



2019/20

BUDGET

	Local Government Regulation 2012 reference	Page
REVENUE POLICY	s169(2)(c)	1-3
REVENUE STATEMENT	s169(2)(b)	5-21
Rating Categories and Descriptions		6-12
Criteria to decide Cost-Recovery and Goods and Services charges		13
General Rates		13
Separate Charges		13
Special Charges		14
Utility charges		14
Concessions		14-16
Limitation on Increase of rates and charges		16
Other Items		16
Definitions		17-21
BUDGETED FINANCIAL STATEMENTS		
Statement of Comprehensive Income	s169(1)(b)(iii)	23
Statement of Financial Position	s169(1)(b)(i)	24
Statement of Cash Flows	s169(1)(b)(ii)	25
Statement of Changes in Equity	s169(1)(b)(iv)	26
LONG-TERM FINANCIAL FORECAST		
Statement of Comprehensive Income	s171(1)(a)&(b)	29
Statement of Financial Position	s171(1)(c)	30
Statement of Cash Flows		31
Measures of Financial Sustainability	s169(4)&(5)	32
OTHER LEGISLATIVE REQUIREMENTS		
Commercial Business Unit - Wide Bay Water	s169(3)(i)(ii)	35
Significant Business Activity - Waste Services	s169(3)(i)(iii)	36
Other Business Activities - Caravan Parks		36
Value of the change in Rates and Utility Charges	s169(6)	37
Debt Policy	s192(1)	39
Investment Policy	s191(1)	43
Estimated Position	s205(1)	53

Policy Title:	REVENUE POLICY
Policy Subject:	Finance
Policy No:	#876741 (#3723501v2)
Directorate:	Organisational Services
Department:	Financial Services
Section:	Financial Revenue
Responsible Officer:	Executive Manager Financial Services
Authorised by:	Director Organisational Services
Adopted Date:	16/07/2008
Review Date:	Budget 2020/21
Amended Date:	24/06/2019
Risk Assessment:	High

POLICY STATEMENT

In accordance with the Local Government Regulation 2012 (QLD) s.193, this policy will state;

- (a) the principles that Council intends to apply in the financial year for:
 - (i) levying rates and charges; and
 - (ii) granting concessions for rates and charges; and
 - (iii) recovering overdue rates and charges; and
 - (iv) cost-recovery methods; and
- (b) the purpose for the concessions; and
- (c) the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

A. PRINCIPLES

Council intends to apply the following principles to the levying of rates and charges, granting of concessions for rates and charges, recovering overdue rates and charges, and cost-recovery methods:

- equity - ensuring the fair and consistent application of lawful rating and charging principles, without bias, taking account of all relevant considerations;
- transparency - openness in the processes involved;
- simplicity – making processes which are simple and cost effective to administer;
- consistency - by treating ratepayers with similar circumstances in the same manner;
- fiscal responsibility – ensuring Council meets its budgetary responsibilities;
- clarity - by providing meaningful information to enable ratepayers to clearly understand their responsibilities;
- compliance - in setting its cost-recovery fees, Council will be cognisant of the legislative requirement that such a fee must not be more than the cost to Council of providing the service or taking the action to which the fee applies;

- flexibility - responding where possible to unforeseen changes in the local economy and providing a wide range of payment options;
- sustainability - revenue decisions support the financial strategies for the delivery of infrastructure and services identified in Council's long term plan and corporate plan; and
- compassion - having regard to individual's circumstances, particularly if experiencing hardship.

B. PURPOSE FOR CONCESSIONS

Council applies concessions in the following categories for the purposes outlined below:

(a) Concessions for pensioners;

Council recognises that certain classes of pensioners have contributed rates over a period of time and/or are restricted by a fixed income and should be afforded a concession in respect of rates and charges. The purpose of the concession is to support pensioners' ability to reside in the Fraser Coast and provide some cost of living relief.

(b) Concessions for religious entities, community & welfare, care facilities for aged persons and persons with disabilities and emergency services;

Council recognises that certain organisations operate for the general benefit of the community, rely mainly on volunteer labour, often with limited financial resources and should be afforded a concession in respect of rates and charges. It is expected that by allowing a concession for these groups, more of their financial resources will be available to assist members of the community.

(c) Concessions for conservation area;

Council has committed to providing assistance for the preservation, restoration, and protection of environmentally significant land. Owners of conservation land are provided a rate concession to recognize and support their efforts in maintaining the conservation land.

(d) Concessions for Local heritage register listed properties;

Council has committed to providing assistance for the preservation, restoration and maintenance of properties of local heritage significance. Council recognises the intrinsic value of our local heritage, this concession supports local efforts to maintain the integral function of visitor attraction and appreciation of the cultural significance of such regional assets.

(e) Financial Hardship;

Council has committed to providing assistance to ratepayers where payment of rates and charges, due to their financial circumstances, will cause hardship as determined in accordance with the Financial Hardship policy principles. Council acknowledges that over time, competing financial pressures may create social and personal impacts, the purpose of

concessions provided are to assist in alleviating those impacts on individuals and therefore the region.

(f) Economic Development;

Council may provide assistance to ratepayers to encourage the economic development of all or part of the region.

(g) Limit Increases in Water and Wastewater Charges

Council has committed to providing assistance to ratepayers by limiting increases in the combined water and wastewater utility charges levied on those ratepayers in the previous financial year.

C. PHYSICAL AND SOCIAL INFRASTRUCTURE COSTS FOR NEW DEVELOPMENT

Council is required to prepare a Local Government Infrastructure Plan in accordance with the Planning Act 2016.

The Local Government Infrastructure Plan (LGIP) must, among other things, include:

- a statement of the desired standard of service for the item (e.g. engineering standards); and
- a schedule of trunk infrastructure works and timing of these works.

Council's LGIP forms part of the Fraser Coast Planning Scheme which commenced on 28 January 2014.

Council's Adopted Infrastructure Charges Resolution (pursuant to Section 648 of the Sustainable Planning Act 2009 and the State Planning Regulatory Provision (adopted charges)) forms the basis for Council's practice of collecting infrastructure charges.

Council endeavours to recover the costs of new development from infrastructures charges to the greatest extent permissible under relevant Acts and Regulations.

Document Title:	REVENUE STATEMENT
Document Subject:	Finance
Document No:	#876741(#3723501v2)
Directorate:	Organisational Services
Department:	Financial Services
Section:	Financial Revenue
Responsible Officer:	Executive Manager Financial Services
Authorised by:	Director Organisational Services
Adopted Date:	16/07/2008
Review Date:	Budget 2020/21
Amended Date:	24/06/2019

REVENUE STATEMENT

In accordance with the *Local Government Regulation 2012* (QLD) s.172, this policy will state;

- (a) the rating categories for rateable land and a description of each rating category;
- (b) the criteria used to decide the amount of a cost-recovery fee;
- (c) the criteria used to decide the amount of the charges for the goods and services provided by Council's commercial business activities;
- (d) the outline and explanation of the rates and charges to be levied;
- (e) the outline and explanation of the concessions for rates and charges; and
- (f) the outline and explanation of the limitation on increase of rates and charges.

A. RATING CATEGORIES FOR RATEABLE LAND AND A DESCRIPTION OF EACH RATING CATEGORY**RESIDENTIAL****Category: Category 1a – Residential Owner Occupier – Urban**

Description: Land used solely for a single residential dwelling or home unit, which is the principal place of residence of the owner/s. The single residential dwelling or home unit may also be used as a home based business or bed and breakfast.

The land must be within the water area and also be within the State Government Emergency Management Levy class A boundary.

Category: Category 1b – Residential Owner Occupier – Non-Urban

Description: Land used solely for a single residential dwelling or home unit, which is the principal place of residence of the owner/s. The single residential dwelling or home unit may also be used as a home based business or bed and breakfast.

The land must either be outside of the water area or be within the State Government Emergency Management Levy class E boundary.

Category: Category 2a – Residential Non-Owner Occupier – Urban

Description: Land used solely for a single residential dwelling or home unit, which is not the principal place of residence of the owner/s. The single residential dwelling or home unit may also be used as a home based business or bed and breakfast.

Where more than one property is owned by the same person/s, residing in the Fraser Coast Regional Council boundary, only one (1) property shall have the principle place of residence status.

The land must be within the water area and also be within the State Government Emergency Management Levy class A boundary.

Category: Category 2b – Residential Non-Owner Occupier – Non-Urban

Description: Land used solely for a single residential dwelling or home unit, which is not the principal place of residence of the owner/s. The single residential dwelling or home unit may also be used as a home based business or bed and breakfast.

Where more than one property is owned by the same person/s, residing in the Fraser Coast Regional Council boundary, only one (1) property shall have the principle place of residence status.

The land must either be outside of the water area or be within the State Government Emergency Management Levy class E boundary.

VACANT LAND**Category: Category 3a – Residential Vacant Land/Other – Urban**

Description: Vacant land and other land other than the land as defined in Category 1a to 2b or 3b to 9s.

The land must be within the water area and also be within the State Government Emergency Management Levy class A boundary.

Category: Category 3b – Residential Vacant Land/Other – Non-Urban

Description: Vacant land and other land other than the land as defined in Category 1a to 3a or 4a to 9s.

The land must either be outside of the water area or be within the State Government Emergency Management Levy class E boundary.

Category: Category 4a – Concessional Subdivided Land – Urban

Description: Vacant land receiving a subdivider concessional valuation for the period the concessional valuation applies denoted by the primary land use code as subdivider concessional.

The land must be within the water area and also be within the State Government Emergency Management Levy class A boundary.

Category: Category 4b – Concessional Subdivided Land – Non-Urban

Description: Vacant land receiving a subdivider concessional valuation for the period the concessional valuation applies denoted by the primary land use code as subdivider concessional.

The land must either be outside of the water area or be within the State Government Emergency Management Levy class E boundary.

Category: Category 5a – Commercial Vacant Land – Urban

Description: Vacant land zoned high impact industry, medium impact industry, low impact industry, principal centre, district centre or specialised centre in Council's planning scheme.

The land must be within the water area and also be within the State Government Emergency Management Levy class A boundary.

Category: Category 5b – Commercial Vacant Land – Non-Urban

Description: Vacant land zoned high impact industry, medium impact industry, low impact industry, principal centre, district centre or specialised centre in Council's planning scheme.

The land must either be outside of the water area or be within the State Government Emergency Management Levy class E boundary.

COMMERCIAL/INDUSTRIAL

Category: Category 6a – Commercial/Industrial – Urban

Description: Land used for commercial, business, industrial, accredited nursing care facilities that do not provide independent living as part of the complex, or other similar purposes not included in any other category. The land may also contain a single residential dwelling.

The land must be within the water area and also be within the State Government Emergency Management Levy class A boundary.

Category: Category 6b – Commercial/Industrial – Non-Urban

Description: Land used for commercial, business, industrial, accredited nursing care facilities that do not provide independent living as part of the complex, or other similar purposes not included in any other category. The land may also contain a single residential dwelling.

The land must either be outside of the water area or be within the State Government Emergency Management Levy class E boundary.

PRIMARY PRODUCTION**Category: Category 7a – Primary Production**

Description: Land being used for primary production purposes denoted by primary land use codes 60 to 71 inclusive, 73 to 89 inclusive or 93.

MULTI-RESIDENTIAL – FLATS/RESIDENTIAL RESORTS/OTHER**Category: Category 8a – 2-10 ILUs**

Description: Land used for Flats, Residential Resorts, or other similar purposes not included in any other category.

The land in this category contains 2 to 10 Independent Living Units.

Category: Category 8b – 11-19 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 11 to 19 Independent Living Units.

Category: Category 8c – 20-39 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 20 to 39 Independent Living Units.

Category: Category 8d – 40-59 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 40 to 59 Independent Living Units.

Category: Category 8e – 60-79 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 60 to 79 Independent Living Units.

Category: Category 8f – 80-99 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 80 to 99 Independent Living Units.

Category: Category 8g – 100-119 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 100 to 119 Independent Living Units.

Category: Category 8h – 120-139 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 120 to 139 Independent Living Units.

Category: Category 8i – 140-159 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 140 to 159 Independent Living Units.

Category: Category 8j – 160-179 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 160 to 179 Independent Living Units.

Category: Category 8k – 180-199 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 180 to 199 Independent Living Units.

Category: Category 8l – 200-219 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 200 to 219 Independent Living Units.

Category: Category 8m – 220-239 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 220 to 239 Independent Living Units.

Category: Category 8n – 240-259 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 240 to 259 Independent Living Units.

Category: Category 8o – 260-279 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 260 to 279 Independent Living Units.

Category: Category 8p – 280-299 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 280 to 299 Independent Living Units.

Category: Category 8q – 300-319 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 300 to 319 Independent Living Units.

Category: Category 8r – 320-339 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 320 to 339 Independent Living Units.

Category: Category 8s – 340-359 ILUs

Description: Land used for Flats, Residential Resorts or other similar purposes not included in any other category.

The land in this category contains 340 to 359 Independent Living Units.

MULTI-RESIDENTIAL – RETIREMENT VILLAGES/RESIDENTIAL PARKS/RESIDENTIAL SERVICES

Category: Category 9a – 2-10 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 2 to 10 Independent Living Units.

Category: Category 9b – 11-19 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 11 to 19 Independent Living Units.

Category: Category 9c – 20-39 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 20 to 39 Independent Living Units.

Category: Category 9d – 40-59 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 40 to 59 Independent Living Units.

Category: Category 9e– 60-79 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 60 to 79 Independent Living Units.

Category: Category 9f – 80-99 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 80 to 99 Independent Living Units.

Category: Category 9g – 100-119 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 100 to 119 Independent Living Units.

Category: Category 9h – 120-139 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 120 to 139 Independent Living Units.

Category: Category 9i – 140-159 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 140 to 159 Independent Living Units.

Category: Category 9j – 160-179 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 160 to 179 Independent Living Units.

Category: Category 9k – 180-199 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 180 to 199 Independent Living Units.

Category: Category 9l – 200-219 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 200 to 219 Independent Living Units.

Category: Category 9m – 220-239 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 220 to 239 Independent Living Units.

Category: Category 9n – 240-259 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 240 to 259 Independent Living Units.

Category: Category 9o – 260-279 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 260 to 279 Independent Living Units.

Category: Category 9p – 280-299 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 280 to 299 Independent Living Units.

Category: Category 9q – 300-319 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 300 to 319 Independent Living Units.

Category: Category 9r – 320-339 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 320 to 339 Independent Living Units.

Category: Category 9s – 340-359 ILUs

Description: Land used for Retirement Villages, Residential Parks, or Residential Services.

The land in this category contains 340 to 359 Independent Living Units.

B. CRITERIA USED TO DECIDE THE AMOUNT OF A COST-RECOVERY FEE

In accordance with *the Local Government Act 2009* (QLD) s.97, Council shall by resolution fix a cost recovery fee for services and facilities including but not limited to, an application or renewal of an approval, consent, licence, permission, registration or other approval under a Local Government Act; recording transfer of ownership of land; seizing property or animals under a Local Government Act or the performance of another responsibility under the Building or Plumbing Act. In accordance with Section 97(4), the cost-recovery fee shall be no more than the cost to the local government of providing the service or taking the action for which the fee is charged.

C. CRITERIA USED TO DECIDE THE AMOUNT OF THE CHARGES FOR THE GOODS AND SERVICES PROVIDED BY COUNCIL'S COMMERCIAL BUSINESS ACTIVITIES

Council considers that in almost all instances it is appropriate and in the community interest to apply full cost recovery to its water, wastewater, and waste utility charges, which includes obtaining a return on capital for assets used in the delivery of these services. In accordance with Section 97 of the *Local Government Act 2009* (QLD), cost-recovery fees will also be set for other services and activities for which Council believes it is appropriate. A return on capital will only be charged where permissible under the *Local Government Act 2009* (QLD) or *Local Government Regulation 2012* (QLD). By imposing charges that accurately reflect the full cost of the provision of services, Council will promote efficiency in both provision and use of the services.

D. OUTLINE AND EXPLANATION OF THE RATES AND CHARGES TO BE LEVIED**1. GENERAL RATES**

The Fraser Coast Regional Council uses a system of differential general rates and is required to raise an amount of revenue appropriate to maintain assets and provide services to the Local Government area as a whole. Council provides a range of services including roads and drainage, parks, libraries and cultural facilities, street lighting, coastal management, economic development and major projects, with these services designed to benefit the entire region.

In deciding how general rates are calculated, a number of factors are taken into account, including:

- the rateable value of the land;
- the use of the land;
- the level of services provided to the region and the cost of providing the services; and
- the location and access to services.

2. SEPARATE CHARGES

Separate charges are levied under the *Local Government Regulation 2012* (QLD) s.103. Separate charges are for a service, facility or activity.

The following separate charges will be levied in 2019/20;

- Infrastructure Levy – for the purposes of contributing to Council's Roads Resurfacing capital program across the region;
- Disaster Management Levy – for the purposes of raising revenue in accordance with Council's Disaster Management Levy Policy.

Separate charges may be levied per rateable assessment.

3. SPECIAL CHARGES

Special charges are levied under *Local Government Regulation 2012* (QLD) s.94. Special charges are for services, facilities and activities that have a special association with particular land because—

- (a) the land or its occupier –
 - (i) specially benefits from the service, facility or activity; or
 - (ii) has or will have special access to the service, facility or activity; or
- (b) the land is or will be used in a way that specially contributes to the need for the service, facility or activity; or
- (c) the occupier of the land specially contributes to the need for the service, facility or activity.

The following special charges will be levied in 2019/20;

- Council Rural Fire Levy – for the purpose of raising funds for the rural fire brigades, contributing to the purchase and maintenance of buildings, land and/or equipment of equipment for the brigades; and
- Kingfisher Parade Toogoom Revetment Seawall Levy – for the purposes of funding the cost to Council for seawall construction and maintenance.

Special charges will only be levied to a property which, in Council's opinion, receives a special benefit from those activities and has resolved to levy a special charge to recover the cost.

4. UTILITY CHARGES

Utility charges are levied under the *Local Government Regulation 2012* (QLD) s.99. Utility and commercial charges are assessed where applicable on full cost pricing principles so that total income received, will fund the full cost of provision of local government services to the community and the effective administration of these services.

Utility charges are levied for water, wastewater, and waste (including the waste management utility charge and the Fraser Island Garbage Charge).

Utility charges will be levied to all land which either utilises, or is able to utilise, these services.

E. OUTLINE AND EXPLANATION OF THE CONCESSIONS FOR RATES AND CHARGES

In accordance with Sections 119-126 of the *Local Government Regulation 2012* (QLD), Council shall allow concessions or assistance as follows:

1. Concessions for pensioners

Concession on the basis set out in Council's Pensioner Concession Policy.

It is Council's policy to provide assistance by way of a concession on the general rate to pensioners who are in receipt of a pension from the Commonwealth Government, and who comply with the guidelines established by the Queensland Department of Communities, Child Safety and Disability Services for the State Government Rate Subsidy Scheme.

Council recognises that certain classes of pensioners have contributed rates over a period of time and/or are restricted by a fixed income and should be afforded a concession in respect of rates and charges. The purpose of the concession is to support pensioners' ability to reside in the Fraser Coast and provide some cost of living relief.

2. Concessions for religious entities, community & welfare, care facilities for aged persons and persons with disabilities and emergency services

Concession on the basis set out in Council's Community Groups Concession Policy.

Council recognises that certain organisations operate for the general benefit of the community, rely on volunteer labour, often with limited financial resources and should be afforded a concession in respect of rates and charges. It is expected that by allowing a concession for these groups, more of their financial resources will be available to assist members of the community.

3. Conservation areas concession

Concession on the basis set out in Council's Conservations Areas Concession Policy.

Council has committed to providing assistance for the preservation, restoration, and protection of environmentally significant land. Owners of conservation land are provided a rate concession to recognize and support their efforts in maintaining the conservation land.

4. Local heritage register concession

Concession on the basis set out in Council's Local Heritage Register Concession Policy.

Council has committed to providing assistance for the preservation, restoration and maintenance of properties of local heritage significance. Council recognizes the intrinsic value of our local heritage, this concession supports local efforts to maintain the integral function of visitor attraction and appreciation of the cultural significance of such regional assets.

5. Financial Hardship

Concession on the basis set out in Council's Financial Hardship policy.

Council has committed to providing assistance to ratepayers where payment of rates and charges, due to their financial circumstances, will cause hardship as determined in accordance with the Financial Hardship policy principles. Council acknowledges that over time, competing financial pressures may create social and personal impacts, the purpose of concessions provided are to assist in alleviating those impacts on individuals and therefore the region.

6. Economic Development

Concession on a case-by-case basis as adopted by Council resolution.

Council may grant a concession to ratepayers to encourage the economic development of all or part of the region.

7. Limit Increases in Water and Wastewater Charges

Concession on the basis as adopted by Council resolution.

Council has committed to providing assistance to ratepayers by limiting increases in the combined water and wastewater utility charges, excluding water consumption and trade waste charges, levied on those ratepayers in the previous financial year.

For land to which this limitation applies, this limitation will cease to apply effective from the start of the billing period following;

- a) the transfer of ownership of the land, or
- b) the change to the characteristics of the land which results in a change to the water or wastewater category or services applicable to the land.

F. OUTLINE AND EXPLANATION OF THE LIMITATION ON INCREASE OF RATES AND CHARGES

In accordance with the *Local Government Regulation 2012* (QLD) s.116, Council has resolved to limit increases in differential general rates levied in the previous financial year to a maximum stated percentage for those differential rating categories.

For land to which this limitation applies, this limitation will cease to apply effective from the start of the billing period following;

- a) the transfer of ownership of the land, or
- b) the change to the characteristics of the land which results in a change to the differential general rate category applicable to the land.

Except as specified above in relation to water and wastewater charges, increases in other rates or charges will not be subject to limitation in this way.

OTHER

Adjustments to levies

Adjustments to rates and charges as a result of property inspections and/or internal property audits that have identified increases to the charges for a property will be adjusted from the start of the billing period following discovery. All other errors identified in the charging of levies will be adjusted back to the start of the current billing period.

All other adjustments in respect of rates and charges may be made from the date of effect of any such change.

Collection of overdue rates and charges

Council shall collect rates and charges in accordance with Council's Revenue Policy, Council's Debt Recovery Policy and the provisions of the *Local Government Act 2009* (QLD).

Payments in advance

Council accepts payments in advance. Interest is not payable on any credit balances held.

Interest is also not payable on overpayments as a result of incorrect rates and charges being levied.

DEFINITIONS

The following are to assist in the interpretation of the Revenue Statement, Council's rating and budget resolutions and related documents.

"Accredited nursing care": shall mean a premise that has obtained the required State/Federal accreditation to care for aged persons in a nursing care type environment. Accommodation is by way of beds in wards or shared rooms with nursing care available at all times.

"Bed and breakfast": shall mean where designated rooms of an owner-occupied dwelling are made available for paid short term accommodation as approved by Council.

"Caravan park": shall mean premises used to provide facilities for the overnight provision of parking or camping for caravan, campervan, motorhome, camper trailer and any other RV or camping product on a commercial basis.

"Combined waste service": has the meaning given in Council's Waste Management Policy.

"Consumption": shall mean the usage recorded by the meter attached to the property.

"Council's property type code": shall mean the system adopted and assigned by Council to identify the type of land.

"Defined waste collection area": shall mean the area, within the Fraser Coast Regional Council boundary, that Council resolves from time to time as being the "Defined Waste Collection Area".

"Flats": shall mean land with independent living units which may provide a mix of both short-term and permanent accommodation.

"Flood prone land": shall mean land where Council has determined that no residence can be built due to flooding potential.

"Group/strata titled": shall mean a form of ownership devised for multi-level apartment blocks and horizontal subdivisions with shared areas.

"Hotel": shall mean property used primarily to sell liquor for consumption on and off the premises. It may include accommodation for travellers and tourists, dining, entertainment activities and facilities, and other services.

"Home based business": shall mean low impact home based businesses or not-for-profit or nominal entry fee tourism businesses as approved by Council.

"Independent living Units (ILUs)": shall mean self-contained residential accommodation designed to be occupied on a permanent or semi-permanent nature (irrespective of actual occupancy).

“Land”: shall mean a single surveyed allotment or multiple surveyed allotments having a single rateable valuation as assessed by the Queensland Department of Natural Resources, Mines, and Energy.

“Land area”: shall mean the total land area of a single surveyed allotment or multiple surveyed allotments having a single rateable valuation as assessed by the Queensland Department of Natural Resources, Mines, and Energy.

“Large shopping centre”: shall mean land used as a large commercial development with 70 or more car parking facilities as determined by Council’s property type code.

“Major industry”: shall mean land determined solely by Council used for commercial/industrial activities that include but not limited to the manufacturing, producing, processing, repairing, altering, recycling, storing, distributing, transferring, treating of products and may have one or more of the following attributes:

1. Places greater demand on the water infrastructure network in the event of fire, explosion or toxic release including aerosol, fume, particle, smoke and odour than the residential and commercial/industrial;
2. Requires greater demand on water storage, water treatment, water mains, pumps, and storage in the context of the water infrastructure network;
3. Requires on demand capacity including peak load capacity on water infrastructure owing to one or more of the following:
 - a street frontage of greater than 40 metres that is double that of an average residential property;
 - a land area of greater than 2000m²;
 - a floor area of greater than 500m²;
 - a service water pipe size 50mm or greater;
 - a combination of service water pipes sizes 50mm or greater servicing the property; or
 - places demand on the system greater than other water access categories for firefighting capacity.

“Manufactured home”: as defined in the *Manufactured Homes (Residential Parks) Act 2003* (QLD)

“Motel”: shall mean property used to provide accommodation in serviced rooms for travellers or tourists away from their normal place of residence, and where provision is made for parking directly outside their respective room.

“Multi-residential bed and breakfast”: shall mean two or more dwellings are situated on a single separately valued parcel of land and one of the dwellings is owner-occupied, and the remaining dwelling/s is/are wholly available for paid short term accommodation as approved by Council.

“Primary land use code”: shall mean the system adopted and assigned by the Queensland Department of Natural Resources, Mines, and Energy to identify the use of land.

“Principal place of residence”: shall mean:

- (a) a single residential dwelling or home unit where:
 - (i) at least one person who owns the dwelling or home unit predominantly lives; or
 - (ii) at least one person who is a life tenant of the dwelling or home unit predominantly lives; or
- (b) a single residential dwelling or home unit:

- (i) in which the owner or a life tenant predominantly lived immediately before being admitted to a nursing or convalescence institution; and
- (ii) at which the owner or the life tenant will resume living upon being discharged from the nursing or convalescence institution; and
- (iii) that remains unoccupied throughout the period of the owner's or the life tenant's residence at the nursing or convalescent institution.

Principal place of residence does not include a single residential dwelling or home unit that is:

- (a) owned by an entity other than a natural person (e.g. a company or an incorporated association); or
- (b) owned by a person as trustee of a trust.

Note: In establishing principal place of residence, Council may consider any relevant material including nominated address according to the electoral roll, or whether services such as telephone and electricity are connected to the property in the owner's name.

"Rateable property": shall mean land that has a *rateable value* as defined under Sections 72 & 74 of the *Local Government Regulation 2012* (QLD).

"Ratepayer": shall mean a person who is liable to pay rates and charges as defined under Schedule 8 and Section 127 of the *Local Government Regulation 2012* (QLD).

"Residential resort": shall mean land which provides independent living as part of a complex that also includes common facilities and amenities. The complex may also provide shops and restaurants which service occupants and also the general public.

The independent living units in these complexes may provide a mix of both short-term and permanent accommodation.

"Residential park": shall mean land listed on the Department of Housing and Public Works (DHPW) register of Residential Parks with Manufactured Homes as at the start of the notice billing cycle.

A Residential Park may be;

- mixed-use—the park may have a mixture of manufactured homes, caravan sites, tents and holiday cabins, which offer short and long-term accommodation (manufactured home sites must account for 40% or greater of the total number sites)
- purpose-built—these parks are made up of manufactured homes exclusively.

Residential parks are managed by a park owner or manager.

"Residential service": shall mean land listed on the Department of Housing and Public Works (DHPW) register of Residential Services as at the start of the notice billing cycle.

A residential service provides accommodation for four or more people who live in one or more rooms and individually pay rent. Typically, each resident has the right to occupy one or more rooms but not the whole premises. Residents in a residential service share facilities such as a bathroom or kitchen. Some services also provide residents with food or a personal care service as part of their accommodation agreement.

Another form of residential service is known as aged rental accommodation. This provides accommodation to a person who rents a self-contained unit and who receives food or personal care service from (or on behalf of) the service provider.

A residential service shall also mean accredited nursing care facilities that provide independent living as part of the complex.

“Retirement village”: shall mean land listed on the Department of Housing and Public Works (DHPW) register of Retirement Villages as at the start of the notice billing cycle.

A retirement village is a premise where a community of seniors live in independent living units or serviced units, and share common facilities and amenities. They cater for retirees and older members of the community. In some villages, personal care and support services can be purchased for a fee.

Retirement villages may be owned by commercial operators for profit or by charitable, religious or ethnic not-for-profit organisations. They do not receive government funding.

“Separate occupation and/or tenancy”: shall mean that a rate and or charge will apply to land and or to each separate business premises with an allotment or building that can be individually occupied, leased or rented whether currently occupied or not.

“Single residential dwelling or home unit”: shall mean properties used solely for a single residential dwelling - consists of a single dwelling built on only one allotment or built over the common boundary of two contiguous allotments used solely for domestic accommodation. A home unit is in respect to lots under the *Body Corporate and Community Management Act 1997* used solely for domestic accommodation.

“Standard waste service”: has the meaning given in Council’s Waste Management Policy.

“Tenancy”: as determined by meeting the majority of criteria defined by Council including but not limited to; company ABN, separate signage, separate entry doors, dividing walls, and rental agreements.

“Unit - residential”: shall mean an attached or detached premise, a separate permanent residential occupation or tenancy, bed and breakfast or any other type of residential premises.

“Unit - commercial”: shall mean separate commercial or industrial occupancy and/or tenancy of a commercial or industrial premises, Motel, Caravan Park, backpacker accommodation, multiple accommodation property/resort or any other type of commercial premises on a registered plan.

“Vacant land”: shall mean land upon which no building or other structure (excluding fences) is erected or land where a garage/shed is erected for a non-commercial purpose.

“Wastewater area”: shall mean all land to which Council is prepared to accept wastewater from within the service area.

“Water area”: shall mean all land to which Council is prepared to supply water within the service area.

RELATED DOCUMENTS

Revenue Policy
Debt Recovery Policy
Financial Hardship Policy
Community Groups Concession Policy
Local Heritage Register Concession Policy
Conservation Areas Concession Policy



Budgeted Financial Statements

Budget 2019/20

Budgeted Statement of Comprehensive Income

	Estimated Actual 2018-19 \$'000	Budget 2019-20 \$'000	Forecast 2020-21 \$'000	Forecast 2021-22 \$'000
Income				
Revenue				
Recurrent Revenue				
Rates Levies and charges	168,017	171,867	180,021	186,701
Discounts and rebates	(3,172)	(3,153)	(3,270)	(3,391)
Fees and Charges	20,869	22,232	23,057	23,913
Rental Income	1,101	1,046	1,084	1,125
Interest revenue	7,923	7,779	6,807	5,904
Sales revenue	3,258	4,620	4,791	4,969
Other income	6,320	3,120	3,235	3,355
Grants, subsidies, contributions and donations	6,769	8,212	8,451	8,714
Total recurrent revenue	211,085	215,723	224,176	231,290
Expense				
Recurrent expenses				
Employee benefits	62,618	67,736	69,092	70,639
Materials and service	73,936	79,220	79,608	81,653
Finance costs	6,127	5,293	4,704	4,751
Depreciation and amortisation	60,914	62,572	66,934	71,748
Total recurrent expense	203,595	214,821	220,338	228,791
Operating Result	7,490	902	3,838	2,499
Capital revenue				
Grants and subsidies	15,482	26,344	26,877	27,371
Developer contributions	32,711	29,809	28,147	28,709
Other capital income	3,092	470	1,936	1,975
Total capital revenue	51,285	56,623	56,960	58,055
Capital expense	14,709	1,542	1,571	1,590
Net result	44,066	55,983	59,227	58,964
Other Comprehensive income				
Increase in asset revaluation surplus	14,396	38,855	54,094	15,987
Total comprehensive income	58,462	94,838	113,321	74,951

Budgeted Statement of Financial Position

	Estimated Actual 2018-19 \$'000	Budget 2019-20 \$'000	Forecast 2020-21 \$'000	Forecast 2021-22 \$'000
Assets				
Current assets				
Cash and cash equivalents	205,610	161,008	114,567	93,938
Trade and other receivables	37,482	46,326	48,629	50,476
Inventories	1,354	1,382	1,411	1,440
Total current assets	244,446	208,716	164,607	145,854
Non-current assets				
Land held for development for sale	5,621	5,792	5,968	6,149
Property, plant and equipment	2,466,664	2,573,939	2,724,089	2,823,000
Intangible assets	3,902	6,028	7,951	8,201
Biological assets	755	770	785	801
Total non-current assets	2,476,942	2,586,529	2,738,793	2,838,151
Total assets	2,721,388	2,795,245	2,903,400	2,984,005
Liabilities				
Current liabilities				
Trade and other payables	17,843	13,622	13,801	14,137
Borrowings	16,839	14,942	12,390	13,541
Provisions	6,062	6,979	6,996	8,079
Other liabilities	1,062	1,099	1,137	1,176
Total current liabilities	41,806	36,642	34,324	36,933
Non-current liabilities				
Borrowings	73,185	58,257	55,733	59,950
Provisions	16,690	15,801	15,477	14,304
Total non-current liabilities	89,875	74,058	71,210	74,254
Total liabilities	131,681	110,700	105,534	111,187
Net community assets	2,589,707	2,684,545	2,797,866	2,872,818
Community equity				
Asset revaluation surplus	650,121	688,976	743,070	759,057
Retained surplus	1,939,586	1,995,569	2,054,796	2,113,761
Total community equity	2,589,707	2,684,545	2,797,866	2,872,818

Budgeted Statement of Cash Flows

	Estimated Actual 2018-19 \$'000	Budget 2019-20 \$'000	Forecast 2020-21 \$'000	Forecast 2021-22 \$'000
Cash flows from operating activities				
Receipts from customers	193,895	189,302	205,653	213,824
Payments to suppliers and employees	(138,862)	(151,294)	(148,641)	(152,055)
	55,033	38,008	57,012	61,769
Payments for land held as inventory	-	(171)	(176)	(181)
Investment and interest revenue received	7,820	7,779	6,807	5,904
Rental income	1,101	1,022	1,080	1,120
Non-capital grants and contributions	8,345	8,829	8,390	8,652
Other Income	2,777	(82)	(85)	(87)
Borrowing costs	(6,504)	(4,945)	(4,349)	(4,388)
Payment of provision	(479)	(505)	(848)	(654)
Net cash inflow from operating activities	68,093	49,935	67,831	72,135
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	2,572	1,230	1,261	1,292
Capital grants, subsidies, contributions and donations	30,422	41,360	38,602	39,290
Purchase/construction of property, plant and equipment	(90,243)	(117,050)	(147,202)	(138,288)
Payments for intangible assets	(3,270)	(2,504)	(2,551)	(1,134)
Other cash flows from investing activities	666	(748)	694	708
Net cash outflow from investing activities	(59,853)	(77,712)	(109,196)	(98,132)
Cash flows from financing activities				
Proceeds from borrowings	-	-	10,000	18,000
Repayment of borrowings	(17,169)	(16,825)	(15,076)	(12,632)
Net cash inflow (outflow) from financing activities	(17,169)	(16,825)	(5,076)	5,368
Net increase (decrease) for the year	(8,929)	(44,602)	(46,441)	(20,629)
Cash and cash equivalents at the beginning of the financial year	214,539	205,610	161,008	114,567
Total Cash and cash equivalents at the end of the financial year	205,610	161,008	114,567	93,938

Budgeted Statement of Changes in Equity

	Estimated Actual 2018-19 \$'000	Budget 2019-20 \$'000	Forecast 2020-21 \$'000	Forecast 2021-22 \$'000
Asset revaluation surplus				
Opening balance	635,725	650,121	688,976	743,070
Increase in asset revaluation surplus	14,396	38,855	54,094	15,987
Closing balance	650,121	688,976	743,070	759,057
Retained surplus				
Opening balance	1,895,520	1,939,586	1,995,569	2,054,796
Net result	44,066	55,983	59,227	58,965
Closing balance	1,939,586	1,995,569	2,054,796	2,113,761
Total				
Opening balance	2,531,245	2,589,707	2,684,545	2,797,866
Net result	44,066	55,983	59,227	58,965
Increase in asset revaluation surplus	14,396	38,855	54,094	15,987
Closing balance	2,589,707	2,684,545	2,797,866	2,872,818



Long Term Financial Forecast Budget 2019/20

Long Term Financial Forecast Statement of Comprehensive Income

	Estimated Actual 2018-19 \$'000	Budget 2019-20 \$'000	Forecast 2020-21 \$'000	Forecast 2021-22 \$'000	Forecast 2022-23 \$'000	Forecast 2023-24 \$'000	Forecast 2024-25 \$'000	Forecast 2025-26 \$'000	Forecast 2026-27 \$'000	Forecast 2027-28 \$'000	Forecast 2028-29 \$'000
Income											
Revenue											
Recurrent Revenue											
Rates Levies and charges	168,017	171,867	180,021	186,701	193,627	200,814	207,253	213,904	220,765	227,843	235,146
Discounts and rebates	(3,172)	(3,153)	(3,270)	(3,391)	(3,517)	(3,648)	(3,764)	(3,885)	(4,010)	(4,138)	(4,271)
Fees and Charges	20,869	22,232	23,057	23,913	24,800	25,720	26,545	27,397	28,276	29,182	30,118
Rental Income	1,101	1,046	1,084	1,125	1,166	1,210	1,248	1,289	1,330	1,372	1,416
Interest revenue	7,923	7,779	6,807	5,904	5,327	5,080	5,275	5,627	6,161	6,676	7,407
Sales revenue	3,258	4,620	4,791	4,969	5,153	5,344	5,516	5,693	5,875	6,064	6,258
Other income	6,320	3,120	3,235	3,355	3,480	3,609	3,725	3,844	3,968	4,095	4,226
Grants, subsidies, contributions and donations	6,769	8,212	8,451	8,714	8,984	9,263	9,551	9,848	10,154	10,469	10,794
Total recurrent revenue	211,085	215,723	224,176	231,290	239,020	247,392	255,349	263,717	272,519	281,563	291,094
Expense											
Recurrent expenses											
Employee benefits	62,618	67,736	69,092	70,639	72,219	73,824	75,452	77,783	79,498	81,242	83,024
Materials and services	73,936	79,220	79,608	81,653	83,751	85,903	88,111	90,375	92,691	95,058	97,479
Finance costs	6,127	5,293	4,704	4,751	4,711	4,374	4,278	4,234	4,374	4,380	4,082
Depreciation and amortisation	60,914	62,572	66,934	71,748	75,259	79,966	83,022	83,306	87,884	93,060	95,840
Total recurrent expense	203,595	214,821	220,338	228,791	235,940	244,067	250,863	255,698	264,447	273,740	280,425
Operating result	7,490	902	3,838	2,500	3,080	3,325	4,486	8,019	8,072	7,823	10,668
Capital revenue											
Grants and subsidies	15,482	26,344	26,877	27,371	25,205	20,712	17,727	18,081	18,443	18,812	19,188
Developer contributions	32,711	29,809	28,147	28,709	29,284	29,868	30,466	31,076	31,698	32,332	32,756
Other capital income	3,092	470	1,936	1,975	2,014	2,054	2,096	2,137	2,180	2,224	2,224
Total capital revenue	51,285	56,623	56,960	58,055	56,503	52,634	50,289	51,294	52,321	53,368	54,168
Capital expense	14,709	1,542	1,571	1,590	1,594	1,597	1,609	1,595	1,580	1,609	1,609
Net result	44,066	55,983	59,227	58,965	57,989	54,362	53,166	57,718	58,813	59,582	63,227
Other Comprehensive income											
Increase in asset revaluation surplus	14,396	38,855	54,094	15,987	56,469	101,629	40,085	58,926	88,515	47,730	70,657
Total comprehensive income	58,462	94,838	113,321	74,952	114,458	155,991	93,251	116,644	147,328	107,312	133,884

Long Term Financial Forecast Statement of Financial Position

	Estimated Actual 2018-19 \$'000	Budget 2019-20 \$'000	Forecast 2020-21 \$'000	Forecast 2021-22 \$'000	Forecast 2022-23 \$'000	Forecast 2023-24 \$'000	Forecast 2024-25 \$'000	Forecast 2025-26 \$'000	Forecast 2026-27 \$'000	Forecast 2027-28 \$'000	Forecast 2028-29 \$'000
Assets											
Current assets											
Cash and cash equivalents	205,610	161,008	114,567	93,938	79,153	81,628	91,710	104,307	124,392	147,272	173,292
Trade and other receivables	37,482	46,326	48,629	50,476	52,389	54,225	56,168	58,022	59,934	61,740	63,940
Inventories	1,354	1,382	1,411	1,440	1,470	1,501	1,532	1,564	1,596	1,629	1,662
Total current assets	244,446	208,716	164,607	145,854	133,012	137,354	149,410	163,893	185,922	210,641	238,894
Non-current assets											
Land held for development for sale	5,621	5,792	5,968	6,149	6,335	6,527	6,725	6,929	7,139	7,355	7,571
Property, plant and equipment	2,466,664	2,573,939	2,724,089	2,823,000	2,943,866	3,091,962	3,171,293	3,270,223	3,397,935	3,473,791	3,573,145
Intangible assets	3,902	6,028	7,951	8,201	8,238	8,550	8,976	9,233	9,793	9,343	8,790
Biological assets	755	770	785	801	817	833	850	867	884	902	920
Total non-current assets	2,476,942	2,586,529	2,738,793	2,838,151	2,959,256	3,107,872	3,187,844	3,287,252	3,415,751	3,491,391	3,590,426
Total assets	2,721,388	2,795,245	2,903,400	2,984,005	3,092,268	3,245,226	3,337,254	3,451,145	3,601,673	3,702,032	3,829,320
Liabilities											
Current liabilities											
Trade and other payables	17,843	13,622	13,801	14,137	14,481	14,793	15,195	15,615	15,994	16,338	16,779
Borrowings	16,839	14,942	12,390	13,541	12,305	6,084	6,172	5,035	5,287	5,033	5,329
Provisions	6,062	6,979	6,996	8,079	8,366	8,205	9,922	10,262	8,173	8,173	8,173
Other liabilities	1,062	1,099	1,137	1,176	1,216	1,258	1,301	1,345	1,390	1,437	1,484
Total current liabilities	41,806	36,642	34,324	36,933	36,368	30,340	32,590	32,257	30,844	30,981	31,765
Non-current liabilities											
Borrowings	73,185	58,257	55,733	59,950	55,537	59,321	58,081	57,979	62,557	57,524	52,195
Provisions	16,690	15,801	15,477	14,304	13,090	12,299	10,066	7,750	7,785	5,731	3,677
Total non-current liabilities	89,875	74,058	71,210	74,254	68,627	71,620	68,147	65,729	70,342	63,255	55,872
Total liabilities	131,681	110,700	105,534	111,187	104,995	101,960	100,737	97,986	101,186	94,236	87,637
Net community assets	2,589,707	2,684,545	2,797,866	2,872,818	2,987,273	3,143,266	3,236,517	3,353,159	3,500,487	3,607,796	3,741,683
Community equity											
Asset revaluation surplus	650,121	688,976	743,070	759,057	815,526	917,155	957,240	1,016,166	1,104,681	1,152,410	1,223,068
Retained surplus	1,939,586	1,995,569	2,054,796	2,113,761	2,171,747	2,226,111	2,279,277	2,336,993	2,395,806	2,455,386	2,518,615
Total community equity	2,589,707	2,684,545	2,797,866	2,872,818	2,987,273	3,143,266	3,236,517	3,353,159	3,500,487	3,607,796	3,741,683

Long Term Financial Forecast Statement of Cash Flows

	Estimated Actual 2018-19 \$'000	Budget 2019-20 \$'000	Forecast 2020-21 \$'000	Forecast 2021-22 \$'000	Forecast 2022-23 \$'000	Forecast 2023-24 \$'000	Forecast 2024-25 \$'000	Forecast 2025-26 \$'000	Forecast 2026-27 \$'000	Forecast 2027-28 \$'000	Forecast 2028-29 \$'000
Cash flows from operating activities											
Receipts from customers	193,895	189,302	205,653	213,824	221,757	230,128	237,472	245,237	253,104	261,380	269,432
Payments to suppliers and employees	(138,862)	(151,294)	(148,641)	(152,055)	(155,704)	(159,482)	(163,229)	(167,808)	(171,880)	(176,038)	(180,153)
	55,033	38,008	57,012	61,769	66,053	70,646	74,243	77,429	81,224	85,342	89,279
Payments for land held as inventory	-	(171)	(176)	(181)	(186)	(192)	(198)	(204)	(210)	(216)	(216)
Investment and interest revenue received	7,820	7,779	6,807	5,904	5,327	5,080	5,275	5,627	6,161	6,676	7,407
Rental income	1,101	1,022	1,080	1,120	1,162	1,205	1,244	1,284	1,325	1,368	1,411
Non-capital grants and contributions	8,345	8,829	8,390	8,652	8,921	9,204	9,478	9,779	10,083	10,402	10,712
Other cashflows from operating activities	2,777	(82)	(85)	(87)	(89)	(92)	(94)	(97)	(99)	(102)	(102)
Borrowing costs	(6,504)	(4,945)	(4,349)	(4,388)	(4,339)	(3,993)	(3,888)	(3,835)	(3,965)	(3,961)	(3,653)
Payment of provision	(479)	(505)	(848)	(654)	(1,499)	(1,521)	(1,078)	(2,505)	(2,548)	(2,548)	(2,548)
Net cash inflow from operating activities	68,093	49,935	67,831	72,135	75,350	80,337	84,982	87,478	91,971	96,961	102,290
Cash flows from investing activities											
Proceeds from sale of property, plant and equipment	2,572	1,230	1,261	1,292	1,325	1,358	1,392	1,426	1,462	1,499	1,536
Capital grants, subsidies, contributions and donations	30,422	41,360	38,602	39,290	37,323	33,031	30,253	30,818	31,395	31,983	32,359
Purchase/construction of property, plant and equipment	(90,243)	(117,050)	(147,202)	(138,288)	(122,822)	(109,140)	(104,479)	(104,988)	(108,222)	(101,738)	(104,563)
Payments for intangible assets	(3,270)	(2,504)	(2,551)	(1,134)	(1,034)	(1,412)	(1,668)	(1,665)	(2,135)	(1,338)	(1,369)
Other cash flows from investing activities	666	(748)	694	708	722	738	753	768	784	800	800
Net cash outflow from investing activities	(59,853)	(77,712)	(109,196)	(98,132)	(84,486)	(75,425)	(73,749)	(73,641)	(76,716)	(68,794)	(71,237)
Cash flows from financing activities											
Proceeds from borrowings	-	-	10,000	18,000	8,000	10,000	5,000	5,000	10,000	-	-
Repayment of borrowings	(17,169)	(16,825)	(15,076)	(12,632)	(13,649)	(12,437)	(6,151)	(6,240)	(5,170)	(5,287)	(5,033)
Net cash inflow (outflow) from financing activities	(17,169)	(16,825)	(5,076)	5,368	(5,649)	(2,437)	(1,151)	(1,240)	4,830	(5,287)	(5,033)
Net increase (decrease) for the year	(8,929)	(44,602)	(46,441)	(20,629)	(14,785)	2,475	10,082	12,597	20,085	22,880	26,020
Cash and cash equivalents at the beginning of the financial year	214,539	205,610	161,008	114,567	93,938	79,153	81,628	91,710	104,307	124,392	147,272
Total Cash and cash equivalents at the end of the financial year	205,610	161,008	114,567	93,938	79,153	81,628	91,710	104,307	124,392	147,272	173,292



Long Term Financial Forecast Measures of Financial Sustainability

	Estimated Actual 2018-19	Budget 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	Forecast 2027-28	Forecast 2028-29
Operating surplus ratio 0% to 10%	3.5%	0.4%	1.7%	1.1%	1.3%	1.3%	1.8%	3.0%	3.0%	2.8%	3.7%
Asset sustainability ratio > 90%	147.2%	134.7%	140.5%	122.8%	93.7%	80.3%	91.9%	94.1%	89.4%	90.8%	78.4%
Net financial liabilities ratio ≤ 60%	-53.4%	-45.4%	-26.4%	-15.0%	-11.7%	-14.3%	-19.1%	-25.0%	-31.1%	-41.3%	-52.0%



Other Legislative Requirements Budget 2019/20

Budgeted Statement Of Comprehensive Income
Commercial Business Unit - Wide Bay Water

	Amended Budget 2018-19 \$	Budget 2019-20 \$	Forecast 2020-21 \$	Forecast 2021-22 \$
Income				
Revenue				
Recurrent Revenue				
Rates Levies and charges	71,539,661	73,579,524	76,294,443	79,109,591
Discounts and rebates	(351,193)	(362,396)	(375,767)	(389,632)
Fees and Charges	840,828	852,765	884,230	916,857
Interest revenue	1,212,195	1,190,000	1,098,045	1,063,919
Sales revenue	1,832,437	3,216,064	3,334,729	3,457,775
Other income	286,005	371,154	384,848	399,048
Internal transfers	1,452,769	1,535,993	1,569,785	1,607,460
Community service obligations	953,983	1,055,000	1,084,982	1,158,304
Grants, subsidies, contributions and donations	10,000	26,000	26,751	27,578
Total recurrent revenue	77,776,685	81,464,104	84,302,046	87,350,900
Expense				
Recurrent expenses				
Employee benefits	12,362,734	12,954,905	13,214,003	13,504,711
Materials and services	17,718,600	18,378,009	18,782,326	19,233,102
Finance costs	4,157,448	3,398,204	3,337,156	3,556,120
Depreciation and amortisation	23,884,600	24,012,372	25,570,073	26,235,538
Corporate Overheads / SLA Costs	2,881,757	2,284,011	2,334,259	2,390,281
Competitive Neutrality Costs	1,446,336	849,882	898,143	857,425
Internal Transfers	1,284,620	1,412,827	1,443,910	1,478,564
Total recurrent expense	63,736,094	63,290,211	65,579,870	67,255,741
Operating result	14,040,591	18,173,893	18,722,176	20,095,159
Capital revenue				
Grants, subsidies, contributions and donations	10,099,535	9,169,114	13,527,896	13,798,096
Capital income	350,000	-	-	-
Total capital revenue	10,449,535	9,169,114	13,527,896	13,798,096
Capital expense	1,215,640	-	-	-
Net result before tax	23,274,486	27,343,007	32,250,072	33,893,255
Income Tax Payable	10,346,524	8,500,000	11,797,721	12,398,830
Dividends	4,113,876	2,000,000	1,516,456	1,685,496
Net result after tax and dividends	8,814,086	16,843,007	18,935,895	19,808,929

Operating result

Operating revenue	77,776,685	81,464,104	84,302,046	87,350,900
Operating expenses	63,736,094	63,290,211	65,579,870	67,255,741
Operating result	14,040,591	18,173,893	18,722,176	20,095,159

Community Service Obligations - Wide Bay Water				
Community concessions on Water Charges	50,000	51,000	52,882	54,833
Community concessions on Sewerage Charges	310,000	304,000	315,217	326,848
Discounts and Incentives on Infrastructure Charges	593,983	700,000	716,883	776,623
	953,983	1,055,000	1,084,982	1,158,304

Budgeted Statement Of Comprehensive Income

Significant Business Activity - Waste Services

	Amended Budget 2018-19 \$	Budget 2019-20 \$	Forecast 2020-21 \$	Forecast 2021-22 \$
Income				
Revenue				
Recurrent Revenue				
Rates Levies and charges	18,488,534	19,498,317	20,217,761	20,963,766
Fees and Charges	4,685,549	6,283,222	6,515,058	6,755,454
Interest revenue	212,018	230,614	239,123	247,946
Other income	269,617	388,304	2,994,875	3,105,381
Internal transfers	23,819	-	-	-
Community service obligations	133,151	470,000	487,342	505,324
Grants, subsidies, contributions and donations	183,810	-	-	-
Total recurrent revenue	23,996,498	26,870,456	30,454,159	31,577,871
Expense				
Recurrent expenses				
Employee benefits	2,035,466	2,043,962	2,084,841	2,130,708
Materials and services	12,555,189	16,804,945	17,174,653	17,586,845
Finance costs	204,294	190,000	173,915	157,500
Depreciation and amortisation	691,698	661,620	583,972	583,278
Corporate Overheads / SLA Costs	781,674	789,491	806,860	826,225
Internal Transfers	238,758	87,000	88,914	91,048
Total recurrent expense	16,507,079	20,577,018	20,913,155	21,375,604
Operating result	7,489,420	6,293,438	9,541,004	10,202,267
Capital revenue				
Capital income	31,000	-	-	-
Total capital revenue	31,000	-	-	-
Capital expense	31,000	-	-	-
Net result before tax	7,489,420	6,293,438	9,541,004	10,202,267
Income Tax Payable	1,521,286	1,536,499	2,329,370	2,490,812
Dividends	1,160,133	1,171,734	1,342,687	1,435,745
Net result after tax and dividends	4,808,001	3,585,205	5,868,947	6,275,710

Operating result

Operating revenue	23,996,498	26,870,456	30,454,159	31,577,871
Operating expenses	16,507,079	20,577,018	20,913,155	21,375,604
Operating result	7,489,420	6,293,438	9,541,004	10,202,267

Community Service Obligations - Waste Services				
Supply of mulch to community organisations	30,605	50,000	51,845	53,758
Maintaining/servicing of bins at community facilities	1,607	5,000	5,184	5,375
Waste vouchers for free disposal by charities	100,939	415,000	430,313	446,191
	133,151	470,000	487,342	505,324

Budgeted Statement Of Comprehensive Income

Other Business Activity

	Amended Budget 2018-19 \$	Budget 2019-20 \$	Forecast 2020-21 \$	Forecast 2021-22 \$
Caravan Parks				
Operating revenue	3,907,960	3,864,747	4,007,348	4,155,213
Operating expenses	1,895,271	1,914,832	1,941,282	1,985,372
Operating result	2,012,689	1,949,915	2,066,066	2,169,841

	Amended Budget 2018-19	Budget 2019-20	% increase including growth
Rates and charges			
General and Waste fund			
Recurrent Revenue			
General Rates	73,427,606	73,934,256	0.69%
Disaster Management Levy	551,703	1,072,764	94.45%
Infrastructure Levy	3,825,947	3,852,346	0.69%
Kingfisher Parade, Toogoom Revetment Seawall special rate	85,281	85,281	0.00%
Waste Charges	18,488,534	19,498,317	5.46%
Council Rural Fire Levy	325,846	328,094	0.69%
General and Waste fund total rates and charges	96,704,917	98,771,058	2.14%
Water Fund			
Water Charges	36,438,986	37,365,033	2.54%
Sewerage Charges	34,584,107	35,687,340	3.19%
Trade Waste	516,568	527,151	2.05%
Total Rates and Charges	168,244,578	172,350,582	2.44%



Debt Policy Budget 2019/20

Policy Title: DEBT POLICY
Policy Subject: Finance
Policy No: #874224 (#3723322)

Directorate: Organisational Services
Department: Financial Services
Section: Financial Planning & Reporting

Responsible Officer: Executive Manager Financial Services
Authorised by: Director Organisational Services

Adopted Date: 16/7/2008
Review Date: Budget 2020/21
Amended Date: 24/06/2019
Risk Assessment: High


OBJECTIVE:

The objective of this Debt Policy is to establish principles and set the level of borrowings for the 2019/2020 financial year and anticipated levels of borrowing for the following nine (9) financial years.

POLICY:

A. NEW BORROWINGS

Proposed borrowings for the financial years from 2019/2020 to 2028/29 are set out in the schedule below:

 Borrowings											
Purpose	Budget 2019-20 \$'000	Forecast 2020-21 \$'000	Forecast 2021-22 \$'000	Forecast 2022-23 \$'000	Forecast 2023-24 \$'000	Forecast 2024-25 \$'000	Forecast 2025-26 \$'000	Forecast 2026-27 \$'000	Forecast 2027-28 \$'000	Forecast 2028-29 \$'000	Expected Term
Wide Bay Water Infrastructure	-	10,000	18,000	8,000	10,000	5,000	5,000	10,000	-	-	20 years
Total	-	10,000	18,000	8,000	10,000	5,000	5,000	10,000	-	-	

B. PURPOSE OF NEW BORROWINGS

Planned borrowings are to be raised to fund new water and wastewater assets including wastewater treatment plants and wastewater reuse facilities.

C. REPAYMENT TERM

The time for repayment of existing and proposed borrowings is planned to be within:

Purpose	Expected Terms*
Administration and land	20 years
Airport	20 years
Coastal management	20 years
Drainage	20 years
Environmental sustainability	20 years
Roads	10-20 years
Trunk infrastructure	10-20 years
Waste management	20 years
Water and wastewater	20 years

** Terms of borrowings in principle should not exceed the estimated life of the asset.*

D. POLICY

Council will consider the following when determining the annual borrowing program:

Long term financial viability

Council will maintain a Long Term Financial Plan in order to demonstrate its long term financial viability and ability to service loan repayments. This plan will forecast future revenue and expenditure levels including loan borrowings and servicing costs. The plan will be reviewed annually during the budget process to ensure that Council remains financially viable in the long term and that the proposed budgets are consistent with the adopted strategy.

Appropriate debt/revenue ratios

In accordance with section 169 of the *Local Government Regulation 2012*, the Council is required to disclose in the budget certain measures of financial sustainability.

With respect to the management of debt in line with the Long Term Financial Plan, Council's borrowings will be managed and planned recognising the long term impacts of debt using the Net Financial Liabilities Ratio as established in the *Financial Management (Sustainability Guideline) 2013*.

This ratio is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues. The target set by the Department of Local Government, Racing and Multicultural Affairs for the net financial liabilities ratio is less than 60%. Council's Long Term Financial Plan indicates Council's net financial liabilities ratio is consistently less than the target of 60% on average over the long-term. This indicates that Council has current assets well in excess of total liabilities and has the capacity to increase its loan borrowings if required.

Inter-generational equity

Consideration for borrowing will be given to new capital projects with an estimated useful life of ten years or more in order to apportion costs on an equitable basis over future generations of ratepayers.

Short-term working capital

It is Council's intention not to borrow for short-term working capital purposes, however should it be necessary, borrowings for short-term working capital will be repaid within one year.

HEAD OF POWER:

Local Government Regulation 2012, Chapter 5, Part 4, Section 192
Financial Management (Sustainability) Guideline 2013
Statutory Bodies Financial Arrangements Act 1982
Statutory Bodies Financial Arrangements Regulation 2007

RELATED LOCAL LAW:

Nil

RELATED DOCUMENTS:

Long Term Financial Plan

DEFINITIONS:

Debt servicing ratio	Interest and redemption / annual rates revenue
Net financial liabilities ratio	Total liabilities – current assets / total operating revenue
Interest coverage ratio	Net interest expense on debt service / total operating revenue



Investment Policy Budget 2019/20

Policy Title:	INVESTMENT POLICY
Policy Subject:	Finance
Policy No:	#837209 (#3723354)
Directorate:	Organisational Services
Department:	Financial Services
Section:	Financial Operations
Responsible Officer:	Executive Manager Financial Services
Authorised by:	Director Organisational Services
Adopted Date:	17/6/15
Review Date:	Budget 20120/21
Amended Date:	24/06/2019
Risk Assessment:	High

1. OBJECTIVE:

1.1 PREAMBLE

Fraser Coast Regional Council has been granted authority to exercise Category 1 investment power under the *Statutory Bodies Financial Arrangement Act 1982* pt 6.

The Treasurer may from time to time constrain the investing activities of local government by limitation, caveat, restriction and/or other relevant regulation. Where this occurs, this Investment Policy will be reviewed and reissued for the subsequent change in legislation.

1.2 INTENT

The intent of this document is to outline Fraser Coast Regional Council's Investment Policy and guidelines regarding the investment of surplus funds, with the objective to maximise earnings within approved risk guidelines and to ensure the security of funds.

The activities of the Executive Manager Financial Services in relation to management of Fraser Coast Regional Council's funds will be measured against the standards in this policy and its objectives.

1.3 SCOPE

For the purpose of this policy, investments are defined as arrangements that are undertaken or acquired for producing income and apply only to the cash investments of Fraser Coast Regional Council. This policy applies to the investment of all surplus funds held by Fraser Coast Regional Council.

2. POLICY:

2.1 AUTHORITY

All investments are to be made in accordance with:

Statutory Bodies Financial Arrangements Act 1982

Statutory Bodies Financial Arrangements Regulation 2007

Local Government Act 2009

Local Government Regulation 2012

2.2 ETHICS AND CONFLICTS OF INTEREST

2.2.1 Prudent person standard

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

The Management Accountant Operations is to manage the investment portfolios not for speculation, but for investment and in accordance with the spirit of this Investment Policy. Consideration of the safety of capital and income objectives is imperative when making an investment decision.

2.2.2 Ethics and conflicts of interest

The Management Accountant Operations shall refrain from personal activities that would conflict with the proper execution and management of Fraser Coast Regional Council's investment portfolio. This includes activities that would impair their ability to make impartial decisions.

This policy requires that the Management Accountant Operations disclose to the Chief Executive Officer any conflict of interest or perceived conflict that could be related to the investment portfolio.

2.2.3 Delegation of authority

Authority for implementation of the Investment Policy is delegated by Council to the Chief Executive Officer in accordance with the *Local Government Act 2009, Section 257 (1)(b)* – Delegation of Local Government Powers.

Authority for the day-to-day management of Council's Investment Portfolio has been delegated by the Chief Executive Officer to the Executive Manager Financial Services.

2.3 INVESTMENT OBJECTIVES

Fraser Coast Regional Council's overall objective is to invest its funds at the most advantageous rate of interest available to it while preserving capital and maintaining adequate liquidity.

When making investment decisions, Council will consider the investment attributes in the following order of priority; preservation of capital, liquidity and return on investment.

2.3.1 Preservation of capital

Preservation of capital shall be the principal objective of the investment portfolio. Investments are to be made in a manner that seeks to ensure security of principal of the overall portfolio. This would include managing credit and interest rate risk within given risk management parameters and avoiding any transactions that would prejudice confidence in Council or its associated entities.

Credit risk

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

Interest rate risk

The Investment Officers shall seek to minimise the risk of a change in the market value of the portfolio due to a change in interest rates. This would be achieved by considering the cash flow requirements of Council and structuring the portfolio accordingly. This will avoid having to sell securities prior to maturity in the open market. Secondly, interest rate risk can be limited by investing in shorter term securities.

2.3.2 Maintenance of liquidity

Pursuant to the *Statutory Bodies Financial Arrangements Act 1982* s 31, Council maintains a deposit and withdrawal account with the Commonwealth Bank of Australia for its day to day operating transaction requirements.

In addition to the balances held in its bank account, the Investment Portfolio will maintain sufficient liquidity to meet all reasonably anticipated operational cash flow requirements of Council as and when they fall due, without incurring significant transaction costs due to being required to sell an investment.

For these purposes, illiquid investments are defined as investments that are not publicly traded in sufficient volume to facilitate, under most market conditions, prompt sale without severe market price effect.

Examples include:

- Investment in private placements;
- A security that is not supported or priced by at least two approved brokers/securities dealers;
- Sub-investment grade (i.e. a lower than rating BBB- (Standard and Poor's) or equivalent), and in most cases, BBB rated investments; and
- Unrated securities.

2.3.3 Return on investments

The portfolio is expected to achieve a market average rate of return and take into account Fraser Coast Regional Council's risk tolerance and current interest rates, budget considerations and the economic cycle.

2.3.4 Comparison of performance

For performance purposes, the portfolio will be compared to the Bloomberg Ausbond Bank Bill Index over a rolling one-year period. The Bloomberg Ausbond Bank Bill Index has a modified duration of 45 days and comprises thirteen 90 Day Bank Bills. The benchmark target is to be set equal to or above the benchmark yield and consider the expected types of securities held in the portfolio.

2.4 PORTFOLIO IMPLEMENTATION

2.4.1 Authorised personnel

The Executive Manager Financial Services is authorised to invest Fraser Coast Regional Council's operating funds and trust funds in investments consistent with this Investment Policy and legislation.

An external fund manager may also be authorised to manage Council's investment portfolio in accordance with Clause 2.2.3.

2.4.2 Internal controls

The Director of Organisational Services and Executive Manager Financial Services shall establish internal controls and processes that will ensure investment objectives are met and that the Investment Portfolio is protected from loss, theft and/or inappropriate use.

The established processes will include monthly reporting (including compliance reporting), as well as annual review of the Investment Policy. The internal controls will address the following:

- Control of collusion;
- Separate the transaction authority from accounting and record keeping;
- Safekeeping of records;
- Avoidance of physical delivery of securities;
- Clear delegation of authority to the Management Accountant Operations ;
- Confirmation requirements for settlement of securities;
- Compliance and oversight of investment parameters; and
- Reporting of breaches of the policy.

2.5 INVESTMENT PARAMETERS

2.5.1 Funds available for investment

For the purposes of this policy, funds available for investment are the surplus funds available at any one time and include Fraser Coast Regional Council's bank account balance.

The funds available for investment should match the cash flow needs of Council, allowing for working capital requirements. The investment strategy takes into account Council's investment needs. Once the Executive Manager Financial Services has determined that the cash flow forecast can be met, surplus funds may be invested for the required term. In this regard, it is appropriate for the Executive Manager Financial Services to be conservative (i.e. it is unlikely that investments are to be broken to meet cash flow obligations).

It is the responsibility of the Executive Manager Financial Services to assess the cost of direct investment management by Council relative to the return generated. This should be compared with the cost of investing funds with a capital guaranteed cash fund (e.g. Queensland Treasury Corporation (QTC) Capital Guaranteed Cash Fund).

2.5.2 Authorised investments

Without specific approval from Council or the Treasurer, investments are limited to those prescribed by the *Statutory Bodies Financial Arrangement Act 1982* pt 6 for local governments with Category 1 investment power, which includes:

- Interest bearing deposits;
- Bank accepted/endorsed bank bills;
- Short term bonds;
- QIC (Queensland Investment Corporation) Cash Fund; and
- QTC Capital Guaranteed Cash Fund, debt offset facility, fixed rate deposit (up to 12 months and QTC Working Capital Facility).

2.5.3 Prohibited investments

This Investment Policy prohibits any investment carried out for speculative purposes. The following investments are prohibited by this Investment Policy:

- Derivative based instruments (excluding floating rate notes);
- Securitised debt instruments;
- Structured products;
- Principal only investments or securities that provide potentially nil or negative cash flow;
- Stand-alone securities that have underlying futures, options, forward contracts and swaps of any kind; and
- Securities issued in non-Australian dollars.

2.5.4 Portfolio investment parameters and credit requirements

The following table shows the credit ratings and counterparty limits for Fraser Coast Regional Council as a percentage of the investment portfolio: Short term rating (Standard & Poor's) or equivalent	Individual counterparty limit	Total limit (Max % of Portfolio)
A1+	35%	100%
A1	20%	50%
A2 – Financial institutions only	15%	40%
A3 – Financial institutions only	Nil	Nil
Unrated	Nil	Nil
QIC/QTC Pooled cash management fund	100%	100%

A Financial Institution is defined as an authorised deposit-taking institution within the meaning of the *Banking Act 1959 (Cwlth)*, p 1 s 5.

It is noted that for the purpose of this investment portfolio, the percentage limits apply effective from the date of purchase as a percentage of the total value of the portfolio.

No more than 20 percent of the portfolio is to be invested in Floating Rate Notes.

No less than three (3) quotations shall be obtained from authorised institutions whenever an investment is proposed. The successful quote will be the one most beneficial to Council after meeting all the criteria of this Investment Policy.

2.5.5 Maturity

The maturity structure of the portfolio will reflect a maximum term to maturity of one year.

2.5.6 Liquidity requirement

Given the nature of the funds invested, no more than 20 per cent of the Investment Portfolio will be held in illiquid securities and at least 10 percent of the portfolio is to be on call or will mature within 0 - 7 days.

2.5.7 Breaches

Any breach of this Investment Policy is to be reported to the Director Organisational Services and Chief Executive Officer and if required, rectified as soon as practicable.

Where Council holds an investment that is downgraded below the minimum acceptable rating level, as prescribed under the Regulation Council shall within 31 days after the change becomes known either obtain Treasurer's approval for continuing with the investment arrangement or sell the investment arrangement (including, for example, withdrawing a deposit).

2.5.8 Safekeeping and custody

Each transaction will require written confirmation by the broker/dealer/bank. Fraser Coast Regional Council will hold security documents, or alternatively a third party custodian authorised by the Executive Manager Financial Services and evidenced by safekeeping receipts may hold security documents.

2.5.9 Criteria of authorised dealers and brokers

All transactions undertaken on behalf of the Investment Portfolio of Fraser Coast Regional Council will be executed either by Fraser Coast Regional Council directly, or through securities brokers registered as Australian Financial Service Licensees with an established sales presence in Australia, or direct issuers that directly issue their own securities which are registered on Fraser Coast Regional Council's approved list of brokers/dealers and direct issuers.

2.6 INVESTMENT GUIDELINES

Council's Investment Portfolio should be realisable, without penalty, in a reasonable time frame. The term to maturity of Council's fixed term investments should not exceed 12 months. The Executive Manager Financial Services may reduce these maturity limits to a shorter period.

Treasury and Council approval is required for investments with a period of greater than 12 months. This means approval is required from Council prior to submission to the Treasurer for approval.

Short term ratings

(Short term refers to investments with an initial maturity of less than 12 months)

Grade	S & P	Moody's	Fitch
Superior	A1+	P-1	F1+
	A1		F1
Strong	A2	P-2	F2
Acceptable	A3	P-3	F3

Where there is a split rating for an individual counterparty, the lower rating is to be applied.

3. REPORTING

The Executive Manager Financial Services will prepare a monthly report which will evaluate the transactions, concentrations, performance and compliance of the Investment Portfolio. The report will include:

- Percentage of the portfolio held by investment type and rating type; and
- Performance of the portfolio (relative to Bloomberg Ausbond Bank Bill Index benchmark).

A listing of securities held by issue name, maturity date, par value and dollar amount invested is to be available to the Executive or Council on request.

On an annual basis, the Investment Policy will be reviewed and amended where required. Any amendments are to be approved by Council prior to the implementation of the revised investment Policy.

4. HEAD OF POWER:

Local Government Act 2009

Local Government Regulation 2012

Statutory Bodies Financial Arrangement Act 1982

5. ISSUE CREDIT RATING DEFINITIONS:

A Standard & Poor's issue credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program.

Issue credit ratings can be either long term or short term. Short term ratings are generally assigned to those obligations considered short term in the relevant market for example obligations with an original maturity of no more than 365 days.

Rating	Definition
A1+	This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.
A1	The obligor's capacity to meet its financial commitment on the obligation is strong.
A2	Somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.
A3	A short term obligation rated A3 exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.



Estimated Position Budget 2019/20

Pursuant to section 205 of the Local Government Regulation 2012

**Statement of Estimated Financial
Operations 2018-19**

	Original Budget 2018-19 \$'000	Amended Budget 2018-19 \$'000	Estimated 2018-19 \$'000
Income			
Revenue			
Recurrent Revenue			
Rates Levies and charges	168,092	167,765	168,017
Discounts and rebates	(3,123)	(3,153)	(3,172)
Fees and Charges	18,912	21,024	20,869
Rental Income	739	1,101	1,101
Interest revenue	6,608	7,512	7,923
Sales revenue	3,066	3,299	3,258
Other income	7,030	2,976	6,320
Grants, subsidies, contributions and donations	7,997	6,739	6,769
Total recurrent revenue	209,321	207,263	211,085
Expense			
Recurrent expenses			
Employee benefits	62,211	63,733	62,618
Materials and services	74,133	73,769	73,936
Finance costs	6,533	6,131	6,127
Depreciation and amortisation	63,441	61,523	60,914
Total recurrent expense	206,318	205,156	203,595
Operating Result	3,003	2,107	7,490
Capital revenue			
Grants and subsidies	15,071	14,971	15,482
Developer contributions	27,053	33,733	32,711
Other capital income	1,861	1,105	3,092
Total capital revenue	43,985	49,809	51,285
Capital expense	1,529	313	14,709
Net result	45,459	51,603	44,066
Other Comprehensive income			
Increase in asset revaluation surplus	13,644	-	14,396
Total other comprehensive income	13,644	-	14,396
Total comprehensive income	59,103	51,603	58,462

	Original Budget 2018-19 \$'000	Amended Budget 2018-19 \$'000	Estimated 2018-19 \$'000
Assets			
Current assets			
Cash and cash equivalents	165,869	175,645	205,610
Trade and other receivables	43,558	45,161	37,482
Inventories	1,567	1,410	1,354
Total current assets	210,994	222,216	244,446
Non-current assets			
Land held for development for sale	5,942	5,684	5,621
Property, plant and equipment	2,507,425	2,472,098	2,466,664
Intangible assets	4,155	3,839	3,902
Biological assets	743	755	755
Total non-current assets	2,518,265	2,482,376	2,476,942
Total assets	2,729,259	2,704,592	2,721,388
Liabilities			
Current liabilities			
Trade and other payables	12,822	13,087	17,843
Borrowings	16,858	16,826	16,839
Provisions	6,428	6,428	6,062
Other liabilities	1,144	1,230	1,062
Total current liabilities	37,251	37,571	41,806
Non-current liabilities			
Borrowings	74,984	73,185	73,185
Provisions	16,973	16,249	16,690
Total non-current liabilities	91,956	89,434	89,875
Total liabilities	129,207	127,005	131,681
Net community assets	2,600,052	2,577,587	2,589,707
Community equity			
Asset revaluation surplus	664,480	635,725	650,121
Retained surplus	1,935,572	1,941,862	1,939,586
Total community equity	2,600,052	2,577,587	2,589,707