



**SPECIAL BUDGET MEETING
FINAL MINUTES**

11 July 2013

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Declaration of Potential Conflict of Interest

Nil.

SPECIAL BUDGET MEETING

MINUTES

1. ATTENDANCE:

Her Worship the Mayor, Cr D T Comerford (Chairperson), Crs K J Casey, C J Bonanno, L G Bonaventura, F A Gilbert, G J Martin, T A Morgan, D J Perkins, P F Steindl, and R D Walker were in attendance at the commencement of the meeting. Also present was Mr B Omundson (Chief Executive Officer) and Mrs M Iliffe (Minute Secretary).

The meeting commenced at 10.01 am.

2. APOLOGIES:

Cr A N Jones

3. MAYOR'S BUDGET SPEECH:

As we celebrate NAIDOC Week, I acknowledge the traditional owners of this land upon which we gather the Yuibera People and pay my respects to the Elders both past and present of the Birra Gubba Nation.

Today I join with my fellow Councillors to adopt Council's 2013/2014 budget, making this the 16th Council budget I have been involved with.

In adopting this budget, it is incumbent upon us as duly elected Councillors, to undertake this task in a responsible, responsive manner with a firm eye on the Long Term Financial Forecast for our Council.

However there are many challenges facing Councils across Australia – most notably how to deliver services and provide value to our ratepayers whilst reducing costs and minimising rate increases.

I believe the Budget we are adopting today will begin the process of change which is needed in order to meet the expectations of our community in a challenging economic climate.

Like household budgets, we need more money just to do the same functions and services we did last year. To meet these rising costs we need the cooperation and innovation of all Council staff. It is not an optional extra but an imperative that we continually look to do things more efficiently and cost effectively than ever before.

Last year we established the Rates Review and Alternate Sources of Revenue Working Group. I thank those involved for reviewing all our rating categories to ensure we have a fair and equitable rating system.

The working group reviewed the data of those who pay their rates in advance and those who are on repayment plans. This Council is responding to the needs of those residents who live in their own dwelling by giving them the lowest possible rate rise we can.

Today, we are delivering the lowest rate increase in five years.

The average increase in rates and charges for the owner-occupier resident is 3.27%. This equates to about an extra \$1.70 per week.

This moderate increase is a major feat for such a rapidly growing region with a relatively small rates base.

Figures suggest about 25,000 of owner-occupiers will have an increase of less than \$100 in total.

We have not forgotten our pensioners.

Our pensioner rebate will increase by a staggering 48% to \$400. This, combined with the State Government rebate will give much needed relief to our pensioners.

The introduction of the Investor Residential Rating Category was a key recommendation from the Working Group.

This Rates Review and Alternate Sources of Revenue Working Group has considered a number of different options to provide greater equity across the rates base.

People who own investment properties have the ability to earn income and claim a tax deduction for rates and other expenses for their investment property. Average general increase is about \$205 for the year.

The investor category is something about 10 other Queensland Councils have already introduced and it has had minimal impact on investments.

Councillors appreciate this will do little to appease ratepayers who believe their rates bill is too high and cannot understand why we are so much more expensive than other Councils.

To this end, we will be distributing with the rates notice, a brochure we have called "Let's compare apples with apples" to help explain why our rates are so high.

When compared to these Councils we have the smallest number of rateable assessments from which to draw our income. And three quarters of Council's total income comes from rates and charges. For example we only have 49,180 rateable properties compared to Townsville with 77,000, Cairns with 78,187 and Sunshine Coast with 152,332.

I think residents tend to forget that Mackay Regional Council extends from Laguna Quays to the north, Koumala to the south and Eungella to the west - that is 7,622km². Compare that area

with Townsville which covers 3,736km², Cairns with 4,135km² and the Sunshine Coast with 2,883km². Our large Council area with its widespread small population is costly to maintain. Residents are forever complaining about the state of our roads. When we have to maintain a larger sealed road network than many Councils, our annual maintenance and construction costs will be greater – and we have a smaller income! Many of our residents would be unaware we have 2,429km² of road network. Townsville has 1,482km², Cairns has 1,601km² and Ipswich has 1,579km².

Residents may also be unaware that Mackay has 2 major water treatment plants and nine small facilities to operate and maintain - just think of our electricity costs. Compare this number to Rockhampton which has 3 major plants and 1 small facility or Townsville which has 3 major plants and 1 small facility.

When we compare apples with apples – this council is punching well above its weight.

With a smaller number of ratepayers and a large area to maintain – is it any wonder our ratepayers have high rates when compared to those Council's I have mentioned.

It is therefore essential for Council to continue to drive efficiencies.

We are sharpening our focus, putting our residents first.

Last week Council adopted the CEO's report titled "Roadmap to organisational excellence." The organisational realignment is the first to occur since amalgamation and aims to have the right structure in place to support the functions that need to occur. When fully implemented it will have approximately \$500,000.00 savings annually.

Council has had a long term commitment to reducing the size of its fleet in addition to gaining operational costs efficiencies. I am pleased to say the last 6 cylinder vehicle left our organisation last month. By providing a car allowance for the management team instead of providing a vehicle, has reduced our Fringe Benefits Tax; insurance costs, maintenance costs amounting to \$1/2 million savings annually.

Come the 1st August 2013 the management of Memorial and Pioneer Pools will be leased out to a contractor. This contract will reduce Council's operating costs by approximately \$400,000.00 for a full year.

A challenge we've given ourselves is to identify across our organisation a further reduction of at least half a million dollars in annual operating costs for the 2014/15 budget. This will not be easy but this Council is determined to provide the leadership and to work hard to find efficiencies and make savings.

This budget provides funding for key infrastructure including:

- New Sarina Waste Water Treatment Plant total cost \$40M
- Construction of new Waste facility in Sarina total cost \$2.6 M
- And the new Marian Water Treatment Plant to service the growing Marian-Mirani townships total cost \$7.6M

Having to contend with four declared natural disasters in four consecutive years, we have seen hundreds of millions of dollars spent on flood recovery work funded by the Federal and State

Governments. Much of this work is starting to make a difference as can be seen by the images taken of Mangrove Road. We need to expend a further \$88M of NDRRA funding by 30/6/14. We wish to thank residents for their ongoing patience as we rebuild our road network.

We have also allocated \$35.6 million to new roads, drainage and bridge work.

Whilst Council carries out place-based economic development in-house it also sees the need to support regional economic development to support businesses and industries. Council's sponsorship to REDC to carry out this role is \$200,000-00 per year. Council would like to thank REDC for the good work it undertakes on behalf of our community.

Given the current situation of the resources sector, Council sees the value in supporting tourism and events as key economic drivers. It supports the efforts of the revamped Mackay Tourism and for the first time in 10 years Council will increase its contribution to \$290,000 per year to support the work of Mackay Tourism – an increase of \$40,000 per annum

Council also sees the economic benefit in having a vibrant, active city centre. We were delighted to be successful with our Regional Development Australia Round 4 funding application. This project costing \$17.8M will consist of new footpaths in the City Centre Core; new shade structures; new lighting; new seats; improved landscaping and a renovated old Pioneer Shire Council building in Wood Street which is Heritage listed and in need of repair. Councillors wish to thank all staff involved in preparing our successful grant application - great teamwork. I would like to acknowledge the efforts of Cr Greg Martin in initiating Council's support of the project.

Our demographics show we have about 8,150 children under the age of four living in our region. It is imperative that we provide appropriate play grounds and park equipment to improve their physical and social well being. Council maintains 560 hectares of parks and about 120 playgrounds which will embrace our recently adopted Sun Smart Shade Policy.

With State Government funding we are continuing to improve our bikeway connectivity, facilities and improvements to ensure we have a fit and active community. This builds upon the wonderful work undertaken on the Blue Water Trail over many years. This year we are hoping to complete the 21 kilometre Bluewater Trail

Building community spirit and civic pride is not an easy task but Council endeavours to do this through a variety of free festivals and events. Also last year we introduced our Baby Welcoming Ceremonies to show support for new parents in their important role of parenting. Strong families are the cornerstone of strong communities. These ceremonies are proving very popular and I thank the staff involved.

Council is conscious that we have 15,800 young people living in our region. Our youth team comprises of 4 workers based in Mirani, Sarina and Mackay. They develop a range of programs and activities to meet the needs of our young people. Council is also pleased to support Headspace in our community.

We are very focused on investing in a greener region and conserving the natural environment.

Our coastal tropical location is one of our greatest assets. Council's Natural Environment team will continue to develop partnerships with the community to protect and preserve our natural beauty.

We have a Festival and Events team of 2 and they do an absolutely amazing job of coordinating the various Festivals and Events which Council sponsors. Festivals and events are not only good economic drivers but do immeasurable worth for the liveability, connectivity and social well being of our residents.

We have allocated \$3.6 million to fund our 5 libraries, 1 mobile library service, 3 museums and historic Greenmount Homestead.

Our libraries retain the mantle of being Council's most visited service with Council investing in life-long learning, literacy and early childhood development. Our Libraries also provide a social hub connecting existing and new residents. Parents, older citizens and retirees alike value and use these facilities.

The coming year will see the adoption of our new Mackay Region Planning Scheme. It provides the first stage for a consistent approach to one planning scheme for the whole region.

The Planning Scheme has recognised the importance of a viable sugar industry by protecting good agricultural land and milling operations from urban encroachment.

Council has recently endorsed the CEO's recommendation for a Regional Sustainability Strategy to address the absence of an overarching strategy that links land use planning, infrastructure provision and financial sustainability together.

Our residential and commercial development has seen enormous growth over the last 10 years. And whilst the next 12 months ahead may see a slower pace it will invariably peak again and this time we need to be better prepared to embrace growth.

The desire of this Council is to see an improved relationship with our development industry to ensure we are best placed to deliver for our community.

During the challenging financial times and the ongoing need for aggressive infrastructure delivery to meet growth, we have responsibly managed the region's finances.

There is a constraint on borrowings for the next 3 financial years.

We will borrow \$44.4 million over the next three years, but paying down existing debt to the tune of \$38.7 million – net increase in debt of only \$5.7 million over three years.

This equates to a net debt of \$2,017 per person.

We proudly acknowledge that this budget is based on strong and sound financial management and puts people first.

Councillors have worked through many aspects of this budget, line by line, to deliver what we believe is the best possible value for ratepayers.

In 2014 we will commence our new Corporate Plan and this is where we envisage having the conversations with our residents about just what functions and services of Council do they wish to retain and which do they wish to reduce or cease to do. Business as usual is not sustainable unless we are prepared to pay extra for it so service level reviews are inevitable but our promise to the community is we will undertake this review in partnership with our community.

In the meantime this budget delivers on many fronts:

- It provides relief for our owner-occupier residents
- Continues to deliver essential services
- Looks at ways to make efficiencies and reduce operating costs
- And ensures the long term viability of community assets.

Ladies and gentleman, sitting around the table are Community Leaders who make decisions because they are the right decisions to make not because they are easy. I sincerely thank my fellow Councillors for embracing the changed budget process this year. The many Councillor workshops, working the whiteboard, going through the capital listing line by line and for putting up with my long sheet of butcher's paper. Voting on the Budget today we should all do so with a real sense of ownership. We now need our staff to deliver for the community we all serve.

On behalf of my fellow Councillors we would like to express our thanks to the CEO, Directors, Managers and staff of Mackay Regional Council. In particular we thank Dan McKinlay, Darren Fettell, Kylie Lamb and Scott Warwick for the extra work they have carried out in preparing the 13/14 budget.

Cr Deirdre Comerford
Mayor of Mackay Regional Council

4. BUDGET REPORTS:

4.1 STATEMENT OF ESTIMATED FINANCIAL POSITION 2012-2013

Author Chief Executive Officer

Purpose

In accordance with the provisions of Section 104 of the *Local Government Act 2009* and Part 9, Section 205 of the *Local Government Regulation 2012*, the Chief Executive Officer must present a statement of estimated financial position for the 2012/2013 financial year.

The statement of estimated financial position provides a comparison between the original budget, amended budget and the estimated actual results.

Background/Discussion

Explanation of Financial Statements Estimated to 30 June 2013

The attached comparison of original budget, amended budget and estimated actuals provides an estimation of Council's financial position at 30 June 2013. The original budget as adopted by Council on 27 June 2012 is included for reference only and comments shall be made around estimated results against the amended budget. The major differences between the original and

amended budgets relate to the carryover of operational and capital projects from the 2011/2012 financial year.

Operating Revenue

Revenue is currently estimated to be approximately \$9.5 million over budget. There are three main contributing factors:

- Rates and utility charges - being increased connections and usage of water and sewerage, plus recognition of the receipt of contributions towards the future liability for carbon management payable to Commonwealth Government.
- Fees and charges - annual budget has been exceeded through increased demand for services such as development applications, waste disposal, bulk water sales, trade waste and plumbing inspections.
- Sales - contract and recoverable work - largely through water, sewerage and engineering recoverable works.

Other factors to note, which are offset in other areas:

- Operating grants and subsidies (under budget through timing of NDRRA grants),
- Interest earned (earnings on reserve funds held, offset by transfers to reserves, to assist in retaining the purchasing power of reserve funds), and
- Internal transfers revenue (offset by internal transfers expenses across Council, used to reflect internal costing between programs such as plant hire).

Operational Expenditure

Expenditure is currently estimated to be over amended budget by approximately \$20.8 million.

All of this variance is made up of internal transfers expense and transfers for loss on disposal of assets which are offset in other areas.

It is also noted that goods and services and other expenses are over budget which is offset by employee costs being under budget.

Finalisation of accounts, accruals and provisions through end of year processes could alter this estimated result.

Transfers

The various budget categories included under Transfers show significant estimated variances as they largely reflect end of year adjustments not included in the original budget.

Capital

The estimated result for Capital is approximately 80% of amended budget. Typically this is a result of delays in the delivery of Council's capital program which are expected to be carried forward for completion in the 2013/2014 year.

The following points are also noted:

- Capital grants received are below budget primarily due to the timing of NDRRA grants being received.
- Capital contributions both cash and non-cash were higher than anticipated through increased development activity.
- Transfers to and from reserve are affected by the timing of capital delivery as above. With the reduced capital spend predicted less money has been transferred from reserve, which is offset by increased transfers to reserve to reflect expected carryover of capital funding already received.
- Whilst new loans are in line with the amended budget it is worthwhile knowing that this is a reduction of \$10.5 million from what was originally anticipated.
- Funded depreciation over budget due to an additional \$2.2 million of funded depreciation being estimated. This would result in Council retaining additional funds in reserve which would be available to assist with future capital funding. (This is subject to final depreciation calculations are part of the end of year financial process).

Explanation of the Impact on Current and Future Budgets

The projected financial result to 30 June 2013 indicates an estimated surplus of just over \$8 million, across Water, Waste Water and Waste Services.

In relation to the General Fund, there is excess capital funding of \$3.3 million, adjusted through a reduction in transfer from reserves, which is mainly reflective of additional funded depreciation.

It should be noted however that there is still estimated unfunded depreciation of \$4.1 million against an originally budgeted unfunded depreciation of \$6.3 million in the General Fund.

The estimated result is subject to end of year adjustments through completion of the 2012/2013 financial statements. The final audited results for 2012/2013 will be factored into the first budget review after receipt of the audit report. Consistent with previous practice and based on the above being an estimate only, the 2013/2014 budget has been established from a balanced opening position. In accordance with Council's budget policy, it is proposed that any final actual surplus be constrained to an appropriate reserve or used in reducing debt levels.

Consultation and Communication

Directors and Management Team

Resource Implications

Nil

Risk Management Implications

Nil

Conclusion

Consistent with previous practice and based on the above being an estimate only, the 2013/2014 budget has been established from a balanced opening position. It is recommended that any surplus resulting from the year ended 30 June 2013 be constrained to an appropriate reserve or used in reducing debt levels. If the estimated result is realised, Council will be in a stronger position to deal with any cost of construction increases and possibly reduce levels of projected debt in the long term financial forecast.

As detailed above, the final audited results for 2012/2013 will be factored into the first budget review after the receipt of the audit report.

Officer's Recommendation

THAT the report be received.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Walker

Seconded Cr Martin

CARRIED

4.2 PROPOSED BUDGET 2013-2014

Author Director Corporate Services

Purpose

The purpose of this report is to adopt Council's 2013/2014 Budget.

Background/Discussion

To reflect the changes to the Local Government Act 2009 whereby the Mayor is responsible for preparing the budget, the following process has been applied for the development of the 2013/2014 Budget:

- The Mayor set the parameters for the development of the 2013/2014 budget and this was relayed to the Management team by the Chief Executive Officer in February 2013.
- Managers were then required to prepare their zero based operating budgets whereby the budgets were to strictly reflect the current levels of service.
- The Directors reviewed the detailed zero based operating budgets with their respective Portfolio Councillors.
- Managers were then required to present to a panel consisting of the Mayor, Finance and Technology Portfolio Councillor, relevant department Portfolio Councillors, Chief

Executive Officer and relevant departmental Director, a document identifying full justification in relation to any proposed changes to current levels of service.

- The Mayor then worked through the identified proposed changes to levels of service with Councillors to approve what was to be included in the 2013/2014 financial year. This also included Councillors establishing their priorities.
- Councillors also reviewed the key impacts from the zero based operating budgets.
- Capital Expenditure included in the Long Term Financial Forecast was reviewed in detail and from this, taking into account changes proposed by Directors, Council established the capital program for 2013/2014 financial year.

A key aspect of the development of the 2013/2014 Budget has been the review of the Long Term Financial Forecast which means Council has been able to consider the long term picture of rate increases, capital programs, loan levels etc when developing its budget.

There have been a number of affordability issues that continue to have a financial impact on Council and also continue to have a major impact on the Long Term Financial Forecast.

These include:

- The cap on Developer Contributions.
- The continuing loss/reduction of operating State and Federal Government subsidies which total approximately \$1.2M.
- A major lack of alternative funding sources for critical infrastructure to cope with both recent and predicted future high growth in the region. (This can lead to growth projects being funded at the expense of the renewal of the existing infrastructure network).
- Coping with ever increasing levels of regulatory compliance.
- Increasing operational impacts associated with growth, compliance, and community expectations.

Council has continued to focus during the current year on business improvement across its activities (largely through business improvement teams) and level of service reviews for some of its operations. These will remain a key focus for the 2013/2014 financial year and a future commitment to reduce Council's operating expenditure by at least \$500,000 in the 2014/2015 year has been built into the revised Long Term Financial Forecast

The rates review and alternative sources of revenue working group have met a number of times as part of the budget process to focus on the equity of the current rating system and also to explore alternative sources of funding other than rates. As a result of this review a new rating category has been introduced for non-owner occupier residential dwellings. This working group will remain in place to ensure Mackay Regional Council future rates remain allocated appropriately across its ratepayers, and are more affordable to the community. At the same time, Council is obligated to maintain an appropriate level of funding for its critical infrastructure such as roads, water, wastewater and community facilities to cater for the projected population increases.

Comments are as follows:Operating Costs/General Rates

It will be a major challenge in the 2013/2014 financial year to minimise operating costs and at the same time direct the majority of Council effort into capital works, to provide for the continuing growth in population and economic activity across the region.

Cash operating expenses excluding depreciation, interest and internal transfers have increased by approximately 6%. The following matters have had a significant impact on operating costs across the organisation:

- Additional operational costs, largely driven by growth, include increasing impact of roads maintenance and maintenance of additional parklands but also reflecting an increased investment in technology to enable further efficiencies
- Inclusion of the Regional Sustainability Strategy project totalling \$820,000. This project aims to develop a clear, coordinated and unambiguous long term strategy for the sustainable development of the whole Mackay region.
- Additional operating cost impacts of maintaining community facilities such as the Sarina Sugar Shed, Mackay Entertainment and Convention Centre, and Aquatic Facilities (even though the Pioneer and Memorial Pools will be leased out in 2013/2014 saving approximately \$400,000 per year there are increased operating costs for the Blue Water Lagoon).
- Other cost increases well above CPI such as electricity, insurance, fuel etc also continue to have a significant impact on the budget.
- Salary and wage pressures due to the shortage of qualified personnel, the competitive Mackay employment market, and Enterprise Agreement impacts. Employee costs have increased by 8%.
- Continuing to bring Council facilities in line with the regulatory standards applicable to a large Regional Council.

The proposed 2013/2014 Budget reflects an increase in average owner occupied residential rates of \$88.63 per year or 3.27%.

The proposed 2013/2014 budget also reflects a new non-owner occupier investor category to minimise the burden on the current owner occupier residential rate. This new investment category is a category that is commonly used by a number of larger Queensland Councils.

Pursuant to the Local Government Regulation 2012, and based on a comparison of revenue between the 2012/13 budget and the 2013/14 budget, the increase in overall rates and utility charges income is 8%. This increase includes forecast growth of 1.25% and does not include discounts allowed.

Increasing rates commitment towards capital expenditure

Of the total net rates and utility charges collected, 33.86% is budgeted to fund capital expenditure. This has increased from 32.48% the previous year, which equates to a \$7.275 million increase. This means that of the various forms of capital funding such as loans, capital contributions, reserve transfers etc, the biggest portion comes directly from rates and utility charges (\$66.35 million). This is very significant and clearly indicates Council's continuing commitment to invest heavily in essential infrastructure, both now and into the future, to cater for the region's growth and maintaining the existing infrastructure networks.

Key Projects/Initiatives (excluding carryovers and NDRRA) for 2013/2014

- Total Roads, Drainage, Operating and Capital Costs
(excluding depreciation and NDRRA) \$62.7M

The significant road and drainage operating and capital budget will ensure that Council will make significant improvements into a number of critical road issues. This includes \$35.6 million towards new road and drainage projects, including \$12 million on Trunk Roads, \$1.5 million on LATM - traffic and road safety, \$2.2 million on Footpaths and Bikeways, \$5.1 million on General Works, \$6.8 million on Pavement Improvements (road reseals). There is also \$3.4 million allocated for Trunk Drainage, \$1.1 million for Bridge Replacement and \$3.2 million for NDRRA complimentary works.

- CBD upgrade \$14.2M

\$14 million has been provided in the 2013/2014 financial year towards the CBD upgrade project (total project cost \$17.8 million)

- Parks and Environment Capital \$2M

Capital Projects are planned for various Council Parks including \$462,000 on Local Park Development, \$467,000 on District Parks, \$37,000 to be spent on Marine Foreshore Facilities, \$202,000 on Streetscapes, \$56,000 on Park Built Assets, \$45,000 on Cemetery Development, \$79,000 on Public Conveniences, \$205,000 on Recreation & Play Facilities and \$450,000 on Botanic Gardens Development.

- Plant Replacement \$7.7M

Continuing scheduled replacement of Council's extensive plant fleet to minimise whole of life costs.

- Information Services and Asset Management \$3.7M

An increasing amount has been committed to Information Services capital with an allocation of \$2.7 million and also \$1 million for the next stage of Asset Management software implementation.

- Waste Water \$31.2M

Key projects are \$20 million for the Sarina Water Recycling Plant (total project cost \$26 million), and major sewerage Pump Station Upgrades of \$6.5 million.

- Water \$20.4M

Key projects are \$5.5 million for the Marian Water Treatment Plant (total project cost \$7.6 million) and \$2.5 million for the Marian Raw Water Pump Station and pipelines. An additional \$2.8 million has been allocated towards water meter replacements and smart metering.

- Waste Services \$6.7M

Key projects are \$4 million for the Hogan's Pocket Landfill and \$1.9 million for the Sarina transfer station (total project cost \$2.6 million)

Additional Loans

Loans of just \$14.7 million are anticipated to be raised in the 2013/2014 financial year compared with \$43.5 million in the previous year.

Major loans for growth projects identified are \$2.7 million for Connors Road, \$1.7 million for trunk drainage, \$4.5 million for Marian Water Treatment Plant and \$2.5 million for the Marian Raw Water Pump Station and pipelines.

Financial Management Summary

The current Long Term Financial Forecast has been reviewed for the next ten years in relation to both operating and capital revenue and expenditure. The Long Term Financial Forecast ensures that the impacts of today's decisions are considered over the longer term. It is Council's financial blueprint for the future which is reviewed and readopted on an annual basis as part of the budget process.

Overall Council's Long Term Financial Forecast and sustainability indicators highlight that, while there are significant challenges to manage, Mackay Regional Council is in a sound financial position. To maintain this outlook Council continues to enhance its management practices to ensure the highest level of accountability. Council will continue to review and improve the Executive Financial Performance Report during the 2013/2014 financial year.

Consultation and Communication

Council, Chief Executive Officer, Directors and Management Team.

Resource Implications

This report sets Council's Budget for 2013/2014. Changes to this Budget will only occur in compliance with the adopted Budget Policy.

Risk Management Implications

Nil

Conclusion

This budget for Mackay Regional Council reflects the continuing commitment to invest heavily in essential infrastructure over the next ten years to cater for the region's growth and to meet future planning forecasts. A substantial capital expenditure program amounting to \$134.5 million has been allocated in the 2013/2014 financial year across the region. Of this program \$70.2 million reflects renewal projects, \$40.7 million reflects growth projects and \$23.6 million reflects new projects.

Pressure on operating expenditure for both salary and wages and goods and services remains a major challenge for Council. Council will continue to review the way it does business through departmental business improvement teams and will continue to review the cost of its services and the way services are delivered. Council's Rates Review and Alternative Sources of Revenue Working Group will continue to focus on ensuring Council's rates remain equitably allocated across its rates payers and to focus on rates becoming more affordable to the community.

The level of capital works and increasing operating expenditure will result in Mackay Regional Council having a total budget of \$344 million (excluding depreciation) for the 2013/2014 financial year. This level of expenditure reflects the need to enhance community facilities, replace ageing infrastructure and facilitate ongoing strong growth. It also reflects a continuing major commitment to the region's roads.

Council's operating expenditure reflects a commitment of \$820,000 in relation to the Regional Sustainability Strategy project. Mackay Regional Council, after having to react to a booming economy, Council amalgamations and growing community expectations, has a unique opportunity to identify its vision for a balanced and sustainable future. It is proposed that this vision be defined in the development of a Regional Sustainability Strategy.

Officer's Recommendation

THAT the attached 2013/2014 Budget and forward estimates for the next 9 financial years as outlined in the Budget Statements and Statement of Original Budget be adopted.

AND THAT the attached Statement of Income and Expenditure, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity and Measures of Financial Sustainability to the year ending 30 June 2023 are adopted.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Comerford

Seconded Cr Walker

CARRIED

4.3 BUDGET POLICY FOR MACKAY REGIONAL COUNCIL FOR THE FINANCIAL YEAR 2013-2014

Author Executive Manager Governance and Finance

Purpose

To provide a framework for the administration of Council's budget and establish guidelines to ensure that known variations to the budget are addressed in a timely manner.

Background/Discussion

It is important that guidelines are established to assist in providing financial rigour to activities. This includes guidelines to:

- Clarify limitations on the release of budgetary information prior to the formal adoption of the budget.
- Ensure that Council reports are presented in a fiscally responsible manner.
- Provide guidance in the preparation of the budget reviews.
- Ensure that required amendments to the budget are made in a timely manner.
- Ensure consistency with Council's Long Term Financial Forecast.

Consultation and Communication

Chief Executive Officer, Directors and Manager Financial Services.

Resource Implications

NIL

Risk Management Implications

NIL

Conclusion

The budget policy sets out the framework under which Council's budget is determined and how the budget is adjusted throughout the year if required. The budget should be consistent with the Council's community plan, corporate plan, long term financial forecast and the annual operational plan.

Officer's Recommendation

THAT the attached Budget Policy for Mackay Regional Council for 2013/2014 be adopted.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Walker

Seconded Cr Bonanno

CARRIED

4.4 DEBT POLICY FOR MACKAY REGIONAL COUNCIL FOR THE FINANCIAL YEAR 2013-2014

Author Executive Manager Governance and Finance

Purpose

Under the Local Government Regulation 2012, Council must prepare a debt policy each financial year.

Background/Discussion

Under section 192 of the Local Government Regulation 2012, Council must prepare a debt policy each financial year which states new borrowings planned for the current and next nine (9) financial years and the time over which the existing and new borrowings will be repaid.

Loan funds can be raised to fund major capital and infrastructure work which creates an asset for Council. These funds can then be repaid over the life of the asset.

Consultation and Communication

Chief Executive Officer, Directors, Manager Financial Services.

Resource Implications

NIL

Risk Management Implications

NIL

Conclusion

Where additional funds are required loan funds can be raised to fund major capital and infrastructure work which creates a long life asset for Council. The cost of repaying these funds can then be spread over the life of the asset. This policy sets out the requirements for new borrowings planned over the next 10 years and the repayment terms of these loans.

Officer's Recommendation

THAT the attached Debt Policy for Mackay Regional Council for 2013/2014 be adopted.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Walker

Seconded Cr Casey

CARRIED

4.5 INVESTMENT POLICY FOR MACKAY REGIONAL COUNCIL FOR THE FINANCIAL YEAR 2013-2014

Author Executive Manager Governance and Finance

Purpose

To provide Council with a contemporary investment policy based on an assessment of counterparty, market and liquidity risk within the legislative framework of the Statutory Bodies Financial Act and Regulation.

Background/Discussion

In accordance with section 191 of the Local Government Regulation 2012, Council must prepare an investment policy each financial year. Investment of Council's funds is to be in accordance with Council's power of investment as set out in the Local Government Act 2009, the Statutory Bodies Financial Arrangement Acts 1982 and the Statutory Bodies Financial Arrangements Regulation 2007.

Mackay Regional Council's overall objective is to invest funds at the most advantageous rate of interest available with priority given to preservation of capital, maintenance of liquidity and return on investment.

Consultation and Communication

Chief Executive Officer, Directors and Manager Financial Services.

Resource Implications

NIL

Risk Management Implications

NIL

Conclusion

The investment policy sets out the guidelines for the investment of surplus funds in accordance with investment powers under Part 6 of the Statutory Bodies Financial Arrangement Act 1982 (SBFAA).

Officer's Recommendation

THAT the attached Investment Policy for Mackay Regional Council for 2013/2014 be adopted.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Walker

Seconded Cr Bonaventura

CARRIED

4.6 REVENUE STATEMENT REPORT

Author Executive Manager Governance and Finance

Purpose

To adopt Council's Revenue resolutions and Revenue Statement for the 2013/14 financial year.

Background/Discussion

As per the Revenue Policy, the Revenue Statement must now conform to the provisions of the Local Government Act 2009 and the Local Government Regulation 2012.

The content of the document has been reviewed by local government specialists from King and Company for conformity with the legislation who advise that the content meets the relevant requirements.

The presented document reflects decisions made in the briefing process after review by the Rates Review and Alternative Sources of Revenue Working Group. Key changes being:

1. Inclusion of a new investor category for residential properties not being used as a principal place of residence or in the name of a natural person.
2. Inclusion of a new category for non-resident workforce accommodation.

Legislative requirements:

The Local Government Act 2009, section 104 and the Local Government Regulation 2012, Section 169 require every local government to adopt a revenue statement for each financial year.

The Regulation, section 169 and section 170 state: -

- (1) A local government must prepare a revenue statement each financial year.
- (2) The revenue statement must be adopted—
 - (a) after 31 May in the year before the financial year; and
 - (b) before—
 - (i) 1 August in the financial year; or
 - (ii) a later day decided by the Minister.
- (3) The local government may, by resolution, amend the revenue statement at any time before the financial year ends.
- (4) However, the revenue statement cannot be amended to change the general rates decided at the budget meeting for the financial year.

The revenue statement is required, under the Regulation, section 172 to state: -

- (a) if the local government levies differential general rates—
 - (i) the rating categories for rateable land in the local government area; and
 - (ii) a description of each rating category; and
- (b) if the local government levies special rates or charges for a joint government activity—a summary of the terms of the joint government activity; and
- (c) if the local government fixes a cost-recovery fee—the criteria used to decide the amount of the cost-recovery fee; and
- (d) if the local government conducts a business activity on a commercial basis—the fees the local government receives for the activity.

The revenue statement must include: -

- (a) an outline and explanation of the measures that the local government has adopted for raising revenue, including an outline and explanation of—
 - (i) the rates and charges to be levied in the financial year; and
 - (ii) the concessions for rates and charges to be granted in the financial year;
- (b) whether the local government has made a resolution limiting an increase of rates and charges.

The revenue measures adopted are determined at the budget meeting and are based on the Council's Revenue Policy.

Consultation and Communication

Rates Review and Alternative Sources of Revenue Working Group

Resource Implications

The Revenue Statement and revenue resolutions set out the mechanisms by which Council will collect its revenue for the financial year, in particular its rates and charges and other fees including any concessions that it may grant.

Risk Management Implications

Failure to meet the statutory obligations with regard to the Revenue Statement and revenue resolutions would place the revenue raising requirements of Council in severe jeopardy.

Conclusion

The Revenue Statement and budget resolutions required to comply with the relevant legislation are submitted for Council consideration.

Officer's Recommendation

THAT Council adopt the attached Revenue Statement for the 2013/2014 financial year prepared in accordance with Section 104 of the Local Government Act 2009, Section 169 of the Local Government Regulation 2012 and more specifically:-

- (a) Pursuant to section 81 of the Local Government Regulation 2012, the categories into which rateable land is categorised and the description by which the land is categorised in the local government area for the financial year beginning 1st July 2013 is as set out in section 3 of the Revenue Statement.
- (b) Pursuant to section 80 of the Local Government Regulation 2012, Council will levy a differential general rate on all parcels of rateable land in the Local Government area for the financial year beginning 1st July, 2013 as set out in section 3 of the Revenue Statement.
- (c) Pursuant to section 77 of the Local Government Regulation 2012, Council will levy a minimum differential general rate on all parcels of rateable land in the Local Government area for the financial year beginning 1st July, 2013 as set out in section 4 of the Revenue Statement.
- (d) Pursuant to section 94 of the Local Government Regulation 2012, Council will levy the City Centre Management – Area (A) special rate to promote and advance the trading and economic development of the business being conducted in the City Centre as set out in section 5 of the Revenue Statement.

- (e) Pursuant to Section 94 of the Local Government Regulation 2012, Council will levy the City Centre Management – Area (B) special rate to promote and advance the trading and economic development of the business being conducted in the City Centre as set out in section 6 of the Revenue Statement.
- (f) Pursuant to Section 94 of the Local Government Regulation 2012, Council will levy the City Centre Management – Area (C) special rate to promote and advance the trading and economic development of the business being conducted in the City Centre as set out in section 7 of the Revenue Statement.
- (g) Pursuant to Section 94 of the Local Government Regulation 2012, Council will levy the Rural Fire Services - 1 special charge for the purpose of raising revenue for each Rural Fire Brigade as set out in section 8 of the Revenue Statement.
- (h) Pursuant to section 94 of the Local Government Regulation 2012, Council will levy the Rural Fire Services - 2 special charge for the purpose of raising revenue for each Rural Fire Brigade as set out in section 9 of the Revenue Statement.
- (i) Pursuant to section 94 of the Local Government Regulation 2012, Council will levy the Rural Fire Services - 3 special charge for the purpose of raising revenue for each Rural Fire Brigade as set out in section 10 of the Revenue Statement.
- (j) Pursuant to section 94 of the Local Government Regulation 2012, Council will levy the Slade Point Seawall special charge for the purpose of funding 50% of the construction cost of the Seawall as set out in section 11 of the Revenue Statement.
- (k) Pursuant to section 103 of the Local Government Regulation 2012, Council will levy a separate charge on all rateable land in the Local Government area to defray part of the cost of promoting and supporting the preservation and enhancement of the natural environment, encouraging environmental awareness, supporting sustainable management and encouraging improved efficiency and use of energy as set out in section 12 of the Revenue Statement.
- (l) Pursuant to section 103 of the Local Government Regulation 2012, Council will levy a separate charge on all rateable land in the Local Government area to defray part of the cost of upgrading existing street, kerb and drainage networks, providing traffic calming initiatives, improving walkways and cycle ways and road treatment programs as set out in section 13 of the Revenue Statement.
- (m) Pursuant to section 103 of the Local Government Regulation 2012, Council will levy a separate charge on all rateable land in the Local Government area to fund the residual cost of providing waste facilities and services as set out in section 14 of the Revenue Statement.
- (n) Pursuant to section 103 of the Local Government Regulation 2012, Council will levy a separate charge on all rateable land in the Local Government area to fund activities assisting in the response to natural disasters as set out in section 15 of the Revenue Statement.
- (o) Pursuant to section 99 of the Local Government Regulation 2012, Council will levy Utility Charges as set out in section 16 of the Revenue Statement.

- (p) For the purposes of section 118 of the Local Government Regulation 2012, all rates and charges shall be due and payable within 30 full days of the issue date of a notice to pay as set out in section 20 of the Revenue Statement except as amended for approved pensioners in section 19.01 of the Revenue Statement.
- (q) Pursuant to section 133 of the Local Government Regulation 2012, Council will charge interest on overdue rates at the rate of eleven percent per annum compounded monthly, to be calculated from the end of the financial half year in which they fall due as set out in section 22 of the Revenue Statement.
- (r) Pursuant to section 130 of the Local Government Regulation 2012, Council will allow a discount of ten percent on Differential General Rates and Utility Charges (excluding Metered Water Charges) in accordance with section 21 of the Revenue Statement, provided they, together with all arrears of rates and charges in respect of the land are paid on or before the due date as set out in section 20 of the Revenue Statement.
- (s) Pursuant to part 10 of chapter 4 of the Local Government Regulation 2012, Council will allow rating concessions in the manner described in section 19 of the Revenue Statement and the following Council Policies - 008 - Revenue Policy, 014 - Rating Remission for Non-Profit Organisations Policy, 015 – Conservation Remission Policy, 016 – Rates Relief Policy.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Walker

Seconded Cr Gilbert

CARRIED

4.7 RATING REMISSION FOR NON-PROFIT COMMUNITY ORGANISATIONS POLICY REPORT

Author Executive Manager Governance and Finance

Purpose

To consider changes to the Rating Remission for Non-Profit Community Organisations Policy to adjust the revenue turnover threshold and other administrative changes to reflect matters raised in the budget discussions for the 2013/2014 financial year.

Background/Discussion

One of the guidelines within the policy is:

- The organisation must not have an annual turnover (revenue) in excess of \$861,080 (relating to activities carried out on the property subject to the application).

In order to maintain the effect of this provision this figure has been indexed by 3% from the previous total of \$836,000.

The other key change to this policy is to make the level of remissions equitable across the various circumstances in which this policy can be applied. To provide clarity and finalise the combination of the various policies from the previous three Councils the proposed policy now applies a 50% remission on all applicable rates.

Consultation and Communication

Rates Review and Alternative Sources of Revenue Working Group

Resource Implications

The changes will provide equity for how the policy is applied and will have no impact on the resources of Council.

Risk Management Implications

No specific risk management issues have been identified with regards to this change.

Conclusion

The Rating Remission for Non-Profit Community Organisations Policy should be amended as per the draft attached.

Officer's Recommendation

THAT Council Policy Number 014 - Rating Remission for Non-Profit Community Organisations Policy as attached be amended to take effect from 1 July 2013.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Walker

Seconded Cr Perkins

CARRIED

4.8 CONSERVATION REMISSION POLICY

Author Executive Manager Governance and Finance

Purpose

To consider changes to the Conservation Remission Policy to adjust the maximum rebates applicable to each level of the policy.

Background/Discussion

In recent times the maximum remissions available under this policy have been indexed to reflect increases in the level of general rating.

To continue with this it is proposed to index the maximum remissions by approximately 3% for the next financial year as follows:

Less than 10% of the assessment area	10% of overall general rates to a maximum of \$402 per annum.
10% to less than 20% of rate assessment area	15% of overall general rates to a maximum of \$663 per annum.
20% to less than 40% of rate assessment area	20% of overall general rates to a maximum of \$997 per annum.
40% or greater of assessment area	25% of overall general rates to a maximum of \$1,326 per annum.

Consultation and Communication

Chief Executive Officer, Directors, Manager Financial Services and Revenue Services Co-ordinator.

Resource Implications

The indexing will have minimal impact on financial resources.

Risk Management Implications

No specific risk management issues have been identified with regards to this change.

Conclusion

The Conservation Remission Policy should be amended as per the draft attached.

Officer's Recommendation

THAT Council Policy Number 015 - Conservation Remission Policy as attached be amended to take effect from 1 July 2013.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Morgan

Seconded Cr Bonanno

CARRIED

4.9 CODE OF COMPETITIVE CONDUCT STATEMENT

Author Executive Manager Governance and Finance

Purpose

This report seeks to identify Council's business activities where Council has resolved to apply the Code of Competitive Conduct (the Code) and commercialisation requirements and confirm their treatment under the National Competition Policy guidelines.

Background/Discussion

In accordance with the Local Government Act 2009 (the Act) and the Local Government Regulation 2012 (the Regulation) Council is required to make certain assessments and disclosures in relation to its 'business' activities. These activities are defined as follows:

Type One (1) and Type Two (2) – Significant Business Activities

The Regulation states that a Type One (1) Significant Business Activity is a business activity which has expenditure exceeding \$42.64 million for combined water and sewerage services, and \$25.54 million for other business activities. The threshold for a Type Two (2) Significant Business Activity is \$12.77 million and \$8.55 million respectively.

Under this section, the threshold applies to the projected expenditure for the activities to the end of the 2012/2013 financial year. Operating expenditure includes any expenditure to achieve competitive neutrality (excluding depreciation) plus any loan redemption payments.

Section 20 of the Regulation requires the Council to use the financial information for the previous financial year presented to the Local Government's budget meeting to identify each new significant business activity for the financial year.

Water and Sewerage

As part of the 2012/13 budget, Council identified that its water and wastewater business activity had exceeded the relevant expenditure threshold whereby it was to be recognised as a Type 1 financially significant business activity. Previously, Council's water and wastewater business activity was a Type 2 financially significant business activity.

Council previously undertook a Public Benefit Assessment (PBA) of its water and wastewater business activity when it reached the Type 2 threshold, investigating the appropriateness of the full cost pricing and commercialisation reform options (the two reform options required to be assessed for both Type 1 and Type 2 financially significant business activities in Section 44 of the current Local Government Act 2009 (the Act)).

As part of that process, Council resolved to apply the recommendation in the final PBA to apply commercialisation reforms to its water and wastewater business activity. Council has also recently established a skills-based capital works review board as part of the governance structure for its water and wastewater business activity.

Following this resolution Council commissioned AECgroup to liaise on its behalf with relevant agencies in relation to the need to undertake a PBA for its water and wastewater business activity.

AECgroup found that under Section 46 of the Act, a local government must ensure that a PBA is undertaken and a PBA report prepared for each identified new significant business activity. Thresholds for Type 1 and Type 2 significant business activities are outlined in Section 19 of the Local Government Regulation 2012 (the Regulation). The Act indicates that a PBA need only be undertaken for newly identified financially significant business activities.

Even though Council's water and wastewater business activity has recently been identified as a Type 1 financially significant business activity, it is not considered a newly identified financially significant business activity given that it was previously identified as a financially significant business activity (when it met the Type 2 threshold). In effect, reforms have already been appropriately assessed and applied to the financially significant business activity as a result of the prior PBA process.

It was therefore recommended that a fresh PBA not be undertaken, and that Council continue to apply commercialisation reforms to the Type 1 water and wastewater financially significant business activity. There was also advice from the Department of Local Government Queensland recognising that a PBA was not required and that the water and wastewater activity has moved from a Type 2 to a Type 1 business activity and that this should be acknowledged in the annual report for 30 June 2013.

Waste Services

The Waste Services business unit is a Type Two (2) commercialised activity and Council will continue to apply the commercialisation reforms to the Waste Services business unit.

Type Three (3) - Code of Competitive Conduct

The Act requires Council to decide each financial year (by resolution) whether or not to apply the code of competitive conduct to a business activity prescribed under a regulation.

The Regulation (section 39) states that a business activity is prescribed if the amount of current expenditure for a financial year is \$300,000 or more (including operational, administrative and overhead, resources costs and depreciation). If Council decides not to apply the code of competitive conduct Council must state the reasons for not applying the code.

Mackay Entertainment & Convention Centre

Whilst this activity receives a large component of its funding by trading in goods and services, the overall objective of this activity is to encourage the artistic and cultural development of the region. In addition, another key purpose of the Centre is to promote economic development of the region. The experience since the establishment of the Centre has been that applying the code of competitive conduct has added an administrative expense without necessarily improving decision-making or the financial results of the activity. Therefore, it is proposed that the code of competitive conduct should not be applied.

Building Certification

The Regulation (section 38) prescribes that any building certification activity of Mackay Regional Council is a prescribed business activity. However, Council does not presently conduct a building certification activity and therefore this section does not apply.

Roads Activities

The Act (section 47(5)) states that the Local Government must apply the code of competitive conduct to a roads activity. A roads activity is defined to only include road activities which the State or Local Government has put out to tender. Council does not presently perform any road activities which have been put out to tender and therefore this section does not apply.

Other Business Activities

Council does not conduct any other activities which are primarily involved in trading goods and services.

Principles of Community Service Obligations

Community service obligations arise when the Council specifically requires a commercialised business unit to carry out activities relating to outputs or inputs which it would not elect to do on a commercial basis, or alternatively, would only provide at higher prices or via some other form of compensation.

The process for establishing new CSO's by Council business activities is provided below:

- Determine the specific policy objective of Council to which the CSO is linked;
- Propose the CSO after undertaking research into its validity and delivery;
- Cost the CSO according to an acceptable method;
- Develop performance measures for the CSO to measure its effectiveness in achieving policy objectives, efficiency of delivery and other impacts;

- Present the CSO to Council for review prior to its incorporation in the budget; to ensure that an appropriate decision is made on its size and importance;
- Incorporate the CSO into pricing budgets as a revenue item;
- Ongoing negotiation and review of performance and size of CSO.

Types of Community Service Obligations

This policy recognises five basic types of Community Service Obligations:

1. Uniform CSO

Where Council considers it desirable that certain goods and services be supplied to all users at a uniform or affordable price regardless of the cost of the provision;

2. Concession CSO

Where Council has social welfare objectives to provide concessions to consumers who are considered disadvantaged eg pensioner concessions, sporting bodies, charitable organisations etc.

3. Industry CSO

Where Council may wish to provide incentives to industry, eg rate rebates.

4. Purchasing CSO

Where Council may require business activities to purchase specific goods and services as inputs. This may apply for a number of reasons including economies of scale, maintaining a certain quality or stimulating the local economy.

5. Other CSO

Where Council may require business activities to abide by environmental, consumer, cultural heritage or some similar policy, which may not usually apply.

Implications of CSO's for Full Cost Pricing (FCP)

The net cost of providing the CSO or additional CSOs are required to be identified as part of the budget process.

As part of this process, the performance of the CSO in achieving policy objectives needs to be reported to Council and the size of the CSO reviewed where appropriate. The method for reporting on the CSO's is to be through the reporting to Council on achievement of the Annual Performance Plan of the commercialised business unit.

Consultation and Communication

Consultation has been undertaken with the appropriate business areas and recommendations reviewed by independent experts in the field.

Resource Implications

There are internal administrative costs associated with applying the code of competitive conduct, and consultancy fees associated with reviewing NCP processes. The proposed resolution will minimise these costs by focussing the application of National Competition Policy principles to where there is a clear public benefit.

Risk Management Implications

NIL

Conclusion

This Report concludes that the following National Competition Policy reforms should apply for the financial year 2013/2014:

Business Activity	Level of NCP Reform
Water and Waste Water	Commercialisation
Waste Services	Commercialisation
MECC	No application of the code of competitive conduct or full cost pricing

Officer's Recommendation

THAT Council:-

1. Determines that the Water and Waste Water activity will continue as a Type One (1) significant business activity.
2. Determine that Waste Services will continue as a Type Two (2) significant business activity,
3. Determines that the code of competitive conduct should not apply to the Mackay Entertainment and Convention Centre activity for the 2013/2014 financial year, because Council considers that the costs of applying the code will outweigh the benefits, and the activity has significant non-commercial objectives, and
4. That Council does not conduct any other business activities or prescribed business activities.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Walker

Seconded Cr Gilbert

CARRIED

4.10 PERFORMANCE PLAN FOR MACKAY WASTE SERVICES FOR THE FINANCIAL YEAR 2013-2014**Author Director Water & Waste Services****Purpose**

To adopt the proposed 2013/2014 Annual Performance Plan for Waste Services.

Background/Discussion

The Annual Performance Plan is compiled to meet the requirements as specified in the Local Government Act 2009 and the Local Government Regulation 2012 for Commercialised Businesses.

Consultation and Communication

NIL

Resource Implications

NIL

Risk Management Implications

NIL

Conclusion

The Performance Plan sets the expected standards of performance for Waste Services for the 2013/2014 financial year.

Officer's Recommendation

THAT the attached Performance Plan for Mackay Waste Services for the 2013/2014 financial year be adopted.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Bonaventura**Seconded Cr Steindl****CARRIED**

4.11 PERFORMANCE PLAN FOR MACKAY WATER SERVICES FOR THE FINANCIAL YEAR 2013-2014

Author Director Water & Waste Services

Purpose

To adopt the proposed 2013/2014 Annual Performance Plan for Water Services.

Background/Discussion

The Annual Performance Plan is compiled to meet the requirements as specified in the Local Government Act 2009 and the Local Government Regulation 2012 for Commercialised Businesses.

Consultation and Communication

NIL

Resource Implications

NIL

Risk Management Implications

NIL

Conclusion

The Performance Plan sets the expected standards of performance for Water Services for the 2013/2014 financial year.

Officer's Recommendation

THAT the attached Performance Plan for Mackay Water Services for the 2013/2014 financial year be adopted.

Council Resolution

THAT the Officer's Recommendation be adopted.

Moved Cr Gilbert

Seconded Cr Casey

CARRIED

5. MEETING CLOSURE

The meeting closed at 10.48 am.

Confirmed on Thursday 17 July 2013

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MAYOR

APPENDIX / ATTACHMENTS

MACKAY REGIONAL COUNCIL
STATEMENT OF ESTIMATED FINANCIAL POSITION
For the Year Ending 30 June 2013

UNAUDITED

	Original Budget 2012/2013	Amended Budget 2012/2013	Anticipated Actuals 2012/2013
Operating Revenue			
Rates & Utility Charges	198,638,954	198,921,354	203,571,173
Less: Discounts and Remissions	(16,700,429)	(16,700,429)	(16,658,216)
Fees & Charges	22,698,018	23,757,441	29,287,933
Sales - Contract & Recoverable Work	6,258,167	6,327,608	9,153,435
Operating Grants & Subsidies	9,457,350	52,034,298	36,130,803
Operating Contributions	-	16,869	16,869
Interest Earned	5,075,750	5,083,623	7,413,756
Other Revenue	7,804,639	5,145,685	4,807,417
Community Services Obligations	-	-	-
Internal Transfers - Revenue	16,706,021	19,712,451	30,099,734
Internal Revenue Distribution	-	-	-
	\$ 249,938,470	\$ 294,298,898	\$ 303,822,905
Less: Operating Expenses			
Employee Cost	75,513,130	75,431,031	73,311,152
Goods, Services & Other Operational Costs	77,662,643	123,461,454	124,873,138
Transfer from Capital re Loss on Disposal of Assets	-	-	11,482,731
Finance Costs (incl Interest Expense)	13,865,563	12,848,116	12,872,518
Other Expenses	4,882,149	5,337,545	6,048,596
Depreciation	60,000,000	60,000,000	60,000,000
Corporate Overheads & Competitive Neutrality Costs	-	-	-
Internal Transfers - Expenses	13,107,626	16,199,954	25,525,808
	\$ 245,031,111	\$ 293,278,100	\$ 314,113,944
Less: Transfers			
Transfer from Capital re Loss on Disposal of Assets	-	-	(11,482,731)
Retained Surplus/Deficit Brought Forward from Prior Year	-	(11,546,009)	(11,546,008)
Transfer from Capital for Unfunded Depreciation	(6,300,000)	(6,300,000)	(4,100,000)
Transfer (to) Capital General Revenue Expended	5,392,271	6,180,764	6,101,696
Inter-Function Dividends & Return on Capital	-	-	-
Constrained funds carried forward	-	-	-
Transfers from Reserves	(3,813,409)	(19,725,959)	(13,755,699)
Transfers to Reserves	9,628,497	32,412,002	16,010,829
	\$ 4,907,359	\$ 1,020,798	(\$ 18,771,913)
Operating Surplus (Deficit)	\$ -	\$ -	\$ 8,480,874
CAPITAL SUMMARY			
Capital Funding			
General Revenue Used for Capital Purposes	5,392,271	6,180,764	6,101,696
Capital Grants	2,920,000	76,005,567	14,524,188
Capital Contributions	18,099,999	20,014,919	26,001,191
Capital Contributions - Non Cash Developer	8,000,000	8,000,000	42,390,063
Capital Other Revenue	-	1,409,194	1,515,209
Capital Internal Transfers - Revenue	-	15,849,772	6,077,382
Transfers from Capital Reserves	20,625,304	91,334,991	78,234,779
Transfers to Capital Reserves	(14,999,999)	(45,413,294)	(59,271,145)
New Loans	43,528,122	32,933,364	32,933,364
Proceeds from Sale of Assets	2,036,100	2,036,100	2,036,100
Funded Depreciation	53,700,000	53,700,000	55,900,000
Capital Funding Brought Forward	-	-	-
Capital Funding Carried Forward	-	-	-
	\$ 139,301,797	\$ 262,051,377	\$ 206,442,825
Capital Expenditure			
Capital Expenditure	116,447,580	224,411,415	143,439,383
Capital Internal Transfers - Expense	3,598,394	19,362,269	10,651,307
Capital Expenditure (Carried Over)	-	-	-
Capital - Non Cash Developer Contributions	8,000,000	8,000,000	42,390,063
Loan Repayments	9,255,823	10,277,693	9,982,072
	\$ 139,301,797	\$ 262,051,377	\$ 206,442,825

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013 / 2014**

	Mackay Regional Council by Fund				
	GENERAL	WATER	WASTE WATER	WASTE SERVICES	TOTAL
	Budget 2013 / 2014	Budget 2013 / 2014	Budget 2013 / 2014	Budget 2013 / 2014	Budget 2013 / 2014
Operating Revenue					
Rates & Utility Charges	112,843,035	38,469,426	44,184,553	19,217,731	214,714,745
Less: Discounts and Remissions	(12,013,067)	(1,659,815)	(3,940,674)	(1,136,348)	(18,749,904)
Fees & Charges	12,948,298	2,078,000	2,123,422	9,159,904	26,309,624
Sales - Contract & Recoverable Work	3,597,275	1,810,000	1,300,000	-	6,707,275
Operating Grants & Subsidies	7,962,175	-	-	-	7,962,175
Operating Contributions	-	-	-	-	-
Interest Earned	2,225,375	750,000	375,000	475,000	3,825,375
Other Revenue	5,095,776	115,563	-	356,712	5,568,050
Community Services Obligations	(313,066)	39,957	137,843	135,266	-
Internal Transfers - Revenue	19,070,147	829,660	406,079	488,429	20,794,315
Internal Revenue Distribution	0	-	-	-	0
	\$ 151,415,948	\$ 42,432,791	\$ 44,586,222	\$ 28,696,693	\$ 267,131,655
Less: Operating Expenses					
Employee Cost	65,309,882	7,913,239	6,915,571	1,508,771	81,647,463
Goods, Services & Other Operational Costs	45,701,502	8,635,443	10,000,724	15,865,196	80,202,866
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-
Finance Costs (incl Interest Expense)	6,167,911	2,552,804	4,181,369	1,505,215	14,407,299
Other Expenses	4,156,930	445,500	722,100	175,700	5,500,230
Depreciation	37,500,000	7,042,704	9,193,392	1,855,592	55,591,688
Corporate Overheads & Competitive Neutrality Costs	(8,003,872)	3,296,610	3,350,475	1,356,767	-
Internal Transfers - Expenses	13,083,725	1,809,120	1,267,415	447,747	16,608,006
	\$ 163,916,078	\$ 31,695,420	\$ 35,631,046	\$ 22,715,008	\$ 253,957,552
Less: Transfers					
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-
Retained Surplus/Deficit Brought Forward from Prior Year	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	(2,000,000)	-	-	-	(2,000,000)
Transfer (to) Capital General Revenue Expended	579,982	4,487,371	3,170,548	4,521,685	12,759,587
Inter-Function Dividends & Return on Capital	(12,220,000)	6,000,000	4,810,000	1,410,000	-
Constrained funds carried forward	-	-	-	-	-
Transfers from Reserves	(3,626,549)	-	-	(100,000)	(3,726,549)
Transfers to Reserves	4,766,436	250,000	974,629	150,000	6,141,065
	(\$ 12,500,130)	\$ 10,737,371	\$ 8,956,177	\$ 5,981,685	\$ 13,174,103
Operating Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	(\$ 0)
CAPITAL SUMMARY					
Capital Funding					
General Revenue Used for Capital Purposes	579,982	4,487,371	3,170,548	4,521,685	12,759,587
Capital Grants	11,441,225	-	-	-	11,441,225
Capital Contributions	6,260,870	4,869,565	4,869,565	-	16,000,000
Capital Contributions - Non Cash Developer	4,000,000	2,000,000	2,000,000	-	8,000,000
Capital Other Revenue	-	-	-	-	-
Capital Internal Transfers - Revenue	-	-	-	-	-
Transfers from Capital Reserves	18,163,665	3,788,614	21,871,100	1,653,261	45,476,640
Transfers to Capital Reserves	(12,660,870)	(4,869,565)	(4,869,565)	-	(22,400,000)
New Loans	7,459,043	7,197,144	-	-	14,656,187
Proceeds from Sale of Assets	5,746,336	-	-	-	5,746,336
Funded Depreciation	35,500,000	7,042,704	9,193,392	1,855,592	53,591,688
	\$ 76,490,251	\$ 24,515,833	\$ 36,235,040	\$ 8,030,538	\$ 145,271,662
Capital Expenditure					
Capital Expenditure	64,237,037	20,220,175	31,171,072	6,694,023	122,322,307
Capital Internal Transfers - Expense	3,966,356	162,365	57,588	-	4,186,308
Capital Expenditure (Carried Over)	-	-	-	-	-
Capital - Non Cash Developer Contributions	4,000,000	2,000,000	2,000,000	-	8,000,000
Loan Repayments	4,286,859	2,133,293	3,006,380	1,336,515	10,763,047
	\$ 76,490,251	\$ 24,515,833	\$ 36,235,040	\$ 8,030,538	\$ 145,271,662

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013 / 2014**

	Mackay Regional Council by Department						
	Corporate Revenue & Expenses	Development Services	Corporate Services	Community Services	Engineering Services	Water & Waste Services	TOTAL
	Budget 2013 / 2014	Budget 2013 / 2014	Budget 2013 / 2014	Budget 2013 / 2014	Budget 2013 / 2014	Budget 2013 / 2014	Budget 2013 / 2014
Operating Revenue							
Rates & Utility Charges	106,560,772	-	-	1,006,877	5,275,386	101,871,710	214,714,745
Less: Discounts and Remissions	(12,004,197)	-	-	(898)	(7,972)	(6,736,837)	(18,749,904)
Fees & Charges	715,000	8,361,298	197,000	3,054,000	621,000	13,361,326	26,309,624
Sales - Contract & Recoverable Work	-	-	-	-	3,597,275	3,110,000	6,707,275
Operating Grants & Subsidies	6,000,000	-	348,500	1,078,103	535,572	-	7,962,175
Operating Contributions	-	-	-	-	-	-	-
Interest Earned	2,225,375	-	-	-	-	1,600,000	3,825,375
Other Revenue	165,000	176,000	49,300	4,306,350	399,126	472,275	5,568,050
Community Services Obligations	(313,066)	-	-	-	-	313,066	-
Internal Transfers - Revenue	19,000	125,000	13,833,258	62,500	5,030,389	1,724,168	20,794,315
Internal Revenue Distribution	(108,833,525)	3,827,164	26,951,908	17,845,876	60,208,577	-	0
	(\$ 5,465,641)	\$ 12,489,463	\$ 41,379,965	\$ 27,352,808	\$ 75,658,353	\$ 115,715,707	\$ 267,131,655
Less: Operating Expenses							
Employee Cost	(2,497,411)	9,401,954	19,963,783	11,359,969	27,081,606	16,337,581	81,647,463
Goods, Services & Other Operational Costs	5,040,579	1,885,000	11,694,394	12,680,974	14,400,555	34,501,363	80,202,866
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-	-
Finance Costs (incl Interest Expense)	6,072,411	21,000	20,000	53,900	600	8,239,388	14,407,299
Other Expenses	285,980	850,200	2,126,000	836,750	58,000	1,343,300	5,500,230
Depreciation	37,500,000	-	-	-	-	18,091,688	55,591,688
Corporate Overheads & Competitive Neutrality Costs	(8,003,872)	-	-	-	-	8,003,872	-
Internal Transfers - Expenses	19,000	505,389	459,144	570,497	11,529,696	3,524,282	16,608,006
	\$ 38,416,687	\$ 12,663,543	\$ 34,263,301	\$ 25,502,090	\$ 53,070,457	\$ 90,041,474	\$ 253,957,552
Less: Transfers							
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-	-
Retained Surplus/Deficit Brought Forward from Prior Year	-	-	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	(2,000,000)	-	-	-	-	-	(2,000,000)
Transfer (to) Capital General Revenue Expended	(31,213,141)	-	7,408,664	1,526,218	22,858,241	12,179,604	12,759,587
Inter-Funciton Dividends & Return on Capital	(12,220,000)	-	-	-	-	12,220,000	-
Transfers from Reserves	-	(174,080)	(292,000)	(681,479)	(2,478,990)	(100,000)	(3,726,549)
Transfers to Reserves	1,550,812	-	-	1,005,979	2,209,645	1,374,629	6,141,065
	(\$ 43,882,329)	(\$ 174,080)	\$ 7,116,664	\$ 1,850,718	\$ 22,588,896	\$ 25,674,233	\$ 13,174,103
Operating Surplus (Deficit)	\$ 0	(\$ 0)	\$ -	(\$ 0)	\$ -	\$ -	(\$ 0)
CAPITAL SUMMARY							
Capital Funding							
General Revenue Used for Capital Purposes	(31,213,141)	-	7,408,664	1,526,218	22,858,241	12,179,604	12,759,587
Capital Grants	-	-	-	8,882,757	2,558,466	-	11,441,225
Capital Contributions - Cash	-	-	-	-	6,260,870	9,739,130	16,000,000
Capital Contributions - Non Cash Developer	-	-	-	-	4,000,000	4,000,000	8,000,000
Capital Other Revenue	-	-	-	-	-	-	-
Capital Internal Transfers - Revenue	-	-	-	-	-	-	-
Transfers from Capital Reserves	-	-	1,835,000	6,429,635	10,099,030	27,312,975	45,476,640
Transfers to Capital Reserves	-	-	-	(3,300,000)	(9,360,870)	(9,739,130)	(22,400,000)
Loans	-	-	-	-	7,459,043	7,197,144	14,656,187
Proceeds from Sale of Assets	-	-	2,446,336	3,300,000	-	-	5,746,336
Funded Depreciation	35,500,000	-	-	-	-	18,091,688	53,591,688
	\$ 4,286,859	\$ -	\$ 11,490,000	\$ 16,838,610	\$ 43,874,782	\$ 68,781,411	\$ 145,271,662
Capital Expenditure							
Capital Expenditure	-	-	11,490,000	16,838,610	35,908,427	58,085,271	122,322,307
Capital Internal Transfers - Expense	-	-	-	-	3,986,356	219,952	4,186,308
Capital Expenditure (Carried Over)	-	-	-	-	-	-	-
Capital - Non Cash Developer Contributions	-	-	-	-	4,000,000	4,000,000	8,000,000
Loan Repayments	4,286,859	-	-	-	-	6,476,188	10,763,047
	\$ 4,286,859	\$ -	\$ 11,490,000	\$ 16,838,610	\$ 43,874,782	\$ 68,781,411	\$ 145,271,662

**MACKAY REGIONAL COUNCIL
STATEMENT OF ORIGINAL BUDGET FOR TEN YEARS
To the Year Ending 30 June 2023**

	Budget 2013 / 2014	Budget 2014 / 2015	Budget 2015 / 2016	Budget 2016 / 2017	Budget 2017 / 2018	Budget 2018 / 2019	Budget 2019 / 2020	Budget 2020 / 2021	Budget 2021 / 2022	Budget 2022 / 2023
Operating Revenue										
Net Rates & Utility Charges	195,964,841	207,904,150	220,582,413	234,055,291	248,373,724	263,592,122	279,209,518	295,287,869	311,774,932	326,216,694
Fees & Charges	26,309,624	27,348,464	28,483,666	29,627,880	30,772,354	31,916,922	33,061,388	34,205,854	35,350,320	36,494,786
Sales - Contract & Recoverable Work	6,707,275	7,042,639	7,394,770	7,764,589	8,152,734	8,554,371	8,961,008	9,372,645	9,789,282	10,211,919
Operating Grants & Subsidies	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375
Interest Earned	5,668,050	5,735,092	5,907,144	6,084,359	6,266,889	6,454,896	6,648,543	6,842,999	7,038,346	7,234,693
Other Revenue	246,337,340	259,326,094	273,707,488	288,917,314	305,052,792	322,187,437	339,757,781	357,886,714	376,447,235	395,172,738
Less: Operating Expenses										
Employee Cost	81,647,463	84,983,336	88,767,675	92,742,638	97,096,693	101,445,270	105,988,909	110,955,797	115,926,107	121,119,399
Goods, Services & Other Operational Costs	80,202,865	85,258,396	89,750,375	92,180,974	95,458,311	99,888,138	108,604,560	111,847,132	115,824,866	119,985,757
Other Expenses	5,500,230	5,685,237	5,835,194	6,010,250	6,190,557	6,376,274	6,567,582	6,764,589	6,967,527	7,176,553
Internal Transfers - Revenue	16,608,006	17,100,533	17,613,549	18,141,985	18,686,214	19,246,800	19,824,204	20,418,930	21,031,498	21,662,443
Total Operating Expenses	183,164,280	171,969,357	179,966,033	186,353,307	194,027,891	202,820,173	216,155,737	224,412,064	233,408,382	242,782,286
Finance Costs (incl Interest Expense)	14,407,300	14,616,123	15,352,400	14,694,268	15,017,016	16,353,928	19,118,357	20,704,331	20,945,772	20,436,826
Depreciation	53,188,888	58,239,452	62,408,524	65,077,328	68,446,716	70,786,088	73,468,268	75,831,177	77,574,279	79,234,994
	235,163,289	245,826,932	257,847,021	266,114,903	271,481,324	280,960,189	308,742,882	320,947,571	331,928,432	342,454,098
Less: Transfers										
Retained Surplus (Deficit) Brought forward from prior year	-	-	-	-	-	-	-	-	-	-
Transfer from Capital re Loss on Disposal of Assets	(3,726,549)	(2,125,073)	(2,204,659)	(2,287,300)	(2,373,115)	(2,462,228)	(2,554,768)	(2,650,869)	(2,754,769)	(2,862,873)
Transfers to Operating reserves	6,141,065	5,532,345	5,104,221	5,227,650	5,522,874	10,313,401	5,647,804	5,798,999	5,963,239	6,047,530
Inter-function Dividends and Return on Capital	(2,000,000)	(3,000,000)	(2,200,000)	-	-	(0)	(0)	(0)	(0)	(0)
Transfer from Capital for Unfunded Depreciation	12,759,585	13,491,891	15,160,897	19,862,063	24,411,709	24,356,075	27,922,164	33,791,012	41,310,333	49,533,984
Transfer to Capital - General Revenue Expended (from cap funding)	13,174,101	13,899,162	15,860,459	22,802,412	27,581,468	32,207,248	37,922,164	44,518,802	52,718,641	62,454,098
Operating Surplus (Deficit)										
	-	-	-	-	-	-	-	-	-	-
CAPITAL SUMMARY										
Capital Funding										
Capital Grants Subsidies	11,441,225	397,000	830,000	2,100,000	620,000	-	-	-	-	-
Proceeds from Asset Sales	5,746,336	4,647,885	2,304,355	2,483,772	2,378,018	1,564,757	2,593,500	2,147,500	2,172,516	1,560,711
Developer Contributions - Cash	16,000,000	17,000,000	18,000,000	19,000,000	20,000,000	21,000,000	22,000,000	23,000,000	23,100,000	23,100,000
Funded Depreciation	53,591,689	56,239,452	60,208,524	65,077,328	68,446,716	70,786,088	73,468,268	75,831,177	77,574,279	79,234,994
Transfers from Capital Reserves - Developer Contributions	34,268,130	32,993,663	24,271,267	26,286,375	24,244,623	19,086,829	28,257,712	23,972,269	24,684,851	37,221,170
Transfers from Capital Other Reserves	11,208,510	15,640,719	2,546,608	2,571,935	2,828,533	1,383,577	2,137,069	1,271,882	3,718,046	3,131,343
Transfer to Capital Reserves - Developer Contributions	(16,000,000)	(17,000,000)	(18,000,000)	(19,000,000)	(20,000,000)	(21,000,000)	(22,000,000)	(23,000,000)	(23,100,000)	(23,100,000)
Transfer to Capital Other Reserves	(6,400,000)	(2,950,000)	-	-	-	-	-	-	-	-
Loans	14,656,187	26,981,086	2,714,420	20,224,253	35,707,398	60,929,269	41,254,847	22,314,099	12,492,934	35,032,305
Developer Contributions - Non Cash (Donated Assets)	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Other Capital Revenue	-	-	-	-	-	-	-	-	-	-
Capital Contributions - Cash (Infrastructure Agreements)	12,759,585	13,491,891	15,160,897	19,862,063	24,411,709	24,356,075	27,922,164	33,791,012	41,310,333	49,533,984
General Revenue	145,271,662	155,441,595	166,036,071	176,631,997	187,237,939	197,843,965	208,450,000	219,056,035	229,662,070	240,268,105
Capital Expenditure										
Capital Expenditure	134,508,616	143,602,243	152,696,819	161,791,396	170,886,973	180,000,000	189,114,569	198,229,146	207,343,723	216,458,300
Loan Repayments	145,271,662	155,441,595	166,036,071	176,631,997	187,237,939	197,843,965	208,450,000	219,056,035	229,662,070	240,268,105
	279,780,278	299,043,838	318,732,890	338,432,393	358,124,912	377,843,965	397,564,569	417,285,181	437,005,793	456,726,405
Operating Surplus (Deficit)										
	19,588,381	20,282,757	20,983,191	21,683,625	22,384,059	23,084,493	23,784,927	24,485,361	25,185,795	25,886,229
Operating Surplus (Deficit)										
	19,588,381	20,282,757	20,983,191	21,683,625	22,384,059	23,084,493	23,784,927	24,485,361	25,185,795	25,886,229

**MACKAY REGIONAL COUNCIL
STATEMENT OF INCOME AND EXPENDITURE FOR TEN YEARS
To the Year Ending 30 June 2023**

	Budget 2013 / 2014	Budget 2014 / 2015	Budget 2015 / 2016	Budget 2016 / 2017	Budget 2017 / 2018	Budget 2018 / 2019	Budget 2019 / 2020	Budget 2020 / 2021	Budget 2021 / 2022	Budget 2022 / 2023
INCOME										
Recurrent Revenue:										
Net rates and utility charges	195,964,841	207,904,150	220,582,443	234,055,291	248,373,724	263,592,122	279,209,518	295,287,869	311,714,932	328,216,994
Fees and Charges	20,308,024	27,346,464	29,483,286	29,627,860	30,827,350	32,079,152	33,381,388	34,731,986	36,135,412	37,597,925
Interest received	3,023,375	3,823,375	3,823,375	3,823,375	3,823,375	3,823,375	3,823,375	3,823,375	3,823,375	3,823,375
Sales and recoverable works	302,275	442,835	442,835	442,835	442,835	442,835	442,835	442,835	442,835	442,835
Grants, subsidies, contributions and donations	7,662,175	7,170,375	7,514,487	7,559,921	7,662,119	7,662,119	7,704,388	7,755,705	7,808,376	7,862,628
Other	5,668,050	5,735,092	5,907,144	6,084,359	6,266,089	6,454,886	6,646,343	6,847,989	7,053,459	7,265,042
Total Recurrent Revenue:	246,337,340	259,326,094	273,707,486	288,917,314	305,052,792	322,167,437	339,757,781	357,866,714	376,447,235	395,172,739
Capital revenue:										
Grants, subsidies, contributions and donations	35,441,225	25,397,000	26,830,000	29,152,000	29,000,000	29,000,000	30,000,000	31,000,000	31,100,000	31,100,000
Total Capital revenue:	35,441,225	25,397,000	26,830,000	29,152,000	29,000,000	29,000,000	30,000,000	31,000,000	31,100,000	31,100,000
Total Revenue	\$ 281,778,565	\$ 284,723,094	\$ 300,537,486	\$ 318,069,314	\$ 333,672,792	\$ 351,167,437	\$ 369,757,781	\$ 388,866,714	\$ 407,547,235	\$ 426,272,739
EXPENDITURE										
Recurrent Expenses:										
Employee expenses	81,647,463	84,983,336	88,787,675	92,742,638	97,096,693	101,445,270	105,988,909	110,955,797	115,926,107	121,119,389
Materials and services	80,202,885	85,258,396	89,750,375	92,180,974	95,458,311	99,858,138	108,604,560	111,847,132	115,824,866	119,955,757
Finance costs	14,407,300	14,618,123	15,532,400	14,684,268	15,017,016	16,353,928	19,118,557	20,704,331	20,945,772	20,436,826
Depreciation & amortisation	55,591,689	59,239,452	62,408,524	65,077,328	68,446,716	70,786,088	73,468,288	75,931,177	77,574,279	79,234,884
Other expenses	1,313,922	1,347,625	1,388,054	1,429,696	1,472,987	1,516,764	1,562,267	1,609,135	1,657,409	1,707,132
Total recurrent expenses	233,163,239	245,426,932	257,847,027	266,114,903	277,491,324	289,960,189	308,742,582	320,947,571	331,928,432	342,454,098
Total Expenses	\$ 233,163,239	\$ 245,426,932	\$ 257,847,027	\$ 266,114,903	\$ 277,491,324	\$ 289,960,189	\$ 308,742,582	\$ 320,947,571	\$ 331,928,432	\$ 342,454,098
NET RESULT ATTRIBUTABLE TO COUNCIL	\$ 48,615,326	\$ 39,296,162	\$ 42,690,459	\$ 51,954,412	\$ 56,181,468	\$ 61,207,248	\$ 61,015,200	\$ 67,939,142	\$ 75,618,802	\$ 83,818,641

**MACKAY REGIONAL COUNCIL
FINANCIAL POSITION FOR TEN YEARS
To the Year Ending 30 June 2023**

	Budget 2013 / 2014	Budget 2014 / 2015	Budget 2015 / 2016	Budget 2016 / 2017	Budget 2017 / 2018	Budget 2018 / 2019	Budget 2019 / 2020	Budget 2020 / 2021	Budget 2021 / 2022	Budget 2022 / 2023
Current Assets										
Cash Assets	101,409,546	76,132,558	70,214,222	63,296,261	59,372,864	67,753,631	62,451,886	63,355,865	61,261,437	47,193,581
Receivables	30,166,893	30,166,893	30,166,893	30,166,893	30,166,893	30,166,893	30,166,893	30,166,893	30,166,893	30,166,893
Tax assets	1,964,303	1,964,303	1,964,303	1,964,303	1,964,303	1,964,303	1,964,303	1,964,303	1,964,303	1,964,303
Investments	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Non-current assets held for sale	135,340,741	110,063,732	104,145,418	97,227,457	93,304,060	101,684,827	96,383,082	97,287,061	95,192,633	81,124,777
Non-Current Assets										
Other	3,249,864,904	3,330,371,823	3,366,161,022	3,430,433,320	3,513,154,210	3,612,073,476	3,702,169,941	3,770,944,602	3,639,098,298	3,948,353,912
Property, plant and equipment	1,316,891	1,316,891	1,316,891	1,316,891	1,316,891	1,316,891	1,316,891	1,316,891	1,316,891	1,316,891
Capital works in progress	3,251,181,795	3,331,688,714	3,367,477,913	3,431,750,211	3,514,471,101	3,615,390,367	3,703,486,852	3,772,261,493	3,540,415,189	3,949,670,803
Intangible Assets	3,386,522,536	3,441,752,446	3,471,623,331	3,528,977,668	3,607,775,161	3,715,075,194	3,789,669,914	3,869,548,553	3,935,607,821	4,030,795,560
TOTAL ASSETS										
Current Liabilities										
Payables	36,091,946	36,091,946	36,091,946	36,091,946	36,091,946	36,091,946	36,091,946	36,091,946	36,091,946	36,091,946
Interest bearing liabilities	11,839,352	16,050,910	15,288,689	13,493,839	15,152,196	17,710,481	19,877,023	21,362,603	23,016,289	24,818,194
Provisions	24,702,367	24,702,367	24,702,367	24,702,367	24,702,367	24,702,367	24,702,367	24,702,367	24,702,367	24,702,367
Other	814,747	814,747	814,747	814,747	814,747	814,747	814,747	814,747	814,747	814,747
Non-Current Liabilities										
Interest bearing liabilities	73,446,412	77,659,970	76,887,549	75,102,899	76,761,256	79,319,541	81,486,083	82,971,663	84,625,349	86,527,224
Provisions	227,627,680	238,557,856	225,983,387	232,714,201	253,269,403	286,488,191	317,866,015	316,817,511	308,284,156	318,408,286
Other	17,803,738	17,803,738	17,803,738	17,803,738	17,803,738	17,803,738	17,803,738	17,803,738	17,803,738	17,803,738
TOTAL LIABILITIES										
	320,424,497	335,566,231	322,229,741	327,165,505	348,379,064	395,156,137	418,700,503	421,137,579	412,267,910	424,283,925
NET COMMUNITY ASSETS										
	\$ 3,066,098,039	\$ 3,106,186,215	\$ 3,149,393,591	\$ 3,201,812,163	\$ 3,258,396,098	\$ 3,319,919,057	\$ 3,361,169,411	\$ 3,448,410,975	\$ 3,523,339,912	\$ 3,606,511,655
Community Equity										
Council Capital	1,678,637,117	1,743,410,290	1,792,019,063	1,850,891,436	1,910,996,301	1,963,622,783	2,030,138,727	2,097,174,891	2,174,888,121	2,272,774,618
Reserves (deficiency)	1,678,637,117	1,743,410,290	1,792,019,063	1,850,891,436	1,910,996,301	1,963,622,783	2,030,138,727	2,097,174,891	2,174,888,121	2,272,774,618
Retained Surplus (deficiency)	1,288,382,365	1,298,174,379	1,298,691,286	1,300,155,457	1,300,557,823	1,300,873,634	1,301,108,788	1,300,411,210	1,299,721,344	1,299,074,447
Asset revaluation reserve	88,878,557	63,601,547	57,693,233	50,765,273	46,841,876	55,222,843	49,920,887	50,824,676	48,750,448	54,662,583
Other Reserves	3,066,098,039	3,106,186,216	3,149,393,593	3,201,812,165	3,258,396,100	3,319,919,060	3,361,169,412	3,448,410,977	3,523,339,914	3,606,511,657
TOTAL COMMUNITY EQUITY										

MACKAY REGIONAL COUNCIL
STATEMENT OF CASH FLOW FOR TEN YEAR
To the Year Ending 30 June 2023

	Budget 2013 / 2014	Budget 2014 / 2015	Budget 2015 / 2016	Budget 2016 / 2017	Budget 2017 / 2018	Budget 2018 / 2019	Budget 2019 / 2020	Budget 2020 / 2021	Budget 2021 / 2022	Budget 2022 / 2023
Cash flows from operating activities:										
Receipts from customers	255,403,190	255,897,719	270,712,111	287,191,939	301,847,417	318,342,062	335,932,406	354,061,339	372,621,860	391,347,363
Payments to suppliers and employees	(167,350,556)	(175,886,968)	(184,353,243)	(190,933,861)	(199,745,562)	(207,679,682)	(221,161,032)	(229,567,518)	(238,718,000)	(248,251,709)
	88,052,632	80,010,751	86,358,867	96,258,078	103,101,855	110,662,380	114,771,375	124,493,821	133,903,360	143,095,654
Interest received	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375	3,825,375
Borrowing Costs	(14,407,300)	(14,616,123)	(15,532,400)	(14,684,266)	(15,077,016)	(16,353,928)	(19,118,557)	(20,704,331)	(20,945,772)	(20,436,828)
Other	-	-	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from operating activities	77,470,707	69,218,003	74,651,843	85,399,185	91,910,214	98,133,826	99,475,193	107,614,866	116,792,964	126,464,204
Cash flow from investing activities:										
Payments for property, plant and equipment	(122,322,308)	(131,284,632)	(87,539,021)	(118,788,682)	(140,425,187)	(158,094,890)	(152,917,804)	(134,295,462)	(135,280,241)	(177,218,786)
Net movement in community loans	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property plant and equipment	21,746,336	21,647,895	20,304,355	21,535,772	22,378,018	22,564,757	24,593,500	25,147,500	25,272,518	24,650,711
Net cash inflow (outflow) from investing activities	(100,575,972)	(109,636,747)	(67,233,666)	(97,252,910)	(118,047,169)	(135,530,133)	(128,324,304)	(109,147,962)	(110,007,723)	(152,568,075)
Cash flow from financing activities:										
Proceeds from borrowings	14,656,187	26,981,068	2,714,420	20,224,253	35,707,398	60,929,269	41,254,847	22,314,099	12,492,934	35,032,305
Repayment of borrowings	(10,763,046)	(11,839,352)	(16,050,910)	(15,288,489)	(13,493,839)	(15,152,196)	(17,710,481)	(19,877,023)	(21,362,603)	(23,016,289)
Repayments made on finance leases	-	-	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from financing activities	3,893,141	15,141,716	(13,336,490)	4,935,764	22,213,559	45,777,073	23,544,366	2,437,076	(8,869,669)	12,016,016
Net increase (decrease) in cash held	(19,212,124)	(25,277,010)	(5,918,314)	(6,917,961)	(3,923,397)	8,380,767	(5,301,746)	903,979	(2,094,428)	(14,067,856)
Cash at beginning of reporting period	120,621,669	101,409,545	76,132,536	70,214,222	63,296,261	59,372,864	67,753,631	62,451,886	63,355,865	61,261,437
Cash at end of reporting period	\$ 101,409,545	\$ 76,132,536	\$ 70,214,222	\$ 63,296,261	\$ 59,372,864	\$ 67,753,631	\$ 62,451,886	\$ 63,355,865	\$ 61,261,437	\$ 47,193,581

MACKAY REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY FOR TEN YEAR
To the Year Ending 30 June 2023

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2013	0	1,809,559,667	1,307,990,987	109,540,681	3,027,091,334
Surplus for the period	48,615,326				48,615,326
Transfer to and from reserves					
Transfer to/from Capital	(46,200,810)	46,200,810			0
Transfer to Reserve - prior surplus			(9,608,622)		(9,608,622)
Transfer to Reserves	(6,141,065)	(22,400,000)		28,541,065	0
Transfer from Reserves	3,726,549	45,476,640		(49,203,189)	0
Total Transfers to and from Reserves	(48,615,326)	69,277,450	(9,608,622)	(20,662,124)	(9,608,622)
Balance as at 30 June 2014	\$ 0	\$ 1,878,837,117	\$ 1,298,382,365	\$ 88,878,557	\$ 3,066,098,039

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2014	0	1,878,837,117	1,298,382,365	88,878,557	3,066,098,039
Surplus for the period	39,296,162				39,296,162
Transfer to and from reserves					
Transfer to/from Capital	(35,888,891)	35,888,891			0
Transfer to Reserve - prior surplus			792,014		792,014
Transfer to Reserves	(5,532,345)	(19,950,000)		25,482,345	0
Transfer from Reserves	2,125,073	48,634,281		(50,759,355)	0
Total Transfers to and from Reserves	(39,296,162)	64,573,172	792,014	(25,277,010)	792,014
Balance as at 30 June 2015	\$ 0	\$ 1,743,410,289	\$ 1,299,174,379	\$ 63,601,548	\$ 3,106,186,215

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2015	0	1,743,410,289	1,299,174,379	63,601,547	3,106,186,215
Surplus for the period	42,690,459				42,690,459
Transfer to and from reserves					
Transfer to/from Capital	(39,790,897)	39,790,897			0
Transfer to Reserve - prior surplus			516,917		516,917
Transfer to Reserves	(5,104,221)	(18,000,000)		23,104,221	0
Transfer from Reserves	2,204,659	26,817,875		(29,022,535)	0
Total Transfers to and from Reserves	(42,690,459)	48,608,772	516,917	(5,918,314)	516,917
Balance as at 30 June 2016	\$ 0	\$ 1,792,019,061	\$ 1,299,691,296	\$ 57,683,232	\$ 3,149,393,590

**MACKAY REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY FOR TEN YEAR
To the Year Ending 30 June 2023**

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2016	0	1,792,019,061	1,299,691,296	57,683,233	3,149,393,591
Surplus for the period	51,954,412				51,954,412
Transfer to and from reserves					
Transfer to/from Capital	(49,014,063)	49,014,063			0
Transfer to Reserve - prior surplus			464,161		464,161
Transfer to Reserves	(5,227,650)	(19,000,000)		24,227,650	0
Transfer from Reserves	2,287,300	28,858,310		(31,145,610)	0
Total Transfers to and from Reserves	(51,954,412)	58,872,372	464,161	(6,917,961)	464,161
Balance as at 30 June 2017	\$ 0	\$ 1,850,891,434	\$ 1,300,155,456	\$ 50,765,274	\$ 3,201,812,163

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2017	0	1,850,891,434	1,300,155,457	50,765,273	3,201,812,163
Surplus for the period	56,181,466				56,181,466
Transfer to and from reserves					
Transfer to/from Capital	(53,031,709)	53,031,709			0
Transfer to Reserve - prior surplus			402,466		402,466
Transfer to Reserves	(5,522,874)	(20,000,000)		25,522,874	0
Transfer from Reserves	2,373,115	27,073,156		(29,446,271)	0
Total Transfers to and from Reserves	(56,181,466)	60,104,865	402,466	(3,923,397)	402,466
Balance as at 30 June 2018	\$ 0	\$ 1,910,996,299	\$ 1,300,557,923	\$ 46,841,876	\$ 3,258,396,098

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2018	0	1,910,996,299	1,300,557,923	46,841,876	3,258,396,098
Surplus for the period	61,207,248				61,207,248
Transfer to and from reserves					
Transfer to/from Capital	(53,356,075)	53,356,075			0
Transfer to Reserve - prior surplus			315,711		315,711
Transfer to Reserves	(10,313,401)	(21,000,000)		31,313,401	0
Transfer from Reserves	2,462,228	20,470,406		(22,932,634)	0
Total Transfers to and from Reserves	(61,207,248)	52,826,481	315,711	8,380,767	315,711
Balance as at 30 June 2019	\$ 0	\$ 1,963,822,780	\$ 1,300,873,634	\$ 55,222,643	\$ 3,319,919,057

**MACKAY REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY FOR TEN YEAR
To the Year Ending 30 June 2023**

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2019	0	1,963,822,780	1,300,873,634	55,222,643	3,319,919,057
Surplus for the period	61,015,200				61,015,200
Transfer to and from reserves					
Transfer to/from Capital	(57,922,164)	57,922,164			0
Transfer to Reserve - prior surplus			235,154		235,154
Transfer to Reserves	(5,647,804)	(22,000,000)		27,647,804	0
Transfer from Reserves	2,554,768	30,394,781		(32,949,549)	0
Total Transfers to and from Reserves	(61,015,200)	66,316,945	235,154	(5,301,746)	235,154
Balance as at 30 June 2020	\$ 0	\$ 2,030,139,726	\$ 1,301,108,788	\$ 49,920,897	\$ 3,381,169,411

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2020	0	2,030,139,726	1,301,108,788	49,920,897	3,381,169,411
Surplus for the period	67,939,142				67,939,142
Transfer to and from reserves					
Transfer to/from Capital	(64,791,012)	64,791,012			0
Transfer to Reserve - prior surplus			(697,579)		(697,579)
Transfer to Reserves	(5,798,999)	(23,000,000)		28,798,999	0
Transfer from Reserves	2,850,869	25,244,151		(27,895,020)	0
Total Transfers to and from Reserves	(67,939,142)	67,035,163	(697,579)	903,979	(697,579)
Balance as at 30 June 2021	\$ 0	\$ 2,097,174,888	\$ 1,300,411,210	\$ 50,824,876	\$ 3,448,410,974

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2021	0	2,097,174,889	1,300,411,210	50,824,876	3,448,410,975
Surplus for the period	75,618,802				75,618,802
Transfer to and from reserves					
Transfer to/from Capital	(72,410,333)	72,410,333			0
Transfer to Reserve - prior surplus			(689,865)		(689,865)
Transfer to Reserves	(5,963,239)	(23,100,000)		29,063,239	0
Transfer from Reserves	2,754,769	28,402,897		(31,157,666)	0
Total Transfers to and from Reserves	(75,618,802)	77,713,230	(689,865)	(2,094,428)	(689,865)
Balance as at 30 June 2022	\$ 0	\$ 2,174,888,119	\$ 1,299,721,344	\$ 48,730,448	\$ 3,523,339,912

**MACKAY REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY FOR TEN YEAR
To the Year Ending 30 June 2023**

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2022	0	2,174,888,119	1,299,721,344	48,730,448	3,523,339,912
Surplus for the period	83,818,641				83,818,641
Transfer to and from reserves					
Transfer to/from Capital	(80,633,984)	80,633,984			0
Transfer to Reserve - prior surplus			(646,898)		(646,898)
Transfer to Reserves	(6,047,530)	(23,100,000)		29,147,530	0
Transfer from Reserves	2,862,873	40,352,512		(43,215,385)	0
Total Transfers to and from Reserves	(83,818,641)	97,886,496	(646,898)	(14,067,856)	(646,898)
Balance as at 30 June 2023	\$ 0	\$ 2,272,774,616	\$ 1,299,074,447	\$ 34,662,593	\$ 3,606,511,655

MACKAY REGIONAL COUNCIL
MEASURES OF FINANCIAL SUSTAINABILITY FOR TEN YEARS
To the Year Ending 30 June 2023

INTRODUCTION

The following ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which should be met to ensure the prudent management of financial risks in accordance with section 169 (5) of Local Government Regulation 2012. Ratios have been calculated for the ten year period of Council's Long Term Financial Forecast. The benchmarks used are from "Financial Management (Sustainability) Guideline 2011" issued by the Department of Local Government.

SUSTAINABILITY RATIOS**ASSET SUSTAINABILITY RATIO:**

This is an approximation of the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.

Formula:

$$\frac{\text{Capital expenditure on renewals}}{\text{Depreciation expense}}$$

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Results	126.25%	108.71%	80.63%	102.47%	114.10%	77.73%	65.32%	91.89%	81.27%	81.32%
Benchmark	>90%	>90%	>90%	>90%	>90%	>90%	>90%	>90%	>90%	>90%
Within Limits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENT:

The above ratio is calculated based on the planned capital expenditure on the renewal of assets included in Council's Long Term Financial Forecast. Council is confident that this expenditure contributes to asset replacement and renewal for the forecast period with information currently at hand. Further work on Council's asset management plans and regional sustainability strategy will improve Council's ability to make informed decisions regarding asset management into the future.

NET FINANCIAL LIABILITIES RATIO:

This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.

Formula:

$$\frac{\text{Total liabilities less current assets}}{\text{Total operating revenue}}$$

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Results	75.13%	86.96%	79.68%	79.59%	83.94%	91.09%	94.87%	90.49%	84.23%	86.84%
Benchmark	<=60%	<=60%	<=60%	<=60%	<=60%	<=60%	<=60%	<=60%	<=60%	<=60%
Within Limits	<input type="checkbox"/>									

COMMENT:

This ratio is reflective of Council's effort to cope with infrastructure demands associated with high levels of sustained growth. In order to address affordability issues and ensure intergenerational equity, Council has and will use loan funds to manage impacts of necessary major capital investment. Council's increased debt levels are also reflective of the loss of significant water and sewerage subsidies. Despite exceeding the desired target, Council remains confident in meeting its financial liabilities over the long term whilst also taking the opportunity to review results arising from the regional sustainability strategy currently underway.

**MACKAY REGIONAL COUNCIL
MEASURES OF FINANCIAL SUSTAINABILITY FOR TEN YEARS
To the Year Ending 30 June 2023**

OPERATING SURPLUS RATIO:

This ratio is an indicator of the extent to which operating revenues raised cover operating expenses. A ratio greater than 0% indicates additional funds are available for capital funding or other projects.

Formula:

$$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$$

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Results	5.35%	5.36%	5.79%	7.89%	9.03%	10.00%	9.13%	10.32%	11.83%	13.34%
Benchmark	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%
Within Limits	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						

COMMENT:

Council's forecast operating surplus ratio is within the benchmark set by DLG for the first seven years of the forecast period and slightly exceeds the benchmark in the last three years. This shows Council is in a strong financial position and Council's continuing commitment to fund additional capital expenditure. It should be acknowledged that the last three years exceed the target range due to the large capital investment required to meet additional infrastructure to cater for the State Government population projections.

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013/2014
CAPITAL PROJECTS**

**Budget
2013/2014**

GENERAL

CORPORATE SERVICES

Procurement & Plant

Plant & Equipment - Replacement Program	7,735,000
	7,735,000

Information Services

New Staff - IT Equipment	100,000
Computer Equipment Strategic	155,000
Computer Software Strategic	450,000
Computer Equip & Software Non Strategic	125,000
Computer Systems Business Continuity	85,000
Photocopiers	200,000
Mobile Computing	50,000
Sharepoint	90,000
Information Management Project	100,000
Safeplan	60,000
Learning Management System	15,000
Networks	365,000
Arc GIS	80,000
ICT DRR	250,000
Archival Storage	25,000
Corporate Computer Systems	575,000
	2,725,000

Asset Management

Asset Management Software	1,000,000
	1,000,000

Corporate Communications

Mackay Regional Council - Entry Signage	20,000
Mackay Regional Council - Facility Signage	10,000
	30,000

TOTAL CORPORATE SERVICES

\$ 11,490,000

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013/2014
CAPITAL PROJECTS**

**Budget
2013/2014**

COMMUNITY SERVICES

Property Services

Artspace - Replace Airconditioning	350,000
Re-Roofing Council Buildings	315,176
Old Pioneer Shire Council Building	615,000
	1,280,176

Community Development & Libraries

Library - Reference Desk Area & Security Gates	100,000
Sarina Youth Centre - Replacement Equipment	5,000
City Library - Capital Plant & Equipment	56,000
City Library - Microfiche / Film Reader Prints	16,000
City Library - RFID	65,000
	242,000

Convention Precinct and Events

Furniture Replacement - MEC	30,000
Artspace - Artwork Purchases	10,000
MECC Software and website upgrades	60,000
MECC - New Dimmers	35,000
.MECC - Replace LX Controls	35,000
MECC - Lighting Equipment Upgrade	180,000
Convention Centre - Replace Fridges	68,000
Convention Centre - New Carpet Tiles	120,000
	538,000

Recreation Services

Mirani Pool Capital Expenditure	43,709
Aquatic Facilities - Lagoon Assoc. Works	366,793
Pioneer Pool Capital Expenditure	43,709
Memorial Pool Capital Expenditure	43,709
	497,920

Economic Development

City Centre	80,000
Mackay City Centre Public Realm	14,200,514
	14,280,514

TOTAL COMMUNITY SERVICES

\$ 16,838,610

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013/2014
CAPITAL PROJECTS**

**Budget
2013/2014**

ENGINEERING SERVICES

Department Management

SES Building Upgrade - Ness Street	650,000
SES Building Upgrade - Sarina	200,000
SES Building Upgrade - Armstrong Beach	20,000
Finch Hatton SES Group Shed Project	25,000
Midge Point SES Facility	13,000
City Centre Improvements (General)	52,000
IT Upgrades	30,000
Sand Stockpile Hardstand	30,000
Calen SES Facilities Upgrade	52,000
Gordon White Library Backup Generator Project	100,000
City Centre Enhancement - Southern Approach	250,000
City Centre Off Street Carparks	106,000
City Centre Footpaths Header	490,017
	<u>2,018,017</u>

Civil Operations

Plant & Equipment - Maintenance	30,000
Traffic Signals Header Account 5.2	73,503
	<u>103,503</u>

Technical Services

Asset Services - Traffic Counters	31,851
Land under Roads Resumption & Compensation	109,643
	<u>141,494</u>

Parks & Environment

Rubber Softfall Undersurfacing- Streetsc	50,000
Local Park Development - Facility Upgrades	20,000
Fields of Dreams Park - Railway Square - Masterplan, shelter	80,000
Signage	15,000
Beach Access Upgrades - Sand ladders and beach access ramps	12,000
Shelters - Roof Replacement	20,000
Shelters - Upgrade	15,000
Programmed Upgrade - Flooring, basins, pedestals and sensor	79,500
Minor Play Equipment - General Replacement	32,000
Rawsons Hollow Sector: Shelter - Botanic Gardens	5,000
Rawsons Hollow Sector: Signage & Interpretation	5,000
General Upgrades - foreshore parks	30,000
Park Shelters Painting	5,000
Rawson's Hollow Sector - Play Garden Extension	25,000
Cremorne Sector - Bluewater Trail Linkage Shared Path	60,000
Balmoral Sector - Garden of Memories	40,000
Finch Hatton Township Park	100,000
North Eton Township Park	12,000
Pinnacle Township Park	45,000
St Helens Beach Camping Reserve	32,000

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013/2014
CAPITAL PROJECTS**

	Budget 2013/2014
Eimeo Esplanade Park	100,000
Bucasia Swimming Enclosure	10,000
Malcomson Street to Phillip Street	202,000
Jubilee Park Rotunda	140,000
Queens Park Nursery Sheds	6,000
Sandfly Creek	10,000
Mirani Cemetery - Landscaping	10,000
Mt Bassett - Landscaping - Beams	15,000
Mt Bassett - Lawn Renovations	20,000
McHugh Street Park	38,000
Railway Reserve Play Nodes	85,000
Botanic Gardens	13,000
Botanic Gardens - Balmoral Sector. Regional Forest Garden	5,000
Botanic Gardens - Cremorne Sector, Decks & Handrails	40,000
Cremorne Sector - Cafe Equipment Upgrades	5,000
Summerlands Sector - Roads and Services	5,000
Rawson's Hollow Sector - Pathways	5,000
Meadowlands Sector - Operational Depot Upgrades	85,000
Catherine Street Park, Greenmount	80,000
Balmoral Sector - Seating	5,000
Diane Street Park, Mt Pleasant	60,000
Blacks Beach Park	60,000
Carbeen Street Park, Andergrove	65,000
Kaliguil Sector - Signage & Interpretation	2,000
Meadowlands Sector - Consultant Fees	150,000
Marian Hampden Play Group	20,000
Illuka Park 1	5,000
Gooseponds Park, North Mackay	30,000
Northview Park	50,000
	2,003,500

Civil Projects

Evans Ave Drainage - Palmer St to Joint Levee Rd	500,000
LATM Initiatives HEADER	262,159
Intersection - Malcomson St, Greenfields INCLUDE 50555	300,000
Bridge Rehabilitation Header	350,000
Archibald & Paradise St Intersection	1,990,000
Connors Road Upgrade	3,600,000
Seagull Street Reconstruction	150,000
Road Resheeting	2,900,000
Milton Street & Bridge Road Intersection - Concept Design	130,000
Paradise Street Upgrade	1,938,000
Intersection - Malcomson St / Charles Hodge Ave	300,000
Drainage through Emergency Services Site	200,000
Wallmans - Eimeo Road Link, Roundabout to Dawson Blvd	350,000
Grasstree Beach Bikeway/Footway, Existing township to Chn	320,000
Barrow Hill Road, Drainage across road	50,000
Walters Ave Reconstruction, Waverley St to Esplanade	110,000
Hill End Road Reconstruction, Highway to Davey St	1,247,000

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013/2014
CAPITAL PROJECTS**

	Budget 2013/2014
Stockbridge St Reconstruction	600,000
Gakowski Road, Dows Creek - Floodway Extensions	160,000
Shakespeare Street Rehabilitation, Sydney St - Milton St	1,700,000
Access Audits DDA Action Plans	297,700
East Funnel Creek Road	210,000
Paulette Street Reconstruction	60,000
Pavement Rehabilitation	1,000,000
Advance Design Header	577,000
Glenpark St Overpass	150,000
Mt Martin Loop Rd, Chn 0.91 - 1.91	305,000
Connors Rd to Stockroute Rd Connection	200,000
Waverley St, Bucasia - Reconstruction	250,000
Sophia St Reconstruction	325,000
Palm Avenue, Seaforth - Drainage	120,000
Range Road, Sarina	120,000
Cross City Link - Stage 2	50,000
Gooseponds Missing Links Part 1	195,000
Gooseponds Missing Links Part 2	225,000
Gordon Street Green POD - Cnr Gordon & Wood Sts	30,000
East Boundary Rd Reconstruction, Paget	1,052,000
Grasstree Rd - Chn 0.8 to 1.8km	600,000
Dalrymple Rd, Eungella - Guardrail Chn 0.65km	150,000
Seaforth / Port Newry Rd - Widening	115,000
Arana Drive, Eimeo - Drainage, Kerb & Channel	150,000
Roy St, Sarina - Stormwater Drainage	105,000
Multimodal Corridor, Mt Pleasant	100,000
Shakespeare St Culvert Replacement	1,225,043
Pioneer St / Gingham St Roundabout	85,000
Jackson St, West Mackay - Drainage Catchment	300,000
Open Drain - North of Schmidtkes Rd to Monash Palms	500,000
Berri Werri - Cattle Creek Rd Bridge	50,000
Oakenden / Eton - Homebush Rd	100,000
Willetts Rd Carpark @ Gooseponds	50,000
Roundabout - Alfred & Peel St, Mackay	50,000
Juliet Street/ Stevenson Street Splitter Islands	20,000
Victoria Plains Rd - Intersection & Widening	50,000
Waverley St, Bucasia - Reconstruction	100,000
Nelson St, Mackay - Drainage	304,000
Saltwater Creek Bridge	527,000
Oak St, Andergrove - Upgrade	150,000
Midge Point Rd Realignment @ Bloomsbury	510,000
Waverley St, Bucasia - Traffic Calming	110,000
Footpath - Wood St @ Gordon St	50,000
Louise St, Mirani - K & C Replacement - 140m	60,000
Boat Ramp - O'Brien Esp, Shoal Point	30,000
Boat Ramp - Neilsen Parade, Midge Point	60,000
Culvert - Glenella - Richmond Rd (Culvert 5 @ 1050 RCP)	30,000
Penn & Juliet St, Mackay - Pedestrian Refuge	61,252
Hinton St, Mackay - Shoulder Sealing	230,000

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013/2014
CAPITAL PROJECTS**

	Budget 2013/2014
Demaining Malcomson / Palmer St, North Mackay	600,000
Mirani State School - Parking / Footpath	225,714
Owen Jenkins Dr, Sarina Beach	58,000
Paulette Street Reconstruction Road Works Only	600,000
Ward Esp, Ball Bay - Drainage & Road Reconstruction	210,000
Gregory Street Bus Shelter Extension (Eastern Side)	42,300
Beaconsfield Road Footpath	15,000
Owens Creek Loop Rd - Widen & Overlay	235,000
Allocation to Support Grant Application	190,000
Council Bus Shelter Capital Header	79,628
Easement - Old Harris Estate, Balberra	30,000
Drainage Works - Old Harris Estate, Balberra	30,000
Annual Footpath / Bikeway Program (Header)	745,752
EAAC Committee DDA Requests	26,216
Bluewater Trail - Along Bridge Rd - Stadium to Milton	327,000
Bluewater Trail - Stadium to Quota Park	205,000
Carparks Header	122,504
Mt Martin Loop Road - Widen & Overlay	100,000
Stormwater Quality Initiatives - Header	20,000
Oak Street land acquisitions	200,000
Carl Street, Eimeo	40,000
Sarina Beach Road (1408m ²), Sarina	40,000
Glenella Road Pedestrian Refuge @ Magpies	50,000
Sugarshed Road, Rehabilitation/Widening	20,000
	32,408,268
 <u>NDRRA</u>	
NDRRA Complimentary Works	3,200,000
	3,200,000
 TOTAL ENGINEERING SERVICES	\$ 39,874,782
 TOTAL GENERAL PROJECTS	\$ 68,203,392

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013/2014
CAPITAL PROJECTS**

**Budget
2013/2014**

WATER

Plant & Equipment at Cost - Water	50,000
Water Service Replacements	150,000
Water Treatment P/S - Bore	160,000
AWMR-Connors Road South	20,000
WTP-Nebo Rd support improvements \ upgrades	50,000
AWMR-Archibald/Central Park	7,255
Retic - Meter Replacement Program	1,189,250
AWMR - Mengel Street North	45,000
AWMR-Stockbridge Street Reconstruction	196,000
BWMR-Evans Av (Malcomson to Harbour rd)	238,566
WMT-Sarina water infrastructure improvement	100,000
BWMR-Graffunder Street(Milton to Paradise St)	77,000
WRS-Rural Water Supply Scheme Assessment (DWQMS)	1,083,280
AWMR - Brooks St, Sarina (150 mm)	272,617
AWMR - Dawson St, Sarina (100 mm)	11,208
AWMR - Augusta St, Mirani	12,832
BWMR - Milton St (Gordon - Victoria St) 200 mm Main	208,817
BWMR - Milton St (Bridge Rd - Graffunder St) Water	54,920
AWMR - Phillip St (Broad St - Biltoft St, Sarina)	20,000
AWMR - Bridge Rd (Paradise St - Wilson St)	109,180
WRS-Mt Pleasant Reservoir	624,784
INW-Leak Detection and Demand Management	682,000
Digitisation of Telemetry	420,500
WTP - Marian Water Treatment Plant New	5,500,000
RWS - Middle Creek Dam Spillway Augment.	100,000
CWMT - Bruce Hwy (Stockroute Rd Intersection)	370,000
WMR - Kellys Rd (south of Murial St)	295,626
WPS - Blacks Beach Reservoir New Booster	225,000
WMT - Midge Point Line - system WQ	150,000
WRT - Smart Metering	1,568,240
WMT Cemetery Rd DN450	315,404
WWS Laboratory - New	210,000
WMT - Rural View Reservoir	142,846
WRS-Reservoir Chlorination System	160,000
CWMT-Forgan Bridge Trunk Main	772,334
AWMR Anzac Avenue - Mirani	20,000
WRS-Reservoir Corrosion Project	300,000
WPS - New Booster Eulbertie Ave Development	120,000
MAC-Percy Court Embankment Repairs	495,000
Marian Raw Water intake structure & pipelines	2,500,000
AMAC-East Boundary Road Reconstruction	7,036
BWMR-Holland St(Lagoon to Bridge)	100,000
cWMT-Eimeo Blacks Beach Development (Chenoweth Drive)	294,105
AWMR-Milton Street (Old saturation Northern end)	263,033
AWMR-Alice Street, Mirani	60,869
AWMR-Caroline Street, Mirani	22,195
AWMR-Brewers Road, Sarina	275,394

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013/2014
CAPITAL PROJECTS**

	Budget 2013/2014
AWMR-Broad Street, Sarina	110,856
WMT-Water Main Extension Kilkenny Court	62,393
AWMR-Wallmans Road (Roundabout-Dawson, 300 mm)	20,000
WPS-Golf Links PS - VSD Replacement	139,000
TOTAL WATER PROJECTS	<u>\$ 20,382,540</u>

**MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS 2013/2014
CAPITAL PROJECTS**

**Budget
2013/2014**

WASTE WATER

Plant & Equipment at Cost - Sewerage	100,000
SRP-Manhole Repairs	188,000
SPS - Base Hospital	209,966
SPS - Sarina No 7	250,000
SPS - Sarina No 8	281,377
SLP - Overflow Abatement Program	215,000
SRM - Pacific Parks / Millenium Drive, Sarina	300,000
CSRM - Eimeo / Blacks Beach Development	208,757
CSLP - Forgan Bridge Trunk Rising Main	772,334
SPS - Connors Rd PS Augmentation	300,000
SPS - Oak Street	150,000
SPS - Prawn Farm	4,000,000
STP - Sarina Water Recycling Facility	19,990,100
Mirani Water Recycling Facility - Stage 1	681,000
SPS - New Biltof St SPS (Sarina No.1)	700,000
SRP-Inflow / Infiltration	1,026,000
TTS-Digitisation of MW Telemetry	362,500
SPS-Rolling Pump Replacements (HEADER)	100,000
SLP-Gravity Sewer Replacement (Marian)	290,000
SLP-Kenny's Rd Overflow Abatement	400,000
SPS-Symons Farm PS Upgrade	203,626
SPS-Shoal Point SPS (Royal Sands) Regional PS	500,000

TOTAL WASTE WATER PROJECTS	\$ 31,228,660
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TOTAL WATER & WASTE WATER PROJECTS	\$ 51,611,200
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WASTE

Hogans Pocket Landfill Cell Capping	3,120,000
Hogans Pocket - Cell 1 Landfill Gas	142,860
Environmental Monitoring Management	150,000
Plant & Equipment at Cost - Waste Servic	40,000
Sarina transfer station	1,937,163
Hogans Pocket future landfill cell construction	804,000
Construction & Demolition Waste Diversion Project	500,000

TOTAL WASTE PROJECTS	\$ 6,694,023
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TOTAL COUNCIL PROJECTS	\$ 126,508,615
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 Mackay REGIONAL COUNCIL	COUNCIL POLICY	
	Budget Policy	
	POLICY NO	009
	DEPARTMENT	Corporate Services
	PROGRAM	Financial Services

1.0 Scope

This policy applies to Council's corporate budgeting activities including the annual budget and any subsequent reviews.

2.0 Purpose

This policy provides a framework for the administration of Council's budget and establishes guidelines to ensure that known variations to the budget are addressed in a timely manner.

3.0 Reference

- Local Government Act 2009
- Local Government Regulation 2012

4.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean Mackay Regional Council.

Adopted Budget shall mean the original budget for Mackay Regional Council for the financial year including any amendments to the budget adopted by the Council under section 170 of the Regulation.

The Act shall mean *Local Government Act 2009*.

The Regulation shall mean *Local Government Regulation 2012*

Long-Term Financial Forecast shall mean a document that –

- (a) contains a forecast of income and expenditure and the value of assets, liabilities and equity for each year during the period of the forecast.
- (b) includes a statement of financial position, a statement of cash flow, a statement of income and expenditure and a statement of changes in equity for each year during the period of the forecast.
- (c) states the relevant measures of financial sustainability for the period of the forecast.
- (d) covers a period of at least 10 years and is reviewed annually.

Corporate Plan shall mean a document that outlines the local government's objectives, and the nature and scope of the activities proposed to be carried out.

5.0 Background

Council is a very large business providing a wide range of services, many of them significant, to all parts of the community. It is important guidelines are established to assist in providing financial rigour to these activities. This includes guidelines to:

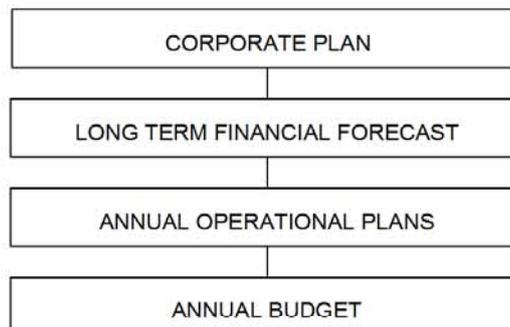
- Clarify limitations on the release of budgetary information prior to the formal adoption of the budget.
- Ensure that Council reports are presented in a fiscally responsible manner.
- Provide guidance in the preparation of the budget reviews.
- Ensure that required amendments to the budget are made in a timely manner.
- Ensure consistency with Council's Long Term Financial Forecast and Long Term Asset Management Plans.

6.0 Policy Statement

Mackay Regional Council's budget cycle is aimed at addressing the need for:

- Long term financial planning;
- Detailed annual budgets supporting Council's operating plans and revenue decisions;
- Reviews to address progress against the annual operating plan; and
- Reviews to align the budget with actual results.

The overarching policy framework is illustrated as follows:



6.1 Council Reports

The following principles are to be applied when compiling official Council meeting reports:-

- (a) Recommendations that are presented to Council that have the effect of increasing expenditure or reducing income (if adopted) **MUST** indicate where alternative funding is to be sourced from.
- (b) No report is to include a recommendation that "funds are to be identified at the next review" or that "the project be included in next year's budget" (although the item may be **listed for consideration** in either the next review or the following year's budget).

Note: These two statements have the effect of committing Council to works that it may not be able to fund.

- (c) Where a recommendation states that the funds are to be allocated from various Reserve pools the report **MUST** include the current balance of the relevant account. This will enable Councillors to be fully informed prior to approving the allocation.
- (d) Only emergent projects/expenditure items should generally be incorporated into Budget Reviews.

Note: The overall intention for the Budget Reviews is to review performance and assess financial position.

- (e) Where an item that has a financial implication is raised in the General Business section at a Council Meeting, a report is to be presented to a future meeting so that possible funding can be identified before the recommendation is adopted.
- (f) The budget is a "project" budget. Where projects are completed under budget, the funds are to be retained in consolidated revenue for those projects that may be over expended.

6.2 Annual Budget Consideration

Throughout the financial year Council considers matters which may result in a referral to future budget considerations. Where this occurs in an open Council meeting it becomes a matter of public knowledge. These matters must be consistent with Council's Long Term Financial Forecast, when adopted.

During the lead up to the adoption of the original annual budget for a particular financial year, detailed presentations and working papers are provided to Councillors. The presentations and working papers may include potential expenditure, pricing and rating considerations and various scenarios on options to be considered before the adoption of the budget. This includes information pertaining to Council's commercial and general activities.

In the case of commercial activities, the disclosure of detailed pricing and expenditure information may be detrimental to Council's competitive position. Consequently this information is to be treated as confidential. Commercial activities

include those activities defined as Type 1 and 2 significant business activities in accordance with section 9 of the *Local Government Regulation 2012*.

While there are no commercial considerations within Council's general activities, the premature release of financial information being considered as part of budget deliberations may cause conjecture on the likely outcomes. The subtlety between information presented to Councillors to assist them with decision making and the intent of Council after considering all information, may be lost in public disclosure. In order to prevent misleading information in the media or unfounded public conjecture, it is therefore necessary to control the public release of information prior to the formal adoption of the budget.

As a matter of policy, all budget working papers including material presented on possible pricing, rating and expenditure is to be treated as 'strictly confidential'.

In some instances portions of the above information may normally (outside of the budget process) be used to answer inquiries or comments from members of the public. In recognition of the operational need to continue to respond to public inquiries/comment during the budget preparation, the Mayor and CEO (or CEO delegate) are authorised to exercise discretion in releasing information which would otherwise be considered confidential under this policy.

6.3 Budget Reviews

It is recognised that (following finalisation of the June financial statements) the actual opening balance may be either more favourable or less favourable than the estimate in the original budget. In the case that it is more favourable, priority will be given to reducing any unfunded depreciation, transferring any surplus to appropriate reserves or to reduce the level of borrowings. A very conservative budget approach is to be taken at this early stage of the financial year due to the possibility of not meeting revenue targets or unpredicted/ unavoidable expenditures.

Any rates growth income that arises during the financial year should also be constrained to an appropriate reserve or used to reduce borrowings.

Should other additional funding also become available during the year, the first priority will be to reduce borrowing where possible and ensure that approved projects have adequate allocations to meet the initial scope of the project.

6.4 Amendments to the Budget

There are a number of budget amendments that may be required during the year. The process for handling various types of amendments is as follows:

Type of Amendment	Process
Increased/decreased expectation of revenue.	Adjust at next review if has an overall impact on Council's adopted budget.
Increase or reduction in the scope of a Council approved project (operating or capital).	Prepare report to Council for decision/endorsement, outlining if there is any financial/budget impact and adjusted at next review if required.
Change in routine/operational item. (eg additional funds required in one project area, but savings available in another).	At Manager Financial Services discretion, provided it is within the one Program area.
Transfers between Programs.	Council approval required prior to work commencing. Ideally done at a quarterly review. However, if urgent, this can be handled as a separate report or as part of the Monthly Executive Financial Performance Report.
Incorrect classification of projects as either operational or capital nature or incorrect allocation of Operational Plan, which is for accounting purposes only and has a nil effect on Council's bottom line.	At Manager Financial Services discretion.
Information regarding additional grant funded projects and associated revenue and expenditure.	To be included in Monthly Executive Financial Performance Report.

7.0 Review of Policy

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

1. The related documents are amended or replaced.
2. Other circumstances as determined from time to time by a resolution of Council.

Notwithstanding the above, this policy is to be reviewed annually.

 Mackay REGIONAL COUNCIL	COUNCIL POLICY	
	Debt Policy	
	POLICY NO	007
	DEPARTMENT	Corporate Services
	PROGRAM	Financial Services

1.0 Scope

This policy applies to the use of loan borrowings by Council to fund infrastructure and other capital projects

2.0 Purpose

To ensure compliance with the *Local Government Regulation 2012* as well as ensuring that appropriate forward financial planning is undertaken.

Section 192 states that a Local Government must prepare a debt policy each financial year which must state the following:

- (a) new borrowings planned for the current financial year and the next 9 financial years; and
- (b) the time over which the Local Government plans to repay existing and new borrowings.

3.0 Reference

- Local Government Regulation 2012
- Local Government Act 2009

4.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean Mackay Regional Council.

The Regulation shall mean Local Government Regulation 2012.

The Act shall mean Local Government Act 2009.

5.0 Background

From time to time Council requests additional funding to fund major capital and infrastructure works. This funding can be by way of loans from external institutions or from Council's own (internal) Reserves. In the case of the latter, Council makes the equivalent of interest and redemption payments back to the reserve over time.

6.0 Policy Statement

6.1 Purpose of the Borrowings

Loan funds can be raised to finance a range of infrastructure assets over the maximum time frames stated.

The types of projects that are funded by loan borrowings are those that will have a financial impact over a number of years. This method ensures that the region's ratepayers are not burdened by unrealistic expenditure levels. The repayment for these capital works creates an asset for Council, which can then be repaid over the years relating to the life of the asset, where appropriate.

6.2 Repayment Term

General	Between 9 and 20 years dependent on asset
Water	20 years
Sewerage	20 years
Cleansing	15 - 20 years dependent on asset

All external borrowings will be raised at the most competitive rates available, in accordance with the requirements of the State Government.

When seeking long-term funding for the construction of infrastructure assets, Council will, wherever possible, avail itself of its own internal reserves (where such utilisation would not cause any financial impediment to the reserves' requirements). Where internal reserves are utilised the following is to be applied:

- Interest will be payable to the reserve at the existing ten (10) year loan borrowing interest rate at the time of borrowing, on the reducing balance of the amount borrowed;
- Principal repayments will be made (together with interest) on a quarterly basis.
- The annual principal repayments will be the equivalent of the one-tenth of the original principal amount borrowed;
- Repayments of the outstanding balances may be made at any time during the 10 year period when funds are made available for such purposes. The repayments will be at the face value of the outstanding amount.

6.3 Proposed New Borrowings

New borrowings planned for the 2013/2014 and the subsequent 9 years are as follows:

Project	2013/2014 Loan	2014/2015 Loan	2015/2016 Loan	2016/2017 Loan	2017/2018 Loan
Future Waste Services Projects			2,714,420	6,559,139	8,558,525
Smart Metering (Taggle/AMR) Program	197,144				
Marian Water Treatment Plant	4,500,000				
Trunk Mains	2,500,000				
Future Water Projects		6,638,672		10,298,046	19,855,474
Future Waste Water Projects		9,472,547			
Civil Projects	7,459,043	4,335,602		3,367,068	7,293,398
Northern Beaches Library		5,600,000			
Pioneer Swim Centre Redevelopment		934,265			
	\$14,656,187	\$26,981,086	\$2,714,420	\$20,224,253	\$35,707,398

Project	2018/2019 Loan	2019/2020 Loan	2020/2021 Loan	2021/2022 Loan	2022/2023 Loan
Future Water Projects	1,112,999	4,624,586	9,987,958	7,492,934	26,375,777
Future Waste Water Projects	50,843,968	34,007,262	4,153,717	5,000,000	5,526,815
Future Waste Projects	1,900,000		8,172,424		3,129,713
Future Engineering Projects	7,072,302	2,623,000			
	\$60,929,269	\$41,254,847	\$22,314,099	\$12,492,934	\$35,032,305

Debt Policy
 Page 3 of 4
 Approved by Council: 11 July 2013
 Revokes: Borrowing Policy – adopted 27 June 2012
 Review Date: June 2014

6.4 Loan Drawdowns

Queensland Treasury Corporation (QTC) and the Department of Local Government and Planning (DLGP) approve proposed borrowing for a particular financial year. In order to minimise finance costs, loan drawdowns should be deferred as long as possible after taking into consideration Council's overall cash flow requirements.

7.0 **Review of Policy**

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

1. The related documents are amended or replaced.
2. Other circumstances as determined from time to time by a resolution of Council

Notwithstanding the above, this policy is to be reviewed annually.

 Mackay REGIONAL COUNCIL	COUNCIL POLICY	
	Investment Policy	
	POLICY NO	034
	DEPARTMENT	Corporate Services
	PROGRAM	Financial Services

1.0 Scope

This Policy applies to the investment of surplus funds in accordance with investment powers under Part 6 of the Statutory Bodies Financial Arrangement Act 1982 (SBFAA).

2.0 Purpose

To provide Council with a contemporary investment policy based on an assessment of counterparty, market and liquidity risk within the legislative framework of the Statutory Bodies Financial Arrangements Act and Regulations.

3.0 Reference

- Statutory Bodies Financial Arrangements Act 1982
- Statutory Bodies Financial Arrangements Regulations 2007
- Local Government Act 2009
- Local Government Regulation 2012

4.0 Definitions

To assist in interpretation the following definitions shall apply:

CEO shall mean the person appointed to the position of Chief Executive Officer under the Act and anyone acting in that position.

Average cash balances shall mean average cash at bank balance (including trust) at the end of each calendar month for the month in question and the proceeding five months (six months in total).

Council shall mean the Mackay Regional Council.

Investment Officer(s) shall mean employees engaged in activities related to the physical investment of funds (eg investment placement and redemption, reconciliations, checking).

The Act shall mean the Local Government Act 2009.

The Regulation shall mean the Local Government Regulation 2012.

SBFAA – shall mean the Statutory Bodies Financial Arrangements Act 1982.

5.0 Background

In accordance with section 191 of the Regulation Council must prepare an investment policy each financial year.

Investment of Council's funds is to be in accordance with Council's power of investment as set out in the following flow of legislative Authority:

Section 101(1) of the Local Government Act 2009 refers to Local Government as a *Statutory Authority* under the Statutory Bodies Financial Arrangements Act 1982.



Section 101(2) of the Local Government Act 2009 refers to the Statutory Bodies Financial Arrangements Act 1982 to determine Council's power of Investment.



Section 42 of the Statutory Bodies Financial Arrangement Act 1982 refers to three different categories of Investment power



Schedule 2, 3, 4 and 5 of the Statutory Bodies Financial Arrangements Regulations 2007 list the statutory bodies' categories and investment power.



Section 44 of the Statutory Bodies Financial Arrangements Act 1982 dictates the types of Investments that Council may use.



Section 8 of the Statutory Bodies Financial Arrangements Regulations 2007 prescribes the rating of the Investment arrangements as prescribed under Section 44(1)(e) of the Statutory Bodies Financial Arrangements Act 1982.

6.0 Policy Statement

6.1 Investment Objectives

Mackay Regional Council's overall objective is to invest funds at the most advantageous rate of interest available to it at the time, for that investment type, and in a way that it considers the most appropriate given the circumstances.

Investment officers are to manage the investment portfolios not for speculation, but for investment and in accordance with the spirit of this Investment Policy. Investment officers are to avoid any transaction that might harm confidence in Mackay Regional Council.

In priority, the order of investment activities shall be preservation of capital, liquidity and return.

6.1.1 Preservation of Capital

Preservation of capital shall be the principal objective of the investment portfolio. Investments are to be performed 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.

a) Credit Risk

Mackay Regional 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, diversify the portfolio and limit transactions to secure investments.

b) Interest Rate Risk

The investment officers shall seek to minimise the risk of a change in the market value of the portfolio because of 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.

6.1.2 Maintenance of Liquidity

The investment portfolio will maintain sufficient liquidity to meet all reasonably anticipated operating 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 affect.

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 (ie a lower than rating BBB- (Standard and Poors or equivalent), and in most cases, BBB rated investments; and
- unrated securities.

6.1.3 Return on Investments

The portfolio is expected to achieve a market average rate of return and take into account Mackay Regional Council's risk tolerance and current interest rates, budget considerations, and the economic cycle. Any additional return target set by Council will also consider the risk limitations, prudent investment principles and cash flow characteristics identified within this Investment Policy.

6.2 Ethics and Conflicts of Interest

Investment officers/employees shall refrain from personal activities that would conflict with the proper execution and management of Mackay Regional Council's investment portfolio. This includes activities that would impair the investment officers' ability to make impartial decisions.

This policy requires that employees and investment officers disclose to the Chief Executive Officer any conflict of interest or any investment positions that could be related to the investment portfolio.

6.3 Requirements

In accordance with Schedule 3 of the Statutory Bodies Financial Arrangements Regulation 2007, Mackay Regional Council has Category 1 investment power.

6.3.1 *Portfolio Investment Parameters*

Section 44(1) of SBFAA states that the authorised investments comprise:

- deposits with a financial institution;
- investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
- other investment arrangements secured by investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
- investment arrangements, managed or operated by QIC or QTC, prescribed under a regulation for this paragraph;
- an investment arrangement with a rating prescribed under a regulation for this paragraph;
- other investment arrangements prescribed under a regulation for this paragraph.

Section 44(2) states that the investment must be:

- at call; or
- for a fixed time of not more than 1 year.

6.3.2 *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 notices);
- Principal only investments or securities that provide potentially nil or negative cash flow;
- Stand alone securities that have the underlying futures, options, forward contracts and sways of any kind; and
- Securities issued in non- Australian dollars.

6.3.3 *Placement of Investment Funds*

Overall the amount invested with institutions should not exceed the following percentage ranges of average cash balances and appropriate documentation must

be maintained. Also, when placing investments, consideration should be given to the relationship between credit rating and interest rate.

Investments with Financial Institutions and Investment Arrangements Offered by QTC

Long Term Rating (Standard & Poors)	Short Term Rating (Standard & Poors)	Individual Counterparty Limit	Total Portfolio Limit
AAA to AA-	A1+	Maximum 40%	No Limit
A+ to A	A1	Maximum 20%	Maximum 50%
A- to BBB+	A2	Maximum 10%	Maximum 15%
Unrated or below BBB+	Unrated or below A2	Maximum \$1 million or 5% (whichever is lower)	Maximum 10%
QTC Cash Management Fund		No Limit	No Limit

Council approves dealings with all financial institutions ('Financial Institution' is defined as an authorised deposit-taking institution within the meaning of the Banking Act 1959 (Cwlth), Section 5).

6.3.4 Maturity

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

6.3.5 Liquidity Requirement

Given the nature of the funds invested, no more than 20% of the investment portfolio will be in illiquid securities and at least 10% of the portfolio can be called at no cost or will mature within a maximum of seven (7) days.

6.4 Implementation

6.4.1 Internal Controls

The Manager Financial Services shall establish internal controls and processes that will ensure investment objectives are met and that the investment portfolios are protected from loss, theft or inappropriate use.

The established processes will include monthly and quarterly reporting (including compliance reporting). The internal controls will address the following:

- Control of collusion;
- Separate the transaction authority from accounting and record keeping;
- Safekeeping;
- Avoid physical delivery of securities;
- Clearly delegate authority to investment officers;
- Confirmation requirements for settlement of securities;
- Compliance and oversight of investment parameters; and
- Reporting of breaches

In addition the Chief Executive Officer shall issue a letter to any approved counterparty advising that funds transferred from investments to Council must

only be deposited into Council's General Account or Trust Account. This instruction cannot be varied unless a written request is made signed in accordance with Council's account signing authority.

6.4.2 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.

Authority for the day to day management of Council's Investment Portfolio is to be delegated by the Chief Executive Officer to the Director Corporate Services, Executive Manager Governance and Finance and/or the Manager Financial Services.

6.4.3 Breaches

Any breach of this Investment Policy is to be reported to the Director Corporate Services within seven (7) days of the breach occurring. The Director Corporate Services is delegated discretion to take appropriate action to rectify breaches. Except, that 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 to Council, either obtain Treasurer approval for continuing with the investment arrangement or sell the investment arrangement.

7.0 Review of Policy

This policy will be reviewed at least annually or prior as required by legislative changes.

MACKAY REGIONAL COUNCIL
REVENUE STATEMENT
2013/2014

1. **DEFINITIONS**

Council shall mean Mackay Regional Council

Act shall mean the Local Government Act 2009

Regulation shall mean the Local Government Regulation 2012

2. **BACKGROUND**

The Act, Section 104 and the Regulation, Section 169 require every local government to adopt a revenue statement for each financial year.

Section 169 and section 170 of the Regulation provides that: -

- (1) A local government must prepare a revenue statement each financial year.
- (2) The revenue statement must be adopted—
 - (a) after 31 May in the year before the financial year; and
 - (b) before—
 - (i) 1 August in the financial year; or
 - (ii) a later day decided by the Minister.
- (3) The local government may, by resolution, amend the revenue statement at any time before the financial year ends.
- (4) However, the revenue statement cannot be amended to change the general rates decided at the budget meeting for the financial year.

The revenue statement is required, under the Regulation, Section 172 to state: -

- (1) The revenue statement for a local government must state—
 - (a) if the local government levies differential general rates—
 - (i) the rating categories for rateable land in the local government area; and
 - (ii) a description of each rating category; and
 - (b) if the local government levies special rates or charges for a joint government activity—a summary of the terms of the joint government activity; and
 - (c) if the local government fixes a cost-recovery fee—the criteria used to decide the amount of the cost-recovery fee; and
 - (d) if the local government conducts a business activity on a commercial basis—the criteria used to decide the amount of the charges for the activity's goods and services.
- (2) Also, the revenue statement for a financial year must include the following information for the financial year—
 - (a) an outline and explanation of the measures that the local government has adopted for raising revenue, including an outline and explanation of—

- (i) the rates and charges to be levied in the financial year; and
 - (ii) the concessions for rates and charges to be granted in the financial year;
- (b) whether the local government has made a resolution limiting an increase of rates and charges.

The revenue measures adopted are determined at the budget meeting and are based on the Council's Revenue Policy.

3. **DIFFERENTIAL GENERAL RATES 2013/2014:**

The Council is required to raise an appropriate amount of revenue to maintain assets and provide services to the region as a whole. In determining its general rating strategies, the matters Council considered included:

- The rateable value of the land and the equity or otherwise of the level of rates which would be payable if only one general rate were adopted.
- Relative valuation as between different types of land.
- The level of services provided to land within the region and the cost of providing the services compared to the rate burden that would apply under a single general rate.
- The demand that some land uses place on the services which Council is required to provide.
- Whether or not the land is revenue producing, or has the capacity to produce revenue, (bearing in mind that revenues provide a source of funds which is relevant to the net impact on the landowner, and also that most revenue producing lands are used for a business for which rates are tax deductible).

Having regard to the above matters, and in accordance with the provisions of Part 5 of Chapter 4 of the Regulation, Council will adopt a differential general rating scheme. The categories into which rateable land is categorised and the description by which land is categorised is as follows: -

Category 1.1 – Residential Band 1

Description

The property is used solely for residential purposes as an owner's principal place of residence or if vacant land, is zoned for residential use under the Planning Schemes or Shire Plan relevant to Mackay Regional Council, and intended for use for residential purposes only, or if zoned otherwise, be approved for a residential purpose only and not included in any other category.

Rateable Value of the land is up to and including \$175,000

The intention of this description is: -

1. That this category will cover all land, owned by an individual (and therefore does not include whole or partial ownership by a company, trust, organisation or any other entity who is not an individual), where the dominant purpose for which that land is used or intended to be used is residential, within the valuation range specified and not included in any other category.

2. That such land will be the owner's principal place of residence.
3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.
4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable nor to any residential property categorised in another category.

Category 1.1i – Investor Residential Band 1

Description

The property is used solely for residential purposes or if vacant land, is zoned for residential use under the Planning Schemes or Shire Plan relevant to Mackay Regional Council, and intended for use for residential purposes only, or if zoned otherwise, be approved for a residential purpose only and not included in any other category.

Rateable Value of the land is up to and including \$175,000

The intention of this description is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose within the valuation range specified and not included in any other category.
2. That such land will not be the owner's principal place of residence.
3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.
4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable nor to any residential property categorised in another category.

Category 1.2 – Residential Band 2

Description

The property is used solely for residential purposes as an owner's principal place of residence or if vacant land, is zoned for residential use under the Planning Schemes or Shire Plan relevant to Mackay Regional Council, and intended for use for residential purposes only, or if zoned otherwise, be approved for a residential purpose only and not included in any other category.

Rateable Value of the land is above \$175,000 and up to and including \$345,000

The intention of this description is: -

1. That this category will cover all land, owned by an individual (and therefore does not include whole or partial ownership by a company, trust, organisation or any other entity who is not an individual), where the dominant purpose for which that land is used or intended to be used is residential, within the valuation range specified and not included in any other category.

2. That such land will be the owner's principal place of residence.
3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.
4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable nor to any residential property categorised in another category.

Category 1.2i – Investor Residential Band 2

Description

The property is used solely for residential purposes or if vacant land, is zoned for residential use under the Planning Schemes or Shire Plan relevant to Mackay Regional Council, and intended for use for residential purposes only, or if zoned otherwise, be approved for a residential purpose only and not included in any other category.

Rateable Value of the land is above \$175,000 and up to and including \$345,000

The intention of this description is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose within the valuation range specified and not included in any other category.
2. That such land will not be the owner's principal place of residence.
3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.
4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable nor to any residential property categorised in another category.

Category 1.3 – Residential Band 3

Description

The property is used solely for residential purposes as an owner's principal place of residence or if vacant land, is zoned for residential use under the Planning Schemes or Shire Plan relevant to Mackay Regional Council, and intended for use for residential purposes only, or if zoned otherwise, be approved for a residential purpose only and not included in any other category.

Rateable Value of the land is above \$345,000 and up to and including \$575,000

The intention of this description is: -

1. That this category will cover all land, owned by an individual (and therefore does not include whole or partial ownership by a company, trust, organisation or any other entity who is not an individual), where the dominant purpose for which that land is used or intended to be used is residential, within the valuation range specified and not included in any other category.

2. That such land will be the owner's principal place of residence.
3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.
4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable. nor to any residential property categorised in another category

Category 1.3i – Investor Residential Band 3

Description

The property is used solely for residential purposes or if vacant land, is zoned for residential use under the Planning Schemes or Shire Plan relevant to Mackay Regional Council, and intended for use for residential purposes only, or if zoned otherwise, be approved for a residential purpose only and not included in any other category.

Rateable Value of the land is above \$345,000 and up to and including \$575,000

The intention of this description is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose within the valuation range specified and not included in any other category.
2. That such land will not be the owner's principal place of residence.
3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.
4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable nor to any residential property categorised in another category.

Category 1.4 – Residential Band 4

Description

The property is used solely for residential purposes as an owner's principal place of residence or if vacant land, is zoned for residential use under the Planning Schemes or Shire Plan relevant to Mackay Regional Council, and intended for use for residential purposes only, or if zoned otherwise, be approved for a residential purpose only and not included in any other category.

Rateable Value of the land is above \$575,000.

The intention of this description is: -

1. That this category will cover all land, owned by an individual (and therefore does not include whole or partial ownership by a company, trust, organisation or any other entity who is not an individual), where the dominant purpose for which that land is used or intended to be used is residential, within the valuation range specified and not included in any other category.

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MACKAY REGIONAL COUNCIL

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2. That such land will be the owner's principal place of residence.
3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.
4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable nor to any residential property categorised in another category.

Category 1.4i – Investor Residential Band 4

Description

The property is used solely for residential purposes or if vacant land, is zoned for residential use under the Planning Schemes or Shire Plan relevant to Mackay Regional Council, and intended for use for residential purposes only, or if zoned otherwise, be approved for a residential purpose only and not included in any other category.

Rateable Value of the land is above \$575,000.

The intention of this description is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose within the valuation range specified and not included in any other category.
2. That such land will not be the owner's principal place of residence.
3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.
4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable nor to any residential property categorised in another category.

Category 1.5 – Residential - Other

Description

The property is used for residential purposes as an owner's principal place of residence and is zoned for residential use under the Planning Schemes or Shire Plan relevant to Mackay Regional Council, and intended for use for residential purposes, or if zoned otherwise, be approved for a residential purpose, owned by an individual (and therefore does not include whole or partial ownership by a company, trust, organisation or any other entity who is not an individual), not included in any other category and;

1. The property is currently utilised for a residential use and has had a Development Approval (by way of a Development Permit), granted for a "reconfiguration of lot" where there are more than five lots in the reconfigured development, or "making a material change of use of premises" that has not been finalised, or;
2. The property has more than one habitable structure, dwelling house, flat or unit constructed on the land within the rating assessment, or;

3. The property is a residential property subject to the provisions of Sections 49 – 51 of the Land Valuation Act 2010 or;
4. The property is used for a combined residential and a commercial or industrial purpose, where the non-residential use of the property utilises between one and twenty-five percent of the gross floor area of buildings constructed on the property.

The intention of this description is: -

That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose but which differs from a standard residential use as specified in the description contained herein for this category.

Category 1.5i – Investor Residential - Other

Description

The property is used for residential purposes and is zoned for residential use under the Planning Schemes or Shire Plan relevant to Mackay Regional Council, and intended for use for residential purposes, or if zoned otherwise, be approved for a residential purpose, is not an individual owner's principal place of residence, not included in any other category and;

1. The property is currently utilised for a residential use and has had a Development Approval (by way of a Development Permit), granted for a "reconfiguration of lot" where there are more than five lots in the reconfigured development, or "making a material change of use of premises" that has not been finalised, or;
2. The property has more than one habitable structure, dwelling house, flat or unit constructed on the land within the rating assessment, or;
3. The property is a residential property subject to the provisions of Sections 49 – 51 of the Land Valuation Act 2010 or;
4. The property is used for a combined residential and a commercial or industrial purpose, where the non-residential use of the property utilises between one and twenty-five percent of the gross floor area of buildings constructed on the property.

The intention of this description is: -

That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose but which differs from a standard residential use as specified in the description contained herein for this category.

Category 2.1 – Special Residential Strata - Horizontal

Description

The property is used solely for residential purposes and the lot is part of a body corporate, where:

1. Any of the structures within the properties that share a common rateable value, contain 3 (three) levels, or,
2. the properties share a common rateable valuation of \$1,050,000 or more and there are 8 (eight) or more lots in the development.

3. The property is not categorised in Category 2.1i, 2.2 or 2.2i.

The intention of this description is: -

1. That this category will cover all land, owned by an individual (and therefore does not include whole or partial ownership by a company, trust, organisation or any other entity who is not an individual), where the dominant purpose for which that land is used or intended to be used is residential and not included in any other category.
2. That such land is the owner's principal place of residence.
3. That the lands are part of a Body Corporate, and that any of the properties contained within the Community Management Statement(s) meet the description set out above.

Category 2.1i – Investor Special Residential Strata - Horizontal

Description

The property is used solely for residential purposes and the lot is part of a body corporate, where:

1. Any of the structures within the properties that share a common rateable value, contain 3 (three) levels, or,
2. the properties share a common rateable valuation of \$1,050,000 or more and there are 8 (eight) or more lots in the development.
3. The property is not categorised in Category 2.1, 2.2 or 2.2i.

The intention of this description is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose.
2. That such land will not be owner occupied.
3. That the lands are part of a Body Corporate, and that any of the properties contained within the Community Management Statement(s) meet the description set out above.

Category 2.2 – Special Residential Strata - Vertical

Description

The property is used solely for residential purposes and the lot is part of a body corporate, where the structures within the property contain more than 3 (three) levels,

The intention of this description is: -

1. That this category will cover all land, owned by an individual (and therefore does not include whole or partial ownership by a company, trust, organisation or any other entity who is not an individual), where the dominant purpose for which that land is used or intended to be used is residential and not included in any other category.

2. That such land is the owner's principal place of residence.
3. That the lands are part of a Body Corporate, and that the property meets the description set out above.

Category 2.2i – Investor Special Residential Strata - Vertical**Description**

The property is used solely for residential purposes and the lot is part of a body corporate, where the structures within the property contain more than 3 (three) levels,

The intention of this description is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose.
2. That such land will not be owner occupied.
3. That the lands are part of a Body Corporate, and that the property meets the description set out above.

Category 3 - Canefarming**Description**

The property is used for or associated with the growing of sugar cane.

The intention of this description is to cover all land that is used for or associated with the growing of sugar cane.

Category 4 – Other Rural**Description**

The property is used, or in the case of vacant land, zoned and intended for use, for rural purposes other than properties contained within Category 3

The intention of this description is to cover all land that is used for an agricultural, grazing or any other rural purpose, not included in Category 3.

Category 5 - Large Drive-in Shopping Centre**Description**

1. The property is used for commercial purposes, viz. Drive-in Shopping Centre; and
2. The property is greater than 5 hectares in area, and has a retail floor area of greater than 30,000 square metres; and
3. The property contains more than 60 commercial tenancies and is located within the City Centre Management Benefited area as defined in [Map No. 2014/1] attached.

The intention of this description is to cover all land where the dominant purpose for which that land is used or intended for use is a Drive-in Shopping Centre that meets the other parts of the description above.

Category 6 - Medium Drive-in Shopping Centre**Description**

1. The property is used for commercial purposes, viz. Drive-in Shopping Centre; and
2. The property is greater than 5 hectares in area, and has a retail floor area of greater than 20,000 square metres; and
3. The property contains more than 30 commercial tenancies; and
4. The property is not in the Large Drive-in Shopping Centre category.

The intention of this description is to cover all land where the dominant purpose for which that land is used or intended for use is a Drive-In Shopping Centre but is not in Category 5 or 7.

Category 7 - Shopping Complex**Description**

1. The property is used for commercial retail purposes, viz. Drive-in Shopping Centre, other retail complex or single or multiple shops; and
2. The property has a gross floor area of greater than 1,500 square metres; and
3. The property contains more than 40 car parking spaces; and
4. The property is not in the Large or Medium Drive-in Shopping Centre categories.

The intention of this description is to cover all land where the dominant purpose for which that land is used or intended for use is a Shopping complex that has substantial off-street car-parking and that are not in Category 5 or 6.

Category 8.11 – Other Commercial / Industrial (Mackay)**Description**

The property is:

- (a) used for commercial or industrial purposes; or
- (b) if vacant land, is zoned for commercial or industrial purposes under the Planning Schemes or Shire Plan relevant to Mackay Regional Council; or
- (c) if otherwise zoned under the Planning Schemes or Shire Plan relevant to Mackay Regional Council is intended for use for commercial or industrial purposes; or

The land is located within the Mackay Urban area (excluding the locality of Paget) as defined in Urban Commercial Area [Map No. 2014/2] attached.

The intention of this description is:

1. To cover commercial and industrial properties located within the area defined within Map No. 2014/2 (excluding the locality of Paget as highlighted on the map);

2. That land zoned for commercial or industrial purposes or comprehensive development under the Planning Schemes or Shire Plan relevant to Mackay Regional Council will be included in this category as for a commercial purpose unless the description for another Category applies;

Category 8.21 – Other Commercial / Industrial (Regional)

Description

The property is:

- (a) used for commercial or industrial purposes; or
- (b) if vacant land, is zoned for commercial or industrial purposes under the Planning Schemes or Shire Plan relevant to Mackay Regional Council; or
- (c) if otherwise zoned under the Planning Schemes or Shire Plan relevant to Mackay Regional Council is intended for use for commercial or industrial purposes; or

The land is located outside the Mackay Urban area as defined in Urban Commercial Area [Map No's. 2014/2] attached.

The intention of this description is:

1. To cover commercial and industrial properties located outside the area defined within Map No. 2014/2;
2. That land zoned for commercial or industrial purposes or comprehensive development under the Planning Schemes or Shire Plan relevant to Mackay Regional Council will be included in this category as for a commercial purpose unless the description for another Category applies;

Category 8.31 – Other Commercial / Industrial (Paget)

Description

The property is:

- (a) used for commercial or industrial purposes; or
- (b) if vacant land, is zoned for commercial or industrial purposes under the Planning Schemes or Shire Plan relevant to Mackay Regional Council; or
- (c) if otherwise zoned under the Planning Schemes or Shire Plan relevant to Mackay Regional Council is intended for use for commercial or industrial purposes; or

The land is located within the Mackay Urban area in the gazetted locality of Paget as defined in Urban Commercial Area [Map No. 2014/2] attached.

The intention of this description is:

1. To cover commercial and industrial properties located within the gazetted locality of Paget as defined within Map No. 2014/2;
2. That land zoned for commercial or industrial purposes under the Planning Schemes or Shire Plan relevant to Mackay Regional Council will be included in this category as for a commercial purpose unless the description for another Category applies;

Category 9 - Major Port Industry**Description**

1. The property is used for major port industry within the Hay Point or Dalrymple Bay complexes; and
2. The property has Port/Industry or Strategic Port Land designations and is used for the storage, processing or loading of mineral products.

The intention of this description is to cover all properties used for major port industry within the Hay Point and Dalrymple Bay complexes.

Category 10 - Sugar Mill or Sugar Refinery**Description**

The property is used or designed for use for the purpose of a Sugar Mill or Sugar Refinery.

The intention of this description is to cover all lands where the dominant purpose for which that land is used or intended for use is sugar milling or sugar refining.

Category 11 – Other Significant Industry (1)**Description**

1. The property is located within the Hay Point or Dalrymple Bay complexes and has Port/Industry or Strategic Port Land designations and is used for commercial or industrial purposes other than the activities within Category 9; or
2. The property is commercial or industrial and used for the manufacture of alcohol or alcohol related products; or
3. The property is used for industrial purposes, which supports railway operations and logistics.

The intention of this description is to cover all properties used for identified significant industries

Category 12 – Other Significant Industry (2)**Description**

1. The property is located within the Mackay Port precinct and is used for the storage, processing or loading of agricultural, mineral or oil products in raw, processed or refined states; or
2. For properties used for activities related to the provision and operation of a port or harbour facility.

The intention of this description is to cover all properties used for identified, significant industries located within the Mackay Port precinct.

Category 13 – Other Significant Industry (3)Description

The property is located within the Mackay Airport precinct and is used for activities related to the provision, management and operation of an airport facility.

The intention of this description is to cover all properties used for identified, significant industries located within the Mackay Airport precinct.

Category 14 – Resorts and Island Commercial OperationsDescription

The property is used or able to be used for a commercial or industrial activity and is located within a resort facility or on an offshore island.

The intention of this description is to cover all properties used for commercial or industrial purposes and located within a resort facility or on an offshore island.

Category 15 – Not-for-Profit OrganisationDescription

The intention of this description is to cover all properties not used for purposes described in any of the above categories. It is expected that these properties will in the main be utilised by Not-for-Profit Community Organisations.

Category 16 - Non-resident Workforce AccommodationDescription

Land predominantly used for providing intensive accommodation for non-resident workers (including provision of recreational and entertainment facilities for the exclusive use of workers) but not including accommodation made available to the ordinary travelling public. Such facilities are commonly known as "worker accommodation", "single person's quarters", "worker camps", "accommodation villages" and "worker barracks".

Category 17 - Other (Not otherwise classified)Description

The property is not elsewhere categorised.

The following Differential General Rates have been made for the year 2013/2014:

<u>Category</u>	<u>Rate in \$</u>
Category 1.1 – Residential Band 1	0.76063 cents
Category 1.1i – Investor Residential Band 1	0.87648 cents
Category 1.2 – Residential Band 2	0.72808 cents
Category 1.2i – Investor Residential Band 2	0.84324 cents
Category 1.3 – Residential Band 3	0.63951 cents
Category 1.3i – Investor Residential Band 3	0.81299 cents
Category 1.4 – Residential Band 4	0.61967 cents
Category 1.4i – Investor Residential Band 4	0.73588 cents
Category 1.5 - Residential Other	0.93412 cents
Category 1.5i - Investor Residential Other	1.09292 cents
Category 2.1 - Special Residential Strata - Horizontal	1.20932 cents
Category 2.1i - Special Investor Residential Strata -Horizontal	1.42526 cents
Category 2.2 - Special Residential Strata - Vertical	1.64752 cents
Category 2.2i - Special Investor Residential Strata - Vertical	1.93242 cents
Category 3 - Canefarming	3.02792 cents
Category 4 - Other Rural	1.38468 cents
Category 5 - Large Drive-in Shopping Centre	16.69167 cents
Category 6 - Medium Drive-in Shopping Centre	5.98422 cents
Category 7 - Shopping Complex	2.04355 cents
Category 8.11 - Other Commercial / Industrial (Mackay)	1.56934 cents
Category 8.21 - Other Commercial / Industrial (Regional)	1.15831 cents
Category 8.31 - Other Commercial / Industrial (Paget)	1.68040 cents
Category 9 - Major Port Industry	15.16635 cents
Category 10 - Sugar Mill or Sugar Refinery	10.96306 cents
Category 11 - Other Significant Industry (1)	13.47896 cents
Category 12 - Other Significant Industry (2)	4.10460 cents
Category 13 - Other Significant Industry (3)	4.12496 cents
Category 14 - Resorts and Island Commercial Operations	2.95776 cents
Category 15 – Not-for-profit Organisation	0.96065 cents
Category 16 - Non-resident Workforce Accommodation	5.57534 cents
Category 17 - Other (Not otherwise classified)	0.96065 cents

4. MINIMUM GENERAL RATE LEVY 2013/2014:

In accordance with the provisions of Part 4 of Chapter 2 of the Regulation, the following Minimum General Rate Levies for the various Categories of land, shall apply for the year 2013/2014:

<u>Category</u>	<u>Minimum General Rate</u>
Category 1.1 – Residential Band 1	\$1,016 per annum
Category 1.1i – Investor Residential Band 1	\$1,181 per annum
Category 1.2 – Residential Band 2	\$1,337 per annum
Category 1.2i – Investor Residential Band 2	\$1,553 per annum
Category 1.3 – Residential Band 3	\$2,565 per annum
Category 1.3i – Investor Residential Band 3	\$2,980 per annum
Category 1.4 – Residential Band 4	\$3,636 per annum
Category 1.4i – Investor Residential Band 4	\$4,224 per annum
Category 1.5 - Residential Other	\$1,168 per annum
Category 1.5i - Investor Residential Other	\$1,357 per annum
Category 2.1 - Special Residential Strata - Horizontal	\$1,485 per annum
Category 2.1i - Special Investor Residential Strata -Horiz	\$1,726 per annum
Category 2.2 - Special Residential Strata - Vertical	\$1,568 per annum
Category 2.2i - Special Investor Residential Strata - Vertical	\$1,822 per annum
Category 3 - Canefarming	\$1,757 per annum
Category 4 - Other Rural	\$1,155 per annum
Category 5 - Large Drive-in Shopping Centre	\$1,781,925 per annum
Category 6 - Medium Drive-in Shopping Centre	\$754,090 per annum
Category 7 - Shopping Complex	\$4,089 per annum
Category 8.11 - Other Commercial / Industrial (Mackay)	\$2,170 per annum
Category 8.21 - Other Commercial / Industrial (Regional)	\$1,363 per annum
Category 8.31 - Other Commercial / Industrial (Paget)	\$2,574 per annum
Category 9 - Major Port Industry	\$804,707 per annum
Category 10 - Sugar Mill or Sugar Refinery	\$158,982 per annum
Category 11 - Other Significant Industry (1)	\$8,176 per annum
Category 12 - Other Significant Industry (2)	\$8,176 per annum
Category 13 - Other Significant Industry (3)	\$8,336 per annum
Category 14 - Resorts & Island Commercial Operations	\$2,170 per annum
Category 15 – Not for Profit Organisation	1,168 per annum
Category 16 - Non-resident Workforce Accommodation	\$5,428 per annum
Category 17 - Other (Not otherwise classified)	\$1,168 per annum

5. SPECIAL RATE (CITY CENTRE MANAGEMENT – AREA (A) 2013/2014:

In accordance with the provisions of Part 6 of Chapter 4 of the Regulation, Council levies a special rate as follows:

1. Council levies a special rate on rateable land described below to fund the Council to promote and advance the trading and economic development of the businesses being conducted on land within the Benefitted Area (as shown by the area coloured pink on the Benefitted Area Map Numbered 2014/1).
2. The overall plan for the activities to be funded by the special rate is as follows:-
 - (a) The rateable land to which the plan applies is the rateable land situated within the Benefitted Area (as shown by the area coloured pink on the Benefitted Area Map).
 - (b) The service, facility, or activity for which the plan is made is for Council to fund the following activities:
 - (i) Supervising, promoting and advancing the trading and economic development of the businesses being conducted on the rateable land;
 - (ii) promoting and attracting commerce and tourism to the businesses being conducted on the rateable land;
 - (iii) improving the public areas surrounding the rateable land;
 - (iv) conducting and organising promotional programmes, publicity, special events, entertainment programs and decorations in the public areas adjoining the rateable land; and
 - (v) improving access to and around the rateable land for pedestrians, vehicles, public transport and cyclists, including adequate on and off street parking.
 - (c) The estimated cost of implementing the overall plan is \$369,681 for 2013/14 and will be paid into a pool of funds for the whole of the City Centre Management Area and expended as per priorities set for the overall area;
 - (d) The estimated time for implementing the overall plan is 1 year commencing 1 July 2013 and ending on 30 June 2014.
3. The use made of the rateable land proposed to be levied with the special rate, especially benefits from these activities because the activities to be funded by the special rate will assist in promoting the businesses being conducted upon the rateable land, thereby assisting retention of existing business, as well as attracting new business.
4. A special rate will apply to all land in the Benefitted Area as shown by the area coloured pink in the Benefitted Area Map other than exempt properties and properties used exclusively for residential purposes. The quantum of the special rate is dependent upon the benefit Council considers the rateable land will receive. The special rate payable by the rateable land is 0.60932 cents in the dollar.

6. SPECIAL RATE (CITY CENTRE MANAGEMENT – AREA (B) 2013/2014 - :

In accordance with the provisions of Part 6 of Chapter 4 of the Regulation, Council levies a special rate as follows:

1. Council levies a special rate on rateable land described below to fund the Council to promote and advance the trading and economic development of the businesses being conducted on land within the Benefitted Area (as shown by the area coloured blue on the Benefitted Area Map Numbered 2014/1).
2. The overall plan for the activities to be funded by the special rate is as follows:-
 - (a) The rateable land to which the plan applies is the rateable land situated within the Benefitted Area (as shown by the area coloured blue on the Benefitted Area Map).
 - (b) The service, facility, or activity for which the plan is made is for Council to fund the following activities:
 - (i) Supervising, promoting and advancing the trading and economic development of the businesses being conducted on the rateable land;
 - (ii) promoting and attracting commerce and tourism to the businesses being conducted on the rateable land;
 - (iii) improving the public areas surrounding the rateable land;
 - (iv) conducting and organising promotional programmes, publicity, special events, entertainment programs and decorations in the public areas adjoining the rateable land; and
 - (v) improving access to and around the rateable land for pedestrians, vehicles, public transport and cyclists, including adequate on and off street parking.
 - (c) The estimated cost of implementing the overall plan is \$606,302 for 2013/14 and will be paid into a pool of funds for the whole of the City Centre Management Area and expended as per priorities set for the overall area;
 - (d) The estimated time for implementing the overall plan is 1 year commencing 1 July 2013 and ending on 30 June 2014.
3. The use made of the rateable land proposed to be levied with the special rate, especially benefits from these activities because the activities to be funded by the special rate will assist in promoting the businesses being conducted upon the rateable land, thereby assisting retention of existing business, as well as attracting new business.
4. A special rate will apply to all land in the Benefitted Area as shown by the area coloured blue in the Benefitted Area Map other than exempt properties and properties used exclusively for residential purposes. The quantum of the special rate is dependent upon the benefit Council considers the rateable land will receive. The special rate payable by the rateable land is 0.39172 cents in the dollar.

7. SPECIAL RATE (CITY CENTRE MANAGEMENT – AREA (C) 2013/2014 - :

In accordance with the provisions of Part 6 of Chapter 4 of the Regulation, Council levies a special rate as follows:

1. Council levies a special rate on rateable land described below to fund the Council to promote and advance the trading and economic development of the businesses being conducted on land within the Benefitted Area (as shown by the area coloured yellow on the Benefitted Area Map Numbered 2014/1).
2. The overall plan for the activities to be funded by the special rate is as follows:-
 - (a) The rateable land to which the plan applies is the rateable land situated within the Benefitted Area (as shown by the area coloured yellow on the Benefitted Area Map).
 - (b) The service, facility, or activity for which the plan is made is for Council to fund the following activities:
 - (i) Supervising, promoting and advancing the trading and economic development of the businesses being conducted on the rateable land;
 - (ii) promoting and attracting commerce and tourism to the businesses being conducted on the rateable land;
 - (iii) improving the public areas surrounding the rateable land;
 - (iv) conducting and organising promotional programmes, publicity, special events, entertainment programs and decorations in the public areas adjoining the rateable land; and
 - (v) improving access to and around the rateable land for pedestrians, vehicles, public transport and cyclists, including adequate on and off street parking.
 - (c) The estimated cost of implementing the overall plan is \$36,832 for 2013/14 and will be paid into a pool of funds for the whole of the City Centre Management Area and expended as per priorities set for the overall area;
 - (d) The estimated time for implementing the overall plan is 1 year commencing 1 July 2013 and ending on 30 June 2014.
3. The use made of the rateable land proposed to be levied with the special rate, especially benefits from these activities because the activities to be funded by the special rate will assist in promoting the businesses being conducted upon the rateable land, thereby assisting retention of existing business, as well as attracting new business.
4. A special rate will apply to all land in the Benefitted Area as shown by the area coloured yellow in the Benefitted Area Map other than exempt properties and properties used exclusively for residential purposes. The quantum of the special rate is dependent upon the benefit Council considers the rateable land will receive. The special rate payable by the rateable land is 0.23469 cents in the dollar.

8. SPECIAL CHARGE – (RURAL FIRE SERVICES - 1) 2013/2014:

In accordance with the provisions of Part 6 of Chapter 4 of the Regulation, Council levies a special charge as follows:

1. Council levies a special charge on land described below to purchase and maintain equipment for the following rural fire brigades:
 - (a) Habana Rural Fire Brigade Area [Map No. 2014/3]
 - (b) Dumbleton Rural Fire Brigade Area [Map No. 2014/4]
 - (c) Victoria Plains Rural Fire Brigade Area [Map No. 2014/5]
 - (d) Ball Bay Rural Fire Brigade Area [Map No. 2014/6]
 - (e) Eton & Marian Rural Fire Brigades have been incorporated into the Combined Mirani Fire Area
 - (f) Sunnyside Rural Fire Brigade Area [Map No. 2014/7]
 - (g) Mt Blackwood Rural Fire Brigade Area [Map No. 2014/8]
 - (h) Calen/Camerons Pocket Rural Fire Brigade Area [Map No. 2014/9]
 - (i) Seaforth Town Rural Fire Brigade Area [Map No. 2014/10]
 - (j) Midge Point Rural Fire Brigade Area [Map No. 2014/11]
 - (k) Coningsby Rural Fire has been amalgamated into Mt Blackwood Rural Fire Area
 - (l) Seaforth District Rural Fire Brigade Area [Map No. 2014/12]
2. The overall plan for the service, facility, or activity to be funded by the special rate is as follows:-
 - (a) The rateable land to which the plan applies is the rateable land situated on the maps numbered 2014/3, 2014/4, 2014/5, 2014/6, 2014/7, 2014/8, 2014/9, 2014/10, 2014/11, and 2014/12.
 - (b) The service, facility, or activity for which the plan is made is for Council to:
 - (i) Fund rural fire brigades in the area to purchase and maintain equipment;
 - (ii) Administer the distribution of funds to rural fire brigades.
 - (c) The estimated cost of implementing the overall plan is \$209,040 for 2013/14.
 - (d) The estimated time for implementing the overall plan is 1 year commencing 1 July 2013 and ending 30 June, 2014.
3. The rateable land proposed to be levied with the special charge specially benefits from these service, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.
4. A special charge of \$44.60 will apply to all rateable land situated within the areas identified on the maps numbered 2014/3, 2014/4, 2014/5, 2014/6, 2014/7, 2014/8, 2014/9, 2014/10, 2014/11, 2014/12.

9. SPECIAL CHARGE – (RURAL FIRE SERVICES - 2) 2013/2014:

In accordance with the provisions of Part 6 of Chapter 4 of the Regulation, Council levies a special charge as follows:

1. Council levies a special charge on land described below to purchase and maintain equipment for the following rural fire brigades:
 - (a) Hay Point Rural Fire Brigade Area [Map No. 2014/13]
 - (b) Armstrong Beach Rural Fire Brigade Area [Map No. 2014/14]
 - (c) Plane Creek Rural Fire Brigade Area [Map No. 2014/15]
 - (d) Grasstree Beach Rural Fire Brigade Area [Map No. 2014/16]
2. The overall plan for the service, facility, or activity to be funded by the special rate is as follows:-
 - (a) The rateable land to which the plan applies is the rateable land situated on the maps numbered 2014/13, 2014/14, 2014/15 and 2014/16;
 - (b) The service, facility, or activity for which the plan is made is for Council to:
 - (i) Fund rural fire brigades in the area to purchase and maintain equipment;
 - (ii) Administer the distribution of funds to rural fire brigades.
 - (c) The estimated cost of implementing the overall plan is \$58,725 for 2013/2014.
 - (d) The estimated time for implementing the overall plan is 1 year commencing 1 July 2013 and ending 30 June 2014.
3. The Council is of the opinion that the rateable land proposed to be levied with the special charge specially benefits from these service, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.
4. A special charge of \$25.00 will apply to all rateable land situated on the maps numbered 2014/13, 2014/14, 2014/15, and 2014/16.

10. SPECIAL CHARGE – (RURAL FIRE SERVICES - 3) 2013/2014:

In accordance with the provisions of Part 6 of Chapter 4 of the Regulation, Council levies a special charge as follows:

1. Council levies a special charge on land described below to purchase and maintain equipment for the following rural fire brigades:
 - (a) Mirani Combined Rural Fire Brigade Area [Map No. 2014/17]
2. The overall plan for the service, facility, or activity to be funded by the special rate is as follows:-
 - (a) The rateable land to which the plan applies is the rateable land situated on the map numbered 2014/17;

- (b) The service, facility, or activity for which the plan is made is for Council to:
 - (i) Fund rural fire brigades in the area to purchase and maintain equipment;
 - (ii) Administer the distribution of funds to rural fire brigades.
 - (c) The estimated cost of implementing the overall plan is \$112,384 for 2013/2014.
 - (d) The estimated time for implementing the overall plan is 1 year commencing 1 July 2013 and ending 30 June 2014.
3. The Council is of the opinion that the rateable land proposed to be levied with the special charge specially benefits from these service, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.
4. A special charge of \$34.40 will apply to all rateable land situated on the map numbered 2014/17.

11. SPECIAL CHARGE - SLADE POINT SEAWALL 2013/2014 - :

In accordance with the provisions of Part 6 of Chapter 4 of the Regulation, Council levies a special charge as follows:

1. Council levies a special charge on rateable land described below to contribute to the funding of the construction of a seawall (as shown by the areas coloured yellow or blue on the Benefitted Area Map Numbered 2014/18).
2. The overall plan for the activities to be funded by the special charge is as follows:-
 - (a) The rateable land to which the plan applies is the rateable land situated within the Benefitted Area (as shown by the areas coloured yellow or blue on the Benefitted Area Map).
 - (b) The plan made is for Council to recoup 50% of the identified cost of the construction of the Slade Point Seawall.
 - (c) The estimated cost to be contributed by the benefitted ratepayers in implementing the overall plan is \$429,000.
 - (d) The estimated time for implementing the overall plan is 10 years commencing 1 July 2012 and ending on 30 June 2022.
3. The rateable land proposed to be levied with the special charge, especially benefits from this project because the seawall construction to be funded by the special charge will provide an increased level of protection from events such as storm-surge.
4. A special charge will apply to all land in the Benefitted Area as shown by the area coloured yellow (Area A) and blue (Area B) in the Benefitted Area Map. The quantum of the special charge is \$1,000 per annum for Area A and \$1,300 per annum for Area B.

12. SEPARATE CHARGE – (NATURAL ENVIRONMENT LEVY) 2013/2014

In accordance with the provisions of Part 8 of Chapter 2 of the Regulation, Council levies a separate charge of \$30.75 per rate assessment for the 2013/2014 financial year to be levied equally on all rateable assessments. The separate charge will be called the Natural Environment Levy and will fund a service, facility or activity identified as:

- (a) promoting and supporting the preservation and enhancement of the natural environment;
- (b) encouraging environmental awareness by promoting activities and practices that support preservation of the region's natural environment;
- (c) supporting sustainable management of areas of environmental significance to maintain biodiversity;
- (d) encouraging improved efficiency and use of energy through greenhouse gas reduction and renewable clean energy sources;
- (e) provide a range of types and styles of projects including appropriate sustainability projects. This can include pilot projects.

13. SEPARATE CHARGE – (ROADS IMPROVEMENT LEVY) 2013/2014:

In accordance with the provisions of Part 8 of Chapter 2 of the Regulation, Council levies a separate charge of \$61.50 per rate assessment for the 2013/2014 financial year to be levied equally on all rateable assessments. The separate charge will be called the Roads Improvement Levy and will fund a service, facility or activity identified as:

- (a) Upgrading the existing urban street network to incorporate kerb to kerb treatments and to improve drainage where practicable;
- (b) Providing traffic calming initiatives within identified roads and streets;
- (c) Contributing to the safety of pedestrian and bicycle traffic by improving walkways and cycle-ways within and around road reserves; and
- (d) Contributing to the implementation of a roads treatment program to extend the life of the road network

14. SEPARATE CHARGE – (WASTE FACILITIES MANAGEMENT LEVY) 2013/2014:

In accordance with the provisions of Part 8 of Chapter 2 of the Regulation, Council levies a separate charge of \$163.40 per rate assessment for the 2013/2014 financial year to be levied equally on all rateable assessments. The separate charge will be called the Waste Facilities Management Levy and will fund a service, facility or activity identified as:

- (a) funding the residual cost of providing waste facilities and services that are not met from the refuse utility charges and other fees and charges collected on a user pays basis; and

- (b) meeting public expectations in matters of disposal of refuse that affect public health and the visual amenity of the area.
- (c) contributing funding of \$18.28 per property (included in the total charge of \$163.40) towards the cost of carbon management on providing waste facilities and services that are not met from the refuse utility charges, other fees and charges on a user pays basis, and other revenue streams.

15. SEPARATE CHARGE – (DISASTER RESPONSE LEVY) 2013/2014:

In accordance with the provisions of Part 8 of Chapter 2 of the Regulation, Council levies a separate charge of \$12.10 per rate assessment for the 2013/2014 financial year to be levied equally on all rateable assessments. The separate charge will be called the Disaster Response Levy and will fund a service, facility or activity identified as:

- (a) upgrading facilities utilised during times of natural disaster; and
- (b) contributing to the cost of the SES and Emergency Service Management Team and the development and implementation of Emergency Risk Plans for the area.

16. SEWERAGE, CLEANSING AND WATER UTILITY CHARGES 2013/2014:

In accordance with the provisions of Part 7 of Chapter 2 of the Regulation, Council levies the following utility charges:

1.00 SEWERAGE UTILITY CHARGES

1.01 In respect of sewerage premises, and whether occupied or not, subject to any concessions or additional charges contained in paragraphs 1.02 to 1.11 inclusive, the charge shall be one sewerage factor for each W.C. Pedestal or Slop Hopper Pan, and for each separate urinal installed on such premises, one sewerage factor charge for each 600 millimetres or part thereof; provided that if the premises are used for private residential purposes and more than one pedestal or urinal is installed on such premises, a charge shall be made in respect of one such pedestal or urinal only; provided further, that in respect of flats or tenements designed or used for separate occupation, including granny flats (except where the provisions of paragraph 1.07 applies), the charge shall be one sewerage factor for each flat or tenement whether there is a W.C. pedestal or urinal installed in each flat or tenement or not.

1.01.01 Sewerage premises are defined as each separately sewerage allotment except where a building or other structure has been constructed across a common boundary of the allotment with Council approval, in which case the allotments concerned will be considered one sewerage premise for the purpose of allocating sewerage factors.

1.02 In respect of any structure, building or place on land which is not rateable under Section 93 (3) of the Act or part 2 of Chapter 2 of the regulation, excluding however those classified under Clause 1.05 hereof, a factor charge in accordance with Clause 1.01 hereof, shall be levied on the persons

or body or Commonwealth or State Department at whose request the structure, building or place was provided with sewerage.

- 1.03 In respect of the Mackay Racecourse, all Showgrounds and Mackay Entertainment and Convention Centre, the charge shall be one sewerage factor per W.C. pedestal for the first six (6) W.C. pedestals, and a charge equivalent to .5 of a factor charge for each additional W.C. pedestal, and for each separate urinal installed on such premises, .5 sewerage factor charge for each 600 millimetres or part thereof.
- 1.04 In respect of premises uses for public worship, the charge shall be a charge equivalent to .8 of a factor charge for each W.C. pedestal, and for each separate urinal installed on such premises, .8 sewerage factor charge for each 600 millimetres or part thereof.
- 1.05 In respect of all premises whether occupied or not, which are not lots that are part of a body corporate which are designed for and where the principal use is Motel, Holiday Units or Tourist Resorts as determined by Council, the charge shall be a charge equivalent to .8 of a factor charge for each pedestal within an accommodation unit having private toilet facilities and a charge of one sewerage factor for each other pedestal, and for each separate urinal installed on such premises, one sewerage factor charge for each 600 millimetres or part thereof.
- 1.06 In respect of all sewered premises used for private residential purposes and containing a granny flat, one factor charge for the principle residence plus a charge equivalent to .5 of a factor charge for the approved granny flat. The concession offered by this clause will only apply during the period that this granny flat is occupied by a person who complies with the requirements of Council Policies and Local Laws.
- 1.07 In respect of all premises in a sewered area which are not connected to a sewer main, but in respect of which the Council is prepared to accept sewerage, or any premises having less connections than required by the Building Code of Australia 2011, a factor charge shall be made in accordance with Clause 1.01 hereof for the minimum number of pedestals, and for each separate urinal required to be installed on such premises, one sewerage factor charge for each 600 millimetres or part thereof required to be provided pursuant to the Building Code of Australia 2011.
- 1.08 In respect of all sewered premises whether connected to sewerage or not, designed or used as caravan parks with communal facilities, a factor charge for each pedestal and each 600 millimetres of urinal, or part thereof, as required pursuant to the provisions of the *"Guidelines on Good Design for Caravan Parks & Relocatable Home Parks 1997"* issued by the Queensland Department of Local Government and Planning, the Planning Schemes or Shire Plan relevant to Mackay Regional Council or other applicable legislation irrespective of the actual number of pedestals and length of urinal installed, plus a charge for an owner/managers residence if situated within the park and in respect of such premises also having private facilities for any sites an additional factor charge, equivalent to .25 of a factor charge for each van/camp site or cabin with private facilities.
- 1.09 In respect of all sewered premises designed or used as caravan parks with private facilities only, a charge equivalent to .25 of a factor charge for each van/camp site or cabin, and a charge of one sewerage factor for each other

P = Pedestal Allowance (45kl) per pedestal
 D = Percentage Discharged to Sewer (%) Including an allowance for irrigation.
 VSUC = Volumetric Sewerage Discharge Unit Cost \$2.45/kl)

Charged each six months utilising water consumption measured and/or charged for in the previous billing period.

2. For the discharge of wastes from industries, business, trade and/or manufacturing premises licenced for the discharge of Trade Waste, determined to be discharging wastes into the sewer, the quantity of which exceeds the normal design limits covered by the annual sewerage charges set out in Clause 1.01 to 1.12 hereof, a volumetric trade waste charge shall be made in accordance with the following formula:

$$VTWC = (M - P) \cdot D \cdot VTWUC$$

VTWC = Volumetric Trade Waste Charge (VTWC)
 M = Metered Consumption (kl)
 P = Pedestal Allowance (45kl) per pedestal (not applicable where discharge separately metered)
 D = Percentage Discharged to Sewer (%) Including an allowance for irrigation. (100% where discharge separately metered)
 VTWUC = Volumetric Trade Waste Discharge Unit Cost \$2.45/kl)

Charged each six months utilising water consumption measured and/or charged for in the most recent billing period.

3. For the discharge of wastes from industries, business, trade and/or manufacturing premises licensed for the discharge of Trade Waste, with a Category 3 approval, an additional Trade Waste Conveyance and Treatment Charge shall be made in accordance with the following formula:

$$C = V \cdot n_1 \cdot x_1 / 1000 + V \cdot n_2 \cdot x_2 / 1000 + V \cdot n_3 \cdot x_3 / 1000 + V \cdot n_4 \cdot x_4 / 1000 + V \cdot n_5 \cdot x_5 / 1000 \text{ where}$$

C is the Conveyance and Treatment Charge for the period of discharge in Australian dollars; and

V is the volume (as determined pursuant to **section 11.2 of Council's Trade Waste Management Plan**) of Category 3 Trade Waste discharged during the period of discharge (kL); and

$n_1, n_2, n_3, n_4, n_5, n_6$ are the unit charge rates determined by the Council below for pollutants N_1, N_2, N_3, N_4, N_5 , (\$/kg); and

x_1, x_2, x_3, x_4, x_5 , are the average concentrations of pollutions N_1, N_2, N_3, N_4, N_5 , (mg/l); and

N_1 is TSS (Total Suspended Solids).

N_2 is COD (Chemical Oxygen Demand).

N_3 is O&G (Oil and Grease) or THc (Total Hydrocarbons).

N_4 is TKN (Total Kjeldahl Nitrogen).

N_5 is TP (Total Phosphorus).

Trade Waste Conveyance and Treatment Charge

n_1 – Total Suspended Solids = \$0.97/kg
 n_2 - Chemical Oxygen Demand = \$0.54/kg
 n_3 - Oil and Grease or Total Hydrocarbons = \$1.77/kg
 n_4 – Total Kjeldahl Nitrogen = \$3.01/kg
 n_5 - Total Phosphorous = \$5.18/kg

Charged each six months utilising water consumption measured and/or charged for in the most recent billing period.

4. For the discharge of wastes from industries, business, trade and/or manufacturing premises licensed for the discharge of Trade Waste, with a Category 3 approval, determined to be discharging wastes into the sewer, the strength of which exceeds the maximum sewer admission limits (based on the limits applicable to the type of business), an additional Penalty Conveyance and Treatment Charge shall be made in accordance with the following formula:

$$C_p = V * n_{11} * x_1 / 1000 + V * n_{12} * x_2 / 1000 + V * n_{13} * x_3 / 1000 + V * n_{14} * x_4 / 1000 + V * n_{15} * x_5 / 1000 \text{ where}$$

C_p is the Penalty Conveyance and Treatment Charge for the period of discharge in Australian dollars; and

V is the volume (as determined pursuant to **section 11.2 of Council's Trade Waste Management Plan**) of Category 3 Trade Waste discharged during the period of discharge (kL); and

n_{11} , n_{12} , n_{13} , n_{14} , n_{15} , are the penalty unit charge rates determined by the Council below for pollutants N_1 , N_2 , N_3 , N_4 , N_5 , (\$/kg); and

x_1 , x_2 , x_3 , x_4 , x_5 are the average concentrations of pollutions N_1 , N_2 , N_3 , N_4 , N_5 (mg/l); and

N_1 is TSS (Total Suspended Solids).

N_2 is COD (Chemical Oxygen Demand).

N_3 is O&G (Oil and Grease) or THc (Total Hydrocarbons).

N_4 is TKN (Total Kjeldahl Nitrogen).

N_5 is TP (Total Phosphorous).

Trade Waste Conveyance and Treatment Charge

n_{11} – Total Suspended Solids = \$1.56/kg
 n_{12} - Chemical Oxygen Demand = \$1.56/kg
 n_{13} - Oil and Grease or Total Hydrocarbons = \$1.56/kg
 n_{14} - Total Kjeldahl Nitrogen = \$1.56/kg
 n_{15} - Total Phosphorous = \$1.56kg

Charged each six months utilising water consumption measured and/or charged for in the most recent billing period.

The symbol * in this section is defined as the multiplication symbol.

2.0 REFUSE REMOVAL AND DISPOSAL**2.01 REFUSE CHARGE**

In respect of each House, unit that is a lot that is part of a body corporate, Granny Flat or Flat designed for separate residential occupation and whether occupied or not, one factor charge.

Where a refuse service has been provided to any other property, one factor charge per service;

In respect of each additional service requested by the owner/occupier, one factor charge.

2.02 Council's basic kerbside waste collection service consists of one 240L general waste bin per single-unit dwelling to be serviced weekly.

A Refuse Service Charge will be applied by Council to respective property rates for the provision of a kerbside waste collection service.

One free 240L recycle bin (serviced fortnightly) is generally provided with each waste bin service.

CLEANSING CHARGES for 2013/2014 are: -

- | | |
|------------------------------------------------|----------|
| (a) Factor Charge Refuse Service (Residential) | \$254.25 |
| (b) Factor Charge Refuse Service (Other) | \$254.25 |

3.0 WATER UTILITY CHARGES**3.01 COMMERCIAL AND INDUSTRIAL PROPERTIES AND PROPERTIES WITH LAND USES OTHER THAN RESIDENTIAL AND VACANT LAND**

In respect of each separately surveyed parcel of land on which is erected one or more buildings, (where a building or other structure has been constructed across a common boundary of allotments with Council approval, the allotments concerned will be considered together for the purpose of allocating water factors), or vacant land to which a metered supply has been connected or is available, and is used or intended for use for commercial or industrial purposes including retirement villages or equivalent, hotels, motels and caravan parks or for any purpose other than a residential purpose, referred to in Clause 3.02 hereof, charges shall be assessed on:

- (i) a per factor basis, on the number of factors as detailed hereunder and where more than one use occurs on the land the number of factors charged will be the sum of that applying to each use; and
- (ii) on a consumption basis.

**3.02 FACTOR BASIS – CRITERIA FOR FACTOR ALLOCATION
COMMERCIAL/INDUSTRIAL PROPERTIES****0.75 of one Factor (or equivalent charge)**

Residential Unit in a retirement Village or equivalent, that is not a part of a body corporate. Per unit.

One Factor

Vacant Commercial or Industrial land to which a metered water supply has been connected, Carpark 1 Level, Cemetery, Club – Non Business / Sports Field, Plant Nursery, Offices/Shops/Commercial Recreation Premises (floor area less than 51m²), Outbuilding, Parks and Gardens, Transformer, Sub-Station, Walkway, Advertising Hoarding, Jetty, Motel Units that are part of a Body Corporate. Each additional meter connected to a property.

Three Factors

Caravan Park (less than 51 van sites), Carpark 2 levels, Child Care facility or kindergarten, Church/Church Hall/Community Hall, Club – Licensed or Sporting (run as a business), Community Protection Centre, Construction Site (Commercial/Industrial), Forestry and Logs (less than 10 hectares), Funeral Parlour, Guest House, Hostel (less than 3 levels), Industry – Light/Service/Offensive (gross floor area less than 501m²), Library/Museum/Art Gallery/Zoo, Marina (non-residential), Offices/Shops/Commercial Recreation Premises (gross floor area 51-250m²), Outdoor Storage Area (less than 2,025m²), Restaurant (not licensed), Sales Area – Outdoor (less than 2,025m²), Service Station, Welfare Institution/Day Care Centre.

Four Factors

Car Park 3-4 levels, Caravan Park 51-100 van sites, Day (non-boarding) School less than 101 pupils, Drive-in Shopping Centre less than 4,050m², Guest House/Hostel 3-4 levels, Hotel/Motel less than 3 levels, Industry – Light/Service/Offensive – gross floor area 501-1,125m², Offices/Shops/Commercial Recreation Premises less than 3 levels 251-500m², Outdoor Storage Area 2,025-4,050m², Restaurant – Licensed (including floating), Sales Area Outdoor 2,025-4,050m², Tourist Attraction less than 4,050m², Theatre/Cinema – Single, Drive-in Theatre, Laguna Quays Resort Golf Courses, Bureau of Sugar Experiment Station facility at Te Kowai.

Five Factors

Retirement Village or equivalent - (Administration, recreation and other common areas)

Six Factors

Airfield, Caravan Park greater than 100 van sites, Day (non boarding) School 101-500 pupils, Drive-In Shopping Centre 4,050-7,500m², Drive-In Theatre, Forestry and Logs 10-40 hectares, Industry – Extractive less than 10,001m², Industry – Light/Service/Offensive – gross floor area 1,126-2,000m², Offices/Shops/Commercial Recreation Premises gross floor area 501-1,012m², Oil/Fuel Depot (including refinery) (Licensed Capacity less than 1,000,000 litres) Showgrounds/Racecourse, Tourist Attraction 4,050-10,000m².

Eight Factors

Boarding Schools less than 101 Boarders, Car Park greater than 4 levels, Club – licensed or Sporting (run as business) 3-4 levels, Day (non-boarding) Schools greater than 500 Pupils, Drive-in Shopping Centre 7,501-10,000m², Hotel/Motel 3 levels, Guest House/Hostel 5-6 levels, Industry – Light/Service/Offensive – gross floor area 2,001-3,000m², Offices/Shops/Commercial Recreation Premises gross floor area 1,013-3,500m², Outdoor Storage greater than 4,050m², Tertiary Residential College, Theatre, Cinema Complex (not part of a drive-in shopping centre) (2-3 auditoriums), Welfare Institution, Nursing/Retirement Home – Non Medical less than 51 beds, sales area – outdoor (more than 4050m²).

Ten Factors

Forestry and Logs greater than 40 hectares, Guest House, Hostels greater than 6 levels, Hospitals less than 51 beds, Industry – Light/Service/Offensive – gross floor area 3,001-4,000m², Offices/Shops/Commercial Recreation Premises gross floor area 3,501-5,500m², Tavern, Theatre/cinema complex (not part of a drive-in shopping centre) (4-6 auditoriums).

Fifteen Factors

Drive-In Shopping Centre 10,001-15,000m², Hotel/Motel 4 levels, Industry – Extractive 10,001-20,000m², Industry – Light/Service/Offensive – gross floor area 4,001-5,500m², Offices/Shops/Commercial Recreation Premises gross floor area greater than 5,500m², Oil/Fuel Depot (including refinery) Licensed Capacity 1,000,000 to 25,000,000 litres, Tourist Attraction greater than 10,000m², Tertiary Education Institution less than 501 Students, Welfare Institution/Nursing Home/Retirement Home – Non Medical 51-100 beds, Theatre/cinema complex (not part of a drive-in shopping centre) (more than 6 auditoriums).

Twenty Factors

Brewery, Bulk Sugar Terminal, Distillery, Boarding School (greater than 100 Boarders), Club – Licensed or Sporting (run as a Business) greater than 4 levels, Drive-In Shopping Centre 15,001-60,000m², Hospital – greater than 50 beds, Hotel/Motel greater than 5 levels, Industry – Heavy, Industry – Light/Service/Offensive – gross floor area greater than 5,500m², Oil, Fuel Depot (including refinery) (licensed capacity greater than 25,000,000 litres), Tertiary Education Institution (501-1000 Students), Welfare Institution / Nursing/Retirement Home – Non Medical greater than 101 beds, Sugar Mill (including Sugar Factory or Refinery).

Thirty Factors

Laguna Quays Resort Golf Lodge, Laguna Quays Resort Administration and Maintenance Precincts.

One Hundred and Twenty Factors

Bulk Coal Terminal, Power Station, Tertiary Education Institution (1001-5000 Students), Drive-In Shopping Centre greater than 60,000m².

Three Hundred Factors

Mackay Seaport Precinct (all areas serviced by the bulk supply)

3.03 RESIDENTIAL PROPERTIES

In respect of each separately surveyed parcel of land on which is erected one or more buildings, (where a building or other structure has been constructed across a common boundary of allotments with Council approval, the allotments concerned will be considered together for the purpose of allocating water factors), or vacant land to which a metered water supply has been connected or is available, and is used or intended for use for the residential purposes referred to herein, charges shall be assessed on:

(i) a per factor basis, on the number of factors as detailed hereunder, and where more than one use occurs on the land, the number of factors charged will be the sum of that applying to each use; and

(ii) on a consumption basis.

3.03.1 FACTOR BASIS – CRITERIA FOR FACTOR ALLOCATION RESIDENTIAL PROPERTIES0.75 of one Factor (or equivalent charge)

Multi-unit residence (flat) that is not part of a body corporate. (Per unit or flat.)

One Factor

Single Unit Residence, vacant land to which a metered water supply has been connected or is available. Each additional meter connected to an assessment.

3.04 VACANT LAND

The following is the basis of assessing charges on vacant land to which a metered water supply has not been connected, which is passed by a water main, intended as a source of supply:

Each separately surveyed parcel of land shall be assessed vacant water charges, with the following exceptions, that is to say:

Any parcel of land exceeding four (4) hectares in area or any caneland of any area whatsoever, included in a Rural Zone under the Planning Scheme relevant to Mackay Regional Council and which is:

- (a) Located outside the preferred future dominant land use area relating to urban lands as shown on the Strategic Plan for Mackay City, and
- (b) In the case of the Eton Water Supply, is located outside the Township of Eton as delineated on the Planning Scheme relevant to Mackay Regional Council, maps, and
- (c) In the case of the Water Supply to Bakers Creek/Dundula, is located outside the Township of Bakers Creek as delineated on the Planning Scheme relevant to Mackay Regional Council, maps.

Where an application is received by Council for a supply of water to a parcel of land which is exempted from payment of vacant water charges under this Policy, and the use of such land does not involve a Rezoning, Consent usage or Reconfiguration approval, then before a connection of water is made, the applicant shall make a headworks contribution to Council in accordance with the Policy of Council relating to the proposed use in the particular Water Supply Area.

In respect of vacant land, charges shall be assessed at the following factor per lot:

	<u>No. Factors Charged</u>	<u>Factor Type</u>
Residential Lots	1	Residential
Commercial or Industrial Lots	1	Commercial/Ind

3.05 CONSUMPTION BASIS – TARIFF LEVELS

Metered Water charges applicable to each assessment in respect of all metered properties shall be in addition to the factor charge and shall be determined by Council resolution.

The consumption allowances and tariff levels applicable to properties shall be calculated in accordance with the following scale.

(a) General Consumption Tariffs

For all water consumed, the following tariffs apply: -

Tariff 1 – Up to and including 150kl per half-yearly period.

Tariff 2 – Greater than 150kl per half-yearly period.

(Includes water supplied to Mackay Port Authority – Mackay Harbour)