential Rural Townships	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Rural Townships area of the map marked Rural Townships Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Rural Townships Rating Area, or as identified by the CEO.
72	Residential Rural	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Rural area of the map marked Rural Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Rural Rating Area, or as identified by the CEO.
21	Vacant Gympie & Surrounds	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Gympie & Surrounds area of the	Land use codes 0100, 0400, and the map marked Gympie & Surrounds Rating Area, or as identified by the CEO.

		map marked Gympie & Surrounds Rating Area.	
41	Vacant Cooloola Cove	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Cooloola Cove area of the map marked Cooloola Cove Rating Area.	Land use codes 0100, 0400 and the map marked Cooloola Cove Rating Area, or as identified by the CEO.
51	Vacant Tin Can Bay	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Tin Can Bay area of the map marked Tin Can Bay Rating Area.	Land use codes 0100, 0400 and the map marked Tin Can Bay Rating Area, or as identified by the CEO.
61	Vacant Rainbow Beach	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Rainbow Beach area of the map marked Rainbow Beach Rating Area.	Land use codes 0100, 0400 and the map marked Rainbow Beach Rating Area, or as identified by the CEO.
31	Vacant Rural Townships	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Rural Townships area of the map marked Rural Townships Rating Area.	Land use codes 0100, 0400, 9400 and the map marked Rural Townships Rating Area, or as identified by the CEO.
71	Vacant Rural	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Rural area of the map marked Rural Rating Area.	Land use codes 0100, 0400, 9400 and the map marked Rural Rating Area, or as identified by the CEO.
30	Vacant Commercial/Industrial Gympie & Surrounds	Vacant land, zoned for commercial or industrial use under the Gympie Regional Council Planning Scheme, and intended solely for commercial or industrial purposes, which is not otherwise categorised and located anywhere within the Gympie & Surrounds area of the map marked	Land use codes 0100, 0400, 9400 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.

		Commercial/Industrial and Shopping Centre Rating Area.	
60	Vacant Commercial/Industrial Coastal	Vacant land, zoned for commercial or industrial use under the Gympie Regional Council Planning Scheme, and intended solely for commercial or industrial purposes, which is not otherwise categorised and located anywhere within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use codes 0100, 0400, 9400 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
70	Vacant Commercial/Industrial Rural	Vacant land, zoned for commercial or industrial use under the Gympie Regional Council Planning Scheme, and intended solely for commercial or industrial purposes, which is not otherwise categorised and located anywhere within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use codes 0100, 0400, 9400 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
23	Flats/ residential resorts/other Gympie & Surrounds	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Gympie & Surrounds area of the map marked Gympie & Surrounds Rating Area.	Land use code 0300 and the map marked Gympie & Surrounds Rating Area, or as identified by the CEO.
24	Strata Title Units/ residential resorts/other Gympie & Surrounds	Land used for strata title units, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Gympie & Surrounds area of the map marked Gympie & Surrounds Rating Area.	Land use codes, 0800, 0900 and the map marked Gympie & Surrounds Rating Area, or as identified by the CEO.
43	Flats/ residential resorts/other Cooloola Cove	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Cooloola Cove area of the map marked Cooloola Cove Rating Area.	Land use codes 0300 and the map marked Cooloola Cove Rating Area, or as identified by the CEO.
44	Strata Title Units/ residential resorts/other Cooloola Cove	Land used for strata title units, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Cooloola Cove area of the map marked Cooloola Cove Rating Area.	Land use codes, 0800, 0900 and the map marked Cooloola Cove Rating Area, or as identified by the CEO.
53	Flats/ residential	Land used for flats, residential resorts or multi-residential	Land use codes 0300 and the map marked Tin Can Bay

	resorts/other Tin Can Bay	purposes, which is not otherwise categorised and located within the Tin Can Bay area of the map marked Tin Can Bay Rating Area.	Rating Area, or as identified by the CEO.
54	Strata Title Units/ residential resorts/other Tin Can Bay	Land used for strata title units, residential resorts or multi- residential purposes, which is not otherwise categorised and located within the Tin Can Bay area of the map marked Tin Can Bay Rating Area.	Land use codes, 0800, 0900 and the map marked Tin Can Bay Rating Area, or as identified by the CEO.
63	Flats/ residential resorts/other Rainbow Beach	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Rainbow Beach area of the map marked Rainbow Beach Rating Area.	Land use codes 0300 and the map marked Rainbow Beach Rating Area, or as identified by the CEO.
64	Strata Title Units/ residential resorts/other Rainbow Beach	Land used for strata title units, residential resorts or multi- residential purposes, which is not otherwise categorised and located within the Rainbow Beach area of the map marked Rainbow Beach Rating Area.	Land use codes, 0800, 0900 and the map marked Rainbow Beach Rating Area, or as identified by the CEO.
33	Flats/ residential resorts/other Rural Townships	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Rural Townships area of the map marked Rural Townships Rating Area.	Land use codes 0300 and the map marked Rural Townships Rating Area, or as identified by the CEO.
34	Strata Title Units/ residential resorts/other Rural Townships	Land used for strata title units, residential resorts or multi- residential purposes, which is not otherwise categorised and located within the Rural Townships area of the map marked Rural Townships Rating Area.	Land use codes, 0800, 0900 and the map marked Rural Townships Rating Area, or as identified by the CEO.
73	Flats/ residential resorts/other Rural	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Rural area of the map marked Rural Rating Area.	Land use codes 0300 and the map marked Rural Rating Area, or as identified by the CEO.
74	Strata Title Units/ residential resorts/other Rural	Land used for strata title units, residential resorts or multi- residential purposes, which is not otherwise categorised and located within the Rural area of the map marked Rural Rating Area.	Land use codes, 0800, 0900 and the map marked Rural Rating Area, or as identified by the CEO.

35	Commercial General Gympie & Surrounds	All land, which is not otherwise categorised, used in whole, or in part for commercial purposes and located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area. This category includes properties that are used for a combined residential and commercial purpose.	Land use codes 0700 - 1900 (excluding 1600), 2000 - 2700, 3800, 4100, 4400-4800, 5000, 5600, 5800, 9700 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
65	Commercial General Coastal	All land, which is not otherwise categorised, used in whole, or in part for commercial purposes and located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area. This category includes properties that are used for a combined residential and commercial purpose.	Land use codes 0700 - 1900 (excluding 1600), 2000 - 2700, 3800, 4100, 4400-4800, 5000, 5600, 5800, 9700 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
75	Commercial General Rural	All land, which is not otherwise categorised, used in whole, or in part for commercial purposes and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area. This category includes properties that are used for a combined residential and commercial purpose.	Land use codes 0700 - 1900 (excluding 1600), 2000 - 2700, 3800, 4100, 4400-4800, 5000, 5600, 5800, 9700 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
37	Motels Gympie & Surrounds	All land, which is not otherwise categorised, used as a motel and located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4300 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
67	Motels Coastal	All land, which is not otherwise categorised, used as a motel and located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4300 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
77	Motels Rural	All land, which is not otherwise categorised, used as a motel and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4300 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
36	Hotel/Tavern Gympie & Surrounds	All land, which is not otherwise categorised, used as a hotel and/or tavern, located within the Gympie & Surrounds area of the map	Land use code 4200 and the map marked Commercial/Industrial and Shopping Centre Rating

		marked Commercial/Industrial and Shopping Centre Rating Area.	Area, or as identified by the CEO.
66	Hotel/Tavern Coastal	All land, which is not otherwise categorised, used as a hotel and/or tavern, located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4200 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
76	Hotel/Tavern Rural	All land, which is not otherwise categorised, used as a hotel and/or tavern, located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4200 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
39	Caravan Park Gympie & Surrounds	All land, which is not otherwise categorised, used as a caravan park and located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4900 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
69	Caravan Park Coastal	All land, which is not otherwise categorised, used as a caravan park and located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4900 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
79	Caravan Park Rural	All land, which is not otherwise categorised, used as a caravan park and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4900 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
99	Not-for-Profit	All land, which is not otherwise categorised, used for not-for-profit purposes.	Land use codes 5100 - 5900 (excluding 5400, 5600, 5800), or as identified by the CEO.
38	Light industry/ transport/ storage Gympie & Surrounds	All land, which is not otherwise categorised, used for industrial purposes and located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use codes 2800 - 3600, 3900 and the map marked Commercial/ Industrial and Shopping Centre Rating Area, or as identified by the CEO.
68	Light industry/ transport/ storage Coastal	All land, which is not otherwise categorised, used for industrial purposes and located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use codes 2800 - 3600, 3900 and the map marked Commercial/ Industrial and Shopping Centre Rating Area, or as identified by the CEO.
78	Light industry/	All land, which is not otherwise categorised, used for industrial purposes and located within the	Land use codes 2800 - 3600, 3900 and the map marked Commercial/ Industrial and

	transport/ storage Rural	Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Shopping Centre Rating Area, or as identified by the CEO.
81	Electrical, reticulation & telecommunica tions infrastructure	All land, which is not otherwise categorised, used predominantly for commercial electrical, reticulation or telecommunications purposes.	Land use code 9100, or as identified by the CEO.
87	Noxious Industry/ Abattoirs/ Feedlots/ Sawmills	All land, which is not otherwise categorised, used for offensive industry, saw mill, abattoir or feedlot.	Land use code 3700, 8800 or land that fits the description, or as identified by the CEO.
84	Extractive industry	All land, which is not otherwise categorised, used for the purpose of conducting activity which may involve dredging, excavating, quarrying, sluicing or other mode of winning materials from the earth.	Land use code 4000, or land that fits the description, or as identified by the CEO.
82	Power Station	All land, which is not otherwise categorised, used in whole, or in part for the purpose of electricity generation, other than by way of solar power.	As identified by the CEO.
83	Solar Farm	All land, which is not otherwise categorised, used in whole, or in part for the purpose of solar power generation.	As identified by the CEO.
80	Primary Production	All land, including vacant land, used for primary production business purposes or industry including agricultural, grazing, dairying, pig farming, poultry farming, viticulture, orcharding, apiculture, horticulture, aquaculture, vegetable growing, the growing of crops of any kind, forestry, or any other business or industry involving the cultivation of soils, the gathering in of crops or the rearing of livestock, and similar purposes, which is not otherwise categorised.	Properties in this category must qualify for the Department of Natural Resources, Mines and Energy primary producers' concession as identified by land use codes 6000- 8900, 9300, (excluding 8800), or as identified by the CEO.
95	Dams/Water Extraction – Rural	Land used for the commercial storage of water for human consumption or agricultural use or for water extraction.	Land use code 9500, or as identified by the CEO.
90	Shopping Centre - Gympie & Surrounds -	Land used for the purpose of a shopping centre with a gross floor area of less than 5,000 square metres located within the Gympie	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating

	Gross Floor Area <5,000m²	& Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Area, or as identified by the CEO.
91	Shopping Centre - Gympie & Surrounds - Gross Floor Area 5,001m² – 10,000m²	Land used for the purpose of a shopping centre with a gross floor area of between 5,001 – 10,000 square metres located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
92	Shopping Centre - Gympie & Surrounds - Gross Floor Area >10,001m²	Land used for the purpose of a shopping centre with a gross floor area greater than 10,001 square metres and located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
93	Shopping Centre - Coastal - Gross Floor Area <10,000m²	Land used for the purpose of a shopping centre with a gross floor area of less than 10,000 square metres and located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
94	Shopping Centre - Coastal - Gross Floor Area >10,001m²	Land used for the purpose of a shopping centre with a gross floor area greater than 10,001 square metres and located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
96	Shopping Centre – Rural - Gross Floor Area <10,000m²	Land used for the purpose of a shopping centre with a gross floor area of less than 10,000 square metres and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
97	Shopping Centre - Rural - Gross Floor Area >10,001m²	Land used for the purpose of a shopping centre with a gross floor area of greater than 10,001 square metres and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.

- b) To delegate 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*, that 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*, that the minimum general rate to be made and levied for each differential general rate category, is as follows:

Category No	Differential Rating Category	Rate in Dollar	Minimum General Rate
22	Residential Gympie & Surrounds	0.01150910	\$1,241.40
42	Residential Cooloola Cove	0.00926229	\$1,241.40
52	Residential Tin Can Bay	0.00926229	\$1,241.40
62	Residential Rainbow Beach	0.00926229	\$1,305.20
32	Residential Rural Townships	0.01018160	\$1,241.40
72	Residential Rural	0.01018160	\$1,241.40
21	Vacant Gympie & Surrounds	0.01150910	\$1,241.40
41	Vacant Cooloola Cove	0.00926229	\$1,241.40
51	Vacant Tin Can Bay	0.00926229	\$1,241.40
61	Vacant Rainbow Beach	0.00926229	\$1,305.20
31	Vacant Rural Townships	0.01018160	\$1,241.40
71	Vacant Rural	0.01018160	\$1,241.40
30	Vacant Commercial/Industrial Gympie & Surrounds	0.01592601	\$1,506.50
60	Vacant Commercial/Industrial Coastal	0.01073720	\$1,506.50
70	Vacant Commercial/Industrial Rural	0.01067320	\$1,506.50
23	Flats/residential resorts/other Gympie & Surrounds	0.01266001	\$1,241.40
24	Strata Title Units/Flats/residential resorts/other Gympie & Surrounds	0.01150910	\$1,241.40
43	Flats/residential resorts/other Cooloola Cove	0.01018852	\$1,241.40
44	Strata Title Units/Flats/residential resorts/other Cooloola Cove	0.00926229	\$1,241.40
53	Flats/residential resorts/other Tin Can Bay	0.01018852	\$1,241.40
54	Strata Title Units/Flats/residential resorts/other Tin Can Bay	0.00926229	\$1,241.40
63	Flats/residential resorts/other Rainbow Beach	0.01018852	\$1,305.20
64	Strata Title Units/Flats/residential resorts/other Rainbow Beach	0.00926229	\$1,305.20
33	Flats/residential resorts/other Rural Townships	0.01018160	\$1,241.40
34	Strata Title Units/Flats/residential resorts/other Rural Townships	0.01018160	\$1,241.40
73	Flats/residential resorts/other Rural	0.01018160	\$1,241.40
74	Strata Title Units/Flats/residential resorts/other Rural	0.01018160	\$1,241.40

35	Commercial General Gympie & Surrounds	0.01592601	\$1,241.40
65	Commercial General Coastal	0.01073720	\$1,241.40
75	Commercial General Rural	0.01067320	\$1,241.40
37	Motels Gympie & Surrounds	0.01592601	\$1,241.40
67	Motels Coastal	0.01073720	\$1,241.40
77	Motels Rural	0.01067320	\$1,241.40
36	Hotel/Tavern Gympie & Surrounds	0.01592601	\$1,241.40
66	Hotel/Tavern Coastal	0.01073720	\$1,241.40
76	Hotel/Tavern Rural	0.01067320	\$1,241.40
39	Caravan Park Gympie & Surrounds	0.01592601	\$1,241.40
69	Caravan Park Coastal	0.01073720	\$1,241.40
79	Caravan Park Rural	0.01067320	\$1,241.40
99	Not-for-Profit	0.01592601	\$1,241.40
38	Light industry/transport/storage Gympie & Surrounds	0.01592601	\$1,241.40
68	Light industry/transport/storage Coastal	0.01073720	\$1,241.40
78	Light industry/transport/storage Rural	0.01067320	\$1,241.40
81	Electrical, reticulation & telecommunications infrastructure	0.02473952	\$2,109.10
87	Noxious Industry/Abattoirs/Feedlots/Sawmills	0.02473952	\$2,109.10
84	Extractive industry	0.02473952	\$2,109.10
82	Power Station	0.12862800	\$3,724.20
83	Solar Farm	0.12862800	\$3,724.20
80	Primary Production	0.01185690	\$1,241.40
95	Dams/Water Extraction - Rural	0.12862800	\$3,724.20
90	Shopping Centre Gympie & Surrounds - Gross Floor Area <5,000m ²	0.02020476	\$19,874.70
91	Shopping Centre Gympie & Surrounds - Gross Floor Area 5,001m ² – 10,000m ²	0.02242214	\$66,249.00
92	Shopping Centre Gympie & Surrounds - Gross Floor Area >10,001m ²	0.05199732	\$207,632.60
93	Shopping Centre Coastal - Gross Floor Area <10,000m ²	0.01134290	\$13,249.80
94	Shopping Centre Coastal - Gross Floor Area >10,001m ²	0.01265034	\$44,166.00
96	Shopping Centre Rural - Gross Floor Area <10,000m ²	0.01134290	\$13,249.80
97	Shopping Centre Rural - Gross Floor Area >10,001m ²	0.01265034	\$44,166.00

- d) Pursuant to Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, that Council make and levy a separate charge (to be known as the "Economic Development Levy"), in the sum of \$68.20 per rateable assessment, to be levied equally on all rateable land in the region, for the purposed of funding projects of economic development significance

within the region.

- e) Pursuant to Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, that Council make and levy a separate charge (to be known as the "Roads Infrastructure Charge"), in the sum of \$120.70 per rateable assessment, to be levied equally on all rateable land in the region, for the purposed of contributing to the funding of maintenance, renewal, and depreciation costs of Council's Roads Infrastructure Network.
- f) Pursuant to Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, that Council make and levy a separate charge (to be known as the "Environment Levy"), in the sum of \$38.50 per rateable assessment, to be levied equally on all rateable land in the region, for the purpose of funding environmental initiatives throughout the region, which initiatives are aimed at protection, maintaining and improving the natural environment.
- g) Pursuant to Section 94 of the *Local Government Act 2009*, Section 94 of the *Local Government Regulation 2012* and Sections 106 and 128A of the *Fire and Emergency Services Act 1990*, that Council make and levy a special charge (to be known as the "Rural Fire Levy") of \$25.00, on all rateable land to which the overall plan applies, to fund the ongoing provision and maintenance of rural firefighting equipment, operations and buildings for the rural fire brigades that operate throughout the rural areas of the region.

The overall plan for the Rural Fire Levy special charge is as follows:

- i. The service, facility or activity for which the plan is made is the funding of the ongoing provision and maintenance of rural firefighting equipment, operations and buildings for the rural fire brigades that operate throughout the rural areas of the region.
- ii. The rateable land to which the plan applies is all rateable land within the region that is liable to pay a Class E Emergency Management Levy (pursuant to Part 3 of the *Fire and Emergency Services Regulation 2011*).
- iii. The estimated cost of carrying out the overall plan is \$275,450.00.
- iv. The estimated time for carrying out the overall plan is one year ending on 30 June 2021.

The rateable land to be levied the special charge specifically benefits from the fire emergency response capability that is provided by the rural fire brigades, which capability would be substantially (if not completely) diminished if the rural fire brigades did not receive the funding provided to them by Council as a direct consequence of the levying of the special charge.

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

- h) Pursuant to Section 94 of the Local Government Act 2009 and Section 94 of the Local Government Regulation 2012, that Council make and levy a special charge (to be known as the "Moy Pocket Road Maintenance Charge") of \$150,384. rateable land to which the overall plan applies, to fund the ongoing maintenance of Moy Pocket Road.**

The overall plan for the Moy Pocket Road Maintenance special charge is as follows:

- i. The service, facility or activity for which the plan is made is the ongoing provision of road maintenance works on Moy Pocket Road.**
- ii. The rateable land to which the plan applies is Lot 4 on RP159242, Lot 2 on RP187563 and Lot 1 on SP221900, all Parish of Brooloo, County of March.**
- iii. The estimated cost of carrying out the overall plan is \$150,384.00.**
- iv. The estimated time for carrying out the overall plan is one year ending on 30 June 2021.**

The rateable land to be levied the special charge specifically contributes towards the need for this special charge because:

- The extractive industry operations occurring on the rateable land require a high level of road maintenance so as to maintain access for the extractive industry vehicles travelling to and from the rateable land; and**
- The level of road maintenance provided would not need to be provided at that high level if the use of the rateable land for extractive industry was not occurring.**

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

Unit rate: \$85.30 each per annum (p.a.) based on applicable Units as per following Schedule.

8 units equates to 1 charge @ \$682.40 p.a.

Units		Description
8	Private Residence, individual Home Unit	unlimited pedestals
8	Residential flats/units (e.g. Duplex or multiple flats/units on one title)	per flat/unit
8	Vacant allotments capable of being sewered	per valued assessment
8	Commercial Premises	1st pedestal
6	Commercial Premises	Each additional pedestal/urinal

8	Government and Semi-Government Premises	per pedestal/urinal
8	Church Properties	1st pedestal
4	Church Properties	Each additional pedestal/urinal
8	Motels/Hotels	First pedestal
6	Motels/Hotels -	Each additional pedestal/urinal
8	Caravan Park	1st pedestal
6	Caravan Park	Each additional pedestal/urinal

- (j) Pursuant to Section 94 of the *Local Government Act 2009* and Sections 99 and Section 101 of the *Local Government Regulation 2012*, that Council make and levy water supply program utility charges, for the supply of water services by Council as follows:

Access Charges:	
Residential	\$387.50 p.a
(per valued assessment or metered service, whichever is greater).	
Residential flats/units (e.g. Duplex or multiple flats/units on one title)	\$387.50 p.a. (per flat/unit or metered service, whichever is the greater)
Vacant land not connected	\$387.50 p.a
(per valued assessment).	
Vacant land connected with no habitable building	\$387.50 p.a.
(per valued assessment or metered service, whichever is greater).	
Residential properties & vacant land identified as being part of the Kingfisher Rise Estate Constant Flow Water Supply Scheme	\$290.60 p.a.
(per valued assessment or metered service, whichever is greater).	
All other properties	\$426.30 p.a.
(per valued assessment or metered service, whichever is greater)	
Consumption Charges	
1st Tier (up to 250kl)	\$1.26/kl
2nd Tier (over 250kl)	\$2.26/kl
Meters are read six monthly and consumption charges invoiced on next issue of rate notice	
<u>Abattoirs Agreement - Consumption Based 2020-2021</u>	\$1.82/kl

<u>Nestle Agreement - Consumption Based</u>	
First tier (up to 30,000kls)	\$1.62/kl
Second tier (per kl over 30,000kls)	\$1.32/kl
<u>Water from Private Standpipe:</u>	
Water Consumption Charges – Water Carriers	\$3.00/kl

- (k) Pursuant to Section 102(2) of the *Local Government Regulation 2012*, that a water meter is taken to have been read during the period that starts two weeks before, and ends two weeks after, the day on which the meter is actually read.
- (l) Pursuant to Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, that Council make and levy waste collection utility charges, for the supply of waste collection services by Council as follows:

Domestic 240 litre waste collection service		(State Government Waste Levy)
(consisting of one 240 litre waste bin serviced weekly and one 240 litre recycling bin serviced fortnightly)		
All areas excluding Rainbow Beach	\$301.00 per annum	\$18.50+\$22.88 per annum*
Rainbow Beach (64 lifts)	\$370.50 per annum	\$18.50+\$22.88 per annum*
Domestic 140 litre waste collection service		
(consisting of one 140 litre waste bin serviced weekly and one 240 litre recycling bin serviced fortnightly)		
All areas excluding Rainbow Beach	\$262.30 per annum	\$18.50+\$22.88 per annum*
Rainbow Beach (64 lifts)	\$322.80 per annum	\$18.50+\$22.88 per annum*
Additional 240 litre waste only service (serviced weekly)		
All areas excluding Rainbow Beach	\$198.80 per annum	\$18.50+\$22.88 per annum*
Rainbow Beach (64 lifts)	\$244.70 per annum	\$18.50+\$22.88 per annum*
Additional 140 litre waste only service (serviced weekly)		
All areas excluding Rainbow Beach	\$174.10 per annum	\$18.50+\$22.88 per annum*
Rainbow Beach (64 lifts)	\$214.30 per annum	\$18.50+\$22.88 per annum*
Additional 240 litre recycling only service (serviced fortnightly)		

All areas excluding Rainbow Beach	\$88.10 per annum	
Rainbow Beach (64 lifts)	\$108.40 per annum	
Domestic 240 litre waste collection via bin bank service		State Government Waste Levy
<i>(consisting of one 240 litre waste bin serviced weekly and one 240L recycling bin serviced fortnightly)</i>		
For areas within the region where the Waste Management branch has determined kerbside servicing is not available		
	\$247.40 per annum	\$18.50+\$22.88 per annum *
<i>* State Government Waste Levy Rebates of -\$18.50 and -\$22.88 are applied to all domestic assessments to avoid the direct impact on households from the levy. This levy is subject to change at any time within the 2020-2021 financial year.</i>		
Commercial 240 litre waste and recycling service		State Government Waste Levy
<i>(consisting of one 240 litre waste bin serviced weekly and one 240 litre recycling bin serviced fortnightly)</i>		
All areas excluding Rainbow Beach	\$416.10 per annum	\$18.50+\$22.88 per annum
Rainbow Beach	\$512.10 per annum	\$18.50+\$22.88 per annum
(64 lifts for waste, 32lifts for recycling)		
Additional services		State Government Waste Levy
All areas excluding Rainbow Beach		
<i>(consisting of one 240 litre waste bin serviced weekly and one 240 litre recycling bin serviced fortnightly)</i>		
Commercial 240 litre waste service	\$290.50 per annum	\$18.50+\$22.88 per annum
Commercial 240 litre recycling only service	\$117.40 per annum	
Rainbow Beach		
(64 lifts for waste, 32 lifts for recycling)		
Commercial 240 litre waste only service	\$357.50 per annum	\$18.50+\$22.88 per annum
Commercial 240 litre recycling only service	\$144.50 per annum	

Rainbow Beach Multi-service		
240 litre bins	\$928.20 per annum	\$18.50+\$22.88 per annum
(116 lifts for waste: twice weekly (three times per week during school holidays lifts for recycling)		
Commercial 240 litre waste service	\$7.60 per lift as required	
Commercial 240 litre recycling only service	\$4.40 per lift as required	
<p>In accordance with Section 99 of the <i>Local Government Regulation 2012</i>, a separate utility charge, to be known as a Waste Management Operational Charge in the amount of \$240.10 per annum is to be levied on all rateable assessments in the area of Manumbar as follows:</p> <p>Assessments: 42051, 42052, 42069 ,42155, 42157, 42160, 42161, 42162, 42166, 42167, 42168, 42171, 42174, 42181, 42187, 42188, 42189, 42191, 42192, 42194, 42196, 42197, 42199, 42204, 42207, & 42219.</p>		

- (m) Pursuant to Section 130 of the *Local Government Regulation 2012*, that the differential general rates, made and levied shall be subject to a discount of 10 per cent if paid within the discount period of 30 days of the date of issue of the rate notice provided that:
- all of the aforementioned rates and charges are paid within 30 days of the date of issue of the rate notice
 - all other rates and charges appearing on the rate notice (that are not subject to a discount) are paid within 30 days after the date of issue of the rate notice; and
 - all other overdue rates and charges relating to the rateable assessment are paid within 30 days of the date of issue of the rate notice.
- (n) Pursuant to Section 133 of the *Local Government Regulation 2012*, that compound interest on daily rests at the rate of eight point five three per cent (8.53 per cent) per annum is to be charged on all overdue rates or charges, to take effect 60 days after the due date of the rates notice.
- (o) 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 Emergency Management Levy be levied:
- For the half year 1 July 2020 to 31 December 2020 in August 2020; and
 - For the half year 1 January 2021 to 30 June 2021 in February 2020.
- (p) Pursuant to Section 118 of the *Local Government Regulation 2012*, that Council's rates and charges, and the State Government's Emergency Management Levy, be paid within 30 days of the date of the issue of the rate notice.
- (q) Pursuant to Sections 120, 121 and 122 of the *Local Government Regulation 2012*, a rebate of the differential general rate of \$160.00 per annum be granted

to all ratepayers who are pensioners and where the eligibility requirements below are met:

Pensioners must hold 1 of the following concession cards:

- **Queensland Pensioner Concession Card (issued by Centrelink or Department of Veterans' Affairs); or**
- **Department of Veterans' Affairs Health Card for all conditions (Gold Card).**

The pensioner must also be:

- **the owner or life tenant* of the property, which is the principal place of residence of the pensioner and located in Queensland.**
- **legally responsible for the payment of local Council rates and charges levied on that property.**

****A life tenancy can only be created by a valid will and is effective only after the death of the property owner, or by a Supreme or Family Court order. In such circumstances, proof must be provided to Council to allow a full remission to be granted.***

- (r) Pursuant to Section 169(2)(b) of the *Local Government Regulation 2012* to adopt the 2020-2021 Revenue Statement for inclusion in the 2020-2021 Budget.**

Carried

FOR: Cr HT Smerdon, Cr DH Stewart, Cr RA Fredman, Cr NG Jensen, Cr GC Hartwig, Cr SA Waldock, Cr WA Polley, Cr BM Devereaux and Cr J Milne

AGAINST: Nil

3.4 **Adoption of the 2020-21 Budget and Long Term Financial Forecast 2020-21 to 2029-30**

PORTFOLIO: Finance

DIRECTORATE: Corporate Services/CFO

DOC ID:

LINKS TO CORPORATE/OPERATIONAL PLAN

STRATEGIC THEMES:

1. Our Infrastructure - well planned, integrated and safe
 2. Our Community - active, diverse, creative and engaged
 3. Our Economy - dynamic, productive and resilient
 4. Our Environment - sustainable, well-managed and accessible
 5. Our Organisation - accountable, responsive, efficient and innovative
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1. BACKGROUND AND PREVIOUS COUNCIL CONSIDERATION

In accordance with the *Local Government Regulation 2012*, Council must prepare an accrual-based budget which is consistent with its 5-Year Corporate Plan and Annual Operational Plan.

Sections 169, 170 and 205 of the *Local Government Regulation 2012* prescribe the requirements for a local government to adopt its budget. This report complies with the disclosure requirements of the *Local Government Regulation 2012*.

2. REPORT

2020-21 Budget documents

In accordance with Sections 169 and 170 of the *Local Government Regulation 2012*, Council's 2020-21 Budget has been prepared on an accrual basis and includes measures of financial sustainability for the budget year and the next nine (9) years.

To meet the legislative requirements of Section 169 of the *Local Government Regulation 2012*, included in the 2020-21 Budget (Attachment 1) are the following financial statements:

- i. Statement of Income and Expenditure
- ii. Statement of Income and Expenditure – Business Units
- iii. Statement of Financial Position
- iv. Statement of Cash Flows
- v. Statements of Changes in Equity
- vi. Relevant Measures of Financial Sustainability
- vii. Percentage Change in Rates Levied from 2019/2020.

In accordance with Section 205 of the *Local Government Regulation 2012*, the Statement of Estimated Financial Position to 30 June 2020 is also included as Attachment 2 to this report. This attachment includes the following financial reports:

- i. Estimated Statement of Income and Expenditure
- ii. Estimated Statement of Financial Position
- iii. Estimated Statement of Cash Flows.

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. The opening balances for the 2020-21 Budget are based on the estimated actuals for the 2019-20 financial year.

The 2020-21 Budget must also include Council's Revenue Policy, Revenue Statement, Investment Policy and Debt Policy. These documents will be adopted via separate Council reports.

The 2020-21 Budget presents an overall surplus of \$13.04m, with operational expenditure of \$100.91m and a capital work program of \$40.99m. Total budgeted revenues for the year are \$113.95m which includes capital revenues of \$16.49m. Excluding capital revenues, the budget forecasts an operational deficit of \$3.45m.

A listing of the Proposed Capital Works Program for 2020-21 is included as Attachment 3 for information.

The following summary provides a brief commentary between Council's estimated final position at 30 June 2020 and the Budget for the 2020-21 financial year.

Revenue

Rates and Utility Charges

Full details of Council's rates and utility charges are outlined in Council's Revenue Statement which as indicated is the subject of a separate report. Total budgeted rates and utility charges for the 2020-21 financial year are \$81.11m with estimated discounts of \$4.31m. Net rates and utility charges are estimated to be \$76.80m.

The budgeted increase in yield from general rates for 2020-21 compared to the 2019-20 financial year is 3.91%. The increase in yield is a result of an overall increase of 3% in the majority of categories, a 0% increase to rural and primary producer categories and the introduction of additional bands for residential and commercial categories. Water consumption charges have also increased by 7.5%.

Fees & Charges

Budgeted fees and charges for the 2020-21 financial year are \$6.45m; this aligns with Council's forecasted position at 30 June 2020. A conservative approach has been taken to estimate Council's 2020-21 fees and charges based on the potential ongoing impacts of the COVID-19 pandemic on development and business activity within the region. The impacts of COVID-19 are expected to continue in the short to medium term with the impact on Council's fees and charges constantly being reviewed.

Sales, Contract and Recoverable Works

General sales, contract and recoverable works for 2020-21 are estimated at \$4.05m. This represents an increase of \$0.78m on the estimate for 2019-20 and is based upon known contracting opportunities.

Operating Grants and Subsidies

Budgeted operating grants and subsidies for the 2020-21 financial year are \$8.26m; this aligns with Council's forecasted position at 30 June 2020. The majority of the grant funding relates to the Commonwealth Government's financial assistance grant estimated at \$5.9m, with other minor grants received for libraries and diesel fuel rebates.

Interest Received

2020-21 interest from investments has been decreased by approximately \$0.99m from the forecasted position at 30 June 2020 to \$0.96m. The reduction in interest represents the estimated impact of Council's Hardship Policy on Council's rates and utility charges revenue streams.

Other Recurrent Income

Other recurrent income includes commissions received from agencies and miscellaneous income. For the 2020-21 financial year, \$0.94m is expected from this revenue stream.

Expenditure**Employee Costs**

Employee costs represent the operational employee costs of the organisation and include all employee related expenditure including items such as superannuation, fringe benefits tax, training, and workers' compensation insurance.

Operational employee costs have increased by \$0.33m to \$41.14m in the 2020-21 budget in comparison to the forecast to 30 June 2020. The increase is primarily the result of the impact of the Council's Certified Agreement partially offset by a review of the impacts of a vacancy management program.

As with previous years, the capital works program has a significant day labour component and the operating budget assumes that the capital program will be completed as planned.

Goods and Services

The 2020-21 Budget for goods and services has been decreased by \$2.88m from the forecasted position at 30 June 2020 to \$37.35m. This reduction has been achieved through reductions in costs from one-off operational projects and savings across contractor, consultancy and fleet costs, with advertising and marketing initiatives also decreased.

Depreciation

Depreciation expenses of \$21.18m are included in the 2020-21 Budget. During the year, there will be further changes to this line item through the ongoing capitalisation of constructed assets and reviews of council service management plans, asset replacement values and useful lives.

Finance Costs

This line item is primarily interest on Council's loans from Queensland Treasury Corporation. Finance costs have increased slightly based on the forecast borrowings for the 2020-21 capital works program.

Council's debt is forecast to increase from \$17.07m in 2020 to \$25.67m at the end of 2030. Council's 2020-21 Debt Policy, presented under a separate Council report, includes details of the additional borrowings budgeted over the life of the forecast.

Capital

The main sources of capital funding are grants and subsidies of \$14.97m for programs including Works for Queensland, Building Better Regions, Bridge Replacement Programs and Roads to Recovery from both the Federal and State Governments. These funding sources will be used to partially fund a capital construction and asset acquisition program of \$40.99m. Details of Council's draft 2020-21 Capital Works Program are given in Attachment 3.

Financial Sustainability

Under the *Local Government Regulation 2012*, Council must prepare an accrual-based budget for each financial year which is consistent with its 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 2020-21 Budget results against each relevant measure of financial sustainability are given in the following table.

Relevant Measure of Financial Sustainability	Result	Recommended Target
Operating Surplus Ratio (excluding capital revenue)	<3.5%>	between 0% and 10%
Net Financial Liabilities Ratio	8.5%	not greater than 60%
Asset Sustainability Ratio	108.6%	greater than 90%

The Operating Surplus Ratio is lower than the recommended target range for the 2020-21 Budget; however, from 2021-22 small operational surpluses are forecast to continue for the remainder of the long term financial forecast.

The financial sustainability ratios for the full ten years are included in the attachments to this report and show that on average, all three of the measures are within recommended target ranges over the longer term.

Towards the end of the 2019-20 financial year, Council became increasingly concerned about its level of cash holdings and in June 2020 sought approval from the Department of Local Government, Racing and Multicultural Affairs for a \$10.00m working capital facility.

The 2020-21 Budget addresses issues associated with Council's cash management, with Council's cash expense coverage ratio (Target of Greater Than 3 Months of Operations) exceeded for the 2020-21 Budget and Long Term Financial Forecast.

Business Units

The 2020-21 Budgets for Council's Business Units are set out in the following table.

Unit	Income \$m	Expenditure \$m	Operating Surplus/(Deficit) \$m
Water Business Unit	24.48	17.42	7.06
Waste Management	11.85	10.99	0.86
Building Services	1.57	1.01	0.56
Total	37.9	29.42	8.48

Section 39 of the *Local Government Regulation 2012* prescribes the expenditure levels for a business unit to be considered a "business activity".

For the 2020-21 year the threshold for Council's Water Business Unit is greater than 10,000 water connections and the threshold for the Waste Management Unit is greater than \$9.7m of expenditure. The thresholds are based on results for the financial year immediately prior to the current financial year, with the Water Business Unit meeting this threshold and the Waste Management Unit under the threshold.

Section 47 of the *Local Government Act 2009* requires Council to decide each financial year whether or not to apply the code of competitive conduct to its business activities. In applying the code of competitive conduct, Council is required to eliminate any advantages and disadvantages wherever possible and appropriate. This can take various forms and the cost of implementing the elements may outweigh the benefits.

Council will apply the principles of the code of competitive conduct to its Water Business and Building Services Units in 2020-2021, with the application of competition reforms associated with Chapter 3 Part 2 Division 2 of the *Local Government Act 2009* the subject of a separate report.

Statement of Estimated Financial Position 2019-20

Section 205 of the *Local Government Regulation 2012* requires the Chief Executive Officer to present Council with a Statement of Estimated Financial Position at the annual budget meeting. This Statement, comprising of a Statement of Estimated Income and Expenditure, Estimated Statement of Financial Position and Estimated Statement of Cash Flows, is attached as Attachment 2 to this report and shows the estimated financial results for the Council as at 30 June 2020.

The estimated result is an overall estimated surplus for 2019-20 of \$3.37m, while the estimated result excluding capital revenue and expenses is an operational deficit of \$6.23m which is \$1.2m higher than the budgeted deficit of \$5.03m.

This higher forecasted deficit is mainly due to increased employee costs as a result of organisational restructures and the loss on disposal of property plant and equipment, neither of which were included in the original budget.

Council's forecasted cash balance at 30 June 2020 is now \$26.53m which is \$8.19m higher than the original budget and is the result of the lower than expected level of completion of the capital works program and the receipt of higher than budgeted capital income.

The estimated financial results at 30 June 2020 remain subject to audit adjustments and will change as end of year processes are finalised in early September.

3. BUDGET IMPLICATIONS

The achievement of the budgeted operating deficit is largely contingent upon containing costs within budgeted amounts. There is limited scope for new projects and additional funding for services in the short term. Should the need arise for additional funds during the year, offset savings and a reprioritisation of resources will be required.

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

Council's operating result for 2020-21 also remains dependent upon the continuation of the prepayment of 50% of the Federal Government's Federal Assistance Grants (FAGs).

Financial performance in line with the parameters outlined in the 2020-21 Budget and forward estimates will enable Council to return to an operating surplus from 2021-22, with operating surpluses then maintain over the life of the long term financial plan.

4. POLICY 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 results against a series of measures of financial sustainability for the budget year and the next nine (9) years.

This report complies with Sections 169, 170 and 205 of the *Local Government Regulation 2012*.

5. CONSULTATION

Extensive consultation has been undertaken across Council in the preparation of the draft budget and supporting documentation. The budget has also been the focus of a number of Council workshops from April 2020 to July 2020.

6. CONCLUSION

The 2020-21 Budget document is tabled for Council's consideration and adoption.

ATTACHMENTS

- [1. 2020/2021 Budget and Long Term Forecast 2021 to 2030](#)
- [2. Estimated Financial Position to 30 June 2020](#)
- [3. Proposed Capital Works Listing 2020/21](#)

M25/07/20**Moved Cr DH Stewart****Seconded Cr HT Smerdon**

That Council adopt pursuant to Sections 169 and 170 of the *Local Government Regulation 2012*, the Budget for the 2020/2021 financial year and the Long Term Forecast for the 2020/2021 to 2029/2030 financial years, as contained in the document titled 2020/2021 Budget and Long Term Forecast 2021 to 2030 (Attachment 1) and set out in the pages contained therein the:

- i. Statement of Income and Expenditure**
- ii. Statement of Income and Expenditure – Business Units**
- iii. Statement of Financial Position**
- iv. Statement of Cash Flows**
- v. Statements of Changes in Equity**
- vi. Relevant Measures of Financial Sustainability**
- vii. Percentage Change in Rates Levied from 2019/2020.**

And Further;

That Council note pursuant to Section 205 of the *Local Government Regulation 2012*, the Estimated Financial Position to 30 June 2020 (Attachment 2) as set out in the pages contained therein the:

- i. Estimated Statement of Income and Expenditure**
- ii. Estimated Statement of Financial Position**
- iii. Estimated Statement of Cash Flows.**

Carried

FOR: Cr HT Smerdon, Cr DH Stewart, Cr RA Fredman, Cr NG Jensen, Cr GC Hartwig, Cr SA Waldock, Cr WA Polley, Cr BM Devereaux and Cr J Milne

AGAINST: Nil

3.5 Financial Sustainability Policy and 2020/2021 to 2029/2030 Long Term Financial Plan

PORTFOLIO: Finance

DIRECTORATE: Corporate Services/CFO

DOC ID:

LINKS TO CORPORATE/OPERATIONAL PLAN

STRATEGIC THEMES:

1. Our Infrastructure - well planned, integrated and safe
2. Our Community - active, diverse, creative and engaged
3. Our Economy - dynamic, productive and resilient
4. Our Environment - sustainable, well-managed and accessible
5. Our Organisation - accountable, responsive, efficient and innovative

1. BACKGROUND AND PREVIOUS COUNCIL CONSIDERATION

In 2012 amendments were made to the legislation that governed what Councils must include in their annual budget. One of the changes was to remove the requirement to prepare and adopt a long term financial plan and this was replaced with the requirement to adopt a long term financial forecast.

While the two items sound similar, there is a significant difference between a plan, which provides details on assumptions, risks, and conducts sensitivity analysis, and a forecast, which only sets out the financial results with little additional detail.

In 2017 the Queensland Audit Office (QAO) conducted a performance review into forecasting long term sustainability within the local government sector. In that report a number of recommendations were made including recommending that Councils reinstate the practice of developing a financial plan in addition to the legislative requirements. Whilst not mandatory, Council has accepted this recommendation.

The Financial Sustainability Policy has been developed to provide guidance on the principles used in developing the Long Term Financial Plan, Budget and Financial Forecast.

2. REPORT

With a renewed focus on financial sustainability, Council has recognised the importance of good financial planning and this plan has been developed in response to the QAO Performance Audit "Forecasting long-term sustainability of local government (Report 2: 2016–17)" and specifically recommendation 4:

'We recommend councils improve the quality of their long-term forecasts and financial planning by developing financial plans to explain their financial forecasts and how they intend to financially manage the council and its long-life assets.'

This is Council's first long term financial plan and it provides detailed information on the parameters that have been used in developing its 2020/2021 Budget and Long Term Financial Forecast. Future versions of the plan will continue to include more detailed information on Council's policy intentions for key items within the plan. The content of this plan is in line with the items identified by QAO as forming part of a 'better practice' long term financial plan.

The plan is updated annually as part of Council's annual budget development process or in response to major changes in Council's financial situation as they occur.

3. BUDGET IMPLICATIONS

The 2020/2021 to 2029/2030 Long Term Financial Plan documents the assumptions and parameters Council has used to develop its budget. The ability to reference the data that underpins Council's budget will make it easier to understand the implications of changes in circumstances for future forecasts.

The expected expenditures included in Council's draft Asset Management Plans have been incorporated into the 2020/2021 to 2029/2030 Long Term Financial Plan. The draft Asset Management Plans remain very much a work in progress and have not been brought to Council as part of this year's budget, as they have not significantly changed from the previous year. The reviewed plans will be workshopped with Council as part of 2021/2022 budget preparations.

Sensitivity analysis has been performed and it has shown that the financial items, which have the largest impact on Council's sustainability, are rate revenues and employee costs. Understanding the impacts of these potential changes assists Council in its decision-making process in the setting of budget parameters.

4. POLICY IMPLICATIONS

The adoption of a Long Term Financial Plan or Financial Sustainability Policy is not required by legislation and is seen as a "better practice" method to improve financial forecasting and budgeting.

The Financial Sustainability Policy provides a clear statement of Council's objectives with regard to Financial Sustainability. The policy is in line with the position taken by Council in the past three years and in developing the 2020/2021 Budget.

The 2020/2021 to 2029/2030 Long Term Financial Plan references relevant Council policies and plans, including the Corporate Plan, Service Management Plans and budget related policies.

5. CONSULTATION

The implications of the 2020/2021 to 2029/2030 Long Term Financial Plan will be incorporated into extensive communications associated with Council's 2020/2021 Budget.

6. CONCLUSION

The adoption of a Financial Sustainability Policy and Long Term Financial Plan demonstrate Council's commitment to improved financial sustainability. The Policy provides guidance on achieving financial sustainability, while the 2020-2021 to 2029/2030 Long Term Financial Plan documents the assumptions and parameters used in developing the 2020-21 Budget and Long Term Financial Forecast and will be used as a reference when explaining Council's expected financial results.

ATTACHMENTS

- 1. Financial Sustainability Policy
- 2. 2020/2021 to 2029/2030 Long Term Financial Plan

M26/07/20

Moved Cr HT Smerdon

Seconded Cr DH Stewart

That Council adopts the Financial Sustainability Policy and 2020/2021 to 2029/2030 Long Term Financial Plan.

Carried

FOR: Cr HT Smerdon, Cr DH Stewart, Cr RA Fredman, Cr NG Jensen, Cr GC Hartwig, Cr SA Waldock, Cr WA Polley, Cr BM Devereaux and Cr J Milne

AGAINST: Nil

SECTION 4: OFFICE OF THE CEO

4.1 Operational Plan 2020/2021

PORTFOLIO: Governance and ICT

DIRECTORATE: Office of the CEO

DOC ID:

LINKS TO CORPORATE/OPERATIONAL PLAN

STRATEGIC THEMES:

1. Our Infrastructure - well planned, integrated and safe
2. Our Community - active, diverse, creative and engaged
3. Our Economy - dynamic, productive and resilient
4. Our Environment - sustainable, well-managed and accessible
5. Our Organisation - accountable, responsive, efficient and innovative

1. BACKGROUND AND PREVIOUS COUNCIL CONSIDERATION

Section 174(1) of the *Local Government Regulation 2012* (Regulation) requires Council to prepare and adopt an annual operational plan for each financial year. The Regulation states that Council may, but need not, adopt the annual operational plan for a financial year at the same time Council adopts its budget for the financial year.

Minute M18/06/20 provides guidance as to Council's priorities under which the annual budget and the annual operational plan are to be prepared.

2. REPORT

A Draft Operational Plan 2020/2021 (Draft Plan) has been prepared in line with all legislative requirements and as directed via Minute M18/06/20 as attached. The Draft Plan further includes feedback received from Councillors via discussions at a Councillor Briefing Session held on Wednesday 8 July 2020.

Using the five strategic themes of the Corporate Plan 2017-2022 together with the five key priorities determined by Council resolution (M18/06/20), the Draft Plan results in 20 key identified operational activities all of which are planned to be completed within the period. These activities directly further Council's vision for the region and its adopted priorities for the 2020/2021 financial year.

The Draft Plan notes that in addition to the activities listed Council undertakes a myriad of 'business as usual' (BAU) activities. These BAU activities are monitored and progressed via section/unit business plans and other management and reporting mechanisms.

3. BUDGET IMPLICATIONS

The activities contained within the Draft Plan are funded by the annual Budget 2020/2021.

4. POLICY IMPLICATIONS

A number of activities from the Draft Plan may require development and/or review of Council policies.

5. CONSULTATION

Mayor and all Councillors
CEO and Executive Team

6. CONCLUSION

Council has a legislative obligation to prepare an annual operational plan. A Draft Plan with input from across all directorates, including Councillor feedback, has been provided for Council's consideration. The Draft Plan has been prepared in accordance with the direction provided by Minute M18/06/20.

ATTACHMENTS

[1.](#) Gympie Regional Council Operational Plan 2020/2021

M27/07/20

Moved Cr HT Smerdon

Seconded Cr BM Devereaux

That the Gympie Regional Council Operational Plan 2020/2021, as attached, be adopted.

Carried

FOR: Cr HT Smerdon, Cr DH Stewart, Cr RA Fredman, Cr NG Jensen, Cr GC Hartwig, Cr SA Waldoock, Cr WA Polley, Cr BM Devereaux and Cr J Milne

AGAINST: Nil

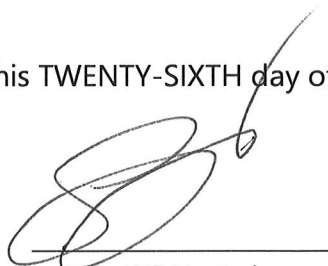
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SECTION 5: ATTACHMENTS

3.1	2020-21 Financial Policies	
	ATTACHMENT 1	2020-21 INVESTMENT POLICY..... 45
	ATTACHMENT 2	2020-21 DEBT POLICY..... 54
	ATTACHMENT 3	RATES AND CHARGES DEBT MANAGEMENT AND RECOVERY POLICY 60
	ATTACHMENT 4	FINANCIAL HARDSHIP POLICY..... 64
3.2	2020-21 Competition Reform	
	ATTACHMENT 1	2020-21 COMPETITION AND REFORM POLICY..... 74
3.3	2020-21 Revenue Statement	
	ATTACHMENT 1	2020-2021 REVENUE STATEMENT..... 83
3.4	Adoption of the 2020-21 Budget and Long Term Financial Forecast 2020-21 to 2029-30	
	ATTACHMENT 1	2020/2021 BUDGET AND LONG TERM FORECAST 2021 TO 2030..... 127
	ATTACHMENT 2	ESTIMATED FINANCIAL POSITION TO 30 JUNE 2020..... 134
	ATTACHMENT 3	PROPOSED CAPITAL WORKS LISTING 2020/21 137
3.5	Financial Sustainability Policy and 2020/2021 to 2029/2030 Long Term Financial Plan	
	ATTACHMENT 1	FINANCIAL SUSTAINABILITY POLICY..... 139
	ATTACHMENT 2	2020/2021 TO 2029/2030 LONG TERM FINANCIAL PLAN..... 143
4.1	Operational Plan 2020/2021	
	ATTACHMENT 1	GYMPIE REGIONAL COUNCIL OPERATIONAL PLAN 2020/2021..... 171

There being no further business the meeting closed at 9.49am.

Confirmed this TWENTY-SIXTH day of AUGUST 2020



Cr GC Hartwig
CHAIRMAN

Council Policy



Document Control	
Policy Title	<i>2020-21 Investment Policy</i>
Doc ID No	
Responsible Directorate	Corporate Services/CFO
Responsible Position	Coordinator – Financial Accounting
Date Review Due	1 June 2021

Version	Council Meeting Date (Date of Adoption/Review)	Minute Number

1. Purpose

The purpose of this policy is:

- To establish the investment guidelines that Gympie Regional Council (GRC) adopts regarding the investment of surplus funds
- To ensure funds are invested in accordance with legislative and Council requirements
- To ensure surplus funds are invested with approved financial institutions
- To ensure investment decisions are based on security of funds by limiting exposure to risk.

2. Scope

Investments are defined as arrangements that are acquired or undertaken for the purpose of producing income and apply to the cash investments of GRC. Under *Statutory Bodies Financial Arrangements Act 1982* (SBFAA) and its subordinate legislation, *Statutory Bodies Financial Arrangements Regulation 2007* (SBFAR), all investments must be at call or for a fixed time of not more than one (1) year.

3. Related Legislation

Investments are made in accordance with Council's powers to invest under the following:

Local Government Act 2009

Part 5 – Delegation of Powers, Section 260 – Local Government Delegations Register

Local Government Regulation 2012

Reviewed: 1 July 2020

Page 1 of 9

Policy: *Investment Policy* [Printed copies are uncontrolled. It is the responsibility of each user to ensure that any copies of system documents are the current issue.]

Council Policy



Chapter 5 – Financial Planning and Accountability, Part 4 – Financial Policies, Section 191 –
Investment Policy

Statutory Bodies Financial Arrangements Act 1982 (as amended)

Part 6 Investment Powers

Division 1 – Categories of Investment Powers

Division 2 – Investment Power (44) (1) Category 1 - Investment Power

Division 3 – Duties of Statutory Body when investing

4. Related Documents

CSP 354 – Investment Procedure

5. Definitions

To assist in interpretation of this policy the following definitions apply:

- At call - funds are available immediately without penalty
- Authorised investments - investments allowed by SBFAA and SBFAR and authorised for investment purposes by Council
- CFO - Chief Financial Officer
- GRC - Gympie Regional Council
- Financial Institution - authorised deposit taking institution within the meaning of the *Banking Act 1959* (Cwlth), Section 5
- Investment - financial arrangements that are acquired or undertaken for the purpose of producing income and/or capital gains
- QTC - Queensland Treasury Corporation
- SBFAA - *Statutory Bodies Financial Arrangements Act 1982*
- SBFAR - *Statutory Bodies Financial Regulation 2007*
- Segregation of duties - specific internal controls implemented to ensure no one officer has so much control over an activity, that mistakes can go undetected

Reviewed: 1 July 2020

Page 2 of 9

Policy: *Investment Policy* [Printed copies are uncontrolled. It is the responsibility of each user to ensure that any copies of system documents are the current issue.]

Council Policy



- Treasurer - the treasurer of the Government of the State of Queensland.

6. Policy Statement

6.1 INVESTMENT POLICY

Part 4, Section 191 of the *Local Government Regulation 2012* states that:

- A local government must prepare and adopt an investment policy
- The investment policy must outline
 - The local government's investment objectives and overall risk philosophy; and
 - Procedures for achieving the goals related to investment stated in the policy.

6.1.1 Standards of Care

Prudent Person Standard

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

Responsible officers are to manage the investment portfolio not for speculation, but for investment and in accordance with the spirit of this Investment Policy and are to avoid any transaction that might harm confidence in Gympie Regional Council. In order of priority, the order of investments will be preservation of capital, liquidity and return.

Ethical Standards and Conflicts of Interest

Investments are to be managed with care, diligence and skill a prudent person would exercise in managing the affairs of other persons. This includes appropriate reporting requirements being in place to ensure investments are reviewed and overseen regularly.

The responsible officer shall also refrain from personal activities that would conflict with the proper execution and management of GRC's investment portfolio, including activities which would affect the responsible officer's ability to remain impartial.

6.1.2 Objective

The principal objective of this investment policy is to establish a formal policy safeguarding the preservation of capital. By ensuring the security of Council funds, parameters for exposure to credit risk and duration risk have been set within the investment portfolio.

Council Policy



Additionally, subject to those constraints and Council's liquidity requirements, Council adheres to *SBFA 1982, Part 6 Investment Powers, Division 3, Section 47 – Statutory Body* to try to invest at most advantageous rate. Council's Coordinator – Financial Accounting, will ensure Council funds not required immediately for financial commitments, will be invested to maximise return from authorised investments in the investment portfolio, whilst maintaining an acceptable level of risk to ensure the security of Council's funds.

6.1.3 Delegation of Authority

Authority for the implementation of GRC's investment policy is delegated by Council to the Chief Executive Officer, in accordance with *the Local Government Act 2009*, Part 3, Section 260 – Delegation of Powers.

The Chief Executive Officer has delegated this authority to the Director of Corporate and Community Services/Chief Financial Officer.

6.1.4 Investment Parameters

a. Types of Investment

All investments undertaken by Council, must be denominated in Australian Dollars (AUD) and undertaken in Australia and be in accordance with *SBFA 1982, Part 6 Investment Powers, Division 2 Particulars of Categories, (44) (1) Category 1 Investment Power*.

The types of investments Council can participate in are limited to the following (selected from permitted investments under SBFA):

- Authorised Deposit Taking Institutions (ADI's) that have a Government Guarantee such as interest bearing deposits with a licensed bank
- Deposits with a building society or credit union specifically approved by Council for investment purposes with a risk rating in line with this policy
- Deposits with Queensland Treasury Corporation (QTC).

To mitigate risk and protect the capital value of investments, funds will only be placed with recognised financial institutions with a Standard and Poors' Long Term Rating of BBB- or better and operating in Australia. Investments will be placed with various financial institutions, such that the maximum percentage of the total investment portfolio does not exceed:

Council Policy



Standard and Poor's Long Term Rating	Maximum % Investment in any one Institution	Maximum % Investment all Institutions in this category
QTC (currently AA+)	100%	100%
AAA to A+ (excluding ATC)	30%	80%
A to BBB+	20%	40%
BBB+ to BBB-	15%	25%

Should any of Council's investments be downgraded such that they no longer meet the investment policy guidelines, they are to be divested as soon as practicable.

Council will utilise its Category 1 investment powers to earn interest revenue on its operating funds in order to supplement Council's other sources of revenue.

b. Terms to Maturity

Council's preferred time period is 'AT CALL', 30, 60 and 90 days only. This is dependent upon GRC's future cash flow requirements, credit risk guidelines and the prevailing outlook regarding interest rates.

c. Risk

Credit Risk

Credit risk is the risk of loss due to the failure of an investment issuer or guarantor. The Coordinator – Financial Accounting, will evaluate and assess credit risk prior to investment and will minimise credit risk in the investment portfolio by pre-qualifying all transactions including the brokers/securities dealers with which Council does business, diversity of the portfolio and limiting transactions to secure investments.

Duration Risk

As investments are placed to maximize interest income, duration risk is limited by investing in short term securities.

d. Prohibited Investments

Council prohibits the following investments:

- Derivative based instruments

Council Policy



- Principal only investments or securities that provide potentially nil or negative cash flow
- Stand-alone securities issued that have underlying futures, options, forward contracts and swaps of any kind
- Securities issued in non-Australian dollars

e. Non-Financial Factors

When assessing investment opportunities, there will always be a number of factors which are not easily assessable but should still be considered. These factors may lead to accepting a lower rate of return on a particular investment.

Authorised staff who make such a decision should document their reasoning. This will ensure accountability and transparency and enable those reasons to be identified at a later date.

The highest rate may not always be accepted. The investment which delivers the best value to Council and other financial factors, will be taken into consideration when choosing an investment.

Other factors which could be considered when choosing investments include:

- Transaction Costs
- Ease of making transactions
- Level of service from an institution
- Benefit to Local Government and Community
- Reduced costs to other services.

To recognise contributions made within the area, Council may also support local community banks with a physical presence in the region with a Standard and Poor's Long Term Rating of BBB- or better.

6.1.5 Reporting and Performance Monitoring

A quarterly report detailing compliance with the policy and earning performance compared to the benchmark and Budget Estimate is to be prepared by the Manager Finance and Risk provided to Council.

Council Policy



This investment policy will be reviewed and amended where required annually. Any amendments will be approved by Council prior to the implementation of the revised investment policy.

For performance purposes, the investment portfolio will be benchmarked against the Bank Bill Swap Rate and the Bloomberg AUSBOND Index, which includes the 90-day bank bills from a number of Australian institutions.

6.1.6 Record Keeping and Safekeeping

Council abides by **SBFA 1982, Part 6 Investment Powers, Division 3 – Duties of Statutory**

Body when investing Council funds which state:

s47(1)A statutory body must use its best efforts to invest its funds –

- (a) At the most advantageous interest rate available to it at the time of the investment for an investment of the proposed type; and
- (b) In a way it considers is most appropriate in all circumstances.

s47(2)The statutory body must keep records that show it has invested in the way most appropriate in all the circumstances; and

s48 Investment documents to be held by statutory body or as approved.

A security, safe custody acknowledgement or other document evidencing title accepted, guaranteed or issued for an investment arrangement, must be held by the statutory body or in another way approved by the Treasurer.

a. Quotations on Investments

- I. No less than three (3) quotations shall be obtained from authorised institutions when a new investment is proposed or due for reinvestment.
- II. Investment with Queensland Treasury Corporation does not constitute an investment decision that requires three (3) quotes.

6.1.7 Investment Procedure

Please see CSP 354 – Investment Procedure.

6.1.8 Internal Controls

Council has in place a number of internal controls to prevent the fraudulent use of funds. The following controls detail the minimum requirements in place:

Reviewed: 1 July 2020

Page 7 of 9

Policy: *Investment Policy* [Printed copies are uncontrolled. It is the responsibility of each user to ensure that any copies of system documents are the current issue.]

Council Policy



- The Officer – Banking and Investments, is identified as the responsible officer for the investment function
- All investments are to be authorised by the Coordinator – Financial Accounting or Chief Financial Officer
- Confirmation advices received are to be attached to the Investment Authority form as evidence that the investments are in the name of the GRC
- QTC Cash Fund Investments transfers are directly debited/credited from Council's Operating account
- All transfers including QTC Cash Fund, require two (2) authorised signatories
- A monthly Investment and Bank Reconciliation is reviewed and signed off by the Coordinator – Financial Accounting. This is also subject to monthly review by the Chief Financial Officer
- A quarterly investment report is provided to Council
- For audit purposes, certificates are to be obtained from the holding institution confirming the amounts of investment held on Council's behalf at the end of the Council's financial year
- Investment and associated internal controls will be subject to periodic reviews by Council's Internal Audit function to verify compliance with this policy and legislation.

6.1.9 Breaches

Any breach of this Policy is to be reported to the CEO and rectified within seven (7) days of the breach occurring. All breaches shall be reported to the Audit and Risk Management Committee.

Where Council holds an investment that is downgraded below the minimum acceptable rating level, as prescribed under regulation for the investment arrangement, Council will recall that investment at maturity or as soon as practicable.

Breaches that result in a material or reportable loss as defined in the Regulation, must be reported and actioned as per Part 6 'Loss of local government asset', 307A of the Regulation.

6.1.10 Policy

This policy applies to the investment of funds held by GRC.

Council Policy



7. Review Trigger

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

- i. The related legislation/documents are amended or replaced.
- ii. Other circumstances as determined from time to time by a resolution of Council.
- iii. As initiated by the CEO or Executive Team.
- iv. Periodic Review – Annually.

8. Appendices

Nil

Council Policy



Document Control	
Policy Title	<i>2020-21 Debt (Borrowing) Policy</i>
Doc ID No	
Responsible Directorate	Corporate Services/CFO
Responsible Position	Coordinator – Financial Accounting
Date Review Due	1 June 2021

Version	Council Meeting Date (Date of Adoption/Review)	Minute Number

1. Purpose

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).

The purpose of establishing a Debt Policy is to:

- Provide a comprehensive view of the Gympie Regional Council's (Council) long term debt position and the capacity to fund infrastructure growth for the Region
- Increase awareness of issues concerning debt management
- Enhance the understanding between Councillors, community groups and Council staff by documenting policies and guidelines
- Demonstrate to government and lending institutions that Council has a disciplined approach to borrowing
- Ensure there will be no borrowings used to finance recurrent expenditure
- Identify new borrowings
- Comply with the requirements of Local Government Regulations (2012), Chapter 5, Part 4, Section 192.

This policy must be reviewed and amended annually to ensure that the information contained in the policy remains current and relevant.

Reviewed: 31/05/2020

Page 1 of 6

Policy: Debt Policy

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Council Policy



2. Scope

Council is required to prepare and adopt a debt policy in accordance with Part 4, Section 192 of the *Local Government Regulation 2012*.

The debt policy must outline:

- the new borrowings planned for the current financial year and the next nine (9) financial years
- the period over which the local government plans to repay existing and new borrowings.

Council's borrowing activities are governed by the *Statutory Bodies Financial Arrangements Act 1982 (SBFA) Part 5, Division 2*. Council is required to obtain Treasurer approval to undertake borrowings.

Under a General Approval dated 23 May 2003, issued by Queensland Treasurer under the SBFA, the Department of Local Government, Racing and Multicultural Affairs may grant approval for Local Governments to borrow from Queensland Treasury Corporation (QTC).

3. Related Legislation

Local Government Act 2009 (the Act)

Local Government Regulation 2012 (the Regulation)

Statutory Bodies Financial Arrangement Act 1982

Statutory Bodies Financial Arrangement Regulation 2007

Department of Local Government, Racing and Multicultural Affairs

4. Related Documents

Council's Annual Budget 20/21

5. Definitions

To assist in interpretation of this policy the following definitions apply:

- **Borrowings** - Funds Council obtains from external sources by loans, overdraft or other financial arrangements that impose on Council an obligation for repayment.
- **Council** – Gympie Regional Council
- **Debt Service Ratio** – Ability to repay loan funds
- **GRC**-Gympie Regional Council

Reviewed: 31/05/2020

Page 2 of 6

Policy: Debt Policy

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Council Policy



- **Intergenerational Equity** - concept of fairness between generations
- **QTC** - Queensland Treasury Corporation
- **SBFAA** – Statutory Bodies Financial Arrangements Act 1982
- **The Act** – Local Government Act 2009
- **The Regulation** – Local Government Regulation 2012

6. Policy Statement

6.1 Borrowings from QTC

Borrowing will be considered as an appropriate funding source by Council as part of its cash management strategy in the following circumstances:

- In the context of the strategic objectives of Council
- In the context of long term financial forecasts and objectives
- As an alternative funding source for asset additions
- As a method of spreading the cost of long life (intergenerational) assets
- As a mechanism to fund temporary cash shortfalls.

6.1.1 Procedures

All borrowings will be subject to Council approval on the recommendation of the Director of Corporate and Community Services/Chief Financial Officer. The nature of any borrowings (short or long term) and the interest rate (fixed or variable) will take into account the purpose of the borrowings and seek to minimise interest rate exposure. All borrowings will be considered in line with Council's Forward Financial Estimates.

As a guide, the following borrowing terms shall be applied:

Borrowings Amount	Term
Less than \$500,000	1 – 5 years
\$500,000 - \$1,000,000	10 years
Greater than \$1,000,000	15 years

Council policy is to borrow new loans for a period that maximises efficiency. It is planned to repay existing borrowings within 10 years.

If surplus funds become available and it is deemed to be financially beneficial to do so, one off loan repayments may be made to reduce the term of existing loans, or loan repayments may be made in advance to minimise interest charges.

Reviewed: 31/05/2020

Page 3 of 6

Policy: Debt Policy

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Council Policy



Loan draw-downs will be timed so as to optimise cash flow and minimise interest expenses.

6.1.2 Borrowing Principles

1. Council will not utilise loan funding to finance operating activities or recurrent expenditure
2. Council will undertake a full analysis of all funding options as outlined in the Long Term Financial Model, including a forward program of capital works, to determine loan funding requirements
3. Council understands that when assets are acquired through borrowings, the cost of providing capital infrastructure, is increased
4. Council will endeavour to fund all capital renewal projects from operating cash flows and borrow only for new or upgrade capital projects, having regard to sound financial management principles and giving consideration to inter-generational equity for the funding of long term infrastructure projects
5. Where capital expenditure is deferred from one year to the next, the drawdown of approved loan funds will be reviewed to minimise interest expenses
6. Borrowings for infrastructure that provides a positive rate of return on investment will take priority over borrowing for other assets
7. For short-term working capital, funds will be repaid within the same financial year.

6.1.3 Repayment Ability

Council has adopted the debt service ratio as the key indicator of council's ability to sustain its level of debt. Council will consider the appropriate debt service ratio as part of its annual budget deliberations.

6.1.4 Borrowing Sources

Council shall raise all external borrowings from Queensland Treasury Corporation after approval has been granted by the Department of Local Government, Racing and Multicultural Affairs.

6.1.5 Internal Controls

Annual borrowings must be approved by Council as part of its budget process.

Council Policy



6.2 Overdrafts

Council does not hold any bank overdraft facility; however, in June 2020 Council lodged an application and sought approval from DLGRMA for a \$10 million working capital facility from QTC. This facility is shown in the table of proposed borrowings shown in Section 7.

7. Proposed Borrowings

Pursuant to Section 192 of the *Local Government Regulation 2012*, proposed borrowings as outlined in the adopted 2020-21 Budget and subsequent nine (9) financial years are as follows:

Financial Year	\$'000s
2020-21	
Working Capital	10,000
Other	8,998
2021-22	9,770
2022-23	2,500
2023-24	3,000
2024-25	3,100
2025-26	3,300
2026-27	3,300
2027-28	3,300
2028-29	3,300
2029-30	3,300

8. Internal Loans

The provision of internal loans will depend upon the availability of excess Council funds and the capacity of the internal business unit to repay the loan.

The term of the loan will not exceed the asset being financed.

The interest rate of the internal loan will be the sum of the equivalent QTC borrowing rate, the QTC administrative charge for a similar loan and an additional risk margin of no less than 1%. Provisions for the interest and redemption payments for internal loans will be included in the annual budget for the relevant business unit.

Council Policy



9. Review Triggers

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

1. The related legislation/documents are amended or replaced
2. Other circumstances as determined from time to time by a resolution of Council
3. As initiated by the CEO or Executive Team
4. Periodic Review – Annually.

Reviewed: 31/05/2020

Page 6 of 6

Policy: Debt Policy

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Rates and Charges Debt Management and Recovery Policy



Document Control	
Policy Title	<i>Rates and Charges Debt Management and Recovery Policy</i>
Doc ID No	
Responsible Directorate	Corporate Services/CFO
Responsible Position	Coordinator - Rates
Date Review Due	31 May 2021

Version	Council Meeting Date (Date of Adoption/Review)	Minute Number
V1.0		

1. Purpose

The objective of this policy is to set out Council's principles in regard to the management of debt, and to provide a process which is consistent and ethical for the recovery of outstanding rates and charges across the organization in accordance with the parameters and requirements of the *Local Government Regulation 2012* (Qld).

2. Scope

This Policy outlines the steps which should be followed in the collection of overdue Rates and Charges.

3. Related Legislation

Local Government Regulation 2012 (Qld)

4. Related Documents

Financial Hardship Policy

Reviewed: 14/07/2020

Page 1 of 4

Rates and Charges Debt Collection and Recovery Policy FSP365

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Rates and Charges Debt Management and Recovery Policy



5. Policy Statement

The management and recovery of outstanding revenue is an important aspect of Council's financial management function. It is Council's policy to pursue the collection of outstanding revenue diligently but with due concern for any financial hardship faced by property owners.

The principles that will apply in the management of and recovery of debt are as follows:

- Transparency by making clear the obligations of property owners and the processes used by Council in assisting them meet their financial obligations
- Making the processes used to recover overdue rates and charges simple to administer and cost effective
- Equity by having regard to providing the same treatment for property owners with similar circumstances
- Flexibility by responding where necessary to changes in the local economy

Recovery Actions – Overdue Rates & Charges

STAGE	TIMING	ACTION TYPE	AUTHORITY LEVEL
1.	21 days after expiration of the discount period	Reminder notice informing property owner that their rates are now overdue and that they should make payment in full within 14 days to avoid interest and further action. This notice details the possibility of legal action and contains information about paying overdue rates by regular instalments.	Manager – Finance and Risk
2.	21 days after reminder notice due date	Council's appointed Legal Representative or Debt Recovery Agent will issue Letter of Demand advising payment should be made in full within 7 days. Further action suspended if: <ul style="list-style-type: none">• payment is made in full or• property owner enters into and maintains an approved repayment arrangement.	Chief Financial Officer
3.	14 days after issue of Letter of Demand	Council's appointed Legal Representative or Debt Recovery Agent will issue Final Letter of Demand advising payment should be made in full within 7 days.	Chief Financial Officer

Reviewed: 14/07/2020

Page 2 of 4

Rates and Charges Debt Collection and Recovery Policy FSP365

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Rates and Charges Debt Management and Recovery Policy



		Further action suspended if: <ul style="list-style-type: none"> • payment is made in full or • property owner enters into and maintains an approved repayment arrangement. 	
4.	14 days after issue of Final Letter of Demand	Council shall proceed with legal recovery action against any Property Owner who has not satisfactorily responded to any Notices previously sent. Council will seek full payment of outstanding rates and charges. Mortgagee (if any) advised of pending legal action.	Chief Financial Officer
5.	Potential Sale of Land letter	Notice informing owners their property will be considered for the Sale of Land process if the outstanding rates and charges are not paid in full or an approved payment commitment is not entered into and honoured with the outstanding balance being reduced to under the three years in arrears within the time frame stated on the Potential Sale of Land Notice. Mortgagee (if any) advised of potential sale of land.	Council
6.	Notice of Sale of Land	Notice in accordance with legislation informing owner of Council's intention to make a resolution to sell the land for recovery of outstanding rates and charges in arrears for: <ul style="list-style-type: none"> • 1 year - vacant land and • 3 years - for all other land, Full payment including costs will be required to cease action. Mortgagee (if any) advised of notice of sale of land.	Council

Council collection processes will at all times take into account any circumstances affecting the capacity of the Ratepayer to service the rate debt and will respect the dignity of the Ratepayer.

5. Definitions

Rates and charges are defined in the *Local Government Regulation 2012 (Qld)* as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances.

In addition as defined in Section 132 of the *Local Government Regulation 2012 (Qld)*, overdue rates or charges are made up of:

Reviewed: 14/07/2020

Page 3 of 4

Rates and Charges Debt Collection and Recovery Policy FSP365

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Rates and Charges Debt Management and Recovery Policy



- if the local government takes the property owner to court to recover rates or charges and the court orders the property owner to pay the council's costs—the costs; and
- the interest, if interest is payable, on the rates or charges, or costs.

6. Review Trigger

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

1. The related legislation/documents are amended or replaced; or
2. Other circumstances as determined from time to time by a resolution of Council; or
3. As initiated by the CEO or Executive Team; or
4. Annual Review – in preparation for the relevant financial year budget.

Financial Hardship Policy



Document Control	
Policy Title	Financial Hardship Policy
Doc ID No	
Responsible Directorate	Corporate Services/CFO
Responsible Position	Coordinator - Rates
Date Review Due	31 May 2021

Version	Council Meeting Date (Date of Adoption/Review)	Minute Number
V1.0		

1. Purpose

Gympie Regional Council (Council) recognises the diversity of ratepayers within the region and acknowledges that unforeseen personal circumstances can adversely affect the affordability of rates expenses. These situations may include, but are not limited to, sudden illness, death of a partner, loss of employment, being impacted by a natural disaster such as fire, flood or drought, or any other cause reasonably considered that impacts your ability to pay.

Council relies on rates and charges to fund essential services and operate its facilities within the region. The non-payment of rates and charges by some ratepayers places an unfair burden on other ratepayers who meet their obligation in full. However, when pursuing the collection of overdue rates, Council has due concern for the financial hardship faced by some ratepayers.

The key objectives of this policy are to:

- Provide a mechanism that enables people to feel comfortable in approaching Council about outstanding rate debts
- Provide a policy that encourages a consistent and proactive approach in identifying and assisting ratepayers who may be experiencing difficulty paying their rates due to personal or financial hardship
- Encourage people experiencing financial hardship to proactively access financial counselling support services

Financial Hardship Policy



- Enhance the understanding between Councillors, Council staff and ratepayers by documenting the guidelines for financial hardship eligibility

The purpose of this policy is to identify, pursuant to Section 122(1)(b) of the *Local Government Regulation 2012* (Qld) the classes of ratepayers that can make application for a concession due to financial hardship, and the conditions that must be complied with in order for the concession to be granted. Further, this policy aims to ensure Council works with ratepayers who have a willingness but not the capacity to pay, and treat them with fairness, equity and sensitivity.

2. Scope

These guidelines apply to all Council staff recovering or managing revenue owed to the Council by ratepayers, including those responsible for managing the provision of paid services and products, including permits and penalties or infringements. This policy provides Council with a framework to provide assistance in a time of temporary financial hardship due to extraordinary circumstances.

Under Section 120(1)(c) of the *Local Government Regulation 2012* (Qld), Council may grant a concession if it is satisfied that, *'the payment of rates or charges will cause hardship to the land owner'*. In assessing an application for financial hardship, Council will give consideration to an applicant's prior payments efforts, current financial position and their ability to pay the ordinary annual rates.

When determining financial hardship eligibility, Council will not support applications for hardship assistance where the applicant has another avenue to alleviate the situation or seek further financial assistance and has not taken this alternative option.

This policy does not include property leased (including rental arrangements) to a third party by a private organisation or individual.

3. Related Legislation

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

Financial Hardship Policy



4. Related Documents

Revenue Statement

Information Privacy Policy

Application form Financial Hardship

Financial Assistance referral directory

5. Definitions

Unless specified, all words within this policy have the meaning assigned under Council's Revenue Statement, or the dictionary from schedule (8) contained within the *Local Government Regulation 2012* (Qld).

To further assist in interpretation of this policy the following definitions apply:

"Council" – shall mean the Gympie Regional Council.

"Illness" means: a medical condition diagnosed by a medical professional that impacts the ability of a ratepayer to meet their financial commitments owing to lost income resulting from illness.

"Instalment" means: a sum of money due as one of several equal payments, spread over an agreed period of time as part of payment arrangement.

"Death of a Partner" means: unexpected funeral expenses and/or reduction or loss of family income as a result of the death of a member of a couple (married, registered relationship or de-facto relationship).

"Deferral" means: the temporary freeze and postponement of outstanding and/or overdue rates and charges.

"Direct Debit" means: when you have made application via the approved form to authorise Council to regularly take money from a nominated bank account. This method can be used to make fortnightly payments or to pay rates in full by the due date. It does not constitute a formal payment arrangement.

"Financial Counsellor" means: a person qualified to provide free financial advice and assistance to people who are in debt or not able to meet their ongoing expenses.

"Financial Hardship" includes: appreciable detriment specific to the circumstances of the particular class of individuals (or class of businesses), which will result in that class of individuals

Reviewed: 14/07/2020

Page 3 of 10

Financial Hardship Policy CSPOL372

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Financial Hardship Policy



(or class of businesses) being especially disadvantaged. Factors contributing to financial hardship generally include: family tragedy; financial misfortune; serious illness; medical conditions or disability affecting earning capacity; impacts of natural disaster or pandemic; and other serious or difficult circumstances beyond the ratepayer's control. It means an inability to fulfil a financial obligation, not an unwillingness to do so.

"Judgement" means: action taken by Council to recover overdue rates or charges by bringing court proceedings for a debt against a person who is liable to pay overdue rates or charges.

"Market Value": means: the total market value of the land plus buildings and other improvements.

"Payment Arrangement" means: spreading the outstanding rates amount, including any additional charge imposed by Council pursuant to Section 125(3) of the *Local Government Regulation 2012* (Qld) owed to Council over an agreed period, allowing for additional time to make the payments without any legal action being taken (e.g. regular repayments which will clear the amount owing).

"Personal Representative" means: an individual entrusted with the administration of a deceased estate.

"Primary production" means: an owner-occupied property that provides a ratepayer's primary source of income through land use activities relating to agriculture and farming as identified by the Department of Natural Resources, Mines and Energy.

"Principal place of residence" means: an owner-occupied residential dwelling or unit where at least one owner/ratepayer permanently lives.

6. Policy Statement

6.1 Principles

Council will be guided by the following principles:

- Communication – making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations
- Transparency – making the processes used to assess and provide assistance simple to administer and cost effective
- Equity – treating all ratepayers in similar circumstances in the same manner
- Privacy – all information provided will be kept confidential and will only be used for the purpose that it is supplied
- Compassion – Council will assess all applications with regard given to diverse circumstances and where required, encourage ratepayers to seek financial counselling support services to avoid recovery action.

Reviewed: 14/07/2020

Page 4 of 10

Financial Hardship Policy CSPOL372

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Financial Hardship Policy



6.2 Payment Arrangements

6.2.1 Introduction

On application, and pursuant to Section 121(b) and Section 122 of the *Local Government Regulation 2012* (Qld), Council may provide alternative short term, or long term, payment arrangements for outstanding rates to be paid by instalments.

To assist ratepayers to manage their financial commitment, Council will offer flexible repayment options including fortnightly direct debit, and weekly, fortnightly or monthly instalments during the relevant payment arrangement period. Three business days' notice is required for Council to amend or cancel a direct debit payment. Should the funds not be available in the bank account nominated on the direct debit application form, a non-refundable fee of \$27.00 will be charged to the rates account.

Changes to the frequency of repayments made by other means will be permitted where the overall amount to be paid within the previously approved timeframe remains achievable.

Ratepayers will be advised of an approved, amended or cancelled payment arrangement in writing, and are responsible for ensuring that Council are advised of any changes to their contact details and postal address during the period specified within the agreement. An additional charge equivalent to the rate of interest set by Council at its annual budget meeting will be applied to the outstanding rates and charges that are the subject of the payment arrangements.

Where a ratepayer defaults on a payment arrangement and fails to contact Council to advise of their circumstances, the arrangement will be cancelled and debt recovery action will be commenced pursuant to Section 134 of the *Local Government Regulation 2012* (Qld).

6.2.2 Short term payment arrangement

Short term payment arrangements should be entered into only where appropriate, and where the ratepayer and Council agree that such an arrangement will allow rates and charges to be paid before the next rate notice is issued. Under this arrangement, a reduction of 5% on general rates will be allowed.

A short term payment arrangement will generally result in a minimal charge (refer to clause 6.2.1 above) being applied and all rates and charges being paid in full before the next half yearly rates notice is issued.

Ratepayers are strongly encouraged to contact Council immediately after receiving their rates notice if they would like to request a short term payment arrangement for the current rating period. Prompt application to Council will reduce the amount required for each instalment and halt debt recovery action through its intended purpose.

Reviewed: 14/07/2020

Page 5 of 10

Financial Hardship Policy CSPOL372

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Financial Hardship Policy



At the end of the agreed term, any amount that remains outstanding will be carried over to the subsequent rating period as overdue rates and charges and outlined on the rates notice. Alternatively, full payment will result in automatic termination of the payment arrangement.

Approved short term payment arrangements are for a finite period. As such, ratepayers are required to apply for separate payment arrangements for each rating period as required.

6.2.3 Long term payment arrangement

Council recognises that financial circumstances differ between ratepayers and may suggest, or, on request, offer an alternative long term payment arrangement to ratepayers who cannot meet the financial requirements of a short term payment arrangement.

Where entered into, a long term payment arrangement will include all projected rates and charges payable within the agreed period of up to two years.

Under this extended arrangement, no discount will be provided for any rates and charges that will become due, and are included within, the approved long term payment arrangement period.

On approval and acceptance of a long term payment arrangement, ratepayers will be referred to free financial counselling service organisations and encouraged to seek assistance with the ongoing management of their financial liabilities. Written evidence of any financial assessment findings regarding a ratepayer's circumstances may be required by Council when determining continued payment arrangement eligibility.

No recovery action will be taken on any instalment payment that is not overdue.

Where a ratepayer defaults on a long term payment arrangement, the arrangement will be cancelled and debt recovery action may be commenced pursuant to Section 134 of the *Local Government Regulation 2012* (Qld).

6.3 Classes of ratepayers to whom this policy applies

Upon application, Council may provide a concession (by way of deferred payment arrangement) pursuant to this policy, to ratepayers that belong to the following categories.

6.3.1 Principal place of residence ratepayers

Principal place of residence ratepayers who believe they may be experiencing financial hardship are encouraged to contact Council as soon as possible. If assessment by a financial counsellor has been undertaken and the ratepayer prefers, they should contact Council to authorise their counsellor or third party authority, to speak with Council on the property owner's behalf.

The financial hardship application for principal place of residence ratepayers must be supported by a Statutory Declaration detailing:

Financial Hardship Policy



- Estimated income and expenditure from all sources for the current financial year
- The current balances of bank accounts and, if applicable, investment accounts
- Details of any real property owned and estimated value, including information on the listing of any property for sale
- Details of any other assets (i.e. boats, cars, livestock etc.) and estimated value
- Description, interest rate and balance of other debts such as personal loans, mortgages, credit cards, etc., and if repayments are up to date or in arrears
- Details of any refusal of loans or credit that have been sought to assist in paying the debts
- Details of superannuation fund balances and if an early release has been sought to assist in paying the debts
- Any other information that is relevant to your current financial situation.

Each property owner will be treated with sensitivity and understanding according to their individual circumstance. On receipt of a financial hardship application, Council will consider all information provided by the property owner and, if applicable, their financial counsellor or a medical professional. Council will also take into account the property owners' previous payment history when determining for what period of time a deferment is approved.

Deferrals for a principal place of residence will be approved as either a short term payment arrangement or long term payment arrangement as described in clause 6.2 above. The deferral of rates and charges will be limited to one approval per three-year period.

6.3.2 Deferment for Businesses or Enterprise Ratepayers

Eligible businesses or enterprises, within the following commercial differential rating categories, experiencing financial hardship may apply to defer payment of rates and charges:

- Commercial Vacant
- Commercial General
- Motel
- Hotel/ Tavern
- Caravan Park.

Under this category, eligibility will be assessed as follows:

- The property owner is experiencing financial hardship due to drought, flood, fire, pandemic, other declared natural disaster or Council instigated infrastructure work
- The property is not vacant
- Usually the unforeseen change should have occurred within the last 6 months.

Deferrals for ratepayers in this class will be approved as either for a short term payment arrangement or long term payment arrangement as described in clause 6.2 above.

The deferral of rates and charges will be limited to one approval per three-year period.

Financial Hardship Policy



The financial hardship application for this category must be supported by a Statutory Declaration detailing:

- Evidence of employment or income loss
- Evidence of situation if not a declared natural disaster or pandemic
- Any other information that is relevant to your current short-term financial situation.

6.3.3 Drought Declared Primary Production Properties

Council may grant a concession or rate deferral for owner-occupied primary production properties in the Differential General Rate Category 80 that are drought declared and experiencing financial hardship on the following basis:

- the rateable property is in a local or state government drought declared area
- the rateable property has a current Individually Drought Property declaration.

If approved, deferral will be granted for current half year levies only as follows:

- Deferral of rates with nil interest will be incurred for the current rating period only
- Interest charges will continue to be accrued for outstanding rates within previous rating periods
- Ratepayers will have 6 months to pay all outstanding rates after the end of the current financial year in which the drought declaration is lifted or the Individually Drought Property declaration has expired.

The financial hardship application for this category must be supported by a Statutory Declaration detailing:

- Evidence of employment or income loss
- Evidence of situation if not a declared natural disaster or pandemic
- Any other information that is relevant to your current short-term financial situation.

6.4 Additional Charges

Outstanding rates and charges that are the subject of deferred payment arrangement pursuant to this policy will be subject to an additional charge, in accordance with Section 125(3) of the *Local Government Regulation 2012* (Qld), in an amount equivalent to interest charges that would be applicable to overdue rates or charges under Section 133 of the *Local Government Regulation 2012* (Qld). This rate of interest is determined by Council at its annual budget meeting.

6.5 Limitations of financial hardship concessions

Financial Hardship applications pursuant to this policy will be considered on an individual basis and always with a view to the ratepayer or debtor re-establishing financial capacity and meeting their financial obligations.

To be eligible an applicant must:

- Have previously demonstrated their willingness to make reasonable and frequent payments through either a short term, or long term payment arrangement, and

Financial Hardship Policy



- Own the land on which the general rates are being levied with the rates notice issued in the applicant's name, and
- Provide the Statutory Declaration(s) as outlined in Section 6.3 and evidence that all other external financial assistance options have been exhausted as outlined on the approved application form, and
- Council must ensure outstanding rates, legal and other costs never exceed the market value of the property.

Financial hardship relief provided under this policy will be for a finite period as outlined in an approved agreement. If all rates and charges which are the subject of the deferment agreement are not paid at the time of the conclusion of the agreement, pursuant to Section 132(1) of the *Local Government Regulation 2012* (Qld), those unpaid rates and charges will become overdue rates and charges. Pursuant to Section 133 of the *Local Government Regulation 2012* (Qld) overdue rates and charges become liable to interest and, further, Council may take Court action for recovery of same.

6.6 Sale of Land for overdue rates and charges

Further, as per Section 140 of the *Local Government Regulation 2012* (Qld), and the *Local Government Act 2009* (Qld), Council has authority to sell a property for the recovery of overdue rates and charges when some, or all, of the overdue rates and charges have been overdue for at least three years. Vacant land and commercial properties may be sold after one year where judgement has been entered.

6.7 Associated Policy Procedures

Applications for concession must:

- Be lodged in writing on the prescribed form, and submitted to Gympie Regional Council
- Include a signed Statutory Declaration witnessed by a Justice of the Peace or Commissioner of Declarations as outlined in Sections 6.3 and 6.5 of this Policy
- Include any other supporting documentation such as a Medical Certificate from a medical professional and/or a financial position statement from Financial Counsellor
- Identify the principle use of the land for which the concession is being requested.

Applications for financial hardship will be assessed by Council as soon as practicable, and only when all the required supporting documentation is received. Once completed and a decision has been made, Council will advise the property owner of the outcome in writing.

6.8 Effective Date

Approved financial hardship applications will apply from the beginning of the current half-year rating period in which the application is received and appear on the land record for the property. All rates charges, including any concession amount granted will appear on the subsequent rates notice issued to the property owner. Council will not proceed with any debt recovery action on receipt of an application for assistance for Financial Hardship if it meets the criteria, unless it is formally refused. The receipt of an application for Financial Hardship and any relating concession

Reviewed: 14/07/2020

Page 9 of 10

Financial Hardship Policy CSPOL372

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Financial Hardship Policy



shall be noted on the property land record pursuant to Section 154 (2) (d) (vi) of the *Local Government Regulation 2012* (Qld).

6.9 Monitoring and data collection

Council will monitor assistance under this policy by maintaining:

- A register of applications received outlining reason for application and eligibility status
- The duration and end date of assistance provided to approved applicants
- Financial reports documenting any shortfall in Council income as a result of the assistance provided.

7 Authority

The CEO is delegated authority to decide applications under this policy. Pursuant to Section 259 of the *Local Government Act 2009* (Qld), the CEO may further delegate one or more Council employees with the authority to decide applications under this policy.

8 Review Trigger

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

1. The related legislation/documents are amended or replaced.
2. Other circumstances as determined from time to time by a resolution of Council.
3. As initiated by the CEO or Executive Team.
4. Periodic Review - due May 2022.

9 Appendices

Nil.

Council Policy



Document Control	
Policy Title	2020-21 COMPETITION REFORM POLICY
Doc ID No	CSPOL352
Responsible Directorate	Corporate Services/CFO
Responsible Position	Coordinator - Financial Reporting and Budget
Date Review Due	1 June 2021

Version	Council Meeting Date (Date of Adoption/Review)	Minute Number

1. Purpose

Gympie Regional Council (Council) is committed to ongoing compliance with National Competition Policy (NCP) and Council of Australian Governments (COAG) water reform initiatives. This Competition Reform Policy aims to provide a summary of Council's ongoing commitment in meeting its legislative obligations.

2. Scope

The *Local Government Act 2009* states that a local government's annual report must contain a list of all of the business activities that the local government conducts each year and must identify those business activities which are significant. The annual report must also state whether competitive neutrality principles apply and if not the reasons for not applying.

Chapter 3, Part 2, Division 2, Section 47 of the *Local Government Act 2009* requires Council to decide each financial year, by resolution, whether or not to apply the code of competitive conduct to a business activity prescribed under regulation.

Council Policy



3. Related Legislation

Local Government Act 2009 (the Act)

Local Government Regulation 2012 (the Regulation)

4. Related Documents

NIL

5. Definitions

NIL

6. Policy Statement

6.1 Policy for Identifying Business Activities

- Activities of Council will be identified as business activities if they trade in goods and services to clients that 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 the non-business, non-profit activities of Council.
- Each 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 such activities and improve the allocation of Council's limited resources.
- The following activities are identified as business activities in 2020-21:
 - Water Business Unit
 - Waste Management Unit
 - Building Services Unit.
- In 2020-21 Council will comply the Code of Competitive Conduct to its Water Business Unit and Building Services Unit. In 2020-21. As Council's Waste Management Unit does not meet the definition of a significant business activity under the *Local Government Act 2009* and the *Local Government Regulation 2012*, Council will not apply the Code of Competitive Conduct to its

Reviewed: 1 July 2020

Page 2 of 9

Policy: Competition and Reform Policy

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Council Policy



Waste Management Unit as applying the code to this unit would result in unnecessary administrative costs to Council.

- For the Water Business Unit and the Building Services Unit the pricing practices for each business activity will comply with the principles of full cost pricing such that total revenue, inclusive of identified and measured community service obligations and net of any advantages and disadvantages of public ownership, should aim to cover the following cost elements:
- Operational and resource costs
- Administration and overhead costs
- Depreciation
- Tax and debt equivalents
- Return on capital/return on cost.

6.2 Competitive Neutrality Complaints Process

The *Local Government Act 2009* requires Council to establish a complaints mechanism to deal with any complaints about whether the activity is being run in accordance with the requirements of the Code.

Council has adopted the process set out in Section 44 of the *Local Government Regulation 2012* which identifies the necessary minimum requirements for the resolution of the competitive neutrality complaints.

6.3 Responsibility for Day-to-Day Operation of Business Activities

Water Business Unit – Senior Manager, Water Business Unit.

Waste Management Unit – Manager, Waste Services.

Building Services Unit – Manager, Building and Plumbing Services.

6.4 Statement of Activities to Which Competition Reforms Apply

A financial summary of business activities is supplied in the budget and annual report of Council each year.

Council Policy



6.5 Management Reporting and Performance Measurement

To comply with the various legislative requirements associated with competition and water reform, this policy will be formally adopted by Council during the budget process each year. In addition, Council will disclose the relevant information on its business activities in the annual report.

A number of financial and non-financial key performance indicators (KPIs) have been established by Council to measure the ongoing performance of each business activity on a regular basis. Where possible, the KPIs are benchmarked against industry standards or past performance to determine whether Council business activities are achieving continuous improvement in the provision of goods and services to customers and the community.

The relevant compliance officer for ensuring ongoing application and monitoring of competition and water reform principles is the Director Corporate Services/Chief Financial Officer.

6.6 Dividend Policy

A proportion of net profit is available to be paid to Council as the shareholder of each business activity through the declaration of dividends. Dividends are only declared once the cash flow requirements of each business activity with respect to the repayment of debt, funds required for future expansion and funds required for current or future asset replacement have been met.

6.7 Community Service Obligation Policy

Community Service Obligations (CSOs) arise when a government specifically requires a public enterprise to carry out activities relating to outputs or inputs which it would not elect to do on a commercial basis, or alternatively, would only provide at higher prices or via some other form of compensation. Pursuant to the requirements of the Local Government Regulation 2012, CSOs are to be funded by the general fund and provided as revenue to the business activity to which they relate.

CSOs may exist due to a number of factors, including:

- Council considers it desirable that certain goods and services be supplied to users at a uniform or affordable price, regardless of the cost of provision
- Where Council provides concessions to disadvantaged customers to meet social welfare objectives
- Where Council provides incentives to industry to promote economic growth

Reviewed: 1 July 2020

Page 4 of 9

Policy: Competition and Reform Policy

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Council Policy



- Where Council requires business activities to abide by environmental, consumer, cultural heritage or similar policies which may not usually apply to similar businesses in a commercial environment.

The process for establishing new CSOs for Council is provided below:

1. Determine the specific policy objective of Council to which the CSO is linked
2. Propose the CSO after undertaking research into its validity and delivery
3. Cost the CSO according to an acceptable method
4. Develop a measure of performance in achieving policy objectives for the CSO
5. Present the CSO to Council for a review of its size and importance
6. Incorporate the CSO into the pricing budget as a revenue item funded by general revenue
7. Ongoing negotiation and review of performance and size of CSO.

Full details of existing CSOs, including their description, arrangements for measuring effectiveness, agreed funding levels, costing and payment arrangements are reconfirmed between the manager of the business activity and Council each year. As part of this process, the performance of the CSO in achieving policy objectives is reported to Council and the size of the CSO reviewed where appropriate.

Council Policy



Community Service Obligations for Gympie Regional Council's Nominated Business Activities

CSO Description	Costing Method	Council Policy Objective
Water Business Unit		
Council services	Revenue foregone from water and sewerage services provided at council facilities, and not charged	Community focused facilities and services
Second Pedestal Subsidy for Churches	Revenue foregone from sewerage charges provided to Church groups	Community focused facilities and services

No CSOs currently exist for Building Services Unit.

6.8 Policy for Determining Internal Service Charges

Full cost pricing requires the recognition of indirect operating costs through the evaluation of each business activity's use of Council's administrative and other internal service functions.

Selected overhead activities are recovered via direct charges, with the remaining overhead costs distributed to end users via an overhead allocation process. The allocation model used employs cost drivers as the basis for determining each business activity's relative share of the full costs of each overhead activity (incorporating a return on capital on any assets employed).

Following the allocation of internal service costs to business activities, preliminary internal service charges are determined. Discussions are then undertaken between internal service providers and business managers on a regular basis to clarify the costs of each internal service and to ensure that appropriate methods of cost allocation are employed. Additional feedback on corporate overheads from business managers is encouraged outside of these formal discussions.

Performance indicators may be sought by Council to assist in benchmarking internal service costs and levels of satisfaction to ensure continuous improvement in efficiency and the cost allocation process.

Reviewed: 1 July 2020

Page 6 of 9

Policy: Competition and Reform Policy

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Council Policy



6.9 Tax Equivalent and Competitive Neutrality Adjustment Policy

To ensure that competitive neutrality exists in the determination of the full cost of Council's business activities, all taxes and charges not paid due to public ownership are identified and included in each business activity's cost base prior to pricing decisions being made. Imputed income tax equivalents are determined in accordance with the application of the relevant company tax rate to the net profit of each business activity. Other material tax equivalents incorporated in the full cost base for each business activity include payroll tax equivalents, land tax equivalents and general rate equivalents.

Even after taking into account tax equivalents, other competitive neutrality adjustments are made to remove certain other competitive advantages and disadvantages arising from public ownership, including the following labour cost adjustments:

- Payroll tax equivalents paid which would not normally be payable (i.e. the labour costs would not meet the relevant thresholds) if each business activity operated separately from the local government
- Additional superannuation paid to local government employees
- Additional sick leave bonus paid to local government employees
- Additional long service leave paid to local government employees
- Additional worker's compensation premiums paid by either local government/business.

6.10 Return of Capital Policy

For all business activities, prices are set to reflect the full funding of depreciation based on assets valued at depreciated value (i.e. incorporation of a return of capital component in pricing determinations). For those business activities which are not directly responsible for assets, the overhead charges applied or hire/lease rates are inclusive of depreciation based on assets valued at deprival value.

Commercial business activities seek a return on investment to reflect the return that could have been earned by alternative uses of funds and/or to reflect the cost of capital employed. In applying the Code of Competitive Conduct, an appropriate commercial return is identified and included in the pricing budget for each of council's business activities.

Council Policy



For businesses with significant assets, the rate of return on capital is determined in accordance with the Weighted Average Cost of Capital (WACC) invested in physical assets. For businesses with minimal assets, a return on working capital is proxied by a return on expenditure target.

The rate of return on capital is then applied to the Depreciated, Optimised Replacement Cost of assets (DORC), such that the value of assets for pricing purposes reflects the current working condition of assets utilised, the removal of redundant assets, adjustments for excess capacity, and takes into account the greater efficiency of newer assets. In addition to asset optimisation, the proportion of contributed assets and assets constructed with grants and subsidies are also removed from the asset base prior to the determination of the return on capital requirement. The return on capital requirement takes into account the revaluation impact on assets by incorporating anticipated capital growth into the total receipts for each business when assessing whether it is recovering full cost.

The table below summarises the rate of return on capital, optimisation adjustments and contributed asset proportion applicable to each business activity. While council seeks to set prices in accordance with the full cost of providing goods and services, it also has regard to market factors and cycles when setting prices and determining the appropriateness of the achieved commercial return.

Summary of Return on Capital Components for Council's Business Activities

Activity	Target Rate of Return	Optimisation Adjustments	Contributed Asset Proportion
Water Business Unit	3.55% (pre-tax WACC)	Nil	25%
Building Services Unit	10.00% (return on expenditure)	Nil	0%

6.11 Two-Part Water Tariffs

Universal metering for water supply exists in Gympie Regional Council, except for council services. An effective two-part water tariff exists for water supply, with consumption charges applied to all usage.

Council is committed to ensuring that its two-part water tariffs are structured in a manner consistent with meeting its demand management objectives. Council charges for water consumption every six months.

Council Policy



7. Review Trigger

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

1. The related legislation/documents are amended or replaced.
2. Other circumstances as determined from time to time by a resolution of Council.
3. As initiated by the Chief Executive Officer or Executive Team.
4. Periodic Review – Yearly review as part of Council annual budget process.

8. Appendices

Nil

2020-2021 Revenue Statement



Document Control	
Policy Title	<i>2020-2021 Revenue Statement</i>
Doc ID No	
Responsible Directorate	Corporate Services/CFO
Responsible Position	Coordinator - Rates
Date Review Due	31 May 2021

Version	Council Meeting Date (Date of Adoption/Review)	Minute Number
V1.0		

1. Purpose

Section 169(2)(b) of the *Local Government Regulation 2012* (Qld), requires Gympie Regional Council (Council) to include a Revenue Statement in its annual budget. Pursuant to Section 170 of the *Local Government Regulation 2012* (Qld), Council resolved at a special Council meeting on 29 July 2020, to adopt this Revenue Statement, which provides details of the following:

- Administration of Rates and Charges
- General Rates
- Water Charges
- Sewerage Charges
- Separate Charges
- Special Charges
- Waste Collection Charges

2. Scope

Section 172 of the *Local Government Regulation 2012* (Qld), specifies the content to be included within the Revenue Statement.

2020-2021 Revenue Statement



3. Related Legislation

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

Waste Reduction and Recycling Act 2011 (Qld)

Water Act 2000 (Qld)

4. Related Documents

Revenue Policy

Rates and Charges Debt Management and Recovery Policy

Financial Hardship Policy

Rates and Utility Charges Concession Policy

Undetected Leak Allowance Request

5. Policy Statement

5.1 Administration

5.1.1 General

Rates and charges are defined in the *Local Government Regulation 2012* (Qld) as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances.

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and future community requirements. Council will apply the principle of transparency in making rates and charges.

In levying rates and charges, Council will apply the principles of:

- *consistency* in timing the levy of rates in a predictable way to enable property owners to plan for their rating obligations by the issue of rate notices on a half yearly basis
- *flexibility* by providing short-term payment arrangements to property owners in financial difficulty, along with a wide array of payment options
- *communication* by clearly setting out the Council's and each property owner's obligations in relation to rates and charges by advising property owners about rate notice issue dates and discount dates and
- *clarity* by providing meaningful information on rate notices to enable property owners to clearly understand their responsibilities

2020-2021 Revenue Statement



In making and levying rates and charges, Council will be guided by the principles of:

- efficiency through having a rating regime that is efficient to administer
- full cost pricing and user pays where appropriate
- equitable distribution of the general rates burden as broadly as possible
- transparency in the making and levying of rates
- flexibility, to take account of changes in the local economy
- clarity in terms of responsibilities (Council's and property owners') in regard to the rating process and
- National Competition Policy legislation where applicable

5.1.2 Issue of rates notices

Under Section 104 of the *Local Government Regulation 2012* (Qld) Council may only levy rates and charges by the issue of a rate notice.

A **rate notice** is a document stating –

- (a) the date when the rate notice is issued and
- (b) the due date for payment of the rates or charges and
- (c) if the local government has decided a discount applies to the rates or charges –
 - (i) the terms of the discount and
 - (ii) the last day of the discount period and
- (d) if the local government has decided rates or charges may be paid by instalments – the requirements for paying by instalments and
- (e) the ways in which the rates or charges may be paid.

Separate rates notices including one half of the annual rates and charges levied shall be issued twice yearly in the financial year, for the billing periods 1 July 2020 to 31 December 2020, and 1 January 2021 to 30 June 2021 respectively, with the exception of water consumption charges, which will be for the period January 2020 to June 2020 on the first notice and for the period July 2020 to December 2020 on the second notice. Rates notices will be issued either via email only (as requested by the ratepayer), Australia Post mail delivery or email and post (where requested and Council has been advised of a valid email address).

2020-2021 Revenue Statement



5.1.3 Adjustment of rates and charges

Supplementary rates notices for variations in rates and charges payable, may be issued as required during the year. It is the property owner's responsibility to check that all rates and charges are correct at the time of the issue of the rate notice. Adjustments to rates and charges up to a maximum of twelve months prior to the current rating period, will only be done in exceptional circumstances.

5.1.3 Early payment discount

Section 130 of the *Local Government Regulation 2012 (Qld)* permits Council to allow a discount for payment of rates or charges before the end of the discount period. The discount period is the period that ends on or before the due date for payment.

5.1.4 Payments made before the due date for payment

A discount of 10 per cent on general rates will be allowed where full payment of the current period rates and charges, plus any overdue rates and charges and interest thereon, is received on or before the due date shown on the rate notice. This will apply to all payments made at a Council office, an approved agency, or by electronic means. For payments made through an approved agent or by electronic means the payment is deemed to be received on the transaction date provided by the approved agent or relevant financial institution.

No discount will be permitted on the following charges which may appear on the rates notice:

- Emergency Management Levy (previously known as State Urban Fire Levy)
- Environment Levy
- Economic Development Levy
- Roads Infrastructure Charge
- Any property charge relating to the provision of temporary services or the carrying out of Council works on, or in connection with the property
- Legal costs incurred by Council in rate collection
- Interest charges on overdue rates
- Backflow Device Registration Fee
- Change of ownership fee
- Special Charges
- Sewerage Charge
- Water Charge including abattoirs agreements and Nestle agreement
- Water Consumption Charge
- Waste Collection Charges

2020-2021 Revenue Statement



5.1.5 Allowance of Early Payment Discount for Late Payments

There are occasions when payment by the due date is not achieved through circumstances beyond the control of the ratepayer and Section 130(10) of the *Local Government Regulation 2012* (Qld) provides Council with a discretionary power to allow discount in such circumstances. Ratepayers are required to pay the net amount of all rates and charges in full before submitting an application in writing to request that the discount be awarded.

5.1.6 Payments made after the due date for payment

Discount may be allowed after the due date for payment if full payment of the overdue rates and charges have been made AND the applicant provides proof of any of the following events:

- illness involving hospitalisation and/or incapacitation of the ratepayer at, or around the time of the rates discount due date; or
- the death or major trauma (accident/life threatening illness/emergency operation) of the ratepayer and/or associated persons (spouse/children/parents) at or around the time of the rates being due for discount; or
- the loss of records resulting from factors beyond their control (fire/flood etc.); or
- if Council is satisfied a ratepayer has been prevented by circumstances beyond their control, from paying the rates or charges in time to get a discount, Council may still allow the discount.

In all circumstances, Council must be satisfied that the event was the cause of the applicant's failure to make full payment by the due date. Where an application for discount is refused interest charges will be accrued on any amount outstanding after 60 days of the due date on the rates notice.

5.1.7 Late payments due to Postal Difficulties

Discount will be allowed for the late receipt of the payment by Council in circumstances where the reason for late payment is separately substantiated by:

- written concurrence of the applicable mail carrier that problems existed with the mail deliveries; or
- written evidence that a mail re-direction was current at that location at the time of the rate notice issue or due date for payment; or
- the return of the rate notice to Council although correctly addressed; or
- the return of a mailed payment to the ratepayer although correctly addressed to Council; or
- other evidence that payment of the rates was made by the ratepayer on time, but did not reach Council due to circumstances beyond the control of the ratepayer. In such circumstances Council will consider the past payment and claim history of the ratepayer; or
- where an administrative error occurred at the Department of Natural Resources, Mines and Energy that resulted in the rates notice being incorrectly addressed by Council.

Reviewed: 23/06/2020

Page 5 of 44

2020-2021 Revenue Statement CSPOL020

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2020-2021 Revenue Statement



Discount will **NOT** be allowed if the circumstances above are as a result of:

- the failure of the ratepayer to ensure that Council was given correct notification of the address for service of notices prior to the issue of the rate notices; or
- a change of ownership, where Council received notification of the change of ownership after the issue of the rates notice; or
- late advice to Council in relation to failed payments i.e. dishonoured cheques, direct debits.

5.1.8 Administrative errors

An extended discount period will be allowed if Council has failed to correctly issue the rates notice in sufficient time to permit the ratepayer to make payment before the expiration of the discount period. The extended discount period will be equivalent to that period provided to other ratepayers and will commence from the date of the replacement notice.

5.1.9 Other Errors

Where there is an apparent accidental short payment of the rates resulting from a miscalculation of the net amount due, or arises from the payment of a number of rate notices at one time (i.e. addition error), or the tendering of an incorrect amount for a single rate notice (i.e. transposition error) then discount will be allowed in the following manner:

- WHERE THE AMOUNT OF THE ERROR IS \$50.00 OR LESS;

Full discount will be allowed and the underpaid amount will be treated as 'Arrears of Rates'.

- WHERE THE AMOUNT OF THE ERROR EXCEEDS \$50.00;

The ratepayer will be advised in writing of the error and given 14 days to pay the shortfall. If the shortfall is paid by the extended discount date, the advised full discount will be allowed at that time.

5.1.10 Amendment of discount and/or due date change and/or interest charges following a significant event *Local Government Regulation 2012 (Qld) s.s. (130)(133)*.

In the event of unforeseen economic downturn owing to a pandemic, natural disaster or other hardship broadly faced by a group of ratepayers, Council may by resolution, adopt to extend the discount due date and/or defer interest charges until a later date.

An application to request a discount or concession does not guarantee it will be awarded. Therefore, ratepayers must pay their rates in full to secure the discount, or continue to make reasonable payments during the period to minimise interest charges.

A resolution made after a ratepayer has paid their rates in full and already received the concession does not influence payments made earlier, nor make the concession awarded transferable.

Reviewed: 23/06/2020

Page 6 of 44

2020-2021 Revenue Statement CSPOL020

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2020-2021 Revenue Statement



5.2 Overdue rates and charges

5.2.1 Interest charges

Interest charges shall be applied to all overdue rates under Section 133 of the *Local Government Regulation 2012* (Qld). Interest will be compounded daily at a rate of 8.53% per annum, from 60 calendar days after the due date.

5.2.2 Payment Arrangements

Council may, on application, provide alternative short term, or long term payment arrangements for outstanding rates to be paid by instalments.

To assist ratepayers to manage their financial commitment, Council offers flexible repayment options including fortnightly direct debit, and weekly, fortnightly or monthly instalments during the relevant payment arrangement period. Three business days' notice is required for Council to amend or cancel a direct debit payment. Should the funds not be available in the bank account nominated on the direct debit application form, a non-refundable fee of \$27.00 will be charged to the rates account.

Changes to the frequency of repayments made by other means will be permitted where the overall amount to be paid within the previously approved timeframe remains achievable.

Ratepayers will be advised of an approved, amended or cancelled payment arrangement in writing, and are responsible for ensuring that Council are advised of any changes to their contact details and postal address during the period specified within the agreement.

Discounts for rates are forfeited, and interest applied to arrears for all payment arrangements.

Where a ratepayer defaults on a payment arrangement and fails to contact Council to advise of their circumstances, the arrangement will be cancelled and debt recovery action will commence pursuant to Section 134 of the *Local Government Regulation 2012* (Qld).

For more information, refer to Council's Financial Hardship Policy.

5.2.3 Overdue rates and charges

Where the rates and charges remain unpaid and an arrangement to pay has not been made, a reminder notice will be issued.

Where rates and charges remain unpaid after the reminder notice period, further recovery action will commence, which may include referral to an external Debt Recovery Agent.

2020-2021 Revenue Statement



Ratepayers that have been referred to an external recovery agency will need to establish a payment arrangement with the agency for all referred debt and are not eligible for a payment arrangement with Council for the arrears amount. However, Council will accept applications to begin a payment arrangement for current levies.

Council may also undertake court proceedings to recover overdue rates and charges in accordance with Section 134 of the *Local Government Regulation 2012 (Qld)*.

5.2.4 Sale of land for overdue rates and charges

Pursuant to Sections 138 to 146 of the *Local Government Regulation 2012 (Qld)*, Council has the power to sell a property for the recovery of outstanding rates and charges, where some, or all of the overdue rates and charges have been outstanding for at least three years. Vacant land and commercial properties can be sold after one year where judgement has been entered.

Where a notice of intention to sell land for overdue rates and charges has been issued to a ratepayer, regardless of any prior payment arrangement, full payment of the outstanding arrears amount nominated in the notice must be made in order for the sale of land proceedings to cease in accordance with Section 141 of the *Local Government Regulation 2012 (Qld)*.

5.3 Concessions

Pursuant to Section 120 of the *Local Government Regulation 2012 (Qld)*, Council may grant a concession to ratepayers in the following categories who can satisfy the applicable eligibility criteria.

5.3.1 Pensioners

Council's pensioner rate remission to eligible pensioners shall be allowed under Section 120(1)(a) of the *Local Government Regulation 2012 (Qld)*. The pensioner remission will be \$160.00 per annum.

Pensioners must hold 1 of the following concession cards:

- Queensland Pensioner Concession Card (issued by Centrelink or Department of Veterans' Affairs); or
- Department of Veterans' Affairs Health Card for all conditions (Gold Card).

2020-2021 Revenue Statement



The pensioner must also be:

- the owner or life tenant* of the property, which is the principal place of residence of the pensioner and located in Queensland.
- legally responsible for the payment of local Council rates and charges levied on that property.

*A life tenancy can only be created by a valid will and is effective only after the death of the property owner, or by a Supreme or Family Court order. In such circumstances, proof must be provided to Council to allow a full remission to be granted.

Council will grant the remission providing that the following shall apply:

- a) Applications are to be made using the approved Council form. The pension card must be sighted by Council staff at the time of application and will be accepted by the Chief Executive Officer as sufficient evidence that the person applying is a pensioner in accordance with the State Government Rebate Policy (Section 1). Rebates will exclude part-pensioners, pensioners who are also receiving a pension outside of Australia, Newstart, Jobseeker, and Sickness and Special beneficiaries over 60 years of age who became cardholders on or after 1 April, 1993 due to the Commonwealth Government extended eligibility initiatives.
- b) Where an eligible pensioner/s resides some or all of the time in a nursing home or with family for ill health reasons, the residence may be regarded as the principal place of residence if it is not occupied on a paid tenancy basis.
- c) A remission shall only be granted for a rate levied on land that Council considers is used for residential purposes.
- d) Pensioners are encouraged to apply for a remission promptly on initial receipt of their pension card. Applications must be received before the due date stipulated on the rates notice to be considered for the current rating period. Where a person/s becomes an eligible pensioner/s during a billing period he/she shall be entitled to the remission from the commencement of the next billing period. Where a person/s has become an eligible pensioner/s and does not immediately apply for the remission, the rebate will only be backdated to the start of the current billing period.

2020-2021 Revenue Statement



e) In the case of approved pensioner/s who buy or sell a property, or become deceased, a pro rata adjustment shall be made from the date of settlement or death. In the case of approved pensioner/s purchasing a new property, it is the responsibility of approved pensioner/s to complete a new application form for the subject property as soon as possible after settlement has occurred. The pension remission will not be automatically transferred to the newly purchased property.

f) Where the property is in joint ownership, a pro rata remission shall be granted in proportion to the share of ownership, except where the co-owners are an approved pensioner and his/her spouse (including defacto relationships as recognised by Commonwealth legislation).

g) Where an applicant has been granted a Council remission in accordance with this policy in a previous financial year, and the applicant's pension and residential requirements have not altered, confirmation by the Commonwealth Department of Human Services and the Commonwealth Department of Veteran Affairs that he or she is an approved pensioner, will be accepted in lieu of a written application.

h) Where an applicant has not been granted a Council remission in the past due to the type of pension or amount of pension received, and their circumstances change, it is the responsibility of the applicant to advise Council of the change which may entitle them to the Council remission.

5.3.2 Financial Hardship

In accordance with Section 120(c) of the *Local Government Regulation 2012 (Qld)*, a concession by way of an agreement to defer payment of rates and charge may be granted to landowners that satisfy Council that payment of the rates and charges will cause them hardship. On approval, discounts for rates are forfeited and overdue rates and charges must be paid in full by the end of the deferment period granted.

The granting of this concession will be subject to conditions as included in Council resolutions and policy and procedural documents prepared from time to time. Ratepayers wishing to apply for temporary Financial Hardship must satisfy strict criteria regarding eligibility, including demonstrating that all possible avenues to seek financial counselling and assistance from external agencies have been exhausted.

Ratepayers should refer to Council's Financial Hardship policy for more information.

2020-2021 Revenue Statement



5.3.3 Rates & Utilities Charges – Not for profit entity

Council may grant a concession towards the net general rates and/or service charges for eligible not for profit groups pursuant to Section 120(1)(b)(i) of the *Local Government Regulation 2012* (Qld).

When assessing a request for a concession, Council may give consideration to an applicant's current financial position and their ability to pay the ordinary annual rates. Organisations wishing to apply for a concession must satisfy strict criteria regarding eligibility, including meeting the definition of a not-for-profit organisation as defined below:

Not for profit – means:

- The organisation is incorporated under Queensland's Associations Incorporations Act 1981 and listed as a non-profit community organisation, as determined by the Australian Taxation Office (ATO); and
- There is no profit or gain by individual members of the group; and
- Its constitution or governing documents prevent it from distributing profits or assets for the benefit of particular persons, both while it is operating and on winding up; and
- Whilst a surplus or revenue can be made, all profits must be used to carry out the purpose and functions of the organisation.

No concession will be awarded on waste charges, levies or special charges, including the rural fire levy. Concessions are not available on vacant land. Concession eligibility will cease when the primary land use changes from that determined and originally applied for.

5.3.4 Waste charges for permanent accommodation lodgings

For the purposes of rating and application of the Waste Disposal Levy, the following commercial premises will be entitled to receive waste collection services at the rates specified for domestic waste collection services:

- Nursing homes, retirement villages and private aged care
- Multi-unit dwellings (e.g. apartments, townhouses, gated community)
- Residential, lifestyle or manufactured home parks
- Boarding houses
- Purpose Built Student Accommodations - off campus, rooming accommodations.

2020-2021 Revenue Statement



5.4 Fees and charges

Council's fees and charges are set forth in the document entitled "2020-2021 Fees and Charges" and are determined and adopted as such for the financial year. The fees and charges in this document, represent the fees and charges set by Council. Council may alter and/or add to any of the fees and charges in this booklet by resolution at any time prior to the next budget resolution.

5.4.1 Cost Recovery Fees

Council may fix a cost recovery fee for any of the following:

- (a) an application for, or the issue of, an approval, consent, licence, permission, registration or other authority under a Local Government Act; or
- (b) recording a change of ownership of land; or
- (c) giving information kept under a Local Government Act; or
- (d) seizing property or animals under a Local Government Act.

The principles of Full Cost Pricing (National Competition Policy) and User Pays are applied in calculating all cost recovery fees of Council where applicable.

Cost recovery fees are identified in Council's document of "2020-2021 Fees and Charges".

5.4.2 Business Activity Fees

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 usually subject to the Commonwealth's Goods and Services Tax.

Business activity fees include but are not confined to rents, plant hire, private works and hire of facilities as contained in Council's document of fees and charges.

2020-2021 Revenue Statement



6. Definitions

To assist in the interpretation of this revenue statement including the differential general rating categories and descriptions that follow, the following definitions apply:

Assessment: a parcel or parcels of land recorded together within Council's systems for rating and charging purposes.

CEO – the Chief Executive Officer of Gympie Regional Council.

Council – shall mean the Mayor, Councillors and staff of Gympie Regional Council.

Debt Recovery Agent: the nominated third party used by Council to pursue debt recovery action for rates arrears.

Direct Debit: when you have made application via the approved form to authorise Council to regularly take money from a nominated bank account. This method can be used to make fortnightly payments and/or to pay rates in full by the due date. It does not constitute a formal payment arrangement.

Financial Counsellor: a person qualified to provide free financial advice and assistance to people who are in debt or not able to meet their ongoing expenses.

Financial Hardship: an individual is considered to be in serious hardship when they would be left unable to meet the reasonable needs for food, accommodation, clothing, medicine, education for children and other basic requirements. Factors contributing to serious hardship generally include: family tragedy; financial misfortune; serious illness; medical conditions or disability affecting earning capacity; impacts of natural disaster; and other serious or difficult circumstances beyond the ratepayer's control. It means an inability to fulfil a financial obligation, not an unwillingness to do so.

Group of Ratepayers: with consideration given to a Council resolution, all ratepayers within the same rating category identified by Council as having common circumstances.

Instalment: a sum of money due as one of several equal payments, spread over an agreed period of time as part of payment arrangement.

Judgement: action taken by Council to recover overdue rates or charges by bringing court proceedings for a debt against a person who is liable to pay overdue rates or charges.

2020-2021 Revenue Statement



Land Use: is the primary use for which in the opinion of Council, the property is being used, or could potentially be used by virtue of improvements or activities conducted upon the property. In the case where there are multiple uses, the higher rate in the dollar category shall apply (e.g. residence combined with a commercial activity).

Land Use Codes: the land use codes used to identify an assessment for land valuation and rating purposes by the Department of Natural Resources, Mines & Energy.

Occupied Land: land with buildings or structures, or land that is used for car parking or in conjunction with any commercial activity, e.g. heavy vehicle or machinery parking, outdoor storage areas, assembly areas or rural activities such as cultivation, grazing or agistment. Occupied land will have a Land Use Code other than 100, 400, 7200, 9400.

Payment Arrangement: an agreement between Council and the ratepayer to spread the outstanding rates amount, including any interest charges owed to Council over an agreed period, allowing for additional time to make the payments without any legal action being taken (e.g. regular instalments which will clear the amount owing).

Principal Place of Residence: a single dwelling house or dwelling unit that is the place of residence at which at least one person who constitutes the owner/s of the land predominantly resides. In establishing a ratepayer's principal place of residence, Council may consider, but not be limited to, the owner's declared address for electoral, taxation, government social security or national health registration purposes, or any other form of evidence deemed acceptable by Council.

Ratepayer: the person/s or entity responsible for paying the rates and charges levied to an assessment.

Vacant Land: land devoid of buildings or structures. It does not apply to land that is used for car parking or in conjunction with any commercial activity, e.g. heavy vehicle or machinery parking, outdoor storage areas, assembly areas or rural activities such as cultivation, grazing or agistment. Vacant land will have a Land Use Code of 100, 400, 7200, 9400.

Any terms not defined within this policy have the meaning assigned from the dictionary within the schedule (8) contained within the *Local Government Regulation 2012* (Qld).

2020-2021 Revenue Statement



7. General Rates

7.1 Basis of rate

Pursuant to Section 94 of the *Local Government Act 2009* (Qld) and Section 80 of the *Local Government Regulation 2012* (Qld), Council categorises and levies differential general rates on all rateable parcels of land within the region. The term 'rateable land' is defined by Section 93(2) of the *Local Government Act 2009* (Qld).

Differential general rates are based on the land valuation provided by the Department of Natural Resources, Mines and Energy under the *Land Valuation Act 2009* (Qld). Land valuation enquiries should be directed to the department on 13 74 68 or via email at valuationenquiries@dnrme.qld.gov.au

7.2 Rate to apply

The applicable differential general rates for the financial year ending 30 June 2021 are identified in Table 2- Schedule of Rates, as adopted in the 2020-2021 Council budget. To calculate the differential general rate, the land valuation is multiplied by the relevant category's rate in the dollar as outlined in Table 2. Where the calculated amount is less than the minimum general rate, the minimum general rate is levied.

7.3 Differential general rates

7.3.1 Categories, identification and descriptions

Council has adopted a differential rating strategy for the 2020-2021 financial year. A differential system of rates provides equity for ratepayers through recognising the level of services required, current use or potential use of the property, and the financial impact on all ratepayers within the region.

Pursuant to Sections 81(4) and 81(5) of the *Local Government Regulation 2012* (Qld), the rating categories to which rateable land is categorised and levied accordingly, is delegated to the CEO and will be determined on one or more of the following criteria:

- The value of land, as determined by the Department of Natural Resources, Mines and Energy;
- primary land use;
- land zoning as defined in Council's current Planning Scheme;
- location within the region;
- availability of services; and/or
- the consumption of services.

2020-2021 Revenue Statement



There will be 57 differential general rating categories in 2020-2021 for the purpose of levying differential general rates for the financial year. The rating categories and descriptions are outlined below in Table 1- Schedule of Differential Rates.

7.3.2 Minimum differential general rates

A minimum general rate is applied to each category to recognise that there is a base level of services applicable to each rateable parcel of land within each category. Council has applied the rate in the dollar and minimum general rate as indicated in Table 2 - Schedule of Rates pursuant to Section 77 of the *Local Government Regulation 2012 (Qld)*.

For avoidance of doubt, and as stated in Section 77(3) of the *Local Government Regulation 2012 (Qld)*, Council must not levy minimum general rates for a parcel of land if:

- a) the *Land Valuation Act 2009 (Qld)*, Chapter 2, Part 2, Division 5, Subdivision 3, applies to the parcel of land (discounting for subdivided land not yet developed); and
- b) the discounted valuation period for the parcel of land has not ended under that subdivision.

Accordingly, any land within any of the above categories that has a Land Use Code of 7200 as determined by the Department of Natural Resources, Mines and Energy will not be subject to the above prescribed minimum general rates.

7.4 Limitation of increase in rates or charges levied

For the 2020-2021 financial year, Council has not passed any resolution pursuant to Section 116 of the *Local Government Regulation 2012 (Qld)* limiting an increase in rates or charges.

7.5 Objection to rating category

Council will be guided by the Department of Natural Resources, Mines and Energy land valuations when calculating the rates for each assessment. The Chief Executive Officer, Director Corporate Services/CFO and the Coordinator Rates are each appointed as categorisation officers under Section 83 of the *Local Government Regulation 2012 (Qld)*.

Ratepayers may appeal the categorisation of their property in accordance with Section 90 of the *Local Government Regulation 2012 (Qld)*, within 30 days of the issue of their current rates notice. To appeal the categorisation, ratepayers must apply on the approved 'Objection Notice' form and outline:

- (a) the rating category that the owner claims the land should belong to; and
- (b) the facts and circumstances on which the owner makes that claim.

The Chief Executive Officer is authorised under Section 91 of the *Local Government Regulation 2012 (Qld)* to assess and determine the objection request.

Reviewed: 23/06/2020

Page 16 of 44

2020-2021 Revenue Statement CSPOL020

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2020-2021 Revenue Statement



Pursuant to Section 88 (4)(e) of the *Local Government Regulation 2012 (Qld)* ratepayers must pay their rates in full while their application is assessed to avoid recovery action and interest charges. Any adjustment made in the ratepayer's favour will be refunded on request, or applied as a credit to the rates account.

Table 1 – Schedule of Differential Rates

Category	Differential Category	Description	Identification
RESIDENTIAL LAND			
22	Residential Gympie & Surrounds	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Gympie & Surrounds area of the map marked Gympie & Surrounds Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Gympie & Surrounds Rating Area, or as identified by the CEO.
42	Residential Cooloola Cove	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Cooloola Cove area of the map marked Cooloola Cove Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Cooloola Cove Rating Area, or as identified by the CEO.
52	Residential Tin Can Bay	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Tin Can Bay area of the map marked Tin Can Bay Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Tin Can Bay Rating Area, or as identified by the CEO.
62	Residential Rainbow Beach	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Rainbow Beach area of the map marked Rainbow Beach Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Rainbow Beach Rating Area, or as identified by the CEO.
32	Residential Rural Townships	Land used or zoned solely for residential purposes, within the reticulated water service area, which is not otherwise categorised and located within the Rural Townships area of the map marked Rural Townships Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Rural Townships Rating Area, or as identified by the CEO.
72	Residential Rural	Land used or zoned solely for residential purposes, which is not otherwise categorised and located within the Rural area of the map marked Rural Rating Area.	Land use codes 0200, 0500, 0600, 0800, 0900 and the map marked Rural Rating Area, or as identified by the CEO.

2020-2021 Revenue Statement



VACANT LAND			
21	Vacant Gympie & Surrounds	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Gympie & Surrounds area of the map marked Gympie & Surrounds Rating Area.	Land use codes 0100, 0400, and the map marked Gympie & Surrounds Rating Area, or as identified by the CEO.
41	Vacant Cooloola Cove	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Cooloola Cove area of the map marked Cooloola Cove Rating Area.	Land use codes 0100, 0400 and the map marked Cooloola Cove Rating Area, or as identified by the CEO.
51	Vacant Tin Can Bay	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Tin Can Bay area of the map marked Tin Can Bay Rating Area.	Land use codes 0100, 0400 and the map marked Tin Can Bay Rating Area, or as identified by the CEO.
61	Vacant Rainbow Beach	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Rainbow Beach area of the map marked Rainbow Beach Rating Area.	Land use codes 0100, 0400 and the map marked Rainbow Beach Rating Area, or as identified by the CEO.
31	Vacant Rural Townships	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, within the reticulated water service area which is not otherwise categorised and located within the Rural Townships area of the map marked Rural Townships Rating Area.	Land use codes 0100, 0400, 9400 and the map marked Rural Townships Rating Area, or as identified by the CEO.
71	Vacant Rural	Vacant land, zoned for residential use under the Gympie Regional Council Planning Scheme, and intended solely for residential purposes, which is not otherwise categorised and located within the Rural area of the map marked Rural Rating Area.	Land use codes 0100, 0400, 9400 and the map marked Rural Rating Area, or as identified by the CEO.

Reviewed: 23/06/2020

Page 18 of 44

2020-2021 Revenue Statement CSPOL020

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2020-2021 Revenue Statement



30	Vacant Commercial/Industrial Gympie & Surrounds	Vacant land, zoned for commercial or industrial use under the Gympie Regional Council Planning Scheme, and intended solely for commercial or industrial purposes, which is not otherwise categorised and located anywhere within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use codes 0100, 0400, 9400 and the map marked Commercial/ Industrial and Shopping Centre Rating Area, or as identified by the CEO.
60	Vacant Commercial/Industrial Coastal	Vacant land, zoned for commercial or industrial use under the Gympie Regional Council Planning Scheme, and intended solely for commercial or industrial purposes, which is not otherwise categorised and located anywhere within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use codes 0100, 0400, 9400 and the map marked Commercial/ Industrial and Shopping Centre Rating Area, or as identified by the CEO.
70	Vacant Commercial/Industrial Rural	Vacant land, zoned for commercial or industrial use under the Gympie Regional Council Planning Scheme, and intended solely for commercial or industrial purposes, which is not otherwise categorised and located anywhere within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use codes 0100, 0400, 9400 and the map marked Commercial/ Industrial and Shopping Centre Rating Area, or as identified by the CEO.
MULTI-RESIDENTIAL LAND			
23	Flats/residential resorts/other Gympie & Surrounds	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Gympie & Surrounds area of the map marked Gympie & Surrounds Rating Area.	Land use code 0300 and the map marked Gympie & Surrounds Rating Area, or as identified by the CEO.
24	Strata Title Units/residential resorts/other Gympie & Surrounds	Land used for strata title units, residential resorts or multi- residential purposes, which is not otherwise categorised and located within the Gympie & Surrounds area of the map marked Gympie & Surrounds Rating Area.	Land use codes, 0800, 0900 and the map marked Gympie & Surrounds Rating Area or as identified by the CEO.
43	Flats/residential resorts/other Cooloola Cove	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Cooloola Cove area of the map marked Cooloola Cove Rating Area.	Land use codes 0300 and the map marked Cooloola Cove Rating Area, or as identified by the CEO.
44	Strata Title Units/residential resorts/other Cooloola Cove	Land used for strata title units, residential resorts or multi- residential purposes, which is not otherwise categorised and located within the Cooloola Cove area of the map marked Cooloola Cove Rating Area.	Land use codes, 0800, 0900 and the map marked Cooloola Cove Rating Area, or as identified by the CEO.

Reviewed: 23/06/2020

Page 19 of 44

2020-2021 Revenue Statement CSPOL020

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2020-2021 Revenue Statement



53	Flats/residential resorts/other Tin Can Bay	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Tin Can Bay area of the map marked Tin Can Bay Rating Area.	Land use codes 0300 and the map marked Tin Can Bay Rating Area, or as identified by the CEO.
54	Strata Title Units/residential resorts/other Tin Can Bay	Land used for strata title units, residential resorts or multi- residential purposes, which is not otherwise categorised and located within the Tin Can Bay area of the map marked Tin Can Bay Rating Area.	Land use codes, 0800, 0900 and the map marked Tin Can Bay Rating Area, or as identified by the CEO.
63	Flats/residential resorts/other Rainbow Beach	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Rainbow Beach area of the map marked Rainbow Beach Rating Area.	Land use codes 0300 and the map marked Rainbow Beach Rating Area, or as identified by the CEO.
64	Strata Title Units/residential resorts/other Rainbow Beach	Land used for strata title units, residential resorts or multi- residential purposes, which is not otherwise categorised and located within the Rainbow Beach area of the map marked Rainbow Beach Rating Area.	Land use codes, 0800, 0900 and the map marked Rainbow Beach Rating Area, or as identified by the CEO.
33	Flats/residential resorts/other Rural Townships	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Rural Townships area of the map marked Rural Townships Rating Area.	Land use codes 0300 and the map marked Rural Townships Rating Area, or as identified by the CEO.
34	Strata Title Units/residential resorts/other Rural Townships	Land used for strata title units, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Rural Townships area of the map marked Rural Townships Rating Area.	Land use codes, 0800, 0900 and the map marked Rural Townships Rating Area, or as identified by the CEO.
73	Flats/residential resorts/other Rural	Land used for flats, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Rural area of the map marked Rural Rating Area.	Land use codes 0300 and the map marked Rural Rating Area, or as identified by the CEO.
74	Strata Title Units/residential resorts/other Rural	Land used for strata title units, residential resorts or multi-residential purposes, which is not otherwise categorised and located within the Rural area of the map marked Rural Rating Area.	Land use codes, 0800, 0900 and the map marked Rural Rating Area, or as identified by the CEO.

Reviewed: 23/06/2020

Page 20 of 44

2020-2021 Revenue Statement CSPOL020

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2020-2021 Revenue Statement



COMMERCIAL/INDUSTRIAL LAND			
Commercial land use			
35	Commercial General Gympie & Surrounds	All land, which is not otherwise categorised, used in whole, or in part for commercial purposes and located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area. This category includes properties that are used for a combined residential and commercial purpose.	Land use codes 0700 - 1900 (excluding 1600), 2000 - 2700, 3800, 4100, 4400- 4800, 5000, 5600, 5800, 9700 and the map marked Commercial/ Industrial and Shopping Centre Rating Area, or as identified by the CEO.
65	Commercial General Coastal	All land, which is not otherwise categorised, used in whole, or in part for commercial purposes and located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area. This category includes properties that are used for a combined residential and commercial purpose.	Land use codes 0700 - 1900 (excluding 1600), 2000 - 2700, 3800, 4100, 4400- 4800, 5000, 5600, 5800, 9700 and the map marked Commercial/ Industrial and Shopping Centre Rating Area, or as identified by the CEO.
75	Commercial General Rural	All land, which is not otherwise categorised, used in whole, or in part for commercial purposes and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area. This category includes properties that are used for a combined residential and commercial purpose.	Land use codes 0700 - 1900 (excluding 1600), 2000 - 2700, 3800, 4100, 4400- 4800, 5000, 5600, 5800, 9700 and the map marked Commercial/ Industrial and Shopping Centre Rating Area, or as identified by the CEO.
37	Motels Gympie & Surrounds	All land, which is not otherwise categorised, used as a motel and located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4300 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
67	Motels Coastal	All land, which is not otherwise categorised, used as a motel and located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4300 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
77	Motels Rural	All land, which is not otherwise categorised, used as a motel and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4300 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
36	Hotel/Tavern Gympie & Surrounds	All land, which is not otherwise categorised, used as a hotel and/or tavern, located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4200 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.

Reviewed: 23/06/2020

Page 21 of 44

2020-2021 Revenue Statement CSPOL020

[Printed copies are uncontrolled. It is the responsibility of each user to ensure that any copies of system documents are the current issue]

2020-2021 Revenue Statement



66	Hotel/Tavern Coastal	All land, which is not otherwise categorised, used as a hotel and/or tavern, located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4200 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
76	Hotel/Tavern Rural	All land, which is not otherwise categorised, used as a hotel and/or tavern, located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4200 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
39	Caravan Park Gympie & Surrounds	All land, which is not otherwise categorised, used as a caravan park and located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4900 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
69	Caravan Park Coastal	All land, which is not otherwise categorised, used as a caravan park and located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4900 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
79	Caravan Park Rural	All land, which is not otherwise categorised, used as a caravan park and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 4900 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
99	Not-for-Profit	All land, which is not otherwise categorised, used for not-for-profit purposes.	Land use codes 5100 - 5900 (excluding 5400, 5600, 5800), or as identified by the CEO.
COMMERCIAL/INDUSTRIAL LAND			
Industrial land use			
38	Light industry/transport/storage Gympie & Surrounds	All land, which is not otherwise categorised, used for industrial purposes and located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use codes 2800 - 3600, 3900 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
68	Light industry/transport/storage Coastal	All land, which is not otherwise categorised, used for industrial purposes and located within the Coastal area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use codes 2800 - 3600, 3900 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
78	Light industry/transport/storage Rural	All land, which is not otherwise categorised, used for industrial purposes and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use codes 2800 - 3600, 3900 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
81	Electrical, reticulation & telecommunications infrastructure	All land, which is not otherwise categorised, used predominantly for commercial electrical, reticulation or telecommunications purposes.	Land use code 9100, or as identified by the CEO.

Reviewed: 23/06/2020

Page 22 of 44

2020-2021 Revenue Statement CSPOL020

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2020-2021 Revenue Statement



87	Noxious Industry/Abattoirs/Feedlots/Sawmills	All land, which is not otherwise categorised, used for offensive industry, saw mill, abattoir or feedlot.	Land use code 3700, 8800 or land that fits the description, or as identified by the CEO.
EXTRACTIVE INDUSTRY/QUARRIES			
84	Extractive industry	All land, which is not otherwise categorised, used for the purpose of conducting activity which may involve dredging, excavating, quarrying, sluicing or other mode of winning materials from the earth.	Land use code 4000, or land that fits the description, or as identified by the CEO.
POWER STATIONS/SOLAR FARMS			
82	Power Station	All land, which is not otherwise categorised, used in whole, or in part for the purpose of electricity generation, other than by way of solar power.	As identified by the CEO.
83	Solar Farm	All land, which is not otherwise categorised, used in whole, or in part for the purpose of solar power generation.	As identified by the CEO.
PRIMARY PRODUCTION LAND			
80	Primary Production	All land, including vacant land, used for primary production business purposes or industry including agricultural, grazing, dairying, pig farming, poultry farming, viticulture, orcharding, apiculture, horticulture, aquaculture, vegetable growing, the growing of crops of any kind, forestry, or any other business or industry involving the cultivation of soils, the gathering in of crops or the rearing of livestock, and similar purposes, which is not otherwise categorised.	Properties in this category must qualify for the Department of Natural Resources, Mines and Energy primary producers' concession as identified by land use codes 6000- 8900, 9300, (excluding 8800), or as identified by the CEO.
DAMS/WATER STORAGE/WATER EXTRACTION			
95	Dams/Water Extraction Rural	Land used for the commercial storage of water for human consumption or agricultural use or for water extraction.	Land use code 9500, or as identified by the CEO.
SHOPPING CENTRES			
90	Shopping Centre Gympie & Surrounds - Gross Floor Area <5,000m ²	Land used for the purpose of a shopping centre with a gross floor area of less than 5,000 square metres located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
91	Shopping Centre Gympie & Surrounds - Gross Floor Area 5,001m ² -10,000m ²	Land used for the purpose of a shopping centre with a gross floor area of between 5,001 – 10,000 square metres located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.

Reviewed: 23/06/2020

Page 23 of 44

2020-2021 Revenue Statement CSPOL020

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2020-2021 Revenue Statement



92	Shopping Centre Gympie & Surrounds - Gross Floor Area > 10,001m ²	Land used for the purpose of a shopping centre with a gross floor area greater than 10,001 square metres and located within the Gympie & Surrounds area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
93	Shopping Centre Coastal Townships - Gross Floor Area < 10,000m ²	Land used for the purpose of a shopping centre with a gross floor area of less than 10,000 square metres and located within the Coastal Townships area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
94	Shopping Centre Coastal Townships - Gross Floor Area > 10,001m ²	Land used for the purpose of a shopping centre with a gross floor area greater than 10,001 square metres and located within the Coastal Townships area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
96	Shopping Centre Rural - Gross Floor Area < 10,000m ²	Land used for the purpose of a shopping centre with a gross floor area of less than 10,000 square metres and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.
97	Shopping Centre Rural - Gross Floor Area > 10,001m ²	Land used for the purpose of a shopping centre with a gross floor area of greater than 10,001 square metres and located within the Rural area of the map marked Commercial/Industrial and Shopping Centre Rating Area.	Land use code 1600 and the map marked Commercial/Industrial and Shopping Centre Rating Area, or as identified by the CEO.

Reviewed: 23/06/2020

Page 24 of 44

2020-2021 Revenue Statement CSPOL020

[Printed copies are uncontrolled. It is the responsibility of each user to ensure that any copies of system documents are the current issue]

2020-2021 Revenue Statement



Table 2 – Schedule of Rates

Category No	Differential Rating Category	Rate in Dollar	Minimum General Rate
RESIDENTIAL LAND			
22	Residential Gympie & Surrounds	0.0115091	\$1,241.40
42	Residential Cooloola Cove	0.00926229	\$1,241.40
52	Residential Tin Can Bay	0.00926229	\$1,241.40
62	Residential Rainbow Beach	0.00926229	\$1,305.20
32	Residential Rural Townships	0.0101816	\$1,241.40
72	Residential Rural	0.0101816	\$1,241.40
VACANT LAND			
21	Vacant Gympie & Surrounds	0.0115091	\$1,241.40
41	Vacant Cooloola Cove	0.00926229	\$1,241.40
51	Vacant Tin Can Bay	0.00926229	\$1,241.40
61	Vacant Rainbow Beach	0.00926229	\$1,305.20
31	Vacant Rural Townships	0.0101816	\$1,241.40
71	Vacant Rural	0.0101816	\$1,241.40
30	Vacant Commercial/Industrial Gympie & Surrounds	0.01592601	\$1,506.50
60	Vacant Commercial/Industrial Coastal	0.0107372	\$1,506.50
70	Vacant Commercial/Industrial Rural	0.0106732	\$1,506.50
MULTI-RESIDENTIAL LAND			
23	Flats/residential resorts/other Gympie & Surrounds	0.01266001	\$1,241.40
24	Strata Title Units/residential resorts/other Gympie & Surrounds	0.0115091	\$1,241.40
43	Flats/residential resorts/other Cooloola Cove	0.01018852	\$1,241.40
44	Strata Title Units/residential resorts/other Cooloola Cove	0.00926229	\$1,241.40
53	Flats/residential resorts/other Tin Can Bay	0.01018852	\$1,241.40
54	Strata Title Units/residential resorts/other Tin Can Bay	0.00926229	\$1,241.40
63	Flats/residential resorts/other Rainbow Beach	0.01018852	\$1,305.20
64	Strata Title Units/residential resorts/other Rainbow Beach	0.00926229	\$1,305.20
33	Flats/residential resorts/other Rural Townships	0.0101816	\$1,241.40
34	Strata Title Units/residential resorts/other Rural Townships	0.0101816	\$1,241.40
73	Flats/residential resorts/other Rural	0.0101816	\$1,241.40
74	Strata Title Units/residential resorts/other Rural	0.0101816	\$1,241.40
COMMERCIAL/INDUSTRIAL LAND			
Commercial land use			
35	Commercial General Gympie & Surrounds	0.01592601	\$1,241.40
65	Commercial General Coastal	0.0107372	\$1,241.40
75	Commercial General Rural	0.0106732	\$1,241.40
37	Motels Gympie & Surrounds	0.01592601	\$1,241.40
67	Motels Coastal	0.0107372	\$1,241.40
77	Motels Rural	0.0106732	\$1,241.40
36	Hotel/Tavern Gympie & Surrounds	0.01592601	\$1,241.40
66	Hotel/Tavern Coastal	0.0107372	\$1,241.40
76	Hotel/Tavern Rural	0.0106732	\$1,241.40
39	Caravan Park Gympie & Surrounds	0.01592601	\$1,241.40
69	Caravan Park Coastal	0.0107372	\$1,241.40

Reviewed: 23/06/2020

Page 25 of 44

2020-2021 Revenue Statement CSPOL020

[Printed copies are uncontrolled. It is the responsibility of each user to ensure that any copies of system documents are the current issue]

2020-2021 Revenue Statement



79	Caravan Park Rural	0.0106732	\$1,241.40
99	Not-for-Profit	0.01592601	\$1241.40
COMMERCIAL/INDUSTRIAL LAND			
Industrial land use			
38	Light industry/transport/storage Gympie & Surrounds	0.01592601	\$1,241.40
68	Light industry/transport/storage Coastal	0.0107372	\$1,241.40
78	Light industry/transport/storage Rural	0.0106732	\$1,241.40
81	Electrical, reticulation & telecommunications infrastructure	0.02473952	\$2,109.10
87	Noxious Industry/Abattoirs/Feedlots/Sawmills	0.02473952	\$2,109.10
EXTRACTIVE INDUSTRY/QUARRIES			
84	Extractive industry	0.02473952	\$2,109.10
POWER STATIONS/SOLAR FARMS			
82	Power Station	0.128628	\$3,724.20
83	Solar Farm	0.128628	\$3,724.20
PRIMARY PRODUCTION LAND			
80	Primary Production	0.0118569	\$1,241.40
DAMS/WATER STORAGE/WATER EXTRACTION			
95	Dams/Water Extraction Rural	0.128628	\$3,724.20
SHOPPING CENTRES			
90	Gympie & Surrounds - Gross Floor Area <5,000m2	0.02020476	\$19,874.70
91	Gympie & Surrounds - Gross Floor Area 5,001m2-10,000m2	0.02242214	\$66,249.00
92	Gympie & Surrounds - Gross Floor Area >10,001m2	0.05199732	\$207,632.60
93	Coastal - Gross Floor Area <10,000m2	0.0113429	\$13,249.80
94	Coastal - Gross Floor Area >10,001m2	0.01265034	\$44,166.00
96	Rural - Gross Floor Area <10,000m2	0.0113429	\$13,249.80
97	Rural - Gross Floor Area >10,001m2	0.01265034	\$44,166.00

2020-2021 Revenue Statement



8. Sewerage program charges (Section 99 of the *Local Government Regulation 2012* (Qld))
- 8.1 Unit rate: \$85.30 each per annum (p.a.) based on applicable Units as per following Schedule.
- 8 units equates to 1 charge @ \$682.40 p.a.

Units	Description
8	Private Residence, individual Home Unit - unlimited pedestals
8	Residential flats/units (e.g. Duplex or multiple flats/units on one title) - per flat/unit
8	Vacant allotments capable of being sewerred per valued assessment
8	Commercial Premises - 1st pedestal
6	Commercial Premises - Each additional pedestal/urinal
8	Government and Semi-Government Premises - per pedestal/urinal
8	Church Properties - 1st pedestal
4	Church Properties - Each additional pedestal/urinal
8	Motels/Hotels - First pedestal
6	Motels/Hotels - Each additional pedestal/urinal
8	Caravan Park - 1st pedestal
6	Caravan Park - Each additional pedestal/urinal

8.2 Pro Rata / Supplementary Charges

Where the use of particular land varies (e.g. vacant land has a building constructed, or an existing building is altered or extended).

- (a) In the case of any new building constructed on land within the sewerage service area, the sewerage charge payable in respect thereof shall be assessed and charged on a pro rata basis as from the date of occupancy of the new building.
- (b) In the case of alteration to an existing building, the sewerage charge payable for additional/reduction in services shall be assessed and charged on a pro rata basis as from the date of connection or disconnection of services to the sewerage scheme.
- (c) In the case of land being subdivided within the sewerage service area, the sewerage charges payable in respect of each new lot shall be assessed and charged on a pro rata basis from the date of sale of the new lot.

2020-2021 Revenue Statement



(d) In the case of a new service to a building that is strata titled within the sewer service area, the sewer charge payable in respect of each new lot shall be assessed and charged on a pro rata basis from the date of registration, occupancy, use or sale, whichever occurs sooner.

(e) In the case where a property is subject to total immersion during flooding and is within a declared sewer service area and is not connected, Council may at its sole discretion waive all sewerage charges.

9. Water supply program charges (Section 99 and Section 101 of the *Local Government Regulation 2012* (Qld))

9.1 Access Charges:

Residential - \$387.50 p.a.

(per valued assessment or metered service, whichever is greater).

Residential flats/units (e.g. Duplex or multiple flats/units on one title) - \$387.50 p.a.

(per flat/unit or metered service, whichever is the greater).

Vacant land not connected - \$387.50 p.a.

(per valued assessment).

Vacant land connected with no habitable building - \$387.50 p.a.

(per valued assessment or metered service, whichever is greater).

Residential properties & vacant land identified as being part of the Kingfisher Rise Estate Constant Flow Water Supply Scheme - \$290.60 p.a.

(per valued assessment or metered service, whichever is greater).

All other properties - \$426.30 p.a.

(per valued assessment or metered service, whichever is greater).

9.2 Consumption Charges:

1st Tier (up to 250kl) - \$1.26/kl

2nd Tier (over 250kl) - \$2.26/kl

Meters are read six monthly and consumption charges invoiced on next issue of rate notice.

9.3 Abattoirs Agreement - Consumption Based

2020-2021 \$1.82/kl

Reviewed: 23/06/2020

Page 28 of 44

2020-2021 Revenue Statement CSPOL020

[Printed copies are uncontrolled. It is the responsibility of each user to ensure that any copies of system documents are the current issue]

2020-2021 Revenue Statement



9.4 Nestle Agreement - Consumption Based

First tier (up to 30,000kls) - \$1.62/kl

Second tier (per kl over 30,000kls) - \$1.32/kl

9.5 Water from Private Standpipe:

Water Consumption Charges – Water Carriers - \$3.00/kl

9.6 Pro Rata / Supplementary Charges

Where the use of particular land varies (e.g. vacant land has a building constructed, or an existing building is altered or extended):

- (a) In the case of a new service being connected to a property within the water service area, the access charge payable in respect thereof shall be assessed and charged on a pro rata basis as from the date of installation of the service.
- (b) In the case of an alteration to the use of the land, the water charge payable in respect thereof shall be assessed and charged on a pro rata basis as from the date of occupancy/use of such building or alteration.
- (c) In the case of a new service to a building that is strata titled within the water service area, the water charge payable in respect of each new lot shall be assessed and charged on a pro rata basis from the date of registration, occupancy, use or sale, whichever occurs sooner.
- (d) In the case where a property is subject to total immersion during flooding and is within 100m of a reticulated water supply and is not connected, Council may, at its sole discretion waive all water charges.
- (f) In the case where a property is subject to total immersion during flooding and is within 100m of a reticulated water supply and is not connected, Council may, at its sole discretion waive all water charges.
- (g) In the case where there has been an identified fault with a water meter the consumption charge will be calculated on a pro rata basis according to the average daily consumption over the previous three years, or for whichever period is applicable to the current owner, if less than three years. Otherwise it will be at the discretion of the Chief Executive Officer or his/her delegate.

In the case where there has been an undetected leak, any request for a reduction of the water consumption charge will be calculated on a pro rata basis of up to fifty per cent of the average daily consumption, over the previous three years, or for whichever period is applicable to the current owner if less than 3 years.

Reviewed: 23/06/2020

Page 29 of 44

2020-2021 Revenue Statement CSPOL020

[Printed copies are uncontrolled. It is the responsibility of each user to ensure that any copies of system documents are the current issue]

2020-2021 Revenue Statement



In the case where the undetected leak results in no change to the consumption recorded for the period, in comparison to the average daily consumption over the previous three years, no adjustment will be made.

An undetected leak rebate request must be submitted via Council's approved application form, WBUF046 Undetected Leak Allowance Request within twelve months of the leak being detected and repaired and must be substantiated by a copy of a plumber's invoice or statutory declaration confirming where the leak occurred, and detailing the particulars of the repairs carried out. Council will only review claims for relief for the same property once every five years. However, Council may consider providing relief for a maximum of two consecutive billing periods where the undetected leak has been found to have increased the consumption over two consecutive rating periods.

9.6.1 What is an undetected leak?

An undetected leak is a hidden leak that occurs when pipework servicing a customer's property cracks or breaks. Undetected leaks can occur within walls, underground, or underneath a building or driveway. They are hidden from view and difficult to detect or locate. Eligible customers can recoup some of the unusually-high usage charges associated with a proven undetected leak on their property.

The undetected leak allowance does not apply to water loss resulting from:

- leaking taps, toilet cisterns, hot-water/solar systems or other water appliances, or their related fittings;
- faulty plumbing or human error resulting in the filling of a rainwater tank;
- property sprinkler or other irrigation systems; or
- swimming pools, spas, ponds and other outdoor water features, or their related fittings.

10. Separate Charges (Section 103 of the *Local Government Regulation 2012* (Qld))

10.1 Economic Development Levy

A separate charge of \$68.20 per rateable assessment for the purpose of investing in projects and strategies that improve the economy of Gympie through attracting tourism, and diverse business opportunities through attracting increased development and investment within the region.

10.2 Roads Infrastructure Charge

A separate charge of \$120.70 per rateable assessment for the purpose of a contribution to the funding of maintenance, renewal and development costs of Council's Roads Infrastructure Network.

2020-2021 Revenue Statement



10.3 Environment Levy

A separate charge of \$38.50 per rateable assessment for the funding of projects, programs, land acquisition and the coordination and management of activities and programs related to enhancing and maintaining the natural environment within the region.

11. Special Charges (Section 94 of the *Local Government Regulation 2012* (Qld))

11.1 Rural Fire Brigade Levy

A Rural Fire Brigade Levy for the amount of \$25.00 applies to all rateable properties not situated in the urban fire district as defined in Sections 106 and 128A of the *Fire and Emergency Services Act 1990* (Qld).

All such properties are deemed to benefit from this charge as a result of the Rural Fire Brigade Group operating in the area. This special charge shall continue to apply for the 2020-2021 year regardless of any levies that may be introduced by State or Federal Governments.

The overall plan for the Rural Fire Levy special charge is as follows:-

1. The service, facility or activity for which the plan is made is the funding of the ongoing provision and maintenance of rural firefighting equipment, operations and buildings for the rural fire brigades that operate throughout the rural areas of the region.
2. The rateable land to which the plan applies is all rateable land within the region that is liable to pay a Class E Emergency Management Levy (pursuant to Part 3 of the *Fire and Emergency Services Regulation 2011*).
3. The estimated cost of carrying out the overall plan is \$275,450.00
4. The estimated time for carrying out the overall plan is one year ending on 30 June 2021.

The rateable land to be levied the special charge specifically benefits from the fire emergency response capability that is provided by the rural fire brigades, which capability would be substantially (if not completely) diminished if the rural fire brigades did not receive the funding provided to them by Council as a direct consequence of the levying of the special charge.

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

11.2 Moy Pocket Road Maintenance Charge

Moy Pocket Road Maintenance Charge in the amount of \$150,384.00 applies to rateable land described as Lot 4 on Registered Plan 159242, Lot 2 on Registered Plan 187563 and Lot 1 on Survey Plan 221900, Parish of Brooloo, County of March to fund the cost of road maintenance on Moy Pocket Road.

2020-2021 Revenue Statement



The overall plan for the Moy Pocket Road Maintenance special charge is as follows:-

1. The service, facility or activity for which the plan is made is the ongoing provision of road maintenance works on Moy Pocket Road.
2. The rateable land to which the plan applies is Lot 4 on RP159242, Lot 2 on RP187563 and Lot 1 on SP221900, all Parish of Brooloo, County of March.
3. The estimated cost of carrying out the overall plan is \$150,384.00
4. The estimated time for carrying out the overall plan is one year ending on 30 June 2021.

The rateable land to be levied the special charge specifically contributes towards the need for this special charge because:

- The extractive industry operations occurring on the rateable land require a high level of road maintenance so as to maintain access for the extractive industry vehicles travelling to and from the rateable land; and
- The level of road maintenance provided would not need to be provided at that high level if the use of the rateable land for extractive industry was not occurring.

12. Waste Collection Charges

Pursuant to Section 94 of the *Local Government Act 2009* (Qld) and Section 99(1) of the *Local Government Regulation 2012* (Qld), Council will set and levy a utility charge for the provision of domestic waste collection services, and where requested, commercial waste collection services.

Waste collection charges are based on the benefit principle (user pays). The cost of providing waste collection and disposal functions is funded, in part, by waste collection charges.

When determining the waste collection charge for waste collection services consideration is given to a full cost pricing model to recover the cost of the service, including overheads related to the three main cost components of:

- a) the cost of providing the bins and servicing them;
- b) the cost of disposing the waste at a landfill; and
- c) the cost of transport of recyclable material to a sorting facility.

The full cost pricing model recognises that:

- a) the waste collection contractor is required to drive past each assessment within the defined service area;
- b) it is impractical to monitor use of the service on an assessment by assessment basis; and
- c) Council wishes to maximise efficiency whilst minimising the cost to the community for what is an essential service.

Reviewed: 23/06/2020

Page 32 of 44

2020-2021 Revenue Statement CSPOL020

[Printed copies are uncontrolled. It is the responsibility of each user to ensure that any copies of system documents are the current issue]

2020-2021 Revenue Statement



12.1 Domestic Waste collection services

A domestic waste collection service is available to all urban areas in the region. Where economically feasible, Council offers the service to rural areas adjoining urban centres. The extension of services into such areas is usually by request at first; but once the declared waste collection service area is expanded to include them, the standard revenue policy conditions apply.

The minimum domestic waste collection service available consists of one 140 litre waste bin by request, or a standard 240 litre bin, serviced weekly; and one 240 litre recycling bin serviced fortnightly. Additional waste and/or recycling services are available as per the scheduled waste collection charges. Additional bin collections from domestic properties will only be made available on the same day as the minimum service.

The number of waste charges levied to a domestic property shall be the number and combination of bins the Chief Executive Officer or their delegate considers necessary; or the number of general waste or recycling bins the ratepayer requests, whichever is greater.

The waste collection charge will be levied on the owner of each rateable assessment or structure/s on each rateable assessment, including a lot in a community title scheme and non-rateable land, within the declared waste collection service area. Where there is more than one structure on land capable of separate occupation, a charge will be made for each structure.

The domestic waste collection charge will be recovered irrespective of whether the land occupiers use the service and will apply irrespective of whether the premises are occupied for any period during the year. Commercial assessments may be levied a pro rata amount for the duration of service connection within the applicable rating period.

Domestic waste collection services are supplied at an annual charge for the minimum level of service set by Council, as follows:

- One (1) weekly general waste service and one (1) fortnightly recycling service; and
- For Assessments in Rainbow Beach, one (1) additional general waste service each week and one (1) additional recycling service each fortnight during all Queensland State School holiday periods.

2020-2021 Revenue Statement



In the declared waste collection area, and additional premises receiving domestic waste collection services, the following charges will apply for the 2020-2021 financial year:

Domestic 240 litre waste collection service State Government Waste Levy
(consisting of one 240 litre waste bin serviced weekly and one 240 litre recycling bin serviced fortnightly)

All areas excluding Rainbow Beach	\$301.00 per annum	\$18.50+\$22.88 per annum *
Rainbow Beach (64 lifts)	\$370.50 per annum	\$18.50+\$22.88 per annum *

Domestic 140 litre waste collection service
(consisting of one 140 litre waste bin serviced weekly and one 240 litre recycling bin serviced fortnightly)

All areas excluding Rainbow Beach	\$262.30 per annum	\$18.50+\$22.88 per annum *
Rainbow Beach (64 lifts)	\$322.80 per annum	\$18.50+\$22.88 per annum *

Additional 240 litre waste only service (serviced weekly)

All areas excluding Rainbow Beach	\$198.80 per annum	\$18.50+\$22.88 per annum *
Rainbow Beach (64 lifts)	\$244.70 per annum	\$18.50+\$22.88 per annum *

Additional 140 litre waste only service (serviced weekly)

All areas excluding Rainbow Beach	\$174.10 per annum	\$18.50+\$22.88 per annum *
Rainbow Beach (64 lifts)	\$214.30 per annum	\$18.50+\$22.88 per annum *

Additional 240 litre recycling only service (serviced fortnightly)

All areas excluding Rainbow Beach	\$88.10 per annum	
Rainbow Beach (64 lifts)	\$108.40 per annum	

Domestic 240 litre waste collection via bin bank service State Government Waste Levy
(consisting of one 240 litre waste bin serviced weekly and one 240L recycling bin serviced fortnightly)

For areas within the region where the Waste Management branch has determined kerbside servicing is not available	\$247.40 per annum	\$18.50+\$22.88 per annum *
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* State Government Waste Levy Rebates of -\$18.50 and -\$22.88 are applied to all domestic assessments to avoid the direct impact on households from the levy. This levy is subject to change at any time within the 2020-2021 financial year.

12.2 Commercial Waste collection services

Council will levy waste collection charges against commercial premises for the removal of commercial waste and recycling unless the Chief Executive Officer or their delegate is satisfied that a waste collection operator has been directly engaged by the ratepayer or tenant, and –

2020-2021 Revenue Statement



- provides a suitable number of bins to contain the volume of waste and recyclables produced at the commercial premises; and
- removes commercial waste and recycling from the premises at least once weekly for commercial waste and once per month for recyclables (or at a greater frequency for food processing waste or other putrescible wastes).

Council offers 240 litre kerbside commercial waste collection services to commercial properties within the declared waste collection service area and other areas by request. All other commercial services are provided by third parties.

Commercial waste collection shall be charged per bin, per empty (referred to as a 'lift'), as per the scheduled waste collection charges.

Commercial waste collection services are supplied at an annual charge for the minimum level of service set by Council, as follows:

- One (1) lift per week for waste and/or one (1) lift per fortnight for recycling; and
- For Rainbow Beach businesses, one (1) additional lift per week for waste and one (1) additional lift per fortnight for recycling during Queensland state school holidays.

Council is able to service waste bins in some areas of the region multiple times per week –

- up to five (5) times per week in Gympie
- up to two (2) times per week at Tin Can Bay and Rainbow Beach (and three times per week at Rainbow Beach during Queensland state school holidays); and
- once per week in other areas of the region.

In the declared waste collection area, and premises receiving additional commercial waste collection services, the following charges will apply for the 2020-2021 financial year:

Commercial 240 litre waste and recycling service (consisting of one 240 litre waste bin serviced weekly and one 240 litre recycling bin serviced fortnightly)		State Government Waste Levy
All areas excluding Rainbow Beach	\$416.10 per annum	\$18.50+\$22.88 per annum
Rainbow Beach (64 lifts for waste, 32lifts for recycling)	\$512.10 per annum	\$18.50+\$22.88 per annum

2020-2021 Revenue Statement



Additional services

State Government Waste Levy

All areas excluding Rainbow Beach

(consisting of one 240 litre waste bin serviced weekly and one 240 litre recycling bin serviced fortnightly)

Commercial 240 litre waste only service \$290.50 per annum \$18.50+\$22.88 per annum

Commercial 240 litre recycling only service \$117.40 per annum

Rainbow Beach

(64 lifts for waste, 32 lifts for recycling)

Commercial 240 litre waste only service \$357.50 per annum \$18.50+\$22.88 per annum

Commercial 240 litre recycling only service \$144.50 per annum

Rainbow Beach Multi-service 240 litre bins \$928.20 per annum \$18.50+\$22.88 per annum

(116 lifts for waste: twice weekly (three times per week during school holidays) and 52 lifts for recycling)

Commercial 240 litre waste only service \$7.60 per lift as required

Commercial 240 litre recycling only service \$4.40 per lift as required

12.3 Pro rata/ Supplementary waste charges

Where the use of particular land varies (e.g. vacant land has a building constructed, or an existing building is altered or extended) the waste collection charge payable in respect of a building within the declared waste collection service area shall be assessed and charged on a pro rata basis from the date of commencement of the service.

12.4 Queensland Waste Levy (*Waste Reduction and Recycling Act 2011* (Qld))

The Queensland Waste Levy commenced 1 July 2019. A charge, 'State Government Waste Levy' (\$18.50+\$22.88 per annum) will be applied to each half yearly rates notice with a waste collection charge. The State Government Waste Levy charge will be applied in relation to each waste collection service.

Council has received an advance payment of \$1,447,116.00 from the Queensland Government to minimise the impact of the Waste Levy on households. Council will distribute this payment to all rates notices with domestic waste collection service charges in each half yearly rates notice. This State Government Waste Levy Rebate (\$18.50+\$22.88 per annum) will appear as a credit on each half yearly rates notice. The remaining portion of the advance payment subsidises the levy cost on waste disposal by households at waste management facilities.

2020-2021 Revenue Statement



Pursuant to the above, all rates notices with a commercial waste collection service will receive an annual State Government Waste Levy charge of \$18.50+\$22.88 for each commercial waste collection service.

All rates notices with a domestic waste collection service will receive an annual State Government Waste Levy charge of \$18.50+\$22.88 for each domestic waste collection service. In addition, these residential rates notices will receive a State Government Waste Levy Rebate of \$18.50+\$22.88 for each charge specified above.

In accordance with Chapter 3, Part 7, Section 73D (4), Council will inform all ratepayers via a statement on all rates notices issued of the amount paid to Council and the purpose of the payment.

12.5 Manumbar Waste Management Operational Charge

Council considers that the costs associated in the delivery of waste management services should be funded by the owners of all occupied land in the Local Government area. Where a rateable assessment of occupied land in the Manumbar area is not provided with a waste collection service, Council will levy a separate utility charge. The amount of the Manumbar waste management operational charge is calculated on the basis of the estimated cost to Council to manage and operate a waste management facility in Manumbar.

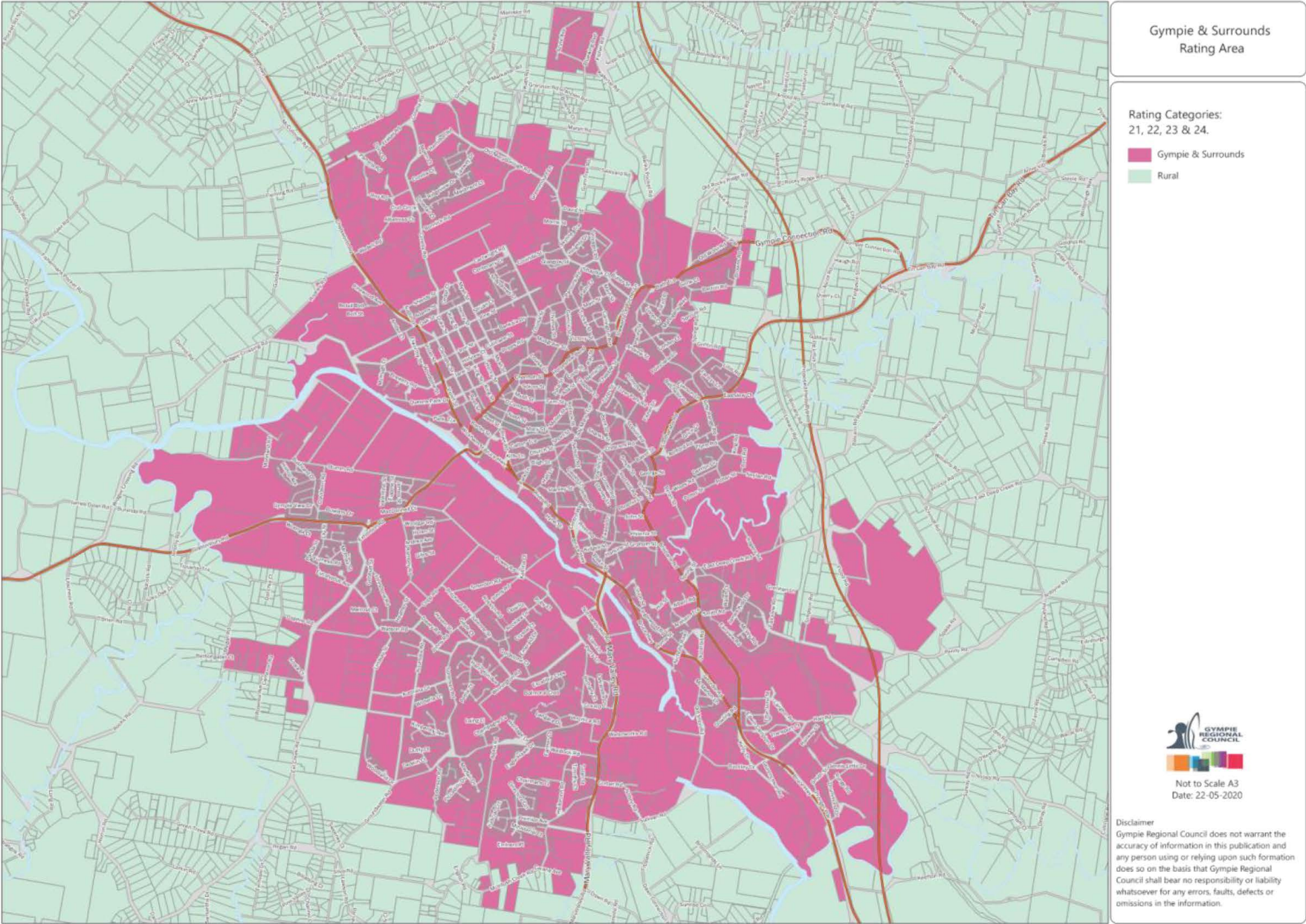
In accordance with Section 99 of the *Local Government Regulation 2012 (Qld)*, a separate utility charge, to be known as a Waste Management Operational Charge in the amount of \$240.10 per annum is to be levied on all rateable assessments in the area of Manumbar as follows:

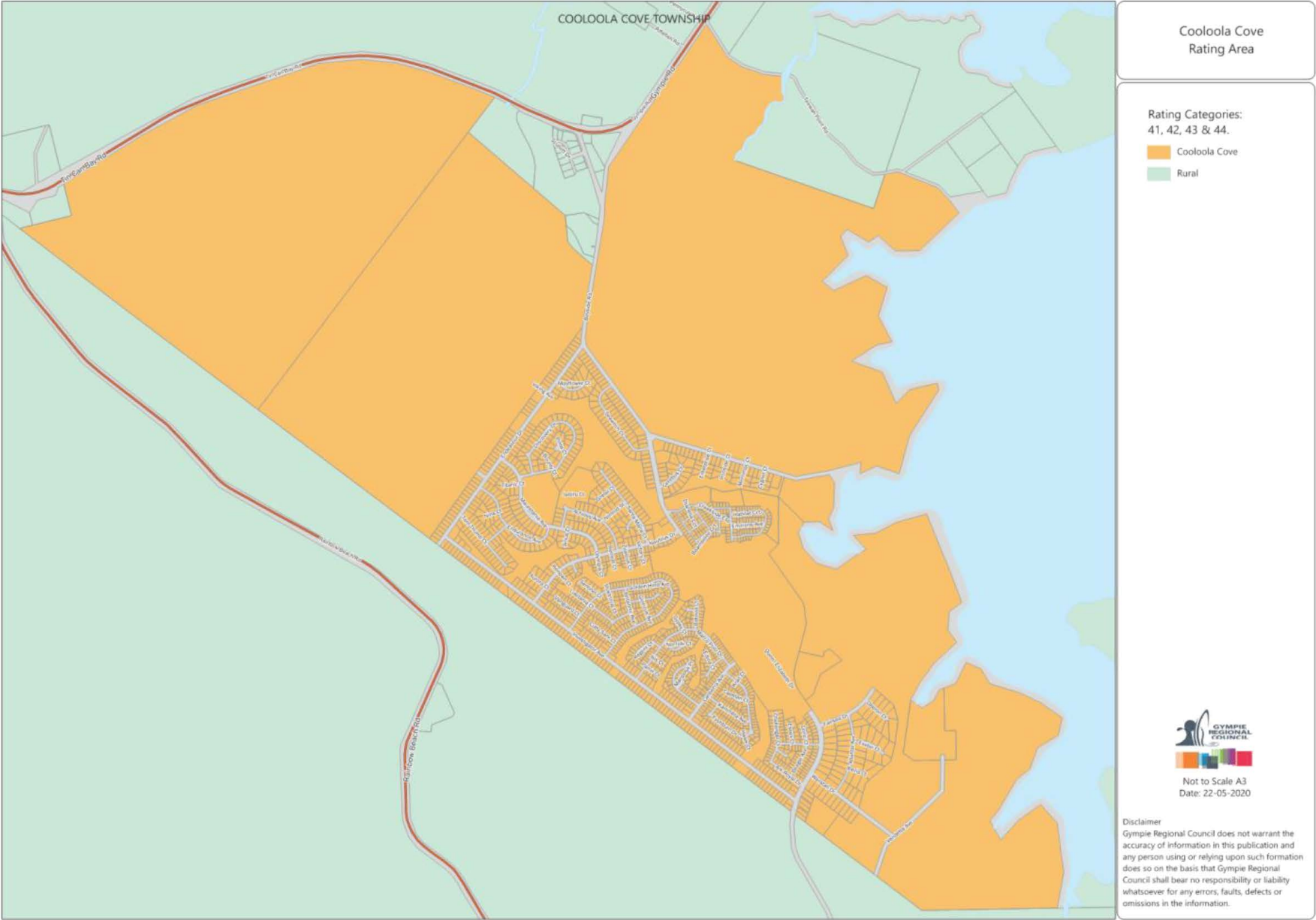
Assessments: 42051, 42052, 42069, 42155, 42157, 42160, 42161, 42162, 42166, 42167, 42168, 42171, 42174, 42181, 42187, 42188, 42189, 42191, 42192, 42194, 42196, 42197, 42199, 42204, 42207, & 42219.

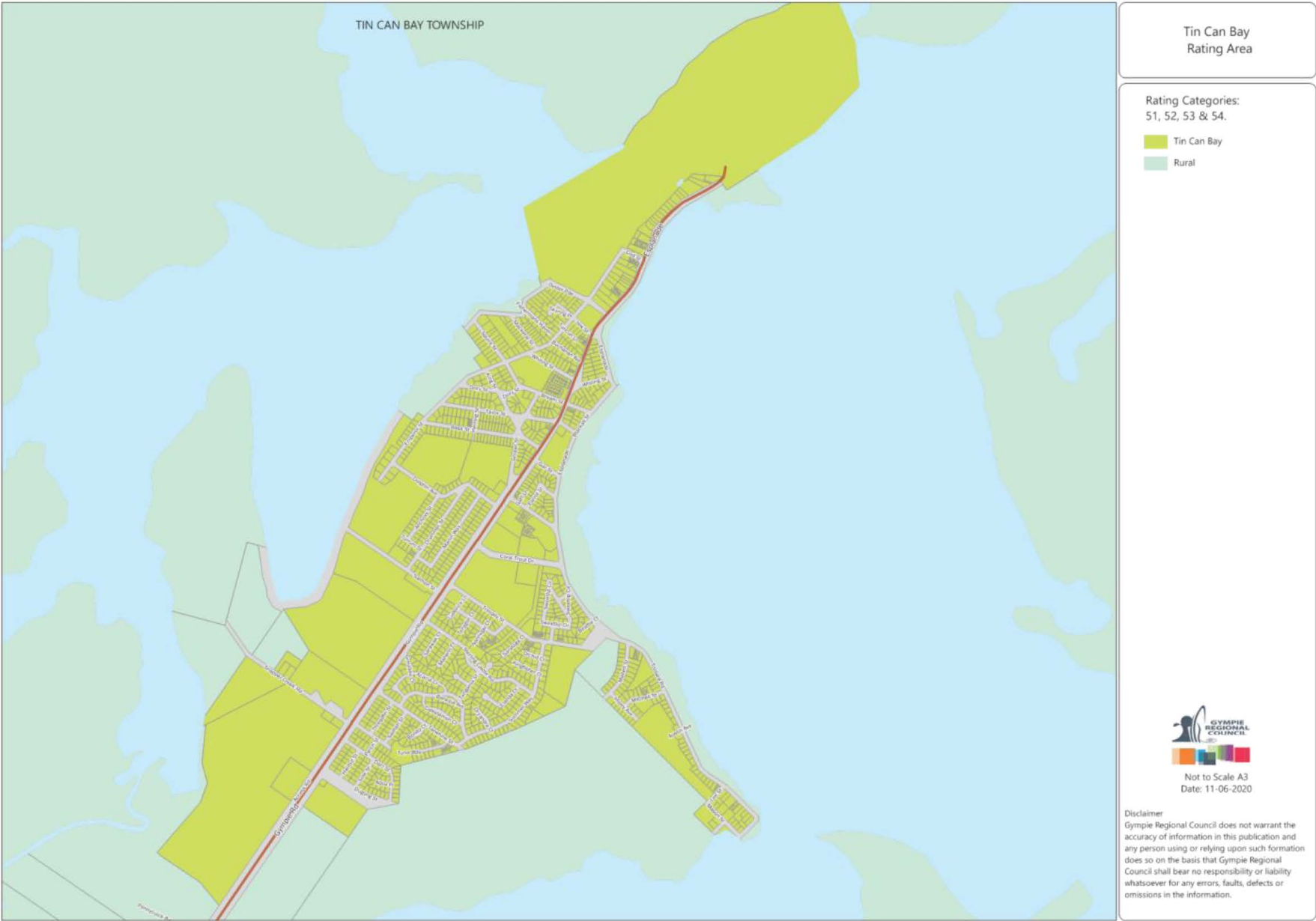
13. Review Trigger

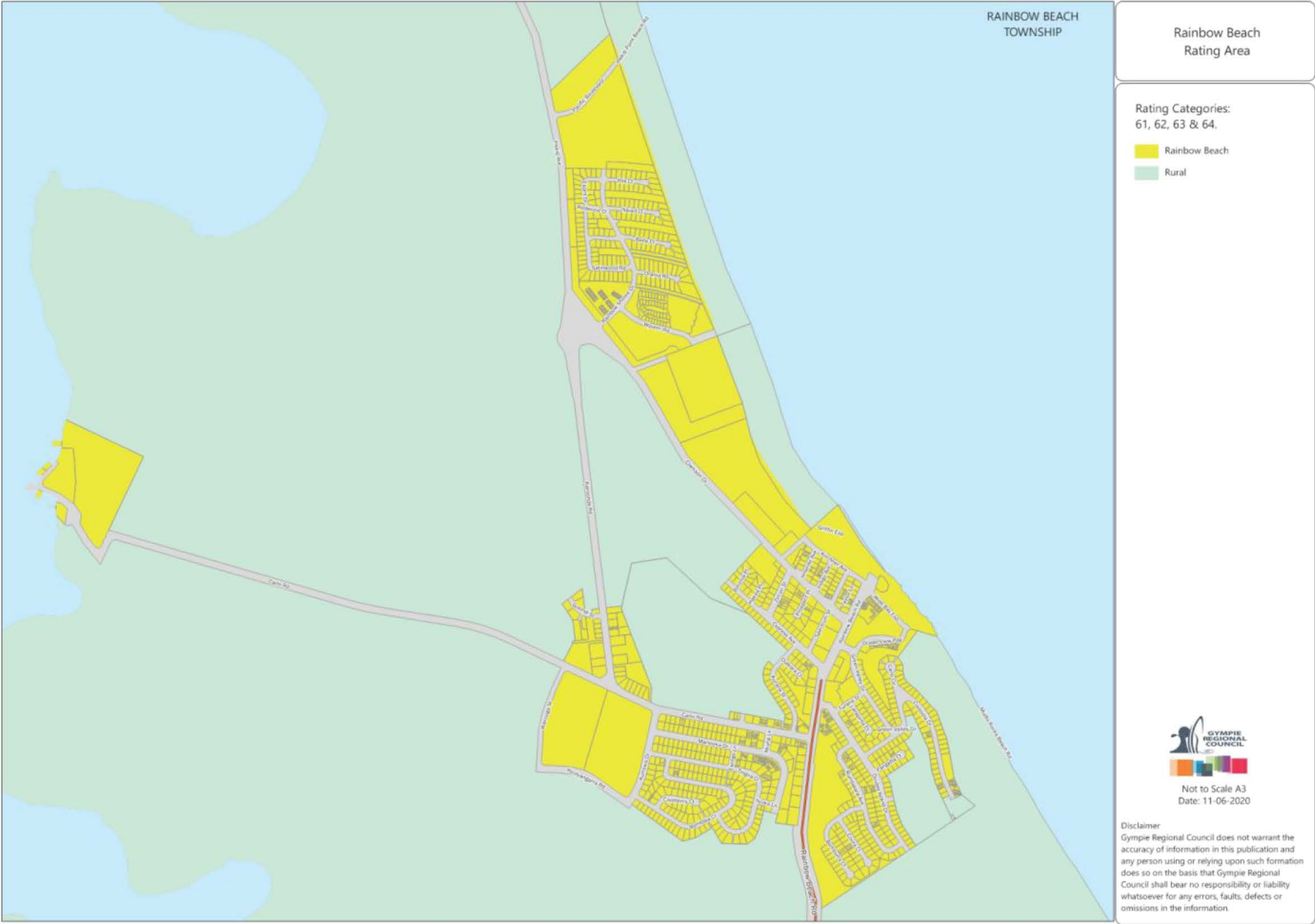
This policy will be reviewed annually, in preparation for the relevant financial year budget.

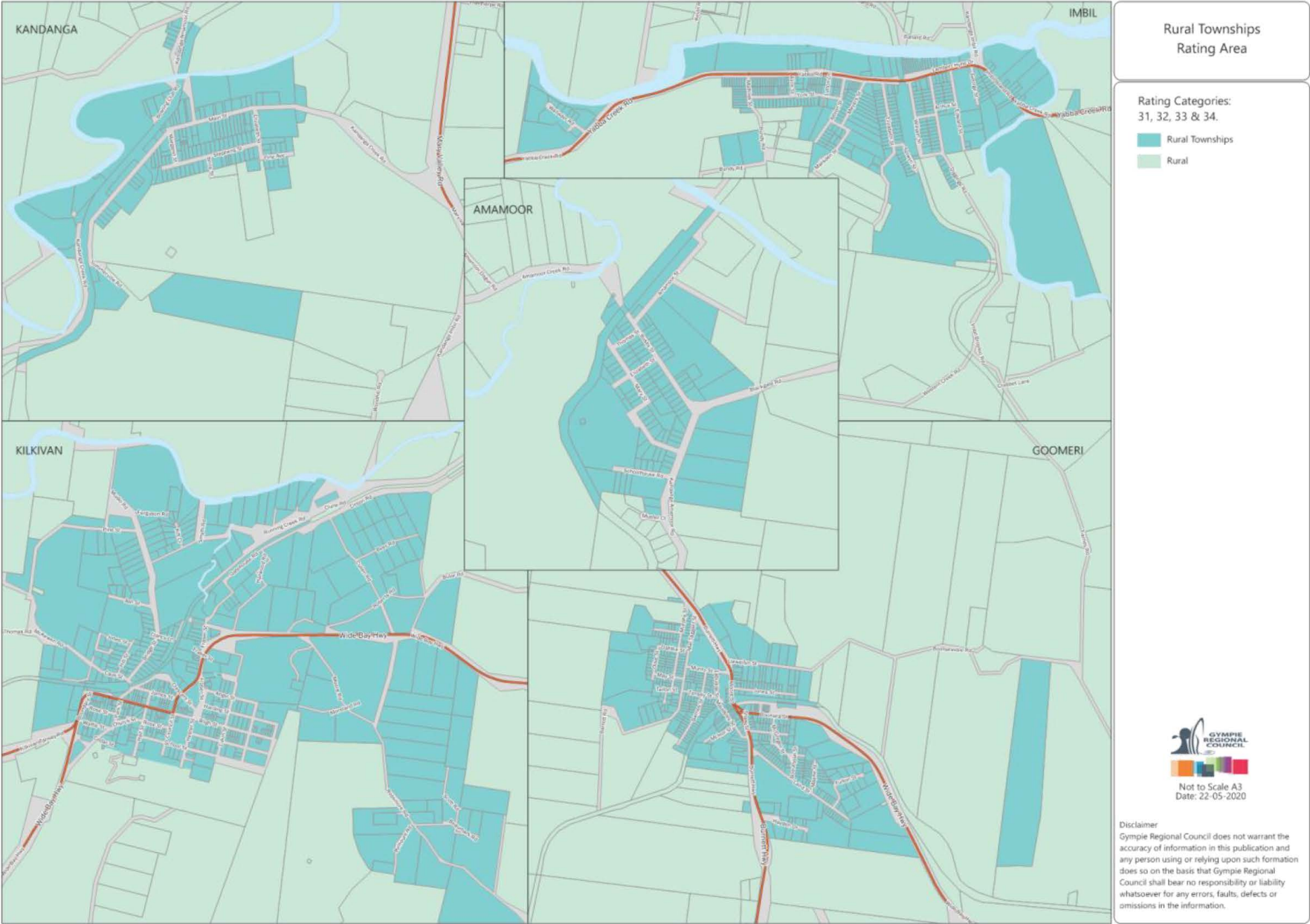


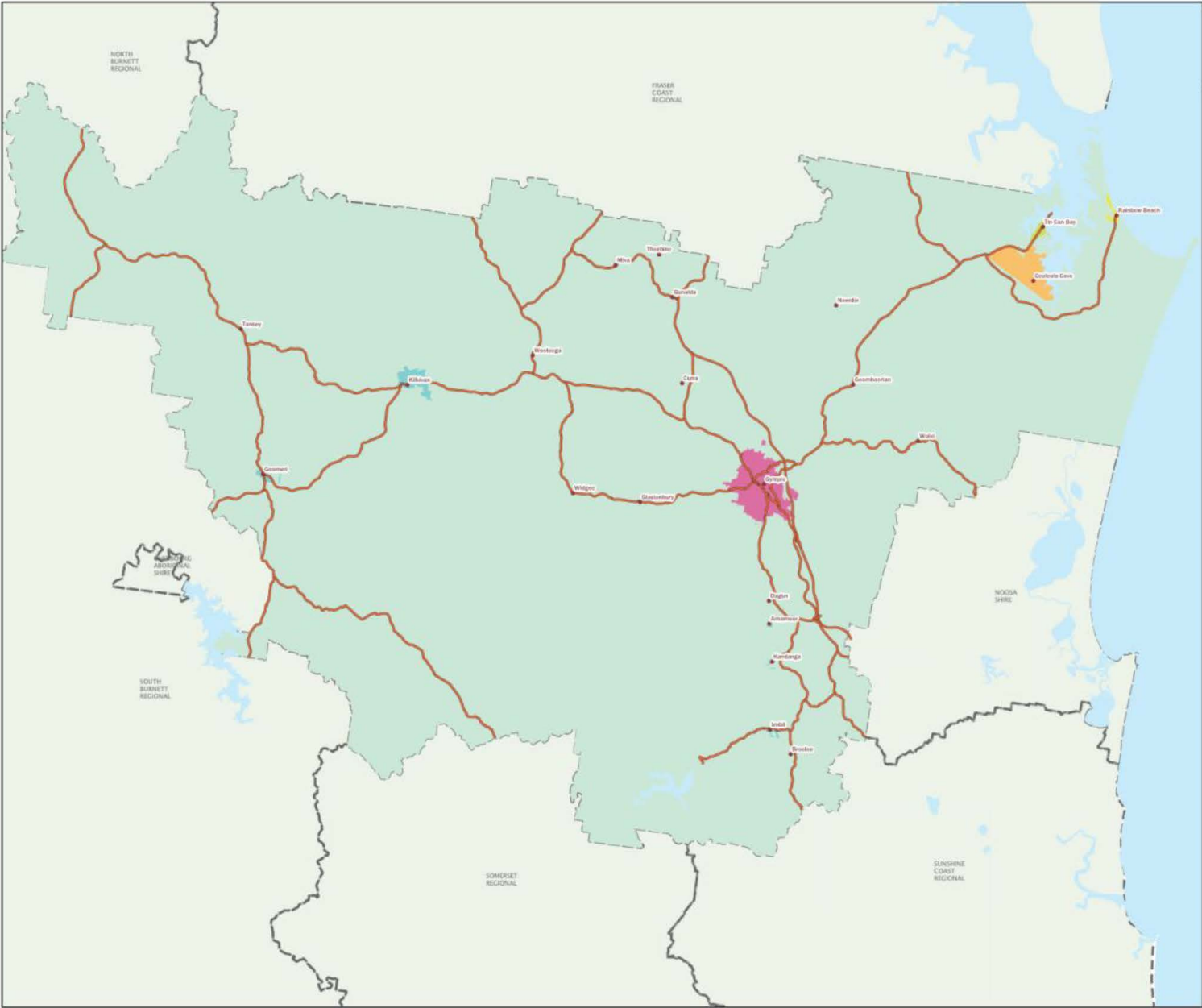












Rural
Rating Area

Rating Categories:
71, 72, 73 & 74.

Rural

Please note:
For categories 31, 32, 33 &
34
refer to the Rural Townships
Rating Area Map for more
detail.

Gympie Regional Council
2020/2021 Budget and Long Term Financial Forecast 2021 to 2030
Statement of Income and Expenditure

Attachment 1.

	2021 \$ Budget	2022 \$ Forecast	2023 \$ Forecast	2024 \$ Forecast	2025 \$ Forecast	2026 \$ Forecast	2027 \$ Forecast	2028 \$ Forecast	2029 \$ Forecast	2030 \$ Forecast
Revenue										
Recurrent revenue:										
Rates & Utility Charges	81.11M	84.38M	86.49M	88.22M	89.98M	91.78M	93.62M	95.49M	97.40M	99.35M
Less Discounts	(4.31M)	(4.33M)	(4.35M)	(4.44M)	(4.53M)	(4.62M)	(4.71M)	(4.81M)	(4.90M)	(5.00M)
Net rates and utility charges	76.80M	80.05M	82.14M	83.78M	85.46M	87.16M	88.91M	90.69M	92.50M	94.35M
Fees and charges	6.45M	7.05M	7.65M	7.80M	7.96M	8.11M	8.28M	8.44M	8.61M	8.78M
Sales, contract and recoverable works	4.05M	4.08M	4.18M	4.27M	4.35M	4.44M	4.53M	4.62M	4.71M	4.81M
Operational Grants & subsidies	8.26M	8.51M	8.72M	8.94M	9.17M	9.40M	9.63M	9.87M	10.12M	10.37M
Interest received	0.96M	1.12M	1.28M	1.40M	1.52M	1.44M	1.51M	1.54M	1.56M	1.59M
Other recurrent income	0.94M	1.11M	1.30M	1.33M	1.36M	1.39M	1.42M	1.46M	1.49M	1.53M
Total recurrent revenue	97.46M	101.93M	105.26M	107.52M	109.80M	111.95M	114.27M	116.62M	118.99M	121.43M
Capital revenue:										
Capital Grants	14.97M	10.80M	11.00M	11.90M	10.40M	15.15M	17.50M	10.50M	10.00M	10.00M
Developer Contributions	1.52M	0.50M	0.30M	-	-	-	-	-	-	-
Gain/(loss) on sale of property, plant & equipment	-	-	-	-	-	-	-	-	-	-
Total capital revenue	16.49M	11.30M	11.30M	11.90M	10.40M	15.15M	17.50M	10.50M	10.00M	10.00M
Total income	113.95M	113.23M	116.56M	119.42M	120.20M	127.10M	131.77M	127.12M	128.99M	131.43M
Expenses										
Recurrent expenses:										
Employee costs	41.14M	39.73M	40.85M	42.01M	42.85M	44.06M	44.94M	46.20M	47.12M	48.45M
Materials and services	37.35M	37.42M	37.80M	38.37M	38.94M	39.53M	40.12M	40.72M	41.33M	41.95M
Depreciation and amortisation	21.18M	22.03M	23.39M	24.59M	24.85M	24.09M	25.72M	26.70M	27.42M	27.88M
Finance costs	1.24M	1.32M	1.40M	1.33M	1.25M	1.17M	1.08M	0.98M	0.87M	0.77M
Total recurrent expenses	100.91M	100.50M	103.45M	106.29M	107.89M	108.84M	111.86M	114.61M	116.75M	119.05M
Result from ordinary activities	13.04M	12.73M	13.11M	13.12M	12.31M	18.26M	19.92M	12.51M	12.24M	12.38M
Operating Result	(3.45M)	1.43M	1.81M	1.22M	1.91M	3.11M	2.42M	2.01M	2.24M	2.38M

Business Units

Recurrent revenue:

Total recurrent revenue

Recurrent expenses:

Total recurrent expenses

Water Business	Waste	
Unit	Management Unit	Building Services
2020	2020	2020
\$	\$	\$
Budget	Budget	Budget
23.38M	7.65M	
0.38M	2.60M	1.57M
0.04M	-	-
-	1.03M	-
-	-	-
-	-	-
0.69M	-	-
24.48M	11.28M	1.57M
3.88M	0.78M	0.87M
5.40M	9.66M	0.14M
7.36M	0.20M	-
-	-	-
0.73M	0.33M	-
0.05M	-	-
17.42M	10.97M	1.01M
7.07M	0.30M	0.56M

Gympie Regional Council
2020/2021 Budget and Long Term Financial Forecast 2021 to 2030
Statement of Financial Position

	2021 \$ Budget	2022 \$ Forecast	2023 \$ Forecast	2024 \$ Forecast	2025 \$ Forecast	2026 \$ Forecast	2027 \$ Forecast	2028 \$ Forecast	2029 \$ Forecast	2030 \$ Forecast
Current assets										
Cash assets and cash equivalents	27.26M	32.38M	35.96M	38.98M	34.32M	36.83M	37.97M	38.00M	38.74M	37.30M
Other inventory	2.04M	2.04M	2.04M	2.04M	2.04M	2.04M	2.04M	2.04M	2.04M	2.04M
Receivables	7.93M	8.29M	8.55M	8.70M	8.90M	9.08M	9.27M	9.43M	9.65M	9.85M
Total current assets	37.23M	42.71M	46.55M	49.72M	45.27M	47.96M	49.28M	49.48M	50.44M	49.20M
Non-current assets										
Receivables	0.95M	0.95M	0.95M	0.95M	0.95M	0.95M	0.95M	0.95M	0.95M	0.95M
Property, plant and equipment	1132.27M	1155.21M	1170.33M	1177.75M	1203.57M	1222.47M	1244.64M	1265.50M	1293.71M	1303.90M
Intangible assets	1.26M	3.13M	4.02M	4.70M	3.87M	3.04M	2.21M	1.38M	0.64M	0.21M
Capital works in progress	40.99M	37.50M	33.19M	35.29M	42.16M	39.59M	43.89M	38.29M	37.64M	37.64M
Total non-current assets	1175.47M	1196.78M	1208.49M	1218.69M	1250.55M	1266.05M	1291.69M	1306.12M	1332.94M	1342.70M
Total assets	1212.70M	1239.50M	1255.04M	1268.41M	1295.82M	1314.01M	1340.97M	1355.60M	1383.38M	1391.90M
Current liabilities										
Trade and other payables	6.46M	6.35M	6.47M	6.60M	6.73M	6.88M	7.00M	7.14M	7.28M	7.44M
Borrowings	1.94M	2.61M	2.87M	3.19M	3.52M	3.85M	4.15M	4.51M	4.02M	2.68M
Employee payables/provisions	3.34M	3.34M	3.34M	3.34M	3.34M	3.34M	3.34M	3.34M	3.34M	3.34M
Other	2.71M	2.71M	2.71M	2.71M	2.71M	2.71M	2.71M	2.71M	2.71M	2.71M
Total current liabilities	14.44M	15.01M	15.40M	15.83M	16.29M	16.77M	17.20M	17.70M	17.35M	16.16M
Non-current liabilities										
Borrowings	22.82M	29.98M	29.61M	29.42M	29.00M	28.46M	27.60M	26.39M	25.67M	22.99M
Other liabilities	0.26M	0.26M	0.26M	0.26M	0.26M	0.26M	0.26M	0.26M	0.26M	0.26M
Employee payables/provisions	7.96M	7.96M	7.96M	7.96M	7.96M	7.96M	7.96M	7.96M	7.96M	7.96M
Total non-current liabilities	31.03M	38.20M	37.82M	37.63M	37.22M	36.67M	35.82M	34.60M	33.88M	31.21M
Total liabilities	45.48M	53.20M	53.22M	53.47M	53.51M	53.44M	53.02M	52.30M	51.23M	47.37M
Net community assets	1167.22M	1186.29M	1201.82M	1214.94M	1242.30M	1260.56M	1287.95M	1303.30M	1332.15M	1344.53M
Community equity										
Asset revaluation reserve	396.87M	403.21M	405.62M	405.62M	420.67M	420.67M	428.14M	430.98M	447.59M	447.59M
Retained surplus (deficiency)	770.36M	783.09M	796.20M	809.32M	821.63M	839.89M	859.81M	872.32M	884.56M	896.94M
Total community equity	1167.22M	1186.29M	1201.82M	1214.94M	1242.30M	1260.56M	1287.95M	1303.30M	1332.15M	1344.53M

Gympie Regional Council
2020/2021 Budget and Long Term Financial Forecast 2021 to 2030
Statement of Cash Flows

	2021 \$ Budget	2022 \$ Forecast	2023 \$ Forecast	2024 \$ Forecast	2025 \$ Forecast	2026 \$ Forecast	2027 \$ Forecast	2028 \$ Forecast	2029 \$ Forecast	2030 \$ Forecast
Cash flows from operating activities:										
Receipts from customers	99.15M	100.45M	103.73M	105.96M	108.09M	110.32M	112.58M	114.91M	117.21M	119.64M
Payment to suppliers and employees	(81.94M)	(77.38M)	(78.65M)	(80.37M)	(81.78M)	(83.56M)	(85.06M)	(86.92M)	(88.44M)	(90.37M)
Interest received	0.96M	1.12M	1.28M	1.40M	1.52M	1.44M	1.51M	1.54M	1.56M	1.59M
Finance costs	(1.12M)	(1.20M)	(1.28M)	(1.21M)	(1.13M)	(1.05M)	(0.95M)	(0.86M)	(0.74M)	(0.64M)
Net cash inflow (outflow) from operating activities	17.05M	22.99M	25.07M	25.78M	26.69M	27.16M	28.07M	28.68M	29.59M	30.22M
Cash flows from investing activities:										
Payments for property, plant and equipment	(40.99M)	(37.50M)	(33.19M)	(35.29M)	(42.16M)	(39.59M)	(43.89M)	(38.29M)	(37.64M)	(37.64M)
Subsidies, donations and contributions for new capital expenditure	16.49M	11.30M	11.30M	11.90M	10.40M	15.15M	17.50M	10.50M	10.00M	10.00M
Proceeds from sale of property, plant and equipment	0.50M	0.50M	0.50M	0.50M	0.50M	-	-	-	-	-
Net cash inflow (outflow) from investing activities	(24.00M)	(25.70M)	(21.39M)	(22.89M)	(31.26M)	(24.44M)	(26.39M)	(27.79M)	(27.64M)	(27.64M)
Cash flows from financing activities										
Proceeds from borrowings	9.00M	9.77M	2.50M	3.00M	3.10M	3.30M	3.30M	3.30M	3.30M	-
Repayment of borrowings	(1.32M)	(1.93M)	(2.61M)	(2.87M)	(3.19M)	(3.52M)	(3.85M)	(4.15M)	(4.51M)	(4.02M)
Net cash inflow (outflow) from financing activities	7.68M	7.84M	(0.11M)	0.13M	(0.09M)	(0.22M)	(0.55M)	(0.85M)	(1.21M)	(4.02M)
Net increase (decrease) in cash held	0.72M	5.13M	3.57M	3.02M	(4.65M)	2.50M	1.14M	0.04M	0.74M	(1.44M)
Cash at beginning of reporting period	26.53M	27.26M	32.38M	35.96M	38.98M	34.32M	36.83M	37.97M	38.00M	38.74M
Cash Balance	27.26M	32.38M	35.96M	38.98M	34.32M	36.83M	37.97M	38.00M	38.74M	37.30M

Gympie Regional Council
2020/2021 Budget and Long Term Financial Forecast 2021 to 2030
Statement of Changes in Equity

	2021 \$ Budget	2022 \$ Forecast	2023 \$ Forecast	2024 \$ Forecast	2025 \$ Forecast	2026 \$ Forecast	2027 \$ Forecast	2028 \$ Forecast	2029 \$ Forecast	2030 \$ Forecast
Asset revaluation surplus										
Opening balance	383.24M	396.87M	403.21M	405.62M	405.62M	420.67M	420.67M	428.14M	430.98M	447.59M
Increase in asset revaluation surplus	13.63M	6.34M	2.41M	-	15.05M	-	7.47M	2.84M	16.61M	-
Closing balance	396.87M	403.21M	405.62M	405.62M	420.67M	420.67M	428.14M	430.98M	447.59M	447.59M
Retained surplus										
Opening balance	757.32M	770.36M	783.09M	796.20M	809.32M	821.63M	839.89M	859.81M	872.32M	884.56M
Net result	13.04M	12.73M	13.11M	13.12M	12.31M	18.26M	19.92M	12.51M	12.24M	12.38M
Closing balance	770.36M	783.09M	796.20M	809.32M	821.63M	839.89M	859.81M	872.32M	884.56M	896.94M
Total										
Opening balance	1140.56M	1167.22M	1186.29M	1201.82M	1214.94M	1242.30M	1260.56M	1287.95M	1303.30M	1332.15M
Net result	13.04M	12.73M	13.11M	13.12M	12.31M	18.26M	19.92M	12.51M	12.24M	12.38M
Increase in asset revaluation surplus	13.63M	6.34M	2.41M	-	15.05M	-	7.47M	2.84M	16.61M	-
Closing balance	1167.22M	1186.29M	1201.82M	1214.94M	1242.30M	1260.56M	1287.95M	1303.30M	1332.15M	1344.53M

Gympie Regional Council
2020/2021 Budget and Long Term Financial Forecast 2021 to 2030
Relevant Measures of Financial Sustainability

	Target	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Average
Operating Surplus Ratio	Between 0% and 10%	(3.5)%	1.4%	1.7%	1.1%	1.7%	2.8%	2.1%	1.7%	1.9%	2.0%	1.3%
(Net Operating Surplus / Total Operating Revenue) (%)												
Net Financial Asset / Liability Ratio	<= 60%	8.5%	10.3%	6.3%	3.5%	7.5%	4.9%	3.3%	2.4%	0.7%	(1.5)%	4.6%
((Total Liabilities - Current Assets) / Total Operating Revenue)												
Asset Sustainability Ratio	> 90%	108.6%	98.7%	101.3%	102.8%	103.8%	96.1%	98.6%	105.7%	108.6%	105.6%	103.0%
(Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense)												
	Target	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Average
Cash Expense Cover Ratio	> 3	4.2	5.0	5.5	5.8	5.0	5.3	5.4	5.2	5.3	5.0	5.2
Number of months of operations supported by cash balance												

Gympie Regional Council

Percentage Change in Rates Levied from 2019/2020

In accordance with Section 169 of the *Local Government Regulation 2012*, 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 (2020/21) compared with the rates and utility charges levied in the previous budget (2019/20). The calculation of this percentage for a financial year excludes rebates and discounts applied on rates and utility charges.

Gross Rates and Utility Charges

General Rate

Cleansing

Water Access

Water Consumption

Sewerage

Separate Charges

Roads Infrastructure Charge

Economic Development Levy

Environment Levy

Special Charges

Rural Fire Brigade Levy

Moy Pocket Road Maintenance Levy

Backflow Device Registration Fee

Total Rates and Charges Levied

Rates & Charges Levied 2019/20	Budget Rates & Charges 2020/21	% Change from 2019/20 to 2020/21
43.11M	44.63M	3.52%
7.37M	7.65M	3.74%
5.93M	6.17M	3.96%
4.43M	4.77M	7.51%
11.14M	11.63M	4.43%
-	-	
2.98M	3.08M	3.32%
1.69M	1.74M	3.38%
0.95M	0.98M	3.47%
-	-	
0.27M	0.28M	0.36%
0.15M	0.15M	2.74%
0.03M	0.03M	0.00%
78.06M	81.11M	3.91%

Gympie Regional Council
Estimated Financial Position to 30 June 2020
Estimated Statement of Income and Expenditure

Attachment 2.

	2019/2020 \$ Full Year Budget	2019/2020 \$ Forecast	2019/2020 \$ Forecast Variance	2019/2020 \$ Forecast Variance %
Revenue				
Recurrent revenue:				
Rates & Utility Charges	77.47M	78.85M	1.38M	1.78%
Less Discounts	(4.66M)	(4.31M)	0.34M	-7.39%
Net rates and utility charges	72.81M	74.53M	1.72M	2.36%
Fees and charges	10.68M	6.49M	(4.20M)	-39.28%
Sales, contract and recoverable works	3.73M	3.27M	(0.46M)	-12.27%
Operational Grants & subsidies	6.84M	8.27M	1.44M	21.01%
Interest received	0.84M	1.95M	1.11M	131.32%
Other recurrent income	0.50M	1.76M	1.26M	254.75%
Total recurrent revenue	95.39M	96.26M	0.87M	0.92%
Capital revenue:				
Capital Grants	11.61M	13.30M	1.69M	14.57%
Developer Contributions	-	-	-	0.00%
Gain/(loss) on sale of property, plant & equipment	-	(2.14M)	-	0.00%
Total capital revenue	11.61M	11.16M	1.69M	14.57%
Total income	107.00M	107.43M	2.56M	2.40%
Expenses				
Recurrent expenses:				
Employee costs	36.45M	40.81M	4.36M	11.95%
Materials and services	42.33M	40.23M	(2.10M)	-4.96%
Depreciation and amortisation	20.28M	20.29M	0.01M	0.07%
Finance costs	1.37M	1.17M	(0.20M)	-14.59%
Total recurrent expenses	100.42M	102.50M	2.12M	2.11%
Capital expenses:				
		-	-	0.00%
Total Capital Expenses	-	1.56M	-	0.00%
Total Expenses	100.42M	104.06M	3.64M	3.62%
Result from ordinary activities	6.57M	3.37M	(3.21M)	-48.79%
Operating Result	(5.03M)	(6.23M)	(1.20M)	23.85%

**Gympie Regional Council
Estimated Statement of Financial Position
For the Year Ended 30 June 2020**

Current assets

Cash assets and cash equivalents
Other inventory
Receivables

Total current assets

Non-current assets

Receivables
Property, plant and equipment
Intangible assets
Capital works in progress

Total non-current assets

Total assets

Current liabilities

Trade and other payables
Borrowings
Employee payables/provisions
Other

Total current liabilities

Non-current liabilities

Borrowings
Other liabilities
Employee payables/provisions

Total non-current liabilities

Total liabilities

Net community assets

Community equity

Asset revaluation reserve
Retained surplus (deficiency)

Total community equity

	2020 \$ Full Year Budget	2020 \$ Forecast
Cash assets and cash equivalents	20.08M	26.53M
Other inventory	2.93M	2.04M
Receivables	7.75M	10.58M
Total current assets	30.76M	39.16M
Receivables	1.00M	-
Property, plant and equipment	1150.65M	1105.87M
Intangible assets	1.27M	0.82M
Capital works in progress		34.89M
Total non-current assets	1152.92M	1142.53M
Total assets	1183.68M	1181.69M
Trade and other payables	6.47M	9.80M
Borrowings	1.38M	0.98M
Employee payables/provisions	3.73M	3.16M
Other	-	2.71M
Total current liabilities	11.58M	16.83M
Borrowings	17.30M	16.09M
Other liabilities	0.27M	-
Employee payables/provisions	18.29M	0.44M
Total non-current liabilities	35.86M	24.05M
Total liabilities	47.44M	40.88M
Net community assets	1136.24M	1140.82M
Asset revaluation reserve	389.84M	383.24M
Retained surplus (deficiency)	746.41M	757.32M
Total community equity	1136.24M	1140.56M

**Gympie Regional Council
Estimated Statement of Cash Flow
For the Year Ending 30 June 2020**

	\$ Full Year Budget	\$ Forecast
Cash flows from operating activities:		
Receipts from customers	86.41M	98.49M
Payment to suppliers and employees	(80.10M)	(83.71M)
Interest received	0.84M	0.81M
Finance costs	(1.21M)	(1.21M)
Other	6.78M	-
Net cash inflow (outflow) from operating activities	12.72M	14.38M
Cash flows from investing activities:		
Payments for property, plant and equipment	(31.81M)	(35.09M)
Subsidies, donations and contributions for new capital expenditure	9.26M	11.61M
Proceeds from sale of property, plant and equipment	0.50M	0.50M
Net Movement In Loans and advances		-
Net transfer (to) from cash investments		-
Net cash inflow (outflow) from investing activities	(22.05M)	(22.98M)
Cash flows from financing activities		
Proceeds from borrowings	1.50M	-
Repayment of borrowings	(1.23M)	(1.23M)
Net cash inflow (outflow) from financing activities	0.27M	(1.23M)
Net increase (decrease) in cash held	(9.06M)	(9.83M)
Cash at beginning of reporting period	27.40M	36.36M
Cash Balance	18.34M	26.53M

Gympie Regional Council
Proposed Capital Works Listing 2020/21

Attachment 3.

Asset Category	Project Title	Proposed Budget 2020/21
Buildings	Office Accommodation Relocations	100,000
Buildings	Allbert Park - Spectator Seating Replacement	60,000
Buildings	Amamoor Station - Village Green	71,783
Buildings	Roof Upgrades to Major Venues	188,500
Buildings	Public Amenities Wastewater Upgrade	220,000
Buildings	Ellgin Vale Saw Mill Museum Renewal	50,000
Buildings	Lower Wonga Hall Upgrade	200,000
Buildings	Woolooga Memorial Precinct	140,000
Buildings	Wolvi Community Facility Kitchen Upgrade	20,000
Buildings	Gympie Civic Centre Upgrade	1,400,000
Buildings	Saleyards - Canteen Upgrade & Amenities	100,000
Buildings	Tin Can Bay Swimming Pool	50,000
Buildings	Kilkivan Equestrian Stage 2	375,000
Buildings	Upgrade to Goomeri Pool	509,000
Buildings	Community Hall Structural Upgrades	55,000
Buildings	Traveston Visitor Information Centre Fit Out	80,000
Buildings	Information Centre Upgrades	248,410
Buildings	Reservoir Improvements	610,000
Information Systems	M365 Software Implementation	333,700
Information Systems	Cloud Backup Implementation	247,350
Information Systems	Server and Storage Blue Print	53,700
Information Systems	Authority Upgrade to 7.1 and Renovations	253,940
Information Systems	Smart Fees Software Implementation	9,000
Information Systems	On-Line Applications	75,000
Information Systems	On-Line Certificates	22,000
Information Systems	Enterprise Access Control System	172,150
Information Systems	Asset Management	92,100
Information Systems	Fleet Business Intelligence System	14,000
Information Systems	Intelligent Scanning (Records)	25,000
Information Systems	Network Fleet PCs Renewal Program	122,000
Intangible	Planning Scheme	745,434
Land	Land Acquisition - Future Sporting Fields	1,000,000
Land Improvements	Outdoor fitness equipment upgrade Tin Can Bay	200,744
Land Improvements	Lions Park Kilkivan - BBQ Upgrade	5,000
Land Improvements	Outdoor fitness equipment upgrade Tin Can Bay	70,000
Land Improvements	All Abilities Playground Renewal Works	80,000
Land Improvements	Kilkivan Town Centre Gardens Upgrade	5,000
Land Improvements	Billabong Park Skate Facility	165,000
Land Improvements	Irrigation One Mile Sports Complex	165,000
Land Improvements	Gympie Hockey Complex - Install irrigation in Lower Hockey Fields	95,000
Land Improvements	Goomeri Skate Facility Module replacement	85,000
Land Improvements	Albert Park - Discus/hammer cage replacement	40,000
Land Improvements	Chatsworth Park Land Application Area Fencing	12,000
Land Improvements	Tourism Initiatives	1,088,073
Misc	Gympie Regional Transfer Station	3,500,000
Misc	Station Road Footbridge	164,756
Misc	Tin Can Bay Bird Hide	36,880
Misc	Cultural Network Signage Upgrade	135,000
Misc	Saleyards Renewals and Upgrades	300,000
Misc	Caravan Park Renewals	60,000
Misc	Our Towns Rainbow Beach Project	500,000
Misc	RV Strategy Implementation	135,000
Misc	Kilkivan Kingaroy Rail Trail Upgrades	223,352
Plant and Equipment	File Replacement	2,400,000
Roads, Drainage, Bridges	Infrastructure Projects - Roads, Pathways, Bridges	17,375,732
Sewerage	G5 Sewage Pump Station Bypass	1,705,000
Sewerage	Water Treatment Plant Water Quality Instrumentation Upgrades	50,000
Sewerage	Sewage Treatment Plant Automation Instrumentation	100,000
Sewerage	Sewerage Mechanical and Electrical Renewals	200,000
Sewerage	Sewage Pump Station Screened Over Flow	50,000
Sewerage	Sewerage Services - Combined Drains Program	50,000

Proposed Capital Works Listing 2020/21

Asset Category	Project Title	Proposed Budget 2020/21
Sewerage	Sewage Treatment Plant Renewal and Upgrade	300,000
Sewerage	Effluent Irrigation Goomeri	50,000
Sewerage	Sewerage Electrical Switchboard Program	100,000
Sewerage	Goomeri Sewage Treatment Plant Land Acquisition	250,000
Water	Concept Design of Forward Capital Program	150,000
Water	Water Treatment Plants Renewal and Upgrade Program	900,000
Water	Water Meters Replacement Program	300,000
Water	Water Mechanical and Electrical Renewals Program	400,000
Water	Water Electrical Switchboards Program	100,000
Water	Water Fill Station (Tanker Standpipe Credit Card Stations)	100,000
Water	Water Supervisory Control and Data Acquisition (SCADA) Program	500,000
Water	Water Mains Renewal and Upgrade (Fireflow) Program	192,500
Water	Water Main Fittings (Valves, Tee and Hydrants)	100,000
Water	District Metered Area - Zone Metering	100,000
Water	Replacement of Water Mains	807,500
		40,989,604

Council Policy



Document Control	
Policy Title	<i>Financial Sustainability Policy</i>
Doc ID No	
Responsible Directorate	Corporate Services /CFO
Responsible Position	Manager Finance & Risk
Date Review Due	31 March 2021

Version	Council Meeting Date (Date of Adoption/Review)	Minute Number
1.0	29 June 2020	

1. Purpose

This policy outlines Gympie Regional Council's commitment to the responsible management of Council's financial resources now and into the future.

2. Scope

This policy relates to the financial operations of Council and underpins the annual budget process and the strategic management of Council's finances.

3. Related Legislation

Local Government Act 2009 (the Act)

Local Government Regulation 2012 (the Regulation)

4. Related Documents

Council's Corporate Plan (2017-2022)

Reviewed: 14 July 2020

Page 1 of 4

Policy: Financial Sustainability

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Council Policy



5. Definitions

To assist in interpretation of this policy the following definitions apply:

- Operating Surplus – an operating surplus is achieved when operating revenues are greater than operating expenses (including depreciation and interest on debt).

6. Policy Statement

Council has a responsibility to ensure that it has sufficient resources now and into the future to provide levels of service that are both affordable and at a level considered appropriate by the community. This responsibility encompasses how decisions are made regarding the allocation of ratepayer funds to Council's day to day operations as well as towards the replacement of existing assets and the procurement of new assets.

Responsible ongoing financial management by Council will achieve the following objectives:

- Council operates in an efficient and effective manner, minimising general rate increases
- Ongoing operating surpluses to ensure Council's equity is not degraded and future financial risk can be adequately mitigated
- Appropriate collection of cash funds for ongoing infrastructure and asset replacement and renewal
- Informed decisions are made on discretionary new operating and/or capital investment proposals (i.e. business cases including whole of life cost analysis)
- Infrastructure and assets are maintained to required service levels
- Debt levels are minimised and returns on cash holdings maximised
- Achievement of the financial sustainability benchmarks set by legislation.

The key measurement criteria for whether Council is achieving its financial sustainability objectives over the short and medium term are the three financial sustainability ratios required to be published under legislation, namely the:

- Operating surplus ratio;
- Net financial liabilities ratio; and
- Asset sustainability ratio.

In addition to the above statutory ratios, Council will use the cash coverage ratio to maintain adequate cash for general operations. The cash coverage ratio measures the number of months of operations supported by the cash balance. The target benchmark is three months.

Other financial ratios may also be used from time to time to measure the performance of other key financial metrics.

Reviewed: 14 July 2020

Page 2 of 4

Policy: Financial Sustainability

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Council Policy



Council's current and expected financial sustainability performance will be measured and reported against the benchmarks for these ratios set by the state government and recommended by the Queensland Treasury Corporation (QTC).

Operating surplus ratio

Council will develop financial plans to ensure that it achieves an operating surplus for 2021-2022 and maintains an operating surplus within the required benchmarks each year over the remaining life of the ten-year financial plan. The operating surplus ratio is one of the three key measures of financial sustainability required under legislation. It calculates the operating surplus (or deficit) as a percentage of Council operating revenue. The target operating surplus ratio set by the state government is between 0% and 10%.

Council will ensure that expenditure on goods and services to meet established service levels will be undertaken efficiently and effectively. This will be achieved via the development of the annual operating expenditure budget within the guiding parameters contained within the Long Term Financial Plan and the service delivery objectives outlined by the Mayor and Councillors. Expenditure management outcomes will be measured by how Council performs annually against its operating and capital expenditure budget allocations.

Net Financial liabilities ratio and Debt management

New debt will only be incurred as part of Council's strategic approach to liquidity management that considers the minimisation where possible of surplus cash holdings; and intergenerational equity requirements.

The net financial liabilities ratio is one of the three key measures of financial sustainability required under legislation. The net financial liabilities ratio represents Council's net financial liabilities (total liabilities less current assets) expressed as a percentage of total operating revenue. A negative percentage indicates that current assets exceed total liabilities. The target net financial liabilities ratio set by the state government is less than 60%.

Council will adopt a conservative approach to new debt to ensure that the net financial liabilities ratio is below the target over the life of the ten-year financial plan. New debt that may be required to assist with the funding of infrastructure to cater for population growth will be considered on a case by case basis.

Asset sustainability ratio and Asset management

Council will ensure that it maintains its infrastructure and assets on an ongoing basis to ensure that services are able to be provided effectively to the community.

The asset sustainability ratio is one of the three key measures of financial sustainability required under legislation. This ratio is calculated by measuring the annual expenditure on the renewal and rehabilitation of Council's assets against the annual depreciation charge. It is a measure of whether Council is reinvesting appropriately in existing infrastructure assets.

Reviewed: 14 July 2020

Page 3 of 4

Policy: Financial Sustainability

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Council Policy



Council will target over the life of the ten-year financial plan to achieve an average minimum asset sustainability ratio of 90% (including plant, fleet and office equipment renewals) consistent with the benchmark although condition-based renewal forecasts may demonstrate a percentage lower than 90% in any given year.

Council will establish asset management plans for its asset and infrastructure classes which will incorporate annual maintenance financial estimates as well as ten-year renewal / replacement forecasts developed from regular asset condition assessments. Asset management plan financial forecasts will be incorporated into Council's ten-year financial plan and annual budget as they are developed to ensure financial sustainability implications are appropriately considered.

Annual depreciation forecasts will be developed on an asset by asset basis utilising methodology endorsed by the Queensland Audit Office, with assets regularly revalued in accordance with legislative requirements.

Financial analysis for all new and replacement capital projects will be used to inform Council of whole of life costing implications associated with each project.

Full cost pricing

Council will ensure that competitive neutrality and full cost pricing outcomes required under legislation with respect to its business activities are complied with on an annual basis.

Commercial opportunities

New commercial opportunities will only be considered if they provide value for money to the community and have a positive net impact on overall general rate funding requirements of Council.

The QTC project decision framework will be utilised for business case analysis for all new identified commercial opportunities. The outcomes from the analysis will be used to inform Council of whole of life costing implications associated with each commercial proposal.

7. Review Trigger

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

1. The related legislation/documents are amended or replaced.
2. Other circumstances as determined from time to time by a resolution of Council
3. As initiated by the Chief Executive Officer or Executive Team.
4. Periodic Review – Annually

Reviewed: 14 July 2020

Page 4 of 4

Policy: Financial Sustainability

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Long Term Financial Plan

2020-2021 to 2029-2030

Contents

Introduction	3
Background	3
Council's Financial History	3
Current Financial Situation	3
Strategic Alignment.....	4
Legislative Requirements.....	4
Policy Linkages	5
Financial Sustainability Policy	5
Revenue Policy	5
Revenue Statement	5
Debt Policy	5
Investment Policy.....	6
Strategic Planning Linkages.....	6
Asset Management Planning	6
Assumptions & Risks	6
Sources of Information	7
Identified Risks.....	7
Key Plan Outcomes	8
Rating Revenues.....	8
General Rates.....	10
Water Charges	10
Sewerage Charges.....	11
Waste Charges	11
Separate & Special Charges	12
Other Revenues	12
Fees & Charges.....	12
Sales Revenue	13
Interest & Investment Income	13
Grants & Subsidies	13
Other Revenue	14
Employee Costs.....	14

Materials and Services	15
Finance Costs	16
Depreciation.....	16
Capital Revenues.....	17
Capital Expenditure.....	17
Cash and Investments	17
Other Assets	18
Liabilities	18
Ratio Analysis	18
Key Sustainability Ratios	18
Operating Surplus Ratio	19
Net Financial Asset/Liability Ratio	19
Asset Sustainability Ratio	19
Other Sustainability Ratios.....	20
Cash Coverage Ratio	20
Sensitivity Analysis	21
Forecast Financial Statements 2021 - 2030.....	23
Statement of Income and Expenditure.....	24
Statement of Financial Position	25
Statement of Changes in Equity.....	26
Statement of Cash Flows	27

Introduction

In this long term financial plan Council seeks to provide detailed information on the parameters that have been used in developing the 2020-2021 Budget and Long Term Financial Forecast. The plan also provides guidance on Council's financial priorities for future budget development, although it is acknowledged that this plan does not "lock in" Council to any particular position for future budgets.

As with any long term forecast, it is based on the best information available at the time of preparation and there are many factors which will influence the actual outcomes over the years outlined in the plan. The plan will be updated at least annually as part of the budget development process or in response to major changes in Council's financial situation as they occur.

The content of this plan is in line with the items identified by the Queensland Audit Office as forming part of a 'better practice' long term financial plan.

Background

Council's Financial History

For four of the five financial years between 2016 and 2020, Council experienced operating deficits as increases in expenditure have continued to outstrip revenues. This culminated in a large deficit of nearly \$12.00M in 2019 with the forecast deficit for 2020 being \$6.23M. During this period there was also significant capital expenditure on new assets including the aquatic centre in Gympie, an equestrian centre at Kilkivan, and the reinstatement and operation of the Rattler railway.

The successive increase in operating costs and capital works has reduced Council's cash balances from \$71.34M in 2016 to \$26.53M (Original Budget \$18.34M) in 2020 and with financial forecasts also indicating the possibility of Council being unable to fund its ongoing operations in the short term.

Current Financial Situation

The 2020-2021 budget is the first budget of the newly elected Council and is seeking to return the Council's financial results back into surplus from 2021-2022 and to maintain subsequent surpluses for the life of the long term plan.

With its first budget of the new term, Council wants to provide a framework for securing its financial sustainability over the life of the forecast period. To achieve this, it aims for:

- A review of operations, staffing structures and service levels to focus on core services and efficiencies
- Operating surpluses for the forecast period from 2021-2022
- Minimal increases in rates from year to year consistent with providing adequate services and maintaining financial sustainability
- Responsible management of short term COVID-19 economic impacts in the context of a long term outlook
- Renewed focus on renewal of assets using condition assessment data
- Improved management of cash through more effective use of debt and maintaining an appropriate level of cash reserves to support Council's operations.

The forecast level of capital expenditure contained within the forecast is indicative of the levels required to maintain Council's asset sustainability ratio at above the recommended threshold. The development of comprehensive asset management plans, identification of levels of service, and the subsequent improvement in asset condition data will in turn improve the outputs from the asset management plans for each class of assets and ensure a more realistic forecast of the required levels of expenditure.

Council remains sensitive to the impacts of the COVID-19 pandemic both on the community and Council; however, it is important that in implementing any support measures, they are done so in a way that mitigates long-term impacts on Council's financial sustainability. Regular reviews of the budget versus actual results and the level of outstanding rates and charges and debtors will inform future responses to the current economic situation.

Strategic Alignment

Legislative Requirements

The following table outlines the sections of the legislation relating to financial sustainability:

Section	Description
LGA s104(2)	Definition of sustainable local government.
LGA s104(5)	Components of a financial management system.
LGR s167	Requirement for a long-term asset management plan.
LGR s168	Contents of a long-term asset management plan.
LGR s169(2)(a)	Long-term financial forecast must be included in budget process.
LGR s169(5)	Measures of financial sustainability.
LGR s171(1)	Definition of a long-term financial forecast.
LGR s171(2)	Annual review of long-term financial forecast.
LGR s176	Current year financial sustainability statement and Long-term financial sustainability statement must be prepared.
LGR s178(1)	Current year financial sustainability statement requirements.
LGR s178(2)	Long-term financial sustainability statement requirements.
LGR 179(2)(c)	Measures of financial sustainability to be included in community financial report.
LGR s183(b) & (c)	Must include current year and long-term financial sustainability statements in the annual report.
LGR s212(1)	Current year financial sustainability statement to be audited.
LGR s212(2)	Long-term financial sustainability to be provided to Auditor General for information.

LGA = Local Government Act 2009, LGR = Local Government Regulation 2012

Council is fully compliant with the requirements of legislation and the adoption of this Long Term Financial Plan is in addition to these requirements. A Long Term Financial Plan is considered to be an example of a better practice approach to financial sustainability.

Policy Linkages

The long term financial plan is influenced by the following policy documents. The policies are reviewed on an annual basis and adopted as part of the budget process.

Financial Sustainability Policy

For the 2020-2021 and subsequent financial years Council is adopting a policy outlining its objectives to achieve financial sustainability. The policy covers the key principles as they relate to operating surpluses, expenditure management, asset management, debt, commercial opportunities and the ratios Council will use to measure financial sustainability.

Revenue Policy

Section 169 (2) (c) of the *Local Government Regulation 2012* requires Council to include a Revenue Policy in its annual budget.

The purpose of the Revenue Policy is to set out the principles used by Gympie Regional Council for the making and levying rates and charges, determining the purpose of and the granting of concessions for rates and charges, recovering overdue rates and charges, methods for setting cost recovery fees, and the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

Revenue Statement

Section 169(2)(b) of the *Local Government Regulation 2012* requires Council to include a Revenue Statement in its annual budget. The Revenue Statement is an explanatory statement, detailing the revenue measures adopted in the current budget. The Statement is reviewed annually, and adjustments are made in line with Council's requirements for revenue generation and changes in the types of rateable properties within the region.

Debt Policy

Under Section 192 of the *Local Government Regulation 2012*, Council must prepare and adopt a debt policy each financial year. The debt policy must state new borrowings for the current financial year and the next nine years and the time over which Council plans to repay existing and new borrowings. The current Debt Policy forecasts borrowings of \$53.87M over the life of the long term financial plan. These borrowings include a \$10.00M working capital facility applied for in June 2020.

At 30 June 2030, Council's debt is forecast to be \$25.67M.

Under Council's debt policy, Council will not utilise loan funds to finance operating activities and where capital assets are funded through borrowings, Council will repay the loans within the shortest term possible with the maximum term not exceeding the life of the asset. Current loans are planned to be repaid within their existing loan terms. Additional repayments may be made where sufficient funds are available, and it is advantageous to do so.

Investment Policy

Under Section 191 of the *Local Government Regulation 2012*, Council must prepare and adopt an investment policy that outlines Council's investment objectives and overall risk philosophy together with the procedures for achieving the goals outlined in the policy.

The Policy provides Council's finance officers with an investment framework within which to place Council investments to achieve competitive returns whilst adequately managing risk exposure and ensuring cash funds are available to meet Council's short-term cash requirements. In order of priority, the order of investment activities is preservation of capital, liquidity and return.

Strategic Planning Linkages

The relevant strategic commitments relating to finance within the Corporate plan are as follows:

- Deliver Council's Corporate and Operational Plans at a high standard
- Prudent financial planning and control
- Continue to evolve Council's Corporate Asset Management planning.

The status of these commitments is reported on each year in the Annual Report.

Asset Management Planning

As part of its asset management planning process, Council is developing enhanced Asset Management Plans (AMP) for each of its key asset groups as well as an overarching Asset Management Strategy. The asset management strategy is to enable Council to show:

- How its asset portfolio will meet the service delivery needs of its community into the future
- Enable Council's asset management policies to be achieved
- Ensure the integration of Council's asset management with its long term strategic plan.

Infrastructure assets such as public buildings, roads, drains, and bridges present particular asset management challenges because their condition and longevity can be difficult to accurately determine. Financing needs for these assets can be large, requiring planning for large peaks and troughs in expenditure for asset renewal and replacement. Legacy assets and the demand for new and improved services adds to the planning and financing complexity of asset management.

Council plans to finalise its AMPs in sufficient time to inform its 2022/2023 Budget.

Assumptions & Risks

The key assumptions used in developing this plan include:

- Council will review the range and scope of services during the 2020-2021 financial year
- Revenues will return to pre-COVID-19 levels over the course of the 2020-2021 and 2021-2022 financial years
- No change in Council structure or boundaries
- No significant change in legislative requirements
- No natural disasters impacting the region

- The completion of the asset management plans will not result in a significant increase in capital expenditure.

Sources of Information

Information from external parties used within this plan has been sourced as follows:

Data Used	Source	Impact
LGAQ CCI (CCI)	LGAQ Circular	Comparison figure for the cost driver for goods and services. The forecast future rate is 0.15% above CPI.
CPI	Australian Bureau of Statistics (actual) Reserve Bank of Australia (RBA) (forecast) 2020 Federal Budget Papers	Reference for future CCI and comparison figure for the growth rate for revenues. Short term rate is based on March 2020 CPI and increasing to 2.00% in 2025. The forecast future rate from 2025 is set between the desired RBA inflation target of 2.00% to 3.00%.

Identified Risks

The following risks have been identified as having a potential impact on the results outlined in this plan:

Item	Potential Impact	Likelihood	Comment
Ongoing impact from COVID-19 Pandemic	Reduction in revenues Reduction in cash flows	Likely	Expected impacts have been factored into the 2021 budget with reductions in revenues based on the 2020 financial year actuals. Income is forecast to return to pre-COVID-19 levels from 2022 but this will be monitored as part of the budget review process during 2021 to identify if a longer-term impact is occurring.
Review of Services and Structure not completed	Expected savings not realised Operating deficits beyond 2020-2021	Low	Savings have been factored from 2021-2022 to provide sufficient time for the review to be completed and implemented.

Item	Potential Impact	Likelihood	Comment
Interest revenues less than expected	Increased reliance on other revenue sources.	Possible	A more conservative interest rate has been used for investment interest and indications are that rates are likely to remain low and steady in the short to medium term.
Reduced government grants	Additional revenue from rates would be required to make up the shortfall.	Low	Projects with the reduced grant funding could be cancelled or scaled back. Annual increases of 2.50% have been estimated based on prior year actuals and new government funding programs.
Uncontrollable materials and services increases	Increased deficit.	Low	Close monitoring of the monthly results will be used to identify any cost increase issues early. Known cost increases for contracted services will be factored into the budget.
Capital works projects not utilising day labour	Excess capacity in the day labour workforce (inc. plant). Increased operational costs.	Possible	The selection of capital works projects needs to consider the use of Council's day labour workforce.
Changes in provisions due to bond rate variations	Increased "finance costs" and reduced operating surplus	Low	Long term bond rates remain fairly stable although a better understanding of the sensitivity to change is required.

Key Plan Outcomes

Rating Revenues

Council's main source of revenue (78.8%) is from rates and utility charges and they are levied to fund the provision of valuable services to the community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and future community requirements.

Council also provides concessions to pensioners to assist property owners to remain in their own homes, and concessions to non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region.

A 10% on time payment discount is offered on all differential general rates to encourage property owners to pay by the due date and including pension concessions is currently budgeted at around \$4.31M. For forecasting purposes, it is assumed that there is no change to the discount; however,

Council will regularly review its options in relation to the discount to ensure that it remains the most effective mechanism to assist in the achievement of Council's rating objectives.

The different types of rates levied by Council are:

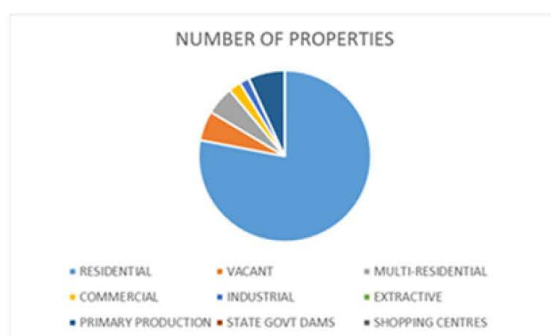
- General rates – calculated based on property values.
- Water charges – charged per service for access to the network and on consumption for the water used.
- Sewerage charges – charged per service for access to the network.
- Waste collection charges – charged per service.
- Separate charges – charged per rateable assessment to fund a particular service, facility or activity.
- Special charges – charged on particular assessments which benefit from, contribute to a need for, a particular service, facility, or activity.

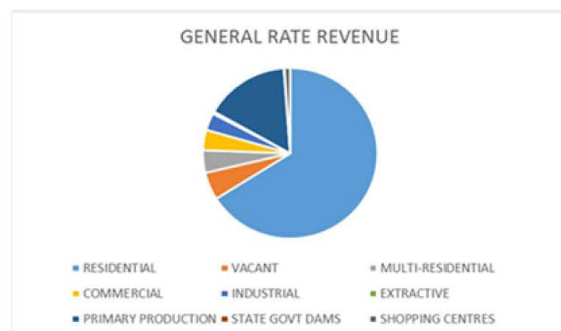
Each year the rating categories are reviewed to ensure that the level and type of rates are in line with Council's revenue requirements. Council undertakes detailed rates modelling to determine the impact of proposed increases on the various rating categories. Future rating reviews will look at options to improve the definitions of the categories as well as the relativities between them. Any significant changes will be brought in following an appropriate period of community engagement.

The equitable distribution of rating charges is challenging as there is one main population centre with several dispersed smaller centres connected by large lengths of rural roads. Between these centres there is a mixture of agricultural land and rural lifestyle properties, with tourism centred on the coastal fringe. The dispersed nature of the region results in a higher cost base for the provision of services.

For the 2020-2021 financial year, Council has expanded its general rating categories to allow for a better distribution of general rates charges. This has increased the rating categories from 11 to 58 with the majority of Council's rates revenue coming from the residential categories.

The breakdown by major category is shown in the following charts:





General Rates

General rates are forecast to increase from \$50.87M in 2021 to \$61.69M in 2030 with the average rates per property moving from \$1,966 to \$2,183 over that time. The key drivers for general rates are increases in yield (as decided by Council from time to time) coupled with the growth in rateable properties (as driven by development activity within the region). The growth factor is not included in the forecast as the actual growth is subject to fluctuations due to market forces and the timing of the completion of developments.

The parameters used in developing this plan are:

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Yield	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Growth	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Water Charges

Water charges consist of an access charge (per property) and consumption charge (based on meter readings) with the revenue split around 56% and 44% respectively. The amount of revenue generated from the access charge is able to be forecast with a great degree of confidence; however, consumption is dependent on many factors (e.g. drought, economic downturn) and may vary significantly from year to year. For the purposes of the financial forecast, consumption has been based on the prior year actuals. Over the life of the plan the total revenue from water charges is forecast to move from \$10.94M to \$13.29M.

At present, the percentage increase in yield is aligned to the recommended amounts as per the full cost pricing model and future years are amended as required. No allowance for natural growth has been made.

Access:

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Yield	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Growth	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Consumption:

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Yield	7.50	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Growth	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	7.50	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Council will continue to review and update the full cost pricing model to fund its water operations and provide adequately for future capital and rehabilitation expenditures.

Sewerage Charges

Council charges for sewerage services on those properties within the designated service area. The amount of revenue generated is forecast to move from \$11.63M to \$14.11M over the life of the plan.

At present, the percentage increase in yield is aligned to the recommended amounts as per the full cost pricing model and future years are amended as required. No allowance for natural growth has been made.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Yield	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Growth	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Council will continue to review and update the full cost pricing model to fund its waste operations and provide adequately for future capital and rehabilitation expenditures.

Waste Charges

Council provides a dual bin service to the majority of residential properties in the region. This service is contracted out until 2021 (plus three one-year extension options) with the contract rate subject to an industry standard rise and fall clause. The waste collection charge is only levied on those properties with a collection service and is set to cover the cost of the collection contract with a small margin for administration. Properties within the Manumbar area without a collection service are charged a waste management charge to fund the cost of the waste management facility. The amount of revenue generated is forecast to move from \$7.65M to \$9.28M over the life of the plan.

At present, the percentage increase in yield is aligned to the general rates pending a review of the full cost pricing model. No allowance for natural growth has been made.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Yield	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Growth	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Council will continue to review and update the full cost pricing model to fund its waste operations and provide adequately for future capital and rehabilitation expenditures.

Separate & Special Charges

Council currently levies the following separate and special charges:

- Separate Charge – Environmental Levy: charged on all properties within the region to fund projects, programs, strategies, land acquisition and management relating to enhancing and maintaining the natural environment of the region
- Separate Charge – Economic Development Levy: charged on all properties to projects of an economic development significance
- Separate Charge – Roads Infrastructure Charge: charged on all properties within the region to provide funds for maintenance, renewal and development of Council's road network
- Special Charge – Rural Fire Levy: charged on properties within the rural fire area to assist with funding the Queensland Rural Fire Service Brigades operating in the region
- Special Charge – Moy Pocket Levy: charged on specific properties within the Moy Pocket area to fund the cost of road maintenance on Moy Pocket Road.

Increases in these charges are modelled in line with the general rates parameters.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Yield	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Growth	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Separate and special rates are reviewed on annual basis to determine if the charge is still required and is an appropriate method of generating revenue to support Council services.

Other Revenues

Fees & Charges

Revenue generated from fees and charges increases from \$6.45 in 2021 to \$8.78M in 2030. Council's two types of fees and charges are defined as:

- Cost Recovery – fees are set to recover no more than the essential costs incurred by providing the service. Examples of these are: Animal Management, Health and Regulatory, and Planning and Development Fees. Council intends to progressively review these fees to ensure that costs are being recovered, or if a subsidy is required, then that amount is acknowledged and understood
- Commercial – fees are set to generate a return to Council over and above the cost of providing the service. Examples of these are: Saleyards, Waste Disposal, Hall and Facility Hire, and Library Services. Council intends to progressively review these fees to ensure that an appropriate margin is being made and that the fees are appropriate for the service provided.

The majority of fees and charges come from waste disposal and planning and development fees including building and plumbing permits. While some of the fees and charges can be estimated with some certainty, fee revenue generated within the Planning and Building areas will fluctuate wildly depending on the economic conditions and level of development within the region. The 2020 financial year saw a downturn in revenues from fees and charges of \$4.05M and the amounts for these fee types are conservatively estimated in the forecast and reviewed on a regular basis during the budget year.

The base increase in fees and charges are mainly modelled on changes in Council's employee costs.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Increase	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Sales Revenue

Total sales revenue is estimated to average \$4.40M per year over the life of the plan and is derived from its Road Maintenance Performance Contract (RMPC) works with the Department of Transport and Main Roads (TMR) and Private Works.

Private works relate to infrastructure works undertaken on behalf of private individuals and business, as well as works under RMPC with TMR. Revenue generated in this way will fluctuate depending on demand and the availability of Council resources to complete the works. At the moment Council does not outwardly seek private works but will provide quotations if requested. Council seeks a margin of 20% on the cost of the work completed.

The parameters applied to Sales Revenue in developing this plan are:

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Increase	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Interest & Investment Income

Council receives interest income from two main sources: interest on short to medium term cash investments, and interest from overdue rates.

Interest from cash investments is dependent on a number of factors including the interest rates on offer, the amount of cash available to invest, and the term of investment. Currently the returns from Council's investments are very low due to the continuing period of low interest rates. In successive years, the forecast interest revenue has been reduced to maintain a conservative position. The future forecast continues this trend with minimal increases in interest rates over the next few years.

Interest on overdue rates has also been reducing as property owners take advantage of the prompt payment discount as well as the ability to make regular payments in advance. It is expected that this will remain steady with the introduction of Council's Hardship Policy and extensions to payment terms in response to the COVID-19 pandemic. The minor increases within the forecast are solely due to the increased quantum of rates being levied each year.

The interest rate charged from 1 July 2020 will be 8.53% which is the maximum allowed under legislation.

Grants & Subsidies

Council receives grants and subsidies from both the State and Federal Governments. As a guideline, grant funding should not exceed 40% of operating revenue as the more funding that is not controlled by Council, the greater the risk to sustaining operations should the funding amounts change. Over the period of this plan, Council's reliance on grant funding remains steady at around 8.5%.

Apart from the Federal Assistance Grant, the funding is provided for specific projects such as libraries, events, disaster management, and without the grant funding it is unlikely that Council would provide the service to its current standard. Council also receives over \$1.45M to offset the cost of the State Government Waste Levy on household waste.

Federal Assistance Grants make up the largest component of grant funding and are distributed based on formulas developed by the Queensland Grants Commission with the funding pool determined by the Federal Government. The formula used is complex and the amount may change from year to year; however, significant reductions are minimised through capping arrangements.

The parameters used in developing this plan are:

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Increase	2.00	3.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Other Revenue

Council also derives revenues from the rental of Council properties as well as other miscellaneous items such as commissions on Queensland Government Agency (QGAP) transactions, quarry sales, and insurance recoveries.

The parameters used in developing this plan are:

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Increase	3.00	3.00	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Employee Costs

Employee costs are the largest component of Council's costs and include:

- Wages and salaries
- Leave entitlements
- Councillor remuneration
- Superannuation
- Workers compensation insurance
- Training and development costs such as travel, accommodation, course or conference fees
- Recruitment costs.

Council intends to keep employee costs down by undertaking a review of services and structure and to carefully review all vacancies before they are filled. The forecast reduction in employee costs in the 2021-2022 financial year is in anticipation of an overall reduction in staffing numbers.

While this will effectively "reset" the employee cost budget, as the population of the region increases, there will come a time when additional staff will be needed and an allowance has been made to increase staffing in 2023, 2024, and every second year after that.

Understanding the level of resources required to maintain service standards is key and this will be determined through a review of services to be undertaken during the 2020-2021 financial year.

Employee costs are split between operating and capital depending on the type of work being undertaken in the capital program. Reductions in the capital program, or an increase in work outside

of the expertise of the current workforce will impact on this split and pose challenges to maintain the operating surplus position without reductions in the workforce.

The main driver in employee costs is the enterprise bargaining (EB) process. This process provides for an increase to wages generally on an annual basis. The present agreement expires in 2021 and the forecast rate will be updated once negotiations are completed.

Within the model, operational employee costs are forecast to increase from \$41.14M to \$48.45M over the ten years.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
EB inc.	2.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Growth	-	-	0.95	0.94	-	0.93	-	0.93	-	0.92
Total	2.75	2.00	2.95	2.94	2.00	2.93	2.00	2.93	2.00	2.92

Materials and Services

Council's second largest cost is materials and services. Costs included in this section are:

- Materials
- Contractor and consultants
- Insurance
- Electricity and water
- Communications
- Legal costs
- Fleet costs.

The materials and services budget is carefully reviewed each year with the responsible officers being required to justify any increases in the budget bids from the previous year. Operational projects are individually approved to ensure that they align with Council's objectives and consultants, advertising, promotions, legal costs, and contractors are all subject to detailed scrutiny by the Executive Leadership Team and Council.

As the general ledger re-write project is bedded down, improved financial reporting will lead to a better understanding of Council's expenditure. This will lead to more of a risk management approach to funding certain areas where the actual costs are uncertain.

The forecasted costs are derived by indexing the base year's budgeted amounts by an annual allowance which is reflective of Council's desire to reduce expenditure and generate savings through efficiencies or service level changes, particularly in the first few years of the forecast. Specific adjustments may be made to future years where they can be identified as having an impact (for example a contract is being discontinued or short-term projects being completed). Materials and services are forecast to increase from \$37.35M to \$41.95M over the ten years.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Increase	0.50	0.20	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Finance Costs

Council's finance costs are predominantly the interest charged on its loans. Other items are bank fees and the adjustments in the quarry and landfill rehabilitation due to the change in the present value calculations.

The interest costs are calculated by the QTC Long Term Financial Forecasting model based on the debt balances and the rate applicable to each loan. As the loans are fixed rate loans they are not subject to any market volatility. Even after factoring in the proposed increase in loans, over the life of the plan finance costs reduce from 1.27% to 0.63% of operating revenues. This does not assume any additional repayments are made.

Due to the complexity of the calculations, no allowance is made for the changes in the discount rate for the provisions. The value of the provisions is calculated with reference to long term bond rates and there is an inverse relationship between the bond rates and the calculated value.

Bank fees are indexed by the following factor from the base year budget.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Increase	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Depreciation

While depreciation is an estimate of the cost of an asset being used, it is treated as an expense in financial reports. Council is continually reviewing its asset data to ensure that the depreciation figure reflects the consumption of its assets based on their value, condition, and remaining life. Work is needed to identify the appropriate useful lives for local conditions which may assist in reducing the depreciation costs.

Over the life of the plan depreciation is estimated to increase from \$21.18M to \$27.88M. It should be noted that with Council potentially holding its fleet assets for longer, there is a large reduction in depreciation between 2025 and 2026 due to the majority of Council's current plant and equipment being fully depreciated at that time. Depending on the outcome of a planned utilisation review and the implementation of a Plant and Fleet Asset Management Plan, this may change if the backlog of renewals is eliminated.

To comply with the accounting standards, Council conducts regular independent valuations of its assets. Where the value increases, there will be an increase in depreciation costs which has an immediate impact on two of the three sustainability ratios, even though it may not have any operational impact on Council's management of the assets. Due to the nature of the valuation process, the changes cannot be predicted with any accuracy.

In the financial model, the valuation increases for the non-current assets have been based on an estimated increase of 2.0% on a maximum five-year cycle. Additions to the asset base will also increase the amount of depreciation, although as Council's focus is moving towards the renewal of existing assets the effect will be minimal.

Capital Revenues

The main source of capital revenues are grants from the State or Federal Government. Council seeks grant funding to assist with the delivery of its planned capital works program and the majority of funding is accessed through a competitive application process. Where a funding application is unsuccessful, Council will decide whether to proceed with the project using other funds or not.

Grant funding for capital works is often tied to a particular funding program objective of the government. Once approved, the grant will be for a specific project and therefore changes to the scope or type of the project is not generally permitted. There is a risk that where a project exceeds the funded component, Council will be required to pick up the shortfall.

The capital grant funding in the forecast model is based on historical amounts for those funding programs which it is expected will continue in the future. These programs are the Roads Blackspot funding, TIDS and Local Government Grants and Subsidy Program (LGGSP), Works for Queensland (W4Q), and other specific grant programs as offered by the State and Federal Governments from time to time. Additional grants will be applied for in future years as the details of the funding programs become known.

Capital Expenditure

The amount of capital expenditure is based on historical actuals for each asset class and includes a proportion for renewal, upgrade and new expenditure, with the majority of capital spending on infrastructure assets. An increase in capital expenditure has been factored into the later years of the forecast to maintain the level of expenditure on renewing infrastructure assets. Over the ten years the average spending across all asset classes is \$38.62M.

As the Asset Management Plans are developed and refined, the forecast will change. The expenditure in each year is reviewed as part of the budget adoption process for that year and therefore some identified projects may be brought forward, delayed or removed as priorities and resources dictate. Additional projects may be added where required.

Cash and Investments

QTC recommends a minimum coverage for operating cash expenses of three months. This means that Council should retain enough cash on hand at any one time to pay its expenses for three months.

Council exceeds this coverage in each of the years of the plan with the ten-year average balance being \$35.77M to allow for additional cash expenses on capital works and also to cover cash that is constrained for particular purposes in future years. The years 2021 to 2022 have the lowest cash balances although the ratio remains above three months which is within the recommended parameters. The ten-year average coverage is just over five months.

The biggest impact to Council's cash balances is the timing of the capital works program and particularly the number of projects funded solely by Council. As the capital works program is fairly flexible, the works schedule can be varied to maintain appropriate cash levels.

In accordance with the Investment Policy, the cash is invested in term deposits of less than twelve months or at call with QTC. The maturity of the term deposits is spread across the year so as to maintain regular access to funds should they be needed.

Other Assets

Debtors and receivables are forecast to remain in proportion to revenues. The main debtor balance is rates arrears and as these are secured on the land they relate to; they are not considered bad or doubtful. Council has a statutory right to recover the arrears through the sale of land and it conducts a sale for this reason at least annually.

The final component to other assets is an interest free loan to Council's wholly owned subsidiary, the Rattler Railway Company Limited. At 30 June 2020 the balance of this loan was \$0.95M.

Liabilities

The main liabilities that Council has are the loans from QTC. At present there are six loans, totalling \$17.07M as at 30 June 2020 and with maturity dates varying between 2027 and 2029. These loans for various projects including sewerage and waste management capital works are paid on an interest and principal basis and the balances in the plan are forecast on the current loan schedules.

Council is planning further borrowings of \$53.87M (including a \$10.00M working capital facility applied for in June 2020) over the life of this plan to provide for upgrades and new assets its Waste and Water and Sewerage Business Units. The annual total debt redemption payment (principle and interest) increases from \$2.44M to \$4.66M in 2030, peaking at \$5.26M in 2029.

The other liabilities of Council are employee provisions, rehabilitation provisions and trade creditors. Due to the complexity of the calculations, the provisions have not been changed in the model and remain at historical values. The trade creditor balances are generated through the model based on historical relationships between expenditures, payment terms and the proportion of creditors at the end of each financial year.

Ratio Analysis

Key Sustainability Ratios

The *Local Government Act 2009* defines financial sustainability as being able to maintain financial capital and infrastructure capital over the long-term. Councils need to generate sufficient finances to continue to operate without eroding their physical asset base.

The results for Council's measures of financial sustainability are shown below. The future ratios are based on the 2020-2021 budget and long term financial forecast with the parameters as outlined above:

Gympie Regional Council 2020/2021 Budget and Long Term Financial Forecast 2021 to 2030 Relevant Measures of Financial Sustainability												
	Target	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Average
Operating Surplus Ratio (Net Operating Surplus / Total Operating Revenue) (%)	Between 0% and 10%	(3.5)%	1.4%	1.7%	1.1%	1.7%	2.8%	2.1%	1.7%	1.9%	2.0%	1.3%
Net Financial Asset / Liability Ratio ((Total Liabilities - Current Assets) / Total Operating Revenue)	<= 60%	8.5%	10.3%	6.3%	3.5%	7.5%	4.9%	3.3%	2.4%	0.7%	(1.5)%	4.6%
Asset Sustainability Ratio (Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense)	>90%	108.6%	98.7%	101.3%	102.8%	103.8%	96.1%	98.6%	105.7%	108.6%	105.6%	103.0%

Operating Surplus Ratio

Measures the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes. The operating surplus ratio is calculated as: Operating Surplus (Net result excluding all capital items) divided by total operating revenue (excluding capital items).

Following a deficit in 2021, this ratio remains relatively steady over the remaining nine years as the cumulative effects of the rate increases and expenditure controls of the 2021 and 2022 years are realised.

The forecast surpluses are healthy although the actual results will need to be carefully monitored in order to maintain the planned result and this will be particularly important in the first few years of the forecast. In the second half of the plan the surplus increases slightly as depreciation on plant and equipment reduces due to many items reaching the end of their useful life and this is offset by the increase in costs due to an anticipated increase in staffing.

Net Financial Asset/Liability Ratio

Measures the extent to which net financial liabilities of Council can be repaid from operating revenue. The ratio is calculated as: Total liabilities less current assets divided by total operating revenue.

This ratio remains well below the target threshold for the life of the plan even with the forecast additional borrowings. Unless there is a significant unplanned reduction in cash, or a large increase in rehabilitation provisions, the ratio will remain at a very low level.

Asset Sustainability Ratio

This ratio reflects the extent to which infrastructure assets managed by Council are being replaced as they reach the end of their useful lives. The ratio is calculated as: Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.

Over the life of the plan, the ratio is above the 90% target threshold. The level of forecast spending has been based on historical actuals and the amounts required to meet the target threshold. There will be changes in the expenditure as the various Asset Management Plans are developed and refined. If the assets are in good condition, it is possible that Council does not need to spend at the recommended level and therefore the ratio may be below the target of 90%. The healthy operating

surpluses being generated will provide sufficient funding should a higher level of renewal spending be required.

Other Sustainability Ratios

There are a number of other sustainability ratios that QTC use when conducting a credit review assessment; however, at this time Council only uses one of these other ratios (cash coverage) when setting its long term financial plan. Other ratios are being considered and will be presented to the Audit and Risk Management Committee for consideration during the first half of the 2020-2021 financial year.

Cash Coverage Ratio

	Target	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Average
Cash Expense Cover Ratio	>3	4.2	5.0	5.5	5.8	5.0	5.3	5.4	5.2	5.3	5.0	5.2
Number of months of operations supported by cash balance												

This ratio shows the number of months of operations supported by the cash balance. The recommended threshold is at least three months.

Over the life of the plan, the number of months of operations supported by the cash balance averages 5.2 months as this provides an additional buffer for capital works spending and coverage of amounts which are constrained for future purposes. The potential for higher balances in the second half of the plan has been moderated by additional capital works in those years to utilise the surplus cash.

Sensitivity Analysis

In order to understand the potential impacts of changes to key drivers over the life of the plan, the following sensitivities have been performed:

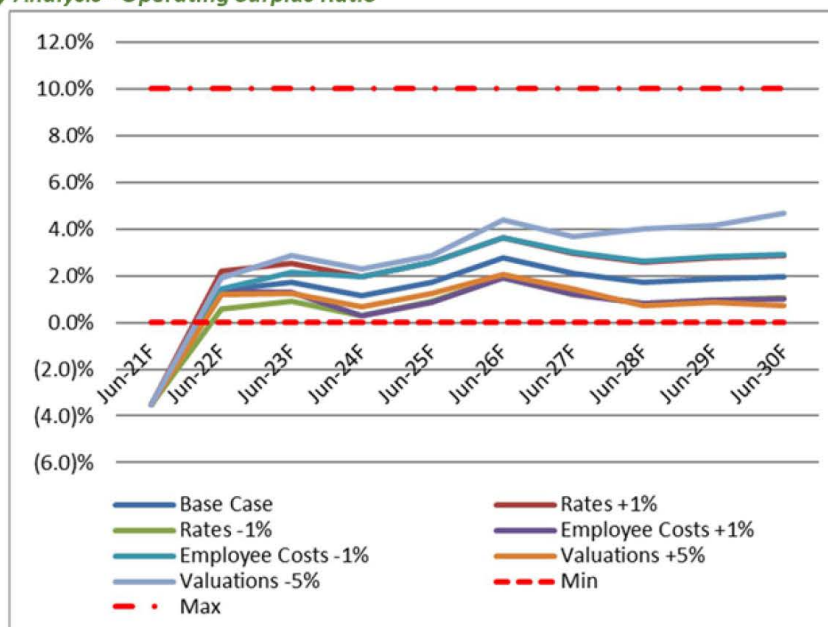
1. General Rates Revenues +/- 1%.
2. Employee costs +/- 1% on Certified Agreement increase for next agreement.
3. Depreciation – valuation +/- 5% of estimated asset base 2020.
4. CAPEX – renewals -\$1.00M.

For simplicity, the above changes have been modelled separate to the others. The change has also been applied to each year of the forecast which apart from the reduction in the CAPEX renewals, will result in a cumulative effect. The difference in the 10-year average by applying each sensitivity can be seen in the following table; information on each of the ratios can be found below:

	Base Case	Rates		Employee Costs		Valuations		Renewals
		+1.00%	-1.00%	+1.00%	-1.00%	+ 5.00% of Base	- 5.00% of Base	
Operating Surplus	1.3%	2.1%	0.5%	0.6%	2.0%	0.7%	2.7%	N/A
Net Financial Asset/Liability	4.6%	1.0%	8.3%	7.3%	1.9%	N/A	N/A	N/A
Asset Sustainability	103.0%	N/A	N/A	N/A	N/A	100.1%	110.3%	99.4%
Cash Coverage	5.2	5.7	4.6	4.7	5.6	N/A	N/A	5.8

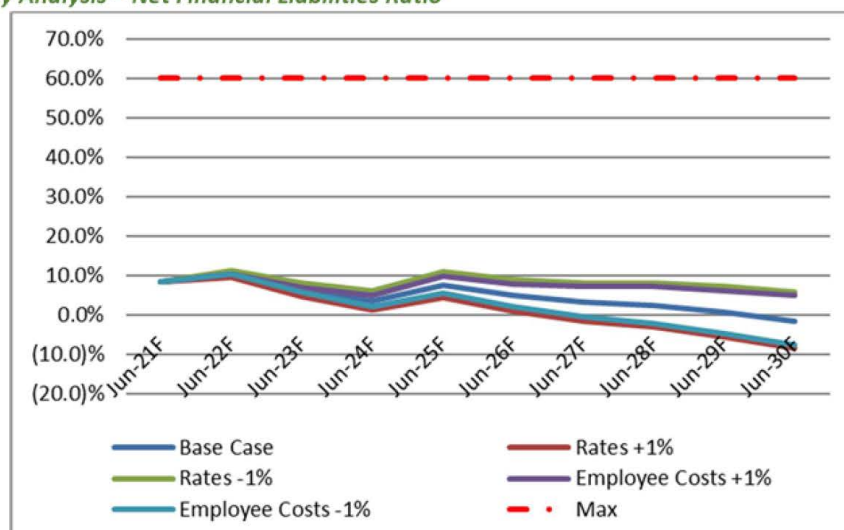
Over the ten years it is apparent that all of the ratios are within the recommended targets, although the Operating Surplus ratio does come close to the minimum target in some of the individual years during the forecast period.

Sensitivity Analysis - Operating Surplus Ratio



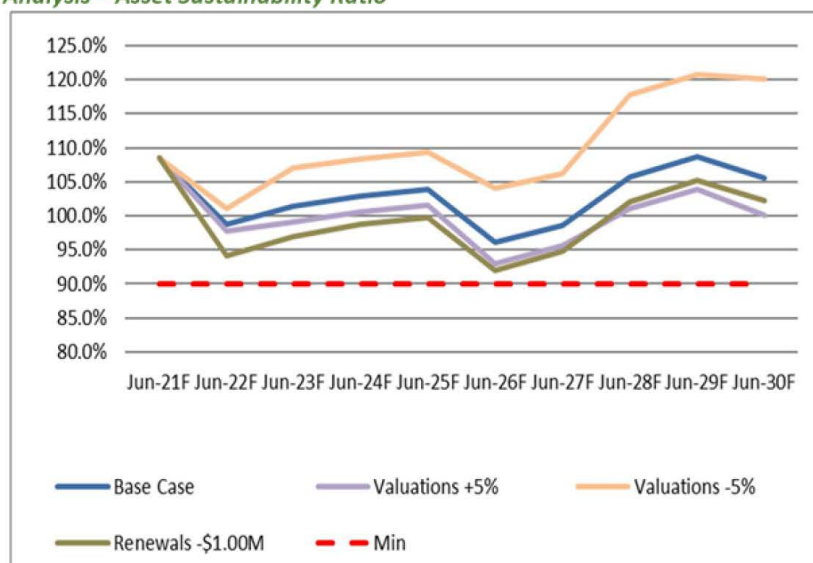
- Of the sensitivities modelled, valuation changes have the biggest impact on the operating surplus ratio through the impact on the amount of depreciation being calculated.
- All of the sensitivities modelled keep the ratio within the upper and lower thresholds although a reduction in rates revenue or an increase in employee costs brings the ratio close to the minimum in 2024.

Sensitivity Analysis – Net Financial Liabilities Ratio



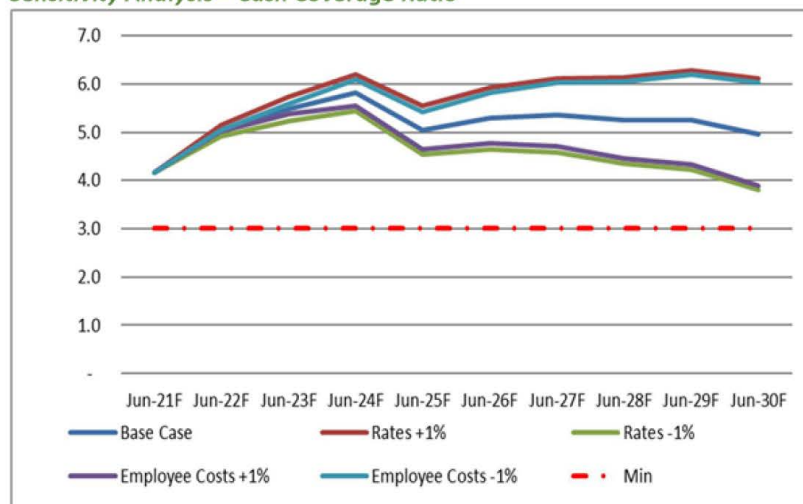
- Although the changes are relatively minor, the sensitivity which has the most impact is the change in rates revenue.
- All of the sensitivities modelled shows that the ratio is well below the threshold for the life of the forecast.

Sensitivity Analysis – Asset Sustainability Ratio



- The biggest change to the ratio is to reduce expenditure on renewals by \$1.00M per year which brings the ratio close to the threshold of 90.00% in 2026.
- As has been noted previously, the actual spend will be determined through the finalisation of the Asset Management Plans and amounts below the threshold may be appropriate.

Sensitivity Analysis – Cash Coverage Ratio



- The biggest impact on the Cash Coverage Ratio is a reduction in rates revenue, which steadily reduces the level of cash towards the minimum over the course of the forecast, although sufficient cash is available for all years of the forecast.
- A 1.00% increase in employee costs has a similar impact to a 1.00% decrease in rates revenue.Forecast .

Financial Statements 2021 - 2030

The following statements were adopted by Council on 29 July 2020 as part of its Budget for the 2020-2021 financial year.

The **Statement of Income and Expenditure** measures how Council performed in relation to income and expenses during the financial year. This statement illustrates how money received from Council operations is spent.

The **Statement of Financial Position** measures what we own (our assets) and what we owe (our liabilities) and our net worth (equity) at the end of the Financial Year.

The **Statement of Changes in Equity** measures the changes in our net wealth and shows the movements in our retained earnings, reserves and asset revaluation surplus.

The **Statement of Cash Flows** outlines how much cash was received and spent throughout the year and whether or not Council is spending more than it is receiving. The closing balance reflects how much cash Council had at year end.

Statement of Income and Expenditure

Gympie Regional Council 2020/2021 Budget and Long Term Financial Forecast 2021 to 2030 Statement of Income and Expenditure

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue										
Recurrent revenue:										
Rates & Utility Charges	81.11M	84.38M	86.49M	88.22M	89.98M	91.78M	93.62M	95.49M	97.40M	99.35M
Less Discounts	(4.31M)	(4.33M)	(4.35M)	(4.44M)	(4.53M)	(4.62M)	(4.71M)	(4.81M)	(4.90M)	(5.00M)
Net rates and utility charges	76.80M	80.05M	82.14M	83.78M	85.46M	87.16M	88.91M	90.69M	92.50M	94.35M
Fees and charges	6.45M	7.05M	7.65M	7.80M	7.96M	8.11M	8.28M	8.44M	8.61M	8.78M
Sales, contract and recoverable works	4.05M	4.08M	4.18M	4.27M	4.35M	4.44M	4.53M	4.62M	4.71M	4.81M
Operational Grants & subsidies	8.26M	8.51M	8.72M	8.94M	9.17M	9.40M	9.63M	9.87M	10.12M	10.37M
Interest received	0.96M	1.12M	1.28M	1.40M	1.52M	1.44M	1.51M	1.54M	1.56M	1.59M
Other recurrent income	0.94M	1.11M	1.30M	1.33M	1.36M	1.39M	1.42M	1.46M	1.49M	1.53M
Total recurrent revenue	97.46M	101.93M	105.26M	107.52M	109.80M	111.95M	114.27M	116.62M	118.99M	121.43M
Capital revenue:										
Capital Grants	14.97M	10.80M	11.00M	11.90M	10.40M	15.15M	17.50M	10.50M	10.00M	10.00M
Developer Contributions	1.52M	0.50M	0.30M	-	-	-	-	-	-	-
Gain/(loss) on sale of property, plant & equipment	-	-	-	-	-	-	-	-	-	-
Total capital revenue	16.49M	11.30M	11.30M	11.90M	10.40M	15.15M	17.50M	10.50M	10.00M	10.00M
Total income	113.95M	113.23M	116.56M	119.42M	120.20M	127.10M	131.77M	127.12M	128.99M	131.43M
Expenses										
Recurrent expenses:										
Employee costs	41.14M	39.73M	40.85M	42.01M	42.85M	44.06M	44.94M	46.20M	47.12M	48.45M
Materials and services	37.35M	37.42M	37.80M	38.37M	38.94M	39.53M	40.12M	40.72M	41.33M	41.95M
Depreciation and amortisation	21.18M	22.03M	23.39M	24.59M	24.85M	24.09M	25.72M	26.70M	27.42M	27.88M
Finance costs	1.24M	1.32M	1.40M	1.33M	1.25M	1.17M	1.08M	0.98M	0.87M	0.77M
Total recurrent expenses	100.91M	100.50M	103.45M	106.29M	107.89M	108.84M	111.86M	114.61M	116.75M	119.05M
Capital expenses:										
Total Capital Expenses	-	-	-	-	-	-	-	-	-	-
Total Expenses	100.91M	100.50M	103.45M	106.29M	107.89M	108.84M	111.86M	114.61M	116.75M	119.05M
Result from ordinary activities	13.04M	12.73M	13.11M	13.12M	12.31M	18.26M	19.92M	12.51M	12.24M	12.38M
Operating Result	(3.45M)	1.43M	1.81M	1.22M	1.91M	3.11M	2.42M	2.01M	2.24M	2.38M

Statement of Financial Position

Gympie Regional Council
2020/2021 Budget and Long Term Financial Forecast 2021 to 2030
Statement of Financial Position

	2021 \$ Budget	2022 \$ Forecast	2023 \$ Forecast	2024 \$ Forecast	2025 \$ Forecast	2026 \$ Forecast	2027 \$ Forecast	2028 \$ Forecast	2029 \$ Forecast	2030 \$ Forecast
Current assets										
Cash assets and cash equivalents	27.26M	32.38M	35.96M	38.98M	34.32M	36.83M	37.97M	38.00M	38.74M	37.30M
Other inventory	2.04M	2.04M	2.04M	2.04M	2.04M	2.04M	2.04M	2.04M	2.04M	2.04M
Receivables	7.93M	8.29M	8.55M	8.70M	8.90M	9.08M	9.27M	9.43M	9.65M	9.85M
Total current assets	37.23M	42.71M	46.55M	49.72M	45.27M	47.96M	49.28M	49.48M	50.44M	49.20M
Non-current assets										
Receivables	0.95M	0.95M	0.95M	0.95M	0.95M	0.95M	0.95M	0.95M	0.95M	0.95M
Property, plant and equipment	1132.27M	1155.21M	1170.33M	1177.75M	1203.57M	1222.47M	1244.64M	1265.50M	1293.71M	1303.90M
Intangible assets	1.26M	3.13M	4.02M	4.70M	3.87M	3.04M	2.21M	1.38M	0.64M	0.21M
Capital works in progress	40.99M	37.50M	33.19M	35.29M	42.16M	39.59M	43.89M	38.29M	37.64M	37.64M
Total non-current assets	1175.47M	1196.78M	1208.49M	1218.69M	1250.55M	1266.05M	1291.69M	1306.12M	1332.94M	1342.70M
Total assets	1212.70M	1239.50M	1255.04M	1268.41M	1295.82M	1314.01M	1340.97M	1355.60M	1383.38M	1391.90M
Current liabilities										
Trade and other payables	6.46M	6.35M	6.47M	6.60M	6.73M	6.88M	7.00M	7.14M	7.28M	7.44M
Borrowings	1.94M	2.61M	2.87M	3.19M	3.52M	3.85M	4.15M	4.51M	4.02M	2.68M
Employee payables/provisions	3.34M	3.34M	3.34M	3.34M	3.34M	3.34M	3.34M	3.34M	3.34M	3.34M
Other	2.71M	2.71M	2.71M	2.71M	2.71M	2.71M	2.71M	2.71M	2.71M	2.71M
Total current liabilities	14.44M	15.01M	15.40M	15.83M	16.29M	16.77M	17.20M	17.70M	17.35M	16.16M
Non-current liabilities										
Borrowings	22.82M	29.98M	29.61M	29.42M	29.00M	28.46M	27.60M	26.39M	25.67M	22.99M
Other liabilities	0.26M	0.26M	0.26M	0.26M	0.26M	0.26M	0.26M	0.26M	0.26M	0.26M
Employee payables/provisions	7.96M	7.96M	7.96M	7.96M	7.96M	7.96M	7.96M	7.96M	7.96M	7.96M
Total non-current liabilities	31.03M	38.20M	37.82M	37.63M	37.22M	36.67M	35.82M	34.60M	33.88M	31.21M
Total liabilities	45.48M	53.20M	53.22M	53.47M	53.51M	53.44M	53.02M	52.30M	51.23M	47.37M
Net community assets	1167.22M	1186.29M	1201.82M	1214.94M	1242.30M	1260.56M	1287.95M	1303.30M	1332.15M	1344.53M
Community equity										
Asset revaluation reserve	396.87M	403.21M	405.62M	405.62M	420.67M	420.67M	428.14M	430.98M	447.59M	447.59M
Retained surplus (deficiency)	770.36M	783.09M	796.20M	809.32M	821.63M	839.89M	859.81M	872.32M	884.56M	896.94M
Total community equity	1167.22M	1186.29M	1201.82M	1214.94M	1242.30M	1260.56M	1287.95M	1303.30M	1332.15M	1344.53M

Statement of Changes in Equity

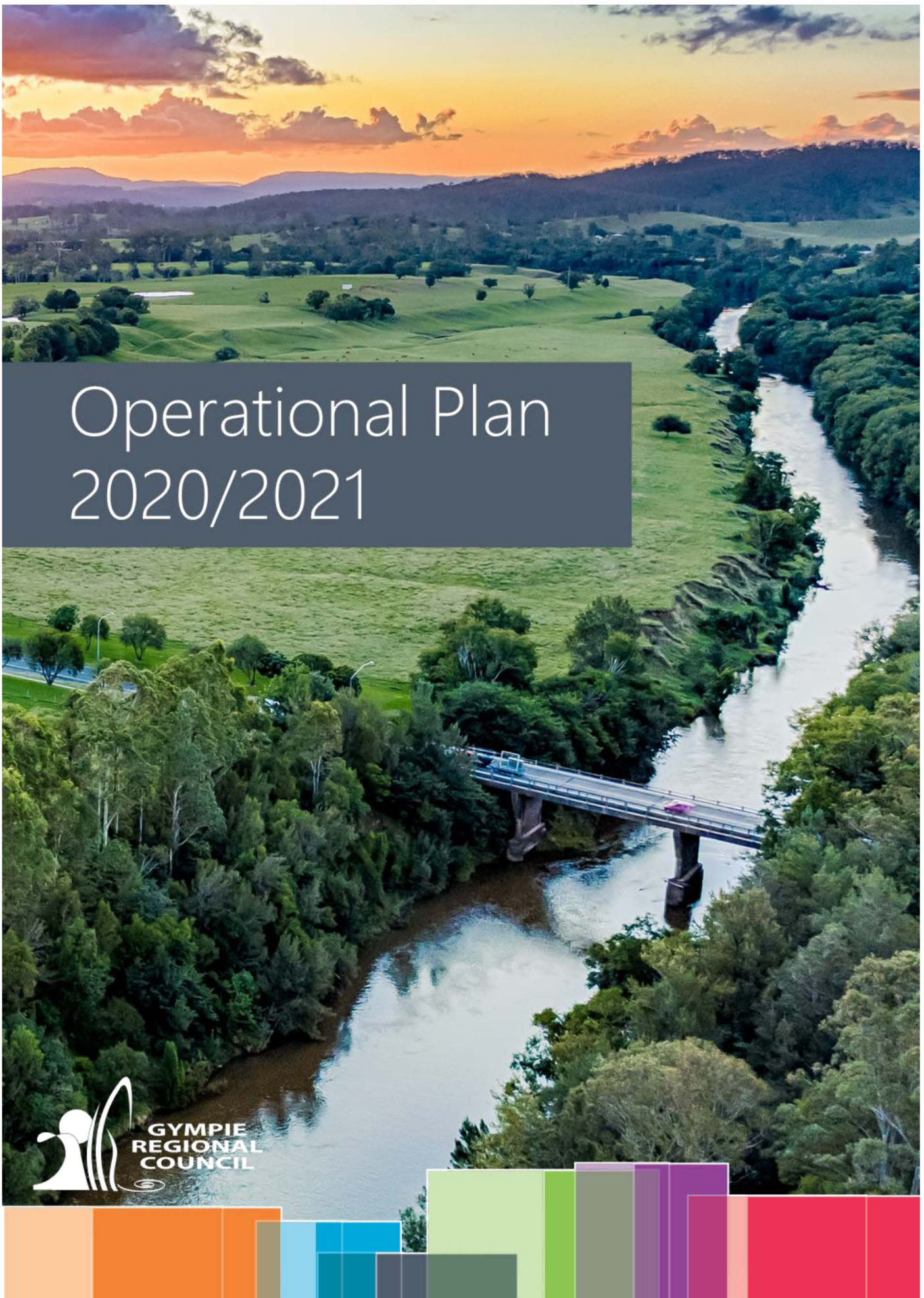
Gympie Regional Council 2020/2021 Budget and Long Term Financial Forecast 2021 to 2030 Statement of Changes in Equity

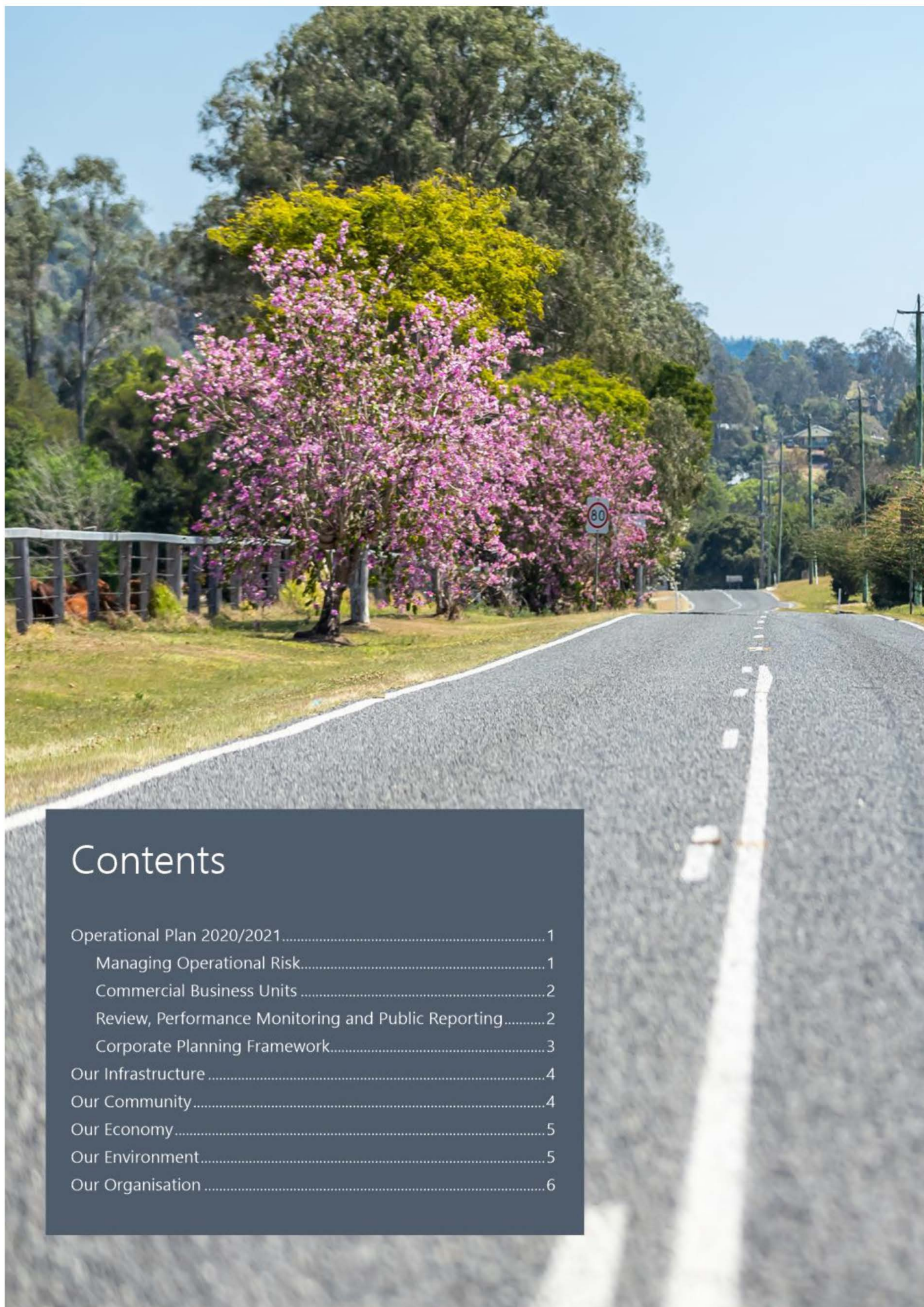
	2021 \$ Budget	2022 \$ Forecast	2023 \$ Forecast	2024 \$ Forecast	2025 \$ Forecast	2026 \$ Forecast	2027 \$ Forecast	2028 \$ Forecast	2029 \$ Forecast	2030 \$ Forecast
Asset revaluation surplus										
Opening balance	383.24M	396.87M	403.21M	405.62M	405.62M	420.67M	420.67M	428.14M	430.98M	447.59M
Increase in asset revaluation surplus	13.63M	6.34M	2.41M	-	15.05M	-	7.47M	2.84M	16.61M	-
Closing balance	396.87M	403.21M	405.62M	405.62M	420.67M	420.67M	428.14M	430.98M	447.59M	447.59M
Retained surplus										
Opening balance	757.32M	770.36M	783.09M	796.20M	809.32M	821.63M	839.89M	859.81M	872.32M	884.56M
Net result	13.04M	12.73M	13.11M	13.12M	12.31M	18.26M	19.92M	12.51M	12.24M	12.38M
Closing balance	770.36M	783.09M	796.20M	809.32M	821.63M	839.89M	859.81M	872.32M	884.56M	896.94M
Total										
Opening balance	1140.56M	1167.22M	1186.29M	1201.82M	1214.94M	1242.30M	1260.56M	1287.95M	1303.30M	1332.15M
Net result	13.04M	12.73M	13.11M	13.12M	12.31M	18.26M	19.92M	12.51M	12.24M	12.38M
Increase in asset revaluation surplus	13.63M	6.34M	2.41M	-	15.05M	-	7.47M	2.84M	16.61M	-
Closing balance	1167.22M	1186.29M	1201.82M	1214.94M	1242.30M	1260.56M	1287.95M	1303.30M	1332.15M	1344.53M

Statement of Cash Flows

Gympie Regional Council 2020/2021 Budget and Long Term Financial Forecast 2021 to 2030 Statement of Cash Flows

	2021 \$ Budget	2022 \$ Forecast	2023 \$ Forecast	2024 \$ Forecast	2025 \$ Forecast	2026 \$ Forecast	2027 \$ Forecast	2028 \$ Forecast	2029 \$ Forecast	2030 \$ Forecast
Cash flows from operating activities:										
Receipts from customers	99.15M	100.45M	103.73M	105.96M	108.09M	110.32M	112.58M	114.91M	117.21M	119.64M
Payment to suppliers and employees	(81.94M)	(77.38M)	(78.65M)	(80.37M)	(81.78M)	(83.56M)	(85.06M)	(86.92M)	(88.44M)	(90.37M)
Interest received	0.96M	1.12M	1.28M	1.40M	1.52M	1.44M	1.51M	1.54M	1.56M	1.59M
Finance costs	(1.12M)	(1.20M)	(1.28M)	(1.21M)	(1.13M)	(1.05M)	(0.95M)	(0.86M)	(0.74M)	(0.64M)
Net cash inflow (outflow) from operating activities	17.05M	22.99M	25.07M	25.78M	26.69M	27.16M	28.07M	28.68M	29.59M	30.22M
Cash flows from investing activities:										
Payments for property, plant and equipment	(40.99M)	(37.50M)	(33.19M)	(35.29M)	(42.16M)	(39.59M)	(43.89M)	(38.29M)	(37.64M)	(37.64M)
Subsidies, donations and contributions for new capital expenditure	16.49M	11.30M	11.30M	11.90M	10.40M	15.15M	17.50M	10.50M	10.00M	10.00M
Proceeds from sale of property, plant and equipment	0.50M	0.50M	0.50M	0.50M	0.50M	-	-	-	-	-
Net cash inflow (outflow) from investing activities	(24.00M)	(25.70M)	(21.39M)	(22.89M)	(31.26M)	(24.44M)	(26.39M)	(27.79M)	(27.64M)	(27.64M)
Cash flows from financing activities:										
Proceeds from borrowings	9.00M	9.77M	2.50M	3.00M	3.10M	3.30M	3.30M	3.30M	3.30M	-
Repayment of borrowings	(1.32M)	(1.93M)	(2.61M)	(2.87M)	(3.19M)	(3.52M)	(3.85M)	(4.15M)	(4.51M)	(4.02M)
Net cash inflow (outflow) from financing activities	7.68M	7.84M	(0.11M)	0.13M	(0.09M)	(0.22M)	(0.55M)	(0.85M)	(1.21M)	(4.02M)
Net increase (decrease) in cash held	0.72M	5.13M	3.57M	3.02M	(4.65M)	2.50M	1.14M	0.04M	0.74M	(1.44M)
Cash at beginning of reporting period	26.53M	27.26M	32.38M	35.96M	38.98M	34.32M	36.83M	37.97M	38.00M	38.74M
Cash Balance	27.26M	32.38M	35.96M	38.98M	34.32M	36.83M	37.97M	38.00M	38.74M	37.30M





Contents

Operational Plan 2020/2021.....	1
Managing Operational Risk.....	1
Commercial Business Units	2
Review, Performance Monitoring and Public Reporting.....	2
Corporate Planning Framework.....	3
Our Infrastructure	4
Our Community.....	4
Our Economy	5
Our Environment.....	5
Our Organisation	6

Operational Plan 2020/2021

Council resolved via Minute M18/06/20 that the Annual Budget and Annual Operational Plan 2020/2021 be prepared with a focus on the following five priorities:

- 1 Budget repair leading to a balanced budget.
- 2 Improve focus on infrastructure maintenance and delivery.
- 3 Efficient service delivery.
- 4 Better decision making for projects with a focus on community benefits and outcomes.
- 5 A more proactive approach to planning and an 'open for business' culture.

The newly elected Council plans to review its 5-year Corporate Plan 2017-2022 prior to the end of the 2020 calendar year.

The operational plan acknowledges the five key strategic themes from the corporate plan as listed below:

Our Infrastructure

Our Community

Our Economy

Our Environment

Our Organisation

Together with a 'Back to Basics' approach for the Annual Budget 2020/2021, this operational plan seeks to address the five priorities above within the context of the key strategic themes. The plan has a clear focus on high level activities that are fully funded from the annual budget and are considered deliverable within the 12-month period.

The purpose of the operational plan is not about tracking the myriad of 'business as usual' activities associated with running an organisation as large and complex as the Council. A majority of operational matters are actioned and monitored on a regular basis via a range of section/unit business plans and other management and reporting mechanisms.

Managing Operational Risk

The Regulation requires that the operational plan include a statement as to how Council will manage operational risks. Council has adopted the Three Lines of Defence Model for managing strategic, operational, compliance and project risks.

Management control is the first line of defence, the various risk control and compliance oversight functions established by management are the second line of defence, and independent assurance is the third. Operational risks are managed in accordance with Council's Risk Management Framework, Risk Management Policy, Risk Management Procedure, Fraud and Corruption Prevention and Control Policy and its associated Fraud and Corruption Prevention and Control Plan. Council adopts a zero tolerance approach to fraud and corruption across its operations.

An internal audit function and Audit and Risk Management Committee have been established to assist in enterprise risk management, and in assessing and evaluating the control measures Council has in place to manage identified risks to which its operations are exposed.



Commercial Business Units

An annual performance plan for each commercial business unit of the local government is required to be included (where applicable) in the operational plan.

Council does not currently operate any commercial business units as defined within the legislation. Changes to the Regulation required Council to review how it intends applying the competitive neutrality principle to its combined water and sewerage services.

A Public Benefit Report was presented to Council in July 2020 with respect to options for Council to consider in meeting its legislative requirements in this regard.

Review, Performance Monitoring and Public Reporting

Council's activities aimed toward achieving its vision for the future of the local government area in this plan are focused on the stated priorities and key strategic themes above.

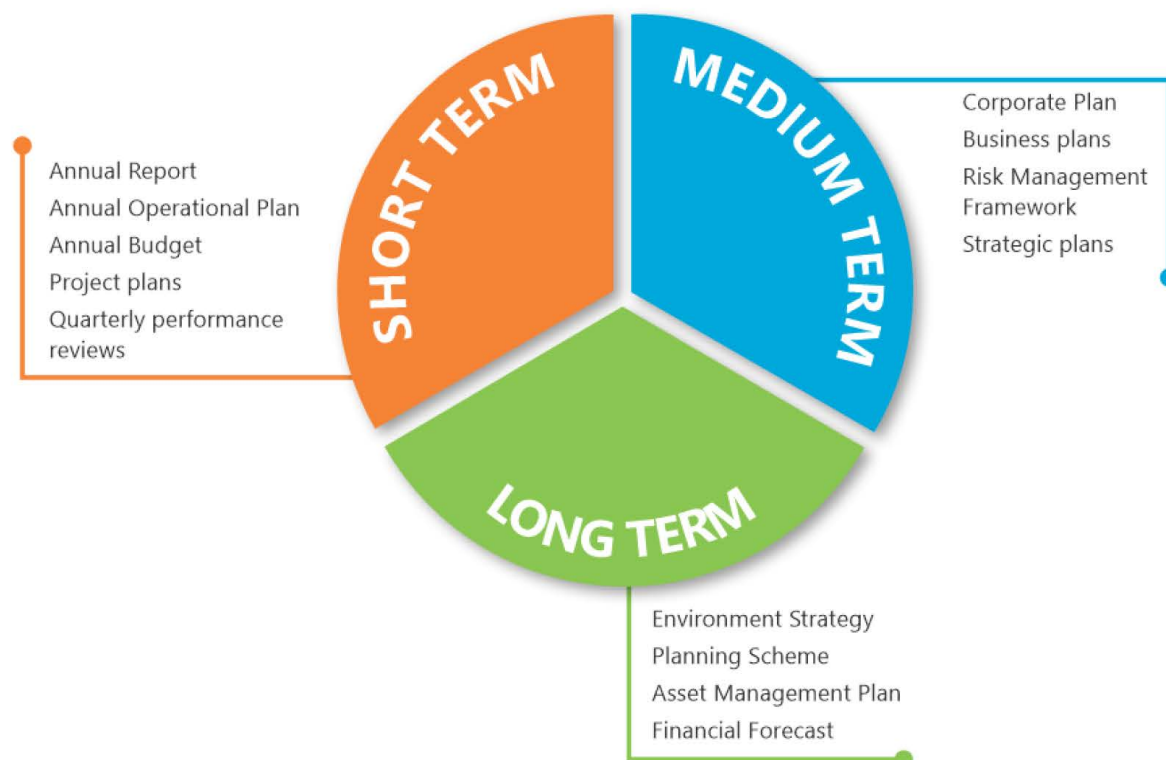
The operational plan is reviewed, assessed and publicly reported to Council on a quarterly basis. Performance monitoring is achieved by assessing the progress of each activity through to completion across the 12-month period. This progress is reported publicly to Council on a quarterly basis.

An annual review of the implementation of the operational plan is also presented to Council and included within the Annual Report.

Corporate Planning Framework

Council has identified high level operational activities to be undertaken in the 2020/2021 financial year that address the five key strategic themes of its corporate plan and further the five key priorities adopted by Council for the development of this operational plan.

Strategic planning is vital to ensure the range of services, infrastructure and facilities Council provides remains relevant for the community and provides for the needs of future residents.



Our Infrastructure

Improve focus on infrastructure maintenance and delivery.

	Activity	Responsibility
1	Draft asset management plans developed for all asset classes inclusive of service levels.	Chief Executive Officer
2	Develop and/or review roads maintenance management plans (including gravel roads, roadside mowing and slashing) with intervention levels and make publicly available on Council's website.	Chief Executive Officer
3	Advocate strongly to the Department of Transport and Main Roads (TMR) for Council's priority projects on the TMR network. <ul style="list-style-type: none"> Mary Valley Road widening Normanby Bridge pedestrian/cycle path construction Brisbane Road multiple intersections upgrade Hall Road Bridge upgrade Kilkivan Tansey Road upgrade Kin Kin Road (Noonan Range) sealing 	Chief Executive Officer
4	Deliver the capital works program.	Chief Executive Officer

Our Community

Better decision making for projects with a focus on community benefits and outcomes.

	Activity	Responsibility
1	Investigate Ageing in Place services and infrastructure for the Gympie Region, with an initial focus on the western area.	Director Economic and Community Development
2	Progress the purchase of suitable land for enhanced sporting facilities in the region.	Director Planning and Development
3	Progress initiatives in the COVID-19 Local Recovery Plan.	Director Economic and Community Development

Our Economy

A more proactive approach to planning and an "open for business" culture.

	Activity	Responsibility
1	Development assessment review completed and improvements implemented.	Director Planning and Development
2	Gympie Regional Council Land Use Strategy and new Planning Scheme commenced to enable completion in the term of this Council.	Director Planning and Development
3	Advocate strongly for regional opportunities from the Section D Highway Upgrade.	Director Economic and Community Development
4	Develop an Investment Attraction Prospectus.	Director Economic and Community Development
5	Review Council's Procurement Policies and Procedures to improve opportunities for regional business participation.	Director Corporate Services/ CFO
6	Develop a model that enables commercial use of public open space including proposed sites and impact assessments.	Director Planning and Development

Our Environment

	Activity	Responsibility
1	Complete detailed design and commence construction of Gympie Waste Transfer Station.	Director Planning and Development
2	Deliver Environment Levy Program.	Director Planning and Development

Our Organisation

Budget repair leading to a balanced budget.

	Activity	Responsibility
1	Implement Council prioritised recommendations from the CPA Financial Management Review – Report.	Director Corporate Services/ CFO
2	Undertake a review of the financial implications of the Rattler Railway Company Ltd on Council's financial performance and provide a report to Council on a recommended position with a focus of debt and equity structures.	Director Corporate Services/ CFO

Efficient service delivery.

	Activity	Responsibility
3	Review the Water Business Unit and implement Council's agreed recommendations of the review.	Director Corporate Services/ CFO
4	Development of Council Corporate Plan 2020-2025.	Chief Executive Officer
5	Commence service review across Council to inform the 2021/2022 budget.	Chief Executive Officer