



2021/22

BUDGET



2018-2023
FRASER COAST

CORPORATE PLAN



Updated July 2020

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MESSAGE FROM OUR MAYOR & CEO



Mayor George Seymour



CEO Ken Diehm

“...reflect the importance of Council’s role in enhancing our region...”

On behalf of our Councillors and staff, we are pleased to present Fraser Coast Regional Council’s 2018-2023 Corporate Plan.

Our Corporate Plan is the principle strategic planning document that sets the future direction for Council activities and guides the delivery of quality services to our community. It has been developed in consultation with Councillors, staff and the community and is comprised of the following themes:

- Governance- An effective organisation providing excellent service delivery through strong leadership, democratic principles and effective management of people, assets and finances.
- Lifestyle- A safe and vibrant community that promotes a preferred place to live.
- Prosperity- A strong, diversified and resilient economy that supports growth and long term employment.
- Natural environment- Minimise our environmental impact by preserving the unique natural environment the Fraser Coast has to offer.
- Built Environment- Resilient regional infrastructure that will support and cater for future growth.

These themes and the organisational focus of rebuilding our culture reflect the importance of the Council’s role in enhancing our region’s lifestyle and economy, whilst preserving the natural and built character that makes the Fraser Coast region truly remarkable and unique.

In delivering our Corporate Plan we will work together with our community and other levels of government to build better communities within the Fraser Coast region.

Since adopting the Corporate plan in 2018, Australia and the Fraser Coast Region has been impacted by the COVID-19 pandemic which will effect the economic and social fabric of our community for a significant period of time. The Council remains committed to achieving the themes, goals and strategies of the Corporate Plan and will specifically respond to the economic and social impacts of COVID-19 through its annual Operational Plan.
- July 2020

ABOUT THE CORPORATE PLAN

The Local Government Act 2009 requires a Council to prepare and adopt a corporate plan.

The Corporate Plan for 2018-2023 is a key strategic document that provides a framework and guides Council in decision making and setting policy to prioritise and deliver services, programs and facilities to its community.

A set of key themes have been created that articulate Council's vision for the region and each has its own priority outcomes and strategies that will help us to achieve them. The key themes outlined in the Corporate Plan 2018-2023 are Governance, Lifestyle, Prosperity, Natural Environment and Built Environment.

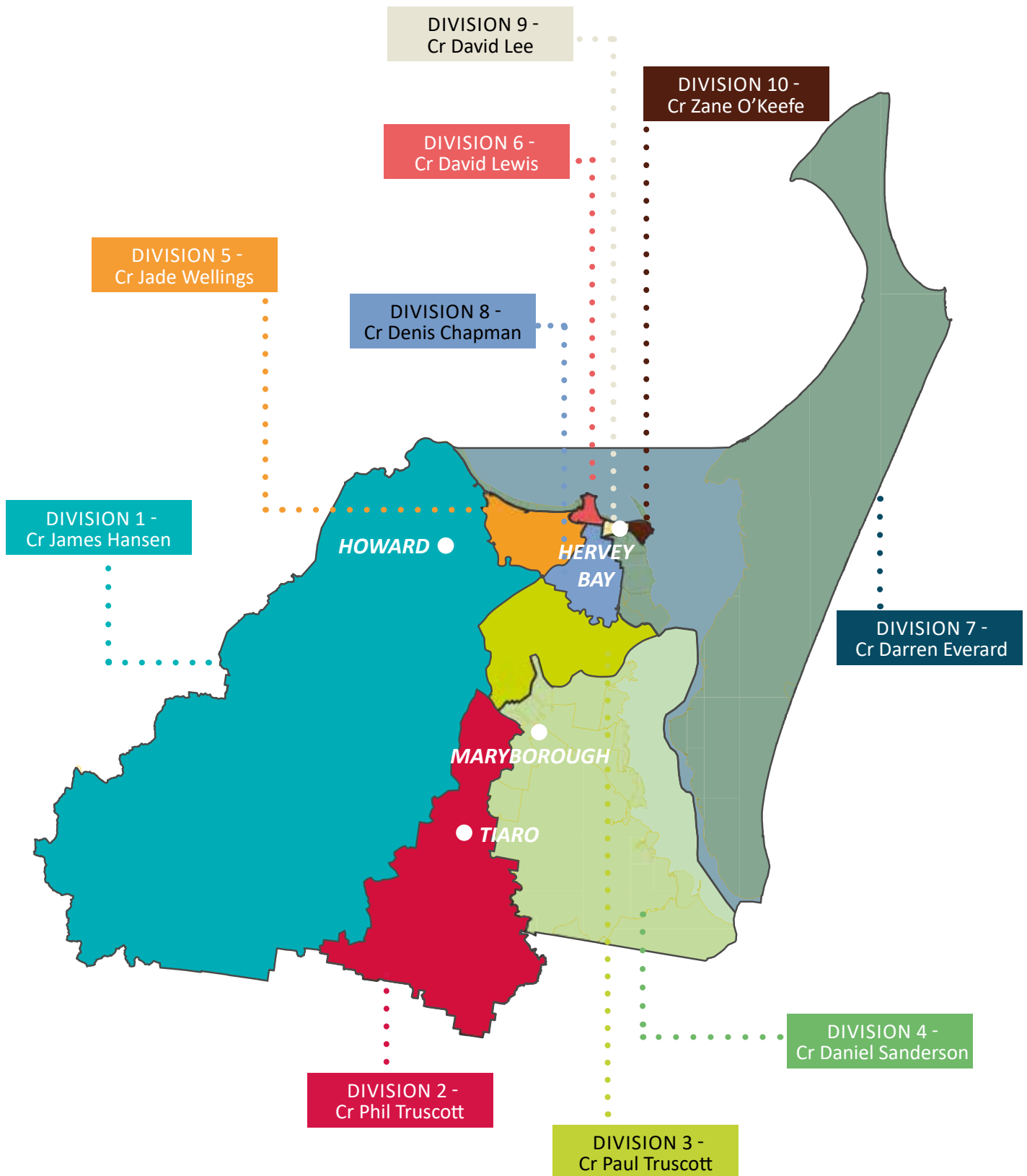


OUR VALUES

The TRAITS acronym was developed to represent the Values we consider to be integral to the way we go about our work and serve our community and implement the strategies identified in the Corporate Plan.

TRUST RESPECT ACCOUNTABILITY INITIATIVE TEAMWORK SERVICE

OUR REGION'S DIVISIONS



square km is the
land area size of our
region



OUR ORGANISATION



OUR GOALS

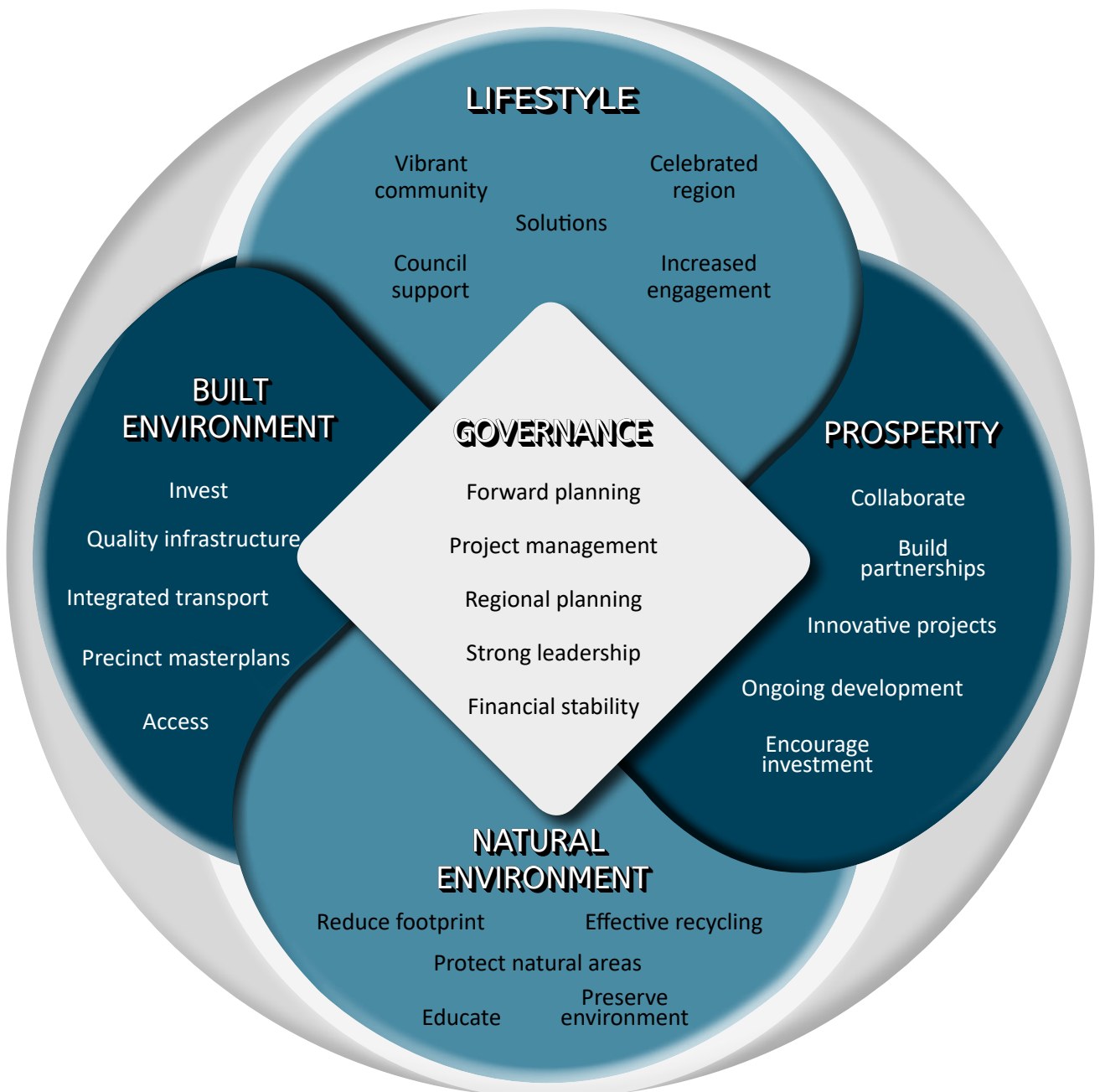
In the development of this plan we have reviewed and renewed our corporate goals in line with Council's new direction and organisational culture.

The goals of the Fraser Coast Regional Council are the result of consultation with the community and staff and represent the overarching vision that we share for the Fraser Coast region.

- To be a diverse, strong and well governed region of vibrant places, with an innovative and diverse economy and connected as a whole by our community spirit and respect for our natural environment.
- To make a positive difference for the region and the lives of our community members by ensuring we provide a service that is forward looking and well managed.



OUR CORPORATE PLAN THEMES





Theme 1: GOVERNANCE

An effective organisation providing excellent service delivery through strong leadership, democratic principles and effective management of people, assets and finances.

Outcomes



1. Leadership in advocacy with government and industry.

Strategies:

1. Active participation in regional planning across a range of industries.
2. Deliver strong leadership and advocacy on behalf of the community.
3. Lead a democratic organisation elected by the community who carry out duties in a transparent and conciliatory way.
4. Collaborate with Wide Bay Burnett Regional Organisation of Councils.



2. Strong governance of council activities.

Strategies:

1. Implement effective strategic management and governance frameworks.
2. Improve focus on forward planning and project management practices.



3. An effective and valued workforce.

Strategies:

1. Embed a values based culture.
2. Manage workplace health and safety as a priority activity.
3. Enhance customer service.
4. Promote continuous improvement.



4. Strong Financial Management.

Strategies:

1. Focus on long term financial sustainability.

How we will measure our performance

Direct (Council has control of the measure):

- Achieve statutory financial indicators
- Employee Performance and Engagement Survey
- Delivery of capital works program
- Achievement of Operational Plan targets
- Community satisfaction



Theme 2: LIFESTYLE

A safe and vibrant community that promotes a preferred place to live.

Outcomes



1. An engaged community whose voice is heard.

Strategies:

1. Implement opportunities to effectively engage, educate and inform the community.



2. A vibrant community focused on cultural diversity and community participation.

Strategies:

1. Promote community driven activities with strong council support or partnership.
2. Encourage increased volunteer support and engagement in community activities.
3. Improve accessibility to key locations including the beach, foreshore, cultural and historical infrastructure and events.
4. Increase engagement with multi-cultural communities.



3. A community that values its arts, heritage and cultural diversity.

Strategies:

1. Provide facilities and promote activities which celebrate the arts and heritage across the region.
2. Support cultural events that highlight the cultural diversity of the region.



4. A safe, active and healthy community.

Strategies:

1. Support safety programs to address areas of need and crime prevention.
2. Advocate and provide solutions for current and emerging social issues.
3. Manage an appropriate number of recreational facilities.
4. Identify and support a range of emerging and major events.

How we will measure our performance

Direct (Council has control of the measure):

- Increased volunteer hours at Council events
- Increasing participation in Council supported community programs
- Community satisfaction

Influence (Council has influence as external factors can impact measure):

- Increasing participation in events and festivals



Theme 3: PROSPERITY

A strong, diversified and resilient economy that supports growth and long-term employment.

Outcomes



1. A Strong, diversified and innovative economy.

Strategies:

1. Actively work towards partnership with industry bodies, all levels of government and private sector to develop innovative projects that support economic development.
2. Promote Smart Communities for collaborative innovative solutions and entrepreneurship.



2. A growing Tourism industry that capitalises on the full range of opportunities.

Strategies:

1. Investigate expansion of marine and land based tourism opportunities.
2. Work in collaboration with tourism industry bodies, local businesses and all levels of government to build successful visitor experiences.
3. Develop an approach across the region to capitalise on increased tourism.



3. Strong jobs growth.

Strategies:

1. Work in collaboration with educational institutes and government agencies to support skills development and employment opportunities.
2. Promote buy locally within the region and support existing businesses and industry.
3. Identify and attract new business opportunities to the Fraser Coast region.



4. Carefully managed locations and precincts.

Strategies:

1. Ongoing development of precinct masterplans to provide a strategic approach to facilitate economic growth.
2. Promote the Fraser Coast as a preferred location for industry investment.

How we will measure our performance

Direct (Council has control of the measure):

- Delivery of Smart Communities initiatives

Influence (Council has influence as external factors can impact measure):

- Increased employment
- Increased tourism nights
- Increasing length of tourist stays
- Number of operating businesses
- Increased visitor spend



Theme 4: NATURAL ENVIRONMENT

Minimise our environmental impact by preserving the unique natural environment the Fraser Coast has to offer.

Outcomes



1. Sustainable practices are applied to all Council operations.

Strategies:

1. Guide the reduction of Council's environmental footprint.
2. Incorporate renewable energy elements into all Council activities.
3. Prepare for climate adaptation and manage climate change hazards and risks.



2. Manage waste in a sustainable way.

Strategies:

1. Deliver efficient and sustainable waste management services.



3. Easy access for all to the natural assets of the region.

Strategies:

1. Improve access and recreational facilities across a range of natural assets.
2. Pursue options to enhance vibrant open spaces suitable for community living.



4. Protection and enhancement of our natural environment assets.

Strategies:

1. Deliver Council's water and wastewater programs in accordance with environmental standards.
2. Implement and maintain environmental management plans across the region.

How we will measure our performance

Direct Council has control of the measure):

- Improvements in Council's environmental footprint
- Increased use of renewable energy for Council assets
- Environmental quality standards achieved
- Decreased Council energy consumption

Influence (Council has influence as external factors can impact measure):

- Improved recycling rates
- Improved water quality



Theme 5: BUILT ENVIRONMENT

Resilient regional infrastructure that will support and cater for future growth.

Outcomes



1. Integrated planning to support current and future needs of the region and growth.

Strategies:

1. Develop strategic land use and infrastructure plans.
2. Deliver well planned infrastructure that is sustainable and contributes to vibrant communities.
3. Establish and implement asset management planning to ensure asset longevity.
4. Deliver community venue facilities to support regional growth.



2. Quality transport networks to support access across the region.

Strategies:

1. Develop an integrated transport network that enhances connectivity, accessibility and effective movement.



3. Water, wastewater and stormwater networks that support the current and future needs of the community.

Strategies:

1. Develop and manage networks and services for future growth and demand.
2. Maximise beneficial reuse of wastewater by-products.
3. Establish and maintain networks to provide high quality water and wastewater.



4. Transport provisions that service the wider community.

Strategies:

1. Advocate and collaborate with transport stakeholders and government agencies for improvements in public and private transport services and investment in infrastructure.

How we will measure our performance

Direct (Council has control of the measure):

- Achieve statutory water and wastewater performance requirements
- Asset management effectiveness
- Delivery of capital works programs
- Traffic model updated

COMMERCIAL BUSINESS UNIT

Wide Bay Water is a commercial business unit of the Fraser Coast Regional Council providing water and sewerage services to the Fraser Coast.

Wide Bay Water's major operating assets include one dam and three weirs, four water treatment plants, eight wastewater treatment plants and two integrated reuse schemes. Services provided include management of Wide Bay Water's raw water supply schemes and its customers, water treatment and distribution, sewerage collection and treatment and effluent reuse. Wide Bay Water is governed by an Executive Management team and Non- Executive Advisory Committee that consists of external members and Councillors. The organisation continues to adopt best-practice standards in service and performance delivery.

Wide Bay Water's vision is to be an efficient customer-focused business developing and delivering sustainable water services for the benefit of the Fraser Coast community

To address key strategies within the Fraser Coast Regional Council Corporate Plan, Wide Bay Water will;

- Supply safe water in an ecologically sustainable manner by planning, designing, constructing, operating and maintaining its water catchments, treatment and distribution system to an industry acceptable standard;
- Process wastewater in an ecologically sustainable manner by planning, designing, constructing, operating and maintaining systems for the collection, treatment, disposal and reuse of wastewater and biosolids.

2021/22

OPERATIONAL PLAN

Our Goals



To make a positive difference for the region and the lives of our community members by ensuring we provide a service that is forward planning and well managed.



To be a diverse, strong and well governed region of vibrant places, connected as a whole by our community spirit, respect for our natural environment and our innovative and diverse economy.



Managing Operational Risk

Fraser Coast Regional Council is committed to the principles of risk management and to the alignment and integration of these principles into all aspects of Council's functions and operations, including effective decision making and planning at all levels of Council.

Council promotes a consistent approach to Risk Management within the organisation, and supports risk identification, assessment, control, monitoring and review in accordance with Council's Risk Management Policy, associated Procedures and tools.

Internal audits and reporting to the Audit and Risk Committee provide Council with an avenue for monitoring and reviewing the Risk Management Framework, assists in the identification of trends and provides assurance that Council's risk appetite is effectively incorporated into the achievement of its strategic and operational goals and objectives.



Key Strategic themes

LIFESTYLE

A safe and vibrant community that promotes a preferred place to live.

GOVERNANCE

An effective organisation providing excellent service delivery through strong leadership, democratic principles and effective management of people, assets and finances.

BUILT ENVIRONMENT

Resilient regional infrastructure that will support and cater for future growth.



PROSPERITY

A strong, diversified and resilient economy that supports growth and long term employment.

NATURAL ENVIRONMENT

Minimise our environmental impact by preserving the unique natural environment the Fraser Coast has to offer.

1. Governance



| INITIATIVE | MEASURE | DEPARTMENT | TARGET QTR | | | |
|---|--|--|------------|---|---|-----------------------|
| | | | 1 | 2 | 3 | 4 |
| 1. Leadership in advocacy with Government and industry | | | | | | |
| 1. Active participation in regional planning across a range of industries - Participate in the development of the State Government Regional Plan. | Council requirements have been communicated | Tourism, Economic Development & Partnerships | | | | • |
| 2. Deliver strong leadership and advocacy on behalf of the community - Continue implementation of the Enterprise Management System. - Develop Information and Communications Technology Strategy. - Review and update Local Laws. | Complete stage 2 of C2C and commence stage 3 Strategy approved Proposed Local Laws approved | Information Services Information Services Governance & Customer Service | | | | • • • |
| 3. Lead a democratic organisation elected by the community who carry out duties in a transparent and conciliatory way - Provide professional development and ongoing training for Councillors. | Development and training sessions delivered | Office of the CEO | | | | • |
| 4. Collaborate with Wide Bay Burnett Regional Organisation of Councils - Ongoing participation in WBBROC meetings and initiatives. | Initiatives completed | Office of the CEO | | | | • |
| 2. Strong governance of council activities | | | | | | |
| 1. Implement effective strategic management and governance frameworks - Deliver Range and Level of Services review. - Develop and implement an animal management plan. - Improve Fleet GPS Systems reporting capability to enable improved management of fleet utilisation. - Review Local Disaster Management Plan. - Review WBW Business Unit Governance. | Service Catalogue and Service Improvement Plan approved Plan approved and implemented Implement improved reporting of fleet utilisation data to enable improved business unit decision making with regards to acquisition and disposal Plan approved Governance review completed | Corporate Projects & Asset Management Regulatory Services Capital Delivery | | | | • • • • • |

1. Governance



| INITIATIVE | MEASURE | DEPARTMENT | TARGET QTR | | | |
|---|---|--------------------------------------|------------|---|---|---|
| | | | 1 | 2 | 3 | 4 |
| 3. An effective and valued workforce | | | | | | |
| 1. Embed Values based culture | | | | | | |
| - Deliver regular internal CEO Engagement Forums with staff. | Forums conducted | Organisational Development & Culture | | | | • |
| 2. Manage workplace health and safety as a priority activity | | | | | | |
| - Enhance and approve the Work Health and Safety Plan. | Plan approved | Organisational Development & Culture | | | | • |
| - Provide a safe and well maintained fleet. | Respond to service requests within 14 days.Fleet Capital Program Expenditure >85%, Commitments >95% | Capital delivery | | | | • |
| 3. Enhance customer service | | | | | | |
| - Develop a Customer Service Standard Guide. | Guide approved | Governance & Customer Service | | | | • |
| - Review Water Customer Charter. | Revision completed | Business Services | | | | • |
| 4. Strong financial management | | | | | | |
| 1. Focus on long term financial sustainability | | | | | | |
| - Deliver the budget and long term financial plan. | Budget and Plan approved | Financial Services | | | | • |

2. Lifestyle

| INITIATIVE | MEASURE | DEPARTMENT | TARGET QTR | | | |
|---|----------------------------|--|------------|---|---|---|
| | | | 1 | 2 | 3 | 4 |
| 1. An engaged community whose voice is heard | | | | | | |
| 1. Implement opportunities to effectively engage, educate and inform the community | | | | | | |
| 2. A vibrant community focused on cultural diversity and community participation | | | | | | |
| 1. Promote community driven activities with strong council support or partnership | | | | | | |
| - Deliver Grant programs to the Community. | Programs completed | Tourism, Economic Development & Partnerships | | | | ● |
| 3. A community that values its arts, heritage and cultural diversity | | | | | | |
| 1. Provide facilities that promote activities which celebrate the arts and heritage across the region | | | | | | |
| - Deliver inaugural Fraser Coast National Art Prize. | Competition completed | Community & Culture | | | | ● |
| - Refurbishment of Fraser Coast Regional Gallery. | Gallery opened | | | ● | | |
| 2. Support cultural events that highlight the cultural diversity of the region | | | | | | |
| - Continue support of Australia Day events through the annual grant program. | Support provided | Tourism, Economic Development & Partnerships | | | | ● |
| - Continued support of NAIDOC week. | Support provided | Community & Culture | | | | ● |
| 4. A safe, active and healthy community | | | | | | |
| 1. Support safety programs to address areas of need and crime prevention | | | | | | |
| - Implement CCTV across the region. | Project completed | Information Services | | ● | | |
| 2. Advocate and provide solutions for current and emerging social issues | | | | | | |
| - Implement initiatives from Fraser Coast Libraries Strategic Plan. | Plan implemented | Community & Culture | | | | ● |
| - Investigate further opportunities for social inclusion and support the social plan. | Opportunities investigated | Community & Culture | | | | ● |
| 3. Manage an appropriate number of recreational facilities | | | | | | |
| - Deliver additional carparking at Anzac Park. | Project completed | Property & Commercial Services | | | | ● |
| - Deliver Sports Precinct Master Plan. | Plan approved | Corporate Projects & Asset Management | | | | ● |
| - Deliver water play equipment at Wetside. | Project completed | Open Space & Environment | | | | ● |

3. Prosperity

| INITIATIVE | MEASURE | DEPARTMENT | TARGET QTR | | | |
|--|----------------------------------|--|------------|----------|----------|----------|
| 1. A strong, diversified and innovative economy | | | 1 | 2 | 3 | 4 |
| 1. Actively work towards partnerships with industry bodies, all levels of Government and private sector to develop innovative projects that support economic development | | | | | | |
| | | | | | | |
| 2. Promote Smart Communities for collaborative innovated solutions and entrepreneurship | | | | | | |
| | | | | | | |
| - Delivery of a Fraser Coast business E-Newsletter. | 10 editions completed | Tourism, Economic Development & Partnerships | | | | • |
| - Implemented public Wi-Fi at approved sites in Maryborough and Hervey Bay. | Installations completed | Information Services | | | | • |
| 2. A growing tourism industry that capitalises on the full range of opportunities | | | | | | |
| 1. Investigate expansion of marine and land based tourism opportunities | | | | | | |
| | | | | | | |
| - Continue advocacy for a marine interpretive centre and marina precinct redevelopment. | Advocacy completed | Tourism, Economic Development & Partnerships | | | | • |
| 2. Work in collaboration with tourism industry bodies, local businesses and all levels of government to build successful visitor experiences | | | | | | |
| 3. Develop an approach across the region to capitalise on increased tourism | | | | | | |
| - Collaborate with Fraser Coast Tourism and Events to implement the Fraser Coast Events Strategy. | Strategy progressed | Tourism, Economic Development & Partnerships | | | | • |
| 3. Strong job growth | | | | | | |
| 1. Work in collaboration with educational institutes and government agencies to support skills development and employment opportunities | | | | | | |
| | | | | | | |
| - Deliver business workshops and forums. | 3 workshops and forums delivered | Tourism, Economic Development & Partnerships | | | | • |

3. Prosperity

| INITIATIVE | MEASURE | DEPARTMENT | TARGET QTR | | | |
|---|--|--|------------|---|---|---|
| 2. Promote buy locally within the region and support existing businesses and industry | | | 1 | 2 | 3 | 4 |
| - Support Local Buy Campaign - Fraser Coast Gift Cards. | Number of businesses participating and value of cards in circulation | Tourism, Economic Development & Partnerships | | | | • |
| 3. Identify and attract new business opportunities to the Fraser Coast region. | | | | | | |
| - Develop internal branding guidelines. | Guidelines approved | Governance & Customer Service | | | | • |
| - Progress development of Moonaboola Industrial Estate. | Initiatives completed | Tourism, Economic Development & Partnerships | | | | • |
| 4. Carefully managed locations and precincts | | | | | | |
| 1. Ongoing development of precinct masterplans to provide a strategic approach and economic growth | | | | | | |
| - Commence Stage 1 of the Hervey Bay Esplanade Precinct Masterplan. | Plan commenced | Open Space & Environment | | | | • |
| 2. Promote the Fraser Coast as a preferred location for industry investment | | | | | | |
| - Develop promotional videos of the Fraser Coast to attract investment. | Videos developed | Tourism, Economic Development & Partnerships | | | | • |



4. Natural Environment

| INITIATIVE | MEASURE | DEPARTMENT | TARGET QTR | | | |
|--|---|----------------------------------|------------|---|---|---|
| | | | 1 | 2 | 3 | 4 |
| 1. Sustainable practices are applied to all Council operations | | | | | | |
| 1. Guide the reduction of Council's environmental footprint - Expand the Toogoom Sewerage Treatment Plant effluent reuse network. - Progress tree planting in line with Council's goal of 10,000 trees by 2030. | Detailed design to connect to new plantation area completed | Engineering & Technical Services | | | | ● |
| | Number of trees planted | Open Space & Environment | | | | ● |
| | | | | | | |
| 2. Incorporate renewable energy elements into all Council activities. | | | | | | |
| 3. Prepare for climate change adaptation and manage climate changes hazards and risks - Seek statutory approvals to source sand from Dayman Spit for beach nourishment activities. | Completion of technical studies and lodgement of statutory applications | Infrastructure Planning | | | | ● |
| | | | | | | |
| 2. Manage waste in a sustainable manner | | | | | | |
| 1. Deliver efficient and sustainable waste management services | | | | | | |
| 3. Easy access for all to the natural assets of the region | | | | | | |
| 1. Improve access and recreational facilities across a range of natural assets | | | | | | |
| 2. Pursue options to enhance vibrant open spaces suitable for community living - Install signage across our natural areas. | Signage installed | Open Space & Environment | | | | ● |
| | | | | | | |
| 4. Protection and enhancement of our Natural Environment Assets | | | | | | |
| 1. Deliver Council's water and waste water programs in accordance with environmental standards - Deliver Environmental Flow Strategy - Stage 1 (Hydrological Modelling and Construction). | Application to the Department of Regional Development, Manufacturing and Water to amend the flow strategies for the Wide Bay Water Scheme in the Mary Basin Resource Operations Plan (2011) | Engineering & Technical Services | | | | ● |
| | | | | | | |
| 2. Implement and maintain environmental management plans across the region - Develop Natural Environment Action Plan. | Plan approved | Open Space & Environment | | | | ● |
| | | | | | | |

5. Built Environment



| INITIATIVE | MEASURE | DEPARTMENT | TARGET QTR | | | |
|--|---|----------------------------------|------------|---|---|---|
| | | | 1 | 2 | 3 | 4 |
| 1. Integrated planning to support current and future needs of the region and growth | | | | | | |
| 1. Develop strategic land use and infrastructure plan - Deliver Fraser Coast Planning Scheme review. - Deliver Local Government Infrastructure plan review. - Develop Coastal Hazard Adaptation Plan. | Stage 3 completed | Planning & Growth | | | • | |
| | Stage 2 completed | Planning & Growth | | | • | |
| | Plan approved | Development & Community | | | | • |
| 2. Deliver well planned infrastructure that is sustainable and contributes to vibrant communities | | | | | | |
| - Advance the delivery of the Infrastructure Services Civil Design Program to enable improved planning of the Infrastructure Services Capital Budget. - Deliver Beachfront Tourist Parks Master Plan for Pialba and Torquay. - Deliver the Infrastructure Services Capital Budget. | 90% of 2021 Civil Designs completed | Capital Delivery | | • | | |
| | Master Plans approved | Property & Commercial Services | | | • | |
| | Capital expenditure > 85% Commitments >90% | Capital Delivery | | | | • |
| 3. Establish and implement asset management planning to ensure asset longevity | | | | | | |
| - Deliver Asset Management Plan. - Develop Coastal Services Strategic Asset Management Plans. - Develop program of scheduled inspections for Infrastructure Services' assets. - Develop Waste Services Strategic Asset Management Plan. | Development of Water Treatment AMP - 03 and development of Clearwater Reservoir AMP - 04 Clearwater Reservoir AMP Development; Production of the AMP - 04 - Clearwater Reservoirs | Network Operations & Maintenance | | | | • |
| | Plans approved | Infrastructure Planning | | | | • |
| | Program documented and peer reviewed | Infrastructure Planning | | | | • |
| | Production of the SAMP - 03 - Waste Services | | | | | • |

5. Built Environment

| INITIATIVE | MEASURE | DEPARTMENT | TARGET QTR | | | |
|---|---|---------------------------------------|------------|---|---|---|
| 4. Deliver community venue facilities to support regional growth | | | 1 | 2 | 3 | 4 |
| - Deliver additional carpark at the Brolga Theatre. | Project completed | Capital Delivery | | | | • |
| - Deliver detail design for Hervey Bay Administration Building (Hinkler Deal). | Design Completed | Corporate Projects & Asset Management | | | | • |
| - Deliver detailed design for Hervey Bay Library (Hinkler Deal). | Design Completed | Corporate Projects & Asset Management | | | | • |
| - Determine the location for the Maryborough administration building and library. | Location approved | Corporate Projects & Asset Management | | | | • |
| 2. Quality transport networks to support access across the region | | | | | | |
| 1. Develop an integrated transport network that enhances connectivity, accessibility and effective movement | | | | | | |
| - Construct Boundary Road Extension (Hinkler Deal). | Project completed | Capital Delivery | | | | • |
| - Develop unsealed roads prioritisation assessment. | Assessment criteria completed and peer reviewed | Engineering Services | | | | • |
| - Prepare concept designs for priority road corridors. | Plans completed | Engineering Services | | | | • |
| - Update Pinalba Traffic model to accommodate transport scenarios in line with the Hinkler Deal Master planning outcomes. | Traffic Model updated | | | | | • |

5. Built Environment

| INITIATIVE | MEASURE | DEPARTMENT | TARGET QTR | | | |
|---|---------------------------------------|----------------------------------|------------|---|---|---|
| 3. Water, waste water and storm water networks that support the current and future needs of the community | | | 1 | 2 | 3 | 4 |
| 1. Develop and manage networks and services for future growth and demand - Develop Water Sewerage Growth Strategy. 2. Maximise beneficial reuse of wastewater by-products - Develop Recycled Water Strategy for the sustainable use of wastewater. 3. Establish and maintain networks to provide high quality water and wastewater - Reconfigure Conditional Assessment Criteria. - Review Water Source Catchment Management Plan. | Strategy approved | Engineering & Technical Services | | | | • |
| | Strategy approved | Process Operations | | | | • |
| | Asset Condition Framework approved | Network Operations & Maintenance | | | | • |
| | Catchment Management Program approved | Engineering & Technical Services | | | | • |
| 4. Transport provisions that service the wider community | | | | | | |
| 1. Advocate and collaborate with transport stakeholders and government agencies for improvements in public and private transport services and investment in infrastructure - Renegotiate road maintenance performance contract conditional agreement. | Agreement approved | Operations | | | | • |





A Business Unit of  Fraser Coast
REGIONAL COUNCIL
water today  water tomorrow

2021/22

Annual Performance Plan

| | |
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ABOUT US

Wide Bay Water is a customer-focused Business Unit of Council delivering sustainable water and sewerage services to build better communities on the Fraser Coast.

As a business unit, Wide Bay Water operates in accordance with the principles of commercialisation, as detailed in the Local Government Act 2009.

Wide Bay Water is governed by an Advisory Committee appointed by Council, and Executive Team reporting to the Fraser Coast Regional Council Chief Executive Officer.

This Annual Performance Plan has been prepared in accordance with s175 of the Local Government Regulation 2012 and presents the business objectives and targets that will guide Wide Bay Water's performance over the 2021/22 financial year.

PURPOSE

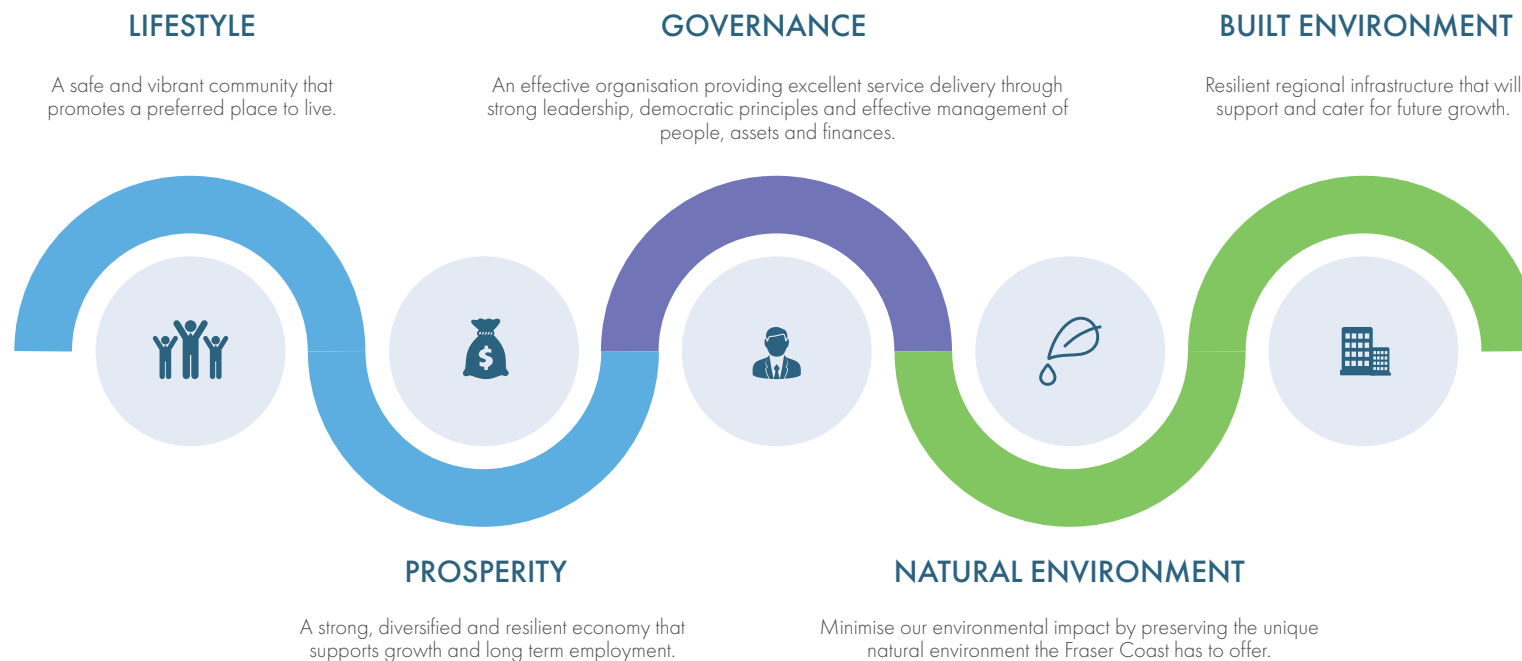
*Wide Bay Water's purpose
is to be an efficient
customer-focussed business
developing and delivering sustainable
water services
for the benefit of the
Fraser Coast community.*



Business Objectives

In 2021/22 Wide Bay Water is focused on contributing toward the achievement of Council's Corporate Plan 2018/2023 Themes and Objectives.

To do this we aim to meet the financial and non-financial performance targets, as detailed within this Annual Performance Plan, as well as deliver the Corporate initiatives assigned to Wide Bay Water within Council's Operational Plan 2021/22.



Values

The TRAITS acronym represents the values we consider to be integral to the way we interact as a business, the way we go about our work, and the expectations on how we will serve our community.



TRAITS

Trust
Respect
Accountability
Initiative
Teamwork
Service

Nature and scope of the significant business activity

The nature and scope of the water and sewerage services provided by Wide Bay Water includes:

WATER SUPPLY SERVICE



Water Storages and Catchment (one dam and four weirs);



Four Water Treatment Plants;



17 Reservoirs Sites;



1119km of Water mains;



21 Pump Stations;



Reticulated Supply Network;



37,911 Water Service Connections.

SEWERAGE SERVICE



789km of Sewerage Mains;



121 Pump Stations;



Eight Sewage Treatment Plants;



72km of Effluent Mains;



Integrated Effluent Reuse System including eight Hardwood Tree Plantations and external customers.



Customer Experience

Customer focus will be reflected not only in the achievement of our service standards and customer charter, but in the application of our values in every customer interaction.

Section 115 of the Water Supply (Safety & Reliability) Act 2008 requires water service providers to prepare a Customer Service Charter for its water and sewerage services. It also requires the service provider to clearly state the level of service to be provided to customers, the process for service connection, billing, metering, accounting, customer consulting, complaints and dispute resolution.

The Customer Service Standard can be accessed at **www.frasercoast.qld.gov.au/wide-bay-water-reporting**

The Customer Service Charter is prepared in accordance with Regulator Guidelines. It is reviewed every five years in consultation with our Customers.

For 2021/22 Wide Bay Water aims to provide a customer experience consistent with its Customer Service Charter and the Non-financial Performance Indicators defined in this Annual Performance Plan.



Financial and Non-Financial Performance Targets

TABLE 1. FINANCIAL PERFORMANCE

| INDICATOR | FREQUENCY | UNIT | TARGET | EXPLANATION | CALCULATION |
|--|---------------|------------|--------------------|---|---|
| Operating Surplus Ratio | Annual | % | 20% | Indicates the extent to which revenues (utility charges, fees & charges etc.) raised cover operational expenses (employee, materials & services, depreciation & loan interest payments) which is then available for capital funding or other purposes. It represents % of profit each \$ of revenue generates. | Net result (excluding capital items) divided by total operating revenue (excluding capital items) |
| Dividend Ratio | Annual | % | 20% | The dividend payout ratio is the amount of dividends paid to owners (FCRC) relative to the amount of total net income of the entity. The amount that is not paid out in dividends is held to fund growth. The amount that is kept is called retained earnings. | Dividend/Net Profit After Tax |
| Debt Servicing Ratio (I&R / revenue) | Annual | % | <30% | The debt service coverage ratio, also known as "debt coverage ratio", is the ratio of cash available to debt servicing for loan interest & principal payments. It is used as a measurement of an entity's ability to produce enough cash to cover its debt repayments. It is the % of revenue used to repay debt. | Interest & Redemption Payments/Revenue |
| Interest Cover (EBITDA/interest expense) | Annual | Times | >8 | Times interest coverage ratio is a measure of an entities ability to honor its debt payments. It may be calculated as either EBIT or EBITDA divided by the total interest payable. | EBITDA (earnings before interest, tax, depreciation & amortisation)/ Interest Expense |
| Total Distribution to FCRC | Annual | \$m | \$13.70 | | |
| - Dividends | | | \$4,743,000 | Paid to Owner (FCRC) from after tax profits | Refer "Dividend Ratio" above |
| - Tax | | | \$8,400,000 | Paid to Owner (FCRC) | In accordance with LGTER regime legislation |
| - Competitive Neutrality | | | \$564,486 | In accordance with the Competitive Neutrality principles contained in <i>Local Government Act 2009</i> & <i>Local Government Regulation 2012</i> | Based on calculated 5 year avg. debt margin on QTC borrowing rate |

TABLE 2. NON-FINANCIAL PERFORMANCE

| NON-FINANCIAL PERFORMANCE INDICATORS | | |
|---|--------------|--------|
| Hervey Bay & Maryborough | Unit | Target |
| Water | | |
| Continuity and reliability of water supply | | |
| Time for restoration of service within five hours – percentage of unplanned incidents | % | 95% |
| Minimum water pressure at the property boundary for 99% of connected properties (on enquiry or complaint) | kPa | 200 |
| Minimum flow at the property boundary for 90% of connected properties (on enquiry or complaint) | L/min | >20 |
| System water loss | ILL | >1.5 |
| Water quality | | |
| Water at the point of delivery will meet National Health and Medical Research Council Health Guidelines for Australian Drinking Water | % | 100% |
| Water quality (physical and chemical parameters) at the point of delivery will meet National Health and Medical Research Council Aesthetic Drinking Water Guidelines (not including chlorine, taste or odour) | % | >95% |
| New service connections - water | | |
| Installation of all 20mm and 25mm diameter property connections within maximum 20 working days. | % | 90% |
| Service connections greater than 25mm diameter. | Working Days | 10 |
| (a) Design & notification of construction price (average time from completed application). | | |
| (b) Construction time (average time from payment of fees) subject to building and development regulations being met. | Working Days | 20 |

TABLE 2. NON-FINANCIAL PERFORMANCE

| NON-FINANCIAL PERFORMANCE INDICATORS | | |
|--|--------------|--------|
| Sewerage | Unit | Target |
| Effective transport of waste | | |
| Total sewage overflows per 100km main | Number | <2.5 |
| Sewage overflows on to customer property per 1,000 connections | Number | <1.25 |
| Sewer odour complaints per 1,000 connections | Number | <2.5 |
| Effluent complies to Environmental Licence | % | 100% |
| Effluent reuse as percentage of Average Dry Weather Flow | % | 90% |
| New service connections - Sewer | | |
| Completion of new sewer connections. | | |
| (a) Design & notification of construction price (average time from completed application). | Working Days | 10 |
| (b) Construction time (average time from payment of fees) subject to building and development regulations being met. | Working Days | 20 |
| Queensland Government – Reportable Indicators | | |
| QG 4.5 - Total water main breaks per 100km of water main | Number | <5 |
| QG 4.6 - Total sewerage main breaks and chokes per 100km sewerage main | Number | <15 |
| QG 4.7 - Incidence of unplanned water service interruptions to supply per 1000 connected properties | Number | <25 |
| QG 4.8 - Average response time for incidents causing an interruption to water supply | Minutes | <60 |
| QG 4.9 - Average response time for incidents causing an interruption to sewerage collection | Minutes | <60 |
| QG 4.10 - Drinking water quality complaints per 1000 connected properties | Number | <1.25 |
| QG 4.11 - Total water and sewerage complaints per 1000 connected properties | Number | <10 |

Community Service Obligations

A Community Service Obligation is as an obligation the local government imposes on a business entity that is not in the commercial interest of the entity to do.

Wide Bay Water provides a number of community service obligations to the Fraser Coast community, from utility charge

concessions to development incentives and discounts, and the Fraser Coast Regional Council compensates Wide Bay Water for the cost of providing these community service obligations.


Community Service Obligations are reviewed on an annual basis as part of the development of the annual budget and in 2021/22 are forecast to include:

| COMMUNITY SERVICE OBLIGATION | ESTIMATED ANNUAL COST | REFERENCE |
|--|-----------------------|--|
| Utility charge concession/discount – community group | \$546,522 | Community Group Concession Policy v14 |
| Utility charge concession - other | \$10,000 | Water Charge Relief Policy v5 |
| Developer Contribution – discount/incentive | \$182,120 | Infrastructure Charges Incentives Administrative Policy v8 |

Proposed Major Investments

MAJOR INVESTMENTS PLANNED FOR THE 2021/22 FINANCIAL YEAR INCLUDE:

WATER SUPPLY

Water Pump Stations **\$2.35M** 

Water Reservoirs **\$0.15M** 

Water Mains - Non-trunk **\$5.98M** 

Water Mains - Trunk **\$0.82M** 

Water Treatment **\$2.9M** 

SEWERAGE


Sewerage Pump Stations **\$3.1M** 

Sewerage Collection - Trunk **\$0.71M** 

Sewerage Collection - Non-trunk **\$2.72M** 

Sewerage Treatment **\$11.55M** 

EFFLUENT REUSE

Effluent Reuse **\$0.33M** 

Financial Structure

Wide Bay Water shows as separate units within Fraser Coast Regional Council's financial ledgers.

CAPITAL STRUCTURE

The consolidated capital structure of Wide Bay Water will comprise community equity to the value of assets less liabilities.

The 10-year Debt to Debt + Equity level shall be in the range of 35-55%.

PHYSICAL ASSETS

In accordance with the initial Wide Bay Water establishment plan, the capital structure of Wide Bay Water will include all current and non-current assets and liabilities and equity shown in the financial statements.

MONETARY ASSETS

All current monetary assets as recorded for Wide Bay Water activities shall be managed by Fraser Coast Regional Council's Financial Services section.

WORKING CAPITAL FACILITY

Fraser Coast Regional Council maintains a working capital facility for Wide Bay Water. The interest rates to be applied to short term working capital balances held by Fraser Coast Regional Council on behalf of Wide Bay Water shall be as follows:

Credit Balances – Interest will be payable by Fraser Coast Regional Council monthly in arrears on the working capital balance held after adjusting for the monthly Wide Bay Water financial performance. The interest rates applied will be based on Council's average monthly return for term deposits as published in the Monthly Investment Report less a 0.1% management fee.

Overdrawn Balances – Interest will be

payable by Wide Bay Water monthly in arrears on the working capital balance held after adjusting for the monthly Wide Bay Water financial performance. The interest rate applied will be based on the Queensland Treasury Corporation Working Capital rate plus a calculated debt guarantee margin using the margin as calculated quarterly by Queensland Treasury Corporation.

The working capital facility is not intended to be a substitute for long term fixed borrowing therefore an overdrawn balance exceeding \$5M in any one month or \$1M in any three consecutive months will be a trigger for raising a long term fixed interest rate loan.

LOANS

Wide Bay Water will use debt to fund large infrastructure projects associated with the generation of revenue in line with corporate guidelines and Fraser Coast Regional Council direction.

GRANTS AND SUBSIDY

Wide Bay Water will optimise the use of available grants and subsidies by managing the forward planning of future works programs.

RECOGNITION OF ASSETS

Assets will be recognised using industry standards and the methodologies developed through Council's asset valuation policy, the *Local Government Regulation 2012*, and the Australian Accounting Standards.

DEPRECIATION

Wide Bay Water will depreciate its assets in accordance with the Australian Accounting Standards having regard for contemporary depreciation methods.

PRICING POLICIES

Wide Bay Water will price its services in accordance with National Competition Policy methodologies and Fraser Coast Regional Council policies. This may include introducing additional user type fees and charges.

Water charges are set as a two-part tariff – an access charge and a consumption charge.

Sewerage charges are set as one tariff based on sewer units.

Commercial and industrial properties are charged on a per lot and/or per pedestal or equivalent pedestal (urinal) basis.

FINANCIAL OBLIGATIONS TO COUNCIL

Wide Bay Water will provide to Council a surplus made up of dividend, income tax, competitive neutrality adjustments and internal debt finance structuring.

Tax on operating capability is in accordance with the Local Government Tax Equivalents Regime guidelines.

Dividend: The annual dividend from Wide Bay Water to Council will be determined by Council each year as part of the budget process and generally be in line with its net profit after tax target percentage. WBW will endeavor to provide the maximum value of the dividend to Council each year. In the draft budget WBW will propose a dividend amount having regard to its ability to fund its planned capital works for the year from operating cash flow and debt (internal or external), provided

it does not exceed a debt/equity ratio in the range of 35%–55% or as otherwise approved by council.

To achieve the surplus the following parameters will need to be considered:

- Revenue: Water and sewerage increased in line with long-term pricing and financial modelling of Maximum Allowable Revenue.
- Revenues should be modelled to meet the requirements and commercial rates of return required by National Competition Policy reforms.
- Expenses: Wages increases in line with Enterprise Bargaining Agreement and commercial activity needs.
- Goods and services increased by no greater than Consumer Price Index, growth and environmental or legislative influences.

DEVELOPER CONTRIBUTED ASSETS

Donated assets will be recorded as revenue and the value recorded to the balance sheet as a non-current asset. Donated assets will be recorded in the electronic asset register and as constructed data recorded in the GIS system.



Delegated Authority

An important aspect of Wide Bay Water's operating environment is the allocation of roles and responsibilities in Water and Sewerage service delivery between Wide Bay Water and Fraser Coast Regional Council.

Council is ultimately accountable for water and sewerage service delivery to the Fraser Coast. Wide Bay Water is responsible for operational performance against established service standards and targets.

The governance model between Fraser Coast Regional Council and Wide Bay Water determines the appropriate delegation of accountabilities and responsibilities that maximise the opportunity of achieving the business objective and performance targets in this plan.

Accordingly, the governance model

between Fraser Coast Regional Council and Wide Bay Water for core business activities is consistent with the following separation:

- **Environmental, Technical and Service Standards**

– Fraser Coast Regional Council are accountable to the community for water and sewerage service outcomes against these requirements. Wide Bay Water are responsible for implementing and reporting corporate, business and operating plans to achieve these service standards.

- **Economic and Technical Regulation**

– Fraser Coast Regional Council are accountable to the community for the economic and financial performance and outcomes, and health of the infrastructure, providing

water and sewerage services to the Fraser Coast community. Fraser Coast Regional Council provides Wide Bay Water with clear responsibilities and performance standards for its operations through the setting of Wide Bay Water's economic regulatory regime including,

- the allowed price, increases or decreases,
- required rate of return on capital,
- expected dividends, and
- performance of Community Service Obligations.

WIDE BAY WATER ADVISORY ROLE TO FRASER COAST REGIONAL COUNCIL

It is important that Wide Bay Water does not determine its own environmental, technical and customer service standards while also being responsible for determining the least cost options to achieve these standards.

Despite this, there are several areas where Wide Bay Water would advise Council on the appropriateness of standards or targets:

- Risk to the community – health and service levels.
- Ultimate costs to the community – impact on Wide Bay Water's costs to provide different levels of water and sewerage standards and/or services as measured by differing revenue requirements and average prices to be levied on customers.
- Sustainability impacts – examine the likely impact of standards on environmental and asset performance over the longer term.

- It is the responsibility of Wide Bay Water to achieve the targets in the delivery of water and sewerage services through actively choosing the least cost of supply to deliver these services.

Fraser Coast Regional Council sets Quality and Reliability Standards for Wide Bay Water. Accordingly, Council resolve the non-financial performance indicators for water and sewerage services as detailed in this performance plan.

As a business unit of Council, Wide Bay Water's delegated authorities are established in accordance with Chapter 7 Part 5 of the *Local Government Act 2009*.

To permit Wide Bay Water to operate autonomously and in accordance with its legislative framework, the Chief Executive Officer has delegated powers to Officers in accordance with s259 of the Act.

Delegated powers are recorded in Council's delegation register and include powers under:

- » *Local Government Act 2009*
- » *Environmental Protection Act 1994*
- » *Water Supply (Safety and Reliability) Act 2008*
- » *Water Act 2000*
- » *Water Fluoridation Act 2008*
- » *Planning Act 2016*.

The Wide Bay Water and Waste Advisory Committee has no delegated authority or power of the Fraser Coast Regional Council.



Reporting Framework

Wide Bay Water's reporting framework can be divided into those corporate reporting functions required to meet the key principles of commercialisation as defined in the Local Government Regulation, along with the broad range of regulatory reports required of a water and sewerage service provider.

Corporate reporting requirements include:

- Executive Management Team reports.
- Advisory Committee meeting reports including; Director Performance Report, Financial reports, Operational and Capital performance summaries, Safety and Environmental Performance, and Officer Reports.
- Wide Bay Water Annual Operations Report.
- Council Officer reports, and
- Fraser Coast Regional Council
- Operational Plan.

OUR REGULATORY REPORTING REQUIREMENTS INCLUDE:

WATER SERVICES

1. Drinking Water Quality Management Plan Annual Report
2. Annual Performance Report – KPI reports
3. Australian Bureau of Statistics reports
4. Bureau of Meteorology water utility reports
5. National Performance Report
6. Petroleum and Gas Annual Report

ENVIRONMENTAL

1. Annual Reports and licence returns
2. National Pollutant Inventory
3. Environmental Authority Pump Station Annual Report

BULK WATER & DAMS

1. Resource Operations Licence Quarterly/Annual report

DAM SAFETY

1. Emergency Action Plan Annual Review
2. Condition Schedule Annual Review
(Data book, Operations Manual, Standard Operating Procedures)

TABLE 3. STRATEGIC PLAN INITIATIVES 2021/22

| GOVERNANCE | | | |
|---|---|---------------------------|--|
| An effective organisation providing excellent service delivery through strong leadership democratic principles and effective management of people, assets and finances. | | | |
| Operational Plan Action for 2021-2022 | Directorate Measures of Success | Completion FY | Responsible Officer |
| Directorate Governance Model | Completed Governance Model enhancement initiatives including establishing a Long-Term Financial Plan | 2021-2022 | Business Services Manager |
| Review of Customer Service Charter | Completion of Customer Service Charter scheduled review. | 2021-2022 | Business Services Manager |
| NATURAL ENVIRONMENT | | | |
| Minimise our environmental impact by preserving the unique natural environment the Fraser Coast has to offer. | | | |
| Operational Plan Action for 2021-2022 | Directorate Measures of Success | Completion FY | Responsible Officer |
| Develop Recycled Water Strategy | Develop a long-term Reuse Strategy. Develop a water reuse allocation policy to ensure that reuse water supply is sustainable and equitable. | 2021-2022* c/f 2020/21 | Executive Manager Process Operations |
| Burrum River Environmental Flow Strategy | Environmental Flow Strategy Lenthalls Dam Flow Management Plan will inform QLD Government review of their ROP. | 2021-2022 | Executive Manager Engineering & Technical Services |
| Fraser Coast Sports Fields Irrigation Water Supply Report | Develop Fraser Coast Sports Fields Irrigation Water Supply Report | 2021-2022 | Executive Manager Engineering & Technical Services |
| Expand the Toogoom STP Effluent Reuse Network | Detailed design to connect to new plantation area. | 2021-2022 | Executive Manager Engineering & Technical Services |
| BUILD ENVIRONMENT | | | |
| Resilient regional infrastructure that will support and cater for future growth. | | | |
| Operational Plan Action for 2021-2022 | Directorate Measures of Success | Completion FY | Responsible Officer |
| Determine Water Security Level of Service Objectives | Level of service objectives identified, future water supplies identified & drought management plan updated. | 2021-2022* c/f 2019/20 | Executive Manager Engineering & Technical Services |
| Asset Management Plan | Completion of scheduled Asset Management Plans Develop asset profiling across all water network areas Develop Waste Services Strategic Asset Management Plan Reconfigure Conditional Assessment Criteria | 2021-2022 | Executive Manager Network Operations and Maintenance |
| Water and Sewage Growth Strategy | Review and update of Water Sewage Growth Strategy completed. | 2022-2023 | Executive Manager Engineering & Technical Services |
| Water Source Catchment Management Plan | Revised water source catchment management plan endorsed by the Advisory Committee | 2021-2022 | Executive Manager Engineering & Technical Services |



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A Business Unit of  **FraserCoast**
REGIONAL COUNCIL

water today  water tomorrow



Building better communities.



2021/22

OPERATIONAL BUDGET



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2021/22

BUDGET AND REVENUE STATEMENT

| | |
|----------------------|--------------------------------------|
| Policy Title: | REVENUE POLICY |
| Policy Subject: | Finance |
| Policy No: | #876741 v15 (Draft#4280539) |
| 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 2022/23 |
| Amended Date: | 16/06/2021 |
| Risk Assessment: | High |

POLICY STATEMENT

In accordance with the *Local Government Regulation 2012* 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 that Council intends to grant for rates and charges; 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

In accordance with the *Local Government Regulation 2012* s.193(1)(b), the purposes for the concessions that Council will apply are 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) 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.

(e) Economic Development;

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

(f) 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 113 of the Planning Act 2016 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: | #876741v15 (Draft#4280539) |
| 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 2022/2023 |
| Amended Date: | 16/6/2021 |

REVENUE STATEMENT

In accordance with the *Local Government Regulation 2012* 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 principal 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 principal 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* 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 Act 1975 or Plumbing and Drainage Act 2018. 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*, 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* or *Local Government Regulation 2012*. 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* s.103. Separate charges are for a service, facility or activity.

The following separate charges will be levied in 2021/22;

- 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* 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 charge will be levied in 2021/22;

- 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* 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*, 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, Housing and Digital Economy 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 Rates Rebate 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. 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.

5. 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.

6. 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;

1. the transfer of ownership of the land, or
2. 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* 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 as adopted by Council resolution.

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*.

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.

“Declared service area”: shall mean the area, within the Fraser Coast Regional Council boundary, that Council resolves from time to time as being the “Declared service area”.

“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 Resources.

“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 Resources.

“Large shopping centre”: shall mean land used as a large commercial development (including a single, stand-alone store) with 70 or more car parking facilities and identified as such 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*

“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 Resources 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.
 - 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*.

"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*.

"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 Communities, Housing and Digital Economy 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 Communities, Housing and Digital Economy 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 Communities, Housing and Digital Economy 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, and may also include an associated secondary dwelling as defined in the *Planning Regulation 2017*. 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 service area”: shall mean all land within the declared service area, and land outside of the declared service area to which Council is prepared to accept wastewater from.

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

RELATED DOCUMENTS

Revenue Policy
Debt Recovery Policy
Financial Hardship Policy
Community Groups Concession Policy
Conservation Areas Concession Policy



Budgeted Financial Statements

Budget 2021/22

Budgeted Statement of Comprehensive Income

| | Estimated Actual 2020-21 \$'000 | Budget 2021-22 \$'000 | Forecast 2022-23 \$'000 | Forecast 2023-24 \$'000 |
|--|--|-----------------------------|-------------------------------|-------------------------------|
| Income | | | | |
| Revenue | | | | |
| Recurrent Revenue | | | | |
| Rates Levies and charges | 180,040 | 186,728 | 193,665 | 200,854 |
| Discounts and rebates | (6,827) | (3,784) | (3,925) | (4,070) |
| Fees and Charges | 19,082 | 22,289 | 23,117 | 23,976 |
| Rental Income | 947 | 990 | 1,027 | 1,065 |
| Interest revenue | 3,304 | 3,273 | 4,790 | 4,554 |
| Sales revenue | 5,037 | 3,102 | 3,217 | 3,337 |
| Other income | 6,000 | 4,411 | 4,575 | 4,745 |
| Grants, subsidies, contributions and donations | 9,387 | 9,484 | 9,760 | 10,043 |
| Total recurrent revenue | 216,970 | 226,493 | 236,226 | 244,504 |
| Expense | | | | |
| Recurrent expenses | | | | |
| Employee benefits | 74,823 | 80,250 | 80,692 | 81,135 |
| Materials and service | 77,553 | 87,125 | 89,089 | 86,524 |
| Finance costs | 4,991 | 4,994 | 5,162 | 5,112 |
| Depreciation and amortisation | 57,984 | 58,872 | 64,285 | 68,877 |
| Total recurrent expense | 215,351 | 231,241 | 239,228 | 241,648 |
| Operating Result | 1,619 | (4,748) | (3,002) | 2,856 |
| Capital revenue | | | | |
| Grants and subsidies | 21,794 | 26,980 | 49,272 | 29,856 |
| Developer contributions | 34,290 | 31,282 | 31,908 | 32,546 |
| Other capital income | 3,371 | 1,310 | 1,337 | 1,363 |
| Total capital revenue | 59,455 | 59,572 | 82,517 | 63,765 |
| Capital expense | 33,885 | 17,311 | 17,618 | 17,930 |
| Net result | 27,189 | 37,513 | 61,897 | 48,691 |
| Other Comprehensive income | | | | |
| Increase in asset revaluation surplus | 8,786 | - | 19,418 | 38,114 |
| Total comprehensive income | 35,975 | 37,513 | 81,315 | 86,805 |

Budgeted Statement of Financial Position

| | Estimated Actual 2020-21 \$'000 | Budget 2021-22 \$'000 | Forecast 2022-23 \$'000 | Forecast 2023-24 \$'000 |
|--------------------------------------|--|-----------------------------|-------------------------------|-------------------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 173,313 | 128,795 | 85,978 | 92,502 |
| Trade and other receivables | 31,688 | 30,782 | 31,830 | 32,895 |
| Inventories | 2,122 | 2,164 | 2,208 | 2,252 |
| Total current assets | 207,123 | 161,741 | 120,016 | 127,649 |
| Non-current assets | | | | |
| Land held for development for sale | 3,673 | 3,489 | 3,315 | 3,149 |
| Trade and other receivables | 4,072 | 4,276 | 4,489 | 4,714 |
| Property, plant and equipment | 2,578,321 | 2,673,002 | 2,800,683 | 2,902,113 |
| Right of use assets | 486 | 193 | - | - |
| Intangible assets | 904 | 2,408 | 4,063 | 4,577 |
| Biological assets | 712 | 712 | 712 | 712 |
| Total non-current assets | 2,588,168 | 2,684,080 | 2,813,262 | 2,915,265 |
| Total assets | 2,795,291 | 2,845,821 | 2,933,278 | 3,042,914 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Trade and other payables | 22,916 | 27,388 | 27,904 | 27,223 |
| Borrowings | 12,082 | 13,261 | 12,157 | 6,951 |
| Provisions | 12,192 | 13,523 | 13,385 | 14,945 |
| Other liabilities | 7,605 | 7,758 | 7,913 | 8,071 |
| Total current liabilities | 54,795 | 61,930 | 61,359 | 57,190 |
| Non-current liabilities | | | | |
| Borrowings | 46,011 | 50,463 | 56,032 | 83,534 |
| Provisions | 38,304 | 39,741 | 40,891 | 40,396 |
| Other non-current liabilities | 341 | 334 | 328 | 321 |
| Total non-current liabilities | 84,656 | 90,538 | 97,251 | 124,251 |
| Total liabilities | 139,451 | 152,468 | 158,610 | 181,441 |
| Net community assets | 2,655,840 | 2,693,353 | 2,774,668 | 2,861,473 |
| Community equity | | | | |
| Asset revaluation surplus | 668,468 | 668,468 | 687,886 | 726,000 |
| Retained surplus | 1,987,372 | 2,024,885 | 2,086,782 | 2,135,473 |
| Total community equity | 2,655,840 | 2,693,353 | 2,774,668 | 2,861,473 |

Budgeted Statement of Cash Flows

| | Estimated Actual 2020-21 \$'000 | Budget 2021-22 \$'000 | Forecast 2022-23 \$'000 | Forecast 2023-24 \$'000 |
|---|--|-----------------------------|-------------------------------|-------------------------------|
| Cash flows from operating activities | | | | |
| Receipts from customers | 199,267 | 212,908 | 219,784 | 227,945 |
| Payments to suppliers and employees | (149,802) | (163,307) | (169,678) | (168,680) |
| | 49,465 | 49,601 | 50,106 | 59,265 |
| Investment and interest revenue received | 3,304 | 3,273 | 4,790 | 4,554 |
| Rental income | 947 | 981 | 1,023 | 1,061 |
| Non-capital grants and contributions | 9,387 | 10,379 | 9,714 | 10,001 |
| Borrowing costs | (4,541) | (3,782) | (3,952) | (4,334) |
| Payment of provision | - | 1,960 | 216 | 626 |
| Net cash inflow from operating activities | 58,562 | 62,412 | 61,897 | 71,173 |
| Cash flows from investing activities | | | | |
| Proceeds from sale of property, plant and equipment | 1,681 | 1,310 | 1,337 | 1,363 |
| Capital grants, subsidies, contributions and donations | 54,295 | 39,970 | 62,515 | 43,358 |
| Purchase/construction of property, plant and equipment | (125,780) | (152,246) | (171,126) | (130,711) |
| Payments for intangible assets | (904) | (1,595) | (1,905) | (955) |
| Net cash outflow from investing activities | (70,708) | (112,561) | (109,179) | (86,945) |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings | - | 18,000 | 18,000 | 35,000 |
| Repayment of borrowings | (15,084) | (12,369) | (13,535) | (12,704) |
| Net cash inflow (outflow) from financing activities | (15,084) | 5,631 | 4,465 | 22,296 |
| Net increase (decrease) for the year | (27,230) | (44,518) | (42,817) | 6,524 |
| Cash and cash equivalents at the beginning of the financial year | 200,543 | 173,313 | 128,795 | 85,978 |
| Total Cash and cash equivalents at the end of the financial year | 173,313 | 128,795 | 85,978 | 92,502 |

Budgeted Statement of Changes in Equity

| | Estimated Actual 2020-21 \$'000 | Budget 2021-22 \$'000 | Forecast 2022-23 \$'000 | Forecast 2023-24 \$'000 |
|---------------------------------------|--|-----------------------------|-------------------------------|-------------------------------|
| Asset revaluation surplus | | | | |
| Opening balance | 659,682 | 668,468 | 668,468 | 687,886 |
| Increase in asset revaluation surplus | 8,786 | - | 19,418 | 38,114 |
| Closing balance | 668,468 | 668,468 | 687,886 | 726,000 |
| Retained surplus | | | | |
| Opening balance | 1,960,183 | 1,987,372 | 2,024,885 | 2,086,782 |
| Net result | 27,189 | 37,513 | 61,897 | 48,691 |
| Closing balance | 1,987,372 | 2,024,885 | 2,086,782 | 2,135,473 |
| Total | | | | |
| Opening balance | 2,619,865 | 2,655,840 | 2,693,353 | 2,774,668 |
| Net result | 27,189 | 37,513 | 61,897 | 48,691 |
| Increase in asset revaluation surplus | 8,786 | - | 19,418 | 38,114 |
| Closing balance | 2,655,840 | 2,693,353 | 2,774,668 | 2,861,473 |



2021/22

LONG TERM FINANCIAL FORECAST



Long Term Financial Forecast Budget 2021/22

Long Term Financial Forecast Statement of Comprehensive Income

| | Estimated Actual 2020-21 \$'000 | Budget 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 | Forecast 2029-30 \$'000 | Forecast 2030-31 \$'000 |
|--|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Income | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Recurrent Revenue | | | | | | | | | | | |
| Rates Levies and charges | 180,040 | 186,728 | 193,665 | 200,854 | 207,797 | 214,989 | 222,418 | 229,549 | 236,917 | 244,516 | 252,356 |
| Discounts and rebates | (6,827) | (3,784) | (3,925) | (4,070) | (4,211) | (4,357) | (4,507) | (4,652) | (4,801) | (4,955) | (5,114) |
| Fees and Charges | 19,082 | 22,289 | 23,117 | 23,976 | 24,804 | 25,663 | 26,550 | 27,401 | 28,280 | 29,187 | 30,123 |
| Rental Income | 947 | 990 | 1,027 | 1,065 | 1,102 | 1,140 | 1,179 | 1,217 | 1,256 | 1,296 | 1,338 |
| Interest revenue | 3,304 | 3,273 | 4,790 | 4,554 | 4,625 | 4,820 | 4,800 | 5,165 | 5,162 | 5,603 | 6,069 |
| Sales revenue | 5,037 | 3,102 | 3,217 | 3,337 | 3,452 | 3,572 | 3,695 | 3,814 | 3,936 | 4,062 | 4,193 |
| Other income | 6,000 | 4,411 | 4,575 | 4,745 | 4,909 | 5,079 | 5,255 | 5,423 | 5,597 | 5,777 | 5,962 |
| Grants, subsidies, contributions and donations | 9,387 | 9,484 | 9,760 | 10,043 | 10,355 | 10,677 | 11,008 | 11,350 | 11,703 | 12,067 | 12,442 |
| Total recurrent revenue | 216,970 | 226,493 | 236,226 | 244,504 | 252,833 | 261,583 | 270,398 | 279,267 | 288,050 | 297,553 | 307,369 |
| Expense | | | | | | | | | | | |
| Recurrent expenses | | | | | | | | | | | |
| Employee benefits | 74,823 | 80,250 | 80,692 | 81,135 | 83,540 | 86,304 | 88,204 | 90,147 | 92,853 | 95,541 | 97,645 |
| Materials and services | 77,553 | 87,125 | 89,089 | 86,524 | 88,651 | 90,829 | 93,067 | 97,133 | 101,272 | 105,422 | 109,533 |
| Finance costs | 4,991 | 4,994 | 5,162 | 5,112 | 6,235 | 6,919 | 7,346 | 7,291 | 6,860 | 7,727 | 6,455 |
| Depreciation and amortisation | 57,984 | 58,872 | 64,285 | 68,877 | 72,631 | 75,903 | 76,523 | 79,041 | 82,520 | 87,928 | 91,295 |
| Total recurrent expense | 215,351 | 231,241 | 239,228 | 241,648 | 251,057 | 259,955 | 265,140 | 273,612 | 283,505 | 296,618 | 304,928 |
| Operating result | 1,619 | (4,748) | (3,002) | 2,856 | 1,776 | 1,628 | 5,258 | 5,655 | 4,545 | 935 | 2,441 |
| Capital revenue | | | | | | | | | | | |
| Grants and subsidies | 21,794 | 26,980 | 49,272 | 29,856 | 20,253 | 20,658 | 21,071 | 21,493 | 21,923 | 22,361 | 22,808 |
| Developer contributions | 34,290 | 31,282 | 31,908 | 32,546 | 33,197 | 33,861 | 34,538 | 35,229 | 35,933 | 36,652 | 37,385 |
| Other capital income | 3,371 | 1,310 | 1,337 | 1,363 | 1,391 | 1,418 | 1,447 | 1,476 | 1,505 | 1,535 | 1,566 |
| Total capital revenue | 59,455 | 59,572 | 82,517 | 63,765 | 54,841 | 55,937 | 57,056 | 58,198 | 59,361 | 60,548 | 61,759 |
| Capital expense | 33,885 | 17,311 | 17,618 | 17,930 | 18,249 | 18,574 | 18,906 | 19,244 | 19,589 | 19,941 | 20,300 |
| Net result | 27,189 | 37,513 | 61,897 | 48,691 | 38,368 | 38,991 | 43,408 | 44,609 | 44,317 | 41,542 | 43,900 |
| Other Comprehensive income | | | | | | | | | | | |
| Increase in asset revaluation surplus | 8,786 | - | 19,418 | 38,114 | 10,145 | 62,779 | 49,225 | 17,817 | 79,477 | 70,017 | 25,596 |
| Total comprehensive income | 35,975 | 37,513 | 81,315 | 86,805 | 48,513 | 101,770 | 92,633 | 62,426 | 123,794 | 111,559 | 69,496 |

Long Term Financial Forecast Statement of Financial Position

| | Estimated Actual 2020-21 \$'000 | Budget 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 | Forecast 2029-30 \$'000 | Forecast 2030-31 \$'000 |
|--------------------------------------|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Assets | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash and cash equivalents | 173,313 | 128,795 | 85,978 | 92,502 | 87,053 | 88,383 | 92,615 | 89,671 | 90,724 | 102,569 | 135,056 |
| Trade and other receivables | 31,688 | 30,782 | 31,830 | 32,895 | 34,039 | 35,198 | 36,332 | 37,385 | 38,614 | 39,841 | 41,047 |
| Inventories | 2,122 | 2,164 | 2,208 | 2,252 | 2,297 | 2,343 | 2,390 | 2,438 | 2,486 | 2,536 | 2,587 |
| Total current assets | 207,123 | 161,741 | 120,016 | 127,649 | 123,389 | 125,924 | 131,337 | 129,494 | 131,824 | 144,946 | 178,690 |
| Non-current assets | | | | | | | | | | | |
| Land held for development for sale | 3,673 | 3,489 | 3,315 | 3,149 | 2,992 | 2,842 | 2,700 | 2,565 | 2,437 | 2,315 | 2,199 |
| Trade and other receivables | 4,072 | 4,276 | 4,489 | 4,714 | 4,950 | 5,197 | 5,457 | 5,730 | 6,016 | 6,317 | 6,633 |
| Property, plant and equipment | 2,578,321 | 2,673,002 | 2,800,683 | 2,902,113 | 2,967,835 | 3,085,892 | 3,177,836 | 3,235,916 | 3,350,587 | 3,443,797 | 3,476,471 |
| Right of use assets | 486 | 193 | - | - | - | - | - | - | - | - | - |
| Intangible assets | 904 | 2,408 | 4,063 | 4,577 | 5,428 | 6,016 | 6,272 | 7,569 | 7,404 | 7,338 | 6,914 |
| Biological assets | 712 | 712 | 712 | 712 | 712 | 712 | 712 | 712 | 712 | 712 | 712 |
| Total non-current assets | 2,588,168 | 2,684,080 | 2,813,262 | 2,915,265 | 2,981,917 | 3,100,659 | 3,192,977 | 3,252,492 | 3,367,156 | 3,460,479 | 3,492,929 |
| Total assets | 2,795,291 | 2,845,821 | 2,933,278 | 3,042,914 | 3,105,306 | 3,226,583 | 3,324,314 | 3,381,986 | 3,498,980 | 3,605,425 | 3,671,619 |
| Liabilities | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Trade and other payables | 22,916 | 27,388 | 27,904 | 27,223 | 27,996 | 28,737 | 29,428 | 30,490 | 31,793 | 33,014 | 34,183 |
| Borrowings | 12,082 | 13,261 | 12,157 | 6,951 | 7,574 | 7,164 | 7,491 | 7,329 | 7,711 | 6,429 | 5,426 |
| Provisions | 12,192 | 13,523 | 13,385 | 14,945 | 13,922 | 14,200 | 14,542 | 17,206 | 16,581 | 15,414 | 15,722 |
| Other liabilities | 7,605 | 7,758 | 7,913 | 8,071 | 8,232 | 8,397 | 8,565 | 8,736 | 8,911 | 9,089 | 9,271 |
| Total current liabilities | 54,795 | 61,930 | 61,359 | 57,190 | 57,724 | 58,498 | 60,026 | 63,761 | 64,996 | 63,946 | 64,602 |
| Non-current liabilities | | | | | | | | | | | |
| Borrowings | 46,011 | 50,463 | 56,032 | 83,534 | 95,643 | 113,079 | 115,454 | 108,126 | 100,414 | 93,985 | 88,559 |
| Provisions | 38,304 | 39,741 | 40,891 | 40,396 | 41,638 | 42,941 | 44,142 | 42,988 | 42,671 | 45,041 | 46,515 |
| Other non-current liabilities | 341 | 334 | 328 | 321 | 315 | 309 | 302 | 296 | 290 | 285 | 279 |
| Total non-current liabilities | 84,656 | 90,538 | 97,251 | 124,251 | 137,596 | 156,329 | 159,898 | 151,410 | 143,375 | 139,311 | 135,353 |
| Total liabilities | 139,451 | 152,468 | 158,610 | 181,441 | 195,320 | 214,827 | 219,924 | 215,171 | 208,371 | 203,257 | 199,955 |
| Net community assets | 2,655,840 | 2,693,353 | 2,774,668 | 2,861,473 | 2,909,986 | 3,011,756 | 3,104,390 | 3,166,815 | 3,290,609 | 3,402,168 | 3,471,664 |
| Community equity | | | | | | | | | | | |
| Asset revaluation surplus | 668,468 | 668,468 | 687,886 | 726,000 | 736,145 | 798,924 | 848,150 | 865,966 | 945,443 | 1,015,460 | 1,041,056 |
| Retained surplus | 1,987,372 | 2,024,885 | 2,086,782 | 2,135,473 | 2,173,841 | 2,212,832 | 2,256,240 | 2,300,849 | 2,345,166 | 2,386,708 | 2,430,608 |
| Total community equity | 2,655,840 | 2,693,353 | 2,774,668 | 2,861,473 | 2,909,986 | 3,011,756 | 3,104,390 | 3,166,815 | 3,290,609 | 3,402,168 | 3,471,664 |

Long Term Financial Forecast Statement of Cash Flows

| | Estimated Actual 2020-21 \$'000 | Budget 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 | Forecast 2029-30 \$'000 | Forecast 2030-31 \$'000 |
|---|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Cash flows from operating activities | | | | | | | | | | | |
| Receipts from customers | 199,267 | 212,908 | 219,784 | 227,945 | 235,781 | 243,948 | 252,430 | 260,625 | 268,847 | 277,498 | 286,446 |
| Payments to suppliers and employees | (149,802) | (163,307) | (169,678) | (168,680) | (171,723) | (176,706) | (180,902) | (186,550) | (193,161) | (200,091) | (206,369) |
| | 49,465 | 49,601 | 50,106 | 59,265 | 64,058 | 67,242 | 71,528 | 74,075 | 75,686 | 77,407 | 80,077 |
| Investment and interest revenue received | 3,304 | 3,273 | 4,790 | 4,554 | 4,625 | 4,820 | 4,800 | 5,165 | 5,162 | 5,603 | 6,069 |
| Rental income | 947 | 981 | 1,023 | 1,061 | 1,097 | 1,136 | 1,175 | 1,213 | 1,252 | 1,292 | 1,333 |
| Non-capital grants and contributions | 9,387 | 10,379 | 9,714 | 10,001 | 10,299 | 10,624 | 10,954 | 11,299 | 11,640 | 12,007 | 12,380 |
| Borrowing costs | (4,541) | (3,782) | (3,952) | (4,334) | (5,032) | (5,649) | (6,117) | (6,038) | (5,640) | (5,257) | (4,872) |
| Payment of provision | - | 1,960 | 216 | 626 | (680) | 625 | 635 | 587 | (1,822) | (918) | 557 |
| Net cash inflow from operating activities | 58,562 | 62,412 | 61,897 | 71,173 | 74,367 | 78,798 | 82,975 | 86,301 | 86,278 | 90,134 | 95,544 |
| Cash flows from investing activities | | | | | | | | | | | |
| Proceeds from sale of property, plant and equipment | 1,681 | 1,310 | 1,337 | 1,363 | 1,391 | 1,418 | 1,447 | 1,476 | 1,505 | 1,535 | 1,566 |
| Capital grants, subsidies, contributions and donations | 54,295 | 39,970 | 62,515 | 43,358 | 34,019 | 34,693 | 35,379 | 36,079 | 36,793 | 37,521 | 38,262 |
| Purchase/construction of property, plant and equipment | (125,780) | (152,246) | (171,126) | (130,711) | (126,570) | (129,341) | (117,213) | (117,104) | (115,231) | (108,475) | (95,547) |
| Payments for intangible assets | (904) | (1,595) | (1,905) | (955) | (1,388) | (1,264) | (1,058) | (2,205) | (963) | (1,159) | (909) |
| Net cash outflow from investing activities | (70,708) | (112,561) | (109,179) | (86,945) | (92,548) | (94,494) | (81,445) | (81,754) | (77,896) | (70,578) | (56,628) |
| Cash flows from financing activities | | | | | | | | | | | |
| Proceeds from borrowings | - | 18,000 | 18,000 | 35,000 | 20,000 | 25,000 | 10,000 | - | - | - | - |
| Repayment of borrowings | (15,084) | (12,369) | (13,535) | (12,704) | (7,268) | (7,974) | (7,298) | (7,491) | (7,329) | (7,711) | (6,429) |
| Net cash inflow (outflow) from financing activities | (15,084) | 5,631 | 4,465 | 22,296 | 12,732 | 17,026 | 2,702 | (7,491) | (7,329) | (7,711) | (6,429) |
| Net increase (decrease) for the year | (27,230) | (44,518) | (42,817) | 6,524 | (5,449) | 1,330 | 4,232 | (2,944) | 1,053 | 11,845 | 32,487 |
| Cash and cash equivalents at the beginning of the financial year | 200,543 | 173,313 | 128,795 | 85,978 | 92,502 | 87,053 | 88,383 | 92,615 | 89,671 | 90,724 | 102,569 |
| Total Cash and cash equivalents at the end of the financial year | 173,313 | 128,795 | 85,978 | 92,502 | 87,053 | 88,383 | 92,615 | 89,671 | 90,724 | 102,569 | 135,056 |

Long Term Financial Forecast Measures of Financial Sustainability

| | Estimated Actual 2020-21 | Budget 2021-22 | Forecast 2022-23 | Forecast 2023-24 | Forecast 2024-25 | Forecast 2025-26 | Forecast 2026-27 | Forecast 2027-28 | Forecast 2028-29 | Forecast 2029-30 | Forecast 2030-31 |
|--|--------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating surplus ratio 0% to 10% | 0.7% | -2.1% | -1.3% | 1.2% | 0.7% | 0.6% | 1.9% | 2.0% | 1.6% | 0.3% | 0.8% |
| Asset sustainability ratio > 90% | 133.5% | 142.3% | 103.4% | 108.8% | 92.2% | 82.7% | 76.2% | 92.2% | 91.4% | 77.9% | 65.3% |
| Net financial liabilities ratio ≤ 60% | -31.2% | -4.1% | 16.3% | 22.0% | 28.5% | 34.0% | 32.8% | 30.7% | 26.6% | 19.6% | 6.9% |



Other Legislative Requirements Budget 2021/22

| | Budget 2020-21 \$ | Budget 2021-22 \$ | Forecast 2022-23 \$ | Forecast 2023-24 \$ |
|--|-------------------------|-------------------------|---------------------------|---------------------------|
| Income | | | | |
| Revenue | | | | |
| Recurrent Revenue | | | | |
| Rates Levies and charges | 77,394,809 | 80,442,404 | 83,414,148 | 86,493,192 |
| Discounts and rebates | (537,252) | (561,428) | (582,169) | (603,658) |
| Fees and Charges | 1,021,022 | 1,013,120 | 1,050,547 | 1,089,326 |
| Interest revenue | 1,094,279 | 945,310 | 975,927 | 947,724 |
| Sales revenue | 3,906,987 | 1,479,800 | 1,534,468 | 1,591,109 |
| Other income | 352,249 | 361,777 | 375,142 | 388,990 |
| Internal transfers | 1,674,222 | 1,800,550 | 1,840,162 | 1,880,646 |
| Community service obligations | 776,717 | 738,642 | 765,929 | 794,202 |
| Grants, subsidies, contributions and donations | 27,500 | - | - | - |
| Total recurrent revenue | 85,710,533 | 86,220,175 | 89,374,154 | 92,581,531 |
| Expense | | | | |
| Recurrent expenses | | | | |
| Employee benefits | 12,678,122 | 12,946,444 | 13,538,417 | 13,836,262 |
| Materials and services | 20,540,434 | 17,900,401 | 18,294,210 | 18,696,683 |
| Finance costs | 3,156,106 | 2,799,238 | 3,260,924 | 3,302,174 |
| Depreciation and amortisation | 25,112,000 | 23,165,996 | 24,438,300 | 25,055,970 |
| Corporate Overheads / SLA Costs | 2,334,259 | 2,383,279 | 2,435,711 | 2,489,297 |
| Competitive Neutrality Costs | 849,882 | 564,486 | 948,649 | 1,175,633 |
| Internal Transfers | 1,452,596 | 1,520,428 | 1,553,877 | 1,588,062 |
| Total recurrent expense | 66,123,399 | 61,280,271 | 64,470,088 | 66,144,081 |
| Operating result | 19,587,134 | 24,939,904 | 24,904,066 | 26,437,450 |
| Capital revenue | | | | |
| Grants, subsidies, contributions and donations | 10,247,109 | 11,641,200 | 11,403,030 | 11,631,380 |
| Capital income | - | - | - | - |
| Total capital revenue | 10,247,109 | 11,641,200 | 11,403,030 | 11,631,380 |
| Capital expense | 2,050,768 | 1,990,741 | 1,990,741 | 1,990,741 |
| Net result before tax | 27,783,475 | 34,590,363 | 34,316,355 | 36,078,089 |
| Income Tax Payable | 8,400,000 | 8,400,000 | 8,333,459 | 8,761,283 |
| Dividends | 2,000,000 | 4,743,000 | 2,000,000 | 2,000,000 |
| Net result after tax and dividends | 17,383,475 | 21,447,363 | 23,982,896 | 25,316,806 |
| Operating result | | | | |
| Operating revenue | 85,710,533 | 86,220,175 | 89,374,154 | 92,581,531 |
| Operating expenses | 66,123,399 | 61,280,271 | 64,470,088 | 66,144,081 |
| Operating result | 19,587,134 | 24,939,904 | 24,904,066 | 26,437,450 |

| Community Service Obligations - Wide Bay Water | | | | |
|---|---------|---------|---------|---------|
| Community concessions on Water Charges | 118,280 | 106,569 | 110,506 | 114,585 |
| Community concessions on Sewerage Charges | 418,437 | 449,953 | 466,575 | 483,798 |
| Discounts and Incentives on Infrastructure Charges | 240,000 | 182,120 | 188,848 | 195,819 |
| | 776,717 | 738,642 | 765,929 | 794,202 |

Budgeted Statement Of Comprehensive Income

Significant Business Activity - Waste Services

| | Budget 2020-21 \$ | Budget 2021-22 \$ | Forecast 2022-23 \$ | Forecast 2023-24 \$ |
|--|-------------------------|-------------------------|---------------------------|---------------------------|
| Income | | | | |
| Revenue | | | | |
| Recurrent Revenue | | | | |
| Rates Levies and charges | 20,111,936 | 21,016,973 | 21,793,393 | 22,597,847 |
| Fees and Charges | 4,028,265 | 5,847,500 | 6,063,521 | 6,287,342 |
| Interest revenue | 157,134 | 153,577 | 159,251 | 165,129 |
| Other income | 1,609,640 | 1,483,433 | 1,538,235 | 1,595,015 |
| Community service obligations | 552,000 | 439,096 | 455,317 | 472,124 |
| Grants, subsidies, contributions and donations | 34,650 | - | - | - |
| Total recurrent revenue | 26,493,626 | 28,940,579 | 30,009,717 | 31,117,457 |
| Expense | | | | |
| Recurrent expenses | | | | |
| Employee benefits | 2,429,633 | 2,422,436 | 2,533,202 | 2,588,932 |
| Materials and services | 14,868,662 | 16,813,851 | 17,183,755 | 17,561,798 |
| Finance costs | 173,917 | 166,553 | 140,210 | 122,323 |
| Depreciation and amortisation | 577,000 | 621,004 | 725,963 | 754,646 |
| Corporate Overheads / SLA Costs | 806,860 | 823,804 | 841,928 | 860,450 |
| Internal Transfers | 121,347 | 250,000 | 255,500 | 261,121 |
| Total recurrent expense | 18,977,419 | 21,097,648 | 21,680,558 | 22,149,270 |
| Operating result | 7,516,207 | 7,842,931 | 8,329,159 | 8,968,187 |
| Capital revenue | | | | |
| Capital income | - | - | - | - |
| Total capital revenue | - | - | - | - |
| Capital expense | - | 4,422 | - | - |
| Net result before tax | 7,516,207 | 7,838,509 | 8,329,159 | 8,968,187 |
| Income Tax Payable | 1,536,499 | 1,536,499 | 1,632,676 | 1,757,938 |
| Dividends | 1,171,734 | 1,171,734 | 1,000,455 | 1,077,211 |
| Net result after tax and dividends | 4,807,974 | 5,130,276 | 5,696,028 | 6,133,038 |

| | | | | |
|-------------------------|------------|------------|------------|------------|
| Operating result | | | | |
| Operating revenue | 26,493,626 | 28,940,579 | 30,009,717 | 31,117,457 |
| Operating expenses | 18,977,419 | 21,097,648 | 21,680,558 | 22,149,270 |
| Operating result | 7,516,207 | 7,842,931 | 8,329,159 | 8,968,187 |

| | | | | |
|---|---------|---------|---------|---------|
| Community Service Obligations - Waste Services | | | | |
| Supply of mulch to community organisations | 5,000 | 7,030 | 7,290 | 7,559 |
| Maintaining/servicing of bins at community facilities | 50,000 | 33,369 | 34,602 | 35,879 |
| Waste vouchers for free disposal by charities | 497,000 | 398,696 | 413,425 | 428,686 |
| | 552,000 | 439,095 | 455,317 | 472,124 |

Budgeted Statement Of Comprehensive Income

Other Business Activity

| | Budget 2020-21 \$ | Budget 2021-22 \$ | Forecast 2022-23 \$ | Forecast 2023-24 \$ |
|----------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| Caravan Parks | | | | |
| Operating revenue | 3,730,955 | 3,149,568 | 3,265,921 | 3,386,475 |
| Operating expenses | 1,784,963 | 1,868,916 | 1,926,645 | 1,971,344 |
| Operating result | 1,945,992 | 1,280,652 | 1,339,276 | 1,415,131 |

| | Amended Budget 2020-21 | Budget 2021-22 | % increase including growth |
|---|------------------------------|--------------------|-----------------------------------|
| Rates and charges | | | |
| General and Waste fund | | | |
| Recurrent Revenue | | | |
| General Rates | 77,324,755 | 80,804,369 | 4.50% |
| Disaster Management Levy | 1,079,169 | 1,127,732 | 4.50% |
| Infrastructure Levy | 3,900,065 | 3,939,066 | 1.00% |
| Kingfisher Parade, Toogoom Revetment Seawall special rate | 85,280 | 72,246 | (15.28%) |
| Waste Charges | 20,111,936 | 21,016,973 | 4.50% |
| General and Waste fund total rates and charges | 102,501,205 | 106,960,386 | 4.35% |
| Water Fund | | | |
| Water Charges | 40,071,034 | 41,439,059 | 3.41% |
| Sewerage Charges | 36,745,144 | 38,398,676 | 4.50% |
| Trade Waste | 578,632 | 604,670 | 4.50% |
| Total Rates and Charges | 179,896,015 | 187,402,791 | 4.17% |



2021/22

SUPPORTING POLICIES



Debt Policy Budget 2021/22

Policy Title: DEBT POLICY
Policy Subject: Finance
Policy No: #874224 (Draft#4297983)

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

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


Adopted Date: 16/07/2008
Review Date: Budget 2022/23
Amended Date: 16/06/2021
Risk Assessment: High

OBJECTIVE:

The objective of this Debt Policy is to establish principles and set the level of borrowings for the 2021/2022 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 2021/2022 to 2030/31 are set out in the schedule below:

|  Borrowings | | | | | | | | | | | |
|---|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Expected |
| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | Term |
| Purpose | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Wide Bay Water Infrastructure | 18,000 | 18,000 | 16,500 | 20,000 | 25,000 | 10,000 | - | - | - | - | 20 years |
| Transport (Roads) Infrastructure | - | - | 18,500 | - | - | - | - | - | - | - | 20 years |
| | 18,000 | 18,000 | 35,000 | 20,000 | 25,000 | 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 and roads infrastructure projects.

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 |
| Transport (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

Pursuant to section 171 of the *Local Government Regulation 2012*, Council will consider its long term financial forecast before planning new borrowings and review its long term financial plan on an annual basis with the aim to ensure that Council remains financially viable in the long term and proposed budgets are consistent with the adopted strategy. This plan will forecast future revenue and expenditure levels including loan borrowings and the continued ability to service loan repayments.

Appropriate debt/revenue ratios

In accordance with section 169 of the *Local Government Regulation 2012*, the Council is required to disclose in the budget relevant 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 2019

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 |



Investment Policy Budget 2021/22

Policy Title: INVESTMENT POLICY
Policy Subject: Finance
Policy No: #837209 v13 – DRAFT #4300664

Directorate: Organisational Services
Department: Financial Services
Section: Financial Operations

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

Adopted Date: 17/6/2015
Review Date: Budget 2022/23
Amended Date: 16/06/2021
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 2019
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 Senior Management Accountant (Financial 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 Senior Management Accountant (Financial 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 Senior Management Accountant (Financial 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 perform investment activities for Council under instruction 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 Senior Management Accountant (Financial 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% |

The term “Financial Institution” referred to in this policy is an “authorised deposit taking institution” as defined by the *Banking Act 1959 (Cwlth)* s 5 that has the authority to carry on banking business in Australia.

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 regulation for the investment arrangement, Council shall within 28 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 Financial Position Budget 2021/22

Pursuant to section 205 of the Local Government Regulation 2012

**Statement of Estimated Financial
Operations 2020-21**

| | Original Budget 2020-21 \$'000 | Amended Budget 2020-21 \$'000 | Estimated 2020-21 \$'000 |
|--|---|--|--------------------------------|
| Income | | | |
| Revenue | | | |
| Recurrent Revenue | | | |
| Rates Levies and charges | 178,817 | 179,285 | 180,040 |
| Discounts and rebates | (6,446) | (6,789) | (6,827) |
| Fees and Charges | 18,462 | 18,499 | 19,082 |
| Rental Income | 1,004 | 965 | 947 |
| Interest revenue | 4,912 | 3,456 | 3,304 |
| Sales revenue | 2,864 | 5,737 | 5,037 |
| Other income | 3,774 | 3,933 | 6,000 |
| Grants, subsidies, contributions and donations | 8,886 | 9,307 | 9,387 |
| Total recurrent revenue | 212,273 | 214,393 | 216,970 |
| Expense | | | |
| Recurrent expenses | | | |
| Employee benefits | 72,829 | 75,503 | 74,823 |
| Materials and services | 77,779 | 80,479 | 77,553 |
| Finance costs | 4,723 | 4,858 | 4,991 |
| Depreciation and amortisation | 63,729 | 60,340 | 57,984 |
| Total recurrent expense | 219,060 | 221,180 | 215,351 |
| Operating Result | (6,787) | (6,787) | 1,619 |
| Capital revenue | | | |
| Grants and subsidies | 26,377 | 27,326 | 21,794 |
| Developer contributions | 27,935 | 28,498 | 34,290 |
| Other capital income | 1,261 | 1,261 | 3,371 |
| Total capital revenue | 55,573 | 57,085 | 59,455 |
| Capital expense | 21,636 | 21,630 | 33,885 |
| Net result | 27,150 | 28,668 | 27,189 |
| Other Comprehensive income | | | |
| Increase in asset revaluation surplus | 8,129 | 8,129 | 8,786 |
| Total other comprehensive income | 8,129 | 8,129 | 8,786 |
| Total comprehensive income | 35,279 | 36,797 | 35,975 |

**Statement of Estimated Financial
Position 2020-21**

| | Original Budget 2020-21 \$'000 | Amended Budget 2020-21 \$'000 | Estimated 2020-21 \$'000 |
|--------------------------------------|---|--|--------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 147,836 | 151,654 | 173,313 |
| Trade and other receivables | 35,374 | 29,339 | 31,688 |
| Inventories | 1,676 | 1,816 | 2,122 |
| Total current assets | 184,886 | 182,809 | 207,123 |
| Non-current assets | | | |
| Land held for development and sale | 3,896 | 3,123 | 3,673 |
| Trade and other receivables | 3,901 | 3,890 | 4,072 |
| Property, plant and equipment | 2,607,323 | 2,594,581 | 2,578,321 |
| Right of use assets | - | - | 486 |
| Intangible assets | 3,281 | 3,158 | 904 |
| Biological assets | 820 | 725 | 712 |
| Total non-current assets | 2,619,221 | 2,605,477 | 2,588,168 |
| Total assets | 2,804,107 | 2,788,286 | 2,795,291 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 24,544 | 26,417 | 22,916 |
| Borrowings | 12,405 | 12,391 | 12,082 |
| Provisions | 654 | 12,151 | 12,192 |
| Other liabilities | 2,208 | 7,563 | 7,605 |
| Total current liabilities | 39,811 | 58,522 | 54,795 |
| Non-current liabilities | | | |
| Borrowings | 55,504 | 55,710 | 46,011 |
| Provisions | 21,447 | 38,258 | 38,304 |
| Lease liabilities | - | 140 | 341 |
| Total non-current liabilities | 76,951 | 94,108 | 84,656 |
| Total liabilities | 116,762 | 152,630 | 139,451 |
| Net community assets | 2,687,345 | 2,635,656 | 2,655,840 |
| Community equity | | | |
| Asset revaluation surplus | 702,323 | 667,811 | 668,468 |
| Retained surplus | 1,985,022 | 1,967,845 | 1,987,372 |
| Total community equity | 2,687,345 | 2,635,656 | 2,655,840 |