MINUTES

Special (Budget) Meeting

Held at Council Chambers
Sir Albert Abbott Administration Building
73 Gordon Street, Mackay

On Wednesday 22 June 2022

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1. ATTENDANCE

His Worship the Mayor, Cr G R Williamson (Chairperson), Crs M J Bella, L G Bonaventura, M I Green, B C Hassan, A N Jones, F A Mann, K L May, R J Seymour and P A Townsend were in attendance at the commencement of the meeting.

Also present was Ms A Hays (Acting Chief Executive Officer), Mrs P Jaenke (Minute Secretary), Mr D McKendry (Executive Officer), Mr J Devitt (Director - Engineering & Commercial Infrastructure), Ms A Nugent (Director - Development Services), Mr J Carless (Director - Capital Works), Mr C Shepherd (Acting Director - Community & Client Services), Mr J Rule (Acting Director - Organisational Services) and Ms M Rogers (Manager - Corporate Communications & Marketing).

The meeting commenced at 1:00 pm.

Mayor Williamson advised that Councillor Englert was joining the meeting online via audio visual link (Teams).

Council Resolution ORD-2022-164

THAT Council confirm the attendance of Cr Englert at today's meeting by audio visual link as allowed under section 254K of the *Local Government Regulation 2012.*

Moved: Cr May **Seconded: Cr Mann**

CARRIED

2. ABSENT ON COUNCIL BUSINESS

Nil

3. APOLOGIES

Nil

4. CORRESPONDENCE AND OFFICER'S REPORTS

4.1. STATEMENT OF ESTIMATED FINANCIAL POSITION 2022/23

4.1.1. STATEMENT OF ESTIMATED FINANCIAL POSITION 2021/22

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	1. Estimated Financial Position Statements 30 June 22 [**4.1.1.1** - 3 pages]

Purpose

To present a statement of estimated financial position for 2021/22 in accordance with section 205 of the *Local Government Regulation 2012* (the Regulation).

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength:

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Strategy: Planned Capital and Forecasting - Our planned capital and operational projects are delivered with agility in line with our business needs.

Background/Discussion

In accordance with the Regulation, the Chief Executive Officer must present the local government's annual budget meeting with a statement of estimated financial position for the previous financial year. The statement provides a comparison between the original budget, amended budget and the estimated actual result for the financial year.

The 2021/22 original budget was adopted by Council on 23 June 2021. Following adoption, three major budget reviews, as well as several smaller ad hoc reviews, were undertaken to allow revisions across financial categories where significant variances had been identified. The result of these revisions to the original budget became Council's amended budget.

The original budget forecast an operating surplus of $0.68M. Budget revisions throughout the year saw this operating surplus revised to a $3.9M, largely through higher than forecast Fees and Charges revenue. This increase was associated with the increased development activity within the region and the advanced receipt of the 2022/23 Financial Assistance Grant, as provided by the Australian Government.

During the financial year, increases in Materials and Services expenditure was adopted through multiple budget reviews. Tightened market conditions and resource shortages continued to be experienced across the local building and civil construction industry. This amendment was partially offset by Depreciation and Amortisation savings and increase in revenue realised in the above-mentioned categories.

The forecast includes assumptions around the financial impact of COVID-19 and is continually monitored for financial risk indicators. Budget assumptions have been adjusted as part of budget review processes, as required, with evolving information representative of variations on MRC's operations and its anticipated end of year result.

Operating Revenue

The original budget forecast operating revenue of $268.6M. Revisions to the original budget saw this increase to $275.1M. Current forecasts estimate that operating revenue will achieve $275.7M as of 30 June 2022, $0.6M greater than amended budget. This is largely the result of community water usage being higher than forecast and an increase in development application revenue. Favourable variances are also predicted in all other revenue categories with exception of sales contracts and recoverable works.

Operating Expenses

The original budget forecast operating expenses at $267.9M. Through budget review and adjustments during the year, this amount increased to $271.2M. Estimates to 30 June 2022, indicate that operating expenditure will achieve $274M, $2.8M more than amended budget. This variance is mainly attributed to market realisation fees

associated with the early release of Council's Sewerage loan, where net savings over the term of the loan can be realised. Small reductions in all other expense categories are noted.

Operating Result

The original budget forecast an operating surplus of $0.68M. As part of the March Budget Review, the anticipated result was increased to a $3.9M surplus. Based on current projections for 30 June 2022, it is anticipated that a ~$1.7M surplus is likely.

Delivery of services to the community remains the focus for MRC. Council continues to monitor the evolving COVID-19 situation and will respond to and report any changes that affect the financial operations of MRC.

Capital Revenue and Expenses (Net result)

The original budget forecast a net surplus of $17.8M. Budget revisions, particularly to grants, subsidies, contributions and donations saw this amended to $27.1M during the year. Current forecasts indicate that the net result will achieve $25.8M, $1.3M less than amended budget.

Council Projects Expenditure

The original budget for council projects expenditure was $111.9M; where $109.5M was forecast for capital expenditure and the remaining $2.4M projected for operational expenditure. There were fluctuations in these amounts as variances were identified and brought to account via budget reviews through the year. Ultimately, these movements saw the budget revised to $111.5M, which included $108.4M of capital expenditure and $3.1M of operational expenditure.

Continued risk in project delivery is referenced from tightened local market conditions, with resource shortage across local building and civil construction firms and difficulty in sourcing some products. As a result of these factors, current project expenditure to 30 June 2022 is forecast at $101.3M, which will equate to 91% completion of the revised budget.

Impact on Current and Future Budgets

The original budget forecast an operating surplus of $0.68M. Budget revisions through the year ultimately saw this amount revised to a $3.9M surplus. The current estimated final position at 30 June 22 is currently forecast as a ~$1.7M surplus.

Consistent with prior years, the 2022/23 budget has been established using the 2021/22 amended budget plus an additional loan payment, due to favourable market conditions. While the Statement of Estimated Financial Position has been prepared using the best-known information available at the date of compilation, the actual final position is likely to vary.

Mackay Regional Council's Annual Financial Statements will be presented to Council for adoption as part of the Annual Report. Variances between the 2021/22 revised budget and the actual position will be brought to account in the first budget review following receipt of the Independent Auditor's Report.

Consultation and Communication

The Estimated Financial Position has been prepared in consultation with Program Managers and Directors, applying their knowledge on matters at the time in determining appropriate estimates, judgements and assumptions to derive the result.

Resource Implications

Council's future budget estimates are based on achieving the estimated actual position in the current year. Any variance between the actual result and the estimated result will impact the long-term financial forecast. Current estimates indicate an unfavourable variance between the estimated operating surplus and amended budget of ~$2.2M.

Risk Management Implications

Any significant variances between the actual full financial year result and the amended budget will be brought to account at the first budget review following receipt of the Independent Auditor's Report.

Conclusion

An operating surplus of ~$1.7M is predicted for the period ended 30 June 2022, based on known information available at the time of compilation of this report.

The Statement of Estimated Financial Position has been prepared using actual results to the end of April 2022, with predictions made to the end of June 2022. Once the final actual position is determined, any variances will be brought to account through a future budget review, with impacts recognised in MRC's long-term financial forecast.

Officer's Recommendation

THAT the following statements of estimated financial position for 2021/22 be received:

1. Income and Expenses 2021/22;
2. Statement of Financial Position 2021/22; and
3. Council Projects Expenditure 2021/22.

Council Resolution ORD-2022-165

THAT the following statements of estimated financial position for 2021/22 be received:

1. **Income and Expenses 2021/22;**
2. **Statement of Financial Position 2021/22; and**
3. **Council Projects Expenditure 2021/22.**

Moved Cr May **Seconded Cr Hassan**

Cr May noted that the original budget forecast an operational surplus of $0.68M however, based on current projects, this is now expected to be approximately $1.7M when all accounts are finalised at 30th June 2022.

CARRIED

MACKAY REGIONAL COUNCIL
STATEMENT OF INCOME AND EXPENSES
For the year ending 30 June 2022

	Original Budget 2021/22 $000	Amended Budget 2021/22 $000	Estimated Actual 2021/22 $000
Operating revenue			
Rates and charges	246,226	246,226	246,361
Discounts	(18,571)	(18,571)	(18,465)
Remissions	(2,379)	(2,379)	(2,367)
Net rates and charges	225,276	225,276	225,529
Fees and charges	17,925	20,460	20,644
Rental income	1,449	1,189	1,189
Sales - contracts and recoverable works	7,740	8,138	7,879
Grants and subsidies	11,061	13,384	13,375
Interest earned	1,443	1,812	1,812
Other operating revenue	3,754	4,912	5,281
Total operating revenue	**268,648**	**275,171**	**275,709**
Operating expenses			
Employee costs	89,294	89,931	89,567
Materials and services	91,643	97,628	97,389
Finance costs	7,695	7,881	11,706
Depreciation	79,334	75,791	75,359
Total operating expenses	**267,966**	**271,231**	**274,021**
Operating result	**682**	**3,940**	**1,688**
Capital revenue			
Grants and subsidies	13,358	12,461	12,209
Contributions from developers	2,500	9,400	9,400
Donated assets	4,000	4,000	4,000
Other capital income	-	43	43
Total capital revenue	**19,858**	**25,904**	**25,652**
Capital expenses			
Loss on disposal or sale of assets	740	740	740
Revaluation decrement and loss on impairment	-	-	(1,242)
Other capital expenses	2,000	2,000	2,000
Total capital expenses	**2,740**	**2,740**	**1,498**
Net result	**17,800**	**27,104**	**25,842**

MACKAY REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
For the year ending 30 June 2022

	Original Budget 2021/22 $000	Amended Budget 2021/22 $000	Estimated Actual 2021/22 $000
Current assets			
Cash and cash equivalents	122,016	159,079	118,848
Trade and other receivables	19,766	20,161	20,161
Contract assets	829	3,500	3,500
Other assets	3,200	2,710	2,710
Inventories	3,028	2,745	2,745
Non-current assets held for sale	79	79	79
	148,918	**188,274**	**148,043**
Non-current assets			
Trade and other receivables	-	-	-
Investments	6,159	5,102	5,102
Property, plant and equipment	3,327,452	3,444,352	3,502,134
Intangible assets	5,077	5,135	5,135
Right of use assets	822	782	782
	3,339,510	**3,455,371**	**3,513,153**
Total assets	**3,488,428**	**3,643,645**	**3,661,196**
Current liabilities			
Contract liabilities	4,239	3,500	3,500
Lease liabilities	77	25	25
Trade and other payables	9,310	9,829	9,829
Borrowings	17,282	16,974	13,303
Provisions	60,862	63,111	63,111
Other liabilities	10,457	12,654	12,654
	102,227	**106,093**	**102,422**
Non-current liabilities			
Contract liabilities	-	-	-
Lease liabilities	833	791	791
Trade and other payables	882	-	-
Borrowings	84,708	84,703	52,858
Provisions	18,928	16,746	16,746
Other liabilities	-	1,163	1,163
	105,351	**103,403**	**71,558**
Total liabilities	**207,578**	**209,496**	**173,980**
Net community assets	**3,280,850**	**3,434,150**	**3,487,216**
Community equity			
Retained surplus	2,213,498	2,264,962	2,261,488
Asset revaluation reserve	1,067,352	1,169,188	1,225,728
Total community equity	**3,280,850**	**3,434,150**	**3,487,216**

MACKAY REGIONAL COUNCIL
COUNCIL PROJECTS EXPENDITURE
For the year ending 30 June 2022

	Original Budget 2021/22 $000	Amended Budget 2021/22 $000	Estimated Actual 2021/22 $000
Capital expenditure	109,537	108,368	98,639
Operational expenditure	2,441	3,131	2,734
Total council projects expenditure	**111,978**	**111,499**	**101,373**

4.2. REVENUE POLICY
4.2.1. REVENUE POLICY

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	1. Revenue Policy 2022/23 [**4.2.1.1** - 7 pages]

Purpose

To adopt Mackay Regional Council's (MRC's) Revenue Policy for the 2022/23 financial year.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Background/Discussion

The *Local Government Act 2009* (the Act) requires a local government to adopt a Revenue Policy for each financial year.

The requirements of the policy under the Act and *Local Government Regulation 2012* (the Regulation) are:

a) to set out the principles intended to be used by MRC for the 2022/23 financial year for:

- levying rates and charges
- granting concessions for rates and charges
- recovering overdue rates and charges
- cost recovery methods.

b) if the local government intends to grant concessions for rates and charges—the purpose for the concessions; and

c) the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

The intention is that the Revenue Policy forms the basis of the revenue measures adopted by the Council at the budget meeting and throughout the financial year it relates to. It is a strategic document, which clearly establishes the principle used in exercising the revenue powers available to Council.

Consultation and Communication

The Mayor, Councillors, Chief Executive Officer, Directors and Manager Financial Services.

Resource Implications

The Revenue Policy establishes the principles used in exercising the revenue powers of MRC and outlines the framework for the revenue measures to be adopted as part of the budget.

Risk Management Implications

This policy has been reviewed to ensure compliance with the Act and Regulation.

Conclusion

The Revenue Policy forms the basis of revenue measures adopted by Council for the financial year it relates to. It is a strategic document, which clearly establishes the principles used in exercising the revenue powers available to Council.

Officer's Recommendation

THAT in accordance with the provisions of section 104 of the *Local Government Act 2009* and section 193 of the *Local Government Regulation 2012*, the attached Revenue Policy be adopted for the 2022/23 financial year.

Council Resolution ORD-2022-166

THAT in accordance with the provisions of section 104 of the *Local Government Act 2009* and section 193 of the *Local Government Regulation 2012*, the attached Revenue Policy be adopted for the 2022/23 financial year.

Moved Cr Mann **Seconded Cr Townsend**

CARRIED

COUNCIL POLICY

REVENUE POLICY 2022/23

Program:	Financial Services
Date of Adoption:	22 June 2022
Resolution Number:	
Review Date:	22 June 2023

Scope

Provisions of the *Local Government Act 2009* and *Local Government Regulation 2012* require Council to prepare and adopt its Revenue Policy each financial year.

The policy contains principles that underpin the development of the 2022/23 budget for Mackay Regional Council (MRC).

The 2022/23 budget will be available for inspection on MRC's website at:

https://www.mackay.qld.gov.au/about_council/your_council/budget_2022_23

Objective

In accordance with the Local Government Regulation 2012, section 193, this policy will identify the principles MRC intends to apply for:

- levying rates and charges
- granting concessions for rates and charges
- recovering overdue rates and charges
- cost recovery methods.

This policy also addresses:

- The purpose for concessions; and
- The extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

Policy Statement

The *Local Government Act 2009* (the Act) requires a local government to review and adopt a Revenue Policy for each financial year.

The requirements of the policy under the Act and *Local Government Regulation 2012* (the Regulation) are:

a) to set out the principles intended to be used by MRC for the 2022/23 financial year for:
   - levying rates and charges
   - granting concessions for rates and charges
   - recovering overdue rates and charges
   - cost recovery methods.

b) if the local government intends to grant concessions for rates and charges—the purpose for the concessions; and

c) the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

COUNCIL POLICY

REVENUE POLICY 2022/23

This Revenue Policy forms the basis of the revenue measures adopted by the Council at the budget meeting and throughout the financial year it relates to. It is a strategic document, which clearly establishes the principle used in exercising the revenue powers available to Council.

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This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

REVENUE POLICY 2022/23

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1.0 Principles

When determining principles to be applied for the levying of rates and charges, MRC must act consistently with the local government principles, namely:

- transparent and effective processes and decision-making in the public interest
- sustainable development and management of assets and infrastructure, and delivery of effective services
- democratic representation, social inclusion and meaningful community engagement
- good governance of, and by, local government
- ethical and legal behaviour of Councillors and local government employees.

1.1 Principles applied in levying rates and charges

Making rates and charges

It is MRC's policy to identify certain services where the consumer of the service will be expected to meet all or the greater part of the total cost of providing the specific service. In such cases, the cost of providing the service will include the cost of acquiring the commodity or service, the cost of providing the infrastructure or the cost to process and/or deliver the commodity or service and any overheads associated with these cost components.

It is acknowledged that individual consumers of a commodity or service cannot always be separately identified. For this reason, there is a need for specific user charges to be supplemented by other general revenue sources.

The relevant components of MRC's rates and charges are based on a combination of specific user charges, separate charges, special charges and a differential general rating system based on the value of land to provide the most equitable and rational basis for raising revenue.

Rates and charges are determined after due consideration of the following:

(i) MRC's legislative obligations
(ii) The needs and expectations of the general community
(iii) The cost of maintaining existing facilities and necessary services
(iv) The need for additional facilities and services
(v) Equity by ensuring the fair and consistent application of lawful rating and charging principles, without bias, taking account of all relevant considerations, and disregarding irrelevancies such as the perceived personal wealth of individual ratepayers or ratepayer classes.

MRC will also have regard to the principles of:

- Transparency of process
- Simplicity and efficient administration
- Flexibility to take account of changes in the local economy.

Levying rates and charges

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

- Making clear what is MRC's and each ratepayer's responsibility in relation to the rating system
- Making the levying process, granting discount and any refund of rates and charges as simple and efficient to administer as possible
- Timing the levy of rates notices to take into account the financial cycle to which the ratepayers are accustomed or may adapt to.

1.2 Principles applied in granting concessions for rates and charges

In considering the application of concessions, MRC will be guided by the principles of:

- reducing the financial burden of rates and charges payable by pensioners
- transparency by making clear the requirements necessary to receive concessions
- support not-for-profit organisations whose objectives do not include making a profit
- equality by providing the same treatment for ratepayers with similar circumstances.

In circumstances where a ratepayer incurs responsibility for a rating debt that is beyond their financial capacity to pay immediately, MRC may consider avenues to assist with the payment of the liability.

Certain activities benefit the community and the cost of meeting their obligations may impact on the provision of these activities. MRC should assist in such circumstances.

The purpose for the concessions is to provide support to identified classes of ratepayers in meeting their obligations under MRC's rating regime within the available provisions of the Act and the Regulation.

1.3 Principles applied to the recovery of overdue rates and charges

Under the provisions in Part 12 of Chapter 4 of the Regulation, MRC will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers by:

- transparency in making clear the obligations of ratepayers and the processes used by MRC in assisting them meet their financial obligations
- making the processes used to recover outstanding rates and utility charges clear, simple to administer and cost effective
- equality by providing the same treatment for ratepayers with similar circumstances
- equity by having regard to capacity to pay in determining appropriate arrangements for different sectors of the community.

MRC requires payment of rates and charges within a specified period and will pursue the collection of overdue rates and charges diligently. The non-payment of rates and charges by some ratepayers places an unfair burden on other ratepayers who meet their legal obligations in full.

When pursuing the collection of overdue rates and charges MRC will have due concern for any financial hardship faced by ratepayers.

MRC's Debt Recovery Policy and Rates Relief Policy provide guidance in the collection of overdue rates and charges.

1.4 Payments in Advance

MRC accepts payments in advance by lump sum or by instalments. Interest is not payable on any credit balances held.

1.5 Cost recovery fees and other fees

MRC makes cost recovery fees and other fees and charges. Generally, Council will set these fees and charges at a level which reflects the underlying costs and charges, including allocated overheads and administration costs.

For cost recovery fees the expected revenue from fees and other sources for each cost recovery scheme will not exceed the costs of the scheme.

For other fees and charges, where they relate to an operation which has private sector competitors, the fees will reflect the full cost including costs which a private sector competitor would face but which MRC, because it is a public-sector entity, does not incur.

Council may apply community service obligations to its business activities and exclude the cost of those obligations in fixing prices for the activity. Council each year adopts a Code of Competitive Conduct Statement which provides the framework for identification of community service obligations enforced on its identified business units.

1.6 Physical and social infrastructure cost funding

MRC raises some of its community infrastructure funding through grants and subsidies provided by the Queensland State Government and the Commonwealth Government of Australia.

The cost of providing community infrastructure is offset through the imposition of infrastructure charges on new development pursuant to the provisions of the *Planning Act 2016.*

The amount MRC can collect in infrastructure charges is limited by section 52 and Schedule 16 of the *Planning Regulation 2017.*

To the extent that there is a shortfall between cost of providing infrastructure and amounts generated through the imposition of infrastructure charges, MRC may rely on other sources of revenue.

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean *the Mayor and Councillors of Mackay Regional Council*

MRC shall mean *Mackay Regional Council*

The Act shall mean *the Local Government Act 2009*

The Regulation shall mean *the Local Government Regulation 2012*

3.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

4.0 Reference

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Land Valuation Act 2010*
- *Planning Act 2016*
- *Planning Regulation 2017*
- State Planning Regulatory Provision 2012 (adopted charges)

5.0 Attachments

4.3. REVENUE STATEMENT
4.3.1. REVENUE MEASURES REPORT

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To adopt Council's Revenue Statement and rating resolutions for the 2022/23 financial year.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Background/Discussion

In accordance with the Revenue Policy, the Revenue Statement must conform to the provisions of the *Local Government Act 2009* (the Act) and the *Local Government Regulation 2012* (the Regulation).

Legislative requirements:

The Act, section 104 and the Regulation, 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 budget (including 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 budget at any time before the financial year ends.
(4) However, the revenue statement cannot be amended to change the rates and charges 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 criteria used to decide the amount of the charges for the activity's goods and services.

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. Changes have been made to the relevant documents to reflect the new budget and improve drafting.

The following revenue measures and documents are presented to Council for adoption:

1. Differential General Rates
2. Special Rates & Charges
3. Separate Charges
4. Sewerage Utility Charges
5. Trade Waste Utility Charges
6. Waste Management Utility Charges
7. Water Utility Charges
8. Rates Concessions
9. Levy and Payment
10. Discount
11. Interest
12. Related Policies
    a. Revenue Statement 2022/23 and associated maps for 2022/23 financial year prepared in accordance with section 104 of the *Local Government Act 2009* and section 169 of the *Local Government Regulation 2012*
    b. Rating Remission for Non-Profit Community Organisations Policy
    c. Conservation Remission Policy
    d. Rates Relief Policy
    e. Discount on Late Rates Payment Policy
    f. Debt Recovery Policy
    g. Concession for Concealed Leaks Policy
    h. Concession for Exceptional Circumstances (Water Consumption) Policy

Consultation and Communication

The Mayor, Councillors, Chief Executive Officer, Directors and Management Team.

Resource Implications

The Revenue Statement and rating resolutions set out the mechanisms by which Mackay Regional 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 regarding the Revenue Statement and rating resolutions would place the revenue raising requirements of Council in severe jeopardy.

Conclusion

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

Council Resolution ORD-2022-167

THAT in accordance with the provisions of section 104 of the Local Government Act 2009 and section 193 of the Local Government Regulation 2012, the attached Revenue Policy be adopted for the 2022/23 financial year.

Moved Cr Jones **Seconded Cr Townsend**

CARRIED

4.3.2. REVENUE MEASURES REPORT - DIFFERENTIAL GENERAL RATES

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Differential General Rates Measures for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Differential General Rates Measures:

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

Category	Description	Identification
1.101 – Residential Band 1	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value up to and including $175,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description
1.201 – Residential Band 2	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value above $175,000 and up to and including $345,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description
1.301 – Residential Band 3	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value above $345,000 and up to and including $575,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description.

Category	Description	Identification
1.401 – Residential Band 4	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value above $575,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description.
1.511 – Residential – Multi-Unit	Land which is used for, or intended to be used for, residential purposes and has more than one dwelling house, secondary dwelling, flat or unit constructed, or being constructed, on the rating assessment and the structures, houses, flats or units are not part of a body corporate. This category applies regardless of whether all houses, flats or units on the land have laundry facilities within the structure or not. Properties approved for Dependant Persons Accommodation (Granny Flat) that are occupied in accordance with that approval, are excluded from this category.	Land having a residential, primary land use and meets the criteria in the description.
1.531 – Residential – Home-based Business	The land is used for a combined residential and a commercial or industrial purpose, where the area occupied by the non-residential use (including storage areas) does not exceed the lesser of: i. 25 percent of the total floor area of the principal dwelling house; or ii. 10 percent of the land area; or iii. 60 square metres.	Land having a residential, primary land use and meets the criteria in the description.
2.101 – Special Residential Strata - Horizontal	Land used for, or in the case of vacant land, intended to be used for, residential purposes, which is part of a body corporate where: i. the land is vacant or; (if the land is built on) the building does not exceed three stories in height; and ii. all of the lots in the body corporate share a common rateable valuation of greater than $1,300,000 (issued by the Department of Resources); and iii. there are eight or more lots in the body corporate.	Land having a residential, primary land use or zoning and meets the criteria in the description.
2.201 – Special Residential Strata - Vertical	Land used for residential purposes which is a unit and is part of a body corporate in a building with more than three stories.	Land having a residential, primary land use and meets the criteria in the description.
3.1 – Canefarming	Land used for, or in the case of vacant land, zoned and intended to be used for, the growing of, sugar cane or associated with the growing of, sugar cane.	Land having an agricultural primary land use code or zoning and meets the criteria in the description.

Category	Description	Identification
4.1 – Other Rural	Land used, or in the case of vacant land, zoned and intended for use, for rural industry purposes other than properties contained within category 3.1	Land having an agricultural primary land use code or zoning and meets the criteria in the description.
5 - Large Shopping Centre	Land which is used for commercial retail purposes and: i. has an area greater than five (5) hectares; and ii. has a gross floor area greater than 30,000 square metres; and iii. contains more than 60 commercial tenancies; and iv. is located within the Mackay City Centre Area as shown in Map No. 1 (attached to the Revenue Statement for the 2022/23 financial year). The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops.	Land having a commercial retail primary land use code and meets the criteria in the description.
6 - Medium Shopping Centre	Land which is used for commercial retail purposes and: i. has an area greater than five (5) hectares; and ii. has a gross floor area greater than 20,000 square metres; and iii. contains more than 30 commercial tenancies; and iv. is not included in Category 5. The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops.	Land having a commercial retail primary land use code and meets the criteria in the description.
7 – Commercial Retail	Land which is used for commercial retail purposes and: i. has a gross floor area of greater than 1,500 square metres; and ii. has more than 40 car parking spaces; and iii. is not included in Category 5 or 6 The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops.	Land having a commercial retail primary land use code and meets the criteria in the description.

Category	Description	Identification
8.11 – Other Commercial / Industrial (Mackay)	Land within the Mackay Urban Commercial Area as shown in Map No. 2 (attached to the Revenue Statement for the 2022/23 financial year), but outside the gazetted locality of Paget, which is: i. used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or ii. vacant land and zoned for commercial or industrial purposes under the applicable planning scheme.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
8.21 – Other Commercial / Industrial (Regional)	Land outside the Mackay Urban Commercial Area as shown in Map No. 2 (attached to the Revenue Statement for the 2022/23 financial year), which is: i. used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or ii. vacant land zoned for commercial or industrial purposes under the applicable planning scheme.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
8.31 – Other Commercial / Industrial (Paget)	Land located in the Mackay Urban Commercial Area within the gazetted locality of Paget as defined in the Urban Commercial Area (Map No. No. 2) (attached to the Revenue Statement for the 2022/23 financial year), which is: i. used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or ii. vacant land zoned for commercial or industrial purposes under the applicable planning scheme.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
9 - Major Port Industry	Land located in the Hay Point or Dalrymple Bay complexes which is: i. used for major port industry; and ii. has Port / Industry or Strategic Port Land designations and is used for the storage, processing or loading of mineral products.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
10 - Sugar Mill or Sugar Refinery	Land which is used, or designed for use, as a sugar mill or sugar refinery.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.

Category	Description	Identification
11 – Other Significant Industry (1)	Land which is used for: i. the manufacture of alcohol or alcohol related products; or ii. any commercial or industrial purpose which is associated or connected with, or which supports railway operations and/or logistics; or iii. any commercial or industrial purpose where the land has a Port/Industry or Strategic Port Land designation and is not included within Category 9 Major Port Industry and is located within, or supports or augments the operations of, the Hay Point or Dalrymple Bay complexes.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
12 – Other Significant Industry (2)	Land which is located within the Mackay Port precinct and is used for: i. the storage, processing or loading of agricultural, mineral, gas or oil products in raw, processed or refined states; or ii. activities associated, related or connected with the provision and operation of a port or harbour facility.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
13 – Other Significant Industry (3)	Land which is located within the Mackay Airport precinct and is used for activities associated, related or connected with the provision, management and operation of an airport facility.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
14 – Resorts and Island Commercial Operations	Land which is located within a resort facility or on an offshore island, and is: i. used, or able to be used, for a commercial or industrial activity; or ii. vacant land zoned for commercial or industrial purposes under the applicable planning scheme.	Land that meets the criteria in the description.
15 – Not-for-Profit Organisation	Land which is: i. used by a not-for-profit organisation for the organisation's primary purpose; and ii. not used for any additional commercial or industrial operations on the land; and iii. is not otherwise included in any other category.	Land that meets the criteria in the description.

Category	Description	Identification
16 - Non-resident Workforce Accommodation	Land used, in whole or in part, 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".	Land that meets the criteria in the description.
17 - Other (Not elsewhere classified)	The property is not elsewhere categorised.	Land that meets the criteria in the description.

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

(c) Pursuant to section 94 of the Act and section 80 of the Regulation, the differential general rate to be made and levied for each differential rate category for the 2022/23 financial year, and pursuant to section 77 of the Regulation, the minimum differential general rate to be made and levied for each differential general rate category for the 2022/23 financial year, is as follows:

Category	Rate in the Dollar	Minimum Differential General Rate
1.101 - Residential Band 1	0.010565	$1,172
1.201 - Residential Band 2	0.010207	$1,849
1.301 - Residential Band 3	0.009018	$3,521
1.401 - Residential Band 4	0.008807	$5,185
1.511 - Residential – Multi-Unit	0.014407	$1,348
1.531 - Residential – Home-based Business	0.012940	$1,348
2.101 - Special Residential Strata - Horizontal	0.018290	$1,713
2.201 - Special Residential Strata - Vertical	0.026190	$1,808
3.1 - Canefarming	0.027778	$2,025
4.1 - Other Rural	0.014232	$1,330
5 - Large Shopping Centre	0.085865	$2,430,501
6 - Medium Shopping Centre	0.049041	$852,960
7 - Commercial Retail	0.023409	$4,966
8.11 - Other Commercial / Industrial (Mackay)	0.019870	$2,503
8.21 - Other Commercial / Industrial (Regional)	0.017910	$1,572
8.31 - Other Commercial / Industrial (Paget)	0.024131	$2,968

Category	Rate in the Dollar	Minimum Differential General Rate
9 - Major Port Industry	0.213260	$1,427,164
10 - Sugar Mill or Sugar Refinery	0.131953	$183,333
11 - Other Significant Industry (1)	0.171579	$9,429
12 - Other Significant Industry (2)	0.037346	$11,645
13 - Other Significant Industry (3)	0.037427	$9,480
14 - Resorts and Island Commercial Operations	0.040983	$2,503
15 - Not-for-Profit Organisation	0.012902	$1,347
16 - Non-resident Workforce Accommodation	0.078367	$6,260
17 - Other (not elsewhere classified)	0.014938	$1,566
Minimum General Rates will not apply to land to which sections 49-51 of the Land Valuation Act 2010 applies, nor to Permits to Occupy that have an area of one hundred (100) square metres or less, are separately valued from other valued land and have a rateable valuation of less than $2,500.		

(d) Pursuant to section 116 of the Local Government Regulation 2012, Council has resolved to limit the annual increase in the differential general rate to the land identified in the table below to a maximum percentage for the 2022/23 financial year:

Category	Percentage Increase (Cap)
5.1 - Large Shopping Centre	2.5%

Council Resolution ORD-2022-168

THAT Council adopts the following resolutions relating to Differential General Rates Measures:

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

Category	Description	Identification
1.101 – Residential **Band 1**	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value up to and including $175,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description
1.201 – Residential	Land which is used for, or in the case of vacant	Land having a residential,

Band 2	land, intended to be used for, residential purposes, with a rateable value above $175,000 and up to and including $345,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	primary land use or zoning and meets the criteria in the description
1.301 – Residential **Band 3**	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value above $345,000 and up to and including $575,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description.
1.401 – Residential Band 4	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value above $575,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description.
1.511 – Residential – Multi-Unit	Land which is used for, or intended to be used for, residential purposes and has more than one dwelling house, secondary dwelling, flat or unit constructed, or being constructed, on the rating assessment and the structures, houses, flats or units are not part of a body corporate. This category applies regardless of whether all houses, flats or units on the land have laundry facilities within the structure or not. Properties approved for Dependant Persons Accommodation (Granny Flat) that are occupied in accordance with that approval, are excluded from this category.	Land having a residential, primary land use and meets the criteria in the description.
1.531 – Residential – Home-based Business	The land is used for a combined residential and a commercial or industrial purpose, where the area occupied by the non-residential use (including storage areas) does not exceed the lesser of: i. 25 percent of the total floor area of the principal dwelling house; or 1. 10 percent of the land area; or 2. 60 square metres.	Land having a residential, primary land use and meets the criteria in the description.

2.101 – Special Residential Strata - Horizontal	Land used for, or in the case of vacant land, intended to be used for, residential purposes, which is part of a body corporate where: i. the land is vacant or; (if the land is built on) the building does not exceed three stories in height; and ii. all of the lots in the body corporate share a common rateable valuation of greater than $1,300,000 (issued by the Department of Resources); and 1. there are eight or more lots in the body corporate.	Land having a residential, primary land use or zoning and meets the criteria in the description.
2.201 – Special Residential Strata - Vertical	Land used for residential purposes which is a unit and is part of a body corporate in a building with more than three stories.	Land having a residential, primary land use and meets the criteria in the description.
3.1 – Canefarming	Land used for, or in the case of vacant land, zoned and intended to be used for, the growing of, sugar cane or associated with the growing of, sugar cane.	Land having an agricultural primary land use code or zoning and meets the criteria in the description.
4.1 – Other Rural	Land used, or in the case of vacant land, zoned and intended for use, for rural industry purposes other than properties contained within category 3.1	Land having an agricultural primary land use code or zoning and meets the criteria in the description.
5 - Large Shopping Centre	Land which is used for commercial retail purposes and: i. has an area greater than five (5) hectares; and ii. has a gross floor area greater than 30,000 square metres; and iii. contains more than 60 commercial tenancies; and iv. is located within the Mackay City Centre Area as shown in Map No. 1 (attached to the Revenue Statement for the 2022/23 financial year). The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops.	Land having a commercial retail primary land use code and meets the criteria in the description.

6 - Medium Shopping Cen tre	Land which is used for commercial retail purposes and: i. has an area greater than five (5) hectares; and ii. has a gross floor area greater than 20,000 square metres; and iii. contains more than 30 commercial tenancies; and iv. is not included in Category 5. The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops.	Land having a commercial retail primary land use code and meets the criteria in the description.
7 – Commercial Retail	Land which is used for commercial retail purposes and: i. has a gross floor area of greater than 1,500 square metres; and ii. has more than 40 car parking spaces; and 1. is not included in Category 5 or 6 The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops.	Land having a commercial retail primary land use code and meets the criteria in the description.
8.11 – Other Commercial / Industrial (Mackay)	Land within the Mackay Urban Commercial Area as shown in Map No. 2 (attached to the Revenue Statement for the 2022/23 financial year), but outside the gazetted locality of Paget, which is: i. used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or ii. vacant land and zoned for commercial or industrial purposes under the applicable planning scheme.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.

8.21 – Other Commercial / Industrial (Regional)	Land outside the Mackay Urban Commercial Area as shown in Map No. 2 (attached to the Revenue Statement for the 2022/23 financial year), which is: i. used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or ii. vacant land zoned for commercial or industrial purposes under the applicable planning scheme.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
8.31 – Other Commercial / Industrial (Paget)	Land located in the Mackay Urban Commercial Area within the gazetted locality of Paget as defined in the Urban Commercial Area (Map No. No. 2) (attached to the Revenue Statement for the 2022/23 financial year), which is: i. used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or ii. vacant land zoned for commercial or industrial purposes under the applicable planning scheme.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
9 - Major Port Industry	Land located in the Hay Point or Dalrymple Bay complexes which is: i. used for major port industry; and ii. has Port / Industry or Strategic Port Land designations and is used for the storage, processing or loading of mineral products.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
10 - Sugar Mill or Sugar Refinery	Land which is used, or designed for use, as a sugar mill or sugar refinery.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.

11 – Other Significant Industry (1)	Land which is used for: i. the manufacture of alcohol or alcohol related products; or ii. any commercial or industrial purpose which is associated or connected with, or which supports railway operations and/or logistics; or iii. any commercial or industrial purpose where the land has a Port/Industry or Strategic Port Land designation and is not included within Category 9 Major Port Industry and is located within, or supports or augments the operations of, the Hay Point or Dalrymple Bay complexes.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
12 – Other Significant Industry (2)	Land which is located within the Mackay Port precinct and is used for: i. the storage, processing or loading of agricultural, mineral, gas or oil products in raw, processed or refined states; or ii. activities associated, related or connected with the provision and operation of a port or harbour facility.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
13 – Other Significant Industry (3)	Land which is located within the Mackay Airport precinct and is used for activities associated, related or connected with the provision, management and operation of an airport facility.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
14 – Resorts and Island Commercial Operations	Land which is located within a resort facility or on an offshore island, and is: i. used, or able to be used, for a commercial or industrial activity; or ii. vacant land zoned for commercial or industrial purposes under the applicable planning scheme.	Land that meets the criteria in the description.
15 – Not-for-Profit Organisation	Land which is: i. used by a not-for-profit organisation for the organisation's primary purpose; and ii. not used for any additional commercial or industrial operations on the land; and iii. is not otherwise included in any other category.	Land that meets the criteria in the description.

16 - Non-resident Workforce Accommodation	Land used, in whole or in part, 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".	Land that meets the criteria in the description.
17 - Other (Not elsewhere classified)	The property is not elsewhere categorised.	Land that meets the criteria in the description.

(b) Council delegates to the Chief Executive Officer the power, pursuant to section 81(4) and section 81(5) of the Regulation, to identify the rating category to which each parcel of rateable land belongs.
(c) Pursuant to section 94 of the Act and section 80 of the Regulation, the differential general rate to be made and levied for each differential rate category for the 2022/23 financial year, and pursuant to section 77 of the Regulation, the minimum differential general rate to be made and levied for each differential general rate category for the 2022/23 financial year, is as follows:

Category	Rate in the Dollar	Minimum Differential General Rate
1.101 - Residential Band 1	0.010565	$1,172
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1.301 - Residential Band 3	0.009018	$3,521
1.401 - Residential Band 4	0.008807	$5,185
1.511 - Residential – Multi-Unit	0.014407	$1,348
1.531 - Residential – Home-based Business	0.012940	$1,348
2.101 - Special Residential Strata - Horizontal	0.018290	$1,713
2.201 - Special Residential Strata - Vertical	0.026190	$1,808
3.1 - Canefarming	0.027778	$2,025
4.1 - Other Rural	0.014232	$1,330
5 - Large Shopping Centre	0.085865	$2,430,501
6 - Medium Shopping Centre	0.049041	$852,960
7 - Commercial Retail	0.023409	$4,966
8.11 - Other Commercial / Industrial (Mackay)	0.019870	$2,503
8.21 - Other Commercial / Industrial (Regional)	0.017910	$1,572

8.31 - Other Commercial / Industrial (Paget)	0.024131	$2,968
9 - Major Port Industry	0.213260	$1,427,164
10 - Sugar Mill or Sugar Refinery	0.131953	$183,333
11 - Other Significant Industry (1)	0.171579	$9,429
12 - Other Significant Industry (2)	0.037346	$11,645
13 - Other Significant Industry (3)	0.037427	$9,480
14 - Resorts and Island Commercial Operations	0.040983	$2,503
15 - Not-for-Profit Organisation	0.012902	$1,347
16 - Non-resident Workforce Accommodation	0.078367	$6,260
17 - Other (not elsewhere classified)	0.014938	$1,566
Minimum General Rates will not apply to land to which sections 49-51 of the Land Valuation Act 2010 applies, nor to Permits to Occupy that have an area of one hundred (100) square metres or less, are separately valued from other valued land and have a rateable valuation of less than $2,500.		

(d) Pursuant to section 116 of the Local Government Regulation 2012, Council has resolved to limit the annual increase in the differential general rate to the land identified in the table below to a maximum percentage for the 2022/23 financial year:

Category	Percentage Increase (Cap)
5.1 - Large Shopping Centre	2.5%

Moved Cr Townsend **Seconded Cr Hassan**

CARRIED

4.3.3. REVENUE MEASURES REPORT - SPECIAL RATES AND CHARGES

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Special Rates and Charges for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength:

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Special Rates and Charges:

Rural Fire Services – 1 Special Charge

(a) Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 94 of the *Local Government Regulation 2012* (the Regulation), Council makes and will levy a special charge for the 2022/23 financial year, (to be known as the "Rural Fire Services – 1 Special Charge") of $44.60 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.

(b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:

i) The service, facility, or activity for which the plan is made is for Council to:

a) fund rural fire brigades in the area to purchase and maintain equipment; and
b) administer the distribution of funds to rural fire brigades.

ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:

a)	Habana Rural Fire Brigade Area	[Map No. 3]
b)	Dumbleton Rural Fire Brigade Area	[Map No. 4]
c)	Victoria Plains Rural Fire Brigade Area	[Map No. 5]
d)	Ball Bay Rural Fire Brigade Area	[Map No. 6]
e)	Sunnyside Rural Fire Brigade Area	[Map No. 7]
f)	Mt Blackwood Rural Fire Brigade Area	[Map No. 8]
g)	Calen/Cameron's Pocket Rural Fire Brigade Area	[Map No. 9]
h)	Seaforth Town Rural Fire Brigade Area	[Map No. 10]
i)	Midge Point Rural Fire Brigade Area	[Map No. 11]
j)	Seaforth District Rural Fire Brigade Area	[Map No. 12]

(iii) The estimated cost of implementing the overall plan is $200,320 for 2022/23.
(iv) The estimated time for implementing the overall plan is 1 year commencing 1 July 2022 and ending 30 June 2023.

(c) 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.

Funds collected by this charge, less a collection fee equivalent to one half of the fee prescribed by the Fire and Emergency Services Regulation 2011 for collection of the Emergency Management Levy, are disbursed to the rural fire brigades.

Rural Fire Services – 2 Special Charge

(a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2022/23 financial year, (to be known as the "Rural Fire Services – 2 Special Charge") of $25.00 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.

(b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:

i) The service, facility, or activity for which the plan is made is for Council to:

a) fund rural fire brigades in the area to purchase and maintain equipment; and
b) administer the distribution of funds to rural fire brigades.

ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:

a)	Armstrong Beach Rural Fire Brigade Area	[Map No. 13]
b)	Plane Creek Rural Fire Brigade Area	[Map No. 14]

iii) The estimated cost of implementing the overall plan is $28,129 for 2022/23.

iv) The estimated time for implementing the overall plan is one year commencing 1 July 2022 and ending 30 June 2023.

(c) 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.

Funds collected by this charge, less a collection fee equivalent to one half of the fee prescribed by the Fire and Emergency Services Regulation 2011 for the collection of the Emergency Management Levy, are disbursed to the rural fire brigades.

Rural Fire Services – 3 Special Charge

(a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2022/23 financial year, (to be known as the "Rural Fire Services – 3 Special Charge") of $34.40 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.

(b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:

i) The service, facility, or activity for which the plan is made is for Council to:

a) fund rural fire brigades in the area to purchase and maintain equipment; and
b) administer the distribution of funds to rural fire brigades.

ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:

a) Mirani Combined Rural Fire Brigade Area [Map No. 15]
b) Hay Point Rural Fire Brigade Area [Map No. 16]

iii) The estimated cost of implementing the overall plan is $178,913 for 2022/23.
iv) The estimated time for implementing the overall plan is one year commencing 1 July 2022 and ending 30 June 2023.

(c) 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.

Funds collected by this charge, less a collection fee equivalent to one half of the fee as prescribed by the Fire and Emergency Services Regulation 2011 for the collection of the Emergency Management Levy, are disbursed to the rural fire brigades.

Cr Seymour queried if the rural fire brigades listed cover all those in region or were there some not listed.

Mayor Williamson advised that this report referred to the rateable land not the actual fire brigades.

Council Resolution ORD-2022-169

THAT Council adopts the following resolutions relating to Special Rates and Charges:

Rural Fire Services – 1 Special Charge

(a) Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 94 of the *Local Government Regulation 2012* (the Regulation), Council makes and will levy a special charge for the 2022/23 financial year, (to be known as the "Rural Fire Services – 1 Special Charge") of $44.60 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.

(b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:

i) The service, facility, or activity for which the plan is made is for Council to:

a) fund rural fire brigades in the area to purchase and maintain equipment; and
b) administer the distribution of funds to rural fire brigades.

ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:

a) Habana Rural Fire Brigade Area [Map No. 3]
b) Dumbleton Rural Fire Brigade Area [Map No. 4]
c) Victoria Plains Rural Fire Brigade Area [Map No. 5]

d) Ball Bay Rural Fire Brigade Area [Map No. 6]
e) Sunnyside Rural Fire Brigade Area [Map No. 7]
f) Mt Blackwood Rural Fire Brigade Area [Map No. 8]
g) Calen/Cameron's Pocket Rural Fire Brigade Area [Map No. 9]
h) Seaforth Town Rural Fire Brigade Area [Map No. 10]
i) Midge Point Rural Fire Brigade Area [Map No. 11]
j) Seaforth District Rural Fire Brigade Area [Map No. 12]

(iii) The estimated cost of implementing the overall plan is $200,320 for 2022/23.
(iv) The estimated time for implementing the overall plan is 1 year commencing 1 July 2022 and ending 30 June 2023.

(c) 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.

Funds collected by this charge, less a collection fee equivalent to one half of the fee prescribed by the Fire and Emergency Services Regulation 2011 for collection of the Emergency Management Levy, are disbursed to the rural fire brigades.

Rural Fire Services – 2 Special Charge

(a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2022/23 financial year, (to be known as the "Rural Fire Services – 2 Special Charge") of $25.00 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.

(b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:

i) The service, facility, or activity for which the plan is made is for Council to:

a) fund rural fire brigades in the area to purchase and maintain equipment; and
b) administer the distribution of funds to rural fire brigades.

ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:

a) Armstrong Beach Rural Fire Brigade Area [Map No. 13]
b) Plane Creek Rural Fire Brigade Area [Map No. 14]

iii) The estimated cost of implementing the overall plan is $28,129 for 2022/23.

iv) The estimated time for implementing the overall plan is one year commencing 1 July 2022 and ending 30 June 2023.

(c) 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.

Funds collected by this charge, less a collection fee equivalent to one half of the fee prescribed by the Fire and Emergency Services Regulation 2011 for the collection of the Emergency Management Levy, are disbursed to the rural fire brigades.

Rural Fire Services – 3 Special Charge

(a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2022/23 financial year, (to be known as the "Rural Fire Services – 3 Special Charge") of $34.40 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.

(b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:

i) The service, facility, or activity for which the plan is made is for Council to:

a) fund rural fire brigades in the area to purchase and maintain equipment; and
b) administer the distribution of funds to rural fire brigades.

ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:

a)	**Mirani Combined Rural Fire Brigade Area**	**[Map No. 15]**
b)	**Hay Point Rural Fire Brigade Area**	**[Map No. 16]**

iii) The estimated cost of implementing the overall plan is $178,913 for 2022/23.
iv) The estimated time for implementing the overall plan is one year commencing 1 July 2022 and ending 30 June 2023.

(c) 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.

Funds collected by this charge, less a collection fee equivalent to one half of the fee as prescribed by the Fire and Emergency Services Regulation 2011 for the collection of the Emergency Management Levy, are disbursed to the rural fire brigades.

Moved Cr Bonaventura **Seconded Cr Green**

Cr Bonaventura noted that income from special charge one of $44.60 per rateable assessment, special charge two of $25 per rateable assessment and special charge three of $34.40 per rateable assessment, will all be disbursed to the rural fire brigades.

CARRIED

4.3.4. REVENUE MEASURES REPORT - SEPARATE CHARGES

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Separate Charges for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Separate Rates and Charges:

Natural Environment Separate Charge

Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 103 of the *Local Government Regulation 2012* (the Regulation), Council makes and will levy a separate charge for the 2022/23 financial year, (to be known as the "Natural Environment Separate Charge") in the sum of $28.10 per rateable assessment to be levied equally on all rateable land in the region.

The separate charge will fund part of the cost of 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 and can include pilot projects

Roads Improvement Separate Charge

Pursuant to section 94 of the Act and section 103 of the Regulation, Council makes and will levy a separate charge for the 2022/23 financial year (to be known as the "Roads Improvement Separate Charge") in the sum of $21.60 per rateable assessment to be levied equally on all rateable land in the region.

The separate charge will fund part of the costs of 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 cycleways within and around road reserves.
d) contributing to the implementation of a roads treatment program to extend the life of the road network.

Disaster Response Separate Charge

Pursuant to section 94 of the Act and section 103 of the Regulation, Council makes and will levy a separate charge for the 2022/23 financial year (to be known as the "Disaster Response Separate Charge") in the sum of $13.90 per rateable assessment, to be levied equally on all rateable land in the region.

The separate charge will fund part of the costs of a service, facility or activity identified as:

a) upgrading facilities utilised during times of natural disaster.
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.

Cr Bonaventura noted that the roads improvement charge has increased by .50 cents, has been around for many years and was originally introduced to fund the upgrading of existing urban street networks but is paid by all ratepayers, and queried if this was still relevant. Cr Bonaventura queried if this charge could be reviewed.

Mayor Williamson requested that this matter be flagged to be included in the next budget considerations.

Council Resolution ORD-2022-170

THAT Council adopts the following resolutions relating to Separate Rates and Charges:

Natural Environment Separate Charge

Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 103 of the *Local Government Regulation 2012* (the Regulation), Council makes and will levy a separate charge for the 2022/23 financial year, (to be known as the "Natural Environment Separate Charge") in the sum of $28.10 per rateable assessment to be levied equally on all rateable land in the region.

The separate charge will fund part of the cost of 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 and can include pilot projects

Roads Improvement Separate Charge

Pursuant to section 94 of the Act and section 103 of the Regulation, Council makes and will levy a separate charge for the 2022/23 financial year (to be known as the "Roads Improvement Separate Charge") in the sum of $21.60 per rateable assessment to be levied equally on all rateable land in the region.

The separate charge will fund part of the costs of 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 cycleways within and around road reserves.
d) contributing to the implementation of a roads treatment program to extend the life of the road network.

Disaster Response Separate Charge

Pursuant to section 94 of the Act and section 103 of the Regulation, Council makes and will levy a separate charge for the 2022/23 financial year (to be known as the "Disaster Response Separate Charge") in the sum of $13.90 per rateable assessment, to be levied equally on all rateable land in the region.

The separate charge will fund part of the costs of a service, facility or activity identified as:

a) upgrading facilities utilised during times of natural disaster.
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.

Moved Cr Bonaventura **Seconded Cr Jones**

Cr Bonaventura noted the natural environment separate charge of $28.10, the roads improvement separate charge of $21.60 and the disaster response separate charge of $13.90 per rateable assessment.

CARRIED

4.3.5. REVENUE MEASURES REPORT - SEWERAGE UTILITY CHARGES

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Sewerage Utility Charges for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Sewerage Utility Charges:

Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 99 of the *Local Government Regulation 2012* (the Regulation), Council:

a) makes and will levy sewerage utility charges for the 2022/23 financial year, for the supply of sewerage services by Council, as follows:

Mackay Sewerage Area [Map No. 17(a)], Sarina Sewerage Area [Map No.17(b)] and Mirani Sewerage Area [Map No.17(c)] (attached to the Revenue Statement for the 2022/23 financial year)

Factor Charge	$934.70
0.8 of Factor Charge (rounded)	$747.70
0.5 of Factor Charge	$467.30
0.25 of Factor Charge	$233.70

For all properties connected to the North Eton Biocycle system

Factor charge per assessment	$795.50

b) will apply the levying of these charges in accordance with its 2022/23 Revenue Statement.

Council Resolution ORD-2022-171

THAT Council adopts the following resolutions relating to Sewerage Utility Charges:

Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 99 of the *Local Government Regulation 2012* (the Regulation), Council:

a) makes and will levy sewerage utility charges for the 2022/23 financial year, for the supply of sewerage services by Council, as follows:

Mackay Sewerage Area [Map No. 17(a)], Sarina Sewerage Area [Map No.17(b)] and Mirani Sewerage Area [Map No.17(c)] (attached to the Revenue Statement for the 2022/23 financial year)

Factor Charge $934.70
0.8 of Factor Charge (rounded) $747.70
0.5 of Factor Charge $467.30
0.25 of Factor Charge $233.70

For all properties connected to the North Eton Biocycle system

Factor charge per assessment $795.50

b) will apply the levying of these charges in accordance with its 2022/23 Revenue Statement.

Moved Cr Jones **Seconded Cr Mann**

CARRIED

4.3.6. REVENUE MEASURES REPORT - TRADE WASTE UTILITY CHARGES

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Trade Waste Utility Charges for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*
Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Trade Waste Utility Charges:

Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 99 of the *Local Government Regulation 2012* (the Regulation), Council:

a) makes and will levy trade waste utility charges for the 2022/23 financial year, for the supply of trade waste services by Council, as follows:

VTWUC = Volumetric Trade Waste Discharge Unit Cost $2.65/kl

Trade Waste Conveyance and Treatment Charge
- n1 – Total Suspended Solids = $1.07/kg
- n2 - Chemical Oxygen Demand = $0.59/kg
- n3 - Oil and Grease or Total Hydrocarbons = $1.95/kg
- n4 – Total Kjeldahl Nitrogen = $3.29/kg
- n5 - Total Phosphorous = $5.66/kg

Additional Penalty Conveyance and Treatment Charge
- n11 – Total Suspended Solids = $1.70/kg
- n12 - Chemical Oxygen Demand = $1.70/kg
- n13 - Oil and Grease or Total Hydrocarbons = $1.70/kg
- n14- Total Kjeldahl Nitrogen = $1.70/kg
- n15 - Total Phosphorous = $1.70/kg

b) will apply the levying of these charges in accordance with its 2022/23 Revenue Statement.

Council Resolution ORD-2022-172

THAT Council adopts the following resolutions relating to Trade Waste Utility Charges:

Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 99 of the *Local Government Regulation 2012* (the Regulation), Council:

a) makes and will levy trade waste utility charges for the 2022/23 financial year, for the supply of trade waste services by Council, as follows:

VTWUC = Volumetric Trade Waste Discharge Unit Cost $2.65/kl

Trade Waste Conveyance and Treatment Charge

- **n1 – Total Suspended Solids = $1.07/kg**
- **n2 - Chemical Oxygen Demand = {resolution}.59/kg**
- **n3 - Oil and Grease or Total Hydrocarbons = $1.95/kg**
- **n4 – Total Kjeldahl Nitrogen = $3.29/kg**
- **n5 - Total Phosphorous = $5.66/kg**

Additional Penalty Conveyance and Treatment Charge

- **n11 – Total Suspended Solids = $1.70/kg**
- **n12 - Chemical Oxygen Demand = $1.70/kg**
- **n13 - Oil and Grease or Total Hydrocarbons = $1.70/kg**
- **n14- Total Kjeldahl Nitrogen = $1.70/kg**
- **n15 - Total Phosphorous = $1.70/kg**

b) will apply the levying of these charges in accordance with its 2022/23 Revenue Statement.

Moved Cr May **Seconded Cr Green**

Cr Bella noted that while many people are critical of this charge, the discharge of these particular items into our environment is unacceptable and expressed the view that this system is better than a user-based system and highlighted that we really don't have a lot of choice, as we all have a duty to our environment.

CARRIED

4.3.7. REVENUE MEASURES REPORT - WASTE MANAGEMENT UTILITY CHARGES

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Water Utility Charges for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Waste Management Utility Charges:

Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 99 of the *Local Government Regulation 2012* (the Regulation), Council:

a) makes and will levy waste management utility charges for the 2022/23 financial year, for the supply of waste management services by Council, as follows:

Refuse Service Factor Charges for 2022/23:

i)	Rubbish and Recycling Service (Residential)	$285.00
ii)	Rubbish and Recycling Service (Residential Bulk Bin)	$285.00
iii)	Rubbish and Recycling Service (Other)	$339.00
iv)	Rubbish and Recycling Service (Non-Res Household)	$285.00
v)	Additional Recycling Service (Residential)	$111.00

b) will apply the levying of these charges in accordance with its 2022/23 Revenue Statement.

c) makes and will levy a utility charge for the 2022/23 financial year (to be known as the “Waste Facilities Operations Utility Charge”) in the sum of $162.70 per rateable assessment to be levied equally on all rateable land in the region.

This utility charge will fund:

i) The residual cost of waste facilities and services which are not met from the refuse removal and disposal utility charges and other fees and charges collected on a user pays basis; and

ii) Meeting public expectations in matters of disposal of refuse that affect public health and the visual amenity of the area.

Council Resolution ORD-2022-173

THAT Council adopts the following resolutions relating to Waste Management Utility Charges:

Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 99 of the *Local Government Regulation 2012* (the Regulation), Council:

a) makes and will levy waste management utility charges for the 2022/23 financial year, for the supply of waste management services by Council, as follows:

Refuse Service Factor Charges for 2022/23:

i)	**Rubbish and Recycling Service (Residential)**	**$285.00**
ii)	**Rubbish and Recycling Service (Residential Bulk Bin)**	**$285.00**
iii)	**Rubbish and Recycling Service (Other)**	**$339.00**
iv)	**Rubbish and Recycling Service (Non-Res Household)**	**$285.00**
v)	**Additional Recycling Service (Residential)**	**$111.00**

b) will apply the levying of these charges in accordance with its 2022/23 Revenue Statement.

c) makes and will levy a utility charge for the 2022/23 financial year (to be known as the "Waste Facilities Operations Utility Charge") in the sum of $162.70 per rateable assessment to be levied equally on all rateable land in the region.

This utility charge will fund:

i) The residual cost of waste facilities and services which are not met from the refuse removal and disposal utility charges and other fees and charges collected on a user pays basis; and

ii) Meeting public expectations in matters of disposal of refuse that affect public health and the visual amenity of the area.

Moved Cr Bonaventura **Seconded Cr Hassan**

Cr Bonaventura noted that the waste management charges have gone up slightly, but it is only a mild increase.

CARRIED

4.3.8. REVENUE MEASURES REPORT - WATER UTILITY CHARGES

Author	Financial Services Manager (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Water Utility Charges for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength:
Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Water Utility Charges:

Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 99 of the *Local Government Regulation 2012* (the Regulation), Council:

a) makes and will levy water utility charges for the 2022/23 financial year, for the supply of water services by Council, as follows:

Mackay Water Area is defined by maps 18(a) to 18(f) (attached to the Revenue Statement for the 2022/23 financial year).

Water Charges (per factor) are:

i)	Factor Charge – Commercial/Industrial	$386.50
ii)	Factor Charge – Residential	$386.50

Consumption Charges (per kilolitre) are:

i)	Tariff 1	$1.91
ii)	Tariff 2	$2.83
iii)	Laguna Quays Resort	$1.91
iv)	Bulk purchases	$3.56
v)	Untreated water supplied	$1.07
vi)	Community sporting facilities (as defined)	$1.91

b) Will apply the levying of these charges in accordance with its 2022/23 Revenue Statement.

Pursuant to section 94 of the Act and section 99(3) of the Regulation, consumption charges shall apply as from the last reading date in the preceding financial year until otherwise amended by Council.

Pursuant to section 102(2) of the Regulation, a water meter is taken to have been read during the period that starts 2 weeks before, and ends 2 weeks after, the day on which the meter is actually read.

Council Resolution ORD-2022-174

THAT Council adopts the following resolutions relating to Water Utility Charges:

Pursuant to section 94 of the *Local Government Act 2009* (the Act) and section 99 of the *Local Government Regulation 2012* (the Regulation), Council:

a) makes and will levy water utility charges for the 2022/23 financial year, for the supply of water services by Council, as follows:

Mackay Water Area is defined by maps 18(a) to 18(f) (attached to the Revenue Statement for the 2022/23 financial year).

Water Charges (per factor) are:

i)	**Factor Charge – Commercial/Industrial**	**$386.50**
ii)	**Factor Charge – Residential**	**$386.50**

Consumption Charges (per kilolitre) are:

i)	**Tariff 1**	**$1.91**
ii)	**Tariff 2**	**$2.83**
iii)	**Laguna Quays Resort**	**$1.91**
iv)	**Bulk purchases**	**$3.56**
v)	**Untreated water supplied**	**$1.07**
vi)	**Community sporting facilities (as defined)**	**$1.91**

b) Will apply the levying of these charges in accordance with its 2022/23 Revenue Statement.

Pursuant to section 94 of the Act and section 99(3) of the Regulation, consumption charges shall apply as from the last reading date in the preceding financial year until otherwise amended by Council.

Pursuant to section 102(2) of the Regulation, a water meter is taken to have been read during the period that starts 2 weeks before, and ends 2 weeks after, the day on which the meter is actually read.

Moved Cr Mann **Seconded Cr Townsend**

CARRIED

4.3.9. REVENUE MEASURES REPORT - RATES CONCESSIONS

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Rates Concessions for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength:
Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Rates Concessions:

Pensioners:
Pursuant to section 119, 120, 121 and 122 of the *Local Government Regulation 2012* (the Regulation), a rebate of the differential general rate of 25% of the amount levied to a maximum amount of $400 per annum be granted to all ratepayers who are pensioners and who meet the eligibility criteria specified in the Revenue Statement.

In addition, eligible pensioners will be granted a further concession by extending the time for payment, for any unpaid rates and charges, with payment due in the last month of the rating period in which the levy is raised.

Non-Profit Organisations:
Pursuant to section 119, 120, 121 and 122 of the Regulation, rebates will be allowed on rates and charges issued to eligible Non-Profit Organisations in accordance with the Rating Remission for Non-Profit Community Organisations Policy.

Land with Conservation Agreements:
Pursuant to section 119, 120, 121 and 122 of the Regulation, rebates will be allowed on Differential General Rates issued to eligible ratepayers in accordance with the Conservation Remission Policy.

Other Concessions:
Pursuant to section 119, 120, 121 and 122 of the Regulation, concessions will be allowed on various Rates and Charges issued to eligible ratepayers in accordance with the Rates Relief Policy, Debt Recovery Policy, Concessions for Concealed Leaks Policy and Concession for Exceptional Circumstances (Water Consumption) Policy.

Council Resolution ORD-2022-175

THAT Council adopts the following resolutions relating to Rates Concessions:

Pensioners:
Pursuant to section 119, 120, 121 and 122 of the *Local Government Regulation 2012* (the Regulation), a rebate of the differential general rate of 25% of the amount levied to a maximum amount of $400 per annum be granted to all ratepayers who are pensioners and who meet the eligibility criteria specified in the Revenue Statement.

In addition, eligible pensioners will be granted a further concession by extending the time for payment, for any unpaid rates and charges, with payment due in the last month of the rating period in which the levy is raised.

Non-Profit Organisations:
Pursuant to section 119, 120, 121 and 122 of the Regulation, rebates will be allowed on rates and charges issued to eligible Non-Profit Organisations in accordance with the Rating Remission for Non-Profit Community Organisations Policy.

Land with Conservation Agreements:
Pursuant to section 119, 120, 121 and 122 of the Regulation, rebates will be allowed on Differential General Rates issued to eligible ratepayers in accordance with the Conservation Remission Policy.

Other Concessions:
Pursuant to section 119, 120, 121 and 122 of the Regulation, concessions will be allowed on various Rates and Charges issued to eligible ratepayers in accordance with the Rates Relief Policy, Debt Recovery Policy, Concessions for Concealed Leaks Policy and Concession for Exceptional Circumstances (Water Consumption) Policy.

Moved Cr Jones **Seconded Cr May**

Cr Jones noted that she is very pleased that Council is able to offer a rates concession to those in our community who need it.

CARRIED

4.3.10. REVENUE MEASURES REPORT - LEVY AND PAYMENT

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Levy and Payment for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*
Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Levy and Payment:

a) Pursuant to section 107 of the *Local Government Regulation 2012* (the Regulation) and section 114 of the *Fire and Emergency Services Act 1990*, Council's rates and charges, and the State Government's Emergency Management, Fire and Rescue Levy be levied:
   - for the half year 1 July 2022 to 31 December 2022 – in August / September 2022 and for Water Consumption Utility Charges – in November 2023
   - for the half year 1 January 2023 to 30 June 2023 – in February / March 2023 and for Water Consumption Utility Charges – in May 2023.

b) Pursuant to section 118 of the Regulation, that Council's rates and charges, and the State Government's Emergency Management, Fire and Rescue Levy, be paid within thirty (30) clear days after date of issue shown on the rates notice.

Council Resolution ORD-2022-176

THAT Council adopts the following resolutions relating to Levy and Payment:

a) Pursuant to section 107 of the *Local Government Regulation 2012* (the Regulation) and section 114 of the *Fire and Emergency Services Act 1990*, Council's rates and charges, and the State Government's Emergency Management, Fire and Rescue Levy be levied:
   - **for the half year 1 July 2022 to 31 December 2022 – in August / September 2022 and for Water Consumption Utility Charges – in November 2023**
   - **for the half year 1 January 2023 to 30 June 2023 – in February / March 2023 and for Water Consumption Utility Charges – in May 2023.**

b) Pursuant to section 118 of the Regulation, that Council's rates and charges, and the State Government's Emergency Management, Fire and Rescue Levy, be paid within thirty (30) clear days after date of issue shown on the rates notice.

Moved Cr Green **Seconded Cr Townsend**

CARRIED

4.3.11. REVENUE MEASURES REPORT - DISCOUNT

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Discount for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*
Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Discount:

Pursuant to section 130 of the *Local Government Regulation 2012* (the Regulation), the differential general rates and utility charges (excluding water consumption and trade waste utility charges and the Waste Facility Operations Charge) made and levied shall be subject to a discount of 10% if paid within the discount period (plus a grace period of two days), provided that:

a) all of the rates and charges that are subject to discount in the period are paid within the discount period (plus a grace period of two days); and

b) all other overdue rates and charges relating to the rateable assessment are paid within the discount period (plus a grace period of two days); and

c) all amounts that have been transferred to the rates assessment (under section 142 of the Act) for costs that were incurred by Council under a remedial notice issued under the Act are paid within the discount period (plus a grace period of two days).

A discount period will expire on the date that the rates and charges must be paid under Council's resolution pursuant to section 118 of the Regulation.

Council Resolution ORD-2022.177

THAT Council adopts the following resolutions relating to Discount:

Pursuant to section 130 of the *Local Government Regulation 2012* (the Regulation), the differential general rates and utility charges (excluding water consumption and trade waste utility charges and the

Waste Facility Operations Charge) made and levied shall be subject to a discount of 10% if paid within the discount period (plus a grace period of two days), provided that:

a) all of the rates and charges that are subject to discount in the period are paid within the discount period (plus a grace period of two days); and

b) all other overdue rates and charges relating to the rateable assessment are paid within the discount period (plus a grace period of two days); and

c) all amounts that have been transferred to the rates assessment (under section 142 of the Act) for costs that were incurred by Council under a remedial notice issued under the Act are paid within the discount period (plus a grace period of two days).

A discount period will expire on the date that the rates and charges must be paid under Council's resolution pursuant to section 118 of the Regulation.

Moved Cr May **Seconded Cr Townsend**

Cr May noted that by offering this discount, Mackay Regional Council can hold its head up high, as there are a number of Councils who have gone away from offering discounts to ratepayers who pay within a certain period of time and it is very pleasing that our Council is still able to sustain this 10% discount to ratepayers who pay within the timeframe. Cr May expressed the view that when people compare Councils, they should take these measures into account and not just the total rates fee.

CARRIED

4.3.12. REVENUE MEASURES REPORT - INTEREST

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	Nil

Purpose

To present the 2022/23 Interest for adoption by Council.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*
Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Officer's Recommendation

THAT Council adopts the following resolutions relating to Interest:

a) Pursuant to section 133 of the *Local Government Regulation 2012* (the Regulation), Council will charge interest on overdue rates at the rate specified as the maximum interest rate payable by the Department of State Development, Infrastructure, Local Government and Planning. The rate applicable from 1 July 2022 is eight-point one seven percent (8.17%) per annum, compounded monthly, calculated after the end of the financial half year in which the rates fall due. Interest is charged at the end of each month, on the overdue balance on that day.

b) Pursuant to section 125 (3) of the Regulation, where Council enters a deferral of liability to pay rates and charges by way of a payment schedule or any other arrangement, the arrangement will include a premium equal to the amount of interest that would have been charged if the arrangement had not been agreed to. The premium will be charged in the same manner as interest.

Council Resolution ORD-2022-178

THAT Council adopts the following resolutions relating to Interest:

a) Pursuant to section 133 of the *Local Government Regulation 2012* (the Regulation), Council will charge interest on overdue rates at the rate specified as the maximum interest rate payable by the Department of State Development, Infrastructure, Local Government and Planning. The rate applicable from 1 July 2022 is eight-point one seven percent (8.17%) per annum, compounded monthly, calculated after the end of the financial half year in which the rates fall due. Interest is charged at the end of each month, on the overdue balance on that day.

b) Pursuant to section 125 (3) of the Regulation, where Council enters a deferral of liability to pay rates and charges by way of a payment schedule or any other arrangement, the arrangement will include a premium equal to the amount of interest that would have been charged if the arrangement had not been agreed to. The premium will be charged in the same manner as interest.

Moved Cr Bonaventura **Seconded Cr Green**

Cr Bonaventura noted that the current percentage for this year is 8.17% and while he is hesitant to see people charged interest on overdue accounts, it is fair and we must continue to do this to encourage payment of overdue debt.

CARRIED

4.3.13. REVENUE MEASURES REPORT - RELATED POLICIES

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23

Attachments

1. Revenue Statement 2022 23 [**4.3.13.1** - 60 pages]
2. Rating Remissions for Non Profit Community Organisations Policy [**4.3.13.2** - 6 pages]
3. Conservation Remission Policy [**4.3.13.3** - 7 pages]
4. Rates Relief Policy [**4.3.13.4** - 8 pages]
5. Discount on Late Rates Payment Policy [**4.3.13.5** - 6 pages]
6. Debt Recovery Policy [**4.3.13.6** - 14 pages]
7. Concessions for Concealed Leaks Policy [**4.3.13.7** - 13 pages]
8. Concessions for Exceptional Circumstances Policy [**4.3.13.8** - 8 pages]

Purpose

To present the following associated documents and policies for adoption by Council:

a) Revenue Statement 2022/23 and associated maps for 2022/23 financial year prepared in accordance with section 104 of the *Local Government Act 2009* and section 169 of the *Local Government Regulation 2012*
b) Rating Remission for Non-Profit Community Organisations Policy
c) Conservation Remission Policy
d) Rates Relief Policy
e) Discount on Late Rates Payment Policy
f) Debt Recovery Policy
g) Concession for Concealed Leaks Policy
h) Concession for Exceptional Circumstances (Water Consumption) Policy

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*
Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Strategy: Ethical Decision-Making and Good Governance – We are committed to keeping our community informed about our activities and performance and employing robust governance policies and procedures to ensure legislative compliance and organisational integrity.

Officer's Recommendation

THAT Council adopt the associated documents and policies as contained in the following attachments:

a) Revenue Statement 2022/23 and associated maps for 2022/23 financial year prepared in accordance with section 104 of the *Local Government Act 2009* and section 169 of the *Local Government Regulation 2012*
b) Rating Remission for Non-Profit Community Organisations Policy
c) Conservation Remission Policy
d) Rates Relief Policy
e) Discount on Late Rates Payment Policy
f) Debt Recovery Policy

g) Concession for Concealed Leaks Policy
h) Concession for Exceptional Circumstances (Water Consumption) Policy

Council Resolution ORD-2022-179

THAT Council adopt the associated documents and policies as contained in the following attachments:

a) Revenue Statement 2022/23 and associated maps for 2022/23 financial year prepared in accordance with section 104 of the *Local Government Act 2009* and section 169 of the *Local Government Regulation 2012*
b) Rating Remission for Non-Profit Community Organisations Policy
c) Conservation Remission Policy
d) Rates Relief Policy
e) Discount on Late Rates Payment Policy
f) Debt Recovery Policy
g) Concession for Concealed Leaks Policy
h) Concession for Exceptional Circumstances (Water Consumption) Policy

Moved Cr Jones **Seconded Cr Townsend**

CARRIED

COUNCIL POLICY

REVENUE STATEMENT 2022/23

Program: Financial Services
Date of Adoption: 22 June 2022
Resolution Number:
Review Date: 22 June 2023

Scope

The Revenue Statement is produced in accordance with section 104 of the *Local Government Act 2009* (the Act) and section 169 and 172 of the *Local Government Regulation 2012 (*the Regulation*)*.

Objective

The purpose of the Revenue Statement is to set out:

- the rates and charges to be levied in the financial year
- the concessions for rates and charges to be granted in the financial year
- the limitations and increases in rates and charges
- the criteria for cost recovery fees.

Policy Statement

In accordance with the *Local Government Act 2009*, Council has developed this Revenue Statement in accordance with its Revenue Policy to develop Council's budget for the financial period from 1 July 2022 to 30 June 2023. Council levies rates and charges to raise sufficient revenue to enable it to maintain assets and to provide services to the community at a level that the Council considers appropriate for both current and future community requirements.

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This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

REVENUE STATEMENT 2022/23

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COUNCIL POLICY

REVENUE STATEMENT 2022/23

1.0 Principles

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

Council intends to achieve an equitable distribution of the cost of its operations between different groups of ratepayers.

2.0 Differential General Rates

Council is required to raise an appropriate amount of revenue to maintain assets and provide services to the region as a whole.

Having regard to this objective, and in accordance with the provisions of Part 5 of Chapter 4 of the Regulation, Council will adopt a differential general rating scheme for the following reasons:

- general rates are a form of taxation based on land valuations issued by the Department of Resources (DOR) and as such the application of the rates will not necessarily reflect the principle of user pays.
- Council is committed to spreading the general rates burden equitably; certain land uses, and locations of lands require and/or impose greater demands on Council services relative to other land uses and locations.
- valuation relativities between commercial/industrial, rural, urban, productive and residential uses, do not reflect the differences in the intensity of land use nor the actual or potential demands on Council services and facilities.
- the use of a single general rate would not result in an equitable distribution of the rates burden amongst ratepayers.
- the primary land use code identifies the predominant use for which the property is utilised and is an indicator of the property's specific rating category as determined by DOR. The primary land use is not necessarily determined by percentage of area.

The categories into which rateable land is categorised and the description by which land is categorised is as follows:

Category	Description	Identification
1.101 – Residential Band 1	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value up to and including $175,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description.
1.201 – Residential Band 2	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value above $175,000 and up to and including $345,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description.

COUNCIL POLICY

REVENUE STATEMENT 2022/23

Category	Description	Identification
1.301 – Residential Band 3	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value above $345,000 and up to and including $575,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description.
1.401 – Residential Band 4	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value above $575,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description.
1.511 – Residential – Multi-Unit	Land which is used for, or intended to be used for, residential purposes and has more than one dwelling house, secondary dwelling, flat or unit constructed, or being constructed, on the rating assessment and the houses, flats or units are not part of a body corporate. This category applies regardless of whether all houses, flats or units on the land have laundry facilities within the structure or not. Properties approved for Dependant Persons Accommodation Unit (Granny Flat) that are occupied in accordance with that approval, are excluded from this category.	Land having a residential, primary land use and meets the criteria in the description.
1.531 – Residential – Home-based Business	The land is used for a combined residential and a commercial or industrial purpose, where the area occupied by the non-residential use (including storage areas) does not exceed the lesser of: (i) 25 percent of the total floor area of the principal dwelling house; or (ii) 10 percent of the land area; or (iii) 60 square metres.	Land having a residential, primary land use and meets the criteria in the description.

COUNCIL POLICY

REVENUE STATEMENT 2022/23

Category	Description	Identification
2.101 – Special Residential Strata - Horizontal	Land used for, or in the case of vacant land, intended to be used for, residential purposes, which is part of a body corporate where: (i) the land is vacant or; (if the land is built on) the building does not exceed three stories in height; and (ii) all of the lots in the body corporate share a common rateable valuation of greater than $1,300,000 (issued by the Department of Resources); and (iii) there are eight or more lots in the body corporate.	Land having a residential, primary land use or zoning and meets the criteria in the description.
2.201 – Special Residential Strata - Vertical	Land used for residential purposes which is a unit and is part of a body corporate in a building with more than three stories.	Land having a residential, primary land use and meets the criteria in the description.
3.1 – Canefarming	Land used for, or in the case of vacant land, zoned and intended to be used for, the growing of, sugar cane or associated with the growing of, sugar cane.	Land having an agricultural primary land use code or zoning and meets the criteria in the description.
4.1 – Other Rural	Land used, or in the case of vacant land, zoned and intended for use, for rural industry purposes other than properties contained within category 3.1.	Land having an agricultural primary land use code or zoning and meets the criteria in the description.
5 - Large Shopping Centre	Land which is used for commercial retail purposes and: (i) has an area greater than five hectares; and (ii) has a gross floor area greater than 30,000 square metres; and (iii) contains more than 60 commercial tenancies; and (iv) is located within the Mackay City Centre Area as defined in Map No.1. The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops.	Land having a commercial retail primary land use code and meets the criteria in the description.

COUNCIL POLICY

REVENUE STATEMENT 2022/23

Category	Description	Identification
6 - Medium Shopping Centre	Land which is used for commercial retail purposes and: (i) has an area greater than five hectares; and (ii) has a gross floor area greater than 20,000 square metres; and (iii) contains more than 30 commercial tenancies; and (iv) is not included in category 5. The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops.	Land having a commercial retail primary land use code and meets the criteria in the description.
7 – Commercial Retail	Land which is used for commercial retail purposes and: (i) has a gross floor area of greater than 1,500 square metres; and (ii) has more than 40 car parking spaces; and (iii) is not included in category 5 or 6. The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops.	Land having a commercial retail primary land use code and meets the criteria in the description.
8.11 – Other Commercial / Industrial (Mackay)	Land, within the Mackay Urban Commercial Area, as shown in Map No. 2, but outside the gazetted locality of Paget which is: (i) used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or (ii) vacant land zoned for commercial or industrial purposes under the applicable planning scheme.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
8.21 – Other Commercial / Industrial (Regional)	Land, outside the Mackay Urban Commercial area as shown in Map No. 2 which is: (i) used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or (ii) vacant land zoned for commercial or industrial purposes under the applicable planning scheme.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.

COUNCIL POLICY

REVENUE STATEMENT 2022/23

Category	Description	Identification
8.31 – Other Commercial / Industrial (Paget)	Land, within the Mackay Urban Commercial area within the gazetted locality of Paget as shown in Map No. 2 which is: (i) used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or (ii) vacant land zoned for commercial or industrial purposes under the applicable planning scheme.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
9 - Major Port Industry	Land, located in the Hay Point or Dalrymple Bay complexes which is: (i) used for major port industry; and (ii) has Port / Industry or Strategic Port Land designations and is used for the storage, processing or loading of mineral products.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
10 - Sugar Mill or Sugar Refinery	Land which is used, or designed for use, as a sugar mill or sugar refinery.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
11 – Other Significant Industry (1)	Land which is used for: (i) the manufacture of alcohol or alcohol related products; or (ii) any commercial or industrial purpose which is associated or connected with, or which supports railway operations and/or logistics; or (iii) any commercial or industrial purpose where the land has a Port/Industry or Strategic Port Land designation and is not included within Category 9 Major Port Industry and is located within, or supports or augments the operations of, the Hay Point or Dalrymple Bay complexes.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
12 – Other Significant Industry (2)	Land which is located within the Mackay Port precinct and is used for: (i) the storage, processing or loading of agricultural, mineral, gas or oil products in raw, processed or refined states; or (ii) activities associated, related or connected with the provision and operation of a port or harbour facility.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.

Category	Description	Identification
13 – Other Significant Industry (3)	Land which is located within the Mackay Airport precinct and is used for activities associated, related or connected with the provision, management and operation of an airport facility.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
14 – Resorts and Island Commercial Operations	Land which is located within a resort facility or on an offshore island, and is: (i) used, or able to be used, for a commercial or industrial activity; or (ii) vacant land zoned for commercial or industrial purposes under the applicable planning scheme.	Land that meets the criteria in the description.
15 – Not-for-Profit Organisation	Land which is: (i) used by a not for profit organisation for the organisation's primary purpose; and (ii) not used for any additional commercial or industrial operations; and (iii) not otherwise included in any other category.	Land that meets the criteria in the description.
16 - Non-resident Workforce Accommodation	Land used, in whole or in part, 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".	Land that meets the criteria in the description.
17 - Other (Not elsewhere classified)	The property is not elsewhere categorised.	Land that meets the criteria in the description.

Objection to Differential General Rate Categorisation

Council will identify the category each property falls into based on the Primary Land Use of the property. If a property owner is not satisfied with the category allocated, they are able to object to Council within 30 days of the issue date of the rate notice. Objections must be made on an official form available on Council's website or via the Client Service Centres.

The sole ground on which an owner may object is that their land should have been included in a different rating category.

The property owner is liable to pay the amount listed on the rate notice even if they submit an objection. Failure to pay the amount will affect the availability of the prompt payment discount.

Where the rating category is altered because of the objection, the rates will be adjusted at that time and a refund processed if appropriate.

The following Differential General Rates and Minimum Differential General Rates have been made for the year 2022/23:

Category	Rate in the Dollar	Minimum Differential General Rate
1.101 – Residential Band 1	0.010565	$1,172
1.201 – Residential Band 2	0.010207	$1,849
1.301 – Residential Band 3	0.009018	$3,521
1.401 – Residential Band 4	0.008807	$5,185
1.511 – Residential – Multi-Unit	0.014407	$1,348
1.531 – Residential – Home-based Business	0.012940	$1,348
2.101 – Special Residential Strata - Horizontal	0.018290	$1,713
2.201 – Special Residential Strata - Vertical	0.026190	$1,808
3.1 – Canefarming	0.027778	$2,025
4.1 – Other Rural	0.014232	$1,330
5 - Large Shopping Centre	0.085865	$2,430,501
6 – Medium Shopping Centre	0.049041	$852,960
7 – Commercial Retail	0.023409	$4,966
8.11 – Other Commercial / Industrial (Mackay)	0.019870	$2,503
8.21 – Other Commercial / Industrial (Regional)	0.017910	$1,572
8.31 – Other Commercial / Industrial (Paget)	0.024131	$2,968
9 – Major Port Industry	0.213260	$1,427,164
10 – Sugar Mill or Sugar Refinery	0.131953	$183,333
11 – Other Significant Industry (1)	0.171579	$9,429
12 – Other Significant Industry (2)	0.037346	$11,645
13 – Other Significant Industry (3)	0.037427	$9,480

Category	Rate in the Dollar	Minimum Differential General Rate
14 – Resorts and Island Commercial Operations	0.040983	$2,503
15 – Not-for-Profit Organisation	0.012902	$1,347
16 – Non-resident Workforce Accommodation	0.078367	$6,260
17 – Other (not elsewhere classified)	0.014938	$1,566
Minimum General Rates will not apply to land to which sections 49-51 of the *Land Valuation Act 2010* applies, nor to Permits to Occupy that have an area of one hundred (100) square metres or less, are separately valued from other valued land and have a rateable valuation of less than $2,500.		

3.0 Rural Fire Services – 1 Special Charge

(a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2022/23 financial year, (to be known as the "Rural Fire Services – 1 Special Charge") of **$44.60** per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.

(b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:

(i) The service, facility, or activity for which the plan is made is for Council to:

a) fund rural fire brigades in the area to purchase and maintain equipment; and
b) administer the distribution of funds to rural fire brigades.

(ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:

a)	Habana Rural Fire Brigade Area	[Map No.3]
b)	Dumbleton Rural Fire Brigade Area	[Map No.4]
c)	Victoria Plains Rural Fire Brigade Area	[Map No.5]
d)	Ball Bay Rural Fire Brigade Area	[Map No.6]
e)	Sunnyside Rural Fire Brigade Area	[Map No.7]
f)	Mt Blackwood Rural Fire Brigade Area	[Map No.8]
g)	Calen/Cameron's Pocket Rural Fire Brigade Area	[Map No.9]
h)	Seaforth Town Rural Fire Brigade Area	[Map No.10]
i)	Midge Point Rural Fire Brigade Area	[Map No.11]
j)	Seaforth District Rural Fire Brigade Area	[Map No.12]

(iii) The estimated cost of implementing the overall plan is $200,320 for 2022/23

(iv) The estimated time for implementing the overall plan is one year commencing 1 July 2022 and ending 30 June 2023.

(c) 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.

Funds collected by this charge, less a collection fee equivalent to one half of the fee prescribed by the *Fire and Emergency Services Regulation 2011* for the collection of the Emergency Management Levy, are disbursed to the rural fire brigades.

4.0 Rural Fire Services – 2 Special Charge

(a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2022/23 financial year, (to be known as the "Rural Fire Services – 2 Special Charge") of **$25.00** per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.

(b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:

(i) The service, facility, or activity for which the plan is made is for Council to:

a) fund rural fire brigades in the area to purchase and maintain equipment; and
b) administer the distribution of funds to rural fire brigades.

(ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:

a). Armstrong Beach Rural Fire Brigade Area [Map No.13]
b). Plane Creek Rural Fire Brigade Area [Map No.14]

(iii) The estimated cost of implementing the overall plan is $28,129 for 2022/23.

(iv) The estimated time for implementing the overall plan is one year commencing 1 July 2022 and ending 30 June 2023.

(c) 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.

Funds collected by this charge, less a collection fee equivalent to one half of the fee prescribed by the *Fire and Emergency Services Regulation 2011* for the collection of the Emergency Management Levy, are disbursed to the rural fire brigades.

5.0 Rural Fire Services – 3 Special Charge

(a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2022/23 financial year, (to be known as the "Rural Fire Services – 3 Special Charge") of **$34.40** per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.

(b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:

(i) The service, facility, or activity for which the plan is made is for Council to:

a). fund rural fire brigades in the area to purchase and maintain equipment; and
b). administer the distribution of funds to rural fire brigades.

(ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:

a). Mirani Combined Rural Fire Brigade Area [Map No.15]
b). Hay Point Rural Fire Brigade Area [Map No.16]

(iii) The estimated cost of implementing the overall plan is $178,913 for 2022/23.

(iv) The estimated time for implementing the overall plan is one year commencing 1 July 2022 and ending 30 June 2023.

(c) 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.

Funds collected by this charge, less a collection fee equivalent to one half of the fee prescribed by the *Fire and Emergency Services Regulation 2011* for the collection of the Emergency Management Levy, are disbursed to the rural fire brigades.

6.0 Natural Environment Charge

Pursuant to section 94 of the Act and section 103 of the Regulation, Council makes and will levy a separate charge for the 2022/23 financial year, (to be known as the "Natural Environment Separate Charge") in the sum of **$28.10** per rateable assessment to be levied equally on all rateable land in the region.

The separate charge will fund part of the costs of 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 and can include pilot projects.

7.0 Roads Improvement Separate Charge

Pursuant to section 94 of the Act and section 103 of the Regulation, Council makes and will levy a separate charge for the 2022/23 financial year (to be known as the "Roads Improvement Separate Charge") in the sum of **$21.60** per rateable assessment to be levied equally on all rateable land in the region**.**

The separate charge will fund part of the costs of 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 cycleways within and around road reserves

(d) contributing to the implementation of a roads treatment program to extend the life of the road network

8.0 Disaster Response Separate Charge

Pursuant to section 94 of the Act and section 103 of the Regulation, Council makes and will levy a separate charge for the 2022/23 financial year (to be known as the "Disaster Response Separate Charge") in the sum of **$13.90** per rate assessment, to be levied equally on all rateable land in the region.

The separate charge will fund part of the costs of a service, facility or activity identified as:

(a) upgrading facilities utilised during times of natural disaster
(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.

9.0 Sewerage, Waste Management & Water Utility Charges

In accordance with the provisions of Part 7 of Chapter 4 of the Regulation, Council makes and will levy the following utility charges for the 2022/23 financial year:

9.01 Sewerage Utility Charges

9.01.01 In respect of sewered premises, and whether occupied or not, subject to any concessions or additional charges contained in paragraphs 9.01.02 to 9.01.13 inclusive, the charge shall be one sewerage factor for each water closet (w.c.) pedestal, slop hopper pan, bed pan vortex macerator, or flushing rim sink, and for each separate urinal installed on such premises, one sewerage factor charge for each 600 millimetres or part thereof.

If the premises are used for, or available 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 for each separate residence, dwelling, secondary dwelling or flat (with or without separate laundry facilities).

In respect of flats or tenements designed or intended for use for separate occupation, including granny flats (except where the provisions of paragraph 9.01.08 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.

9.01.02 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 4 of the Regulation, excluding however those classified under Clause 9.01.06 hereof, a factor charge in accordance with Clause 9.01.01 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.

9.01.03 In respect of premises used as a home or homes for the aged, as listed below, the charge shall be one sewerage factor for the first w.c. pedestal in each such home or group of homes, and a charge equivalent to 0.5 of a factor charge for each additional w.c. pedestal, slop hopper pan or flushing rim sink, and for each separate urinal installed on such premises, 0.5 sewerage factor charge for each 600 millimetres or part thereof:

Assessment	Name
24497	Mackay Benevolent Society
25940	Francis of Assisi Home
27384	Uniting Church in Australia
27913	R.S.L. (QLD) War Veterans Homes Ltd
30656	Mackay Benevolent Society
32880	Good Shepherd Lodge Ltd (Mackay)
41401	Nanyima Aged Care Incorporated
44743	Sarina Aged Residential Home Incorporated
44708	Wongabeena Aged Housing Sarina Incorporated
50978	Good Shepherd Lodge Ltd (Kerrisdale)
59554	Ozcare

9.01.04 In respect of premises used as community sporting facilities where a Rates Remission for Non-Profit Community Organisations has been granted, the charge shall be one sewerage factor for the first w.c.

pedestal in each such facility, and a charge equivalent to 0.5 of a factor charge for each additional w.c. pedestal, and for each separate urinal installed on such premises, 0.5 sewerage factor charge for each 600 millimetres or part thereof.

9.01.05 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 w.c. pedestals, and a charge equivalent to 0.5 of a factor charge for each additional w.c. pedestal, and for each separate urinal installed on such premises, 0.5 sewerage factor charge for each 600 millimetres or part thereof.

9.01.06 In respect of premises used for public worship, the charge shall be a charge equivalent to 0.8 of a factor charge for each w.c. pedestal, and for each separate urinal installed on such premises, 0.8 sewerage factor charge for each 600 millimetres or part thereof.

9.01.07 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 hotel, motel, holiday units or tourist resorts as determined by Council, the charge shall be a charge equivalent to 0.8 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.

9.01.08 In respect of all sewered premises used for private residential purposes and containing a Dependant Persons Accommodation Unit (granny flat) while occupied in accordance with the relevant development approval, one factor charge for the principal residence, with no additional charge for the approved granny flat. The concession offered by this clause will only apply during the period that the granny flat is occupied by a person who complies with the requirements of the development approval, Council policies and local laws as dependant persons accommodation.

9.01.09 In respect of all premises in a sewered area which are not connected to a sewer main, but in respect of which 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 9.01.01 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.

9.01.10 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 State Development, Infrastructure, Local Government and Planning, the Planning Schemes or Shire Plan relevant to 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 0.25 of a factor charge for each van/camp site or cabin with private facilities.

9.01.11 In respect of all sewered premises designed or used as caravan parks with private facilities only, a charge equivalent to 0.25 of a factor charge for each van/camp site or cabin, 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.

9.01.12 In respect of vacant land or any land containing improvements thereon, which do not require a sewerage connection under the provisions of the *Building Code of Australia 2011*, a vacant sewerage charge will be assessed as one factor per separately surveyed allotment.

9.01.13 In respect of all properties intended for connection under a sewerage extension scheme, and where Council has incurred costs in relation to that sewerage extension scheme, Council shall determine by resolution a portion of one factor charge, which shall be charged against each property intended for connection under the sewerage extension scheme as though it were connected, until such time as the sewerage is connected or available to the property on a pro-rata basis with monthly rests at which time charges as per Sections 9.01.01 to 9.01.12 will apply in accordance with Council's Revenue Policy.

9.01.14 In respect of all properties serviced by the North Eton Biocycle System, a factor charge will be set to recover the costs associated with maintaining this system. The levy will be set to recoup the ongoing maintenance costs of this system and depreciation. Council will undertake minor plant upgrades, where applicable and cost effective, in order to maintain the plant in an efficient operational condition.

9.01.15 *Exemptions from Multiple Factor Charges*

In respect of rating assessments containing multiple surveyed parcels of land, under the following circumstances the parcels concerned may be considered together for the purposes of allocating sewerage factors:

(i) where a building or other structure has been constructed across a common boundary of allotments with Council approval

(ii) where a surveyed parcel of land is landlocked in terms of legal access to a road and cannot practicably be sold separately from the other parcels on the rating assessment

(iii) where a surveyed parcel of land is of insufficient size for a building or other structure which would require a sewerage connection i.e. less than 4 metres in any dimension or 200 m2 in area.

9.01.16 *Lots below the high-water mark*

Sewerage Utility Charges will not apply to lots fully below the high-water mark unless a connection is maintained directly with the lot.

9.01.17 A factor charge referred to in paragraphs 9.01.01 to 9.1.14 are as set out below for those parts of the sewerage area as defined on [Map No. 17(a)], [Map No 17(b) and [Map 17(c)] and for the North Eton biocycle system.

9.01.18 *Sewerage Charges for 2022/23* are:

For all properties in Mackay Sewerage Area [Map No.17(a)], Sarina Sewerage Area [Map No.17(b)] and Mirani Sewerage Area [Map No.17(c)], the following charges will apply:

Factor Charge	**$934.70**
0.8 of Factor Charge (rounded)	**$747.70**
0.5 of Factor Charge	**$467.30**
0.25 of Factor Charge	**$233.70**

For all properties connected to the North Eton biocycle system, the following charges will apply:

Factor charge per assessment	**$795.50**

9.01.19 *Trade Waste*

9.01.19.01 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 9.01.01 to 9.01.13 hereof, a volumetric trade waste charge shall be made in accordance with the following formula:

VTWC = (M - P) *D*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 **($2.65/kl)**

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

9.01.19.02 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:

$C = V*n_1*x_1/1000 + V*n_2*x_2/1000 + V*n_3*x_3/1000 + V*n_4*x_4/1000 + V*n_5*x_5/1000$ 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 = **$1.07/kg**

n_2 - Chemical Oxygen Demand = **$0.59/kg**

n_3 - Oil and Grease or Total Hydrocarbons = **$1.95/kg**

n_4 – Total Kjeldahl Nitrogen = **$3.29/kg**

n_5 - Total Phosphorous = **$5.66/kg**

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

9.01.19.03 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:

Cp = V*n11*x1/1000 + V*n12*x2/1000 + V*n13*x3/1000 + V*n14*x4/1000 + V*n15*x5/1000
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 Phosphorus).

Trade Waste Conveyance and Treatment Charge

n_{11} – Total Suspended Solids = **$1.70/kg**
n_{12} - Chemical Oxygen Demand = **$1.70/kg**
n_{13} - Oil and Grease or Total Hydrocarbons = **$1.70/kg**
n_{14}- Total Kjeldahl Nitrogen = **$1.70/kg**
n_{15} - Total Phosphorous = **$1.70/kg**

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.)

9.02 Waste Management

9.02.01 *Refuse Removal and Disposal*

Council shall levy a utility charge on rateable land for the 2022/23 financial year for the removal and disposal of refuse, which shall be called the Rubbish and Recycling Service Charge.

The charge shall be calculated as follows:

(a) for each house / unit that is a lot that is part of a body corporate or flat designed for separate residential occupation and whether occupied or not, the one factor charge for residential properties shall apply per service

(b) For residential services provided to properties which are otherwise non-residential one Rubbish and Recycling Service (Non-Res Household) factor charge shall apply per service.

(c) for any other property, the one Rubbish and Recycling Service (Other) factor charge shall apply per service.

Where the owner or occupier of land requests an additional standard service, a further one factor charge shall be levied for each additional standard service.

Where the owner or occupier of land requests an additional recycling bin, one Additional Recycling Service (Residential) factor charge shall be levied. An additional recycling service will only be provided if the owner or occupier of land is already in receipt of the standard service.

For services to multi-unit properties, the property owner or strata body corporate may with the approval of Council, elect to be supplied with bulk bin(s) in lieu of the standard 240 litre bins. One factor charge for a Residential Bulk Bin service will apply per unit.

9.02.02 *Service*

Council's basic standard kerbside waste collection service consists of one 240L general waste bin per single-unit dwelling to be serviced weekly. Additionally, one free 240L recycle bin (serviced fortnightly) is generally provided with each standard waste bin service.

An additional recycling service consists of one 240L recycle bin (serviced fortnightly) and will only be provided as an option to land already receiving a standard waste service.

Refuse Service Factor Charges for 2022/23 are:

Rubbish and Recycling Service (Residential)	**$285.00**
Rubbish and Recycling Service (Residential Bulk Bin)	**$285.00**
Rubbish and Recycling Service (Other)	**$339.00**
Rubbish and Recycling Service (Non-Res Household)	**$285.00**
Additional Recycling Service (Residential)	**$111.00**

9.02.03 *Waste Facilities Operation Utility Charge*

Pursuant to section 99 of the Regulation, Council makes and will levy a utility charge for the 2022/23 financial year (to be known as the "Waste Facilities Operations Utility Charge") in the sum of **$162.70** per rateable assessment to be levied equally on all rateable land in the region.

This utility charge will fund:

(a) The residual cost of waste facilities and services which are not met from the refuse removal and disposal 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.

9.3 Water Utility Charges

9.03.01 *Commercial and Industrial Properties and Properties with Land Uses other than Residential*

In respect of each separately surveyed parcel of land which is used or intended for use for a non-residential purpose, charges shall be assessed via:

(a) An access charge – calculated on 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.

In assessing the applicable access charge, Council may consider where on the property the water is being used. e.g. a 20mm meter attached to a property with a dwelling and a large extractive industry is likely to be used by the dwelling only unless there is evidence that water is also being used in relation to the extractive industry (i.e. higher than normal domestic consumption).

Plus
(b) On a consumption basis.

9.03.01.01 *Factor Basis – Criteria for Factor Allocation Commercial / Industrial Properties.*

One Factor

- Advertising hoarding where a service is available
- Car park (1 level)
- Cemetery
- Club that is not licensed premises
- Dwelling or residential unit that is part of a retirement village or similar complex (per residence or unit)
- Industry (light, service or offensive) (GFA < 51m2)
- Jetty

- Mini storage unit (GFA up to 85m2)
- Motel units that are part of a body corporate
- Outbuilding
- Park or garden
- Plant nursery
- Transformer, substation, television or radio transmission tower
- Tavern, office, shop or commercial premises, other than drive-in shopping centre (GFA < 51m2)
- Vacant non-residential land where a service is available
- Walkway (suspended or underground)
- Each additional meter connected to a property

Three Factors

- Caravan park (not more than 50 sites)
- Car park (2 levels)
- Child care facility or kindergarten
- Church, church hall or community hall
- Club (up to two levels) that is licensed premises (GFA <251m2)
- Community protection centre
- Construction site (commercial / industrial)
- Day care centre for aged, disabled or handicapped persons
- Forest used for commercial growing or harvesting of timber (less than 10ha)
- Funeral parlour
- Guest house or hostel, with shared bathroom facilities (not more than 2 levels)
- Industry (light, service or offensive) (GFA <501m2)
- Library, museum, art gallery or zoo
- Marina, non-residential
- Micro-brewery (including where most of the brewed product is served on the premises).
- Mini storage unit (gross floor area of more than 85m2)
- Outdoor storage area (< 2,025m2)
- Outdoor sales area (less than 2,025m2)
- QEC service premises or education and care service premises
- Restaurant, that is not licensed premises
- Service station
- Tavern, office, shop or commercial premises, other than drive-in shopping centre (GFA of 51–250m2)
- Welfare institution / day care centre

Four Factors

- Sugar Research facility at Te Kowai
- Caravan park (51–100 sites)

- Car park (3–4 levels)
- Club (up to two levels) that is licensed premises (GFA 251-500m2)
- Drive-in shopping centre (area devoted to buildings, roadways, parking and landscaping 51-4,050m2)
- Guest house or hostel, with shared bathroom facilities (3–4 levels)
- Hotel or motel (not more than 2 levels)
- Industry (light, service or offensive) (GFA 501–1,125m2)
- Laguna Quays Resort Golf Courses
- Restaurant, that is licensed premises
- Outdoor sales area (2,025–4,050m2)
- Outdoor storage area (2,025–4,050m2)
- School (non-boarding) (not more than 100 pupils)
- Tavern, office, shop or commercial premises, other than drive-in shopping centre (GFA 251–500m2)
- Theatre or cinema complex, (1 auditorium)
- Tourist attraction (less than 4,050m2)

Five Factors

- Retirement village or equivalent - (administration, recreation and other common areas)

Six Factors

- Airfield
- Caravan park (more than 100 sites)
- Club (up to two levels) that is licensed premises (GFA 501-1,012m2)
- Drive-in shopping centre (area devoted to buildings, roadways, parking and landscaping of 4,050–7,500m2)
- Drive-in theatre
- Forest used for commercial growing or harvesting of timber (10–40ha)
- Industry (extractive) (less than 10,001m2)
- Industry (light, service or offensive) (gross floor area of 1,126–2,000m2)
- Oil or fuel depot, including refinery (licensed capacity of less than 1,000,000L)
- Tavern, office, shop or commercial premises, other than drive-in shopping centre (GFA of 501–1,012m2)
- School (non-boarding) (101–500 pupils)
- Showground or racecourse
- Tourist attraction (4,050–10,000m2)

Eight Factors

- Car park (more than 4 levels)
- Club (up to two levels) that is licensed premises (GFA 1,013-3,500m2)

- Club that is licensed premises (3–4 levels)
- Drive-in shopping centre (area devoted to buildings, roadways, parking and landscaping of 7,501–10,000m2)
- Guest house or hostel, with shared bathroom facilities (5–6 levels)
- Hotel or motel (3 levels)
- Industry (light, service or offensive) (GFA of 2,001–3,000m2)
- Outdoor storage area (more than 4,050m2)
- Outdoor sales area (more than 4,050m2)
- School (boarding) (not more than 100 boarders)
- School (non-boarding) (more than 500 pupils)
- Tavern, office, shop or commercial premises, other than drive-in shopping centre (gross floor area of 1,013–3,500m2)
- Tertiary residential college
- Theatre or cinema complex, not part of drive-in shopping centre (2–3 auditoriums)
- Welfare residence (nursing home/retirement home non-medical) (not more than 50 beds)

Ten Factors

- Club (up to two levels) that is licensed premises (GFA 3,501-5,500m2)
- Forest used for commercial growing or harvesting of timber (more than 40ha)
- Guest house or hostel, with shared bathroom facilities (more than 6 levels)
- Hospital (not more than 50 beds)
- Industry (light, service or offensive) (GFA of 3,001–4,000m2)
- Tavern, Office, shop or commercial premises, other than drive-in shopping centre (not more than 2 levels, GFA of 3,501–5,500m2)
- Theatre or cinema complex, not part of drive-in shopping centre (4–6 auditoriums)

Fifteen Factors

- Club (up to two levels) that is licensed premises (GFA >5,500m2)
- Drive-in shopping centre (area devoted to buildings, roadways, parking and landscaping of 10,001–15,000m2)
- Hotel or motel (4 levels)
- Industry (extractive) (> 10,000m2)
- Industry (light, service or offensive) (GFA of 4,001–5,500m2)
- Oil or fuel depot, including refinery (licensed capacity of 1,000,000–25,000,000L)

- Tavern, office, shop or commercial premises, other than drive-in shopping centre, (GFA > 5,500m2)
- Tertiary education institution (not more than 500 students)
- Theatre or cinema complex, not part of drive-in shopping centre (more than 6 auditoriums)
- Tourist attraction (more than 10,000m2)
- Welfare residence (nursing home/retirement home non-medical) (51–100 beds)

Twenty Factors

- Brewery, other than brewery at which most of the brewed product is served or "micro-breweries"
- Bulk sugar terminal / distillery
- Club that is licensed premises (more than 4 levels)
- Hospital (> 50 beds)
- Drive-in shopping centre (area devoted to buildings, roadways, parking and landscaping of (15,001 – 60,000m2)
- Hotel or motel (>4 levels)
- Industry (heavy)
- Industry (light, service or offensive) (gross floor area >5,500m2)
- Oil or fuel depot, including refinery (licensed capacity >25,000,000L)
- School (boarding) (>100 boarders)
- Sugar mill, sugar factory or sugar refinery
- Tertiary education institution (501 – 1,000 students)
- Welfare residence (nursing home/retirement home non-medical) (more than 100 beds)

Thirty Factors

- Laguna Quays Resort Golf Lodge, Laguna Quays Resort Administration and Maintenance Precincts (combined)

One Hundred and Twenty Factors

- Bulk coal terminal
- Power station
- Tertiary education institution (>1,000 Students)
- Drive-in shopping centre > 60,000m²

Three Hundred Factors

- Mackay seaport precinct (all areas serviced by the bulk supply)

9.03.01.02 *Exemptions from Multiple Factor Charges – Commercial / Industrial Properties.*

In respect of rating assessments containing multiple surveyed parcels of land, under the following circumstances the parcels concerned may be considered together for the purposes of allocating water factors:

(i) where a building or other structure has been constructed across a common boundary of allotments with Council approval

(ii) where a surveyed parcel of land is landlocked in terms of legal access to a road and cannot practicably be sold separately from the other parcels on the rating assessment

(iii) where a surveyed parcel of land is of insufficient size for a building or other structure which would require a water connection i.e. less than four metres in any dimension or 200 m^2 in area.

9.03.01.03 *Lots below the high-water mark*

Water access charges will not apply to lots fully below the high-water mark unless a water connection is supplied directly to the lot.

9.03.02 *Residential Properties*

In respect of each separately surveyed parcel of land on which is erected one or more buildings, 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 via:

(i) an access charge – calculated on 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; plus

(ii) on a consumption basis.

9.03.02.01 *Factor Basis – Criteria for Factor Allocation Residential Properties*

<u>One Factor</u>

Single unit residence (with or without separate laundry facilities), vacant land to which a metered water supply has been connected or is available. Each additional meter connected to an assessment.

Multi-unit dwelling house, secondary dwelling, flat (with or without separate laundry facilities, that is not part of a body corporate (per individual structure, unit or flat).

A property including a unit or dwelling approved for Dependant Persons Accommodation Unit (granny flat) while occupied in accordance with approval.

9.03.02.02 *Exemptions from Multiple Factor Charges – Residential Properties*

In respect of rating assessments containing multiple surveyed parcels of land, under the following circumstances the parcels concerned may be considered together for the purposes of allocating water factors:

(i) where a building or other structure has been constructed across a common boundary of allotments with Council approval

(ii) where a surveyed parcel of land is landlocked in terms of legal access to a road and cannot practicably be sold separately from the other parcels on the rating assessment

(iii) where a surveyed parcel of land is of insufficient size for a building or other structure which would require a water connection i.e. less than four metres in any dimension or 200 m2 in area.

9.03.02.03 Water access charges will not apply to lots fully below the high-water mark unless a water connection is supplied directly to the lot.

9.03.03 *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 4 hectares in area or any cane land of any area whatsoever, included in a rural zone under the Planning Scheme relevant to 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 Council; 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 Council.

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 Council policy 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:

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

9.03.04 *Consumption Basis – Tarriff 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:

Non-Residential:

Tariff 1 – Up to and including 150kL per half-yearly period.
Tariff 2 – Greater than 150kL per half-yearly period.

(Includes water supplied to Queensland Bulk Ports – Mackay Harbour)

Residential (including the residential component of properties subject to the *Retirement Villages Act 1999)*:

Tariff 1 – 150kl per half-yearly period for each connected water factor charged on the assessment.

Tariff 2 – Greater than the consumption allowed under Tariff 1 per half-yearly period.

(b) Laguna Quays Integrated Resort

All water consumed shall be charged for at a rate to be determined by Council.

(c) Purchase of Water in Bulk

All water purchased for consumption shall be charged for at a rate to be determined by Council.

(d) Untreated Water Supply

All water purchased for use shall be charged for at a rate to be determined by Council.

(e) Community Sporting Facilities

Defined as premises used as community sporting facilities where a rates remission for non-profit community organisations has been granted all water consumed shall be charged for at a rate to be determined by Council.

(f) Recycled Waste Water (Bakers Creek)

All water purchased for use shall be charged for at a rate to be determined by Council.

9.03.05 *Water Extension Schemes*

In respect of all properties intended for servicing under a water extension scheme, and where Council has incurred costs in relation to that water extension scheme, Council shall determine by resolution a proportional factor charge in lieu of the factor charge referred to in paragraphs 9.03.01 to 9.03.04, which shall be charged against each property intended for servicing under the water extension scheme on a basis as detailed in sections 9.03.01 to 9.03.04 as though it were serviced.

9.03.06 *Water Utility Charges 2022/23*

Water Charges (per factor) are:

(a)	Factor Charge – Commercial/Industrial	**$386.50**
(b)	Factor Charge – Residential	**$386.50**

Consumption Charges (per kilolitre) are:

(a)	Tariff 1	**$1.91**
(b)	Tariff 2	**$2.83**
(c)	Laguna Quays Resort	**$1.91**
(d)	Bulk purchases	**$3.56**
(e)	Untreated water supplied	**$1.07**
(f)	Community sporting facilities (as defined)	**$1.91**

Application of Water Consumption Charges

Pursuant to section 94 of the Act and section 99(3) of the Regulation, consumption charges shall apply as from the last reading date in the preceding financial year until otherwise amended by Council.

Pursuant to section 102 of the Regulation, a water meter is taken to have been read during the period that starts 2 weeks before, and ends 2 weeks after, the day on which the meter is actually read.

9.03.07 *Defined Water Area*

Mackay Water Area is defined by Maps 18a to 18f. Water services will be available to properties within the defined area and the above charges will apply to the service supplied. If a new service is requested, connection charges will apply as per policy and procedures current at the time. Connections outside the defined area may be supplied by the water provider in exceptional cases and if supplied will also be subject to the above charges in addition to any charge for the establishment of the connection

10.0 Cost-Recovery Fees

Cost-recovery fees are set at, or below, a level, which is expected to raise enough funds to meet the cost of each cost recovery scheme.

The cost-recovery fees set by the Council are shown in Council's schedule of fees and charges.

11.0 Other Fees and Charges

Fees other than cost-recovery fees are contained in the Council's schedule of fees and charges.

Council has the power to conduct business activities and make business activity fees for services and facilities it provides on this basis. Business activity fees are made where Council provides a service and the other party to the transaction can choose whether or not to avail itself of the service.

Business activity fees are a class of charge, which are purely commercial in application and are subject to the Commonwealth's Goods and Services Tax.

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

12.0 Rebates and Other Rates Concessions

In accordance with the provisions of Part 10 of Chapter 4 of the Regulation, Council will give the following concessions:

12.01 Concessions for Eligible Pensioners

(a) To allow eligible pensioners a concession of 25 percent of the General Rate, with a maximum remission allowable of $400.00 per annum.

(b) To allow eligible pensioners a further concession by extending the terms and conditions of Item 13 – Time in which Rates must be paid and Item 14 – Discount for Prompt Payment, to include unpaid rates and charges

where those rates and charges are paid in full by the due date in the last month of the rating period in which the levy is raised.

(c) Eligible pensioners are those ratepayers who:

(i) have applied and conformed with the State Governments Guidelines for pensioner remission at the time of rating; and

(ii) are an elderly, invalid, disabled or disadvantaged citizen who is:

A. An eligible holder of a Queensland "Pensioner Concession Card issued by Centrelink, on behalf of the Department of Human Resources, or the Department of Veterans Affairs, or a Queensland "Repatriation Health Card – For all Conditions (Gold Card)" issued by the Department of Veterans' Affairs; and

B. The owner (either solely or jointly) or life tenant/s of a property which is his/her principal place of residence; and

C. Has either solely or jointly with a co-owner, the legal responsibility for payment of rates and charges for the property.

12.02 Other Concessions

Further concessions are also available in accordance with the following Council policies:

(a) Rating Remission for Non-Profit Community Organisations Policy
(b) Conservation Remission Policy
(c) Rates Relief Policy
(d) Debt Recovery Policy
(e) Concession for Concealed Leaks Policy
(f) Concession for Exceptional Circumstances (Water Consumption) Policy

13.0 Time in Which Rates Must be Paid

For the purposes of section 118 of the Regulation, the rates and charges levied by Council must be paid within thirty (30) clear days after date of issue shown on the rates notice.

14.0 Discount for Prompt Payment

All Ratepayers

Pursuant to section 130 of the Regulation, the differential general rates and utility charges (excluding water consumption, trade waste and waste facility operations utility charges) made and levied shall be subject to a discount of 10% provided that:

(a) all of the rates and charges that are subject to discount in the period are paid within the discount period (plus a grace period of two days); and

(b) all other overdue rates and charges relating to the rateable assessment are paid within the discount period (plus the grace period of two days) of the issue date of the rate notice; and

(c) all amounts that have been transferred to the rates assessment (under section 142 of the Act) for costs that were incurred by Council under a remedial notice issued under the Act are paid within the discount period (plus a grace period of two days).

A discount period will expire on the date that the rates and charges must be paid under Council's resolution pursuant to section 118 of the Regulation.

Allowance of discount on payments received after the discount date is covered in Council Policy 017 – Discount on Rates After Discount Date.

15.0 Interest on Overdue Rates

Pursuant to section 133 of the Regulation, Council will charge interest on overdue rates at the rate specified as the maximum interest rate payable by the Department of State Development, Infrastructure, Local Government and Planning. The rate applicable from 1 July 2022 is eight-point one seven percent (8.17%) per annum, compounded monthly, calculated after the end of the financial half year in which the rates fall due. Interest is charged at the end of each month, on the overdue balance on that day.

Interest will similarly apply to all overdue rates where a concession has been granted pursuant to any other Council policy or provision of the Act or the Regulation, including concessions under section 17 except where otherwise provided within this Statement or in any other policy adopted by Council.

Where Council enters into a deferral of liability to pay rates and charges by way of a payment schedule or any other arrangement, the arrangement will include a premium equal to the amount of interest which would have been charged if the arrangement had not been agreed to.

The premium will be charged in the same manner as interest.

16.0 Limitation on Increases in Rates and Charges

Pursuant to section 116 of the Local Government Regulation 2012, Council has resolved to limit the annual increase in the differential general rate to the land identified in the table below to a maximum percentage for the 2022/23 financial year:

Category	Percentage Increase (Cap)
5.1 - Large Shopping Centre	2.5%

17.0 Adjustments to Rates and Charges

From time-to-time Chapter 4, Part 9 Division 2 of the Regulation requires that adjustments be made to rates in certain circumstances and Division 3 Section 117 of the Regulation provides that levies or adjustments can be made after the end of a financial year.

Unless Council is required to make a full adjustment under Chapter 4, Part 9, Division 2 of the Regulation, Council will apply the following limitations to adjusting rates and charges:

1. Where it can clearly be established that a Council error, which has resulted in the ratepayer paying more than was required, has been made and the ratepayer has not previously brought the matter to Council's attention, a refund will be granted to a maximum of six years prior to when the error was identified. If the property has changed ownership during the period, the refund will only be made for the period that the current owner has had an interest in the property.

2. When Council is not notified of a change being made to the property which affects the rating details, or requirements not being complied with (for example a pedestal being removed) without advice to Council. Council will only refund the overcharged rates or charges applicable from the date of being notified and any appropriate forms and fees being received.

3. In cases where Council is unable to clearly establish if an error has been made or all requirements have been complied with (for example insufficient supporting documentation), then no refund will be granted. Should the ratepayer be subsequently able to provide sufficient supporting documentation then the matter can be reviewed.

4. In cases where rates have been undercharged due to an error made by Council the maximum amount levied will be that due for the current and previous rating period. If the Department of Resources issues a back-dated valuation change, then an adjustment can be issued to the date of effect of the valuation change.

18.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean Mackay Regional Council.

Primary Land Use shall mean the primary land uses per Department of Resources (DOR) schedule.

The Act shall mean the *Local Government Act 2009.*

The Regulation shall mean the *Local Government Regulation 2012.*

Reference to the **intended** use for land is a reference to use:

(i) that is as of right for the land under the relevant planning scheme;
(ii) for which a development approval exists;
(iii) for which an application for development approval has been made but not finally determined; or
(iv) when the owner or occupier of the land has informed Council of, or has stated, publicly, their intention to conduct activities upon the land

19.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

20.0 Reference

- *Local Government Act 2009*
- *Local Government Regulations 2012*

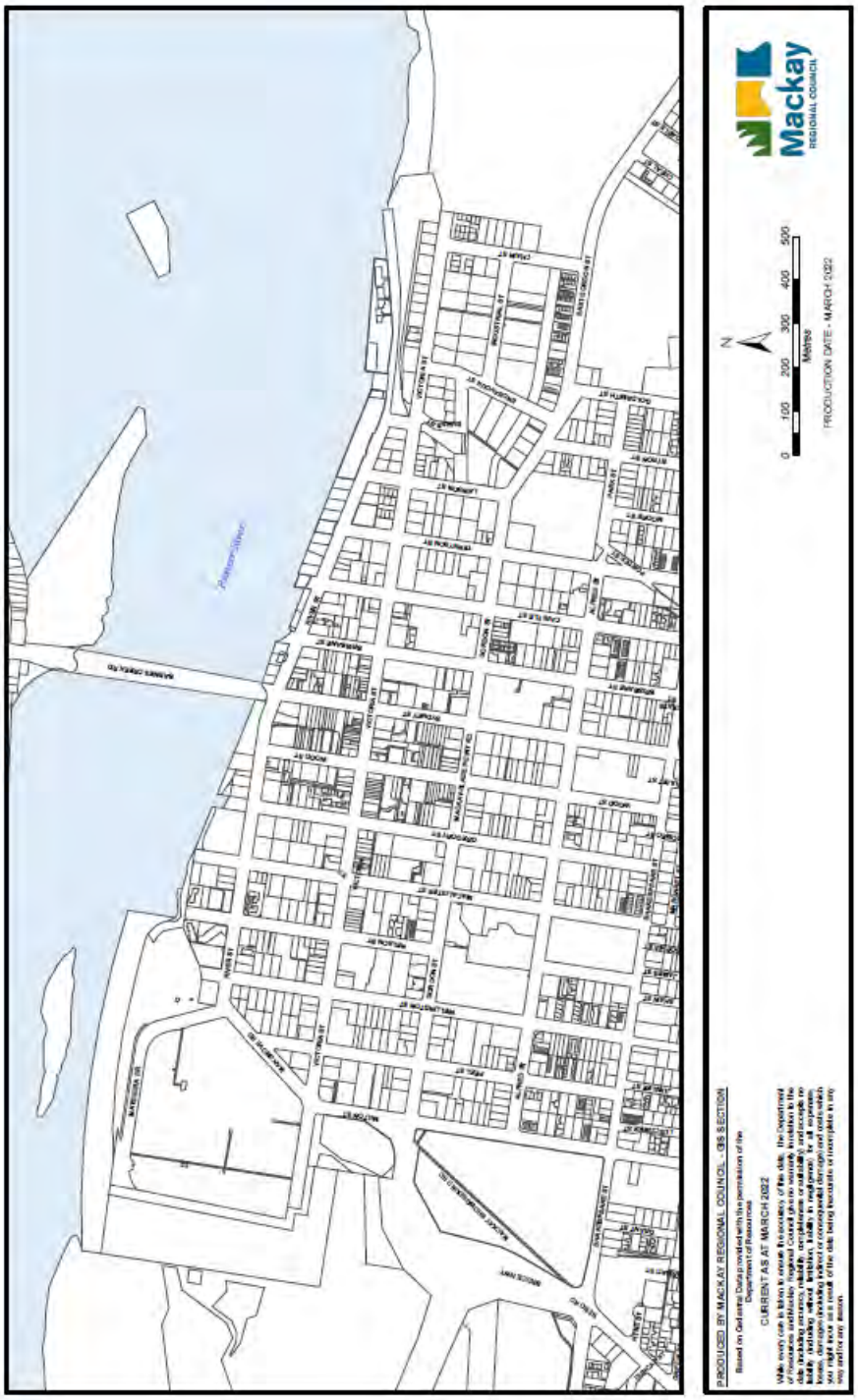
21.0 Attachments

• Mackay City Centre Area –	Map No. 1
• Urban Commercial Area –	Map No. 2
• Habana Rural Fire Brigade Area –	Map No. 3
• Dumbleton Rural Fire Brigade Area –	Map No. 4
• Victoria Plans Rural Fire Brigade Area –	Map No. 5
• Ball Bay Rural Fire Brigade Area –	Map No. 6
• Sunnyside Rural Fire Brigade Area –	Map No. 7
• Mt Blackwood Rural Fire Brigade Area –	Map No. 8
• Calen/Camerons Pocket Rural Fire Brigade Area –	Map No. 9
• Seaforth Town Rural Fire Brigade Area –	Map No. 10
• Midge Point Rural Fire Brigade Area –	Map No. 11
• Seaforth District Rural Fire Brigade Area –	Map No. 12
• Armstrong Beach Rural Fire Brigade Area –	Map No. 13
• Plane Creek Rural Fire Brigade Area –	Map No. 14
• Mirani Combined Rural Fire Brigade Area –	Map No. 15
• Hay Point Rural Fire Brigade Area –	Map No. 16
• Mackay Sewerage Area –	Map No. 17a
• Sarina Sewerage Area –	Map No. 17b
• Mirani Sewerage Area –	Map No. 17c
• Bloomsbury/Laguna Quays/Midge Point Water Service Area –	Map No 18a
• Calen/Seaforth/Haliday Bay/Ball Bay/ Cape Hillsborough Water Service Area –	Map No. 18b
• Mackay Water Service Area –	Map No. 18c
• Pioneer Valley Water Service Area –	Map No. 18d
• McEwans Beach/Alligator Creek/ Haypoint Sarina & Beaches – Water Service Area –	Map No. 18e
• Koumala Water Service Area –	Map No. 18f

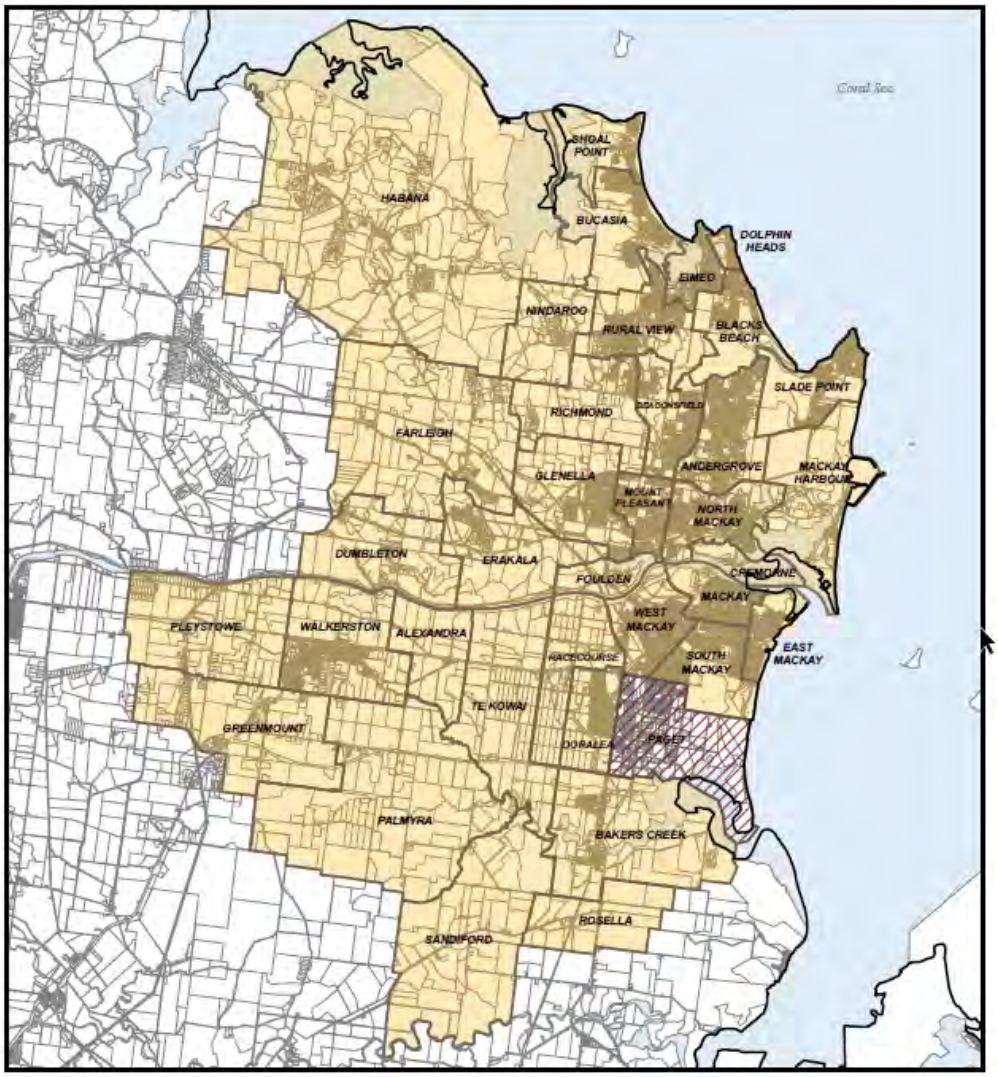
COUNCIL POLICY

REVENUE STATEMENT 2022/23

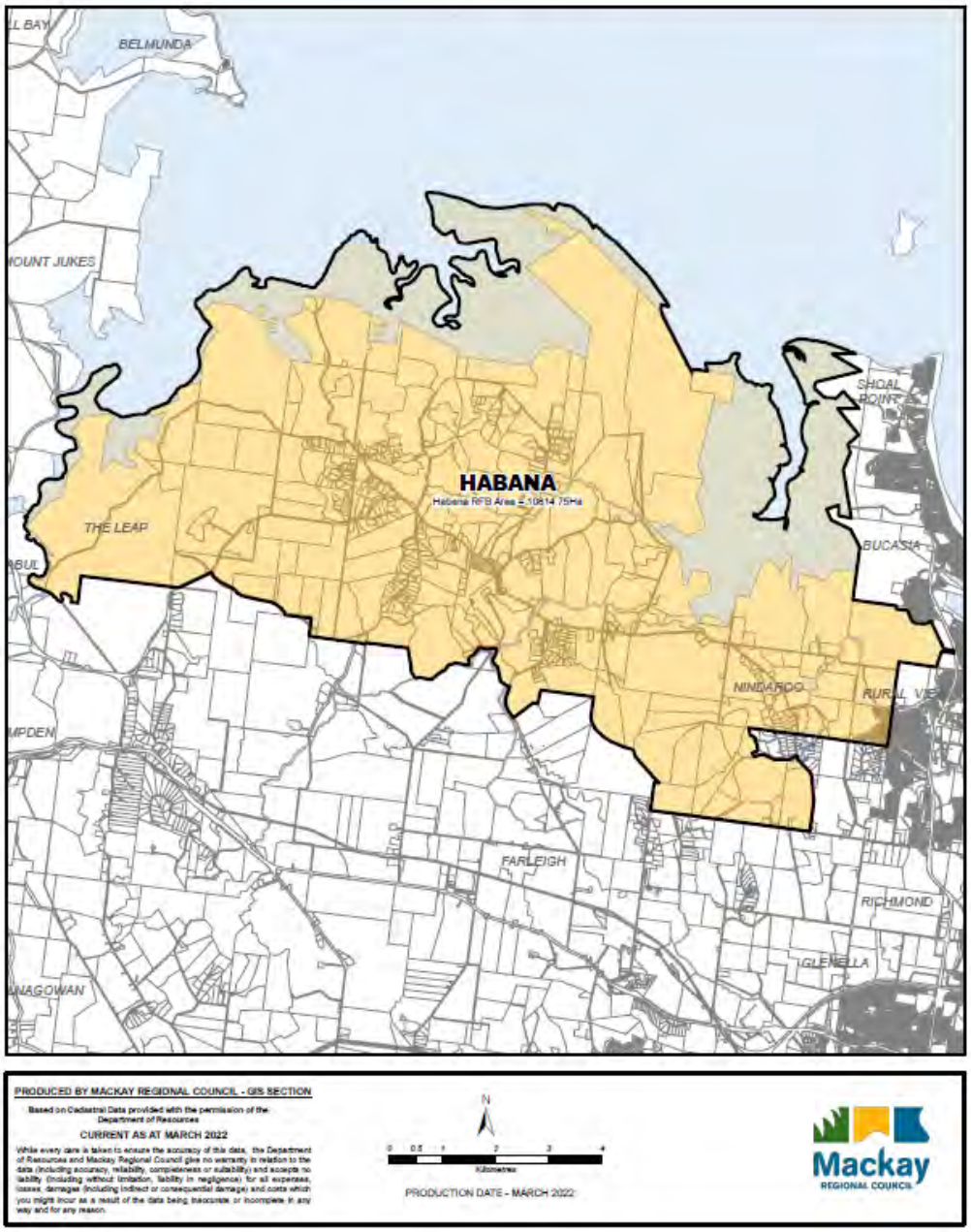
MACKAY CITY CENTRE AREA MAP No.1



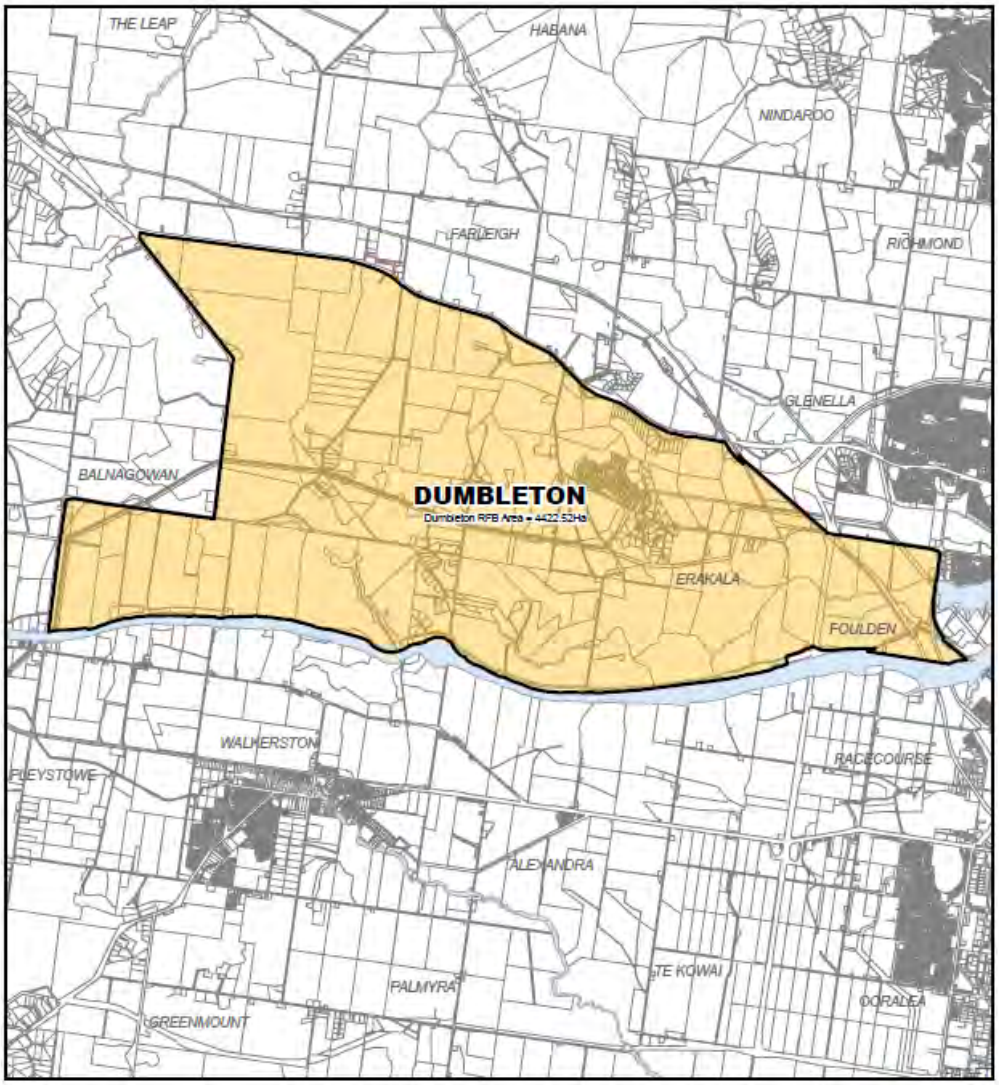
Urban Commercial Area
Map No. 2



Habana Rural Fire Brigade Area
Map No. 3



Dumbleton Rural Fire Brigade Area
Map No. 4



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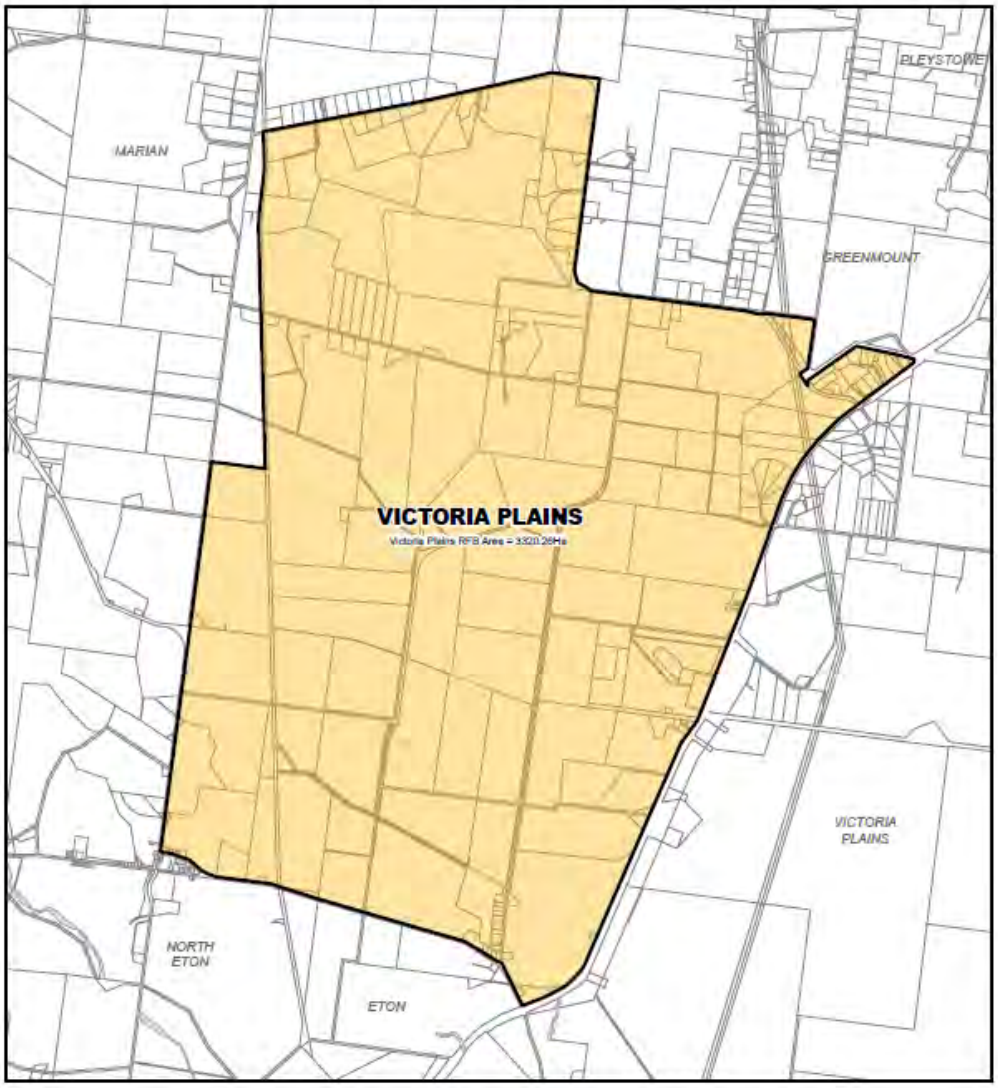
Victoria Plains Rural Fire Brigade Area
Map No. 5



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Ball Bay Rural Fire Brigade Area
Map No. 6

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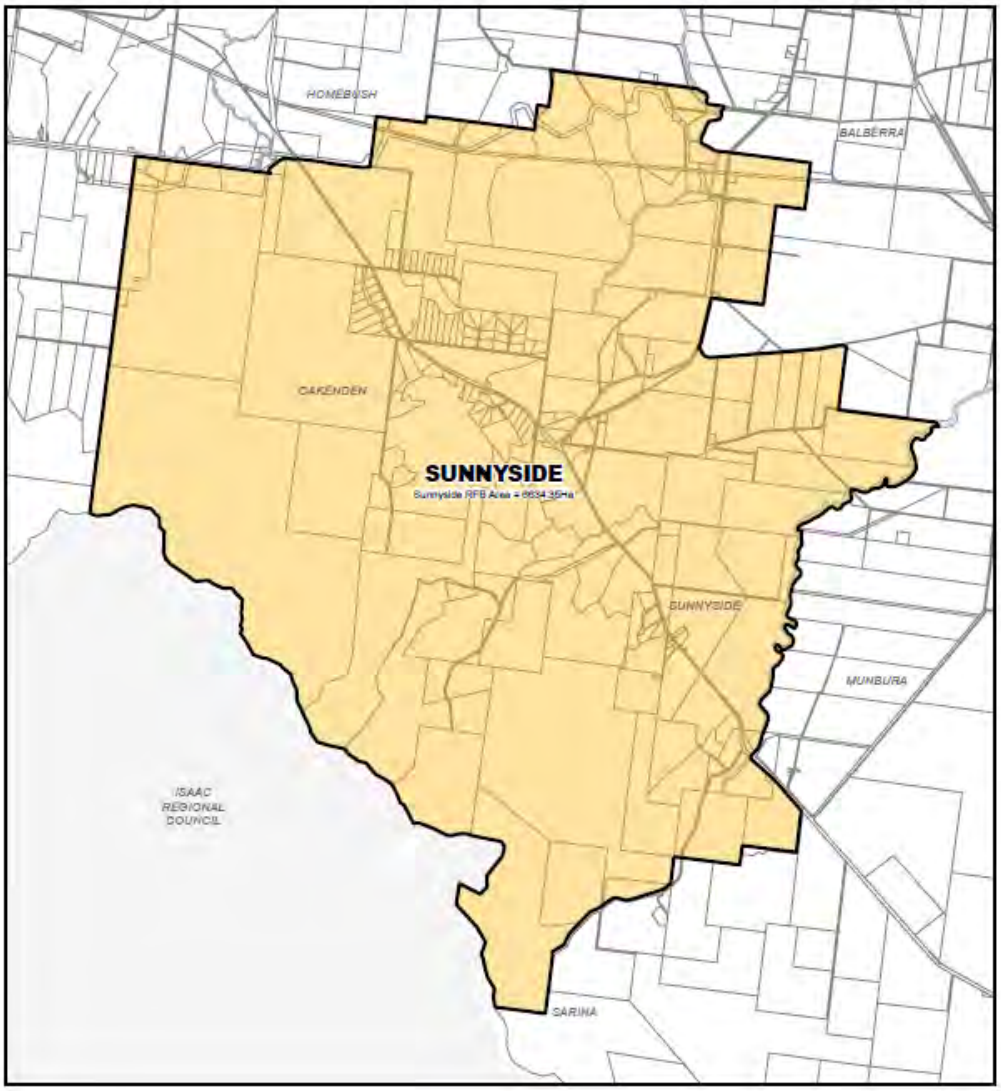
Sunnyside Rural Fire Brigade Area
Map No. 7



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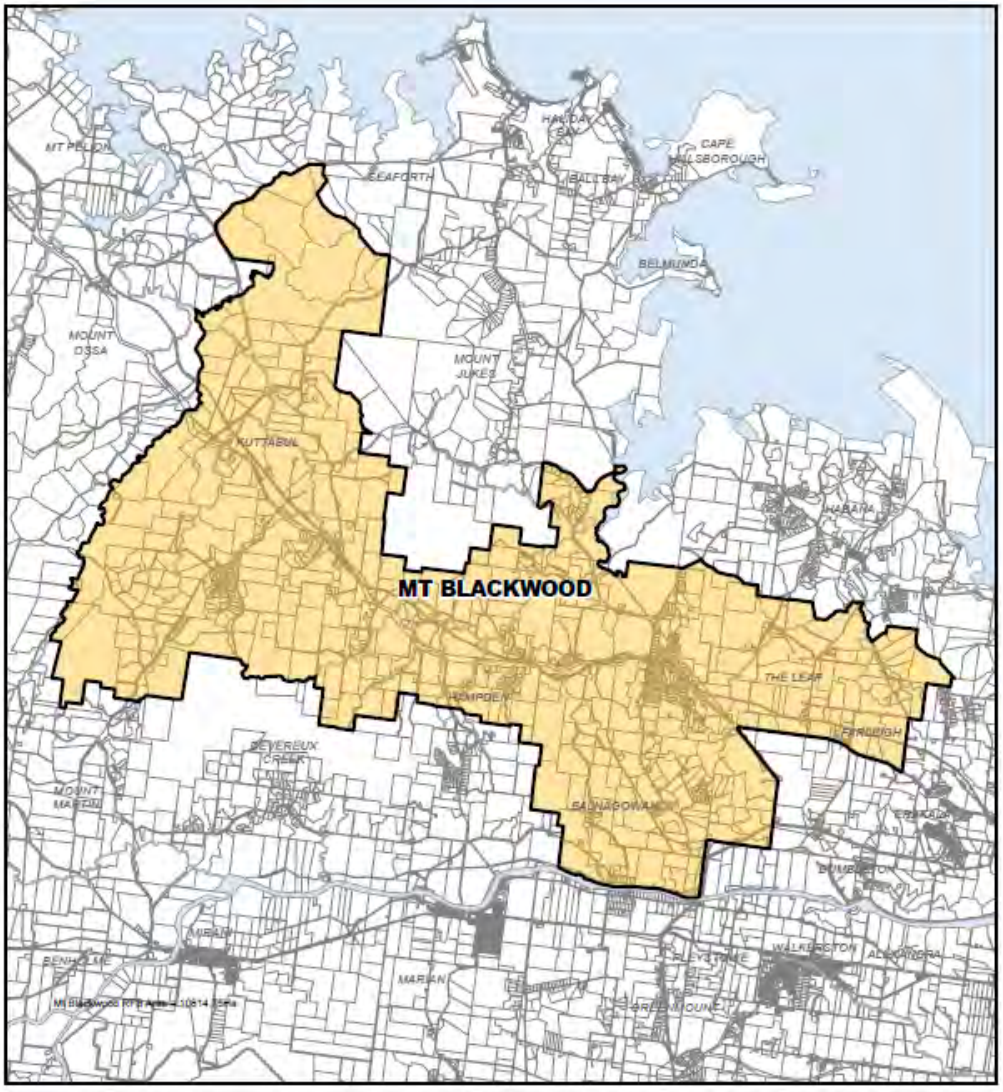
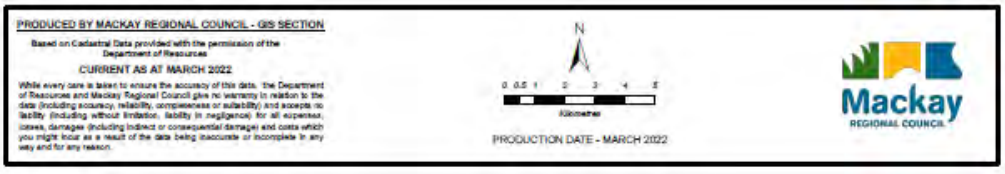
PRODUCTION DATE - MARCH 2022

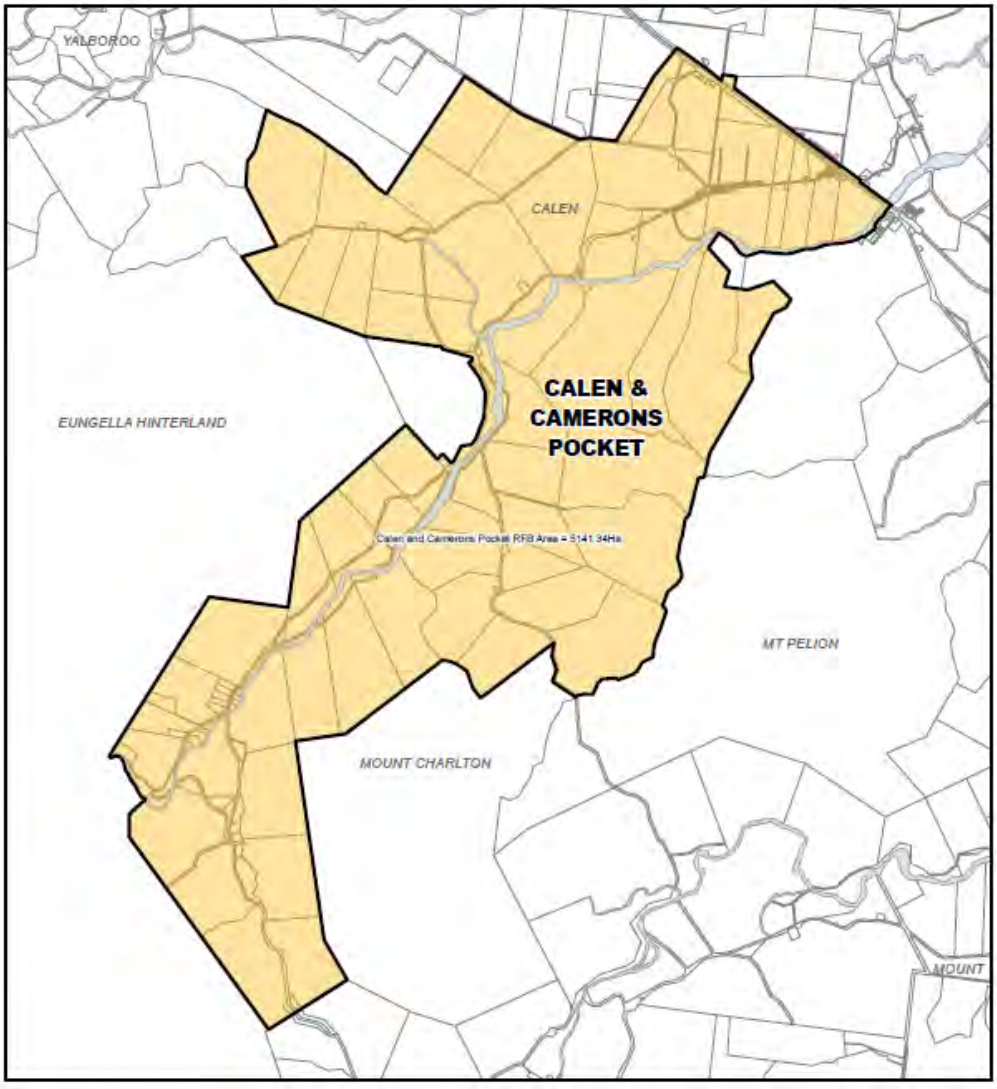
Mackay REGIONAL COUNCIL

Mt Blackwood Rural Fire Brigade Area
Map No. 8





Calen/Camerons Pocket Rural Fire Brigade Area
Map No. 9



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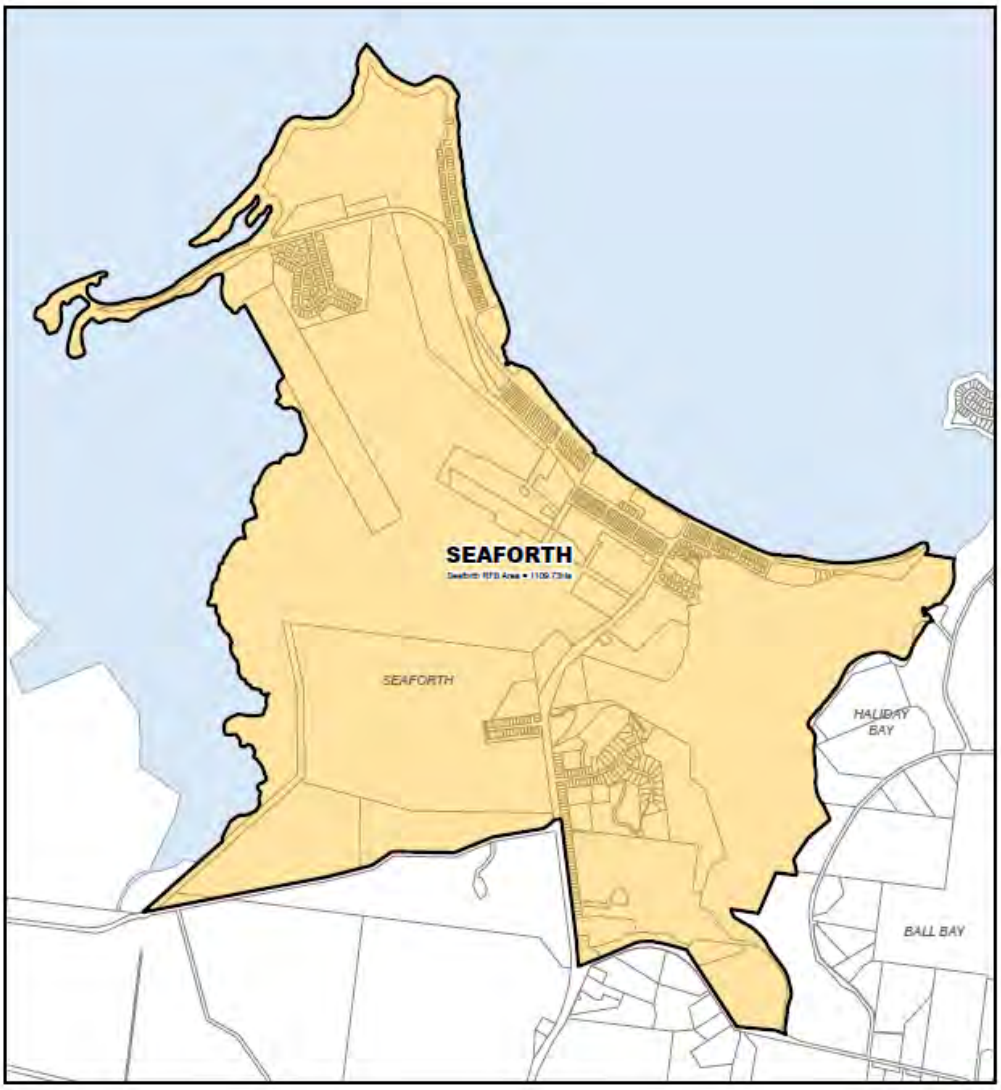
Seaforth Town Rural Fire Brigade Area
Map No. 10



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Mackay REGIONAL COUNCIL

Midge Point Rural Fire Brigade Area
Map No. 11

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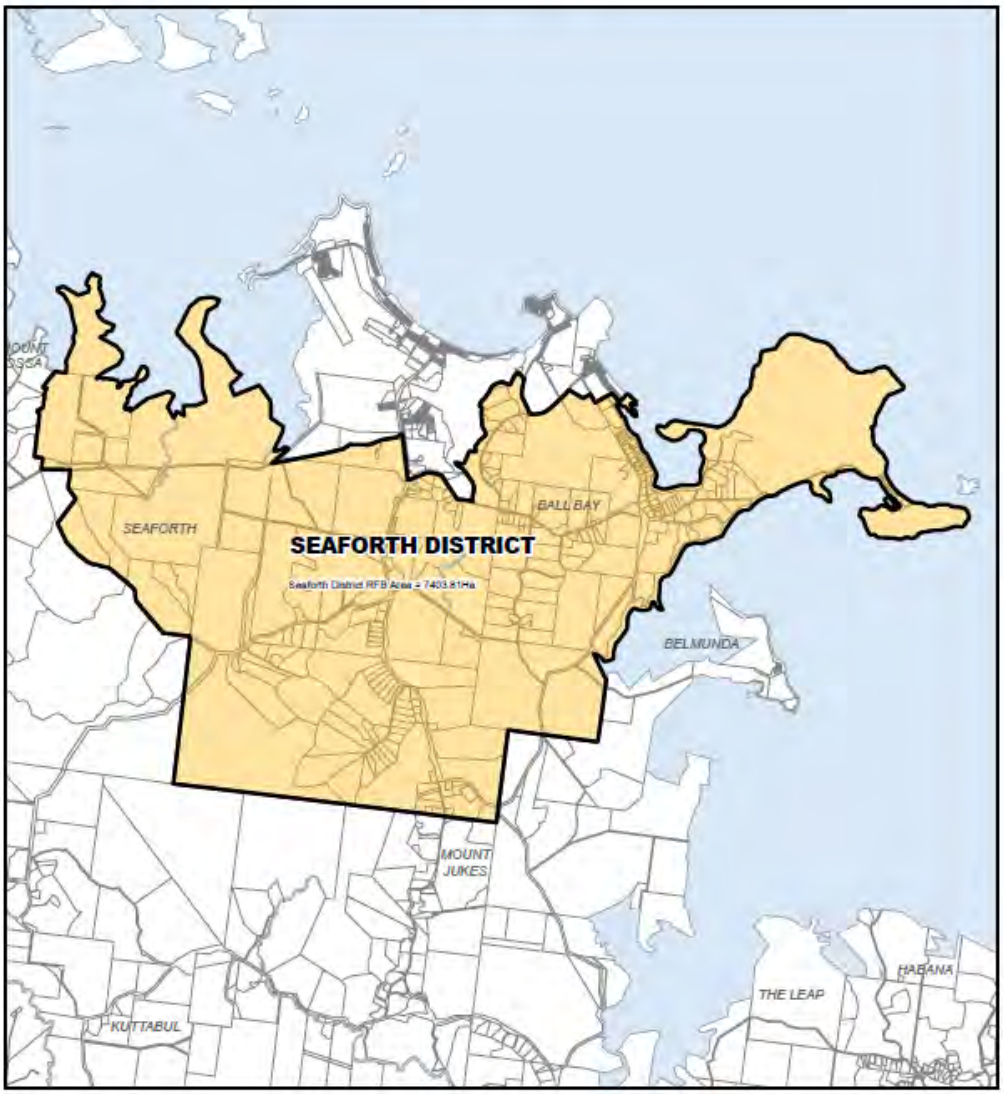
Mackay REGIONAL COUNCIL

Seaforth District Rural Fire Brigade Area
Map No. 12



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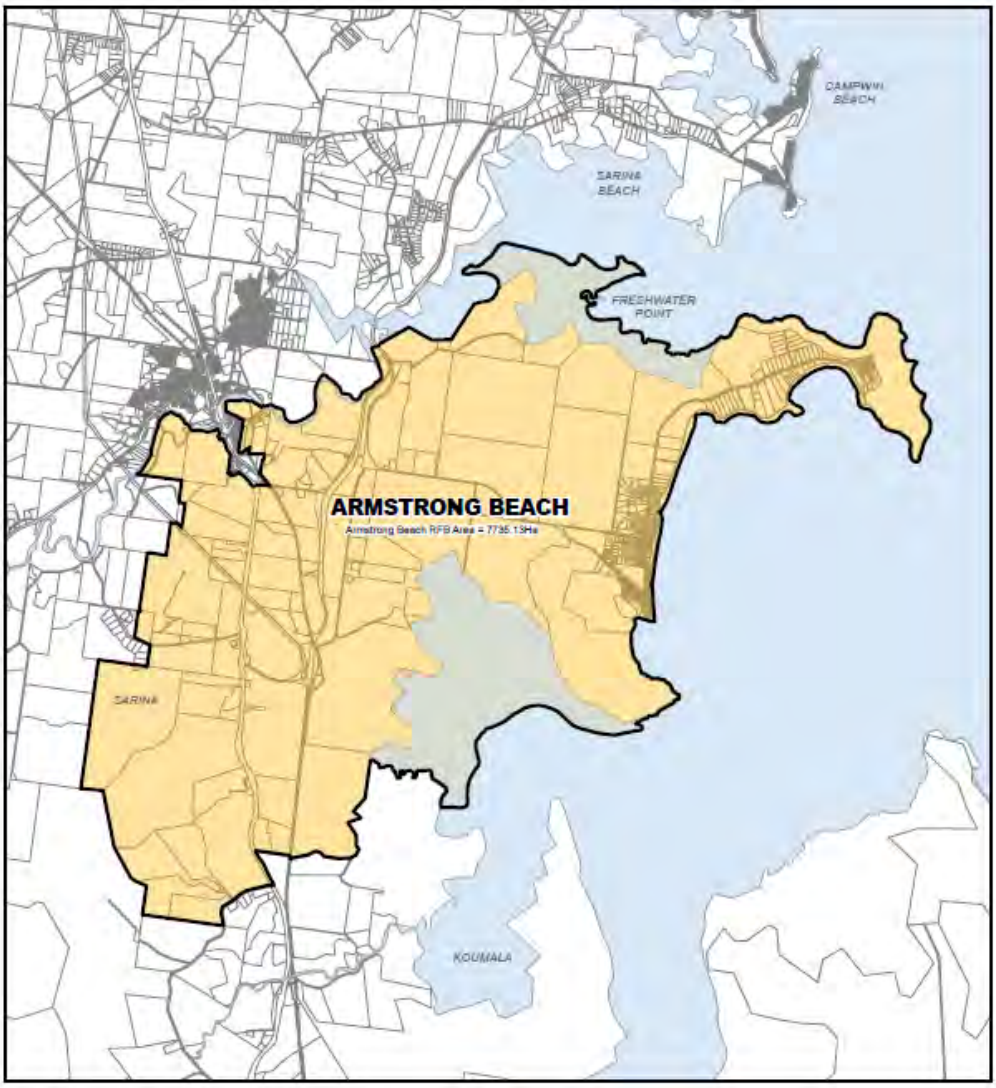
PRODUCTION DATE - MARCH 2022

Mackay REGIONAL COUNCIL

Armstrong Beach Rural Fire Brigade Area
Map No. 13



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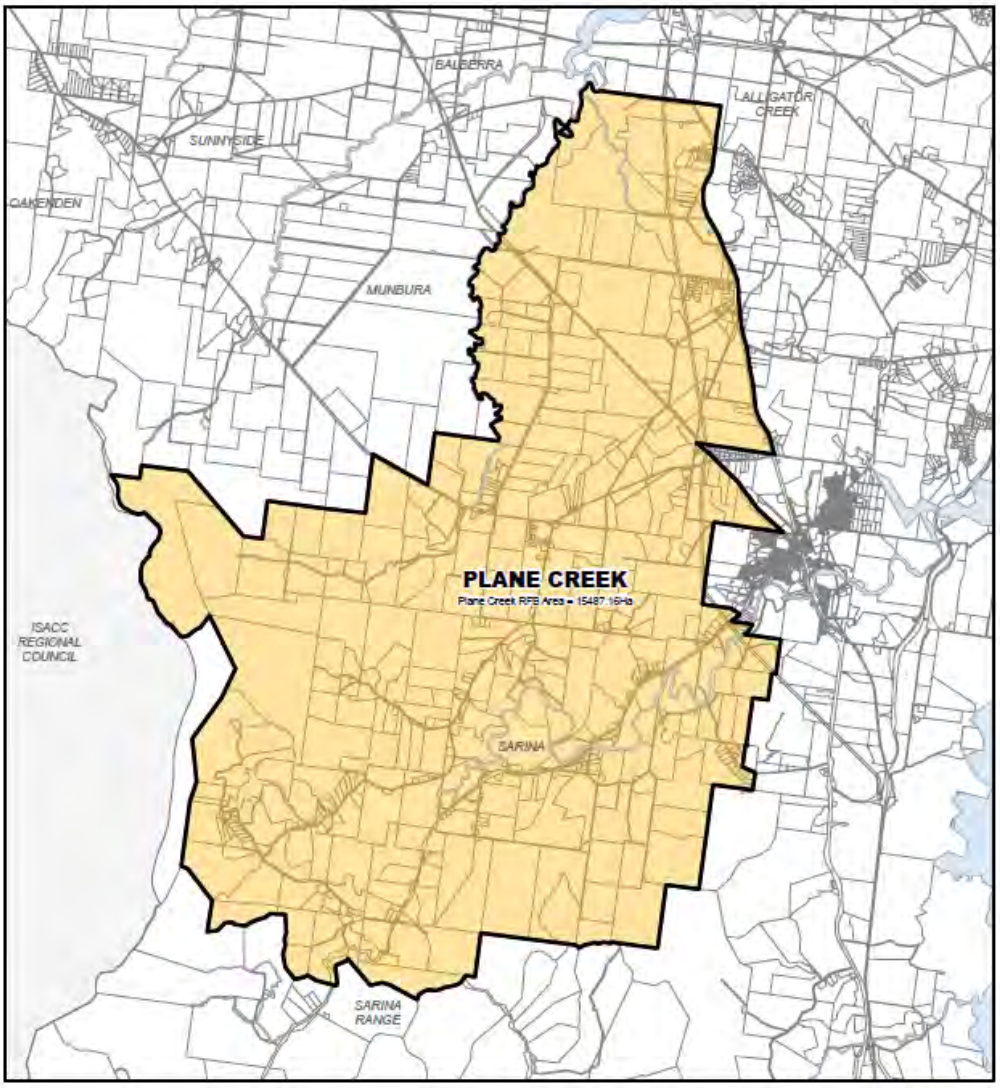
Mackay REGIONAL COUNCIL

Plane Creek Rural Fire Brigade Area
Map No. 14



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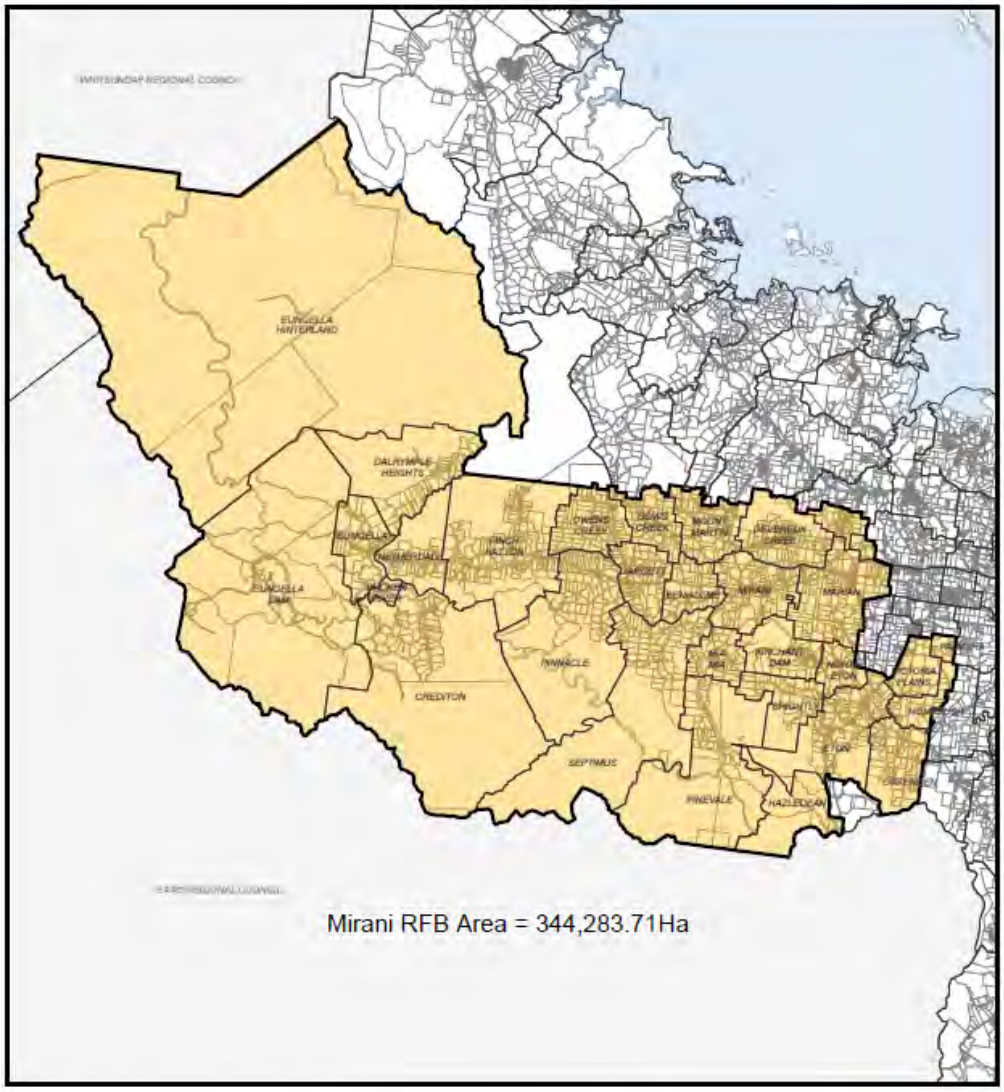
Kilometres

PRODUCTION DATE - MARCH 2022

Mackay REGIONAL COUNCIL

Mirani Combined Rural Fire Brigade Area

Map No. 15



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CURRENT AS AT MARCH 2022

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N

0 5 10 15 20 25

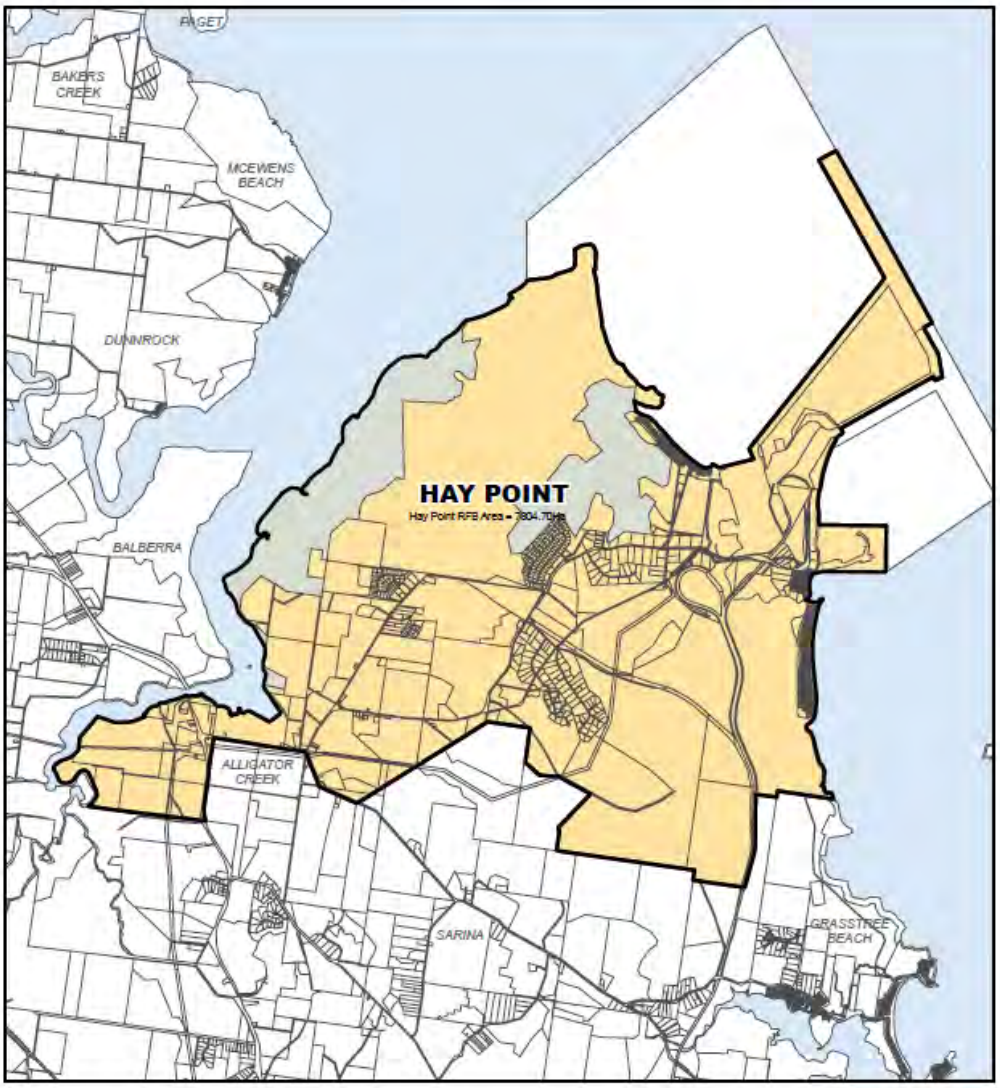
Kilometers

PRODUCTION DATE - MARCH 2022

Mackay REGIONAL COUNCIL

Hay Point Rural Fire Brigade Area

Map No. 16



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N

0 0.5 1 2 3 4

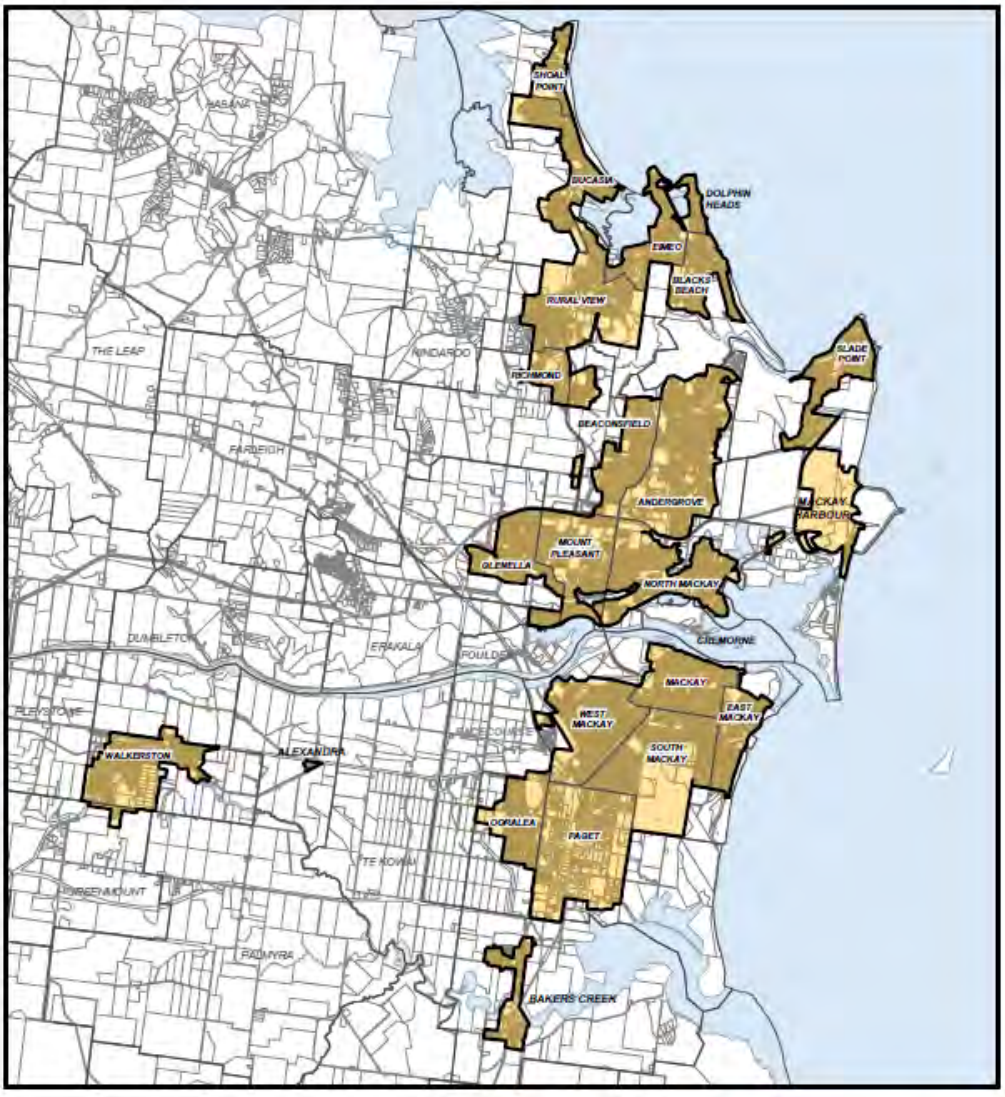
Kilometres

PRODUCTION DATE - MARCH 2022

Mackay REGIONAL COUNCIL

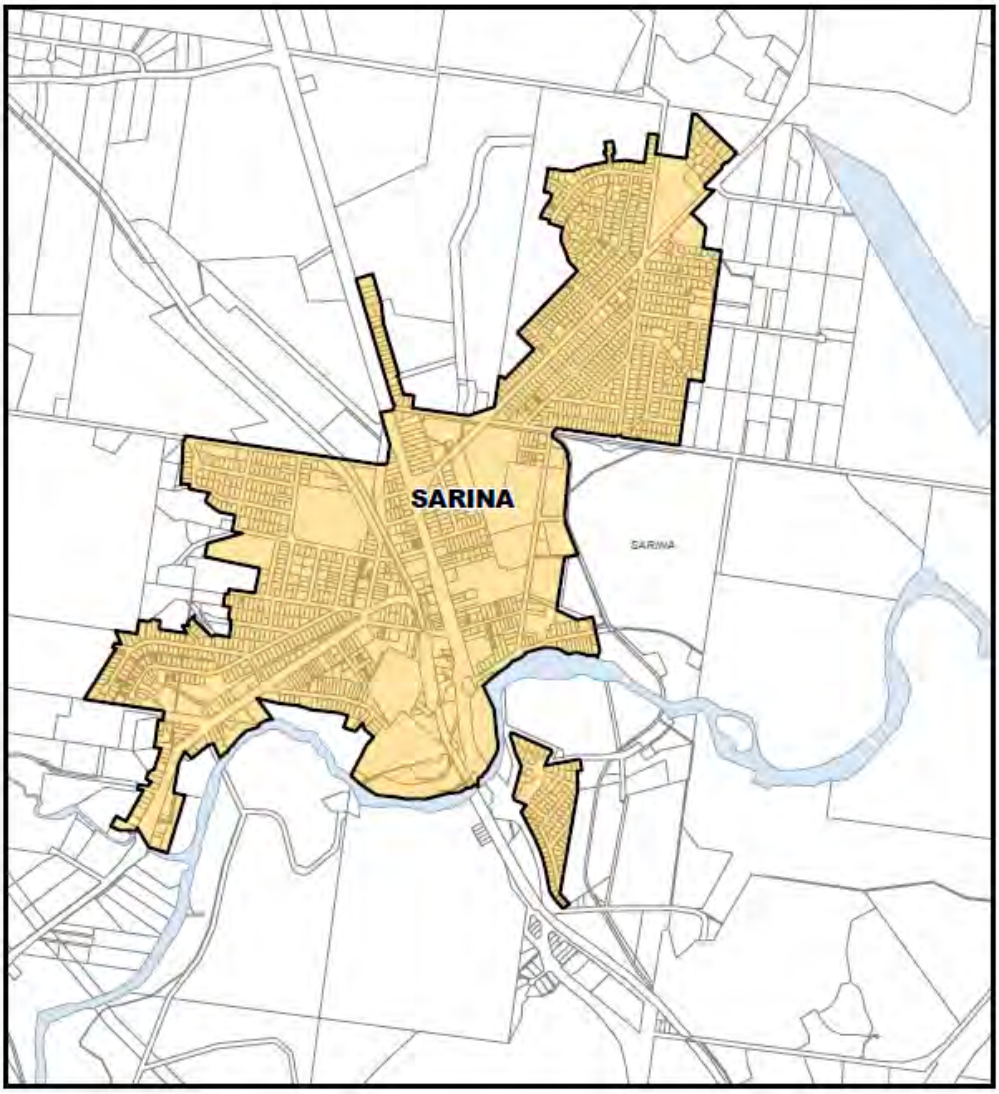
Mackay Sewerage Area

Map No. 17a



Sarina Sewerage Area

Map No. 17b



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CURRENT AS AT MARCH 2022

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N

0 200 400 600 800 1,000

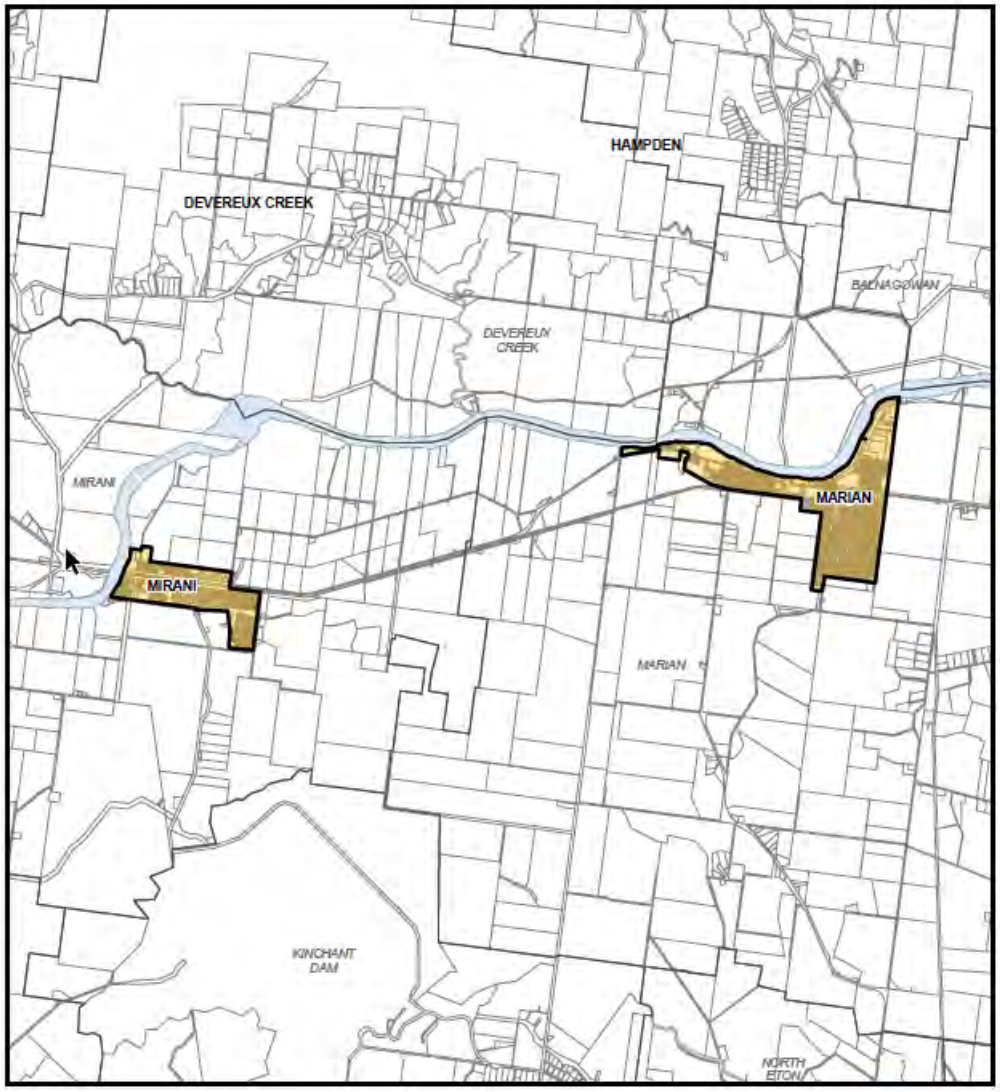
Metres

PRODUCTION DATE - MARCH 2022

Mackay REGIONAL COUNCIL

Mirani Sewerage Area

Map No. 17c



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N

0 1 2 3 4

Kilometers

PRODUCTION DATE - MARCH 2022

Mackay REGIONAL COUNCIL

BLOOMSBURY/LAGUNA QUAYS/MIDGE POINT WATER SERVICE AREA

Map No. 18a

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N

0 1 2 3 4 5

Kilometers

PRODUCTION DATE - MARCH 2022

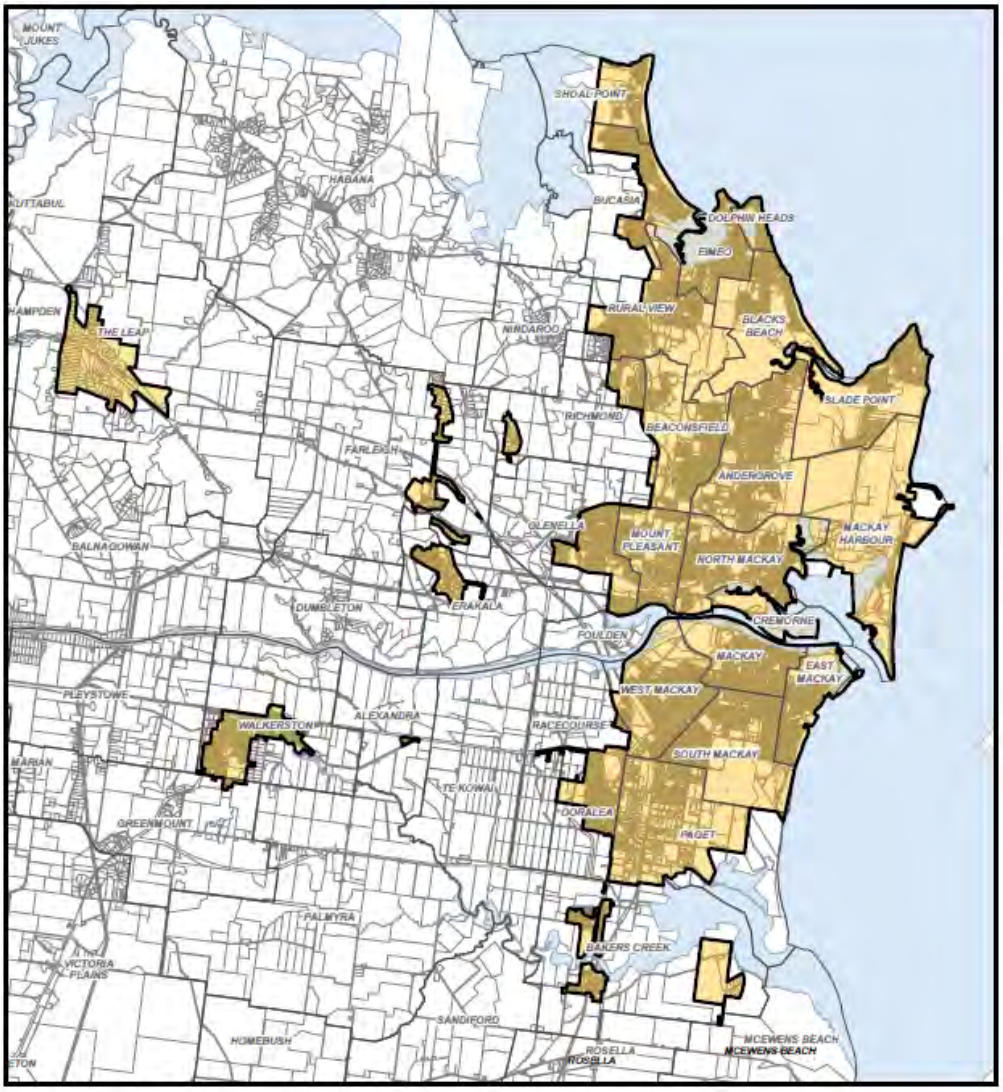
Mackay REGIONAL COUNCIL

COUNCIL POLICY

REVENUE STATEMENT 2022/23

CALEN/SEAFORTH/HALIDAY BAY/BALL BAY/CAPE HILLSBOROUGH WATER SERVICE AREA MAP No.18b

Mackay Water Service Area
Map No. 18c



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0 1 2 3 4 5
Kilometers

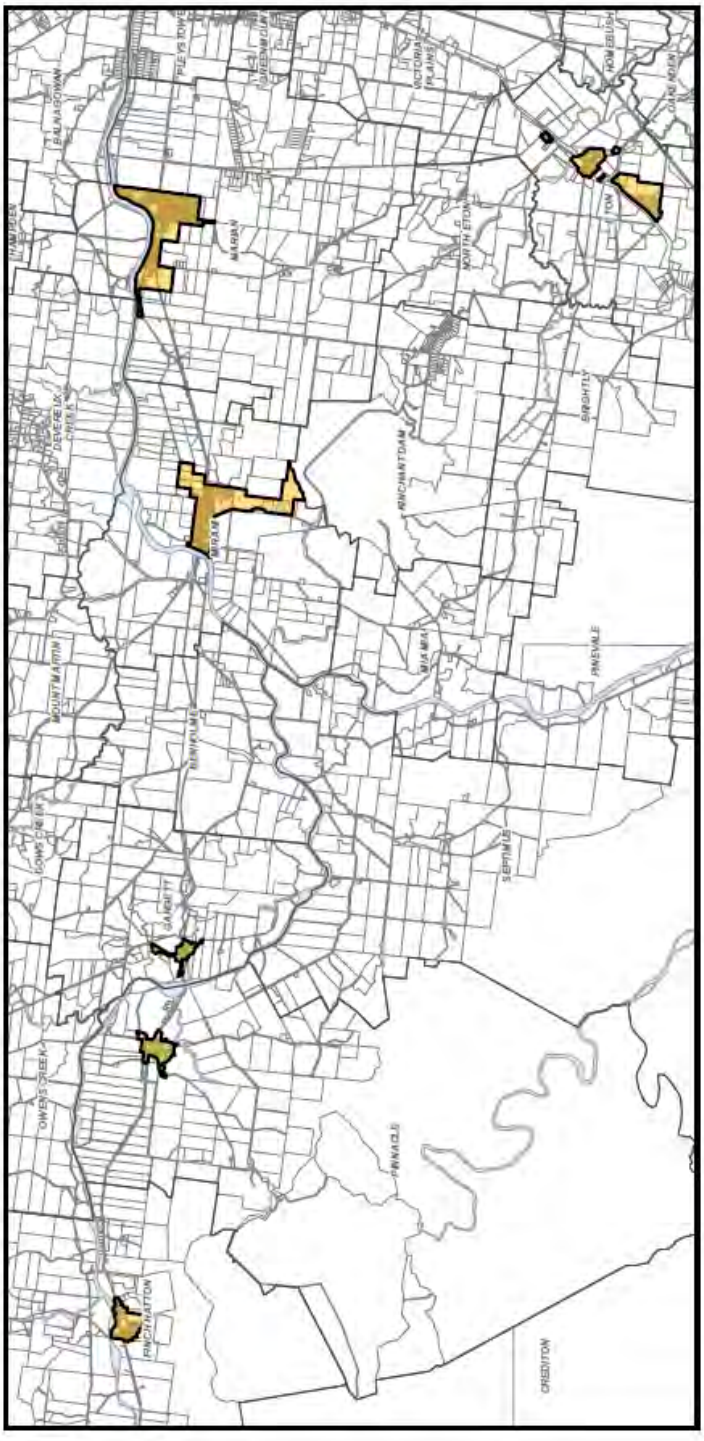
PRODUCTION DATE - MARCH 2022

Mackay REGIONAL COUNCIL

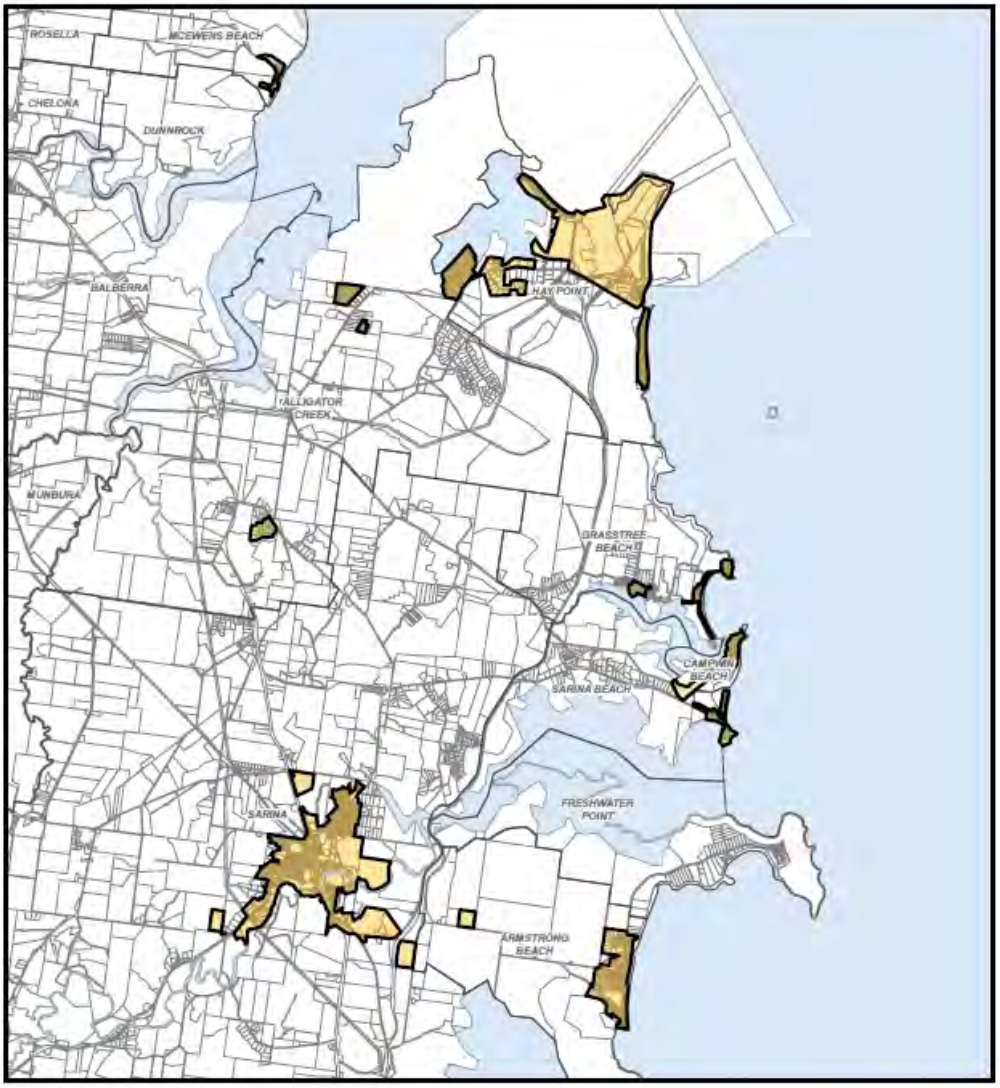
COUNCIL POLICY

REVENUE STATEMENT 2022/23

PIONEER VALLEY WATER SERVICE AREA
MAP No.18d



MCEWENS BEACH/ALLIGATOR CREEK/HAYPOINT
SARINA & BEACHES - WATER SERVICE AREA
Map No. 18e



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CURRENT AS AT MARCH 2022

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N

0 1 2 3 4 6

Kilometers

PRODUCTION DATE - MARCH 2022

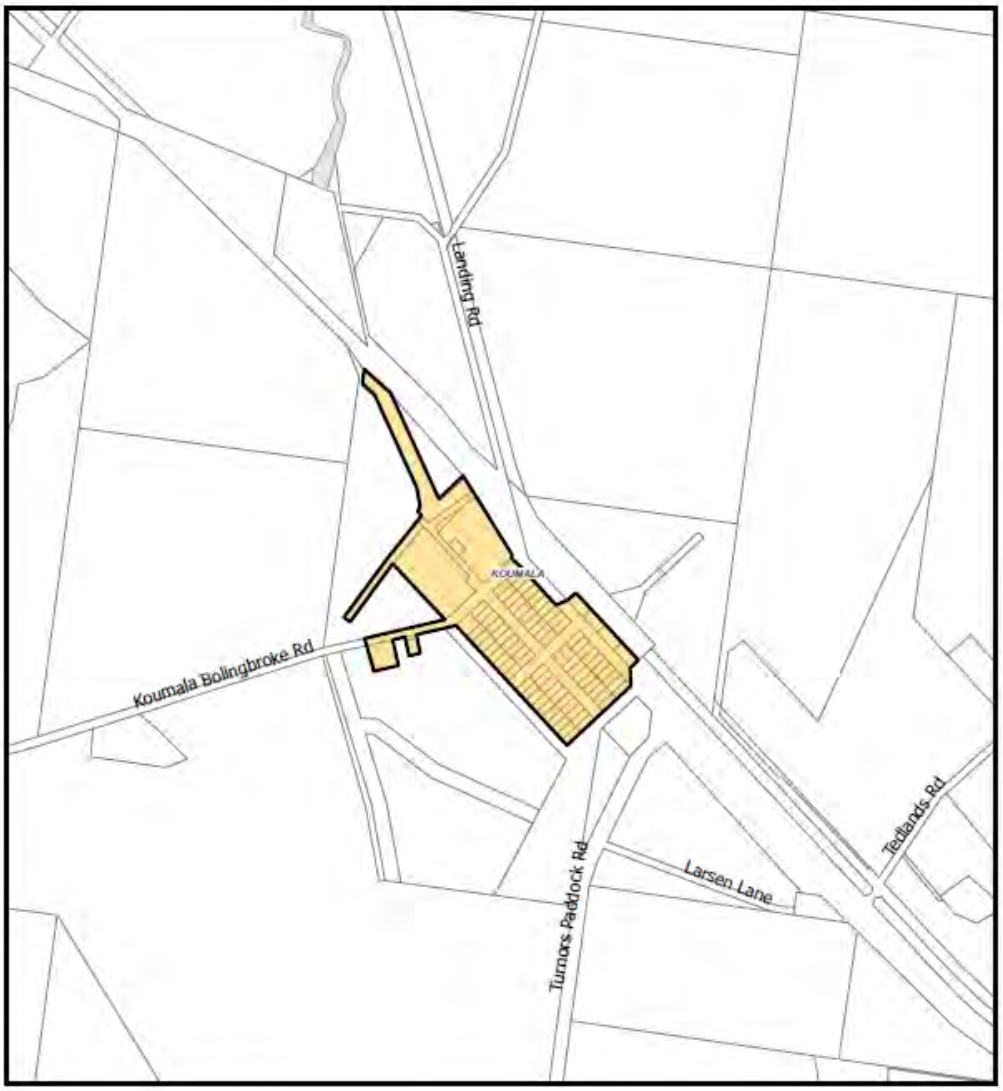
Mackay REGIONAL COUNCIL

COUNCIL POLICY

REVENUE STATEMENT 2022/23

KOUMALA WATER SERVICE AREA

Map No. 18f



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0 100 200 300 400 500

Metres

PRODUCTION DATE - MARCH 2022

Mackay REGIONAL COUNCIL

COUNCIL POLICY

RATING REMISSIONS FOR NON-PROFIT COMMUNITY ORGANISATIONS POLICY

Program: Financial Services
Date of Adoption: 22 June 2022
Resolution Number:
Review Date: 22 June 2023

Scope

This policy applies to non-profit community organisations.

Objective

The purpose of this policy is to establish arrangements for non-profit community organisations to receive financial assistance from Council in the form of rating remissions.

Policy Statement

Rating remissions will be considered for non-profit community organisations. The following policy will be used to assess requests for rates and utility charge remissions to alleviate the impact of Local Government rates and charges, particularly in relation to non-profit community organisations.

****

This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

RATING REMISSIONS FOR NON-PROFIT COMMUNITY ORGANISATIONS POLICY

Contents

1.0 Principles 3
1.1 Criteria 3
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1.3 Period of Relief 4
1.4 Delegation 5
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3.0 Review of Policy 5
4.0 Reference 6
5.0 Attachments 6

COUNCIL POLICY

RATING REMISSIONS FOR NON-PROFIT COMMUNITY ORGANISATIONS POLICY

1.0 Principles

Council is of the view that it is important to support the activities of non-profit community organisations who contribute to the social and economic wellbeing of the community, as a whole.

1.1 Criteria

Council will consider applications from non-profit organisations subject to the following criteria:

Category A Remissions:

- The organisation must be a non-profit community-based organisation.
- The organisation must not have an annual turnover (revenue) more than $1,054,280 (relating to activities carried out by the organisation on the relevant property).
- The organisation must be the owner or lessee of the land and be able to demonstrate that it is responsible for payment of the rates levied.
- The land, or any part of the land, must not be rented or leased to a third party.
- The property must not be a used for a residential purpose unless utilised for short-term accommodation for homeless and at-risk persons.
- Aged care facilities, or properties subject to the *Retirement Villages Act 1999* are excluded from the application of a remission under this policy.
- A liquor licence must not be held by the organisation or any affiliate relating to the property subject to the application. (This provision will not apply if the organisation can provide evidence that trading under the licence is restricted to an average 30 hours per week or less).
- The property must not be subject to a general rate exclusion, waiver or concession relating to a condition contained in a lease of a reserve, or other land from Council; and
- The property must not be exempted from general rates subject to a specific exemption relating to section 93(3) of the Act and/or section 73 of the Regulation.

Where the discretion to exempt a property from general rates vests in Council, either under the Act or within the conditions attached to a Council lease, the ratepayer may opt to forego this exemption and take advantage of the conditions of this policy.

Category B Remissions:

- The organisation must be a non-profit community-based organisation.
- The organisation must be the owner or lessee of the land and be able to demonstrate that it is responsible for payment of the rates levied.
- The property must not be subject to a general rate exclusion, waiver or concession relating to a condition contained in the lease of a reserve, or other land from Council.
- The property must not be exempted from general rates subject to a specific exemption relating to section 93(3) of The Act and/or section 73 of The Regulation; and

- The remission applies to multi residential properties occupied by mix of aged and low-income persons on land that was previously owned by MRC and utilised as aged persons accommodation which were previously exempt from General Rates.

Category C Remissions:

- The organisation must be a non-profit community-based organisation.
- The organisation must not have an annual turnover (revenue) more than $20,000 (relating to activities carried out by the organisation on the relevant property).
- The organisation must be the owner or lessee of the land and be able to demonstrate that it is responsible for payment of the rates levied.
- The property must not be subject to a general rate exclusion, waiver or concession relating to a condition contained in a lease of a reserve or other land from Council; and
- The property must not be exempted from general rates subject to a specific exemption relating to section 93(3) of the Act and/or section 73 of the Regulation.

1.2 Level of Relief

All applications must be in writing and must be supported by a copy of the organisation's most recent financial statement (no greater than 12 months old).

With delegated authority, staff may approve remissions at the following level:

Category A remissions:

50% rate remission of net rates, charges and levies (excluding water consumption and trade waste charges)
100% rate remission of general rates and any special or separate rate or charge levied where no utility services are applicable to the property.

Category B remissions:

100% rate remission of general rates and any special or separate rate or charge levied.

Category C remissions:

75% rate remission of net rates, charges and levies (excluding water consumption and trade waste charges).

Note - Remissions will be applied to the rates issued net of any early payment discount allowed or available, which will equate to 45%, 67.5% and 90% respectively of gross rates that attract discount.

Council may, by resolution, approve remissions at a different remission level.

1.3 Period of Relief

An applicant is required to lodge a new request for assistance at least once in every three-year period (or as required by the Chief Executive Officer).

Applications will apply from the start of the half-year period that the application is received not to be backdated to previous periods.

1.4 Delegation

The Chief Executive Officer has delegated authority to make determinations on eligibility for assistance under this policy.

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Aged Care Facility shall mean a facility providing high care services and not independent living / lifestyle accommodation.

Annual Turnover shall mean operating revenue from all sources including grants and subsidies for the most recent reporting year.

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

Council shall mean the Mayor and Councillors of Mackay Regional Council.

MRC shall mean Mackay Regional Council.

Non-Profit Community Organisation shall mean that:

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

Short Term shall mean crisis accommodation to aid persons dealing with issues such as domestic violence and homelessness and is a period of not greater than one month.

Short Term Accommodation shall mean not administered by a lease which can be renewed for greater than the crisis accommodation period.

The Act shall mean the *Local Government Act 2009*.

The Regulation shall mean the *Local Government Regulation 2012*.

3.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

4.0 Reference

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Retirement Villages Act 1999*

5.0 Attachments

COUNCIL POLICY

CONSERVATION REMISSION POLICY

Program: Financial Services
Date of Adoption: 22 June 2022
Resolution Number:
Review Date: 22 June 2023

Scope

This policy applies to all applications for rate relief for nature conservation or nature refuge areas.

Objective

The objective of this policy is to encourage and increase the amount of land set aside for nature conversation through the provision of rate relief.

Policy Statement

This policy provides a rates rebate scheme to encourage both the conservation of high value vegetation and wildlife habitats on private land. It allows Council to consider applications for a rate rebate of general rates where a landholder enters into a Conservation Agreement for a Nature Refuge under the Nature Conservation Act. The rebate is proportionately attributed to that area of land included in an agreement. The owner enters into an agreement preserving/conserving flora and fauna on a rateable property within the boundaries of the Council.

****

This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

CONSERVATION REMISSION POLICY

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1.1 Rates Rebate Scheme 3
1.2 Nature Conservation Areas 3
1.3 Human Rights Complaints 4
2.0 Definitions 4
3.0 Review of Policy 5
4.0 Reference 5
6.0 Attachments 5
- Rates Rebate Scheme 5

Attachment "A" 6

COUNCIL POLICY

CONSERVATION REMISSION POLICY

1.0 Principles

Environmental problems in the form of land degradation and loss of natural habitats continue to be an issue faced by residents of the Mackay region. To encourage proactive conservation practices Council consulted with a number of agencies in order to explore possible solutions. This consultation highlighted that there would be significant benefit gained by the community if Council provided assistance to private landholders that encouraged the preservation and conservation of land.

Human Rights have been considered when preparing this Policy.

1.1 Rates Rebate Scheme

MRC's rates rebate scheme aims to encourage both the conservation of high value vegetation and wildlife habitats on private land. The scheme acknowledges the broader community benefits associated with natural area conservation including:

- improvements to overall catchment health
- enhanced landscape qualities
- retention of critical habitats
- reduced erosion
- improved water quality.

A range of areas have been identified as suitable for conservation including:

- conservation of remnant rainforest and ecotonal forest
- conservation of riparian ecosystems including melaleuca wetlands
- conservation of ecological linkages and wildlife habitats
- preservation of natural scenery of the city through forestry and conservation.

All applications will be assessed against specific criteria established in association with relevant State Government Departments and industry groups. The amount of rebate will be proportional to the area of land covered by specific conservation or farm forestry agreement and initial applications to Council should be made on the approved form in Appendix 1.

Any changes made to the provisions of this policy will only apply to remissions granted after the date that the amendment has been adopted by Council.

1.2 Nature Conservation Areas

General requirements for attracting the rebate include:

(a) The subject site is to meet the selection criteria identified for nature conservation areas;

(b) A Conservation Agreement or Nature Refuge Agreement will be entered into, over the property or that part of the property subject to the rates reduction application, between the owner and the Department of Environment and Heritage Protection (Queensland);

(c) Rates relief will commence from the beginning of the financial half year during which the Department of Environment and Heritage Protection

(Queensland) has advised Council that following an initial inspection they have determined that it is appropriate to enter into a Conservation Agreement or Nature Refuge Agreement for the subject land and that the procedure to enter into such an agreement has commenced.

(d) Rates remission will apply as follows:

Less than 10% of the assessment area	10% of overall general rates to a maximum of $474 per annum.
10% to less than 20% of rate assessment area	15% of overall general rates to a maximum of $783 per annum.
20% to less than 40% of rate assessment area	20% of overall general rates to a maximum of $1,179 per annum.
40% or greater of assessment area	25% of overall general rates to a maximum of $1,568 per annum.

(d) Rates relief will continue for at least a minimum of a three-year trial period or until the provisions of the Conservation or Nature Refuge Agreement are breached; and

(e) Should a Conservation Agreement or Nature Refuge Agreement not be finalised within 18 months of advice from the Department of Environment and Heritage Protection (Queensland), that procedures to enter into an agreement has commenced, the full amount of any relief granted will be recoverable from the owner of the land. In addition, a schedule of repayment ratios for failure to honour the agreement will be negotiated through the preparation of the Conservation Agreement or Nature Refuge Agreement.

1.3 Human Rights Complaints

When an individual feels that they are the subject of MRC's failure to act compatibly with human rights, they can make a complaint directly to MRC. These complaints will be assessed against the *Human Rights Act 2019*.

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean the Mayor and Councillors of Mackay Regional Council

Human Rights Complaint shall mean a complaint about an alleged contravention of section 58-1 by a public entity in relation to an act or decision of the public entity

MRC shall mean Mackay Regional Council

The Act shall mean the *Local Government Act 2009*

The Regulation shall mean the *Local Government Regulation 2012*

3.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

4.0 Reference

- *Local Government Act 2009*
- *Local Government Regulation 2012*

6.0 Attachments

- Rates Rebate Scheme – Expression of Interest Form

Attachment "A"

FORM	RATES REBATE SCHEME EXPRESSIONS OF INTEREST	Mackay

PRIVACY DISCLAIMER Mackay Regional Council is collecting your personal information in order to process your application. This information will not be disclosed to any other third party with your written authorisation or as we are required to by law.

SECTION 1 - APPLICANT			
Name			
Email address		Phone number	
Postal address			
		Post code	

SECTION 2 - PROPERTY DETAILS			
Property which rates rebate is being claimed			
Real property description			
Assessment number			
Road name		House number	
Locality		Area (ha)	
Area of land being claimed for rebate			

SECTION 3 - KEY FEATURES OF LAND

Natural Area Conservation Scheme

What are the key features of the land you wish to seek rates rebate for? *(Please tick appropriate response or answer question)*

☐	Remnant	☐	Ecotonal	☐	Rainforest
☐	Riparian Ecosystem	☐	Melaleuca Wetlands	☐	Wildlife Habitat or Corridor
☐	Old Growth Forest	☐	Scenic Landscape	☐	Rare and/or Endangered Species
☐	Other (please specify): _____				

Is a liquor licence held by this organisation or its affiliate / subsidiary or conducted from this property	☐ Yes	☐ No
- If **YES** attach a copy of the licence and state here the number of hours trading each week	_____ Hrs	
It is compulsory for an audited financial statement for the previous financial year to be attached		
- Have you attached the document	☐ Yes	☐ No

SECTION 4 - GENERAL INFORMATION

Please outline the general nature of the land or project for which you intend to claim rebate. Please provide reasons as to why you consider your property is suitable for consideration and what, if any, management plans are in existence which aim to achieve the principles of sustainability. One only, property plan map may be submitted in addition to the information below.

Civic Precinct, Gordon Street
PO Box 41 Mackay | QLD 4740 | Australia
Phone 1300 MACKAY (1300 622 529)
Fax 07 4944 2400
Email council@mackay.qld.gov.au
ABN 55 240 712 069

RATES REBATE SCHEME - EXPRESSION OF INTEREST FORM

SECTION 4 - GENERAL INFORMATION CONTINUED.....

SECTION 5 - DECLARATION			
I, ..., hereby submit this expression of interest for consideration for the granting of a rates rebate. I declare that all of the above information is accurate and provides a reliable account of the property for which rebate is claimed. I understand that Council is not bound to accept all or any applications for rebates and will provide such discounts at its absolute discretion.			
Signature		Date	/ /

Civic Precinct, Gordon Street
PO Box 41 Mackay | QLD 4740 | Australia
Phone 1300 MACKAY (1300 622 529)
Fax 07 4944 2400
Email council@mackay.qld.gov.au
ABN 56 240 712 069

COUNCIL POLICY

RATES RELIEF POLICY

Program: Financial Services
Date of Adoption: 22 June 2022
Resolution Number:
Review Date: 22 June 2023

Scope

This policy applies to those ratepayers who are experiencing serious financial hardship and as a result are unable to pay their rates and charges. The policy will only apply to non-profit community organisations and residential properties where the property is the ratepayers' principal place of residence, and no commercial benefit is derived from the property.

Objective

The objective of this policy is to establish a decision-making framework to support an independent tribunal of a majority of appointed community representatives, who will make recommendations to Council as an advisory body regarding the most appropriate assistance to be offered to ratepayers who are experiencing genuine financial hardship.

Policy Statement

In accordance with the provisions of sections 170 and 171(1) of the Local Government Act 2009, this Policy will be used to provide a framework to accept and consider applications for hardship. Approval is to be given by the Manager Financial Services, Revenue & Treasury Coordinator, or Director of Organisational Services.

****

This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

RATES RELIEF POLICY

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1.2 Composition of the Tribunal 3
1.3 Administration of the Tribunal....3
1.4 Funding of Recommended Decisions 4
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2.0 Definitions....7
3.0 Review of Policy....7
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5.0 Attachments....8

COUNCIL POLICY

RATES RELIEF POLICY

1.0 Principles

In accordance with the provisions of the *Local Government Act 2009*, Council has resolved to implement a process to provide relief to residential ratepayers and non-profit community organisations experiencing hardship. Council recognises that circumstances may arise which negatively impact on a ratepayer's ability to meet their financial obligations.

Where a ratepayer can show that the payment of the full amount of rates and charges owed in the time required would entail "serious hardship" because of a loss the ratepayer has suffered, Council seeks to provide a framework for assistance deemed appropriate to the circumstances experienced.

Financial hardship exists when ratepayers are unable to meet basic requirements, including food, clothing, medicine, accommodation and children's education. This hardship may occur as a result of illness, long-term unemployment or death of a partner.

Human Rights have been considered when preparing this Policy.

1.1 Role of the Rate Payment Review Tribunal

The Tribunal's role is to recommend to Council the most appropriate form of assistance that Council should provide to ratepayers who make application to the Tribunal and whom the Tribunal consider are experiencing serious financial hardship beyond their control.

1.2 Composition of the Tribunal

- The Tribunal consists of a minimum of three voluntary members and two current Councillors.
- Voluntary appointees may come from a number of backgrounds, however a financial background will be considered beneficial. When a vacancy arises on the Tribunal, Council may, at its discretion, appoint Tribunal members as nominated by various interest groups, Councillors or other Tribunal members.
- Council will reaffirm Tribunal membership each year.
- The voluntary community members will not be salaried or wage employees of Council.
- The Tribunal chair will be appointed by Council each year from the three external members appointed to the Tribunal.
- A quorum will consist of the Chair and three (3) of the other members of which one must be a Councillor. In the event of a split decision the Chair will carry the vote.
- Should the Chairperson not be present at the meeting, then the meeting shall elect a Chair from those present at that meeting.
- Secretarial and support services suitable to the Tribunal's needs shall be provided from within the Organisational Services department. However no other staff will have access to the applications put before the Tribunal.

1.3 Administration of the Tribunal

- The Tribunal shall meet on an 'as required' basis, dependent on applications.

- Due to the sensitive nature of an applicant's financial affairs, the Tribunal hearings will not be open to the public.
- The Tribunal will endeavour to schedule appointments to avoid any embarrassment to the applicant.
- The hearings will be conducted on a 'without prejudice' basis.
- The Tribunal will act as an Advisory Committee to Council.

1.4 Funding of Recommended Decisions

The Council shall make a specific budget allocation annually from which the relief or other assistance recommended by the Tribunal, and subsequently resolved by Council, will be funded. The Tribunal will be expected to operate within the budgetary limits allocated by Council.

All recommendations made by the Tribunal to Council shall be accompanied by a statement of actual expenses versus budget allocation.

Where the Council agrees to full or partial relief from interest charges for some period in the future, the costs of the interest foregone will be considered as part of the assistance funded by the Council from the allocated budget in that year.

1.5 Monitoring and Data Collection

Council will monitor assistance under this policy by including:

- register of application
- reasons for applications
- report on shortfall in Council income as a result of assistance provided.

1.6 Forms of Assistance that can be provided

Within the limitations of the specific assistance detailed in "Table A", the Tribunal can consider structuring the assistance as one or more of the following:

- repayment plans that are outside of the current Debt Recovery Policy
- interest costs either as a direct reimbursement for interest already charged or for interest that may accrue between the Tribunal's decision and satisfactory completion of an agreed repayment plan
- court costs or other related legal expenses already charged to the ratepayer for recovery of outstanding rates and charges
- actual financial assistance to a ratepayer to meet either rates and/or service charges levied
- assistance to ratepayers in meeting other charges that are attached to the land (e.g. unpaid noxious weed charges or some outstanding costs which MRC is entitled to attach to the land).

RATES RELIEF POLICY

The Tribunal can recommend the following ranges of assistance for the listed categories of ratepayers:
"Table "A"

Categories of ratepayers	Assistance that can be recommended
Residential ratepayers i) With six months or more in arrears; OR ii) Who have suffered a recent adverse incident leaving them unable to meet these basic needs; OR iii) Ratepayers experiencing serious hardship where the payment of the rates and charges would leave the ratepayer unable to meet reasonable needs for food, clothing, medicine, accommodation, education for children and other basic requirements.	- The ratepayers may be eligible for assistance with interest, rates and charges, and/or payment terms outside the scope of the normal Debt Recovery Policy.
Aged Pensioners and Self-funded Retirees i) Endeavouring to meet their rate account by regular instalments, OR ii) Part owner of the property they reside in and because of extreme hardship are unable to pay rates and/or do not qualify for full pensioner remission, OR iii) In serious financial hardship.	- The ratepayer may be eligible for assistance with interest, rates and charges, and/or payment terms outside the scope of the normal Debt Recovery Policy. - Review the circumstances of applicants and make recommendations as to whether certain pensioners and self-funded retirees, otherwise ineligible due to policy reasons, should be entitled to assistance as though they were a Council pensioner. - The Tribunal may recommend the deferral of payment of the rates and charges for the lifetime of a pensioner or self-funded retiree experiencing hardship under Section 125 of Local Government Regulation 2012 with the rates and charges to remain a charge on the land.
Non-profit Community Organisations i) That are already receiving rates based financial assistance or would be eligible if they did not have rates outstanding.	- May be eligible for assistance with interest, rates and charges, and/or payment terms outside the scope of the normal Debt Recovery Policy.

1.7 Process for an Application

The process for application to the Tribunal will remain simple and accessible as possible in recognition that at the very least, the ratepayers are experiencing financial difficulties. All applications are assessed confidentially and on merit.

1
- Eligible ratepayers are requested to complete and lodge application on the prescribed form.

2
- Register of Application - Application form including attachments as to financial position under a Statutory Declaration and certified copies.

3
- Cross check of application data.
- Preparation of a briefing report to Rate Payment Relief Tribunal.

4
- Distribution of Tribunal agenda to members including application briefing reports.
- Tribunal Secretary arranges an interview with applicant if requested by either the applicant or Tribunal.

5
- Tribunal meets to consider applications and make recommendations.

6
- Tribunal Secretary and Revenue and Treasury Coordinator present Tribunal recommendations to Council.
- Report of shortfall of Council income as a result of assistance provided.

7
- Council pass a resolution to decide the outcome of the application.
- Advice of the decision will be provided to the applicant.

1.8 Process if Ratepayers don't accept or comply with Tribunal Decisions

- If a ratepayer doesn't respond to the Tribunal's offer of assistance, MRC's billing services will continue with normal recovery action and provide a report to the next meeting of the Tribunal.
- If a ratepayer fails to completely comply with the Tribunal's offer of assistance, the billing services will report to the next meeting of the Tribunal, with their recommendation for action.

1.9 Communication of Policy

To maintain a high level of publicity of the policy and to ensure ratepayers in need are aware of the policy, MRC will adequately communicate its Rates Relief Policy, application form and associated material on the website. This policy and in particular the monitor and data collection process, will ensure the privacy and confidentiality laws are adhered to. Data collected through the hardship assistance process will be dealt with by way of Council Policy 019 - Confidentiality Policy.

1.10 Human Rights Complaints

When an individual feels that they are the subject of MRC's failure to act compatibly with human rights, they can make a complaint directly to MRC. These complaints will be assessed against the *Human Rights Act 2019*.

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Application Form shall mean Council's Rates Relief Application Form for the purpose of applying for assistance under this policy.

Council shall mean the Mayor and Councillors of Mackay Regional Council.

Hardship shall mean unable to meet basic requirements, including food, clothing, medicine, accommodation and children's education.

Human Rights Complaint shall mean a complaint about an alleged contravention of section 58-1 by a public entity in relation to an act or decision of the public entity.

MRC shall mean Mackay Regional Council.

Tribunal shall mean Rates Payment Review Tribunal, a committee delegated by Council to review hardship applications.

3.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

4.0 Reference

- *Local Government Act 2009*
- *Local Government Regulation 2012*

5.0 Attachments

COUNCIL POLICY

DISCOUNT ON LATE RATES PAYMENT POLICY

Program: Financial Services
Date of Adoption: 22 June 2022
Resolution Number:
Review Date: 22 June 2023

Scope

This policy applies to those ratepayers that have intended to pay their rates by the due date, however for reasons beyond their control, have been unable to.

Objective

This policy seeks to outline the type of circumstances which will be acceptable to Council to allow discount to be allowed for late payments.

Policy Statement

Discount shall be applied in accordance with Council's Revenue Policy and Revenue Statement. Where there is an occasion where payment by the due date is not achieved, Council will only consider allowing discount if it is satisfied a ratepayer has been prevented by circumstances beyond their control from paying rates in time to receive the discount.

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This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

DISCOUNT ON LATE RATES PAYMENT POLICY

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COUNCIL POLICY

DISCOUNT ON LATE RATES PAYMENT POLICY

1.0 Principles

The allowance of discount on rates is conditional on MRC receiving the full payment of rates by the due date shown on the rate notice. However, Council does recognise that there will be occasions when payment by the due date is not achieved through circumstances beyond the control of the ratepayer. In accordance with section 130 of the Regulation, Council has the power to allow the discount if it is satisfied that the circumstances for not paying were out of the ratepayers' control. Discount may be allowed if the criteria explained in this policy are met.

Any ratepayer seeking to have discount allowed for the late payment of rates, shall make application on the form provided by MRC for this purpose.

Other evidence / documentation is to be supplied where stated. This application form, and any supporting documentation, shall be lodged with the Chief Executive Officer or delegate, for consideration.

Applications need to be received before the end of the rating period to which the rates apply.

Before the allowance of late discount is considered, the full amount (including all arrears) of general rates and charges owing (less discount) are to be paid. Following consideration, the ratepayer will be advised in writing of the outcome of the request for the allowance of discount.

It is the ratepayer's responsibility to notify MRC of a new address for service of notices. Where a ratepayer does notify MRC of a new address for services of notices after the issue of the rate notices, MRC will endeavour to issue a copy of that rate notice to the new address, however it will remain the responsibility of the ratepayer in those circumstances to ensure that payment is received by MRC within the due date of the current rate notice.

Human Rights have been considered when preparing this Policy.

The following situations will be considered acceptable reasons for discount to be allowed after the discount due date:

1.1 Agency Payments

Payment is made to any MRC endorsed payment agency on or before the due date, provided that such payment is cleared by MRC's bank.

1.2 Cheque / Posted Payments

Payment is made by means of a cheque and posted to MRC, and the postmark on the letter indicates that it was mailed early enough to leave sufficient time for it to reach MRC (except those sent by bulk postage, using a franking machine, pre-paid or not date stamped). Where payment hasn't been received by MRC within the expected timeframe and has arrived after the discount date, correspondence from the applicable mail carrier must be received stating that problems existed with deliveries at the time.

COUNCIL POLICY

DISCOUNT ON LATE RATES PAYMENT POLICY

Please see below for the Australia Post guidelines on mail delivery times:

Posted for delivery	Where is it going	Estimated delivery by (business days)
Within metro areas of capital cities, towns or environs	Within the same state	2-3 days
Between metro areas of capital cities and rural locations	Within the same state	3-4 days
Between country locations	Within the same state	3-4 days
Between metro areas of capital cities	To other states	3-4 days
Between metro areas of capital cities and country locations	To other states	4-5 days
Between country locations	To other states	5-6 days

1.3 Medical Reasons

(a) The sole owner or all owners are hospitalised or incapacitated due to illness during the discount period, and therefore are unable to make payment of the due rates on time. Medical evidence and a statutory declaration explaining that there is no one else that could act on behalf of the ratepayer/s are to be provided for consideration.

(b) Death or serious trauma (accident, life threatening illness or emergency operation) of the ratepayer/s and/or their spouse/dependents has occurred during the discount period. A death certificate or medical evidence must be provided.

1.4 Postal Issues

(a) The rate notice was not received, and such claim can be supported by written concurrence of the applicable mail carrier, that problems existed with the mail delivery at this time.

(b) The rate notice was not received, and the ratepayer can produce written evidence that a mail redirection was current at that location at the time of the rate notice issue.

(c) The rate notice is returned to MRC although correctly addressed.

1.5 Incorrect Rates Record

Where full payment is tendered to MRC after the due date for discount and any error on MRC's part in the issue of the rate notice has occurred that may reasonably be expected to have contributed to the late receipt of the rate notice by the ratepayer.

1.6 Exceptional Circumstances

(a) Trauma caused by a major event such as fire or flood prevents the ratepayer from paying the amount outstanding before the discount due date.

(b) Where a ratepayer has had an on-time payment history for a minimum period of at least three years or, in the case of an owner who has only become the owner within three years, the period of ownership, and the ratepayer pays the net amount when becoming aware of outstanding balance or responds to a reminder notice or letter within 14 days of issue.

(c) Other situations where circumstances beyond the control of the ratepayer prevented payment and / or the ratepayer has made a genuine attempt to issue payment satisfactory to the Manager Financial Services, Revenue & Treasury Coordinator, or Senior Revenue & Treasury Accountant.

In the case of "Exceptional Circumstances clauses (b) and (c) a claim for relief will only be allowed once in any three year period for each of the applicable clauses

1.7 Outside Policy Guidelines

Where an application falls outside this policy, and it is determined that the application requires special consideration by Council; a report with a recommendation to the appropriate Council meeting shall be made.

1.8 Human Right Complaints

When an individual feels that they are the subject of MRC's failure to act compatibly with human rights, they can make a complaint directly to MRC. These complaints will be assessed against the *Human Rights Act 2019*.

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean the Mayor and Councillors of Mackay Regional Council.

Human Rights Complaint shall mean a complaint about an alleged contravention of section 58-1 by a public entity in relation to an act or decision of the public entity.

MRC shall mean Mackay Regional Council.

Payment shall mean the full levied amount, net of the discount incentive.

The Regulation shall mean the *Local Government Regulation 2012*.

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COUNCIL POLICY

DISCOUNT ON LATE RATES PAYMENT POLICY

3.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

4.0 Reference

- *Local Government Regulation 2012*

5.0 Attachments

COUNCIL POLICY

DEBT RECOVERY POLICY

Program: Financial Services
Date of Adoption: 22 June 2022
Resolution Number:
Review Date: 22 June 2023

Scope

This policy applies to all outstanding rates and charges and other accounts receivable, due to Mackay Regional Council (MRC) and its commercialised business units

Objective

The key objectives of the Debt Recovery Policy are to:

- ensure a fair, consistent and accountable approach to MRC's debt management and collection practice
- recognise the importance that debt recovery has on the capacity of MRC to deliver services to the community
- maximise the collection of outstanding debts
- establish timelines of communications and debt collection itself, which will deliver consistency of service
- maximise the cost effectiveness of collection processes.

Policy Statement

Council is committed to the collection of overdue sundry debts, and rates and charges in a fair, equitable and timely manner, but with due consideration to financial hardship faced by ratepayers and customers. Council will show due diligence in the application of administrative processes relating to payment arrangements and the selection of various actions for the effective recovery of overdue debts. This policy provides clear direction for recovery procedures to facilitate effective and flexible payment agreements to achieve Council's budgetary objectives, while at the same time giving all due consideration and assistance to ratepayers/debtors who display genuine commitment to clearing their debt.

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This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

DEBT RECOVERY POLICY

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COUNCIL POLICY

DEBT RECOVERY POLICY

1.0 Principles

Rates and charges levied under the Act and the Regulation provide a major source of revenue for MRC and effective collection processes are vital to ensure viability of the organisation.

The Act and the Regulation provide mechanisms to recover overdue rates and charges. Under section 134 of the Regulation a debt may be recovered by bringing court actions against the person who is liable to pay the overdue rates and charges.

Overdue rates and charges may also be recovered by selling land under Division 3 of Part 12 of Chapter 4 of the Regulation.

There are no obligations under the Act that require MRC to take any particular action in respect of overdue rates and charges before commencing legal action. Debt collection is a legitimate and necessary business activity, but it is essential that such activity is conducted in a fair and appropriate manner.

MRC needs to carefully monitor the level of overdue rates and other amounts due to it, and be vigilant in the recovery function, as outstanding amounts can cause disruption to the provision of services and facilities. Rather than letting the level of overdue rates and other amounts escalate over time, it is preferable to apply a fair, consistent, appropriate and vigilant recovery process.

It is sound administrative practice to adopt a policy that provides a uniform approach and not only assists staff in responding to enquiries but also demonstrates transparency by making clear the obligations of ratepayers and processes used by Council in assisting them meet their financial obligations.

Other amounts due to MRC include sundry accounts receivable, licence fees, animal registrations and fines. Recognising the intricacies and specialised knowledge required in some of these functions, the financial records for amounts due are maintained within the appropriate module of MRC's corporate people/property/rating system.

Each program is responsible for managing the cash flows associated with ensuring that amounts due to MRC are collected as efficiently as possible. Assistance will be provided from the Financial Services program and Billing Services team when required, including the capacity to transfer specific debts to rates or referral for further debt recovery action.

Human Rights have been considered when preparing this Policy.

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

- MRC has a responsibility to recover monies owing to it in a timely and efficient manner to finance its operations and ensure effective cash management.
- MRC will operate effective billing and debt collection processes.
- MRC aims to minimise the amount of overdue monies that is owed.
- Debtors are expected to take responsibility for their debt obligations to MRC and organise their affairs in such a way as to be able to discharge these obligations when required.
- If a debtor cannot meet their obligations on the due dates, it is in their interest that they contact MRC at the earliest opportunity to make appropriate arrangements to address the overdue debt.

- Debtors have a responsibility to ensure that any change in contact details are provided to MRC without delay. Failure to provide such advice may result in collection action being undertaken and additional costs being incurred by the debtor.
- MRC will explain the debtors' rights and obligations in relation to any action that MRC might take to recover the overdue monies.
- MRC recognises that pensioners, as a class, may face many financial difficulties in meeting their obligations. However, as specific concessions are provided to them regarding rebates and extended times to pay, pensioners with arrears are encouraged to take advantage of payment schedules that will ensure that the balance in arrears does not escalate beyond their means.
- No further recovery action will be taken against a debtor who has entered a payment schedule acceptable to MRC, prior to the issue of a letter of demand, provided that the terms of the arrangement are being met.
- Once a letter of demand has been issued, legal action will proceed, and any settlement negotiations will be made on a 'without prejudice' basis so that the legal right to collect the debt is not compromised.
- MRC will consider the probability of recovery of a debt prior to initiating legal action.
- MRC will make the processes used to recover overdue debts clear, simple to administer and cost effective.
- MRC will have regard to equity in providing the same treatment to debtors, of the different classes of debts, with similar circumstances.

1.1 Rates & Charges

Records of rating assessments and amounts due to MRC are maintained in "Pathway", MRC's corporate people, property and rating system.

Rate notices are issued half yearly in August and February of each year and have a due date 30 clear days from the issue date on the notice.

A concession has been granted to pensioners who have completed an application, in that the due date and availability of discount have been extended to a date set within the last month of the financial half year relating to the rates.

Water consumption accounts are issued half yearly. As the amounts are included on the same assessment as other rates and charges, no independent recovery action is used for these accounts, and they are included in the action for the next rate levy.

1.1.1 *Initial Recovery Action*

Reminder notices will be issued approximately 14 days after the due date, for any accounts with a balance over $20.00. Accounts which have an approved payment schedule or are on hold due to circumstances which preclude any further collection action, will be excluded.

Prior to referral to Councils' collection agents an attempt to contact the ratepayer by SMS text or email is made.

Should no response be received from the ratepayer following the reminder or SMS/email, ratepayers, who:

- have a balance over $600;
- has not entered an approved payment schedule;
- does not have their account on hold; or
- has defaulted on their agreed payment schedule,

will be referred to our collection agents for further action.

This will include an initial seven-day letter of demand, followed by a final seven-day solicitor's demand letter. The letters issued will explain the possible financial impact if MRC proceeds to legal action, including an estimate of legal costs.

Water consumption accounts are issued half yearly. As the amounts are included on the same assessment as other rates and charges, no independent recovery action is used for these accounts, and they are included in the action for the next rate levy.

1.1.2 *Payment Schedules*

MRC has not made a resolution to allow ratepayers to pay by instalments under section 129 of the Regulation. Section 125 of The Regulation however allows MRC to defer payment of rates under nominated conditions. The Regulation allows MRC to require payment of an additional amount as a condition of the deferral.

MRC will allow a deferral of rates to those ratepayers who enter a payment schedule acceptable to MRC. A condition of the deferral will be that the ratepayer will pay an additional amount equivalent to the interest that would have applied, should the deferral not have been approved, charged in the same manner as interest.

Ratepayers may request to enter a payment schedule with MRC via the system generated application form provided on request or other correspondence in writing or via email. Alternatively, a ratepayer can request a payment schedule over the phone with MRC's Client Service Centre.

To be approved, a payment schedule must allow for the full balance overdue to be paid by 30 June or 31 December in the relevant rating period, either by weekly, fortnightly, or monthly remittances. Exceptions or extensions may be approved at the discretion of Manager Financial Services, Revenue & Treasury Coordinator, or Senior Revenue & Treasury Accountant.

If a ratepayer has been severely affected by a natural disaster, a deferral of rates, suspension of interest and / or allowance of late discount, may be approved for an appropriate period, at the discretion of Chief Executive Officer, Director Organisational Services, Manager Financial Services or other delegated officer.

When a payment schedule has been approved, a letter detailing the schedule of payments and conditions will be sent to the ratepayer as confirmation. If MRC does not approve the schedule, the ratepayer will be notified in writing with advice on how to re-apply with an offer that

would be acceptable to MRC.

MRC should be notified by the debtor where an arranged payment will be missed. Defaulted payments are to be caught up within seven days of falling due. Notification may be made in writing / email or by contacting MRC's Client Service Centre.

Failure to meet the agreed payments or any amended amount will result in the cancellation of the payment schedule and referral to MRC's debt collection agency for commencement of recovery action.

1.1.3 *Legal Action*

Legal action is seen as a last resort to enforce collection; however, such action will be taken following previously mentioned initial recovery processes. All recoverable costs, as part of all debt recovery processes, will be passed on to the ratepayer.

Where the probability of successful recovery of an outstanding debt is low, particularly in relation to debts where past legal action has not resulted in repayment of the outstanding debts, MRC may elect not to proceed with further legal action and consider alternate collection action and strategies.

1.1.3.1 *Claim and Statement of Claim*

If no returned mail is received by MRC or its debt collection agents, it will be assumed that the correspondence has been received. Legal action will be commenced if the account remains unpaid or an approved payment schedule is not made with the collection agency.

An attempt to contact the ratepayer by telephone or email will be made before proceeding.

Ratepayers with an individual or combined balance over $1,500 will be subject to the issue of a Claim and Statement of Claim in the appropriate court. At this stage, the debtor will incur legal costs that are recoverable with the debt.

1.1.3.2 *Judgment*

Prior to seeking judgment of an overdue amount, a letter will be sent to the debtor advising that this is the next step and of the potential impact on their credit history. If a mobile telephone number is recorded, a text will be sent to the debtor requesting contact be made urgently.

For debts where substantial payment has been received and / or where the balance remaining outstanding is the legal fees only, an attempt will be made by our debt collection agents to contact the debtor by telephone.

If, within 28 clear days after service of claim, the ratepayer has not paid the debt and costs, the Chief Executive Officer or other delegated officer may approve judgment to be obtained for the debt.

Once filed with the court and approved, judgment will affect the debtor's credit history file for a period of five years.

1.1.3.3 *Indicative Collection Timeline*

Pre-legal process

Day 0	**Issue of Rate Notice** - Debt becomes payable
Day 30	End of discount period – Debt becomes due
Day 31	Debt becomes overdue
Day 45	**Issue of Reminder Notice** by Mackay Regional Council
Day 64	Reminder period closes
Day 71	Account referred to Debt Collection Agency
Day 74	**Issue of Demand Letter** by Debt Collection Agency
Day 82	Account referred to collection Solicitors
Day 86	**Issue of Final Demand Letter** by collection Solicitors
Day 94	Account referred back to Council for claim authorisation
Day 98	Claim authorisation confirmed by delegated Council officer

Legal Proceedings

Day 99	**Lodgement of Magistrates Court Claim**
Day 100	Service of claim documents by bailiff
Day 128	End of timeframe for debtor to pay debt or defend claim
Day 129	Debtor become liable to have judgment entered against them

1.1.3.4 *Further collection action that may be considered*

MRC may initiate other collection action to recover outstanding debts such as:

- Oral examination to determine income/assets
- Bankruptcy if the judgment obtained is over $5,000
- Sale of land in accordance with the Regulation - see section 6.2.4 in this policy
- Full wind up on companies issued with Statutory Demand
- Any other process as recommended by the debt collection agency to successfully recover the debt.

1.1.3.4 *Direct Statutory Demand and Wind-up Action*

At the discretion of the Chief Executive Officer or other delegated officer, companies with a combined overdue balance of more than $10,000 may be subject to the issue of a Statutory Demand, without proceeding to claim and

judgment, in the appropriate court.

If, within 21 clear days after service of the Statutory Demand, the ratepayer has not paid the debt and costs, the Chief Executive Officer or other delegated officer may approve wind up action to be commenced to recover the debt.

1.1.4 *Sale of land for Arrears of Rates*

Where rates on a property remain overdue for the times referred to below, no payment arrangements exist, and other collection action has failed to recover the amount, MRC will commence proceedings to sell the property subject to and by virtue of its powers under Division 3 Part 12 Chapter 4 of The Regulation.

This division applies if some or all of the rates have been overdue for at least:

(i) generally - three years; or
(ii) if the rates or charges were levied on vacant land or land used only for commercial purposes, and the local government has obtained judgment for the overdue rates and charges – one year; or
(iii) if the rates or charges were levied on a mining claim – three months.

Properties that will be subject to these provisions will be identified and a letter sent warning the ratepayers that MRC will be considering action to sell the property.

A report to MRC will be tabled for a resolution to issue a notice of intention to sell for arrears of rates, thereby commencing the sale of land process.

This process will be conducted as a part of MRC's debt management contract.

1.1.5 *Pensioners*

MRC recognises that for a variety of reasons some pensioners will have difficulties in availing themselves of the early payment discount by paying their rates by the due date and provided the ratepayer is willing to engage with MRC to ensure that their debt does not escalate will provide a further concession to the eligible pensioner under the following terms.

Pensioners who have an overdue rates balance, of more than $200 will receive a reminder notice and those with an arrears balance of $1,000 or more will be eligible to make an extended arrangement for payment by regular amounts. Such payments are to be sufficient to ensure that the arrears situation does not worsen (i.e. at least enough to clear current period's rates and charges each year).

Subject to the payments covering accruing rates and charges, no interest will be charged on overdue rates whilst the pensioner honours the arrangement.

Should the pensioner default under the arrangement then they will be allowed 14 days to rectify the situation. If the situation is not rectified, then the arrangement will be cancelled, and interest will be charged from the date of default.

Pensioners who have arrears of $1,000 or greater at the end of financial year and who fail to contact MRC to make a formal arrangement or have an arrangement cancelled will become subject to MRC's normal recovery action for overdue rates as outlined in this policy.

1.1.6 *Rates Relief Policy*

MRC's Rates Relief Policy establishes a framework whereby ratepayers who are experiencing serious financial hardship, and as a result are unable to pay their rates and charges, are able to apply for some form of relief.

This relief can be in the form of extended payment plans or the write-off of rates and charges, interest, legal fees or other amounts. Other forms of assistance apply to pensioners and self-funded retirees as detailed in the policy.

The policy only applies to non-profit community organisations or residential properties where the property is the ratepayer's principal place of residence, and no commercial benefit is derived from the property.

The above information provides a summary of the content of the policy and further information is provided in the policy that can be found on Council's website by searching "Rates Relief Policy".

1.2 Accounts Receivable / Sundry Debtors

Records of accounts receivable amounts due to MRC are maintained in "Finance 1", MRC's corporate financial records system.

Prior to a debtor being created in the system, an "Application to Establish an Account" form will need to be completed by the debtor or the Manager of the program requiring the facility to be created.

Following receipt of an application for a corporate or business entity the relevant Australian Company Number (ACN) or Australian Business Number (ABN) details will be verified via a search.

Invoices are issued for both scheduled and continuing amounts and on an ad hoc basis.

The Accounts Receivable officers will maintain a register of scheduled and continuing amounts, such as lease payments, which will include details of the debtor amounts and any Consumer Price Index (CPI) type adjustments required.

For all other amounts, the relevant program will be required to submit a request for invoice in the approved format and the invoice will be prepared and either issued to the debtor or returned to the requestor for further attention, as required.

1.2.1 *Initial Recover Action*

Following the end of each month, all accounts are reviewed in conjunction with the printing of monthly statements which are then issued with appropriate notations made on the document.

A reminder letter will be issued to the debtor 15 days after the due date for the invoice. This reminder letter requires payment to be made within 14 days. Where payment is not received, the account would be referred to Collection House Limited to initiate recovery action.

Details of all overdue accounts are provided to the relevant program each month and it will be the responsibility of the Manager or Director to confirm the escalation of the recovery action.

It is vital to the process that the amounts invoiced can be verified and justified at the time they are requested by the program in order to ensure that a successful legal action can be undertaken in the event of non-payment.

1.2.2 *Interest on Overdue Invoices*

MRC's credit terms are 30 days. Overdue balances on invoices issued on commercial debts will bear interest at the rate adopted for overdue rates and charges, charged at the end of each month, after the aging of the invoice has reached 60 days. If the invoice is paid on or before the date of 60 days after issue no interest will be payable. Interest charged will accrue after the end of the month in which the invoice becomes overdue.

Monthly interest amounts less than $5.00 per debtor account will be waived and not invoiced.

Invoices which are generated from contractual arrangements will be subject to the terms of the contract rather than MRC's standard credit terms.

1.2.3 *Payment Schedules*

It is generally not appropriate for MRC to enter into a payment schedule for sundry accounts receivable; however, the Manager of the program instigating the invoice may approve an arrangement with an individual debtor for a maximum period of 12 Months. Schedules for

longer periods require approval from the Chief Executive Officer or Director Organisational Services.

1.2.4 *Legal Action*

Legal action is seen as a last resort to enforce collection and will be undertaken if the debtor fails to respond to the contact made by MRC or its representatives, following the issue of the previously mentioned correspondence.

The decision as to whether the amount outstanding warrants the use of further legal action for recovery and the appropriate level of legal action to be taken rests with the Manager of the relevant program, who instigated the invoice.

1.3 Human Rights

When an individual feels that they are the subject of MRC's failure to act compatibly with human rights, they can make a complaint directly to MRC. These complaints will be assessed against the *Human Rights Act 2019*.

2.0 Adopted Infrastructure Charges

Section 144 of the Planning Act 2016 provides that a levied Infrastructure Charge is taken to be rates of the local government for the purpose of its recovery.

Outstanding Infrastructure Charges may be recorded within the Councils Application system, a separate debtors ledger or within the rating system for the purpose of recovery.

2.1 Interest on Overdue Infrastructure Charges

Interest may be charged on the outstanding Infrastructure Charges at the rate applicable to outstanding rates as detailed within the rating resolutions and Revenue Statement for the particular year. The application methodology of the interest charged will depend on the system in which the outstanding charges are held

2.2 Recovery Action for Overdue Infrastructure Charges

2.2.1 *Initial Recovery Action*

A notice in the form of a rates notice will be given to the ratepayer for the outstanding Infrastructure Charges giving 30 days for payment.

After the expiry of the 30 days the charges will be deemed to be overdue and subject to further collection action and a reminder notice will be issued.

If the amount is not paid after 14 days of the reminder the account will be referred to our Collection agents for further action.

This action will consist of initial letter of demand, a solicitor's letter of demand and telephone or email contact as appropriate.

2.2.2 *Payment Schedules*

It is preferred that Infrastructure Charges are paid as due however, a payment schedule may be entered into to clear the overdue amount. Such schedules should be for no longer than twelve months and be approved by the Director Development Services.

2.2.3 *Legal Action*

If the property owner fails to respond to the previous actions, our debt collection agents will provide a recommendation regarding issuing a Statement of Claim for the overdue amount. The property owner will be liable for the legal costs incurred and these can also be recovered against the land.

The Development Services directorate will be required to authorise this action.

After 28 days have expired from the service of the claim and further approval will be sought to take this action. At this stage, the default will be recorded against the property owners credit record.

Upon the grant of judgment, other legal actions will be taken to effect payment of the debt if not paid. For a corporate entity this may include a statutory demand to wind up the company.

2.2.4 *Sale of Land for Arrears of Rates*

As the debt can be recovered as a rate, the next step could be to sell the land to recover the rates under Division 3 Part 12 Chapter 4 of the Regulation (see Section 2.2.4).

3.0 Bad Debts / Write Off

The process for writing off uncollectible amounts will be documented within each program.

For a rates account to be deemed uncollectible it will be necessary that:

1. The ratepayer be deceased, bankrupt or untraceable or in the case of a company be in liquidation or receivership with advice from the trustee or other liquidator that the prospect of a dividend being declared would be remote or that the dividend amount would be minimal; and

   There is no avenue to recover the debt by way of sale of the land for rate arrears. This would normally arise in the instance of a state tenure or lease that has been terminated or otherwise surrendered; or

2. The amount of the debt is less than $10,000 and legal advice received that the circumstances relating to the creation of the debt make the eventual collection

of the amount unlikely even if legal action were considered or, if such legal action would be too costly in relation to the amount sought or, if all legal avenues have failed to recover the amount owing plus costs.

For a sundry debtor to be deemed uncollectible it will be necessary that:

1. The debtor be deceased, bankrupt or untraceable or in the case of a company be in liquidation or receivership with advice from the trustee or other liquidator that the prospect of a dividend being declared would be remote or that the dividend amount would be minimal; or

2. The amount of the debt is less than $10,000 and the circumstances relating to creation of the debt make the likely eventual collection of the amount unlikely even if legal action were considered, or if such legal action would be too costly in relation to the amount sought or, if all legal avenues have failed to recover the amount owing plus costs.

Authorisation levels are:

Write-off amount less than $10,000
Relevant Program Manager with endorsement of Manager Financial Services

Write-off amount $10,000 - $50,000
Relevant Director

Write-off amount greater than $50,000
Chief Executive Officer

4.0 Delegations

The Chief Executive Officer is delegated authority to make determinations relating to this policy.

5.0 Definitions

To assist in interpretation the following definitions shall apply:

Commercial Debt shall mean any debt created on a commercial basis out of an arrangement with one of Council's Business Units for the supply of goods and services.

Council shall mean the Mayor and Councillors of Mackay Regional Council.

Council Business Unit shall mean any area of Council supplying goods and services to external parties on a commercial basis.

Debtor shall mean any person including a ratepayer, who owes money to Council.

Debt collection agency shall mean the third party contracted to provide collection services for Council for the time being.

Human Rights Complaint shall mean a complaint about an alleged contravention of section 58-1 by a public entity in relation to an act or decision of the public entity.

MRC shall mean Mackay Regional Council.

Pensioner shall mean an elderly, invalid, disabled or disadvantaged citizen, who is:

(a) An eligible holder of a Queensland 'Pensioner Concession Card' issued by Centrelink, on behalf of the Department of Human Services, or the Department of Veterans' Affairs, or a Queensland 'Repatriation Health Card – For All Conditions (Gold Card)' issued by the Department of Veterans' Affairs; and

(b) The owner (either solely or jointly) or life tenant/s of a property which is his/her principal place of residence; and

(c) Has, either solely or jointly with a co-owner, the legal responsibility for the payment of rates and charges as defined which are levied in respect of the said property by the Local Authority in whose area the property is situated.

The Act shall mean the *Local Government Act 2009.*

The Regulation shall mean the *Local Government Regulation 2012.*

6.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

7.0 Reference

- *Local Government Act 2009*
- *Local Government Regulation 2012* (The Regulation)

8.0 Attachments

COUNCIL POLICY

CONCESSIONS FOR CONCEALED LEAKS POLICY

Program: Water Networks
Date of Adoption: 22 June 2022
Resolution Number:
Review Date: 22 June 2023

Scope

This policy applies to all requests for a reduction in water charges from customers in the Local Government area of Mackay who receive a metered supply of water to a residential or commercial property.

This policy applies to Mackay Regional Council (MRC) staff delegated to consider applications for a concession off the Water Notice due to a Concealed Leak.

Objective

To guide MRC's practice and decision-making on the extent of, and the conditions under which, financial concessions will be offered to Property Owners who have received an unusually high water notice, resulting from a Concealed Leak.

Policy Statement

This policy applies to all requests for a reduction in water charges from customers in the Local Government area of Mackay who receive a metered supply of water to a residential or commercial property.

****

This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

CONCESSIONS FOR CONCEALED LEAKS POLICY

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COUNCIL POLICY

CONCESSIONS FOR CONCEALED LEAKS POLICY

1.0 Principles

Concessions provided for Concealed Leaks has been previously governed by Local Law No. 69. This policy will replace the sections in the said Local Law No. 69 that deal with the provision of concessions for concealed leaks.

- The Property Owner is responsible for managing their water consumption. This includes registering on "myh2o" to monitor the daily water consumption and/or manually reading the water meter and carrying out overnight consumption tests on a regular basis to monitor water usage and consumption patterns.
- The Property Owner is responsible for repairing water leaks in the pipes carrying water from the water meter into the premises, in any internal pipes or plumbing fixtures within the premises, or in any irrigation piping or garden watering systems.
- Subject to any concession under this policy, the Property Owner is responsible for the payment of the full Water Notice, including consumption related to leaks.
- Where MRC becomes aware of a potential water leak at a Property, MRC will make best efforts to notify the Property Owner. Such notification is provided as an added service and such notification or the lack thereof does not alter the availability or non-availability of concessions under this Policy.

1.1 Eligibility

MRC will only consider a request for concession on a Water Notice due to a water leak where:

- the leak was a Concealed Leak; and
- when an AMR is installed on the water meter at the Property, the Property Owner has registered on myh2o, and has active leak alerts in place, and
- the Property Owner took all reasonable steps to ensure that the Concealed Leak was repaired within a reasonable period of time; and

the Concealed Leak was repaired by a licensed plumber.

1.2 Extent of Concessions

Residential Customers - A reduction in water consumption charges will be granted only once per Property per Property Owner for each two year period.

Commercial/Industrial Customers – A reduction in water consumption charges will be granted on a case-by-case bases.

The reduction of water consumption charges may be applied over two Billing Periods, as a single Concealed Leak can affect the consumption over two Billing Periods.

A concession will be available only if the consumption for applicable Billing Period is above the Tier 1 Threshold Limit.

Hourly Data Available through AMR

(where detailed hourly consumption data is available through an installed AMR)
For the lower of the number of days the Concealed Leak existed or 30 days.

$$\text{Excess consumption due to Concealed Leak} = \sum_{n}^{1} \left[\text{minimum consumption rate (given day)} \times \text{number of leak hours} \right]$$

where 1 = first day of Concealed Leak, and

n = day client was notified of the Concealed Leak, became aware of the Concealed Leak or the day on which the Concealed Leak ceased, whichever is earlier.

No Hourly Data Available

(where no AMR is installed or no detailed hourly consumption information is available)

If the application for a concession in water consumption charges is granted, the concession extended to the client shall be:

$$\text{Excess consumption due to Concealed Leak} \times \text{Concession Rate}$$

Where,

$$\text{Excess consumption due to Concealed Leak} = \left[\text{Consumption for applicable Billing Period} - \text{non concession consumption} \right]$$

and,

$$\text{Concession Rate} = \left[\text{Tier 2 Consumption Charge rate} - \text{Tier 1 Consumption Charge rate} \right]$$

and where:

Non concession consumption = The greater of:

- Average consumption for property, and
- Tier 1 Threshold Limit

If use of either of the above methods is deemed inappropriate under a given circumstance by MRC then an alternate methodology may be adopted.

The decision whether to use an alternative methodology and the alternative methodology to be used will be at the sole discretion of the Director of Engineering & Commercial Infrastructure or an officer delegated to consider applications for concealed leaks under this Policy, on a case by case basis.

1.3 Applying for a Concession

The Property Owner must apply in writing for a reduction of water consumption charges due to a Concealed Leak using the *Application for a Concession on Water Account due to a Concealed Leak* **Form**. The application must outline the location and circumstances of the Concealed Leak, including the conditions to be met under *Section 1* of this Policy and complete all sections of the form.

The application must be made to MRC, no later than the date on which payment for the consumption charge on which the concession is being sought, falls due for payment. Application made after this date but before the next Water Notice, may be considered at the discretion of the delegated decision-maker. Where such an application is considered, the concession granted will be 50% of the concession as identified in *Section 1.2 – Extent of Concessions* of this policy. An application received by MRC after the issuance of the next Water Notice will not be considered for relief.

The application must be accompanied by a detailed plumber's report, using the *Plumber's Report on Repair of Concealed Leak* **Form** as specified by MRC, from the licensed plumber who carried out the repair work, certifying:

- the Property on which the Concealed leak was discovered
- the Concealed Leak was repaired by the licensed plumber; and
- the date the Concealed Leak was repaired; and
- the details of the plumbing repairs undertaken; including:
  - that the Concealed Leak was in the main water supply pipe from the water meter to the *primary constructed structure on the Property*; and
  - that the Concealed Leak was in a location and/or a nature which contributed to it not being evident.

1.4 Specific Exclusions

MRC will not provide concessions for leaks that occur in:

- internal pipework (under floor or within walls) water fittings and appliances including taps, toilets, showers, sinks, hot water systems and appliances with water connections such as dishwashers, washing machines and fridges
- water tanks that are plumbed to the potable water supply, including solar water heaters and pipework related to such tanks
- external water taps, hoses, sprinklers and irrigation systems
- swimming pools, spas and other water features including fittings and the pipework that supply such fixtures
- firefighting equipment and systems

Concessions will also not be available for water loss:

- during construction, renovation, excavation or similar activity
- due to theft, vandalism, and inadvertent use (e.g. tap/hose left running due to an oversight)

2.0 Definitions

To assist in interpretation the following definitions shall apply:

AMR shall mean *Automatic Meter Reading device(s)*

Average Consumption shall mean *where possible and/or relevant, the average of the past three years' actual water consumption during the equivalent billing period, adjusted at the discretion of MRC, for any relevant changes in circumstances that would impact consumption*

Billing Period shall mean *the time between meter readings and does not refer to the issue date or the payment due date on the Water Notice*

Concealed Leak shall mean *a leak that has occurred within the Property Owner's Property in the main water supply pipe from the water meter to the primary constructed structure, either underground, under or within concrete or paving or underneath a structure where the leak was not apparent, and the occupant was not aware of its existence and could not reasonably be expected to be aware of its existence*

Concession Rate shall mean *as defined in section 1.2 – Extent of Concessions of this policy*

Council shall *mean the Mayor and Councillors of MRC*

Excess Consumption due to Concealed Leak shall mean *as defined in Section 1.2 – Extent of Concessions of this Policy*

MRC *shall mean Mackay Regional Council*

myh2o *shall mean the MRC website www.myh2o.qld.gov.au where property owners can register to monitor consumption and receive high consumption and potential leak alerts*

Policy shall mean *this "Concession for Concealed Leaks" Policy*

Property *shall mean the property within the MRC area to which water is being supplied by MRC for which Water Notices are issued*

Property Owner *shall mean the owner or owners of the Property*

Tier 1 Consumption Charge Rate shall mean *the Tier 1 Consumption Charge identified within the Revenue Statement as adopted by Council each financial year*

Tier 1 Threshold Limit shall mean *the maximum volume on which the Tier 1 Consumption Charge rate will be applicable as identified within the Revenue Statement as adopted by Council each financial year*

Tier 2 Consumption Charge Rate shall mean *the Tier 2 Consumption Charge identified within the Revenue Statement as adopted by Council each financial year*

Water Notice *shall mean the notice issued by MRC to the Property Owner which contains the water consumption charges.*

3.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

4.0 Reference

- MRC Revenue Statement (Current)

5.0 Attachments

- Application for Concession on Water Notice Due to Concealed Leak
- Interpretation Guide

COUNCIL POLICY

APPLICATION FOR CONCESSION ON WATER NOTICE DUE TO CONCEALED LEAK

FRM-38.313

PRIVACY DISCLAIMER Mackay Regional Council is collecting your personal information in order to process your application. This information will only be disclosed to any other third party with your written authorisation or as we are required to by law

SECTION 1 - PROPERTY OWNER DETAILS		
Applicant	I, (Full name)	
	of (Address)	
	(Mobile)	(Telephone)
	(Email)	
	Apply for concession on water account due to concealed leak.	

SECTION 2 – PROPERTY DETAILS FOR WHICH CONCEALED LEAK HAS OCCURRED	
Assessment No.	
Property Address	

SECTION 3 – GROUNDS FOR REQUEST (Attach additional page if necessary)		
Was a licensed plumber engaged to make repairs: If **no**, a statutory declaration will also need to be submitted.	Yes ☐	No ☐

SECTION 4 - CUSTOMER CONSENT		
		Date: / /

COUNCIL POLICY

SECTION 5 – INFORMATION FOR APPLICANTS		
MRC will accept this application once all sections have been completed and submitted to MRC. (See checklist below):		
I HAVE COMPLETED:		
Section 1	Property owner details	☐
Section 2	Property details for which concealed leak has occurred	☐
Section 3	Ground for request	☐
Section 4	Customer consent	☐
Other	Sign up to the myh$_2$o website (www.myh2o.qld.gov.au) *(as per clause 6.2 in policy)*	☐
Attachments	Plumber's report on concealed leak	☐
	Copy of plumber's invoice	☐
	Statutory Declaration (if applicable)	☐

Office Use Only	
Date Received: / /	Application No:

COUNCIL POLICY

PLUMBER'S REPORT ON REPAIR OF CONCEALED LEAK

FRM-38.313

PRIVACY DISCLAIMER Mackay Regional Council is collecting your personal information in order to process your application. This information will not be disclosed to any other third party with your written authorisation or as we are required to by law

PROPERTY DETAILS FOR WHICH CONCEALED LEAK HAS OCCURRED

Assessment No.	
Property Address	

LOCATION OF CONCEALED LEAK AND DESCRIPTION OF WORK
(attach page if necessary)

LICENSED PLUMBER'S DETAILS

Company Name			
Plumber's Name		License Number	
Telephone		Mobile	
Business Address			

PLUMBER'S CONSENT

I confirm that the leak was:

- in the main water supply pipe, from the meter to the primary constructed structure
- in a location and/or of a nature which contributed to it not being evident
- repaired by me on / /
- repaired in conformity with the Plumbing and Drainage Act 2002 and the Standard Plumbing and Drainage Regulation 2003

I also confirm that the information in this form is a true and accurate record of the work carried out.

Signature		Date: / /

COUNCIL POLICY

Interpretation Guide

Examples of Calculations

Hourly Data Available through AMR

Property A has had a Concealed Leak. The total consumption for Billing Period in which the Concealed Leak occurred was 230 kilolitres (kl). As hourly meter reading data is available for Property A, the meter data management system will calculate the exact quantum of the leak on a weekly basis as in Table 1:

Table 1

Week	Leak Quantum (kl)
1	20.0
2	40.7
3	30.2
Total	90.9

Table 2

Tier	Rate ($)
2	2.83
1	1.91
Difference	0.92

The rate per kilolitre applicable in calculating the concession is the difference between the Tier 2 Consumption Charge Rate and Tier 1 Consumption Charge Rate as depicted in Table 2.

Even though the quantum of the leak is calculated as 90.9 kilolitres, only the quantum used above 150 kl (Tier 1 Threshold Limit) for the Billing Period will be eligible for concession.

Therefore, the maximum quantum eligible for concession is 80 kl (the consumption for the Billing Period of 230 kl less the Tier 1 threshold of 150 kl).

The concession for Property A therefore would be 80 kl multiplied by the difference between the rates applicable to the two Tiers ($0.92 as shown in Table 2), which amounts to $73.60.

COUNCIL POLICY

No Hourly Data Available

Property B has had a Concealed Leak. Property B does is not receiving hourly data through the AMR device installed on its water. The total consumption for Property B for the Billing Period of the Concealed Leak was 250 kl.

In this instance, the Non-concession Consumption for the Property B will be calculated as the average consumption of the three previous corresponding Billing Periods.

Table 1

Corresponding Period	Total Consumption (kl)
1	160
2	140
3	180
Average	160

Table 2

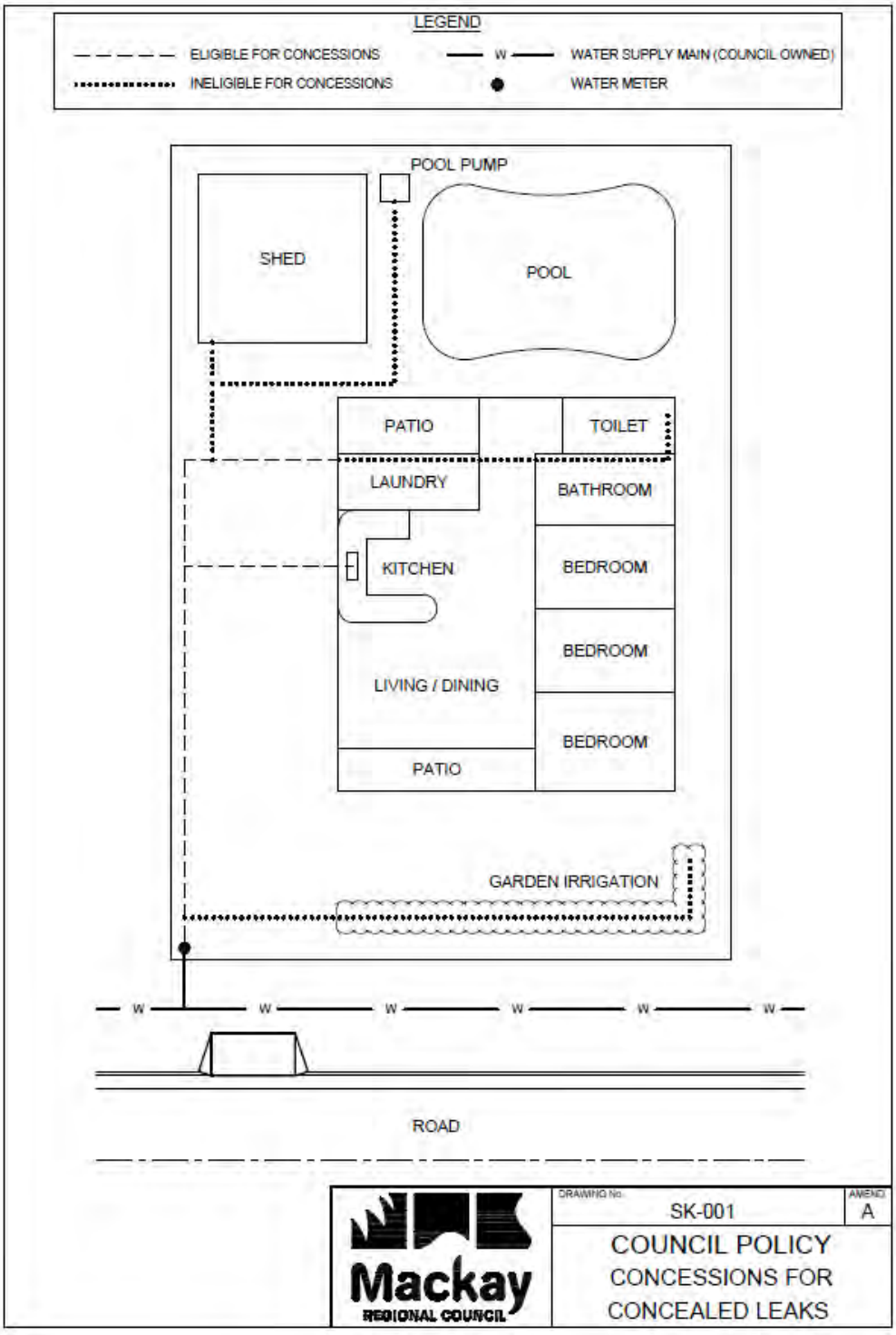
Tier	Rate ($)
2	2.83
1	1.91
Difference	0.92

For the purposes of calculating relief under this Policy, the Non-Concession Consumption for Property B will be 160 kl. Therefore the Excess Consumption due to Concealed Leak will be 250 less 160, 90 kl.

The concession for Property B therefore would be 90 kl multiplied by the difference between the rates applicable to the two Tiers, ($0.92 as shown in Table 2), which amounts to $82.80.

COUNCIL POLICY

Inclusions and Exclusions



COUNCIL POLICY

CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

Program: Water Networks
Date of Adoption: 22 June 2022
Resolution Number:
Review Date: 22 June 2023

Scope

This policy applies to property owners connected to Mackay Regional Council's (MRC) water reticulation scheme where high water consumption charges have been incurred due to exceptional circumstances.

Objective

The objective of this policy is to:

- provide a framework to identify the circumstances which would qualify property owners for relief under this policy,
- identify the manner in which property owners can claim eligibility, and
- establish the extent of relief to be provided for such property owners.

Policy Statement

The extent of relief provided should not exceed the additional charges that the property owners are subject to, due the identified circumstances. However, there is no obligation on the part of MRC to provide relief to the full extent of the additional charges.

****

This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

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COUNCIL POLICY

CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

1.0 Principles

MRC recognises that certain property owners will be faced with exceptional circumstances beyond their control, which would result in such property owners having to bear an unusually high level of charges on their water notice levied by MRC. MRC also recognises that it has an obligation to provide a level of relief to such property owners.

Human Rights have been considered when preparing this Policy.

The following principles will be applied in identifying the circumstances under which property owners would be eligible for relief.

It is NOT the intention of this policy to:

- provide relief to individual property owners based on individual needs and circumstances.
- provide relief based purely on economic circumstances (e.g. unemployment).

The identified exceptional circumstance should:

- have the capacity to be applicable to a specifically identified group of property owners;
- be non-economic;
- be beyond the control of the property owners; and
- result in the group of property owners being subject to a higher than normal water consumption charge in their water notice.

The extent of relief provided should not exceed the additional charges that the property owners are subject to, due the identified circumstances. However, there is no obligation on the part of MRC to provide relief to the full extent of the additional charges.

The circumstances which would make a group of property owners eligible for relief and the extent of relief to be extended to such property owners are identified in Annexure A to this policy.

2.0 Complaints

Any complaints in relation to this service will be assessed and managed in accordance with MRC's Administrative Action Complaints Policy, a copy of which can be found on MRC's website.

When an individual feels that they are the subject of MRC's failure to act compatibly with human rights, they can make a complaint directly to MRC. These complaints will be assessed against the Human Rights Act 2019.

Complaints may be made as following:
In writing to
Chief Executive Officer
Mackay Regional Council
PO Box 41
MACKAY QLD 4740

Via Email - complaints@mackay.qld.gov.au

In person at the
following Council Client Services Centres:

- MRC Mackay Office – 73 Gordon Street, Mackay
- MRC Sarina Office – 65 Broad Street, Sarina
- MRC Mirani Council Office – 20 Victoria Street, Mirani

3.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean the Mayor and Councillors of Mackay Regional Council.

Exceptional Circumstance shall mean as defined in the Policy Statement.

MRC shall mean Mackay Regional Council.

Policy shall mean this water charges relief due to exceptional circumstances policy.

Property Owner shall mean the owner or owners of the property.

Occupier shall mean, for the purpose of this policy is a person who resides at a property as the property owner, a family member of a property owner, a person in the registered care of a property owner, or a tenant of the property.

Tenant shall mean a person who is registered as a tenant by way of a tenancy agreement through a registered property manager or by way of a written agreement with the property owner.

Water Notice shall mean the charges levied based on the volume of water consumed as measured by the water meter installed at a given property.

Human Rights Complaint shall mean a complaint about an alleged contravention of section 58-1 by a public entity in relation to an act or decision of the public entity.

4.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

5.0 Reference

- Mackay Regional Council – Internal Operating Guideline – Continuity of Water Supply – Medical Requirements

COUNCIL POLICY

CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

6.0 Attachments

- Identified Circumstances Eligibility
- Application for Exceptional Circumstances

CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

Attachment "A"

	Identified Circumstance	Eligibility	Extent of Relief	Start	End
A1	Unusually high water consumption disputed by property owner (excludes concealed leaks which is covered under a separate policy)	• Unusually high water consumption • No clear explanation as to the cause of high consumption • Reasonable grounds to establish high consumption not due to usage by residents • Reasonable grounds to believe that high meter read is not due to water flowing through the meter. • Written request from property owner using the Application for Exceptional Circumstances Form (attached).	The calculation of charges to be based on the average consumption of similar periods over the immediately past period of up to three years. Where above is deemed not appropriate by Director, Engineering and Commercial Infrastructure, alternate method to be used on a case-by-case basis as determined by the Director.	April 2011	Ongoing
A2	The need for property owners or occupiers to use a home dialysis machine for medical reasons.	• Written request from property owner. • Form to be accompanied by medical certificate confirming the need for him/herself, or an occupier, to use a home dialysis machine. Doctor's certificate to clearly identify name of user, and address of residency.	Total water consumption will be charged at tier one rates. No tier two rates will be applicable.	April 2011	Ongoing
A3	Other	• Specifically identified group of property owners; • Be non-economic;	The calculation of charges to be based on the average consumption of similar periods	April 2016	Ongoing

CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

		• Beyond the control of the property owners, and • Result in the group of property owners being subject to a higher level of charges.	over the immediately past period of up to three years. Where above is deemed not appropriate by Director, Engineering and Commercial Infrastructure, alternate method to be used on a case-by-case basis as determined by the Director.		

COUNCIL POLICY

CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

FORM

APPLICATION FOR EXCEPTIONAL CIRCUMSTANCES

Privacy Notification *(Information Privacy Act 2009)* - The personal information that Council is collecting from you on this application form is personal information for the purposes of the Information Privacy Act 2009 ('the Act'). The intended recipients of the personal information are officers within the Council and any person wishing to inspect the application in accordance with the Local Government Act 2009 or the Government Information (Public Access) Act 2009). The Mackay Regional Council is collecting your personal information in order to process your application. This information will only be disclosed to any other third party with your written authorisation or as we are required to by law.

SECTION 1 - PROPERTY OWNER DETAILS

Applicant	I,	(Full name)
	of	(Address)
	(Mobile)	(Telephone)
		(Email)
	Apply for concession on water account due to exceptional circumstances.	

SECTION 2 – PROPERTY DETAILS FOR RELIEF REQUEST

Assessment	Council Rates Assessment Number	
Description	Property address	

SECTION 3 – GROUNDS FOR REQUEST (attach additional page if necessary)

SECTION 4 - CUSTOMER SIGNATURE

Signature		Date: / /

4.4. BUDGET 2022/23
4.4.1. BUDGET 2022/23

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23

Attachments

1. Community Budget Report 2022/23 [**4.4.1.1** - 12 pages]
2. Statement of Income and Expenses - Budget for year ending 30/06/23 and the next 2 years [**4.4.1.2** - 1 page]
3. Statement of Financial Position - Budget for year ending 30/06/23 and the next 2 years [**4.4.1.3** - 1 page]
4. Statement of Changes in Equity - Budget for year ending 30/6/23 and the next 2 years [**4.4.1.4** - 1 page]
5. Statement of Cashflow - Budget for year ending 30/6/23 and the next 2 years [**4.4.1.5** - 1 page]
6. Key Financial Sustainability Ratios - Budget for year ending 30/6/23 and the next 2 years [**4.4.1.6** - 1 page]
7. Statement of Changes in Rates and Utility Charges [**4.4.1.7** - 1 page]
8. Statement of income and Expense - Business Unit - Budget for year ending 30/6/23 and the next 2 years [**4.4.1.8** - 1 page]
9. Capital Works Program - Budget for year ending 30/6/23 and the next 2 years [**4.4.1.9** - 1 page]
10. Debt Policy [**4.4.1.10** - 5 pages]
11. Investment Policy [**4.4.1.11** - 9 pages]

Purpose

The purpose of this report is to adopt Council's 2022/23 Budget.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Strategy: Planned Capital and Forecasting - Our planned capital and operational projects are delivered with agility in line with our business needs.

Background/Discussion

Under the requirements of the *Local Government Regulation 2012*, Council’s budget for each financial year must be prepared on an accruals basis and include financial statements for the year for which it was prepared and the next two financial years.

Consultation and Communication

The Mayor, Councillors, Chief Executive Officer, Directors and Management Team.

Resource Implications

This report sets Council's Budget for 2022/23. Changes to this budget will only occur with the approval of Council.

Risk Management Implications

The budget is monitored constantly throughout the year. Detailed estimates are prepared at the beginning of each financial year and performance is measured against these estimates through regular budget reviews, ensuring funds are utilised as efficiently and effectively as possible.

Conclusion

The 2022/23 Mackay Regional Council budget has been prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012.*

Officer's Recommendation

THAT Council adopt the budget for the 2022/23 financial year, as contained in the following attachments, pursuant to section 170A of the *Local Government Act 2009* and sections 169 and 170 of *the Local Government Regulation 2012*:

(a) Community Budget Report.
(b) Statement of Income & Expenses – Budget for the year ending 30 June 2023 and the next 2 years.
(c) Statement of Financial Position – Budget for the year ending 30 June 2023 and the next 2 years.
(d) Statement of Changes in Equity – Budget for the year ending 30 June 2023 and the next 2 years.
(e) Statement of Cash Flow - Budget for the year ending 30 June 2023 and the next 2 years.
(f) Key Financial Sustainability Metrics – Budget for the year ending 30 June 2023 and the next 2 years.
(g) Statement of Changes in Rates and Utility Charges for the period ending 30 June 2023.
(h) Statement of Income and Expenses – Business Units for the period ending 30 June 2023.
(i) Capital Works Program – Budget for the period ending 30 June 2023 and the next 2 years.

AND FURTHER THAT Council adopt the associated budget policies and documents as contained in the following attachments:

(a) Debt Policy; and
(b) Investment Policy.

MAYOR'S 2022-2023 BUDGET SPEECH

Mayor Williamson advised that after many months of work by the elected officers and the officers of Council, on behalf of the finance team and particularly our Finance Manager Justin Rule, I'm very honoured to be able to present the 2022-2023 budget.

Mayor Williamson noted that this is a very strong budget which recognises the current cost of living pressures, provides a solid capital spend, further reduces Council's debt and shows that we have a very solid cash reserve of almost $118 million.

2022-2023 Budget

$13.2M Debt Reduction
$117.7M Cash Reserves
$700K Surplus
2.5% Rate Increase
No Cuts to Service Levels

Budget at a Glance

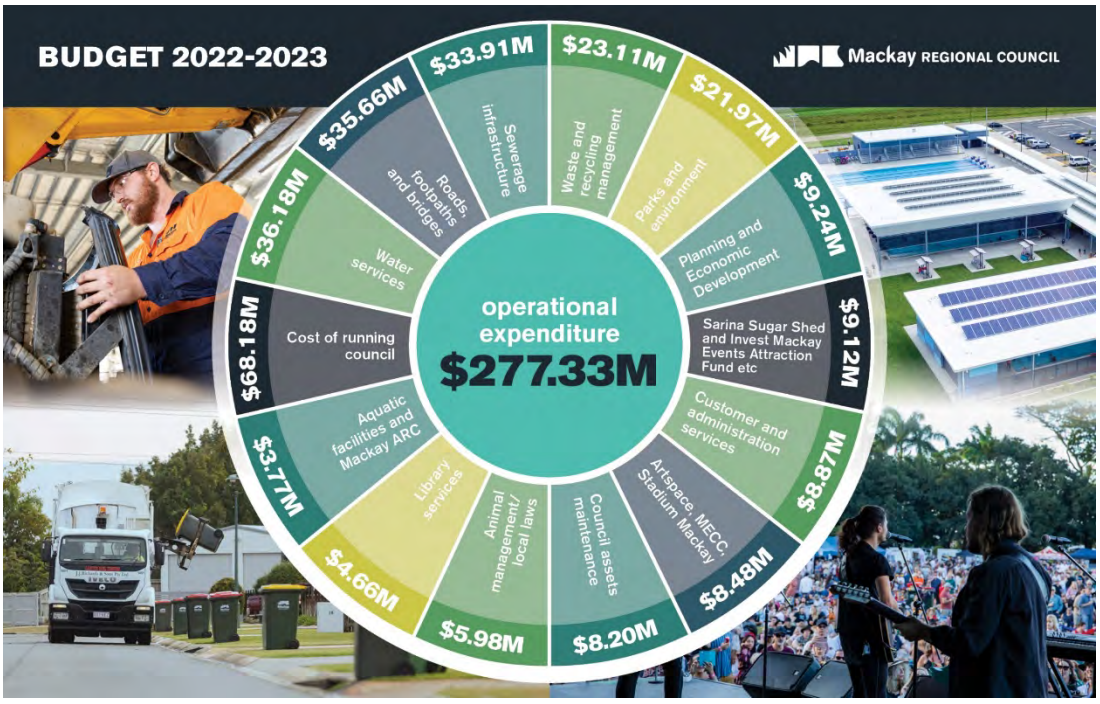
$277.3M Operational Expenditure
$104M Capital Works Projects
$1M Events and Conference Attraction Program
$0.7M Community Grants

2.5% Increase Fees & Charges

Capital Works Program

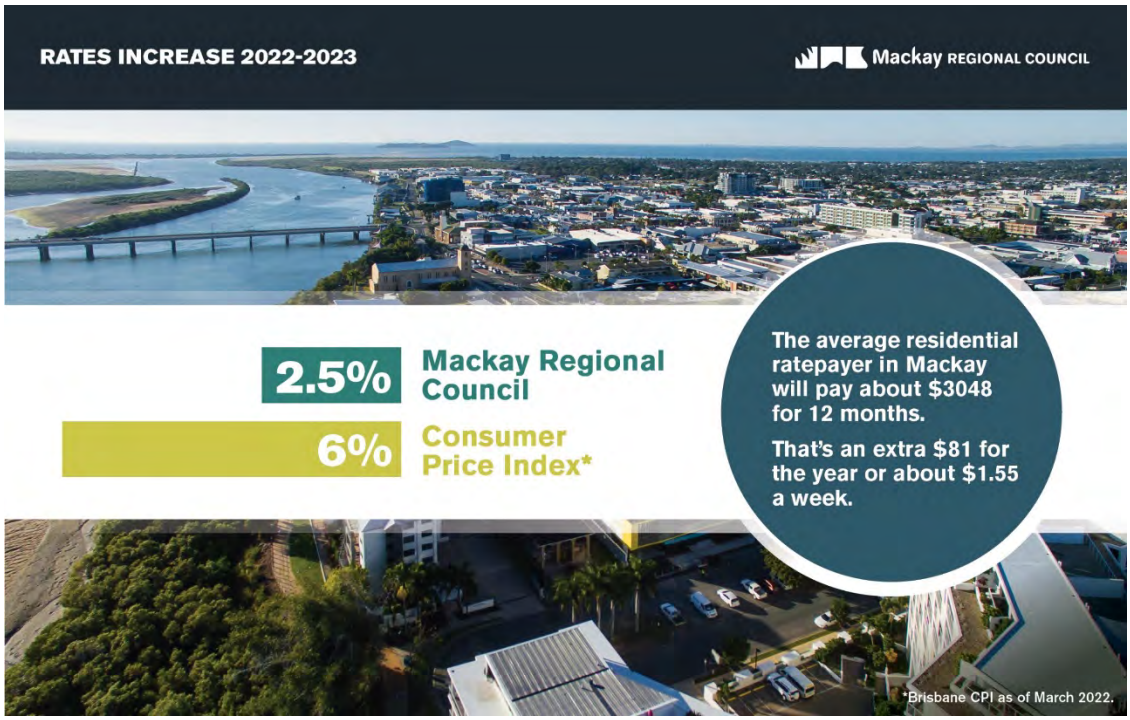
$6.2M River Street Service Road and Riverside Improvement for Mackay Waterfront
$5.1M Northern Beaches Community Hub
$3.8M Works for Queensland Seaforth Esplanade Masterplan Implementation
$2.1M Pioneer Valley Mountain Bike Project
$1.7M Works for Queensland Woodlands District Park

What Is It Spent On

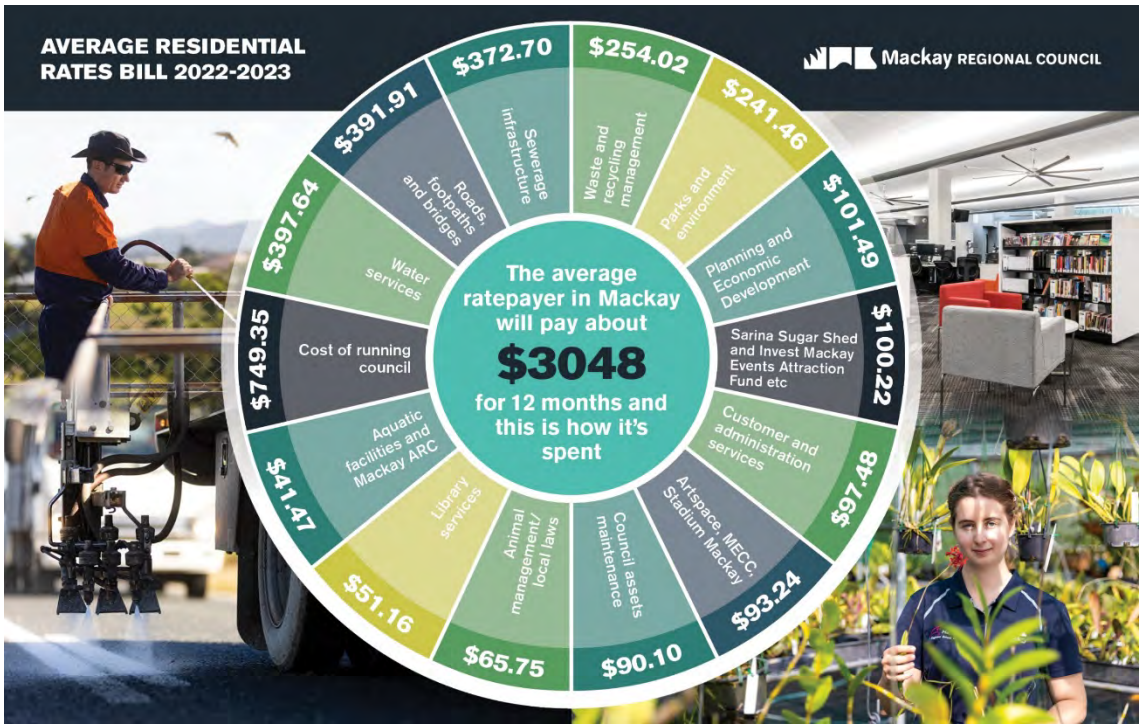


Capital Expenditure

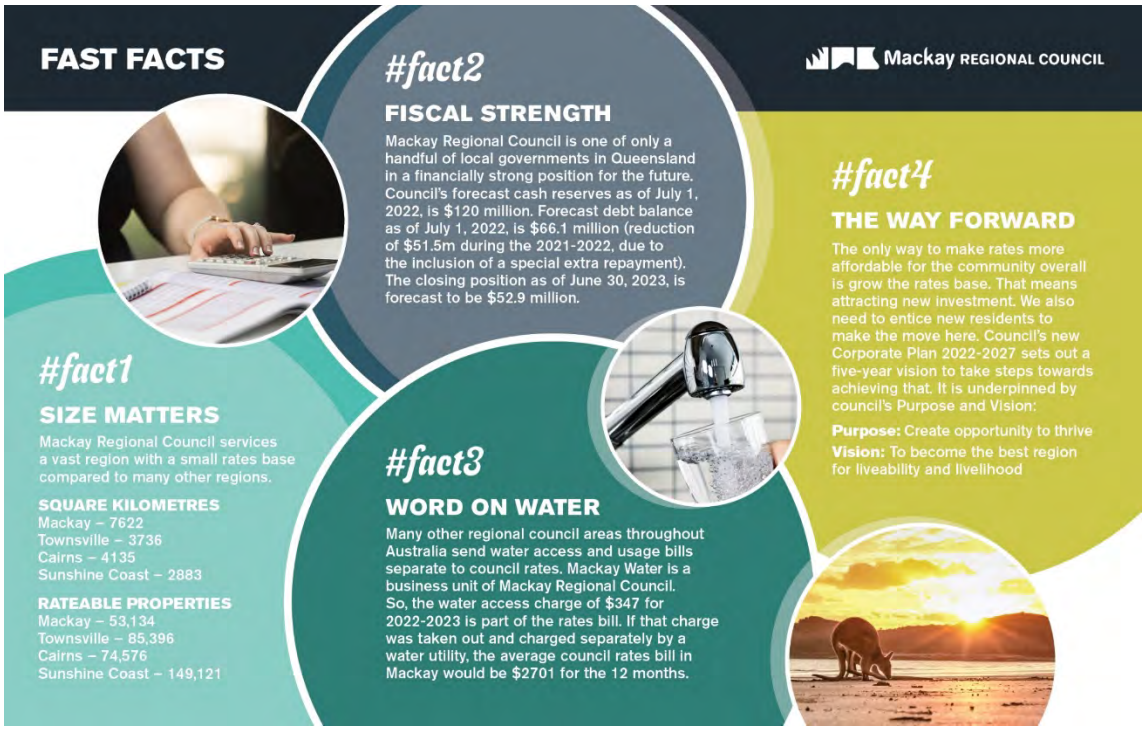
Rate Increase



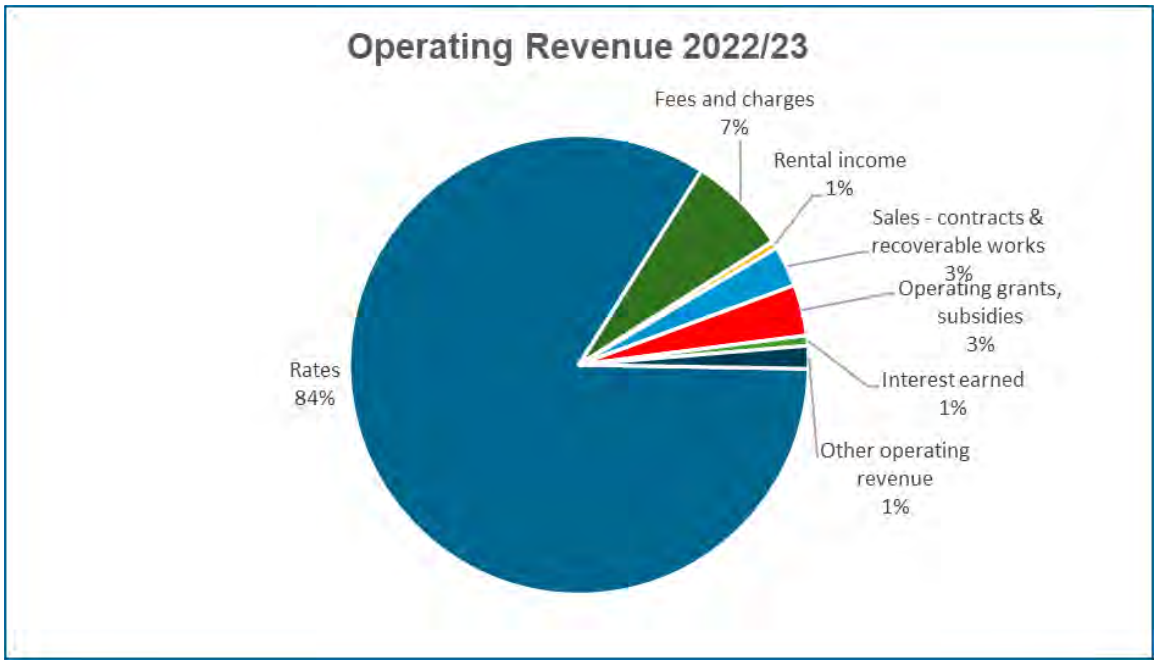
Average Residential Rates Bill 2022-2023



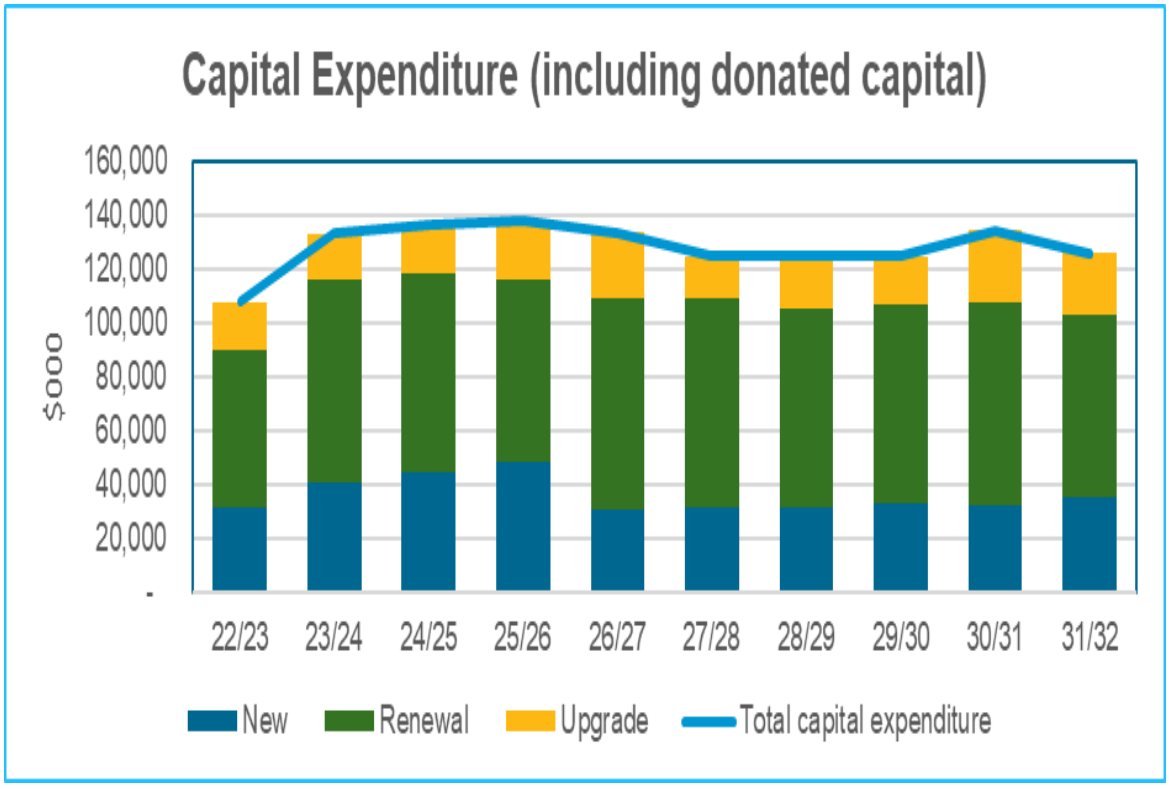
Fast Facts



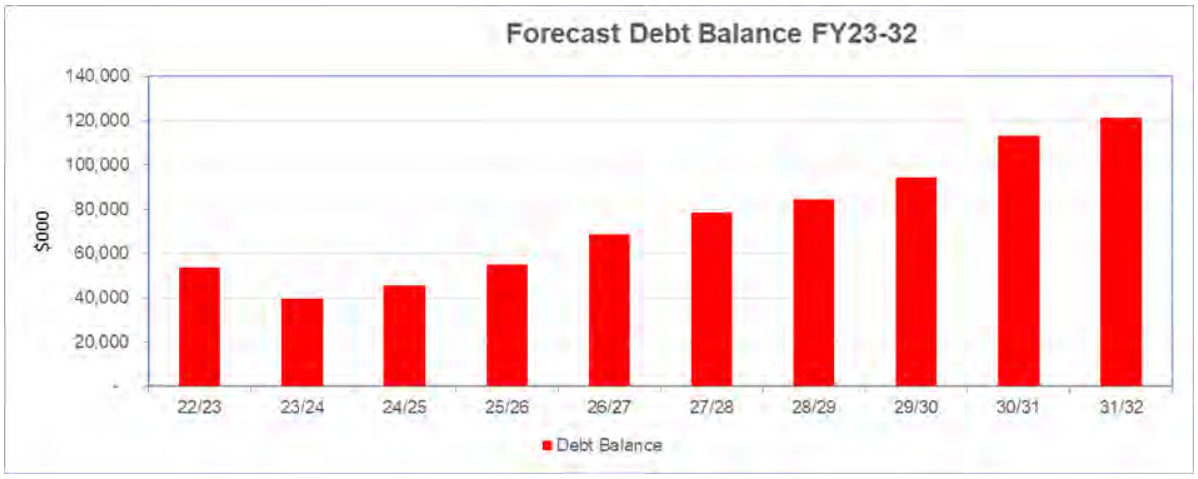
Operating Revenue 2022-2023



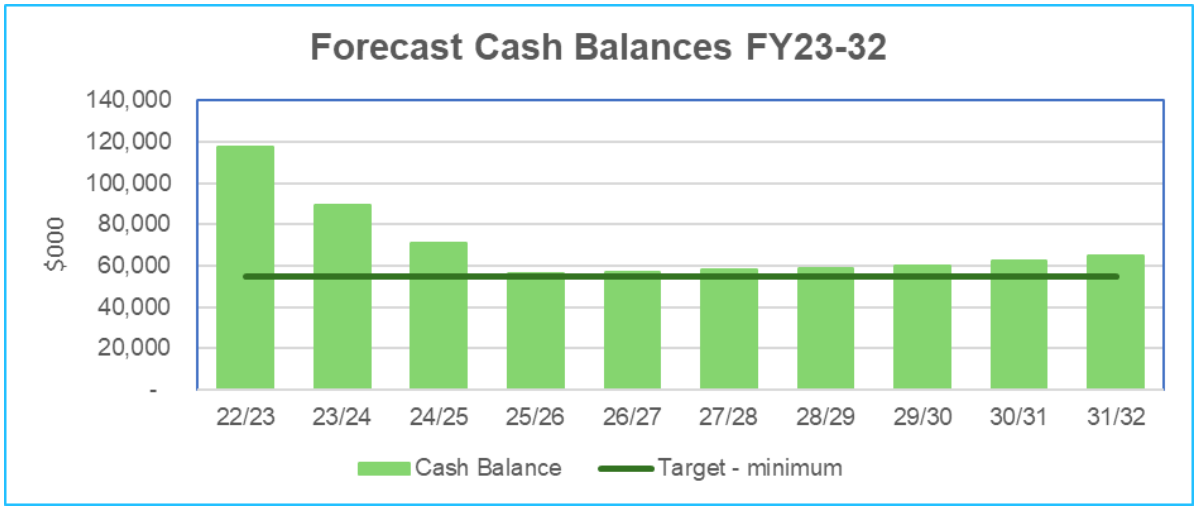
Capital Expenditure



Long Term Financial Forecast



- Continued reduction in debt levels - further $13.2M this budget
- Borrowings increase from 2024/25 as larger infrastructure required



- Cash balance levels exceed minimum target across the 10 years

Council Resolution ORD-2022-180

THAT Council adopt the budget for the 2022/23 financial year, as contained in the following attachments, pursuant to section 170A of the *Local Government Act 2009* and sections 169 and 170 of *the Local Government Regulation 2012*:

(a) Community Budget Report.
(b) Statement of Income & Expenses – Budget for the year ending 30 June 2023 and the next 2 years.
(c) Statement of Financial Position – Budget for the year ending 30 June 2023 and the next 2 years.
(d) Statement of Changes in Equity – Budget for the year ending 30 June 2023 and the next 2 years.
(e) Statement of Cash Flow - Budget for the year ending 30 June 2023 and the next 2 years.
(f) Key Financial Sustainability Metrics – Budget for the year ending 30 June 2023 and the next 2 years.

(g) Statement of Changes in Rates and Utility Charges for the period ending 30 June 2023.
(h) Statement of Income and Expenses – Business Units for the period ending 30 June 2023.
(i) Capital Works Program – Budget for the period ending 30 June 2023 and the next 2 years.

AND FURTHER THAT Council adopt the associated budget policies and documents as contained in the following attachments:

(a) Debt Policy; and
(b) Investment Policy.

Moved Cr Williamson **Seconded Cr Jones**

Cr Jones advised that she had great respect for the staff and their good financial management, noting that we must not forget our commitment to our long-term financial forecast, our responsibility to look past our four-year term to ensure we leave Council in a fit state for the next term of Council, and to ensure we are financially viable for future generations.

Cr May noted that given the recent turbulent times, this is a good, solid budget. Cr May advised that there has been a great deal of pressure on us as a community and as a Council to deliver services on time and on budget, and as we know from the discussions in relation to the preparation of this budget, this is becoming more and more challenging. Cr May noted that we are all experiencing pressure from inflation, but Council must ensure that our community is in a good place with regards liveability and sustainability. Cr May acknowledged that trying to predict what was going to happen in the future is certainly a challenge and thanked the Acting CEO, Directors, Finance staff and all the other departments who have had input into the budget. Cr May noted that the next 12 months will be challenging but the region has a bright future with fantastic projects in this budget delivering some of the biggest infrastructure projects that this Council has embarked on in many years.

CARRIED

Community Budget Report

Introduction

Mackay Regional Council (MRC), like many other businesses in the region, have had to respond to some unique and challenging economic condition in recent years. Last year, the COVID-19 pandemic caused state and international border closures, other factors within the macro local and international economies also impacted many businesses within the region. Cost pressures associated with capital projects, supply chain issues delaying delivery of key materials and labour shortages of both skilled and unskilled workers. This budget is framed around these emerging issues and extensive modelling has been carried out to ensure Mackay Regional Council has adequate revenue to fund current and future expenditure that meets the needs of the community now and into the future.

For the 2022/23 budget, a 2.5% overall increase in rates revenue has been implemented across all ratings categories. This is despite the headline Consumer Price Index (CPI) figure for March 2022 being 6.0%. Through prudent financial management and continued growth of the number of rateable properties across the Mackay Region, Council believes a modest rate rise of 2.5% will ensure that we remain financially sustainable into the future with no planned deterioration in current service levels. In a region where prices are rising rapidly, this change in rates, fees and charges supports the councils' ability to continue to deliver vital services and infrastructure projects along with maintaining its established network of roads, water, sewerage, parks and gardens. These assets make Mackay an enticing place to live for its residences.

Mackay Regional Council has a continued focus on growth and long-term sustainability and our 10-year Financial Forecast and associated capital project plan is underpinned by modest increases in rates each year, primarily at no more than inflation. The moderate increase in rates is aimed to finance increasing costs associated with maintaining the existing and growing asset base. While resources remain scarce, and labour shortages persist, costs of our project inputs will remain under financial pressure from competition for these resources. To maintain financial sustainability, the announced rate rise is required.

The long-term financial forecast indicates that Mackay Regional Councils' budget will remain in surplus in the 2022/23 year with nominal budget surpluses forecasted for every year of the long-term forecast model. Capital expenditure of approximately $1.3B over the forecasted 10-year period, which will be primarily funded by these operating surpluses along with grant funding from State and Commonwealth governments, capital contributions from new property developments. There will be the need for minimal debt funding to deliver this plan in its entirety. Through this sophisticated forward-looking model, it is unlikely that the Mackay Regional Council will require to borrow funds to support its capital program until the 2024/25 financial year. Included in the capital budget is significant provision for investment in the Mackay Waterfront Priority Development Area, the Mountain Bike project in the Pioneer Valley and the multiple stages of the Northern Beaches Community Hub project together with other key projects which will deliver exceptional benefits to the local community and enhance the liveability of the Mackay region.

Budget at a Glance

The 2022/23 budget has been developed to ensure long term financial sustainability for the Mackay Regional Council (MRC). The 2022/23 total budget is $302M, of which $104M will be spent on capital projects. Some significant highlights of the budget are:

- 2.5% increase in General Rates, well below inflation of 6%
- 2.5% increase in Fees & Charges, well below inflation of 6%
- Continuing commitment to ongoing community grants program of $0.7M, together with ~$1.0M for investment in event attraction and continued significant investment in rural roads maintenance
- Funding commitments to several critical shovel ready projects for the future
- $13.2M reduction in loans in line with contracted amortisation schedule with QTC
- Healthy cash balance forecasted at around $117.7M

Financial Statements

The following budgeted financial statements have been prepared in accordance with legislative requirements and reflect the budget for the 2022/23 financial year and the next two financial years. The following report also contains information on the Long-Term Financial Forecast (LTFF) and demonstrates MRC's ability to manage its challenges over the long term by maintaining strong liquidity, adequate debt servicing capacity and a reasonable level of financial flexibility.

Financial statements contained within this report include:

- **Statement of Income and Expenses** – presents Council's consolidated revenues (where the money comes from) and expenses (where the money is spent)
- **Statement of Financial Position** – identifies the predicted financial position of Council, including assets (what we own), liabilities (what we owe) and equity (our net worth)
- **Statement of Changes in Equity –** reports changes to equity (Council's assets net of liabilities)
- **Statement of Cash Flow** – reports how revenue received, and expenses paid impact Council's cash balances
- **Key Financial Sustainability Ratios –** key financial indicators that measure Council's financial performance.

Operating Result

This is a result of increasing revenue and decreasing operating expenses. Any operating surpluses achieved are used to fund capital expenditure or extinguish debt if economically viable.

Rates are planned to increase by 2.5% for the year 2022/23 and are then forecast to reduce to 2.0% for the remaining 9 years, future assessment of prevailing inflationary pressures will occur. Council's underlying principle is to keep rates changes at or below CPI.

Figure 1 – shows the forecast operating result over the next 10 years.

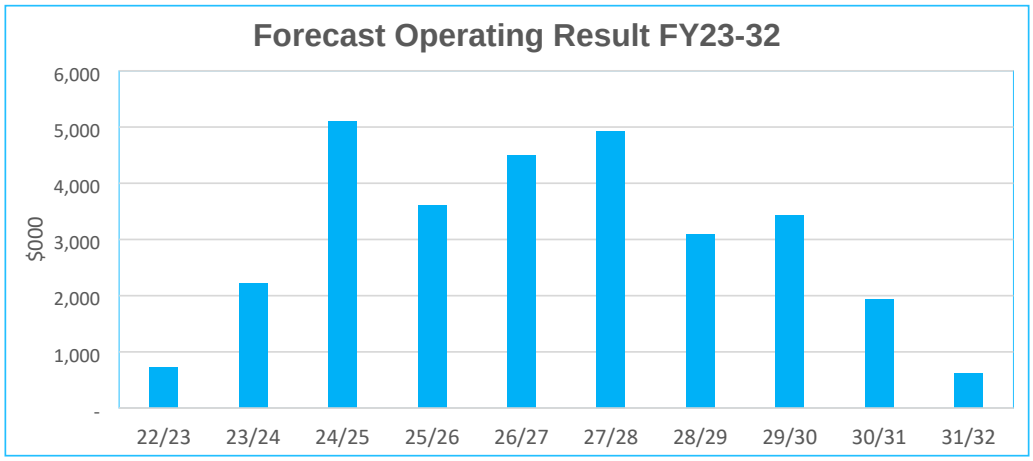


Figure 1 – Forecast Operating Result – 10 year projections

Operating Revenue – where our money comes from

Figure 2 – Operating Revenue, indicates that 84% of Council's operating revenue is generated from rates and around 7% is received from fees and charges. It is important to note that MRC does not rely heavily on funds from other tiers of government but actively seeks additional revenue from these other sources. MRC also maximises investment earnings to supplement its core sources of revenue by investing surplus cash with Australian Deposit taking institutions.

MRC's sources of revenue are shown below:

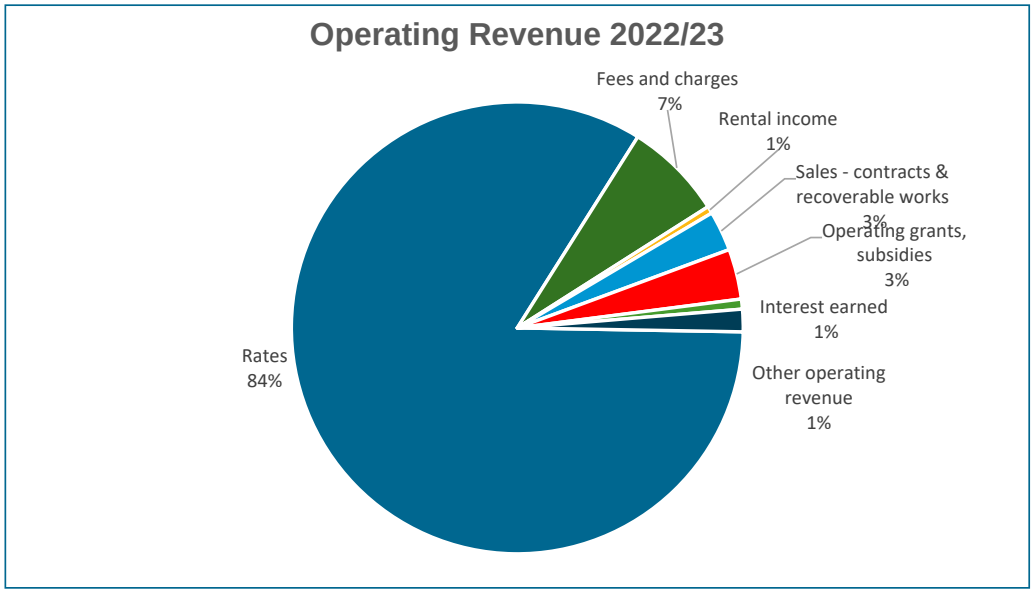


Figure 2 – Operating Revenue 2022/23

MRC's total operating revenue of $278.1M is forecasted to be received in 2022/23. This is primarily broken down by:

Net Rates $232.7M

The average residential ratepayer will see 2.5% increase in rates and charges, despite the current headline CPI figure of 6.0%.

Pensioner concessions and other remissions together with early payment discounts are forecasted at a cost to MRC of $21.6M. A 1.0% growth in properties (rateable) has been incorporated into the 2022/23 budget to reflect current economic conditions.

Full details of MRC's rates and charges are outlined in the Revenue Statement 2022/23.

Fees and Charges $19.6M

The major component of fees and charges revenue is approximately $8.1M of income, generated from waste disposal fees. Other components include, local laws compliance fees of $2.6 M, the Mackay Entertainment and Convention Centre (MECC) revenue of over $1.4M, through hire fees and other charges, and development & planning fees amounting to approximately $2.3M.

The majority of fees and charges for 2022/23 have been increased by 2.5%. The exception to this is where the fees are impacted by external organisations or legislation requirements. A small number of fees have shown a decrease.

Full details of Council's fees and charges are contained in the 2022/23 fees and charges schedule which is available on Council's website.

Rental Income $1.4M

A significant proportion of rental income is generated from Council owned properties. Mackay Regional Council maximises income from these assets to reduce the reliance on rates income from other ratepayers. MRC owns 3 commercial properties for strategic purposes that generate market comparable rental returns. These property holdings are reviewed regularly with no disposal of properties planned in the near future.

Interest Earned on Investments $2.0M

Mackay Regional Council maximises interest returns on cash holdings by investing surplus cash requirements at the most optimal rate possible for the shortest possible term (not exceeding twelve months). More detail can be found in Mackay Regional Council's Investment Policy. Councils' cash holdings allow for the investment of funds while maintaining purchasing power; ensuring sufficient cash is available as and when required. Council scans the investment market regularly to capitalise on the current market opportunities. It is expected

that investment returns will reduce over the forecasted period as cash is utilised to fund capital expenditure.

Sales – Contract and Recoverable Works $7.9M

The majority of this revenue relates to work done for the Department of Transport and Main Roads in maintaining their assets.

Other operating revenue $4.5M

Ticket sales and catering revenue at the Mackay Entertainment and Convention Centre (MECC) along with the Mackay Stadium account for approximately $2.5M in revenue, with the remainder of revenue sourced through sales from the Sugar Shed, commissions and other revenue.

Operating Grants and Subsidies $10.0M

The major sources of grant and subsidies funding for Mackay Regional Council in 2022/23 is the general-purpose Financial Assistance Grant (FAGs) which amounts to approximately $5.0M, Works for Queensland operational grants of $2.0M, State library grant $0.6M, Queensland Reconstruction Authority $0.2M, Department of Communities, Disability Services & Seniors $0.1M.

In addition to operating revenue, Council receives capital contributions from local property developments and specific capital grants from both State and Federal Governments. Capital revenue from these sources is anticipated to be a further $36.5M in 2022/23.

Operating Expenses – where our money is spent

Operating expenses are split into four main categories, as shown in Figure 3. Materials and services together with employee costs constitute 69% of MRC's forecasted operational expenditure for 2022/23. Another significant operating expense is depreciation which makes up 29% of Council's expenses.

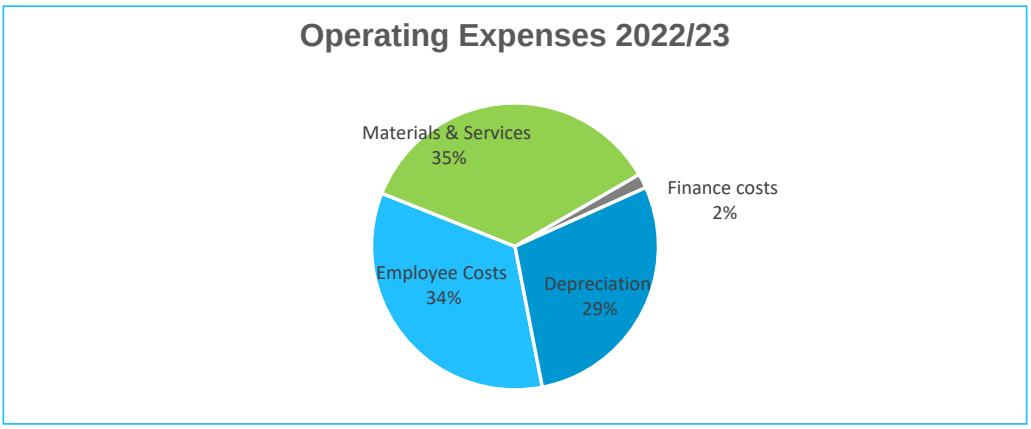


Figure 3 – Operating Expenses 2022/23

Total operating expenses are forecast to be $277.3M for 2022/23 and are made up of the following:

Employee Costs $94.6M

Employee costs of $94.6M represent the operational employee costs for the organisation, with an additional $15.5M of costs being charged directly to capital. Employee costs include all employee related expenditure including items such as allowances, superannuation and leave entitlements. Mackay Regional Council maintains a large workforce to provide an extensive range of services to the community including maintenance of our roads, water & sewerage networks, and town planning, community, sport, and cultural services.

Materials and Services $98.7M

The major expenses categories for material and services are contract expenses $21.4M, relating to waste disposal and collection of approximately $9.9M, external contractors for maintenance of roads and parks amount to $6.6M and property maintenance of $3.4M. Consultant costs are budgeted at approximately $16.3M. Electricity, fuel and insurance amount to a total of $17.8M. External equipment hire is budgeted at approximately $5.0M and repairs and maintenance expenditure are budgeted at approximately $18.8M.

Mackay Regional Council's Procurement Policy is underpinned by the principle of supporting local business. This leads to significant investment in the regional economy.

Finance Costs $4.5M

The budgeted finance costs are primarily made up of interest and fees ($3.7M) for loans the council holds with Queensland Treasury Corporation (QTC). No new borrowings in previous years and the bulk reduction of debt that occurred in the 2021/22 financial year sees this amount reduce. A further reduction in the QTC debt balance of around $13.2M is forecasted for 2022/23 in line with contracted amortisation schedule through the loan contract. The remaining finance costs are made up of bank and merchant fees of $0.5M and provision unwinding costs of $0.3M.

Depreciation $79.5M

Depreciation represents the decline in value of assets. This expenditure can be impacted by age, condition and disposal of existing assets, along with the purchase and construction of new assets.

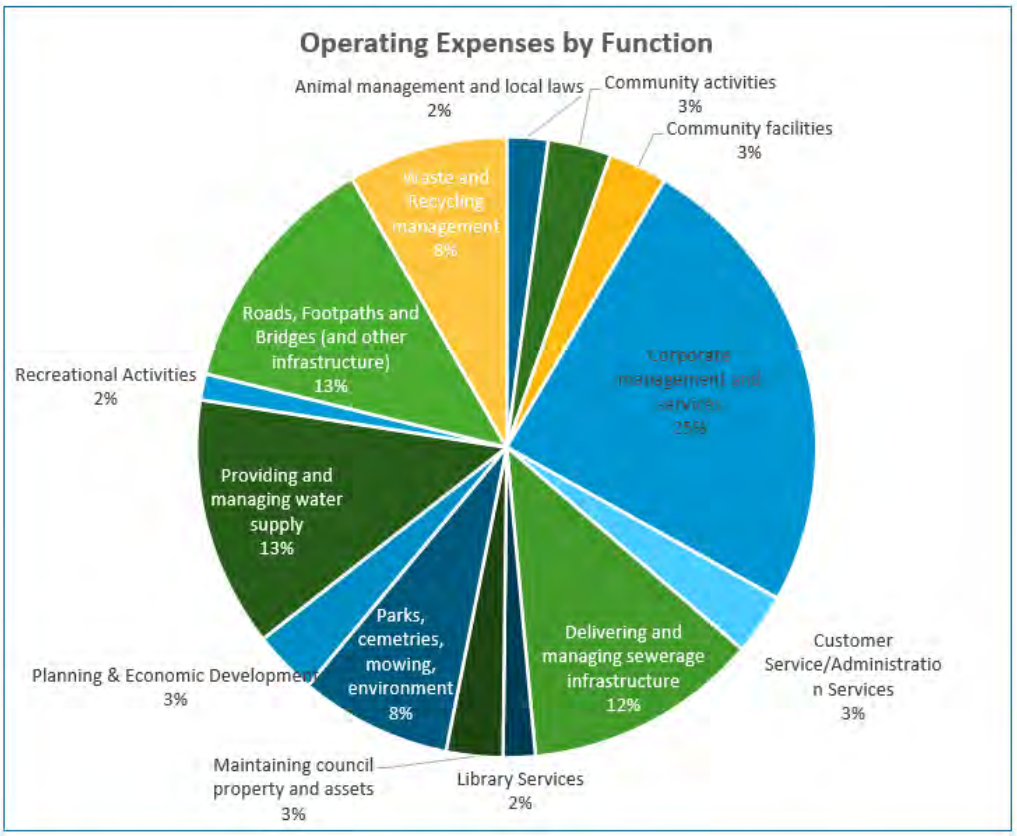


Figure 4 – Expenditure by Function

The level of MRC's expenditure is monitored continually throughout the year. Detailed estimates are prepared at the beginning of each financial year and performance is measured against these estimates through regular budget reviews, ensuring funds are utilised as efficiently and efficiently, as possible.

Capital Works Program

Mackay Regional Council manages a very diverse range of infrastructure assets with a value more than $3.5B. These assets cover categories such as land, buildings, plant & equipment, roads, drainage & bridge works, water, sewerage and waste. The Council is responsible for the construction, upgrade and renewal of these assets through its capital works program. Mackay Regional Council forecasts to spend $104.0M on capital projects (excluding donated capital) during this financial year. The Council is also expecting to receive ~$4.0M in donated assets from developers during this financial year.

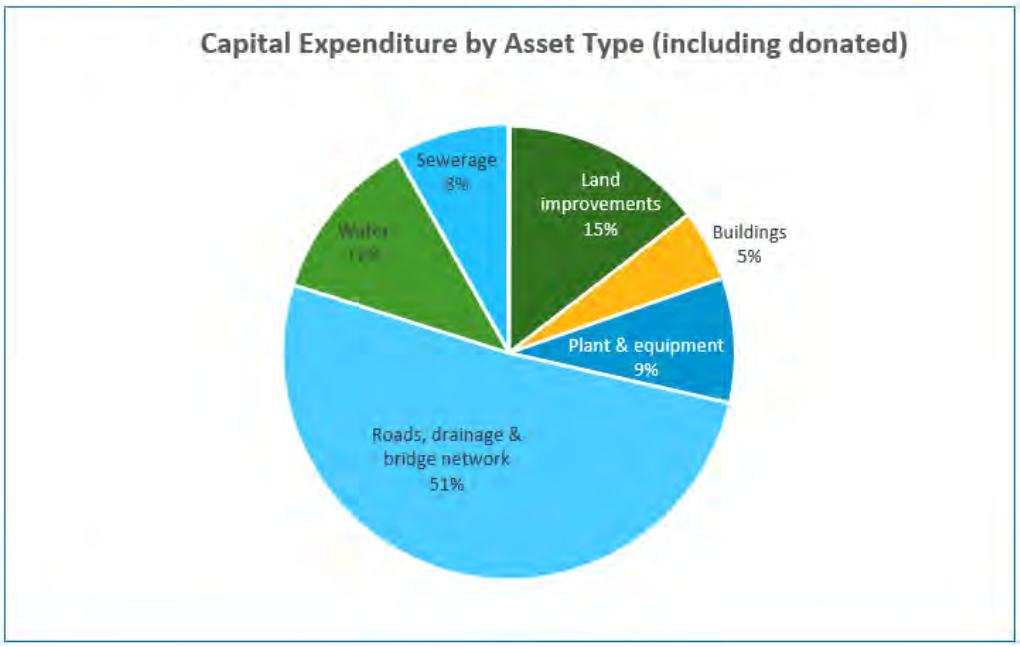


Figure 5 –Capital Expenditure by Asset type (including donated)

The amount of capital expenditure for 2022/23 allows Council to address its high priority needs without the need for additional borrowings. Mackay Regional Council has budgeted to spend $58.5M on renewing our existing assets, $18.0M on upgrades and $27.5M on new assets.

Investment in high priority areas include:

- $2.1M towards the design activities associated with the Mountain Biking strategy
- $5.1M to continue the development of the Northern Beaches Community Hub master planning and design with the start of construction of stage 1 this year
- $8.0M to continue the construction for the Mackay Waterfront Priority Development Area – Waterfront area including the River Street service road
- $11.8M towards trunk drainage projects
- $6.7M renewing our existing fleet assets
- $8.4M on pavement improvement projects for shoulder widening and road rehabilitation

Included is approximately $3.8M worth of projects associated with the Works for Queensland program and $3.2M from the Federal Government for the Local Roads and Community Infrastructure Program.

The 2022/23 budget includes the adoption of a 10-year forecasted capital works program. This represents an investment of almost $1.3B in community infrastructure assets, establishing a platform for regional growth and providing an economic stimulus to local economic activity.

The ten-year capital program takes into account projected regional growth and building new assets to support that growth, improving capacity of existing assets to support density changes, as well as renewal of the ageing critical assets of the Region.

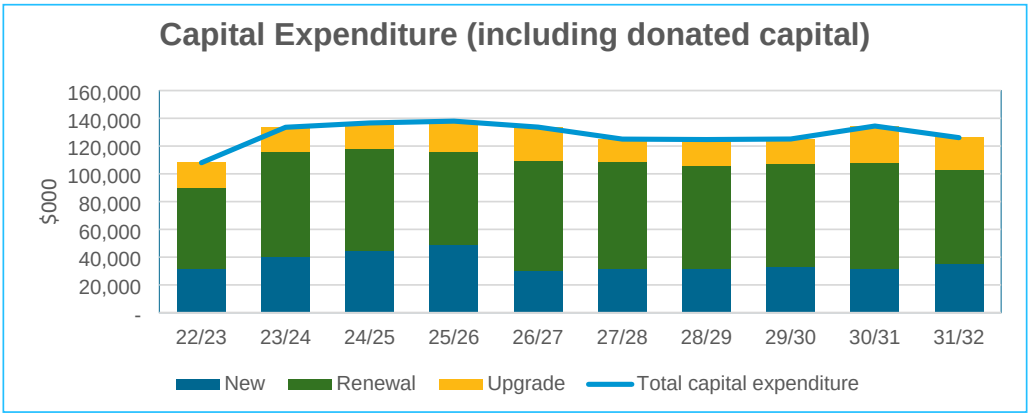


Figure 6 – 10 year Indicative Capital Works Program Expenditure

Statement of Financial Position

The statement of financial position measures what Mackay Regional Council owns and owes to relevant stakeholders. The result of these two components determines the net worth of our community.

Our community's net worth (what we own less what we owe) is forecast to be approximately $3.5B at the end of 2022/23.

Cash

Council invests surplus funds throughout the year in low risk, short term investments in accordance with Council's investment policy and regulatory guidelines. Mackay Regional Council's short and long-term cash flows indicate that sufficient cash is available to meet recurring activities and capital expenditure. The cash position at the end of the ten-year period is sufficient to operate and allow for $1.3B of capital spend in that period. The capital projects in the latter half of the forecast period require a more detailed analysis and scoping prior to delivery.

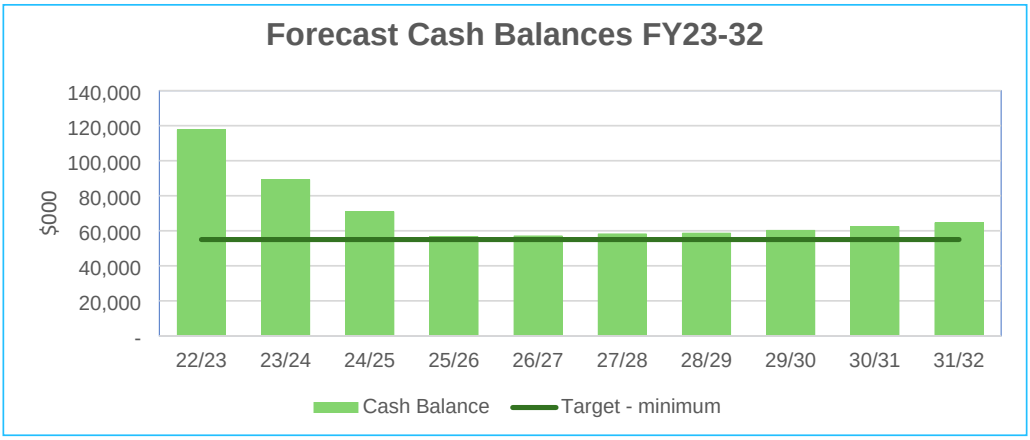


Figure 7 – Forecast Cash Balance

Debt

Borrowing for long term assets is an effective way of spreading the cost of community infrastructure over the life of the assets in such a way that those deriving a benefit from the investment pay for it as it is being used.

With no new borrowings forecast in the 2022/23 financial year, Council's debt continues to reduce by $13.2M. Over the last 5 years, Council's debt has reduced by $93.5M (including a bulk reduction of $36.6M in the 2021/22 financial year) and continues to reduce over the short term in line with scheduled repayments.

Figure 8 – Forecast Debt Balance

In summary, over the life of the forecast period, MRC maintains strong liquidity and adequate debt servicing capacity resulting in adequate level of financial flexibility.

Key Financial Sustainability Ratios

The following ratios provide an indication of the performance of MRC against key financial sustainability measures. Maintaining ratios against benchmarks indicate prudent management of financial risks in accordance with section 169(5) of *Local Government Regulation 2012*. MRC's prime ratios have been calculated for the ten-year period and can be found below. The benchmarks used for prescribed ratios, align with the Department of Infrastructure, Local Government, State Development and Planning (DILGSDP) guidelines.

Ratio	Description	Formula	Benchmark
Operating Surplus	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes	Net Operating Surplus / Total Operating Revenue	**0 - 10%**

Result:

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
0%	1%	2%	1%	1%	2%	1%	1%	1%	0%

Comments:

MRC is forecasting operating surpluses for the entire forecast period. Operating surpluses are available for capital funding or other purposes.

Ratio	Description	Formula	Benchmark
Net Financial Liabilities	This is an indicator of the extent to which the net financial liabilities of council can be serviced by its operating revenues	Total Liabilities less Current Assets / Total Operating Revenue	**< 60%**

Result:

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
5%	9%	15%	20%	23%	23%	22%	22%	25%	26%

Comments:

MRC net financial liabilities ratio is within acceptable limits for the life of the 10 year plan, indicating that MRC has the capacity to fund liabilities and a capacity to increase loan borrowings if required. MRC has made a concerted effort to reduce debt and borrowings in the short term, whilst increasing borrowings as required to fund critical infrastructure.

Ratio	Description	Formula	Benchmark
Asset Sustainability	This is an approximation of the extent to which the infrastructure assets managed by council are being replaced as these reach the end of their useful lives	Capital expenditure on renewals / Depreciation expense	**> 90%**

Result:

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
75%	95%	90%	82%	96%	94%	88%	86%	87%	76%

Comments:

The above measure is calculated based on the planned capital expenditure on the renewal of assets included in Council's Long Term Financial Forecast. MRC is forecasting a sustainable asset replacement and renewal program for the forecast period. Continual refinement of MRC's asset management plans will only improve MRC's ability to make informed decisions regarding asset management into the future.

MACKAY REGIONAL COUNCIL
STATEMENT OF INCOME AND EXPENSES
For the year ending 30 June 2023
(including next two financial years)

	Budget	Forward Estimate	
	2022/23 $000	2023/24 $000	2024/25 $000
Operating revenue			
Rates and charges	254,280	262,144	269,497
Discounts	(19,169)	(19,787)	(20,332)
Remissions	(2,428)	(2,500)	(2,569)
Net Rates and charges	232,683	239,857	246,596
Fees and charges	19,555	20,142	20,706
Rental income	1,436	1,479	1,520
Sales - contracts and recoverable works	7,948	8,186	8,415
Grants and subsidies	9,980	8,371	8,604
Interest earned	1,992	3,615	5,338
Other operating revenue	4,462	4,595	4,724
Total operating revenue	**$ 278,056**	**$ 286,245**	**$ 295,903**
Operating expenses			
Employee costs	94,563	97,157	99,823
Materials and services	98,742	102,268	105,223
Finance costs	4,520	3,626	2,747
Depreciation	79,502	80,982	83,008
Total operating expenses	**277,327**	**$ 284,033**	**$ 290,801**
Operating result	**$ 729**	**$ 2,212**	**$ 5,102**
Capital revenue			
Grants and subsidies	30,012	28,146	22,045
Contributions from developers	6,500	5,000	4,000
Donated assets	4,000	4,000	4,000
Other capital income	-	-	-
Total capital revenue	**40,512**	**$ 37,146**	**$ 30,045**
Capital expenses			
Loss on disposal or sale of assets	740	863	803
Revaluation decrement and loss on impairment	-	-	-
Other capital expenses	2,000	2,000	2,000
Total capital expenses	**2,740**	**$ 2,863**	**$ 2,803**
Net result	**$ 38,501**	**$ 36,495**	**$ 32,344**

MACKAY REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
For the year ending 30 June 2023
(including next two financial years)

	Budget	Forward Estimate	
	2022/23	2023/24	2024/25
	$000	$000	$000
Current assets			
Cash, cash equivalents and investments	117,698	89,159	70,873
Trade and other receivables	20,421	20,850	21,494
Contract Assets	3,500	3,500	3,500
Other assets	2,710	2,710	2,710
Inventories	2,745	2,745	2,745
Non-current assets held for sale	79	79	79
Total current assets	**$ 147,153**	**$ 119,043**	**$ 101,401**
Non-Current Assets			
Investments	5,102	5,102	5,102
Trade and other receivables	-	-	-
Property, plant and equipment	3,471,822	3,522,475	3,574,648
Intangible assets	4,202	3,200	2,098
Right of use assets	741	689	637
Total non-current assets	**$ 3,481,867**	**$ 3,531,466**	**$ 3,582,485**
Total assets	**$ 3,629,020**	**$ 3,650,509**	**$ 3,683,886**
Current liabilities			
Contract liabilities	3,500	3,500	3,500
Lease liabilities	25	25	25
Trade and other payables	10,002	10,313	10,636
Borrowings	14,049	10,944	8,093
Provisions	62,458	61,231	55,922
Other liabilities	12,654	12,654	12,654
Total current liabilities	**$ 102,688**	**$ 98,667**	**$ 90,830**
Non-current liabilities			
Lease liabilities	750	709	669
Trade and other payables	38,848	27,904	36,813
Borrowings	16,746	16,746	16,746
Provisions	1,163	1,163	1,163
Total non-current liabilities	**$ 57,507**	**$ 46,522**	**$ 55,391**
Total liabilities	**$ 160,195**	**$ 145,189**	**$ 146,221**
Net community assets	**$ 3,468,825**	**$ 3,505,320**	**$ 3,537,665**
Community equity			
Retained surplus	2,299,637	2,336,132	2,368,477
Asset revaluation reserve	1,169,188	1,169,188	1,169,188
Total community assets	**$ 3,468,825**	**$ 3,505,320**	**$ 3,537,665**

MACKAY REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
For the year 30 June 2023
(including next two financial years)

	Budget	Forward Estimate	
	2022/23	2023/24	2024/25
	$000	$000	$000
Retained Surplus			
Opening balance	2,261,136	2,299,637	2,336,132
Net result for the period	38,501	36,495	32,345
Transfers to/(from) capital and reserves	-	-	-
Closing balance	**$ 2,299,637**	**$ 2,336,132**	**$ 2,368,477**
Asset Revaluation Reserve			
Opening balance	1,169,188	1,169,188	1,169,188
Asset revaluation adjustments	-	-	-
Closing balance	**$ 1,169,188**	**$ 1,169,188**	**$ 1,169,188**
Total			
Opening balance	3,430,324	3,468,825	3,505,320
Net result for the period	38,501	36,495	32,345
Asset revaluation adjustments	-	-	-
Transfers to/(from) capital and reserves	-	-	-
TOTAL COMMUNITY EQUITY	**$ 3,468,825**	**$ 3,505,320**	**$ 3,537,665**

MACKAY REGIONAL COUNCIL
STATEMENT OF CASH FLOW
For the year ending 30 June 2023
(including next two financial years)

	Budget 2022/23 $000	Forward Estimate 2023/24 $000	Forward Estimate 2024/25 $000
Cash flows from operating activities:			
Receipts from customers	265,823	273,711	281,337
Adjustment	(195,026)	(201,210)	(210,922)
Payments to suppliers and employees	$ 70,797	$ 72,501	$ 70,415
Interest received	1,992	3,615	5,338
Non capital grants and contributions	9,981	8,492	8,585
Borrowing Costs	(3,640)	(2,759)	(1,857)
Net cash inflow (outflow) from operating activities	**$ 79,130**	**$ 81,849**	**$ 82,481**
Cash flow from investing activities:			
Payments for property, plant and equipment	(103,996)	(129,535)	(132,646)
Payments for intangible assets	-	-	-
Net movement in loans and advances	-	-	-
Proceeds from sale of property plant and equipment	1,257	2,091	1,817
Grants, subsidies, contributions and donations	36,512	33,146	26,045
Other investing activities	(2,000)	(2,000)	(2,000)
Net cash inflow (outflow) from investing activities	**$ (68,227)**	**$ (96,298)**	**$ (106,784)**
Cash flow from financing activities:			
Proceeds from borrowings	-	-	17,000
Repayment of borrowings	(13,168)	(14,049)	(10,942)
Principal lease repayments	(41)	(41)	(41)
Net cash inflow (outflow) from financing activities	**$ (13,209)**	**$ (14,090)**	**$ 6,017**
Net increase (decrease) in cash held	**$ (2,306)**	**$ (28,539)**	**$ (18,286)**
Cash at beginning of reporting period	120,004	117,698	89,159
Cash at end of reporting period	**$ 117,698**	**$ 89,159**	**$ 70,873**

MACKAY REGIONAL COUNCIL
KEY FINANCIAL SUSTAINABILITY METRICS
For the year ending 30 June 2023
(including next two financial years)

	Target	Budget 2022/23 $	Forward Estimate 2023/24 $	Forward Estimate 2024/25 $
Operating surplus ratio *Operating result (excluding capital items) as a percentage of operating revenue*	0% - 10%	0.3%	0.8%	1.7%
Current ratio *Current assets / current liabilities*	Between 1 and 4	1.4	1.2	1.1
Interest coverage ratio *Net interest expense / operating revenue*	0% - 5%	0.9%	0.0%	-0.9%
Net financial liabilities ratio *(Total liabilities - current assets) / total operating revenue (excluding capital items)*	< 60%	4.7%	9.1%	15.1%
Asset sustainability ratio *Capital expenditure on renewals / depreciation expense*	> 90%	74.6%	94.8%	90.1%
Capital expenditure ratio *Capital expenditure / depreciation*	> 1.1 times	1.4	1.7	1.7

MACKAY REGIONAL COUNCIL
CHANGES IN RATES AND CHARGES
For the year ending 30 June 2023

	Original Budget 2021/22 $000	Amended Budget 2021/22 $000	Budget 2022/23 $000	%Change to Original Budget %	%Change to Amended Budget %
Rates and charges					
General rates	122,548	122,548	126,247	3.0%	3.0%
Special rates and charges	3,735	3,735	3,808	1.9%	1.9%
Water consumption and charges	45,115	45,115	46,772	3.7%	3.7%
Sewerage charges	51,869	51,869	53,671	3.5%	3.5%
Garbage charges	22,958	22,958	23,782	3.6%	3.6%
Gross rates and charges	**$ 246,226**	**$ 246,226**	**$ 254,280**	**3.3%**	**3.3%**
Less: discounts and pensions and other remissions	(20,950)	(20,950)	(21,597)	3.1%	3.1%
Net rates, levies and charges	**$ 225,276**	**$ 225,276**	**$ 232,683**	**3.3%**	**3.3%**

**Increase includes growth in rateable assessments*

MACKAY REGIONAL COUNCIL
STATEMENT OF INCOME AND EXPENSES
BUSINESS UNITS
For the year ending 30 June 2023

	Water & Sewerage 2022/23 $000	Waste Services 2022/23 $000
Operating revenue		
Rates and charges	100,444	23,782
Discounts	(6,723)	(1,329)
Remissions	(228)	(40)
Net rates and charges	93,493	22,413
Fees and charges	4,207	7,525
Rental income	235	-
Sales - contracts and recoverable works	1,491	-
Grants and subsidies	-	-
Interest earned	1,039	353
Other operating revenue	-	652
Community service obligations	205	36
Total operating revenue	**$ 100,670**	**$ 30,979**
Operating expenses		
Employee costs	14,102	1,535
Materials and services	18,435	15,794
Competitive neutrality costs	8,261	2,095
Internal transfers - expenses	2,201	541
Internal transfers - revenue	(2,412)	(68)
Total direct costs	**$ 40,587**	**$ 19,897**
Earnings before depreciation, interest, dividend and tax	**$ 60,083**	**$ 11,082**
Depreciation	28,417	816
Earnings before interest, dividend and tax	**$ 31,666**	**$ 10,266**
Finance costs	1,459	2,435
Earnings before dividend and tax	**$ 30,207**	**$ 7,831**
Dividend and tax equivalents	25,266	4,887
Operating result after dividend and tax	**$ 4,941**	**$ 2,944**

MACKAY REGIONAL COUNCIL
CAPITAL WORKS PROGRAM
For the year ending 30 June 2023
(including next two financial years)

	Budget	Forward Estimate	
	2022/23	2023/24	2024/25
	$000	$000	$000
Buildings and Facilities	**5,508**	**21,589**	**28,428**
Renewal	1,520	12,131	7,594
Upgrade	291	5,212	535
New	3,697	4,247	20,299
Parks, Gardens, Coastal & Foreshores, Waste	**15,628**	**23,566**	**19,032**
Renewal	3,219	3,646	3,934
Upgrade	4,631	1,803	3,379
New	7,778	18,118	11,718
Land	**80**	**1,168**	**-**
Renewal	-	-	-
Upgrade	-	-	-
New	80	1,168	-
Plant & Equipment	**9,621**	**8,490**	**7,470**
Renewal	8,175	8,145	7,222
Upgrade	385	31	19
New	1,060	314	229
Roads, Drainage & Network	**53,427**	**52,113**	**48,482**
Renewal	29,310	31,191	34,377
Upgrade	11,029	9,097	9,135
New	13,088	11,825	4,970
Sewerage	**7,847**	**8,197**	**10,745**
Renewal	5,730	7,169	7,389
Upgrade	1,243	604	2,376
New	874	425	980
Water	**11,886**	**14,412**	**18,490**
Renewal	10,559	13,362	13,208
Upgrade	448	696	2,863
New	879	355	2,420
	$ 103,996	**$ 129,535**	**$ 132,646**

COUNCIL POLICY

DEBT POLICY

Program: Financial Services
Date of Adoption: 22 June 2022
Resolution Number:
Review Date: 22 June 2023

Scope

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

Objective

To ensure that appropriate forward financial planning is undertaken, and the level of Council debt is within acceptable limits to Council, its ratepayers and other interested external parties

Policy Statement

Council recognises that loan borrowings for capital works are an important funding source for local government and that the full cost of infrastructure should not be borne entirely by present-day ratepayers but be contributed to by future ratepayers who will also benefit.

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This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

DEBT POLICY

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COUNCIL POLICY

DEBT POLICY

1.0 Principles

Council recognises that loan borrowings for capital works are an important funding source for local government and that the full cost of infrastructure should not be borne entirely by present-day ratepayers but be contributed to by future ratepayers who will also benefit. Whilst recognising the importance of loan borrowings, Council should not treat loans as a source of income.

Council will maintain a Long-Term Financial Forecast (LTFF) to demonstrate its long-term financial viability and ability to service loan repayments.

This forecast includes future revenue and expenditure levels including loan borrowing and servicing costs. This forecast will be reviewed annually during the budget process to ensure MRC remains financially viable in the long term.

New borrowings will only be made to fund capital expenditure, for a period less than or equal to the estimated useful life of the asset(s) and not exceeding 20 years.

New borrowings will be undertaken in accordance with the Queensland Treasury Corporation Guidelines, the *Statutory Bodies Financial Arrangements Act 1982* and section 192 of the Regulation.

1.1 Purpose of the Borrowings

Loan funds can be raised to finance a range of infrastructure assets over the maximum time frames stated. MRC will not utilise loan funding to finance operating activities or recurrent expenditure.

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 funding for these capital works, which creates an asset for Council and / or the community, can then be repaid over the years relating to the life of the asset, where appropriate.

Council recognises that infrastructure demands placed upon MRC can often only be met through borrowings but will always be mindful of the additional cost incurred by the community when assets are acquired through borrowings, which increases the cost of providing capital infrastructure. MRC may meet long term debt requirements by first using any surplus cash and investments currently available (even if these are surplus only for a short time) before undertaking new borrowing. This is the case even if existing funds only defers the need to borrow for a short period of time.

MRC undertakes a full analysis of all funding options in preparing its LTFF, including a forward program of capital works to determine loan funding requirements. MRC will maintain close scrutiny of its level of debt to ensure its relevant financial sustainability indicators will not exceed the maximum limits recommended by QTC.

Where capital expenditure is deferred from one year to the next, the drawdown of approved loan funds will be reviewed to minimise interest expenses.

1.2 Repayment Term

Unless otherwise noted, the repayment term of new borrowings is projected at 20 years, noting that market conditions and any other principles agreed to with QTC may change over time.

The loan portfolio of MRC is mainly with QTC via their fixed rate loan product.

A fixed rate loan is a loan where the interest rate does not fluctuate for the term of the fixed period. A fixed rate loan provides rate certainty; however, an early repayment adjustment applies for any unscheduled repayments.

The amount required to extinguish a fixed rate loan at any point in time is the market value of the loan. The market value reflects the remaining cash flows required to repay the debt, valued at the current market rates of interest.

An early repayment adjustment reflects the difference between the loan balance and the market value of a fixed rate loan. The adjustment can be a loss or a gain depending on whether market rates for the remaining term are lower or higher than the original fixed rate.

MRC intends maintaining principal and interest repayment schedules consistent with the fixed rate terms of individual loans so that exposure to early repayment adjustment losses are minimised. However, in circumstances where the early repayment adjustment will result in a gain to Council, consideration will be given to early repayment of the relevant loan facilities, subject to evaluation of Council's financial position at the time.

The repayment term of existing loans varies between 2 and 11 years.

Details of outstanding loans will be reported annually in MRC's Financial Statements and Annual Report.

Council will raise all external borrowings at the most competitive rates available and from sources available as defined by legislation.

1.3 Proposed New Borrowings

New borrowings planned for the 2022/23 and the subsequent nine years are as follows:

Year and Purpose of Borrowing	Amount $'000
2022/23	Nil
2023/24	Nil
2024/25 – new and upgrade infrastructure assets	$17,000
2025/26 – new and upgrade infrastructure assets	$17,600
2026/27 – new and upgrade infrastructure assets	$20,000
2027/28 – new and upgrade infrastructure assets	$17,000
2028/29 – new and upgrade infrastructure assets	$11,700
2029/30 – new and upgrade infrastructure assets	$14,000
2030/31 – new and upgrade infrastructure assets	$24,000
2031/32 – new and upgrade infrastructure assets	$14,000

The default repayment term of new loans is 20 years, however, will be set on a case-by-case basis to ensure best use of Council's surplus funds.

1.4 Loan Drawdowns

The Queensland Treasury Corporation (QTC) and the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) approve proposed borrowings for a particular financial year.

In order to minimise finance costs, loan drawdowns should be deferred as long as possible after taking into consideration MRC's overall cash flow requirements.

Should the completion of capital works be delayed during the financial year, the loan drawdown amount will be adjusted to avoid drawing down funds not required until the following financial year.

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean *the Mayor and Councillors of Mackay Regional Council.*

MRC shall mean *Mackay Regional Council.*

QTC shall mean *Queensland Treasury Corporation.*

The Act shall mean *the Local Government Act 2009.*

The Regulation shall mean *the Local Government Regulation 2012*

3.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

4.0 Reference

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Statutory Bodies Financial Arrangements Act 1982*
- Queensland Treasury Corporation Guidelines

5.0 Attachments

COUNCIL POLICY

INVESTMENT POLICY

Program: Financial Services
Date of Adoption: 22 June 2022
Resolution Number:
Review Date: 22 June 2023

Scope

This policy applies to the investment of surplus funds in accordance with category 1 investment powers, allocated under Part 6 of the *Statutory Bodies Financial Arrangements Act 1982.*

Objective

To provide Mackay Regional Council (MRC) with an investment policy which outlines investment objectives, risk tolerance philosophies and portfolio performance measures, within the statutory framework of all associated legislation.

Policy Statement

Council has authority to exercise category 1 investment powers under Part 6 of the Statutory Bodies Financial Arrangement Act 1982 (the SBFA Act). Council aims to maximise investment returns on all surplus cash within agreed risk parameters. Capital preservation and liquidity management are the key consideration when entering into investment transactions.

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This process to remain in force until otherwise determined

by Mackay Regional Council

COUNCIL POLICY

INVESTMENT POLICY

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COUNCIL POLICY

INVESTMENT POLICY

1.0 Principles

In accordance with s191(1) of the Regulation, Council must prepare and adopt an investment policy. The policy must outline investment objectives and overall risk philosophy; and procedures for achieving the goals related to investment.

MRC has been allocated authority to exercise category 1 investment power under Part 6 of the *SBFAA*. All investments are to be made in accordance with:

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

1.1 Ethics and Conflicts of Interest

1.1.1 *Prudent Person Standard* - Prudence is to be used by the Investment Officer when managing the investment portfolio. Investments will be managed with the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

The Investment Officer is to manage the investment portfolio in accordance with the spirit of this policy, and not for speculation. Any transactions that would harm confidence in MRC or its associated entities are to be strictly avoided.

1.1.2 *Ethics and Conflicts of Interest* - The Investment Officer is to refrain from personal activities that conflict with the proper execution and management of MRC's investment portfolio. Any activities that impair the Investment Officer's ability to make impartial decisions are to be avoided.

This policy requires that the Investment Officer disclose to the CEO any conflict of interest or holding of investment positions that could be related to the investment portfolio.

1.1.3 *Delegation of Authority* - Authority for the implementation of this policy is delegated to the CEO in accordance with s257(1)(b) of the Act.

Authority for the day-to-day management of the investment portfolio is delegated by the CEO to the Director Organisational Services, Manager Financial Services and the Revenue & Treasury Coordinator.

1.2 Investment Objectives

In order of priority, the objectives of undertaking investment activities shall be preservation of capital, maintenance of liquidity, and return on investments.

1.2.1 *Preservation of Capital* - Preservation of capital shall be the principal objective of the investment portfolio. The Investment Officer will endeavour to preserve capital through the effective management of the investment portfolios exposure to credit risk, interest rate risk, liquidity risk and transaction risk.

1.2.1.1 *Credit Risk* - The Investment Officer will evaluate and assess credit risk prior to investment and aim to mitigate credit risk in the investment portfolio by ensuring diversification, limiting transactions to secure investments and pre-qualifying all transactions including the dealers with which they do business.

1.2.1.2 *Interest Rate Risk* - The Investment Officer shall seek to minimise the risk of a change in the market value of the investment portfolio due to a change in interest rates, by considering the cash flow requirements of MRC and structuring the portfolio accordingly. This will avoid the need to sell investments prior to maturity in the open market. Interest rate risk can also be limited by investing in shorter term investments.

1.2.1.3 *Transaction Risk* - The Investment Officer shall mitigate loss through transaction risk by exercising due diligence, and employing adequate processes, procedures and systems when placing investment funds. An appropriate separation of duties shall also exist.

1.2.1.4 *Liquidity Risk* - The Investment Officer shall undertake an analysis of cash flow prior to placement of investment funds to mitigate the risk of having insufficient cash on hand to meet working capital requirements.

1.2.2 *Maintenance of Liquidity* - The investment portfolio will maintain sufficient liquidity to meet all reasonably anticipated working capital cash flow requirements of MRC as, and when they fall due, without incurring significant transaction costs due to any need to sell an investment prior to maturity.

This can be facilitated by ensuring that maturity dates for individual investments are selected to ensure regular maturities throughout the year and maintaining a minimum of 10% of the portfolio at call or maturing within 14 days.

1.2.3 *Return on Investments* - The investment portfolio is expected to achieve a market average rate of return, considering MRC's risk tolerance, current interest rates, budget considerations, and the economic cycle.

Any additional return target set by MRC will also consider the risk limitations, prudent investment principles and cash flow characteristics identified within this policy.

Section 47 of the SBFAA dictates that MRC must exercise its best effort to place investment funds at the most advantageous interest rate available at the time of the investment, for an investment of the proposed type. Records must be kept showing MRC invested in the most appropriate way for the circumstances.

This will generally be achieved, for term deposits, by calling for interest rate quotes, from investment organisations (banks) registered with MRC, for a variety of maturity terms and evaluating the benefits of the various options received.

The officers delegated under section 6.1.3 of this policy may accept offers of rates and terms made outside this process provided proper due diligence is followed, considering the last call for rates, an evaluation of the prevailing economic circumstances, and the other provisions of this policy.

1.3 Portfolio Implementation

1.3.1 *Internal Controls* - The Manager Financial Services shall establish internal controls and processes that ensure investment objectives are met, and that the investment portfolio is protected from loss, theft or misuse, as prescribed by s191(1) of The Regulation.

The internal controls will address the following:

- Collusion
- Separation of transaction authority from accounting and record keeping
- Safekeeping of records
- Avoidance of physical delivery of securities
- Clear delegation of authority to the Investment Officer
- Confirmation requirements for the settlement of securities
- Compliance and oversight of investment parameters
- Reporting of breaches of this policy.

The established processes will include regular reporting, as well as an annual review of this policy.

In addition, the CEO must issue a letter to any approved counterparty advising that upon maturity/sale of an investment, all funds must be deposited into MRC's consolidated bank account on the morning of the maturity date. This instruction cannot be varied unless a request is provided in writing, signed by an appropriate MRC delegated authority.

1.4 Investment Parameters

1.4.1 *Investable Funds* - For the purposes of this policy, investable funds are the surplus funds available for investment at any one time. However, this policy does not apply to monies held in trust where those funds are subject to specific conditions.

It is appropriate for the Investment Officer to be conservative so that, where possible, it is not necessary to sell an investment prior to maturity to meet cash flow obligations. It is the responsibility of the Investment Officer to assess the cost of direct investment management by MRC, relative to the return generated. This should be compared with the cost of investing funds with a capital guaranteed cash fund, such as the QTC Capital Guaranteed Cash Fund.

1.4.2 *Authorised Investments* - MRC approves dealings with all financial institutions, as defined by the *Banking Act 1959.*

Authorised investments are limited to those prescribed by s44(1) of the *SBFAA*:

- 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; and
- an investment arrangement with a rating prescribed under a regulation for this paragraph.

1.4.3 *Prohibited Investments* - This policy prohibits any investment carried out for speculative purposes.

The following investments are prohibited:

- derivative based instruments (excluding floating rate notes)
- principal only investments or securities that provide potentially nil or negative cash flow
- stand-alone securities that have underlying futures, options, forward contracts and swaps of any kind
- securities issued in non-Australian dollars.

1.4.4 *Portfolio Investment Parameters and Credit Requirements* - The following tables show the credit rating and counterparty limits for MRC, as a percentage of the market value of the investment portfolio:

Rating Rank (as below)	Maximum Individual Counterparty Limit	Maximum Portfolio Limit
QTC	100%	100%
Major Banks	40%	100%
1	40%	100%
2	20%	50%
3	10%	15%

Rating Rank	(Short Term Rating Standard and Poors Global	Short Term Rating Fitch Ratings	(Short Term Rating Moody's investors Service
QTC	N/A	N/A	N/A
Major Banks	N/A	N/A	N/A
1	(A1)	(F1)	(P1)
2	(A2)	(F2)	(P2)
3	(A3)	(F3)	(P3)

Overall, the amount invested with institutions should not exceed the above stated percentage ranges of the cash and investment balances at the time the investment is made, and appropriate documentation must be maintained, although future estimated cashflows must be considered in making the decision. When placing investments, consideration should also be given to the relationship between credit rating and interest rate.

Reporting and credit rating verification will be completed regularly for financial institutions that hold investments within MRC's portfolio to establish whether at that time, the above limits have been breached or the institution has been downgraded.

1.4.5 *Maturity* - All prescribed by s44(2) of the SBFAA, all investments will either be at call or for a fixed term of no longer than one year.

1.4.6 *Breaches* - Any breach of this policy is to be reported to the Director Organisational Services within 7 days of the breach occurring. The Director Organisational Services is delegated discretion to take appropriate action to rectify breaches.

Where MRC holds an investment that is downgraded below the minimum acceptable level (as specified by the SBFAA for the investment arrangement), MRC shall, within 28 days after the change becomes known to MRC, either:

- obtain the Treasurer's approval for continuing with the investment arrangement,
- or sell/redeem/withdraw the investment arrangement.

1.4.7 *Safekeeping of Records* - Pursuant to s48 of the SBFAA, written confirmation of each investment arrangement shall be held by MRC.

2.0 Definitions

To assist in interpretation the following definitions shall apply:

At call shall mean simple investments where the investment can be redeemed within 30 days without penalty.

CEO shall mean the person appointed to the position of Chief Executive Officer under s194 of the Local Government Act 2009. This includes anyone acting in that position.

Council shall mean the Mayor and Councillors of Mackay Regional Council.

Counterparty shall mean the other individual or institution to an agreement or contract. See financial institution.

Credit risk shall mean the risk of Mackay Regional Council suffering financial loss due to the failure of a counterparty to meet its obligations.

Financial institution shall mean an authorised deposit-taking institution within the meaning of the Banking Act 1959 (Cwlth). See counterparty.

Interest rate risk shall mean the risk of a change in the market value of the investment portfolio, which arises due to a change in interest rates.

Investment Officer shall mean an employee engaged in activities related to the physical investment of funds (e.g. investment placement and redemption, reconciliations etc.).

Investment portfolio shall mean a collection of cash deposit investment accounts.

Investments shall mean arrangements that are undertaken or acquired for producing income and made in accordance with all applicable legislation.

Liquidity risk shall mean the risk that Mackay Regional Council will have insufficient cash available to meet its working capital needs.

Major Banks shall mean the big four Australian Banks – Commonwealth Bank of Australia, Westpac Banking Corporation, Australia and New Zealand Banking Group and National Australia Bank.

Market average rate of return shall mean for performance purposes, the investment portfolio will be compared to the Bloomberg AusBond Bank Bill Index.

MRC shall mean Mackay Regional Council.

Preservation of capital shall mean an investment strategy with the primary goal of preventing losses in an investment's total value.

QIC shall mean Queensland Investment Corporation.

QTC shall mean Queensland Treasury Corporation.

SBFAA shall mean Statutory Bodies Financial Arrangements Act 1982.

The Act shall mean the *Local Government Act 2009*.

The Regulation shall mean the *Local Government Regulation 2012*.

Transaction risk shall mean the risk of a direct or indirect loss resulting from inadequate or failed internal processes, people or systems.

3.0 Review of Policy

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

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

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three (3) years.

4.0 Reference

- Australian Prudential Regulation Authority; List of Approved Deposit-Taking Institutions
- *Banking Act 1959 (Cwlth)*
- Investment Internal Control Procedure
- *Investment Policy Guidelines for Local Governments 2015*
- *Local Government Act 2009*
- *Local Government Regulation 2012*
- Register of Administrative Delegations
- *Statutory Bodies Financial Arrangements Act 1982*
- *Statutory Bodies Financial Arrangements Regulation 2007*

5.0 Attachments

4.5. FINANCIAL STRATEGY AND LONG TERM FINANCIAL FORECAST 2023-2028
4.5.1. FINANCIAL STRATEGY AND LONG TERM FINANCIAL FORECAST 2023-2032

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	1. Financial Strategy and Long Term Financial Forecast 2023-32 [**4.5.1.1** - 34 pages]

Purpose

The purpose of this report is to adopt Council's Financial Strategy and Long-Term Financial Forecast 2023-2032.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Strategy: Planned Capital and Forecasting - Our planned capital and operational projects are delivered with agility in line with our business needs.

Background/Discussion

Under the requirements of Section 171 of the *Local Government Regulation 2012*, Councils must prepare a forecast covering a period of at least 10 years. The forecast must include income, expenditure and the value of assets, liabilities and equity of the Council. The Council must consider its long-term financial forecast before planning new borrowings and it must be reviewed at a minimum annually.

Council's Financial Strategy and Long-Term Financial Forecast sets a plan for long term financial sustainability of Mackay Regional Council (MRC). It considers the risk and opportunities associated with meeting its long-term financial goals. In conjunction MRC demonstrates due diligence by monitoring sustainability ratios to review the impact of changes over the long term.

Consultation and Communication

The Mayor, Councillors, Chief Executive Officer, Directors and Management Team.

Resource Implications

This report sets a financial plan for the future. This is continually monitored in line with changes to Council's budget, and other factors that influence the financial performance of Council from now and into the future.

Risk Management Implications

The long-term financial forecast is updated during the year in line with changes to the annual budget. A major review of the financial strategy and forecast is carried out at a minimum annually and in line with preparation of the next year's budget to model future year predictions and assumptions in conjunction with current and future activities.

Conclusion

The Financial Strategy and Long-Term Financial Forecast 2023-2032 sets the financial plan for MRC's future. The plan is based on current and known activities, available data and future assumptions. It demonstrates MRC is in a healthy financial position and has the fiscal flexibility to deal with unknown future financial impacts.

The long-term financial forecast is updated regularly in line with changes to the current budget and comprehensively reviewed at a minimum annually.

Officer's Recommendation

THAT Council adopts the Financial Strategy and Long-Term Financial Forecast 2023-2032.

The Acting Chief Executive Officer Angela Hays, noted that this is the first budget handed down since the adoption of the new Corporate Plan and that is very foundational for us in terms of actually looking forward to seeing what is coming in the next 12 months and not just looking after the ratepayers of today but the ratepayers of the future with this long term financial forecast setting out how we intend to do that.

Mayor Williamson noted that this is a very good document, with as per Cr Jones' point, we are here to ensure financial viability into the future.

Council Resolution ORD- 2022-181

THAT Council adopts the Financial Strategy and Long-Term Financial Forecast 2023-2032.

Moved Cr Jones **Seconded Cr Mann**

Cr Jones noted that while rates increased 1% last year and 2.5% this year, she did not want people to feel this was a bad thing as it is not compared to other regions, but rather, would like people to focus on the long term financial forecast, noting that rates are forecast to only increase by 2% for the next 10 years and this gives the residents assurance that Council is looking very long term, listening to the community and ensuring that we manage the future in the best way possible.

CARRIED

Financial Strategy and Long Term Financial Forecast 2023-2032

Mackay REGIONAL COUNCIL

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Document Version Control

Version	Date	Change Description
4.1	June 2021	Update file to reflect 21/22 forecast in preparation for Council adoption.
4.2	June 2022	Update file to reflect 22/23 forecast in preparation for Council adoption.

1. Executive Summary and Overview

1.1 Executive Summary

1.1.1 The Financial Strategy and Long-Term Financial Forecast

The Financial Strategy (Strategy) is Council's long-term financial plan that is derived from a series of policies, plans, risk responses and associated financial stability and sustainability targets to measure performance. The Strategy establishes the financial framework under which sound and sustainable financial decisions are made and is reviewed annually with the inclusion of a Long-Term Financial Forecast (LTFF) in accordance with section 171 of the *Local Government Regulation 2012* (Regulation).

The Strategy's main component is the Long-Term Financial Forecast (LTFF). The LTFF is Council's ten year financial forecast which comprises of the long term financial model and includes income, expenditure, cash flow projections, assets, liabilities and community equity. Council refers to this model when considering long-term financial decisions, examples being new borrowings, long-term operational projections and future capital expenditure forecasts. The LTFF is continually revised and amended following formal budget reviews, government announcements that impact on Council, changes in operating procedures and in conjunction with the annual budget development process.

Council's Financial Strategy and Long-Term Financial Forecast are elements within our broader planning and reporting framework that includes the:

- Corporate Plan
- Long-Term Asset Management Plans (AMPs)
- Annual Budgets
- Operational Plans
- Local Government Infrastructure Plan (LGIP)
- Annual report

Diagram 1: Reporting linkage

1.1.2 The Financial Strategy Objectives

The primary objective of the Strategy is to ensure Council remains financially sustainable as defined by section 104(2) of the *Local Government Act 2009* (Act):

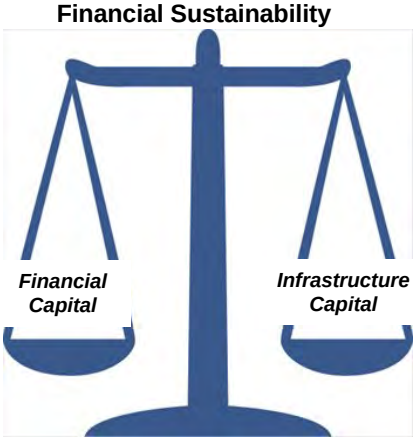
> "*A local government is financially sustainable if the local government is able to maintain its financial capital and infrastructure capital over the long-term*".

The key elements of the definition are:

- maintaining financial capital, and
- maintaining infrastructure capital
- over the long-term

'Financial capital' in the definition above is the productive capacity provided by the difference between current assets and current liabilities (working capital). *'Infrastructure Capital'* is the productive capacity provided by significant asset classes (eg roads, water, sewerage, buildings etc) that provide or support public services. This is represented by the non-current assets and financing liabilities (eg debt). *'Long-term'* refers to a period of ten years or more. *(Department of Local Government, Racing and Multicultural Affairs "Financial Management (Sustainability) Guideline 2013 Version 1.1)*

Financial Sustainability



It is important that each of the capital components are effectively managed with an integrated approach, in order to maintain the desired service level over the long term. Focusing only on one of the components could have a detrimental effect on others. This means we need to continue to generate sufficient finances to fund operations without eroding our physical asset base.

In order to achieve the above, some key principles have been identified below:

- Revenue generation is sufficient to achieve efficient and effective service delivery to meet the needs of the community
- Operating results which are balanced or, on average achieve surpluses, are expected over the forecast period
- The right mix of debt and council generated funding is used to address intergenerational issues for current and future ratepayers
- Use of long-term asset management plans linked to long-term financial forecasts, to ensure assets are renewed at the appropriate time and there is adequate funding available
- Major strategic risks have been identified and are reflected in future financial and asset management planning

Council's purpose is to *"Create opportunities to thrive"*. This purpose is underpinned by our vision: *To become the best region for liveability and livelihood*. Both Council's purpose and vision demonstrate a strong

commitment to financial strength through improved forecasting and being fiscally responsible with community's assets and funds.

The current Corporate Plan 2022 - 2027 has identified five pillars that shape the Council's vision. The Corporate Plan provides the platform for council to deliver services; the incentive to pursue projects which will secure our future; and the authority to make the decisions that will deliver our community effective local government. While stable, efficient, cost-effective government and the welfare of our community are the foundation of the priorities found in this plan. The five key pillars identified will position Council to have a healthy, connected and sustainable community that creates jobs and growth opportunities. This will only be achieved with engaged and transparent organisational performance, supported by robust decision-making, quality leadership and responsiveness. The five pillars of the Corporate Plan are:

- Invest and Work
- Live and Visit
- Community and Environment
- Financial Strength
- Operational Excellence

1.1.3 Key Initiatives

MRC is committed to working as one team to achieve results for our clients and the community. We have five core values that we stand by in delivering efficient and effective outcomes for our community. These five core values are Safety & Wellbeing, Respect, Working Together, Service Excellence, Integrity.

Council will strive to deliver financial sustainability through the implementation of several initiatives including:

- continue to conduct first principle reviews of our services in order to, optimise and review service delivery levels, eliminate rework and wastage to reduce costs and continually look for improvements to processes
- ongoing review of our rating strategies to ensure equitable distribution of costs between different groups of ratepayers
- continued development of centralised capital delivery model to improve outcomes
- prioritisation of the capital program to ensure the timing of projects is optimised to deliver the best return in line with objectives and strategies
- focus on improving asset management practices
- maximising returns from cash investments to reduce ongoing financial impacts on ratepayers
- monitor the mix of cash versus borrowings to balance affordability with equitable distribution of costs between current and future generations of ratepayers
- look for innovative ways to generate additional sources of revenue
- continue to explore benefits of scale and shared services arrangements including through the Greater Whitsunday Council of Mayors (GWCoM).

1.1.4 Reviewing and Refining the Financial Strategy

The Strategy will be continually revised by:

- ensuring that any changes to corporate plans are reflected in the Strategy
- being responsive to any emerging operating issues
- capturing the budget revisions in our LTFF and analysing the impacts of any changes on our financial sustainability ratios and measures
- undertaking annual reviews of our capital and operational projects.

1.2 Financial Risk

The *Local Government Regulation 2012* requires Council to keep a written record of '*the risks the local government's operations are exposed to, to the extent they are relevant to financial management'* and *'the control measures adopted to manage the risks*'.

Council's Risk Management approach applies consequences/likelihood matrixes to evaluate risks under the categories of:

- Public Health
- Emergency and Disaster
- Finance
- Assets
- Environment
- Workforce
- Safety
- Reputation and Service Delivery
- Governance and Compliance
- ICT

The new consequences/likelihood table for Finance is as follows:

		Consequences				
	Finance	**Insignificant** Council's annual net financial loss is less than 0.5% of annual operating budget with no impact on program or business operation	**Minor** Council's annual net financial result reduced by 0.5-1% of annual operating budget, with minimal impact on program or business operation	**Moderate** Council's annual net financial result reduced by 1-2% of annual operating budget with considerable impact on program or business operation	**Major** Council's annual net financial result reduced by 2-5% of annual operating budget with severe impact on program or business operation	**Catastrophic** Council's annual net financial result reduced by more than 5% of annual operating budget with loss of program or business operation
Likelihood	**Almost Certain** Event expected to occur at most times	Medium 8	High 16	High 18	Extreme 23	Extreme 25
	Likely Will probably occur at some stage based on evidence of previous incidents	Medium 7	Medium 10	High 17	High 20	Extreme 24
	Possible Not generally expected to occur but may under specific circumstances	Low 3	Medium 9	Medium 12	High 19	High 22
	Unlikely Conceivable but not likely to occur under normal operations; no evidence of previous incidents	Low 2	Low 5	Medium 11	Medium 14	High 21
	Rare Only ever occurs under exceptional circumstances	Low 1	Low 4	Low 6	Medium 13	Medium 15

1.3 Current Economic Impact

While there are signs that the worst of the COVID-19 pandemic is behind us, there is still a level of uncertainty in business confidence in the local economy. The emerging risks of skilled and unskilled labour shortages and inflationary pressures for key industrial inputs such as fuel and building materials, will need to be monitored closely throughout this budget period. The Reserve Bank of Australia (RBA) has started to react with tightening of monetary policy and has lifted it target cash rate from its “emergency levels”. This tightening of monetary policy will have flow on effects within the Australian and local economy with the intent of reducing inflationary pressures and bringing inflation back to within its targeted band of 2-3%. There is a risk that interest rates will rise quickly to counter these growing inflationary pressures.

It is suggested that the local economy will expect high economic outputs and strong employment opportunities given the correlation of the local economy to the coal industry. It is expected that Australian Premium Coking Coal will remain at record prices over the next 12 months and the follow-on effects for Mackay will support this theory. With border restrictions continuing to ease and the pandemic control measures such as home isolation for close contacts etc. being wound back we will see other parts of the local economy recover. These include tourism and hospitality services who have struggled through recent times due to limited travel by workers and holiday makers.

Given Council is in a relatively strong financial position, any downside impacts in the short term are able to be covered by existing resources and at this stage is not expected to have any significant long-term implications on the financial forecast.

2. Parameters and Measures

2.1 Parameters

Council has a range of assumptions grouped into the following categories:

- Growth increase (%)
- Price increase (%)
- Additional parameters

These assumptions are the main drivers in Council's model in conjunction with capital expenditure and associated funding, which is compiled from the ten-year capital works program. The summary below outlines the parameters for each of the ten years that the LTFF covers.

	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
Growth increase %										
General rates	1.00%	1.00%	0.75%	0.75%	0.75%	0.75%	0.50%	0.50%	0.50%	0.50%
Rates levies and charges	1.00%	1.00%	0.75%	0.75%	0.75%	0.75%	0.50%	0.50%	0.50%	0.50%
Material & Services	0.00%	0.10%	0.15%	0.20%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Price increase %										
Underlying CPI	2.50%	3.00%	2.80%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
General rates	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other rates levies and charges	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Fees & charges	2.50%	3.00%	2.80%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee costs	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Electricity	2.50%	3.00%	2.80%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Additional parameters										
Vacancy factor	-6.00%	-6.00%	-6.00%	-6.00%	-6.00%	-6.00%	-6.00%	-6.00%	-6.00%	-6.00%
Developer contributions ($'000)	6,500	5,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

It should be noted that the above percentages are indicative, and the annual forecasts are adjusted for known changes in service levels or other impacts including one off expenditure/revenue within the long-term financial plan.

2.2 Financial Sustainability Targets

The *Local Government Regulation 2012* requires Councils to include the following "relevant measure of financial sustainability". This is measured by ratios and targets set by the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) and with all being deemed to be long-term target ranges. Council reports on its performance against their measures monthly as part of the Strategic Financial report. The forecasted performance is also updated in line with revisions to the budget during the year. The actual results for the year are audited annually by the Queensland Audit Office and are published as part of the annual financial statements in our annual report.

Ratio	Definition	Calculation	Target
Asset sustainability ratio	This is an approximation of the extent to which the infrastructure assets managed by a local government are being replaced as these reach the end of their useful lives	*Capital expenditure on replacement assets as a percentage of depreciation expense*	>90%
Operating surplus ratio	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes	*Operating result as a percentage of operating revenue*	Between 0% and 10%
Net financial liabilities ratio	This is an indicator of the extent to which the net financial liabilities of local government can be serviced by its operating revenues	*Total liabilities less current assets divided by total operating revenue (expressed as a percentage)*	<60%

In addition to the above ratios, Council reports and monitors against a number of other prudent financial sustainability metrics. These ratios are reported monthly in our Strategic Financial report. These ratios and their definitions are identified below.

Ratio	Definition	Calculation	Target
Current ratio	This measures the extent to which Council has liquid assets available to meet short term financial obligations	*Current assets divided by current liabilities*	Between 1 and 4
Interest cover ratio	This ratio indicates the extent to which operating revenues are committed to interest expenses	*Net interest expense on debt service divided by total operating revenue (expressed as a percentage)*	Between 0% and 5%
Capital expenditure ratio	This ratio indicates the extent to which capital expenditure is covered by depreciation	*Capital expenditure divided by depreciation*	>1.1 times

3. Revenue

3.1 Background

Council is required to raise an appropriate amount of revenue to maintain assets and provide services to the region as a whole.

Council will be guided by the following principles:

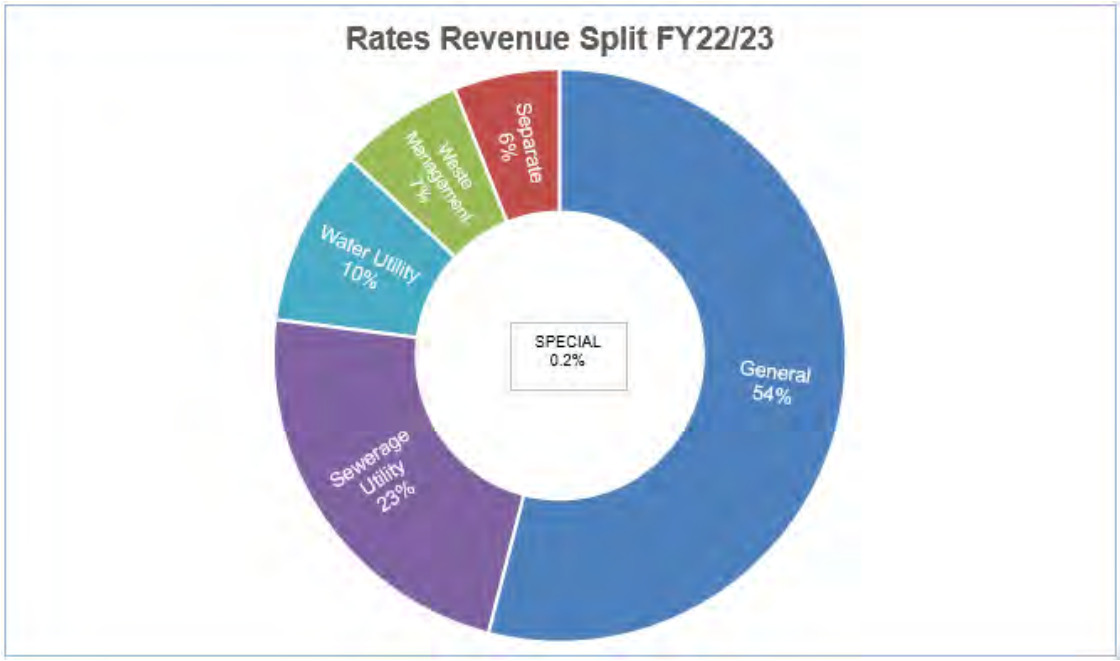
- Accountability — Council will be accountable to the providers of funds to ensure those funds are applied efficiently and effectively to satisfy the objective for which the funds were raised.
- Transparency — Council will be transparent in its revenue raising activities and will endeavour to use systems and practices able to be understood by the community.
- Representation — Council will act in the interests of the whole community in making decisions about rates and charges.
- Sustainable financial management — Council will ensure it manages revenue diligently and that the application of funds is founded on sustainable strategic objectives that result in timely and optimal investment in identified priorities.
- Fairness — while the rating legislation requires Council to use property valuations as the basis for raising rate revenue, Council will monitor the impact of valuation changes and moderate increases where possible.
- Differentiation of categories — Council will apply different rates to various categories of property that will reflect the particular circumstances of the categories and Council's policy objectives related to those categories.
- Special needs and user pays — Council will draw from various revenue sources to fund special needs including (but not necessarily limited to):
  - separate rates or charges for whole of community programs
  - special rates or charges for recovery of costs from beneficiaries
  - utility charges for specific services based generally on usage
  - regulatory fees and charges in accordance with legislation, regulation or local laws
  - commercial fees and charges where users can clearly be identified
- Social conscience — Council will apply a range of concessions (eg for pensioners and institutions) and will accommodate
  - special circumstances where hardship can be demonstrated.

Council's main source of revenue is rates and charges. There are several different types of rates and charges which fall within this category. The different types of rates and charges are listed below:

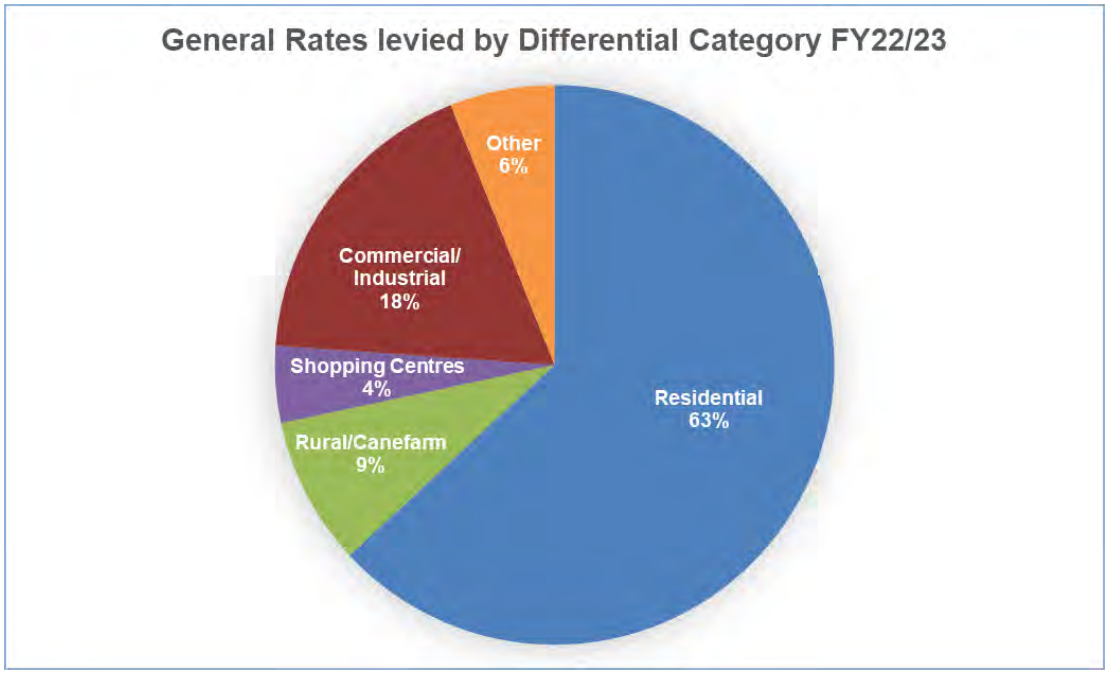
- General Rates
- Utility Charges (eg sewerage, waste management and water utility)

- Separate Charges (eg Natural Environment, Roads Improvement, Disaster Response and Waste Facilities Operations)
- Special Charges (eg Rural Fire Services)

The revenue contribution from the different charge types is shown below.



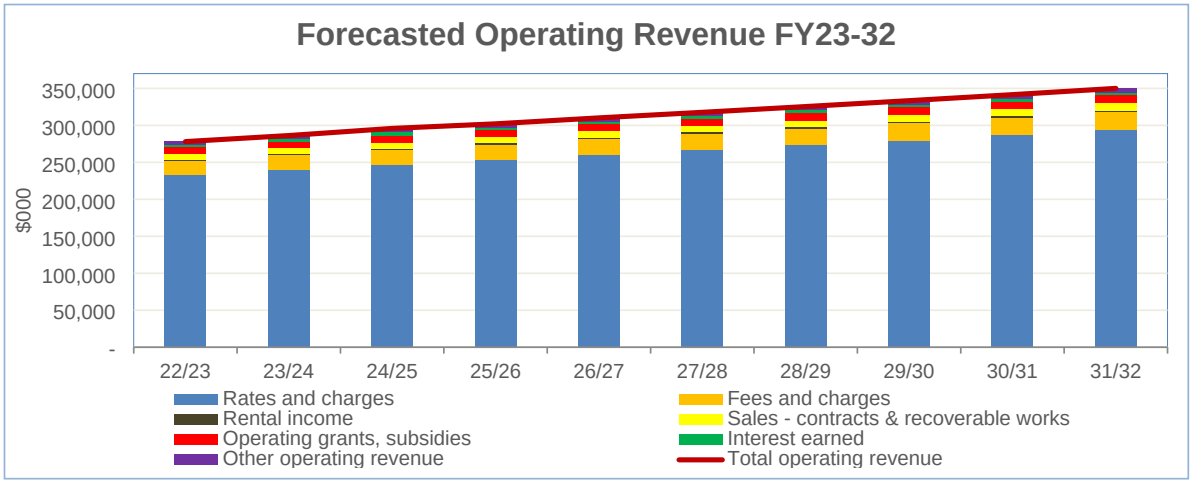
General rates are levied on ratepayers to provide revenue for a broad range of services. Council adopts a differential general rating scheme which categorises all rateable land into different general rates categories. The segmentation of general rates levied on each category is shown below.



Beside rates and charges, Council generates revenue from various other sources. Other revenue categories include:

- Fees and charges
- Rental income
- Interest earned
- Sales – contract and recoverable works
- Other revenue
- Grants, subsidies and contributions

The following chart provides an analysis of total revenue by source over the next 10 years.



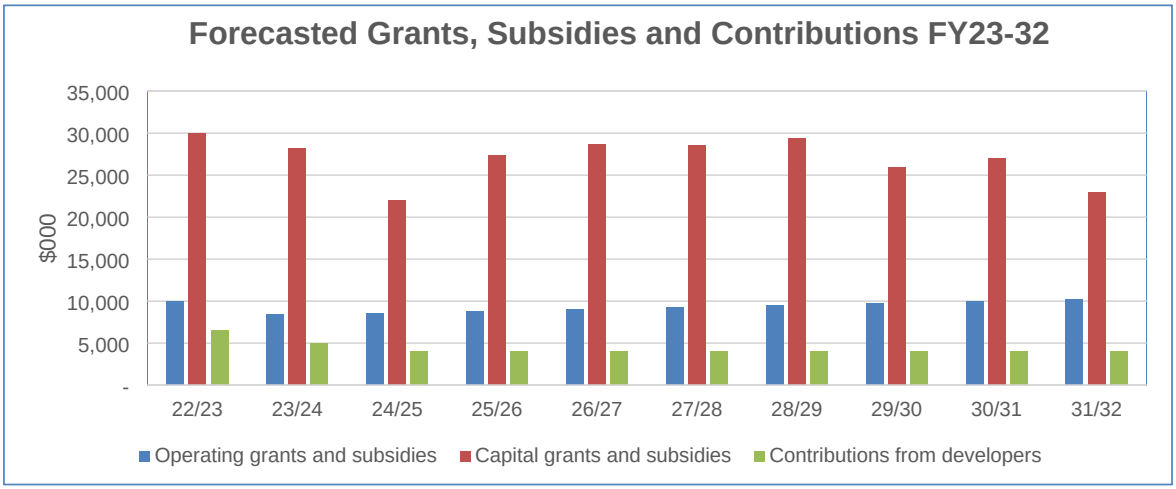
Where possible Council endeavours to maximise revenue from sources other than rates and charges. Fees and charges account for approximately 7% of total operating revenue. Fees and charges can be classified as either:

- Cost recovery fees are Council levies under a statutory power. These fees must not be charged at greater than the full cost to Council to administer the fee, or
- Commercial charges are fees Council can charge for any service other than cost recovery fees. These charges may contain a commercial margin.

Interest earned is primarily generated on cash holdings with minimal interest being earned on unpaid rates. Cash flow requirements are monitored closely to identify any funds not required for operational purposes with surplus cash invested to optimise rates and terms that maximise interest income. The controls and policy direction for the investment of surplus cash is comprehensively covered in Council's Investment Policy. This policy is reviewed and adopted annually with Council's budget. Some key controls identified in the policy include:

- investing only in investments as authorised under current legislation
- investing only with approved institutions
- investing to facilitate diversification and minimise portfolio risk
- investing to protect the capital value of investments (balancing risk with return opportunities)
- investing to facilitate working capital requirements
- reporting on the performance of investments on a monthly basis as part of monthly financial reports to Council
- ensuring no more than 40% of Council's investments are held with one financial institution, or one Australian Deposit Taking Institution (ADI) for investments outside of Queensland Treasury Corporations (QTC).

Council actively identifies, manages and advocates for capital and operating grants and subsidies to assist funding capital works and provide services to the community. Capital contributions are also received through development applications and are to be spent in accordance with the infrastructure agreements or local government infrastructure plans under which they are received.



Council will continually strive to maximise Federal and State Government contributions, grant funding and subsidy opportunities and continue to explore partnership funding opportunities with the private and not-for-profit sectors to deliver projects before allocating general revenue.

3.2 Risks and opportunities

In order to achieve our financial sustainability targets and projections identified in the LTFF, the following risks and opportunities have been identified in relation to the identified revenue streams:

Rates and charges	
Risks	• Future increases in rates may be too expensive and place financial pressure on the ratepayers • Water usage patterns have an adverse impact on revenue • Predicted growth does not materialise • State legislation changes resulting in reduced revenue • Ageing population increases burden on pensioner remissions
Opportunities	• Council diversifies its revenue streams to reduce the dependence on general rates • Adoption of different methodologies to calculate general rates in line with approved legislation • Increased construction activity of new residential houses will increase the rateable base with new residential dwellings
Grants, subsidies and contributions	
Risks	• Cessation or reduction of government funding • Potential reduction in service delivery due to insufficient funding from external parties • Future and historic infrastructure charges do not fully meet LGIP requirements • Development slower than expected resulting in reduced developer contributions
Opportunities	• Council maximises funding from State and Federal Governments

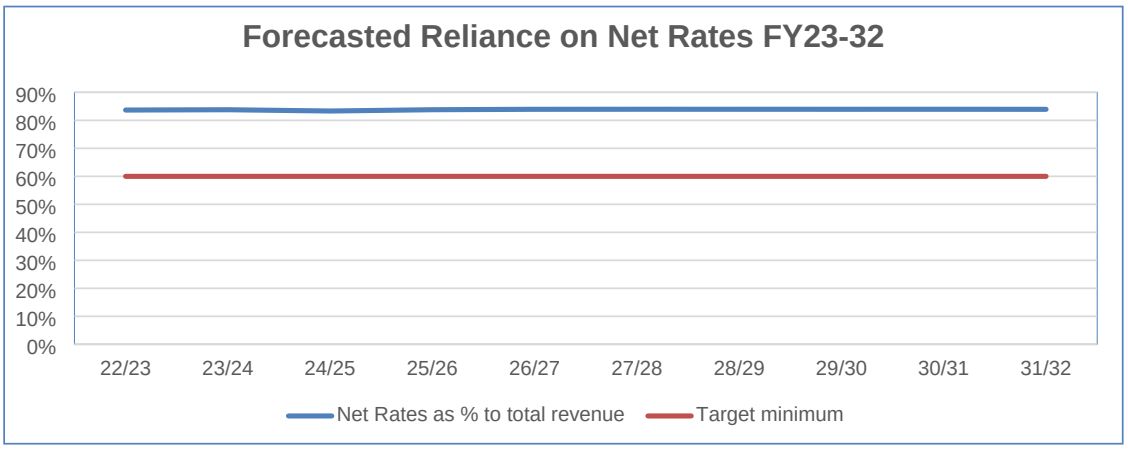
	• New and additional State and Federal stimulus packages to support and fund COVID-19 recovery initiatives
Fees and charges	
Risks	• Fees and charges take up is reduced under 'user pays' pricing model • Development slower than expected resulting in reduced development fees due to market capacity constraints
Opportunities	• Fees and charges recover full cost of providing service
Interest earned	
Risks	• Interest rates significantly below benchmark resulting in lower returns • Cash balances reduce quicker than anticipated • Increased volatility in cash markets due to pandemic induced uncertainty
Opportunities	• Investment income increases beyond forecast due to higher cash balances and/or higher interest rates • Improved cash flow forecasting results in appropriately term-diversified investment portfolio resulting in additional revenue

In order to mitigate the above risks or explore the opportunities, the following projects and actions progress across Council:

- continue to review and improve monthly cash management forecasting using the corporate finance system in order to increase returns on investments and continue to reduce borrowings
- further develop Council's grants management processes – continue strong relationships with state and federal stakeholders to explore opportunities in sourcing available monies and support to business areas to ensure external funding sources are considered every time to reduce the burden on the current and future ratepayers
- continue to consider other opportunities to generate other income streams for Council.

3.3 Key Performance Information

The only financial key performance indicator directly related to revenue is the Council Controlled Revenue Ratio. This ratio measure net rates as a percentage of total operating revenue and indicates the degree of reliance on external funding sources such as operating subsidies, donations and contributions. Council's financial flexibility improves the higher the level of its Council controlled revenue with the optimum target being greater than 60%.The following graph demonstrates Council exceeds well above its target of 60% across the 10 year span.



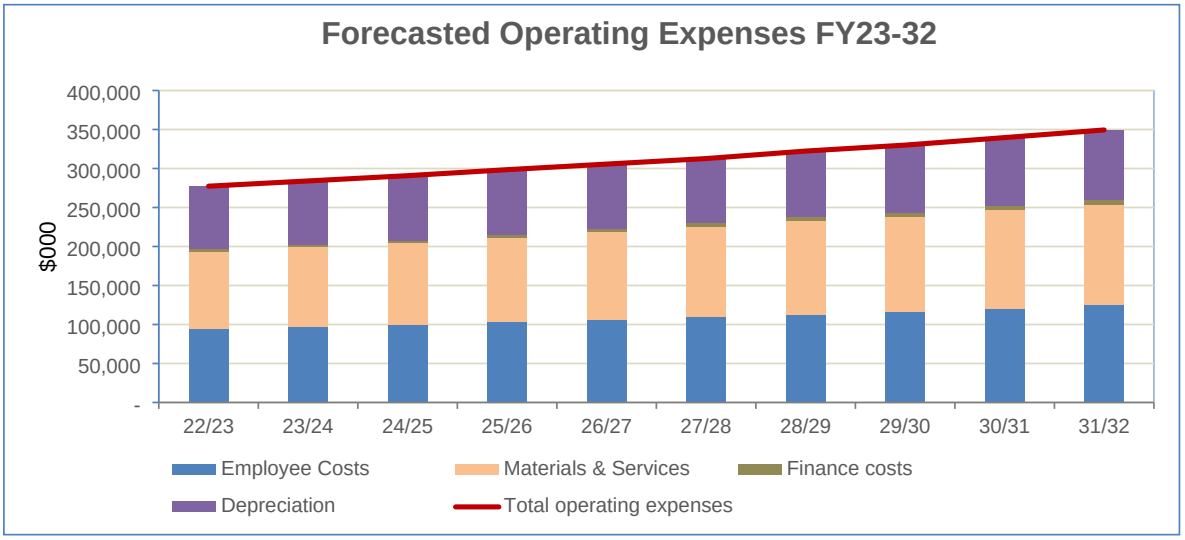
4. Expenditure

4.1 Background

Council's significant sources of operational expenses include:

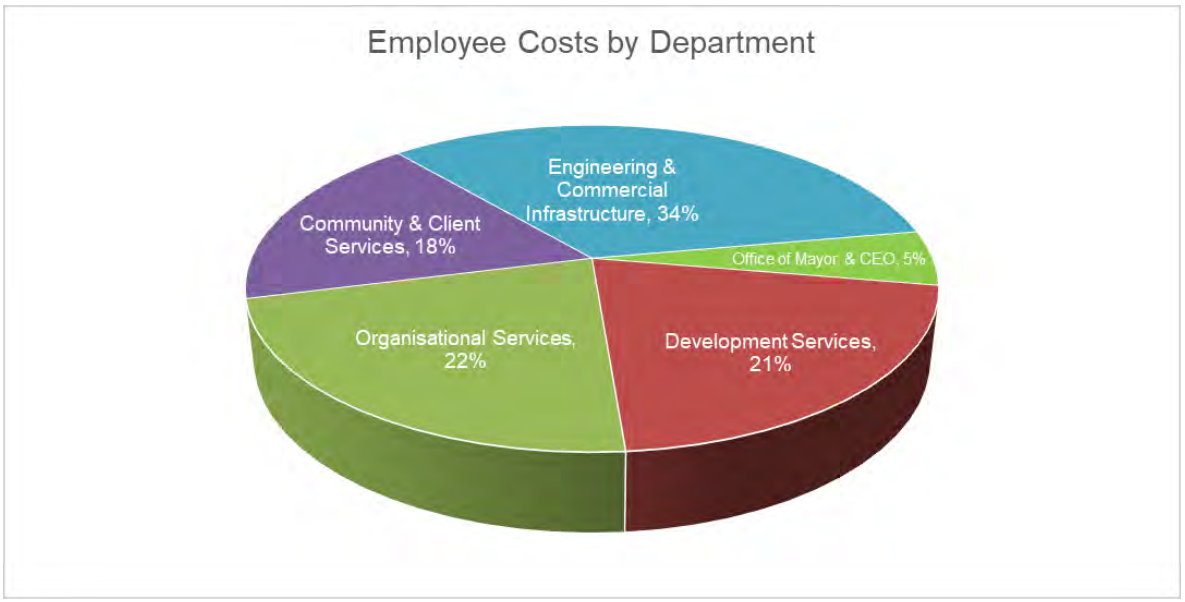
- employee costs
- goods and services
- interest and finance costs
- depreciation

The following chart provides an analysis of the total operating expenses by source.



Employee costs are a significant expense of Council, making up approximately 34% of total operating expenses. The LTFF includes estimated pay increases associated with the current Queensland Industrial Relations determination and predicted future increases. Limited growth components for establishment numbers have been applied in future years, which will be assessed each year based on need. Each year a vacancy factor is deducted from the full establishment costs to more closely reflect reality. This is due to staff turnover creating a period between when the vacancy becomes available and when the new employee starts. Applying this vacancy factor ensures revenue is not raised from the community unnecessarily. For 2022/23 the vacancy factor applied is 6%. This factor may change in the future to reflect the economic climate at the time and the ability to fill vacancies in a timely manner.

The following graph demonstrates current operational employee costs by department for Council's workforce.



Materials and services make up the largest component of operating expenses at 35%. Continuous review of services delivered, service levels and standards will ensure costs are keep under control and do not place additional burden on ratepayers. Ongoing reviews of goods and services expenditure will be carried out continually to identify opportunities for appropriate control for specific operating expenses. Council continues to refine its asset management plans and ensure all operating costs are included at the appropriate level.

Depreciation is the recognition of consumption of future economic benefits or service potential embodied in non-current assets with limited useful lives. This consumption is recognised as an expense in the Statement of Income and Expenses. Council's non-current assets are valued in excess of $3.5 billion with annual depreciation around $79M in 2022/23. Ongoing review of depreciation charges is undertaken to ensure this best reflects the estimated annual use and service potential of assets.

Finance costs are the smallest component of the operating expense budget making up around 2%. These costs mainly relate to interest and costs associated with Council's long-term debt. Reductions in debt levels will see a corresponding reduction in interest costs. Rising debt will have the opposite effect. The structure of our loans as long-term fixed rate debt means that early repayment of debt at this time, will result in a significant market rate adjustment being incurred on our operating statement. Constant monitoring of interest rate movements and the cost of debt will be carried out to determine the optimum time to adjust our debt levels outside our normal repayment terms.

4.2 Risks and opportunities

In order to achieve the financial sustainability targets and projections identified in the LTFF, the following risks and opportunities have been identified in relation to the identified expenditure streams:

Employee costs	
Risks	• Future certified agreements may increase employee costs beyond predicted levels • Future certified agreements may limit the capacity of service reviews • The unemployment rate is higher or lower than anticipated • Employment growth is greater than anticipated • Staff turnover and skills shortage putting pressure on wage increases
Opportunities	• Cross skilling staff to create agile workforce • Succession planning to ensure vital roles can be filled quickly • Improved leave management resulting in reduced costs • Workforce planning to ensure the correct mix of staff required to deliver desired standard of service
Materials and services	
Risks	• Inflation is significantly higher than estimated • Reduction in service delivery due to cost shifting from other tiers of governments • Failure to reflect whole of life costs of services in forecasting • Society become more litigious and legal expenses increase • Ineffective planning of increases to service levels leads to increased costs
Opportunities	• Improved project management processes result in reduced costs and risks, enhanced processes, better prioritisation and benefits realisation management. • Improved procurement practices in line with relevant legislation • Continual review of service levels and standards • Improved control of consultants and temporary staff to minimise increasing costs
Finance costs	
Risks	• Early repayment of debt leading to significant market rate adjustment in operating statement
Opportunities	• Continual review of early payout options to optimise the time to reduce debt
Depreciation	
Risks	• The mix of renewals, upgrade and new assets changes resulting in changes in depreciation forecasts • Significant movement in asset valuations affecting the level of depreciation required
Opportunities	• Continued improvements in the asset management area to ensure assets are recorded and depreciated accurately

In order to mitigate the above risks and explore the opportunities, the following projects and actions progress across Council:

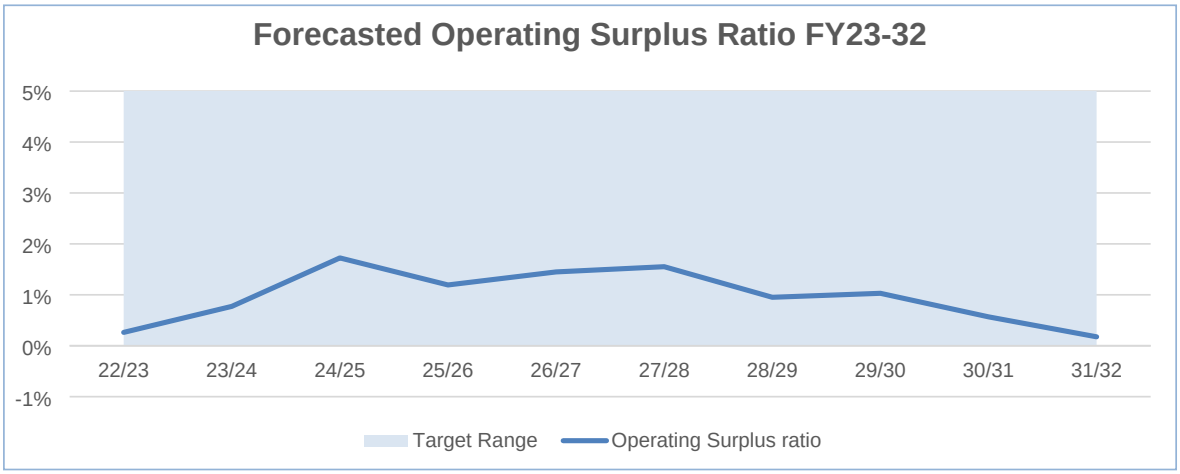
- continued business process reviews and service level review projects – to undertake robust reviews of our services to determine the optimum level of efficiency and cost effectiveness

- Council-wide response to asset management driven by the Executive Leadership Team (ELT) via the Asset Management Working Group

4.3 Key Performance Information

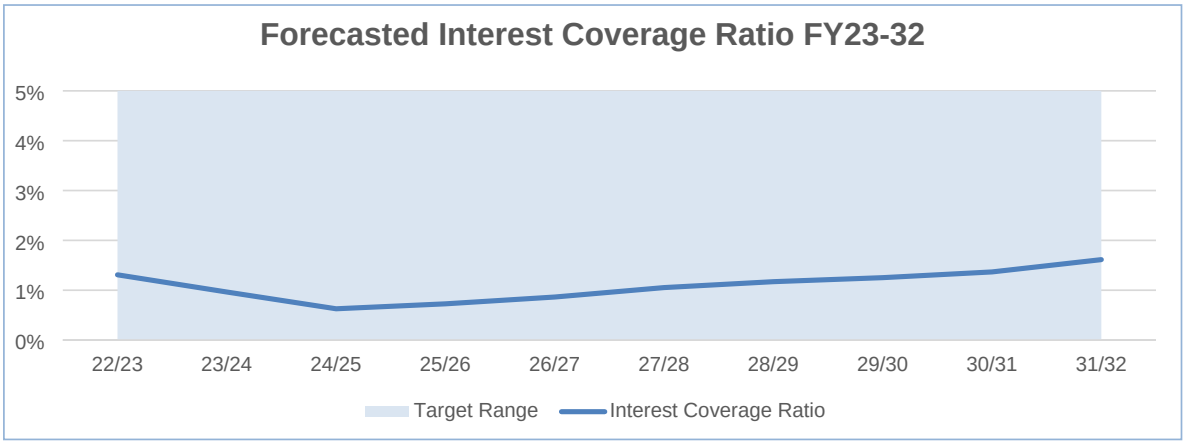
The key performance indicator that applies to operating costs and operating surpluses is the Operating Surplus Ratio. This measures the extent to which operating revenue raised covers operating expenses. A percentage between 0% and 10% over the long term means Council is expecting to generate healthy levels of revenue with an ability to fund proposed capital expenditure and/or debt repayments. It also means Council is less likely to compromise the levels of service expected by ratepayers.

Mackay Regional Council is modelling an increase in operating surpluses in the next 3 years to support some major infrastructure expenditure that is planned. These surpluses will be complimented by some debt funding to ensure the economic burden of these projects is borne by not only current ratepayers but also future ratepayers as well. Mackay Regional Council are forecasting its budget to remain in surplus every year into its 10 year forecasted period.



The Interest Coverage Ratio measures the extent to which operating revenues are committed to funding interest expense. A smaller ratio indicates borrowing capacity, a greater ratio indicates Council's limited ability to borrow to fund infrastructure.

Council is within the target range of between 0% and 5% for the life of the LTFF.

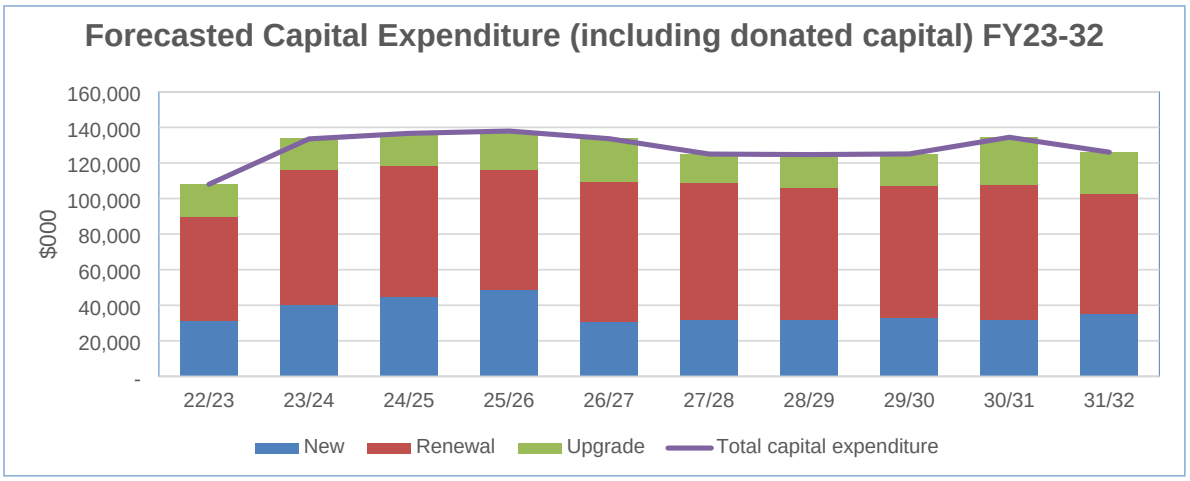


5. Asset Management and Capital Expenditure

5.1 Background

Council is responsible for the provision of a diverse range of services to meet community needs and expectations. A significant number of these services are provided through infrastructure and other non-current assets (referred to as property, plant and equipment). Council owns, manages, maintains and creates assets that are valued in the order of $3.5B. Each year Council invests considerable expenditure on planned renewal and non-renewal projects to maintain or enhance our existing asset base.

The following chart provides a breakup of this spending type in the projected ten-year capital program. The expenditure split is underpinned by Council's strategy - maintain existing infrastructure – 'renewal' before 'upgrade' or 'new' work.



The purpose of this policy is to ensure assets are managed in such a way that service outcomes are delivered and are sustainable. The lifecycle cost of assets is recognised as having the biggest impact on the cost-of-service delivery, and it is therefore imperative to ensure assets are managed effectively and efficiently.

Council established an Asset Management Working Group to advance asset management through further development and update of asset management plans, asset management systems and processes. This together with the Long-Term Financial Forecast Working Group and Capital Delivery Directorate will ensure expenditure on assets and renewal works is only undertaken at the optimum time with further consideration of options to minimise whole of life costs.

5.2 Risks and Opportunities

In order to achieve the financial sustainability targets and projections identified in the LTFF, the following risks and opportunities have been identified in relation to asset management and capital expenditure:

Asset management and capital expenditure	
Risks	• Assets are not maintained, renewed or rehabilitated resulting in public liability claims • Major asset failure due to inadequate maintenance, renewals or rehabilitation • Development slower than expected resulting in reduced developer contributions

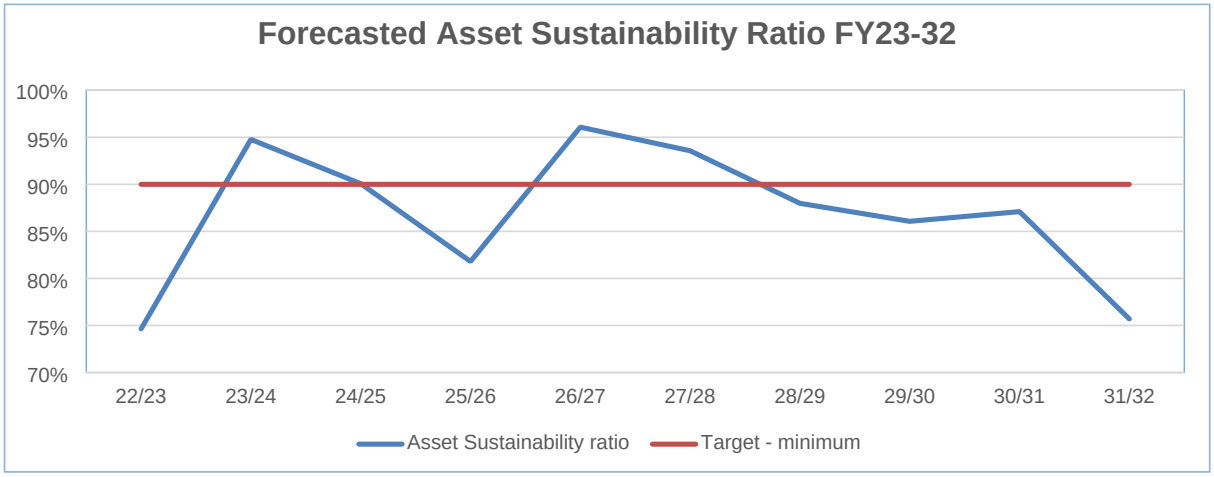
	• Asset management planning identifies growth infrastructure in excess of forecast • Population growth and development not in line with modelling • Changing demographics directly influencing the quantity and type of assets and services required • Service level of assets are not at the level required
Opportunities	• Improved processes around asset management planning lead to more accurate forecasts for future capital and maintenance works • Refinement of Asset Management Plans will improve Council's ability to make informed decisions regarding asset management into the future • Valuation and depreciation methodologies reviewed to ensure the optimisation of depreciation cost allocation • Capital expenditure will be prioritised towards asset renewals before asset upgrades or the creation of new assets • Condition of asset database strengthened to better understanding remaining useful lives to ensure a true prediction of assets life cycle • Asset management system developments generate improved information for recording, reporting, long-term financial forecasting and better asset management practices • Council's infrastructure planning and delivery team improves the correlation between trunk infrastructure and financial strategy outcomes

In order to mitigate the above risks or explore the opportunities, the following projects and actions are progressing across Council:

- Asset Management Working Group – a Council-wide response to asset management driven by the Executive Leadership Team (ELT)
- ongoing additional development of asset management plans in accordance with statutory requirements, business needs and agreed service levels
- continuation of the Shaping Mackay Strategy Group to ensure Council is maximising opportunities for recovery of appropriate costs with respect to trunk infrastructure
- the Capital Delivery directorate to ensure governance, accountability and deliverability over project delivery
- the Long-Term Financial Forecast working group to provide a more robust capital approval process and inputs into the LTFF
- improved financial asset management and integration of asset planning with budgeting and forecasting – supported with improvements in the asset management system
- developing a complete understanding of the remaining useful lives of our asset base.

5.3 Key Performance Information

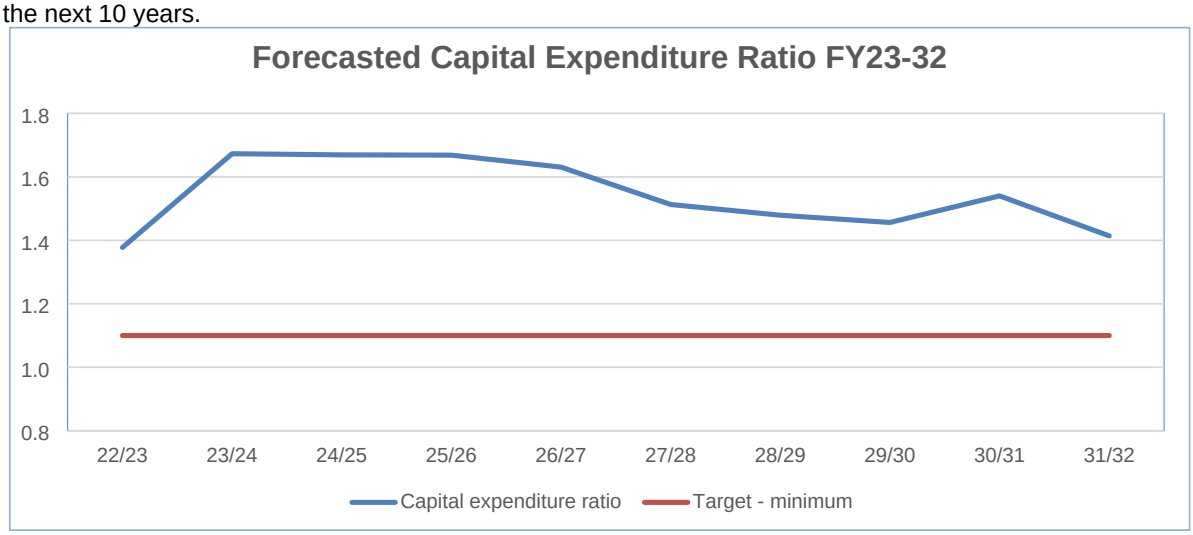
The asset sustainability ratio target is 'an average over the long-term'. As mentioned previously, Council is committed to investing in renewals ensuring continued services to the community over the long term. The current ten-year capital program and depreciation forecasts are demonstrated in the following graph:



The Asset Sustainability Ratio is calculated based on the planned capital expenditure on the renewal of assets. Council maintains a high standard of sustainable asset replacement over the long term. Continuing refinement of Council's asset management plans will only improve Council's ability to make informed decisions regarding asset management in the future. Noting the ratio is 'an average of the long-term', while FY22/23 is forecast below target, the long-term average is expected to achieve target over the longer term.

The Capital Expenditure Ratio measures the extent to which annual capital expenditure (including donated capital) is covered by annual depreciation (excluding amortisation charges). A ratio above 1.1 indicates investment in long term asset growth beyond current existing levels.

Council is forecasting to invest in capital projects at a higher level than its asset base is depreciated during the next 10 years.

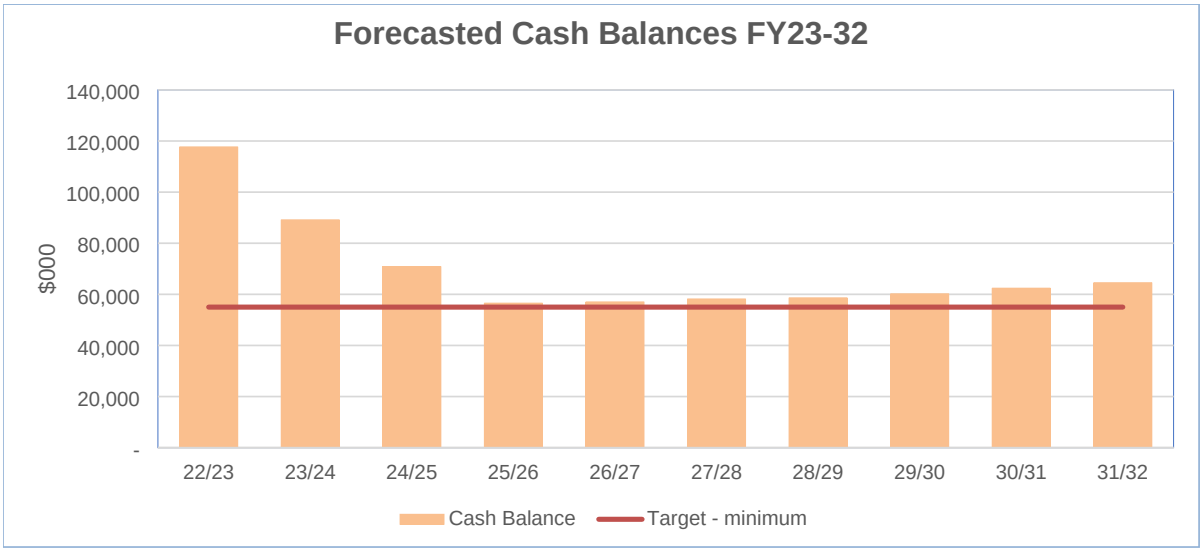


6. Cash Management

6.1 Background

Council holds considerable cash balances during the first part of the term of this strategy. During this time, Council considers its risk appetite and policy position with respect to investment of surplus funds. To maximise returns on investments, officers invest or withdraw funds as required to keep minimal balances in the transaction account. The performance of Council's investment account is reported to the community on a monthly basis via the Strategic Financial Report and is regularly reviewed to ensure opportunities are maximised and risks are minimised.

Traditionally, the main source of interest revenue resulting from the investment of cash balances has been through the Queensland Treasury Corporation (QTC) however MRC now actively searches the market to attract the highest possible returns. The following chart illustrates the available cash balances over the life of the strategy.



Maintaining a cash balance adequate to cover cash operating requirements is fundamental to any organisation and particularly important given Council's main revenue cycle. Council currently operates on a bi-annual rating cycle. This means that our main cash inflows will also be on a bi-annual cycle. Maintaining a cash balance adequate to cover cash operating requirements for a period of three to six months is essential.

Council continues to assess the financial benefits of using existing cash balances verses new borrowings when allocating funding sources for new projects. In accordance with Council's debt policy, new borrowings are only used to fund capital expenditure, for a period less than or equal to the estimated useful life of the asset(s) and not exceeding 20 years.

6.2 Risks and Opportunities

In order to achieve the financial sustainability targets and projections identified in the LTFF, the following risks and opportunities have been identified in relation to cash management:

Cash management	
Risks	• Investment rates lower than expected • Unforeseen events delay levying of rates • Economic circumstances result in an increase in overdue rates, fees and charges
Opportunities	• Revenue growth higher than predicted • Availability of competitive interest rates to maximise investment returns

In order to mitigate the above risks or explore the opportunities, the following projects and actions are progressing across Council:

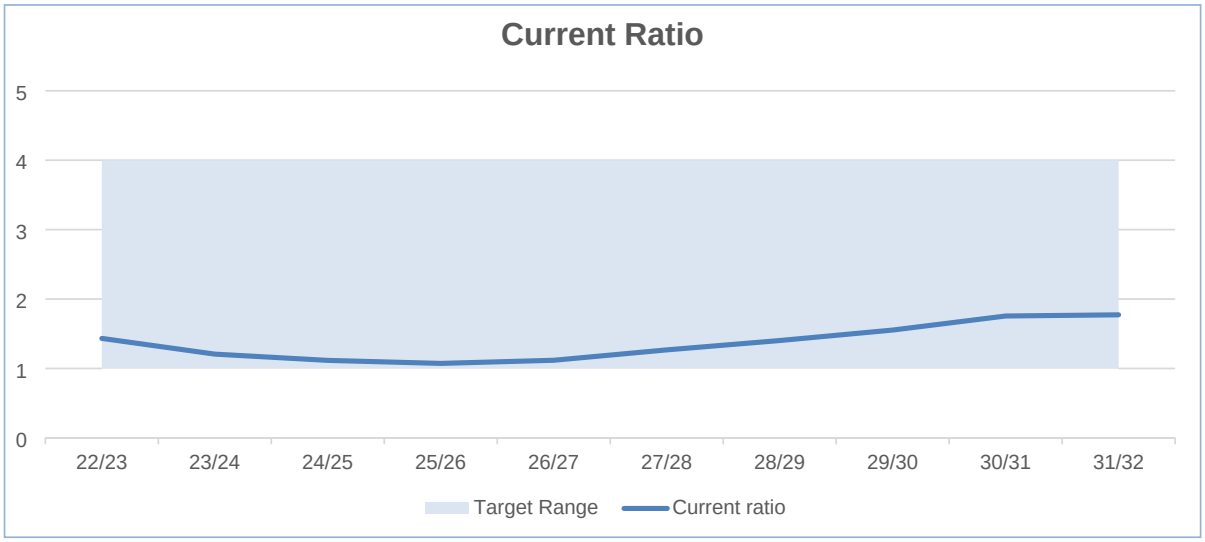
- Improvements in cash flow forecasting through more accurate budgeting will be a key requirement in the coming financial years, together with the continued development of rolling forecasts
- Cash management – regular reviews of debtors, creditors and payroll processes to ensure the community's cash is being utilised in the most efficient manner
- Institutional investment – diversifying the institutions that we invest in and the terms of those investments where possible to achieve the highest possible return.

The financial impact in relation to the current worldwide pandemic is being closely watched in terms of the effect on Council's fiscal forecasts. Customers' ability to pay rates and other charges could influence Council's cash management practices. This coupled with interest rates and other economic forces on the Australian and global economy will be continued to be monitored.

6.3 Key Performance Information

The Current Ratio is a good indicator of Council's liquidity and ability to meet short term obligations.

If the Current Ratio is too high over a sustained period, this may indicate the Council may not be efficiently using its current assets or its short-term financing facilities and may also indicate problems in working capital management. The Current Ratio is within target bounds for the life of the forecast.



7. Debt Management

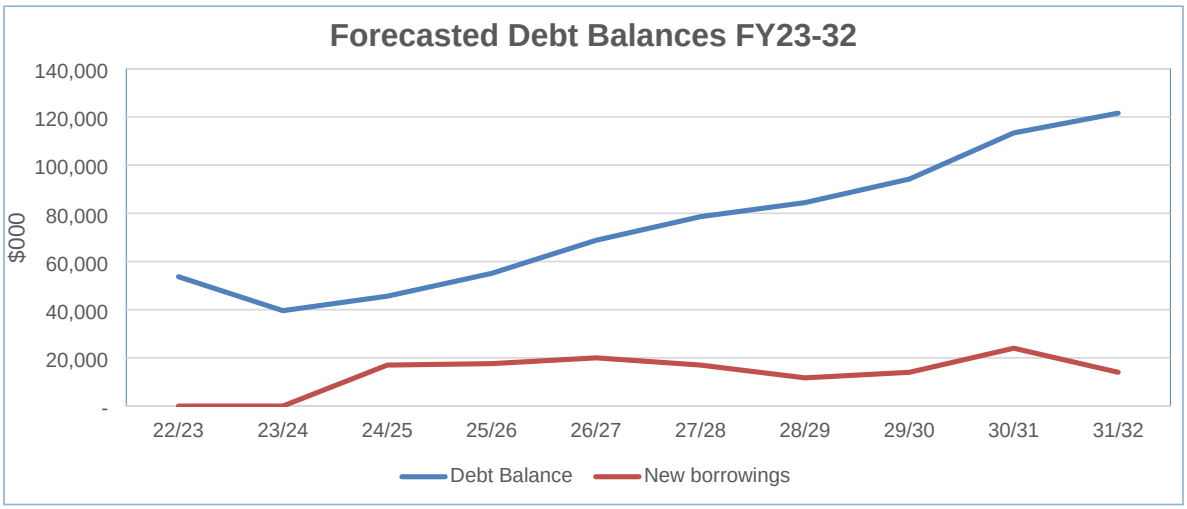
7.1 Background

Council traditionally borrows from Queensland Treasury Corporation (QTC) but can apply to the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) to borrow through other financiers such as Northern Australia Infrastructure Fund (NAIF) or local Australian Banks if more favourable rates or conditions exist. The loans are to fund infrastructure and other capital projects that will have a financial impact over several years. This method ensures that the region's ratepayers are not burdened by unrealistic expenditure levels.

New borrowings will only be made to fund capital expenditure, for a period less than or equal to the estimated useful life of the asset(s) and for not exceeding 20 years with QTC and not exceeding with 30 years NAIF. Council's debt is recorded in the financial accounting system at book value and officers undertake regular reviews to ensure the book rates and the repayment amounts remain appropriate to repay the debt over the original term. In addition, these reviews ensure that the relevant financial sustainability indicators will not exceed the maximum limits recommend by QTC and DSDILGP.

Currently, debt is repaid quarterly. Council continually strives to manage its cash balances to achieve the best possible return for Council. As some of Council's existing debt was borrowed when interest rates were higher, currently the cost of debt is higher than the returns on investments.

The following chart illustrates Council's current risk appetite to reduce debt balances in the short term, with no intention to borrow any additional funds until FY24/25. A review of the Strategy and Debt Policy is undertaken annually.



7.2 Risks and Opportunities

In order to achieve the financial sustainability targets and projections identified in the LTFF, the following risks and opportunities have been identified in relation to debt management:

Debt management	
Risks	• Interest rates increase significantly over the forecast period and future loans costs significantly more • Global financial issues severely limit credit availability

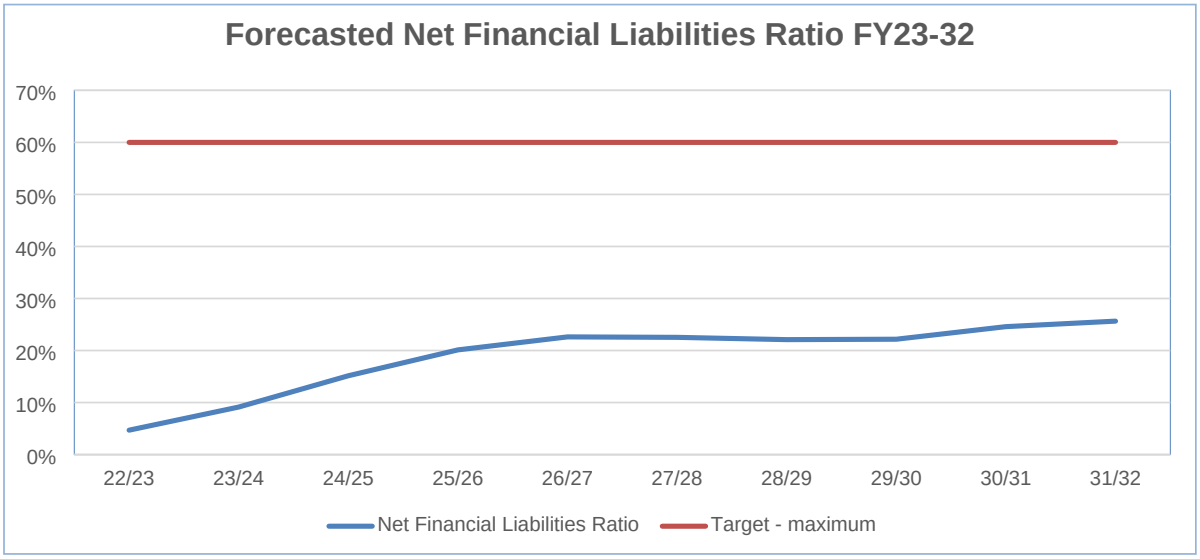
	• Reduced ability to repay borrowing costs and early repayment of debt • Asset management planning identifies increase growth infrastructure requirements requiring debt funding • Reduction in State and Federal grants for new assets requiring debt funding to finance • Unforeseen events effect liquidity requiring Council to borrow funds to operate
Opportunities	• Improved processes around financing of capital projects results in optimisation of borrowings • Investigation into alternative funding sources

In order to mitigate the above risks or explore the opportunities, the following projects and actions are progressing across Council:

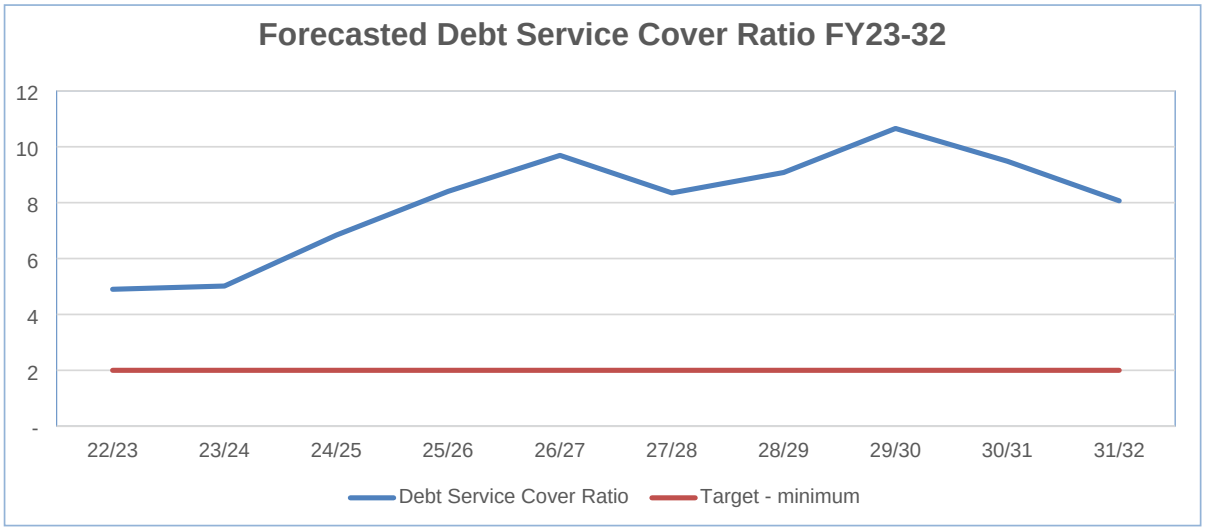
- Council will review its ten-year capital program simultaneously to its annual review of the financial strategy. The ten-year capital program will be the basis for the long-term financial forecast will assist in the determination if future borrowings are required
- Council will continue to work with QTC and request credit/sustainability reviews or similar where practicable to ensure current budgeting, forecasting and financing assumptions and parameters are reasonable.
- an annual review of repayment options to determine the optimum time to make additional loan repayments without impacting operating results.

7.3 Key Performance Information

The following chart demonstrates Council's ability to fund its net financial liabilities from recurrent revenue. The Net Financial Liabilities Ratio also considers the non-current liabilities in addition to current liabilities and subtracts the current assets before recognising this amount as a percentage of total operating revenue. This ratio is well below target across all years of the financial model.

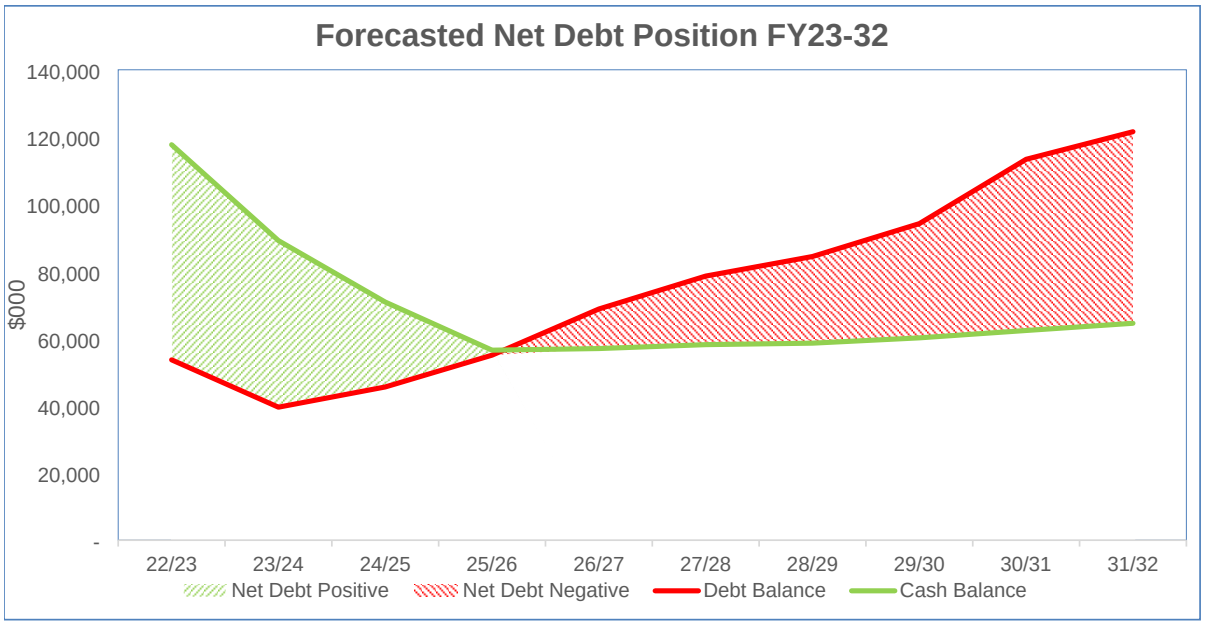


The following Debt Service Cover Ratio indicates Council's ability to repay loan funds. A low cover indicates constrained financial flexibility and limited capacity to manage unforeseen shocks.



The above graph illustrates Council is in a good financial position to cover the principal and interest payments associated with borrowings.

In addition to the aforementioned ratios, Council is cognisant of its Net Debt position. Net debt is calculated as total debt (current plus non-current) minus cash and cash equivalents. The net debt measure is a factor in QTC sustainability reviews and demonstrates Council's commitment to utilise surplus cash balances and constrained cash reserves in the short term. When debt exceeds cash at any time, this is a signal, although not necessarily a major concern provided Council can still service the debt. Council closely monitors this through regular reviews of its LTFF. This is confirmed in Council's debt service cover ratio exceeding the target as shown above.



8. Appendices

8.1 Long-Term Financial Forecast Statements

MACKAY REGIONAL COUNCIL
STATEMENT OF INCOME AND EXPENSES
For the year ending 30 June 2023
(including long term forecast until 2031/32)

	Budget	Forward Estimate								
	2022/23 $000	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	2028/29 $000	2029/30 $000	2030/31 $000	2031/32 $000
Operating revenue										
Rates and charges	254,280	262,144	269,497	276,671	284,483	291,452	298,595	305,912	313,410	321,092
Discounts	(19,169)	(19,787)	(20,332)	(20,891)	(21,413)	(21,948)	(22,497)	(23,059)	(23,636)	(24,227)
Remissions	(2,428)	(2,500)	(2,569)	(2,640)	(2,706)	(2,773)	(2,843)	(2,914)	(2,987)	(3,061)
Net Rates and charges	232,683	239,857	246,596	253,140	260,364	266,731	273,255	279,939	286,787	293,804
Fees and charges	19,555	20,142	20,706	21,244	21,775	22,320	22,878	23,450	24,036	24,637
Rental income	1,436	1,479	1,520	1,560	1,599	1,639	1,680	1,722	1,765	1,809
Sales - contracts and recoverable works	7,948	8,186	8,415	8,634	8,850	9,071	9,298	9,531	9,769	10,013
Grants and subsidies	9,980	8,371	8,604	8,826	9,046	9,271	9,501	9,743	9,980	10,228
Interest earned	1,992	3,615	5,338	3,828	3,552	3,535	3,613	3,692	3,738	3,912
Other operating revenue	4,462	4,595	4,724	4,847	4,968	5,092	5,220	5,350	5,484	5,621
Total operating revenue	**$ 278,056**	**$ 286,245**	**$ 295,903**	**$ 302,079**	**$ 310,154**	**$ 317,659**	**$ 325,445**	**$ 333,427**	**$ 341,559**	**$ 350,024**
Operating expenses										
Employee costs	94,563	97,157	99,823	102,805	105,876	109,039	112,828	116,922	120,806	125,005
Materials and services	98,742	102,268	105,223	108,739	113,249	116,656	120,368	121,952	125,778	128,514
Finance costs	4,520	3,626	2,747	3,109	3,615	4,304	4,796	5,183	5,703	6,708
Depreciation	79,502	80,982	83,008	83,820	82,918	82,729	84,356	85,938	87,335	89,184
Total operating expenses	**277,327**	**$ 284,033**	**$ 290,801**	**$ 298,473**	**$ 305,658**	**$ 312,728**	**$ 322,348**	**$ 329,995**	**$ 339,622**	**$ 349,411**
Operating result	**$ 729**	**$ 2,212**	**$ 5,102**	**$ 3,606**	**$ 4,496**	**$ 4,931**	**$ 3,097**	**$ 3,432**	**$ 1,937**	**$ 613**
Capital revenue										
Grants and subsidies	30,012	28,146	22,045	27,300	28,654	28,500	29,434	25,900	27,000	23,000
Contributions from developers	6,500	5,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Donated assets	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Other capital income	-	-	-	-	-	-	-	-	-	-
Total capital revenue	**$ 40,512**	**$ 37,146**	**$ 30,045**	**$ 35,300**	**$ 36,654**	**$ 36,500**	**$ 37,434**	**$ 33,900**	**$ 35,000**	**$ 31,000**
Capital expenses										
Loss on disposal or sale of assets	740	863	803	867	937	856	1,126	1,373	631	1,125
Revaluation decrement and loss on impairment	-	-	-	-	-	-	-	-	-	-
Other capital expenses	2,000	2,000	2,000	2,000	2,000	2,000	2,188	2,240	2,466	2,346
Total capital expenses	**2,740**	**$ 2,863**	**$ 2,803**	**$ 2,867**	**$ 2,937**	**$ 2,856**	**$ 3,314**	**$ 3,613**	**$ 3,097**	**$ 3,471**
Net result	**$ 38,501**	**$ 36,495**	**$ 32,344**	**$ 36,039**	**$ 38,213**	**$ 38,575**	**$ 37,217**	**$ 33,719**	**$ 33,840**	**$ 28,142**

MACKAY REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
For the year ending 30 June 2023
(including long term forecast until 2031/32)

	Budget	Forward Estimate								
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Current assets										
Cash, cash equivalents and investments	117,698	89,159	70,873	56,550	57,033	58,194	58,634	60,215	62,406	64,554
Trade and other receivables	20,421	20,850	21,494	22,062	22,680	23,173	23,807	24,391	24,990	25,533
Contract assets	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Other assets	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710
Inventories	2,745	2,745	2,745	2,745	2,745	2,745	2,745	2,745	2,745	2,745
Non-current assets held for sale	79	79	79	79	79	79	79	79	79	79
Total current assets	**$ 147,153**	**$ 119,043**	**$ 101,401**	**$ 87,646**	**$ 88,747**	**$ 90,401**	**$ 91,475**	**$ 93,640**	**$ 96,430**	**$ 99,121**
Non-Current Assets										
Investments	5,102	5,102	5,102	5,102	5,102	5,102	5,102	5,102	5,102	5,102
Trade and other receivables	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3,471,822	3,522,475	3,574,648	3,627,792	3,676,346	3,716,437	3,754,029	3,789,833	3,833,781	3,867,761
Intangible assets	4,202	3,200	2,098	1,003	88	39	39	39	39	39
Right of use assets	741	689	637	585	533	481	428	376	324	272
Total non-current assets	**$ 3,481,867**	**$ 3,531,466**	**$ 3,582,485**	**$ 3,634,482**	**$ 3,682,069**	**$ 3,722,059**	**$ 3,759,598**	**$ 3,795,350**	**$ 3,839,246**	**$ 3,873,174**
Total assets	**$ 3,629,020**	**$ 3,650,509**	**$ 3,683,886**	**$ 3,722,128**	**$ 3,770,816**	**$ 3,812,460**	**$ 3,851,073**	**$ 3,888,990**	**$ 3,935,676**	**$ 3,972,295**
Current liabilities										
Contract liabilities	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Lease liabilities	25	25	25	25	25	25	25	25	25	25
Trade and other payables	10,002	10,313	10,636	10,984	11,416	11,725	12,137	12,348	12,738	13,010
Borrowings	14,049	10,944	8,093	6,227	7,164	5,834	4,182	4,811	5,757	6,481
Provisions	62,458	61,231	55,922	48,309	44,617	37,579	32,736	26,944	20,248	20,248
Other liabilities	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654
Total current liabilities	**$ 102,688**	**$ 98,667**	**$ 90,830**	**$ 81,699**	**$ 79,376**	**$ 71,317**	**$ 65,234**	**$ 60,282**	**$ 54,922**	**$ 55,918**
Non-current liabilities										
Lease liabilities	750	709	669	628	588	547	506	466	425	385
Borrowings	38,848	27,904	36,813	48,189	61,027	72,196	79,716	88,906	107,153	114,674
Provisions	16,746	16,746	16,746	16,746	16,746	16,746	16,746	16,746	16,746	16,746
Other liabilities	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163
Total non-current liabilities	**$ 57,507**	**$ 46,522**	**$ 55,391**	**$ 66,726**	**$ 79,524**	**$ 90,652**	**$ 98,131**	**$ 107,281**	**$ 125,487**	**$ 132,968**
Total liabilities	**$ 160,195**	**$ 145,189**	**$ 146,221**	**$ 148,425**	**$ 158,900**	**$ 161,969**	**$ 163,365**	**$ 167,563**	**$ 180,409**	**$ 188,886**
Net community assets	**$ 3,468,825**	**$ 3,505,320**	**$ 3,537,665**	**$ 3,573,703**	**$ 3,611,916**	**$ 3,650,491**	**$ 3,687,708**	**$ 3,721,427**	**$ 3,755,267**	**$ 3,783,409**
Community equity										
Retained surplus	2,299,637	2,336,132	2,368,477	2,404,515	2,442,728	2,481,303	2,518,520	2,552,239	2,586,079	2,614,221
Asset revaluation reserve	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188
Total community assets	**$ 3,468,825**	**$ 3,505,320**	**$ 3,537,665**	**$ 3,573,703**	**$ 3,611,916**	**$ 3,650,491**	**$ 3,687,708**	**$ 3,721,427**	**$ 3,755,267**	**$ 3,783,409**

MACKAY REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
For the year ending 30 June 2023
(including long term forecast until 2031/32)

	Budget	Forward Estimate								
	2022/23 $000	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	2028/29 $000	2029/30 $000	2030/31 $000	2031/32 $000
Retained Surplus										
Opening balance	2,261,136	2,299,637	2,336,132	2,368,477	2,404,515	2,442,728	2,481,303	2,518,520	2,552,239	2,586,079
Net result for the period	38,501	36,495	32,344	36,039	38,213	38,575	37,217	33,719	33,840	28,142
Closing balance	**$ 2,299,637**	**$ 2,336,132**	**$ 2,368,477**	**$ 2,404,515**	**$ 2,442,728**	**$ 2,481,303**	**$ 2,518,520**	**$ 2,552,239**	**$ 2,586,079**	**$ 2,614,221**
Asset Revaluation Reserve										
Opening balance	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188	1,169,188
Asset revaluation adjustments	-	-	-	-	-	-	-	-	-	-
Closing balance	**$ 1,169,188**	**$ 1,169,188**	**$ 1,169,188**	**$ 1,169,188**	**$ 1,169,188**	**$ 1,169,188**	**$ 1,169,188**	**$ 1,169,188**	**$ 1,169,188**	**$ 1,169,188**
Total										
Opening balance	3,430,324	3,468,825	3,505,320	3,537,665	3,573,703	3,611,916	3,650,491	3,687,708	3,721,427	3,755,267
Net result for the period	38,501	36,495	32,344	36,039	38,213	38,575	37,217	33,719	33,840	28,142
Asset revaluation adjustments	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY EQUITY	**$ 3,468,825**	**$ 3,505,320**	**$ 3,537,665**	**$ 3,573,703**	**$ 3,611,916**	**$ 3,650,491**	**$ 3,687,708**	**$ 3,721,427**	**$ 3,755,267**	**$ 3,783,409**

MACKAY REGIONAL COUNCIL
STATEMENT OF CASH FLOW
For the year ending 30 June 2023
(including long term forecast until 2031/32)

	Budget	Forward Estimate								
	2022/23 $000	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	2028/29 $000	2029/30 $000	2030/31 $000	2031/32 $000
Cash flows from operating activities:										
Receipts from customers	265,823	273,711	281,337	288,873	296,955	304,375	311,716	319,425	327,261	335,357
Payments to suppliers and employees	(195,026)	(201,210)	(210,922)	(219,724)	(223,322)	(233,383)	(238,798)	(245,703)	(254,390)	(254,652)
	$ 70,797	$ 72,501	$ 70,415	$ 69,149	$ 73,633	$ 70,992	$ 72,918	$ 73,722	$ 72,871	$ 80,705
Interest received	1,992	3,615	5,338	3,828	3,552	3,535	3,613	3,692	3,738	3,912
Non capital grants and contributions	9,981	8,492	8,585	8,810	9,030	9,256	9,482	9,725	9,962	10,212
Borrowing Costs	(3,640)	(2,759)	(1,857)	(2,195)	(2,678)	(3,344)	(3,812)	(4,174)	(4,669)	(5,648)
Net cash inflow (outflow) from operating activities	**$ 79,130**	**$ 81,849**	**$ 82,481**	**$ 79,592**	**$ 83,537**	**$ 80,439**	**$ 82,201**	**$ 82,965**	**$ 81,902**	**$ 89,181**
Cash flow from investing activities:										
Payments for property, plant and equipment	(103,996)	(129,535)	(132,646)	(133,944)	(129,648)	(121,012)	(120,698)	(121,082)	(130,428)	(122,038)
Payments for intangible assets	-	-	-	-	-	-	-	-	-	-
Net movement in loans and advances	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property plant and equipment	1,257	2,091	1,817	1,260	2,205	1,437	1,676	2,019	2,566	1,801
Grants, subsidies, contributions and donations	36,512	33,146	26,045	31,300	32,654	32,500	33,434	29,900	31,000	27,000
Other investing activities	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Net cash inflow (outflow) from investing activities	**$ (68,227)**	**$ (96,298)**	**$ (106,784)**	**$ (103,384)**	**$ (96,789)**	**$ (89,075)**	**$ (87,588)**	**$ (91,163)**	**$ (98,862)**	**$ (95,237)**
Cash flow from financing activities:										
Proceeds from borrowings	-	-	17,000	17,600	20,000	17,000	11,700	14,000	24,000	14,000
Repayment of borrowings	(13,168)	(14,049)	(10,942)	(8,090)	(6,224)	(7,162)	(5,832)	(4,180)	(4,808)	(5,755)
Principal lease repayments	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)
Net cash inflow (outflow) from financing activities	**$ (13,209)**	**$ (14,090)**	**$ 6,017**	**$ 9,469**	**$ 13,735**	**$ 9,797**	**$ 5,827**	**$ 9,779**	**$ 19,151**	**$ 8,204**
Net increase (decrease) in cash held	**$ (2,306)**	**$ (28,539)**	**$ (18,286)**	**$ (14,323)**	**$ 483**	**$ 1,161**	**$ 440**	**$ 1,581**	**$ 2,191**	**$ 2,148**
Cash at beginning of reporting period	120,004	117,698	89,159	70,873	56,550	57,033	58,194	58,634	60,215	62,406
Cash at end of reporting period	**$ 117,698**	**$ 89,159**	**$ 70,873**	**$ 56,550**	**$ 57,033**	**$ 58,194**	**$ 58,634**	**$ 60,215**	**$ 62,406**	**$ 64,554**

MACKAY REGIONAL COUNCIL
KEY FINANCIAL SUSTAINABILITY METRICS
For the year ending 30 June 2023
(including long term forecast until 2031/32)

	Target	Budget 2022/23	Forward Estimate 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Operating surplus ratio *Operating result (excluding capital items) as a percentage of operating revenue*	0% - 10%	0.3%	0.8%	1.7%	1.2%	1.4%	1.6%	1.0%	1.0%	0.6%	0.2%
Current ratio *Current assets / current liabilities*	Between 1 and 4	1.4	1.2	1.1	1.1	1.1	1.3	1.4	1.6	1.8	1.8
Interest coverage ratio *Net interest expense / operating revenue*	0% - 5%	0.9%	0.0%	-0.9%	-0.2%	0.0%	0.2%	0.4%	0.4%	0.6%	0.8%
Net financial liabilities ratio *(Total liabilities - current assets) / total operating revenue (excluding capital items)*	< 60%	4.7%	9.1%	15.1%	20.1%	22.6%	22.5%	22.1%	22.2%	24.6%	25.6%
Asset sustainability ratio *Capital expenditure on renewals / depreciation expense*	> 90%	74.6%	94.8%	90.1%	81.8%	96.1%	93.6%	88.0%	86.1%	87.1%	75.7%
Capital expenditure ratio *Capital expenditure / depreciation*	> 1.1 times	1.4	1.7	1.7	1.7	1.6	1.5	1.5	1.5	1.5	1.4

MACKAY REGIONAL COUNCIL
CAPITAL WORKS PROGRAM
For the year ending 30 June 2023
(including long term forecast until 2031/32)

	Budget	Forward Estimate								
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Buildings and Facilities	**5,508**	**21,589**	**28,428**	**24,772**	**8,560**	**7,062**	**6,902**	**5,898**	**5,930**	**5,470**
Renewal	1,520	12,131	7,594	4,756	5,408	3,687	3,827	3,823	3,855	3,470
Upgrade	291	5,212	535	216	152	75	75	75	75	-
New	3,697	4,247	20,299	19,800	3,000	3,300	3,000	2,000	2,000	2,000
Parks, Gardens, Coastal & Foreshores, Waste	**15,628**	**23,566**	**19,032**	**11,262**	**6,841**	**14,324**	**11,052**	**4,365**	**2,886**	**3,257**
Renewal	3,219	3,646	3,934	4,596	3,229	11,525	9,171	2,990	2,662	2,062
Upgrade	4,631	1,803	3,379	771	1,019	1,813	157	4	171	134
New	7,778	18,118	11,718	5,895	2,593	985	1,724	1,371	53	1,061
Land	**80**	**1,168**	**-**	**25**	**100**	**3,441**	**3,441**	**-**	**-**	**-**
Renewal	-	-	-	-	-	-	-	-	-	-
Upgrade	-	-	-	-	-	-	-	-	-	-
New	80	1,168	-	25	100	3,441	3,441	-	-	-
Plant & Equipment	**9,621**	**8,490**	**7,470**	**6,769**	**9,050**	**11,071**	**7,316**	**9,188**	**10,271**	**10,381**
Renewal	8,175	8,145	7,222	6,631	8,877	11,033	7,278	9,150	10,234	10,381
Upgrade	385	31	19	19	154	19	19	19	19	-
New	1,060	314	229	119	19	19	19	19	19	-
Roads, Drainage & Network	**53,427**	**52,113**	**48,482**	**59,794**	**53,633**	**57,594**	**54,765**	**61,184**	**68,929**	**57,967**
Renewal	29,310	31,191	34,377	31,474	31,551	27,176	30,389	32,832	33,093	29,733
Upgrade	11,029	9,097	9,135	15,662	12,415	11,078	12,141	13,776	19,710	16,024
New	13,088	11,825	4,970	12,658	9,666	19,341	12,235	14,576	16,126	12,209
Sewerage	**7,847**	**8,197**	**10,745**	**11,005**	**19,445**	**11,526**	**9,518**	**10,777**	**17,882**	**33,388**
Renewal	5,730	7,169	7,389	8,100	9,033	8,395	7,558	8,554	11,569	10,549
Upgrade	1,243	604	2,376	1,818	6,495	2,890	1,035	1,660	4,958	6,891
New	874	425	980	1,088	3,918	241	925	563	1,355	15,948
Water	**11,886**	**14,412**	**18,490**	**20,317**	**32,020**	**15,995**	**27,705**	**29,670**	**24,530**	**11,575**
Renewal	10,559	13,362	13,208	12,070	20,635	15,495	15,948	16,570	14,610	11,275
Upgrade	448	696	2,863	3,265	4,100	175	5,561	2,450	1,525	75
New	879	355	2,420	4,983	7,285	325	6,196	10,650	8,395	225
	$ 103,996	**$ 129,535**	**$ 132,646**	**$ 133,944**	**$ 129,648**	**$ 121,012**	**$ 120,698**	**$ 121,082**	**$ 130,428**	**$ 122,038**

Disclaimer

While every care has been taken in preparing this publication, Mackay Regional Council accepts no responsibility for decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within. To the best of our knowledge the content was correct at the time of publishing.

4.6. CODE OF COMPETITIVE CONDUCT STATEMENT
4.6.1. CODE OF COMPETITIVE CONDUCT STATEMENT

Author	Manager Financial Services (Justin Rule)
Responsible Officer	Director Organisational Services (Kylie Lamb)
File Reference	Budget 2022/23
Attachments	1. Business Activity Statement Significant Business Units for the year ended 30 June 2023 [**4.6.1.1** - 1 page]

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.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Affordable Living - Our rates and charges are understood and provide value for residents and are sufficient to provide for required infrastructure, facilities and services.

Strategy: Ethical Decision-Making and Good Governance – We are committed to keeping our community informed about our activities and performance and employing robust governance policies and procedures to ensure legislative compliance and organisational integrity.

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 business activities:

Significant Business Activities

Section 19 of the Regulation prescribes the threshold that a business activity must meet to be a significant business activity for a financial year:

- If the business activity is the provision of combined water and sewerage services, the threshold is 10,000 or more premises being connected to a water service as at 30 June of the financial year ending immediately before the current financial year.

- For any other business activity, the threshold is expenditure of at least $9.7m for the financial year ending immediately before the current financial year.

Section 20 of the Regulation requires the use the information presented in either the Council's performance report or at the Council's budget meeting for the financial year ending immediately before the current financial year.

As part of the 2022/23 budget, Council has resolved the following are significant business activities of Mackay Regional Council (MRC):

- Mackay Water Services which manage the water and sewerage activities; and
- Mackay Waste Services which manage the solid waste activities.

Code of Competitive Conduct

The Act requires Council to decide each financial year (by resolution) whether 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 $340,000 or more. If Council decides not to apply the code of competitive conduct Council must state, the reasons for not applying the code. The following activities are primarily involved in trading goods and services, and have been considered:

Building Certification

The Regulation (section 38) prescribes that any building certification activity of MRC is a prescribed business activity. As Council does not presently conduct a building certification activity, the requirements of this section do not apply.

Roads Activities

The Act (section 47(3)) states that the local government must apply the code of competitive conduct to a road activity. A road activity is defined to only include business activities which the State or local government has put out to tender. Council does not presently perform any such road activities and therefore the requirements of this section do not apply.

Mackay Entertainment & Convention Centre (MECC)

Whilst the activity receives a large component of its funding by trading in goods and services, the overall objective of the Mackay Entertainment and Convention Centre is to promote economic development in the region and to encourage artistic and cultural development within the community. 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 to this activity.

Sarina Sugar Shed

The primary activity of the Sarina Sugar Shed is to promote economic development within the region through tourism. A portion of its funding is generated by trading in goods and services. It is anticipated that an increase in administrative expense would occur from the application of the code of competitive conduct, with no measurable improvement in decision-making or the activity's financial result. Therefore, it is proposed that the code of competitive conduct should not be applied to this activity.

Off-street Parking

MRC operates off-street parking facilities within the city centre for the community’s use. These facilities offer an alternative to on-street parking and have been provided to facilitate the demand for parking within the defined area. Application of the code of competitive conduct to the business activity is anticipated to add 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 to this activity.

Sporting Facilities

Mackay Stadium and Mackay Aquatic and Recreation Complex are significant sporting facilities owned by MRC. These facilities are provided to support economic development in the region, through the provision of sporting games and other attractions including artist performances.

These businesses, along with the various aquatic facilities across the region, do not have the necessary commercial or profit-making focus and application of the code of competitive conduct is anticipated to add an administrative expense without necessarily improving decision-making or financial results of the activity. Therefore, it is proposed that the code of competitive conduct should not be applied to this activity.

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 (CSO) arise when the Council specifically requires a commercialised business unit to carry out operations that are not in the commercial interests of the business activity to do so or alternatively would only deliver at higher prices or through 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; and
- 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:

Type CSO	Description
Uniform	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.
Concession	Where Council has social welfare objectives to provide concessions to consumers who are considered disadvantaged eg: pensioner concessions, sporting bodies, charitable organisations etc.
Industry	Where Council may wish to provide incentives to industry, eg: rate rebates.
Purchasing	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.
Other	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 CSO's 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.

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 focusing 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 2022/23:

Business Activity	Level of NCP Reform
Water and Sewerage	Commercialisation
Waste Services	Commercialisation
MECC	No application of the code of competitive conduct or full cost pricing
Sarina Sugar Shed	No application of the code of competitive conduct or full cost pricing
Off street Parking	No application of the code of competitive conduct or full cost pricing
Sporting Facilities	No application of the code of competitive conduct or full cost pricing

Officer's Recommendation

THAT Council:

1. Determines that water and sewerage and waste business activities will continue as significant business activities; and
2. Determines that the code of competitive conduct should not apply to the Mackay Entertainment & Convention Centre, Sarina Sugar Shed, Off-street Parking and Sporting Facilities as prescribed business activities for the 2022/23 financial year. As Council considers the cost of applying the code will outweigh the benefits, and the activities have significant non-commercial objectives; and
3. Determines that it does not conduct any other business activities or prescribed business activities.

Council Resolution ORD-2022-182

THAT Council:

1. **Determines that water and sewerage and waste business activities will continue as significant business activities; and**
2. **Determines that the code of competitive conduct should not apply to the Mackay Entertainment & Convention Centre, Sarina Sugar Shed, Off-street Parking and Sporting Facilities as prescribed business activities for the 2022/23 financial year. As Council considers the cost of applying the code will outweigh the benefits, and the activities have significant non-commercial objectives; and**
3. **Determines that it does not conduct any other business activities or prescribed business activities.**

Moved Cr May **Seconded Cr Mann**

CARRIED

MACKAY REGIONAL COUNCIL
BUSINESS ACTIVITY STATEMENT
SIGNIFICANT BUSINESS UNITS
For the year ended 30 June 2023

	Mackay Water Services 2022/23 $'000	Mackay Waste Services 2022/23 $'000
Revenue for services provided to MRC	2,447	688
Revenue for services provided to external clients	100,364	30,912
Community service obligations (community or sporting rebates)	205	36
	103,015	31,637
Less: expenditure	75,089	23,837
Operating result before tax and dividend	27,927	7,800
Tax	10,068	2,304
Dividend	15,198	2,583
Operating result before tax and dividend	**2,661**	**2,913**

4.7. MACKAY WASTE SERVICES PERFORMANCE PLAN (2023-2028)
4.7.1. MACKAY WASTE SERVICES PERFORMANCE PLAN (2023-2028)

Author	Acting Chief Operating Officer Water & Waste Services (Stuart Boyd)
Responsible Officer	Director Engineering & Commercial Infrastructure (Jason Devitt)
File Reference	Budget 2022/23
Attachments	1. Waste Services Performance Plan 2023-2028 [**4.7.1.1** - 41 pages]

Purpose

To adopt the proposed Waste Plan (2023–2028) for Waste Services which incorporates the Annual Performance Plan requirements as outlined in the *Local Government Regulation 2012*.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Optimised Asset Management – Our asset spend is aligned with the optimised maintenance, replacement and renewal of our asset base.

Strategy: Ethical Decision-making and Good Governance - We are committed to keeping our community informed about our activities and performance and employing robust governance policies and procedures to ensure legislative compliance and organisational integrity.

Priority: Operational Excellence:

Strategy: Process and Systems – We develop and continually improve and innovate to create efficient processes that deliver value for our community. Council will endeavour to make service levels more transparent and harness opportunities for existing and emerging technologies to aid this delivery

Background/Discussion

The Performance Plan has been compiled to include the requirements of an Annual Performance Plan as specified in the L*ocal Government Act 2009* and the *Local Government Regulation 2012* for Commercialised Businesses.

Consultation and Communication

Chief Operating Officer Water and Waste Services, Manager Water & Sewerage Infrastructure Planning, Manager Water Network, Manager Water Treatment and Manager Waste Services.

Resource Implications

Nil.

Risk Management Implications

Nil.

Conclusion

The Performance Plan (2023-2028) sets the expected standards of performance for Waste Services for the 2022/23 financial year.

Officer's Recommendation

THAT Council adopts the Mackay Waste Services Performance Plan (2023-2028).

Council Resolution ORD-2022-183

THAT Council adopts the Mackay Waste Services Performance Plan (2023-2028).

Moved Cr Hassan **Seconded Cr Townsend**

Cr Hassan noted that waste is one of the biggest costs to Council and there has been a significant body of work that has gone into this plan with significant changes planned moving forward in the way we deliver our waste services, particularly expanding the way we do things and co-operating with our partner Councils in the Mackay Isaac Whitsunday region. Cr Hassan thanked the officers for their work in the preparation of this plan.

CARRIED

WASTE SERVICES

Performance Plan 2023 – 2028

Including the requirements for Annual Performance Plan (LG Act)
and a Strategic Asset Management Plan (ISO55000)

Mackay REGIONAL COUNCIL

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Executive Summary

This Performance Plan provides an overview of Mackay Waste Services (hereinafter Waste Services) over the next five years and the initiatives to progress the waste business. It specifies the range of services it provides, identifying external and internal influences that the Waste Industry is subject to, and identifies the activities necessary to ensure the delivery of council's corporate objectives prudently and efficiently at the lowest total lifecycle cost where possible.

In developing the Performance Plan, external drivers such as legislation, economic, social, and environmental and internal influences including council's Corporate Plan, organisational structure, governance, risk management and resources are considered. Waste Services has translated the principal drivers, into a series of key result areas and overarching objectives. The objectives provide the focus areas for Waste Services to build strategic direction and identify the key initiatives that will be delivered over the course of the three-year Business Plan.

Waste Services aims to ensure effective and efficient management of waste assets and an asset management framework is being developed to ensure that key objectives are achieved, and appropriate levels of service in accordance with the Customer Charter are maintained. A risk-based approach is being embraced by Waste Services in making asset management decisions, as well as understanding the service performance of the assets and whether to upgrade, renew or build new. A ten-year asset investment profile has been provided for the waste capital program.

Following the high level of unpredictability in recent years from external drivers, such as the Chinese "national sword" continue to impact the global recycling system, the Queensland Container Refund Scheme, Queensland Government's Waste Levy, the National Waste Policy and the banning of specific waste and recyclable materials for export will impact or influence council's own waste and resource recovery strategy. Consequently, council has commenced the review of that strategic plan.

In addition to the Queensland Government's initiatives with waste management, the government has adopted a Waste Management and Resource Recovery Strategy. This strategy will have a significant influence on how council will provide waste and resource recovery services into the future.

All these drivers will influence the direction of council's own waste and resource recovery management strategic planning; however, external influences are not new. For example, the previous Waste Levy and the National Carbon Pricing Mechanism has shown that council can be agile and resilient to changing environments with council implementing appropriate measured responses on behalf of its community.

The plan provides an overview of the Financial Management of Waste Services, including the Pricing and Revenue and Operating Performance, where 62% of budgeted operating surplus for 2022/2023 will be diverted back to Mackay Regional Council as dividends and notional tax, while the balance will predominately be used to fund capital investments.

Introduction

Waste Services is one of two Commercial Business Units (CBU) of Water and Waste Services (WWS) within the Engineering and Commercial Infrastructure (ECI) Directorate of Mackay Regional Council (MRC). Waste Services is responsible for the delivery of waste and resource recovery services for the regional community within the Mackay Regional Council Local Government Area.

The *Local Government Act 2009* (the *Act*) and the *Local Government Regulation 2012* (the *Regulation*) govern the operation of business units run by local governments.

Key Principles of a Commercial Business Unit

Waste Services conducts business by adhering to the key principles of commercialisation as per Section 28 of the *Regulation*, namely having:

- clarity of objectives
- management autonomy and authority (governance)
- accountability for performance
- competitive neutrality.

Section 19 of the *Local Government Regulation 2012* prescribes the thresholds for the 2022-23 financial year are as follows:

- for water and sewerage combined activities - 10,000 or more premises being connected to a water service as of 30 June of the financial year ending immediately before the current financial year
- for any other business activity - expenditure of at least $9.7m for the financial year as of 30 June of the financial year ending immediately before the current financial year.

Section 175 of the *Local Government Regulation 2012* states the annual operational plan for a local government must:

- be consistent with its annual budget; and
- state how the local government will:
  - (i) progress the implementation of the 5-year corporate plan during the period of the annual operational plan; and
  - (ii) manage operational risks; and
- include an annual performance plan for each commercial business unit of the local government.

Inclusions of an Annual Performance Plan

An annual performance plan (APP) for a commercial business unit is a document stating the following for the financial year, the:

- unit's objectives
- nature and extent of the significant business activity, the unit is to conduct
- unit's financial and non-financial performance targets
- nature and extent of the community service obligations the unit must perform
- cost of, and funding for, the community service obligations
- unit's notional capital structure, and treatment of surpluses

- unit's proposed major investments
- unit's outstanding, and proposed, borrowings
- unit's policy on the level and quality of service consumers can expect
- delegations necessary to allow the unit to exercise autonomy in its commercial activities
- type of information that the unit's reports to the local government must contain.

A local government may omit information from the copies of the annual performance plan made available to the public if:

- the information is of a commercially sensitive nature to the commercial business unit; and
- the information is given to each of the local government's councillors.

Note – See also Section 171 (Use of information by councillors) of the *Act.*

The local government may change an annual performance plan for a commercial business unit at any time before the end of the financial year.

The *Regulation* also requires the CBU's performance to be monitored by the local government against performance targets mentioned in the APP.

This Performance Plan is designed to address each of these legislative requirements above. This document will contain both the longer-term strategy (five-year program) for business improvement as well as the more immediate (annual) goals for the business.

The Performance Plan has also been structured to define the elements of the business' "Asset Management System" as identified in the International Standard for Asset Management ISO 55000. This plan presents a 10-year view of Asset Management for waste assets in accordance with the requirements of the Local Government Act.

Management Structure

The management structure and associated departments within Waste Services are outlined in **Figure 1.** The responsibilities of the Water and Waste Services Management Team are identified in Appendix A.

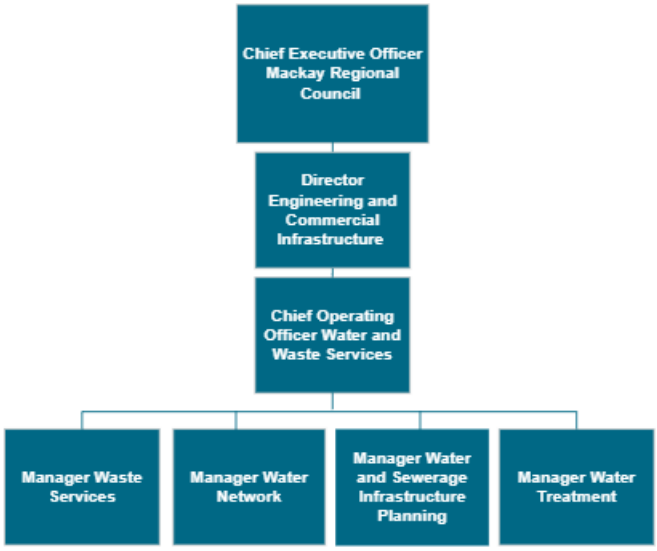


Figure 1: Management Structure

Commitment

Purpose

We are committed to delivering sustainable water and waste services to the Mackay region in an efficient and commercially responsible manner.

Culture and Values

As a CBU of Mackay Regional Council, Waste Services share the commitment of:

'To create the opportunity to thrive. To become the best region for liveability and livelihood'

We endorse the five following core values in delivering outcomes for the community:

- Safety and Wellbeing
- Respect
- Working Together
- Service Excellence
- Integrity

Objectives

Commercial Business Unit Objectives

Waste Services has seven key result areas and overarching objectives within the three-year Business Plan that provide focus and strategic direction:

- to achieve excellence in financial, human resource management and work health and safety
- to engage with our community and consistently meet our customer services standards
- to create an engaged and high performing team culture with the aim to have the right people in the right roles with the right skills and knowledge to deliver on the vision
- manage the income and expenditure in a sustainable way
- to create systems and procedures that assure responsive delivery, quality, and management by fact
- to deliver the best whole of life outcome decisions for the region's assets to meet customer service standards into the future
- to ensure all operations and activities are undertaken in compliance with our regulatory obligations.

Business Environment (Internal)

Mackay Regional Council's Corporate Plan 2022-2027 sets out the strategic direction of the Council. The Corporate Plan is intended to unify and guide the decision-making processes of the different departments to ensure the common vision of council is delivered to its ratepayers.
Table 1 provides a summary of how the Corporate Plan priorities have translated into objectives for the Waste Business.

Table 1: Waste Business Objectives to Support Corporate Plan

MRC Corporate Priorities		Supporting Waste Service Objectives
Invest & Work	We will encourage a buoyant, diverse economy that creates opportunities and employment and builds on our strengths so that we are a key player in the regional, state, and global economy. Build an informed, involved and digitally connected community that retains and attracts knowledge.	Waste Services will deliver services efficiently that minimises the cost to provide services in the long run. Investment by council into resource recovery activities will create new private sector investment opportunities and jobs development for the region, as council participates being part of the circular economy. Waste Services will deliver empowerment to our customers in the management of the services that are provided. Empowering our customers involves an improved understanding of our customers' needs, delivering effective communication and providing self-service capabilities. It will also include education of the community regarding waste operations and management.
Live & Visit	A community that creates a supportive environment for people of all ages, nationalities, cultures, and beliefs. Develop a strong regional voice to promote and facilitate growth to become a leading community in Northern Australia.	Waste Services will be an innovative waste service provider recognised for its commercial performance, provides regional leadership, has the respect of its customers & industry regulators, and prides itself on its sustainability. Waste Services will contribute to the strengthening of the Queensland and Australian Waste Industry through its contribution to formal and informal National, State and Regional Waste Industry Associations and inter utility collaboration. Waste Services will deliver regional leadership through its involvement and leadership in industry groups.
Community & Environment	Deliver a safe, healthy, and accessible community that offers a diverse range of services and facilities. Achieve a well-managed and healthy environment that provides a balance between built infrastructure and the conservations of our natural and cultural resources.	Waste Services commits to provide safe, reliable, and high-quality waste services to the community. As a supporting service provider to the health and wellbeing of the community, Waste Services will deliver integrated planning for our services to ensure support of the broader objectives of the region. Waste Services will support community resilience through effective business continuity planning and preparedness. Waste Services will minimise impact on the environment in a commercially sustainable way. Waste Services recognises that this is achieved through a broad range of measures including optimised operations, effective asset planning and a coordinated approach to future planning of service delivery.
Financial Strength	Council will have robust financial practices based on a strategic approach, to optimise the planning, delivery and maintenance of public services and assets., that provide value for money to the community. Develop and maintain regional infrastructure that will support a high standard of living.	Waste Services will deliver the best whole of life outcome decisions for the region's waste management services and assets to meet customer service standards into the future. This will be achieved through the development of comprehensive Waste Management and Resource Recovery Strategy, supported by financial planning, and modelling along with asset management plans for our infrastructure and a diligent and robust approach to the identification, prioritisation, planning and delivery of works.
Operational Excellence	We are an innovative and responsive council that strives for excellence to achieve for our customers and the community.	Waste Services will deliver best practice quality and management systems to deliver on desired stakeholder outcomes consistently and efficiently.

Business Environment (External)

The waste industry is subject to a wide range of external influences which need to be accommodated in the development of the business strategy. Specific external drivers which shape the business and operating strategies adopted by Water Services are summarised in Table 2. These forces will continue to have an impact on the operations over the coming years.

Table 2: External Environment

Issue	Description	Implications for Waste Services
Fiscal Constraints	Capital Funding Waste Services has previously been successful in receiving grant funding when the opportunity arises through programs such as such as Royalties to the Regions, Works for Queensland, the Local Roads and Community Infrastructure Program and Australian Packaging Covenant funding. In May 2022, an application under the Queensland Government Regional & Remote Recycling Modernisation Fund (RRMF) was successful. $290,000 which represents part-funding, will go toward a glass imploder for the Mackay Recycling Facility (MRF). When the full project scope has been finalised, this will be actioned in a future budget review. Looking forward, funding opportunities for waste management is at best ad hoc or has very specific criteria that sometimes do not suit council needs. To date, no funding is offered for the remediation of former landfills, which make up a significant proportion of future capital works. Pressure on Rates The region has been able to sustain strong employment levels through the Coronavirus (COVID19) period from 2020 to 2022, pressure on household expenditure persists due to the absence of notable wages growth and recent increases in consumer prices. Therefore, the ability of the community to absorb annual rates increases is limited.	Removal of capital subsidies continues to impact the Waste Business in its ability to fund a large forward capital program necessary to support the growing community. Ad hoc funding from other sources does not provide any certainty and cannot be relied upon. The inability to obtain grant funding for the rehabilitation of former landfills, has meant that some capital is diverted to legacy issues, rather than into innovative assets that divert waste from landfill. MRC are focused on ensuring its level of rates remains affordable. There is a focus on efficiencies and value for money when assessing capital expenditure. Scares resources (inputs - building materials and labour) remain a concern for Waste Services.
Socio-political considerations	Socio-Economic Profile The region's population and employment has fluctuated since the end of the mining boom in 2013. The 2% loss of population between 2014 and 2018 has been regained between 2018 and 2022 due to favourable local employment conditions and the unique impact of COVID19. COVID19 measures prevented skilled migrants from entering Australia and caused residents not to move to major cities (as is the normal trend) but stay in regions to take up local employment. This contributed to the decline in unemployment rate to 2.6% (Dec 2021). Looking ahead, the population is projected to grow at a relatively low but steady rate of just under 1% per annum. The socio-economic profile of the Mackay region indicates a higher-than-average household wage compared to other council's in Qld. However, this masks differential incomes between households employed in different economic sectors. Cost of Living Cost of living pressure has not eased and is expected to persist as driven by recent increases in consumer prices and inflation during 2021/22.	Pricing signals are generally considered ineffective for the provision of waste services: the market research shows that this is accentuated in Mackay for a segment of the community with high wages. Demand Management Programs need to consider multiple customer groups. Cost of living pressures constrain the ability of the business to recover its increasing costs through pricing and drive a business objective of minimising the cost to provide services in the long run.

Issue	Description	Implications for Waste Services
Waste Industry Reform	Commercialisation Commonwealth and State Government Policies require larger water and waste businesses to operate on a commercial basis. This means that at a minimum, all operational costs need to be covered by waste fees and charges and that investments will need to be funded on a commercial basis. Waste Reduction and Recycling The *Waste Reduction and Recycling Act 2011* made a number of changes that impacts Waste Services. The Act has provisions for Local Governments to develop a waste reduction and recycling plan that determine the strategic direction of waste management. The Act is the enabling legislation for the Queensland Government to implement a State Waste Management Resource Recovery Strategy. The strategy sets the future state direction on waste management and is subject to review by the Queensland Government. The Government has introduced policy initiatives including the Container Refund Scheme (CRS), Waste Levy re-introduction and plastic bag bans. In addition to these initiatives, the Queensland Government overtime will consider a product stewardship review, landfill bans for certain waste streams, waste management target obligations and alteration to current licencing arrangements. These are, and potentially will have, a direct impact on Council's current business. The implementation of the "National Sword" policy by China, has had a dramatic effect on global and domestic demand for recyclables. This has substantially reduced commodity pricing and the acceptance criteria. In addition to the international market changes, COAG have also agreed to the ban the export of certain waste and recycling materials. This will have a significant potential to alter the market for these commodities.	Waste Services is operating in accordance with the requirements for a "Commercialised Business Unit" of Council as specified in the Local Government Act and associated regulation. Waste Services will continue to review its Waste Management Strategic Plan (Waste Management Strategy) that contains its Recovery and Recycling Plan. The Plan requires ongoing revision to reflect the current economy of the region and any implications of the Queensland Government's review of the State Waste Management Strategy. Waste Services will review the potential impacts and opportunities of any proposed Container Refund Scheme, Waste Levy re-introduction, plastic bag bans product stewardship review, landfill bans and any other policy changes on the business. Waste Services and council are working with other Local Governments and advocacy groups, such as the LGAQ, LAWMAC and WMRR to influence Queensland government decision making to ensure that changes to legislation and policy have the best outcomes for the community. Waste Services is working collaboratively with our Materials Recovery Facility operator to minimise impacts to council and rate payers.
Legislation	Environmental Legislation Compliance with legislation mandating environmental outcomes is a key driver for waste businesses. Regulation governing the environmental aspects of the waste businesses has increased significantly in recent years. This in turn impacts the cost of delivering waste services. A shift has occurred in how the regulatory environment licences and conditions waste service providers with a greater understanding of the cost to serve while meeting regulatory requirements. This approach allows for an outcome focused approach to regulation. Council is also obliged under contaminated land legislation to manage the legacy of former landfills on behalf of the community.	Waste Services has undertaken a review of legislative changes to date and has developed actions to ensure compliance with these changes. The business will continue to remain compliant with ongoing legislative change. Council has completed a strategic review of former landfills and is now undertaking planning studies of 21 former landfill sites to enable the future rehabilitation of these sites to meet contemporary legislative requirements. Provisions have been made to undertake these works of $49M, which is a significant liability to Council

Significant Business Activity

Nature of Business

Waste Services are committed to minimising waste and achieving sustainable waste management practices through the implementation and management of integrated waste strategies in the Mackay region. Waste Services is a significant business activity under the *Local Government Act 2009* responsible for:

- waste and recyclable collection services
- processing of recyclables
- transfer station management and operations
- landfill and haulage management and operations
- green waste processing
- resource recovery operations
- legacy waste management
- landfill gas management.

In delivering waste services, the following range of activities are undertaken:

- contract management
- strategic procurement
- project management (including asset delivery coordination)
- preventative and reactive maintenance
- compliance monitoring
- strategic waste management planning including financial modelling
- customer management.

Extent of Business

Waste Services provides a range of waste related services to internal and external customers servicing 3.6 million residential, general waste and recycling bins each year. The region covers an area of 7,622 square kilometres, from north of Bloomsbury to south of Koumala and extends past Eungella to the west. The population within council's region was estimated at 118,723 as of June 30, 2021. Population growth has been positive since June 2018 and is expected to continue to grow steadily in the future.

The scope of high-level services provided to external customers is as follows:

- kerbside waste and recyclables collection
- transfer station operations
- green waste collection station operations
- Materials Recovery Facility (MRF) operations
- resource recovery operations
- landfill operations
- environmental monitoring & management
- waste and recycling education
- landfill gas management

The scope of services provided to internal customers is as follows:

- development approval referrals
- event bin management
- waste audits
- waste education.

Community Service Obligations

Nature and Extent of Service Obligations

Waste Services comply with all legislative and statutory requirements of the *Local Government Act 2009*, *Waste Reduction and Recycling Act 2011* and the *Environmental Protection Act 1994* in delivering general waste and recycling collection services. The Waste Services Customer Charter forms part of our commitment by outlining the acceptable guidelines for the delivery of services within our community. A copy of the Customer Charter (updated June 2022) is detailed in Appendix B. Our customer service standards are reviewed annually to ensure an appropriate balance between the levels of service provided and the cost of the service provision to the community.

Cost of and Funding for Service Obligations

Section 24 of the *Local Government Regulation 2012* defines a Community Service Obligation (CSO) as 'an obligation the local Government imposes on a business entity to do something that is not in the commercial interests of the business entity to do'.

A CSO is treated as an expense for the activity of an amount equivalent to the cost of carrying out the obligation less any revenue arising from carrying out the activity.

The services provided by Waste Services, for which a Community Service Obligations (CSO) credit is provided by council for various waste services to not-for-profit Community Organisations. Council will be charged on actual avoidable costs incurred by Waste Services, where applicable. CSO credit forecast for the 2021/2022 financial year and budgeted for 2022/2023 appear in **Table 3.**

Table 3: CSO Credits ($000's)

2021/22 Forecast	2022/23 Budget
36.2	36.2

Service Performance

A key factor in the asset decision making process is performance against the Customer Charter. In addition to the commitments made to the customers through the Customer Charter, Waste Services measures the quality of services against internal targets. A summary of these standards and the service level performance in 2021/2022 is detailed in **Table 4**.

Table 4: Service Performance

Service Standard	Measure	Indicator	Comments
Waste Collection Service	Once a week	●	
Recyclable Collection Services	Once a fortnight	●	
Bins not collected on scheduled service day	< 0.1%	●	
Provision of new bins for a new standard service request	3 business days	●	
Repair or replacement of bin upon customer request	Next collection day	●	
Perform waste minimisation education sessions at the MRF, in schools and the community each year	50 p/a	●	Unable to achieve this target due to COVID-19, however alternate programs were delivered online and by visiting schools
Organise a minimum of 10 MRC registered sites for 2021 Great Northern Clean Up	10	●	
Waste Disposal facilities open on published days and operating times	100% compliance	●	

● Full compliance in all areas
● General Compliance with some exceptions
● Significant non-conformances against standards

Financial Management

Pricing and Revenue

The existing charges for Waste Services within MRC for 2021/2022 and the proposed charges for 2022/2023 are detailed in **Table 5.**

In addition to the primary services, Waste Services also offer a range of other services for both residential and commercial customers on a fee for service basis. These fees are detailed in Mackay Regional Council's adopted Fees and Charges Schedule.

The budgeted revenue resulting from the set charges are detailed in **Table 6.** The budgeted and operating expenditure are detailed in **Table 7**.

Operating Performance

The budgeted total excess of operating revenue over operating expenditure for the financial year is approximately $7.8 million resulting from total budgeted operating revenue of $30.9 million and operating expenditure of $23.1 million.

Of the budgeted Operating Surplus for 2022/2023, around 62% will be diverted back to Mackay Regional Council as dividends and notional tax, while the balance will predominantly be used to fund capital investments.

The summary Operating Financial Budget for 2022/2023 in comparison to the forecast Operating Financial Performance for 2021/2022 and the Operating Financial Budget for 2021/2022 for the Waste Services business appear in **Table 8**.

Table 5: Pricing

Rate Category	Unit	21/22 Act	22/23 Proposed	% Inc.	23/24	24/25	25/26	26/27
Refuse Service Charge	/waste bin	$278.00	$285.00	2.5%	$290.70	$296.51	$302.44	$308.49
Waste Facility Management Levy	/assessment	$158.75	$162.70	2.5%	$165.95	$169.27	$172.66	$176.11

Table 6: Budgeted and Projected Revenue ($,000)

Revenue Category	22/23 Budget	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget
Facility Management Charge	8,732	8,993	9,241	9,495	9,732
Waste Levy	15,051	15,503	15,929	16,367	16,776
Discounts & remissions	(1,370)	(1,411)	(1,450)	(1,490)	(1,527)
Fees & Charges	7,525	7,750	7.968	8,175	8,379
Interest earned	353	1,046	1,784	1,264	1,163
Other operating revenue	652	672	690	708	726
TOTAL	**30,943**	**32,553**	**34,162**	**34,519**	**35,249**

Table 7: Budgeted and Projected Expenditure ($,000)

Expenditure Category	22/23 Budget	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget
Employee Costs	1,535	1,577	1,620	1,669	1,718
Material & Services	18,326	18,892	19,446	19,985	20,529
Finance Costs	816	710	837	768	774
Depreciation	2,435	2,451	2,458	2,530	2,642
TOTAL	**23,112**	**23,630**	**24,361**	**24,952**	**25,663**

Table 8: Operating Performance

(in $ M)	22/23 Budget	21/22 Forecast	21/22 Budget	(a) % Change	(b) % Change	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget
Operating Statement									
Operating Revenue	30.94	30.09	29.82	3%	4%	32.55	34.16	34.52	35.25
Operating Expenses	23.11	23.04	23.07	0%	0%	23.63	24.36	24.95	25.66
Operating Surplus	**7.83**	**7.05**	**6.75**	**11%**	**16%**	**8.92**	**9.80**	**9.57**	**9.59**
Capital Revenue & Expenses									
Grants, Subsidies contributions & donations	0	0	0	n/a	**n/a**	0	0	0	0
Loss on impairment	0	0	0	n/a	n/a	0	0	0	0
Restoration & rehabilitation provision expenses	0	0	0	n/a	n/a	0	0	0	0
Revaluation Decrement	0	0	0	n/a	n/a	0	0	0	0
Other capital income/expenses	(0.10)	(0.10)	(0.10)	0%	0%	(0.10)	(0.10)	(0.10)	(0.10)
Total Capital Revenue & Expenses	**(0.10)**	**(0.10)**	**(0.10)**	**0%**	**0%**	**(0.10)**	**(0.10)**	**(0.10)**	**(0.10)**
Net Result	**7.73**	**6.95**	**6.65**	**11%**	**16%**	**8.82**	**9.70**	**9.47**	**9.49**
Tax Equivalents									
Tax Equivalents Payable	2.30	2.08	1.99	11%	16%	2.30	1.47	0.95	2.11
Dividend	2.58	2.59	2.68	0%	(0.4%)	2.73	3.70	4.36	3.33
Net result after Dividend & Tax Equivalents	**2.85**	**2.28**	**1.97**	**25%**	**45%**	**3.79**	**4.53**	**4.16**	**4.05**

(a) 22/23 Budget over 21/22 Forecast, (b) 22/23 Budget over 21/22 Budget

Sustainability Ratios

The Asset Sustainability Ratio Percentage (ASRP) is an indicator used to understand if the current level of investment in the asset base will allow for the sustainable provision of services into the future. An ASRP value of 80-110% is a typical target for an infrastructure service provider and is indicative of an appropriate level of investment to ensure that service provision is sustainable in the longer term. An ASRP value of less than 80% can indicate underinvestment in infrastructure and if observed over an extended period is likely to be lead indicator for reduction in service levels. An ASRP value of greater than 110% can indicate overinvestment in infrastructure and presents an opportunity for a service provider to review the cost and level of service.

The ASRP for Waste Services shown in **Table 9** below indicates that underinvestment may be occurring however the expenditure profile for Waste Services infrastructure is by nature highly variable with a comparatively small number of large value assets that require periodic major investment. The Waste Services asset base is also characterised by a number of assets that will not require renewal but will require ongoing improvement over time (e.g., Closed Landfills). These factors result in an overall lowering of the ASRP for Waste Services assets. It is considered that the current ASRP is appropriate but will continue to be monitored over time.

Table 9: Sustainability Ratio

Ratio	Waste
Asset Sustainability	6.4%
Interest Cover	15.6x
Operating Surplus	25.3%

Capital Outlays & Funding

Capital works exceeding $423,620 is planned for 2022/2023. See **Table 10.**

Table 10: Capital Outlay & Funding

(in $ M)	22/23 Budget	21/22 Budget	* % Change	23/24 Projected	24/25 Projected	25/26 Projected	26/27 Projected
Capital funding sources							
Working Capital	2.66	2.63	1%	4.41	7.38	7.62	2.06
New loan borrowings	0	0	0	0	00	0	0
Constrained grants and developer contributions	0	0	0	0	0	0	0
Other capital revenue	0	0	0	0	0	0	0
Total capital funding sources	2.66	2.63	1%	4.41	7.38	7.62	2.06
Capital funding applications							
Capital expenditure	0.42	0.53	(21%)	2.03	4.85	4.92	2.01
Principle loan repayments	2.24	2.10	7%	2.38	2.53	2.70	0.05
Total capital funding applications	2.66	2.63	1%	4.41	7.38	7.62	2.06

** 22/23 Budget over 21/22 Budget*

Capital Investment Program

The Long-term Capital Program envisages a total investment of $34.6 million for Waste Services over the next 10 years as detailed in **Table 11**.

Table 11: Capital Investment Program

Year	$ M
2022/23	0.42
2023/24	2.03
2024/25	4.85
2025/26	4.92
2026/27	2.01

Year	$ M
2027/28	11.75
2028/29	7.81
2029/30	0.23
2030/31	0.54
2031/32	0.01

** Note 2023/24 to 2031/32 are in future dollars*

Outstanding and Proposed Borrowings

The Loan balances for the end of 2020/21 through 2022/23 appear in **Table 12**.

Table 12: Loans Balances

(In $ Mn.)	Loans
Balance as at 30/6/21 (Actual)	11.95
Balance as at 30/6/22 (Forecast)	9.84
Balance as at 30/6/23 (Budget)	7.61

Human Resources

At $1.5 million, staffing costs account for 7% of the total costs for the Waste Services business. The projected number of staff for Waste Services for 2022/2023 and its costs together with the comparative figures for 2021/2022 are analysed in **Table 13.**

Table 13: Staffing Analysis by Program

Category	2022/23 Budget		2021/22 Budget
	Count	Cost ('000)	Cost ('000)
Waste Services	13.05	1,449	1,298
Director's Office	0.60	86	112
Total	13.65	1,535	1,410

Skill Base

Despite positive population growth in the Mackay region, the effect of the national COVID-19 response has resulted in a further skills shortage within the waste industry. The driving forces impacting the current and future skill set requirements within Waste Services include:

- the significant policy change impacting on the Queensland and Australian Waste Industry
- changes to Waste Services Systems and Processes
- the rate of change of technology and its application within the Waste Industry.

Delegated Authorities

Waste Services delegated authorities are in accordance with the *Local Government Act 2009.* Delegated authorities for specific staff are set out in council's Register of Delegations, held by Legal Services within the Office of the Chief Executive Officer.

Delegations are given to the Chief Operating Officer from the Chief Executive Officer to exercise autonomy in Water and Waste's commercial activities are noted in Appendix C.

Reporting

Council Reporting (Internal)

Waste Services will routinely report to council on the performance of the business unit. The performance criteria reported to MRC together with its frequency is detailed in **Table 14.**

Table 14: Internal Reporting

Key Performance Indicators	Reporting Frequency		
	Monthly	Quarterly	Annually
Financial			
Financial Performance			✓
Return on Regulated Asset Base			✓
Cash Flow from operating activities			✓
Net Cash Flow			✓
Financial Position			✓
Balance Sheet			✓
Income Statement			✓
Management Report on Financial Position	✓		
Return on Regulated Asset Base			✓
Non-Financial Indicators			
Performance against Operational Plan		✓	
Safety Performance	✓		
Performance against Environmental Licences	✓		
Performance against Customer Service Standards	✓		
Planning Activity Performance and Progress	✓		

External Reporting Requirements

Waste Services report to various State and Federal agencies in accordance with legislative requirements as identified in **Table 15.**

Table 15: External Reporting

Report	To	Frequency
Queensland Waste Data System (QWDS)	DES	Monthly
Annual State of Waste and Recycling in Queensland Survey	DES	Annually
Waste Management Development Annual Return	DES	Annually
National Greenhouse and Energy Reporting Scheme (NGERS)	CER	Annually, if required
Annual Performance Plan in accordance with Local Government Regulation 2012	Adopted by Council	Annually
Local Government Comparative Report	DLGRMA	Annually
Environmental Incident Reporting associated with Waste Management Development Permits	DES	As required

Business Processes and Management

Collections

The Waste Services program is responsible for managing collection of waste throughout the region. This operation is currently contracted to JJ Richards and Sons Pty Ltd for an eight-year term from March 2015. This contract involves kerbside collection through 240 litre Mobile Garbage Bins (MGB) from mainly residential premises. Weekly general waste services are conducted, and fortnightly commingled recycle collections. The contract also provides waste and recycling bulk bin services for multiple unit dwellings.

Improved efficiency is being realised by the changeover to a single contract provider servicing the entire region. A key outcome in this contract is the opportunity to drive improved performance and service delivery. Waste Services has led the way by developing council Information Technology systems to interface with the contractor's Information Technology system.

Challenges and risks will be managed into the future. These include:

- ability of the contractor fleet to meet demands of services
- contractor performance in service delivery
- industry driven changes to operating times – seeking all hour servicing
- community driven changes to operating times – seeking later starts
- impact of changes to *Environmental Protection Act 1994* and the *Waste Reduction & Recycling Act 2011*. This could impact how council conducts collection services to residents

- recent State Government initiatives such as the introduction of the Container Refund Scheme, the re-introduction of a waste levy and plastic bag ban, have demonstrated how they drive change of community behaviour. This requires council to consider the way that they currently conduct collection services when the existing arrangements are due for renewal.

Material Recovery Facility

The Material Recovery Facility is a contracted operation that receives material from the kerbside recycling collection operations. An eight-year term contract commenced on 1 March 2015 with Recycling Design & Technologies (RDT) Pty. Ltd. As part of this contract, the previous plant was removed and new plant installed in a design, build and operate contract (DBO). Processing is conducted both with automated and manual sorting processes. RDT is pursuing additional use of the facility in which Waste Services receives a revenue share.

Several challenges and risks will be managed into the future. These include:

- market impact on commodities
- changes to legislation, including the banning of exports of recyclable material.
- change in State or National policy including the Container Refund System (CRS).

Of the above key challenges, market impact on commodities is an ongoing inherent risk to the service. The implementation of the "National Sword" policy by China in January 2018 which reduced the importation of recyclables into China, has had a dramatic effect on global and domestic demand for recyclables. This has substantially impacted the commodity pricing by reducing the value and the accept criteria.

The Mackay MRF materials have traditionally been sold domestically. However, the sudden change in the global market has meant that other Australian MRF operators have directed their export material domestically thereby lowering commodity revenue and tightening the criteria for acceptance.

In addition to the "National Sword" impact, the Queensland Government introduced the Container Refund Scheme (CRS) that commenced on November 1, 2018. This is already posing a negative risk to the recycling service, as the CRS has reduced the number of valuable containers such as aluminium and PET bottles from the MRF commodities. The State Government has given assurances that they will monitor any change and impact on councils.

An emerging risk is the recent announcement by COAG of the planned ban on the export of recyclable product. The Australian, State and Territory Governments have agreed to introduce bans for various products over the next three years.

The bailer that processes 800 – 1200 tonnes of paper/cardboard per month installed as part of the original fit out in 2004 has exceeded its asset life. A new bailer was installed at a cost of $257,000 during the 2021/2022 financial year.

As the facility is nearing the end of the current operational contract, work has commenced on developing the next version of the facility that is required to service the region, with consideration to the above key challenges.

Transfer Stations

Waste Services provides regional facilities for residents and business to dispose of waste, and recycling beyond the kerbside collections. Currently, Paget Waste Management Centre (PWMC) is the main disposal facility for the region, from which waste is transported to the landfill at Hogan's Pocket landfill.

There are a further nine smaller waste transfer stations servicing the regional areas. These are for exclusive use of residents, and services at these sites vary according to size of facility. Waste is placed in large hook bins (15- 30 cubic metres) which are then serviced regularly.

Generally, waste from the transfer stations is conveyed to PWMC, with some loads direct hauled to Hogan's Pocket landfill. The contract for the provision of these bins for transfer stations was awarded to Cleanaway Pty Ltd for a four-year term, with a one-year extension, to commence from July 2021. This contract continues to consolidate multiple contracts and agreements into a single regional contract. The efficiencies from this consolidation into a single contract has helped council to achieve a lower cost for the provision of this service.

There are a further two green waste only facilities. Green waste is processed on site and ownership transferred to the contractor.

Residential ratepayer households receive six vouchers per annum: three per biannual rate period. Vouchers are accepted for the disposal of general or green waste and the number required is dependent on the waste type (general vs green) and vehicle used for the transaction. Council introduced this system in 2014/15 for community lifestyle improvement purposes and for cyclone preparedness to encourage residents to maintain and remove waste from their properties.

In terms of management of transfer stations, opportunities exist to optimise the management of transfer stations. These opportunities include:

- increase capabilities in waste received through use of B-Double haulage from PWMC to Hogan's Pocket once the Bowen Basin Service Link (Walkerston Bypass) has been completed
- renewal of facilities to improve waste and recycling management
- service level review of facility use to establish efficient and effective service delivery.

Landfill Management

Waste Services is responsible for management of the operational landfill at Hogan's Pocket and 20 closed landfills. Council is responsible for ensuring adherence to general environmental duty.

Hogan's Pocket is the regional landfill and currently receives approximately 93,000 tonnes of waste per annum. Operation of the facility is conducted through contract; Waste Services ensures compliance with both contractual operations and environmental monitoring.

Opportunities exist to optimise use of the landfill asset. These opportunities include:

- diversion of construction and demolition waste from landfill through recycling. Only 7% of this waste stream is received by council, due to council's pricing policy to encourage recycling through the private sector.
- capture of landfill gas for energy use if economically viable
- improve commercial interface for direct haul loads to Hogan's Pocket (online booking)

- investigate the potential of utilising a different haulage configuration and assess the return on investment for any change
- improved environmental monitoring capabilities such as remote telemetry and leachate management
- continued improved coordination with other infrastructure service providers to ensure optimum environmental protection to the community.

Challenges and risks will be managed into the future. These include:

- the lack of maturity of the asset management system limits the data availability to make asset investment decisions - implementation of improved asset management and maintenance management systems is critical to good asset investment decisions into the future.
- there is a risk that when growth occurs out of sequence with the planning scheme, additional investment in waste infrastructure will be required bringing forward capital investment - a coordinated approach to the development approval process is critical to ensure the best overall outcomes are achieved for the community
- change in State or National policy including legislation.

One of the key challenges is the recent review and adoption by the Queensland Government on policies relating to waste management and resource recovery. This has been primarily driven in response to the interstate transportation of waste and changes to global markets on recycling. The Queensland Government adopted its new Waste Management and Resource Recovery Strategy in 2020 that has articulated the key priorities and targets.

As part of the Queensland Government's direction to reduce waste to landfill it reintroduced a levy effective 1 July 2019 on all wastes sent to landfill. A major objective of the Waste Levy is to stimulate a financial driver to reduce waste to landfill and to encourage resource recovery. Currently the Queensland Government pays Council rebates on Municipal Solid Waste (MSW) that is landfilled to ensure that there is no direct impact to households. However, in December 2021, the Queensland Government announced that these payments will be reduced over the next eight to nine years. Therefore, this waste levy will increase costs for council to manage the community's wastes. Due that significant driver, council is exploring options for opportunities to reduce that financial impact on householders.

In addition to the recent waste levy initiative, the State Government is reviewing the state's waste and resource recovery strategy. As part of the strategy review the State Government is releasing for consultation the following key documents:

- Kerbside Collection Plan
- Organics Plan
- Illegal Dumping and Litter Plan
- Energy from Waste (EfW) policy draft
- Data Plan
- The Queensland Waste and Resource Recovery Infrastructure Plan.

All the above-mentioned documents and policy initiatives will fundamentally change the way waste is being managed in Queensland and similarly, the way council currently operates waste and resource recovery services. There will be an opportunity for council to seek alternative funding sources for any future capital investment required to reduce waste to landfill.

Risk Management

Waste Services works within MRC's Enterprise Risk Management Framework and applies a risk-based approach to the management of the business. The top risks to the business are provided in Table 16. Risk registers are developed as required and maintained for the following areas:

- Site Management
- Disaster Management
- Asset Management.

Table 16: Key Business Risks

Category	Risk	Mitigating Measures
WHS	Accidents or incidents leading to injury of staff or others	Safe Plan implementation Safety culture initiatives Providing safety leadership
Public Health	Failure of systems or breach of procedures resulting in the spread of communicable disease or release of toxins. Failure to provide collections of putrescible waste.	Site Based Management Plans Best practice landfill management Best practice waste collection services Real time monitoring
Environmental	Incident causing release of unlicensed contaminants to the receiving environment Legacy landfill impacts on environment.	Site Based Management Plans Ground Water Monitoring Program Identified in Capital Long Term Financial Forecast Asset Management Plans Closed Landfill Strategic Review Real time monitoring
Service Standards	Insufficient information about assets to make asset life cycle decisions to maintain service standards and make optimised infrastructure decisions	Asset management system improvements Monitor Pro implementation Use of waste management data to aid decisions
Growth	Unplanned growth or out of sequence growth resulting in misaligned capital investment	Shaping Mackay Coordination Strategy Master and local area plans Waste Management Strategic Plan
Resources and Skills	Inadequate resources to deliver on stakeholder requirements Aging workforce	Human Resources Plan in conjunction with the People and Culture Team Training gap analysis and rectification planning
Community	Community uninformed about Waste Services' activities leading to concern and mistrust Incorrect disposal of waste types (Recyclables, Regulated, Hazardous & Clinical)	Develop Customer Charter Develop Social Marketing Plan Initiative to provide access to waste disposal information Stakeholder engagement and education initiatives

Waste Services has general commercial insurance policies to mitigate against key risks. These policies are managed by MRC's Organisational Services directorate.

Stakeholders

Table 17 details the key stakeholders relevant to Waste Services. The table outlines the responsibilities and requirements of each of the major stakeholders. The principal stakeholder is Mackay Regional Council.

Table 17: Stakeholders and Interests

Stakeholder	Interest	Waste Services Deliverables	Stakeholder Deliverables / Inputs
Council (MRC)	Business Owner	Preserve commercial interests Provide value for money Contribute to corporate plans Protect assets	Overall strategic direction Governance Delegated authority Appropriate pricing Facilitate Financing
	Customer Advocate	Maintain service standards Display social responsibility	Fund community service obligations
	Regulator	Comply with laws and regulations Promote energy efficiency Promote environmental sustainability Maintain governance standards	Feedback on expectations Advice on compliance Provide support services
	Service Provider	Establish service requirements	Provide support services Maintain service level agreements
	Capital Works Directorate	Engage to identify problem to be solved or opportunity to be realised Investigate and identify preferred options and whole of life costs Provide detailed Business Cases Engage to inform operability of assets to be created	Engage to inform the preliminary designs and constructability of projects Deliver Capital projects on time and on budget Ensure new assets compliance with quality and levels of service requirements
Customers	Customers	Maintain service standards Provide value for money Engage in consultations	Timely settlement of dues Respond to community initiatives
Suppliers	Supplier	Uphold contractual obligations Adopt a partnership approach	Uphold contractual obligations Adopt a partnership approach Provide an efficient and reliable service
Employees	Employee	Ensure Safety Create a Conducive Work Environment Provide Job Security Recognise and Reward	Adopt and maintain professional standards Facilitate safety Promote corporate objectives
Govt. Agencies	Regulator	Ensure Compliance with Legislative and Reporting Requirements Engage relating to initiatives and emerging issues Incorporate community requirements	Interpretation and implementation support Adopt a balanced approach

Support Service Arrangements

Capital Renewals and Enhancements

The Capital Delivery Directorate is responsible for capital and major operational project delivery for Waste Services. The team is responsible for detailed design, procurement, construction and commissioning activities. Projects are delivered through a combination of in-house and external resources.

Opportunities exist to optimise the planning and project development processes. These opportunities include:

- implementation of enterprise-wide project management practices
- coordinate the Forward Capital Program with Waste Services to manage the Forward Capital Program, for at least a three-year horizon, to maximise the potential to package projects and realise any delivery efficiencies
- management of the Capital Program with a consolidated risk pool.

Challenges and risks will be managed into the future. These include:

- maintaining communication and relationships across two separate Departments to ensure alignment between Waste Services and the Capital Delivery Program
- ensuring resource levels are provided to manage the peaks and troughs in the Forward Capital Program
- ensuring project delivery is prudent and efficient
- understanding competing funding and project priorities and managing risk accordingly.

Mackay Regional Council Services

In accordance with the Mackay Regional Council Corporate Overheads model, Waste Services obtains services from providers internal to council. These services are:

- Corporate Communications
- Governance & Safety
- Plant and Procurement
- Financial Services
- Asset Management
- Health & Regulatory Services
- Property Services
- Economic Development
- Development, Planning & Engineering
- Strategic Planning
- Quality Management
- People & Culture
- Information Services

Shared Services Centre

The Shared Service Centre also provide a centralised range of Council Services including:

- manages the administrative support centre
- customer service
- employee services
- records management
- accounts payable/receivable.

Governance

Waste Services is subject to the governance regulations applicable to Local Governments. This includes:

- *Capital Governance Framework*: As a capital-intensive business, it is essential that prudent and financial sustainability practices limit the level of debt funding. Community considerations and monopoly status also constrain operating margins. These dual requirements effectively "cap" the speed at which infrastructure can be provided

- *Operating Governance Framework*: To ensure that the business is efficient and effective in delivering its outcomes, a clear governance framework has been developed across the business. This framework ensures that all personnel understand their roles/responsibilities and outcomes are managed using an appropriate performance framework.

Demand Forecasting

Demand on Services into the Future

The demand for Waste Services is influenced by a range of factors including:

- population and economic growth
- National and State Government policy
- provision of alternative waste management providers
- weather and weather patterns
- waste generation and diversion culture in the community including the extent of waste minimisation practices.

The impact of growth on waste infrastructure is detailed in the waste planning reports. Master infrastructure planning is current for Waste Services for the Mackay region. The investment required to maintain services is reflected in the Long-Term Financial Plan.

As part of the planning process, Waste Services ensures that it assesses potential evolving technologies and processes to be considered for future council's options as an alternative to landfilling. Long term options to be considered include Energy from Waste (EfW), digestion, Biochar, composting, vermiculture, mixed waste processing, organic waste collection and treatment, gasification, pyrolysis, and other options. Any option needs to consider the ability to reduce the total cost to the community, for the management of its waste.

Waste Management Services Forecasting

To provide guidance on future demand of council provided Waste Services **Table 18** and **Table 19** provide forecasts of relevant tonnes and transactions for services. It must be noted that this information relates only to council managed waste services and does not include tonnes of waste managed by the private sector.

Table 18: Waste Landfilled

	Actual (Tonnes)					Forecast (Tonnes)		
Waste Type	**2017 - 2018**	**2018 - 2019**	**2019- 2020**	**2020- 2021**	**2021 - 2022***	**2022 - 2023**	**2023- 2024**	**2024- 2025**
Municipal Solid Waste	41,774	40,849	38,743	47,447	48,756	49,000	49,245	49,491
Commercial and Industrial	27,894	31,570	25,158	34,528	35,808	35,987	36,167	36,348
Construction and Demolition	4,645	6,199	6,401	6,270	6,910	6,944	6,979	7,014
Other (inc Regulatory Waste)	1,553	3,521	1,087	3,744	1,782	1,791	1,800	1,809
Total Waste to Landfill	**75,866**	**82,139**	**71,389**	**91,989**	**93,256**	**93,722**	**94,191**	**94,662**

** Projected based on actuals to 31 March 2022*

Table 19: Materials Recovered

	Actual (Tonnes)					Forecast (Tonnes)		
Resource Recovered Type	**2017 - 2018**	**2018 - 2019**	**2019- 2020**	**2020- 2021**	**2021 - 2022***	**2022 - 2023**	**2023- 2024**	**2024- 2025**
Green Waste	9,551	5,012	7,979	8,444	8,159	8,200	8,241	8,282
Domestic Kerbside Recycling	7,523	13,562	6,193	7,238	7,118	7,154	7,190	7,226
Resource Recovery Drop Off	2,082	1,988	2,591	2,652	3,198	3,214	3,230	3,246
Total Tonnes Diverted	**19,158**	**20,562**	**16,763**	**18,334**	**18,475**	**18,568**	**18,661**	**18,754**
% of Total Waste Diverted	**20.16%**	**20.02%**	**19.01%**	**16.62%**	**16.54%**	**16.54%**	**16.54%**	**16.54%**

** Projected based on actuals to 30 April 2022*

Asset Management Framework

Councils Corporate Asset Management Framework

The Mackay Regional Council Asset Management Policy aims to ensure the effective and efficient management of the community's assets and reinforces the importance of asset management. The policy recognises that infrastructure assets are of critical importance to the Mackay region and are fundamental to council's overall service delivery. The approaches to asset management as set out in the policy are summarised below:

- council's assets will be managed using a life cycle approach and in accordance with recognised good practice asset management techniques. The life cycle approach will consider finance requirements, service levels, future maintenance, operating and renewal costs.
- asset management practices will consider safety, access, quality, impact on the environment, meeting community needs and council's ability to fund those works.

- a continuous improvement approach will be adopted. Where relevant technology advances and innovative solutions will be applied
- use of resources will be maximised to achieve the best outcome for the community under-utilised and non-essential infrastructure will not be replaced at the end of their useful lives.
- documented Asset Management Plans for all major classes of assets shall be used to determine the priorities for expenditure and provide confidence in the decision-making process.

Waste Services responsibilities in delivering on these outcomes are to:

- develop and implement improvement plans for individual asset groups
- deliver levels of service to agreed risk and cost standards
- manage infrastructure assets in consideration of long-term sustainability.

Waste Services Asset Management Framework

Waste Services is currently in the development phase of an overarching Asset Management Plan (AMP). However, through its contracts, the Waste Management Strategic Plan, Site Based Management Plans, planning and asset specific analysis, as well as other corporate documents such as the Long-Term Financial Forecast, the assets are actively managed.

The development of the AMP will provide an opportunity to ensure that the Waste Services will be aligned with council's Asset Management Framework.

Waste Services utilises the following mechanisms for the management of its assets:

Contracts

Waste Services has a series of service contracts that require the contractor to operate and maintain the relevant assets under contract. The following contracts contain asset management provisions:

- Landfill and Haulage Services
- Transfer Station Management and Operations (Paget Waste Management Centre)
- Materials Recovery Facility (processes kerbside collected recyclables)
- Resource Recovery Facility (drop off and tip shop).

Waste Management Strategic Plan

In 2014, council adopted its Waste Management Strategic Plan 2014 – 2018. This key document outlined the strategic direction for waste management for the region. In 2019, the Queensland Government reviewed its Waste Management and Resource Recovery Strategy, which was adopted in 2020. The Queensland Waste Management and Resource Recovery Strategy has three key priorities:

- reducing the impact of waste on the environment and communities
- transitioning towards a circular economy for waste
- building economic opportunity.

The Queensland Government Strategy primary aim is to increase recycling and recovery, with stated targets. Supporting the strategy, the Queensland Government has adopted its *Plastic Pollution Reduction Plan*, *Energy from Waste Policy* and its *Litter and Illegal Dumping Action Plan* and is also developing its plan for the management of organics. A report on Queensland

Waste Management Infrastructure is due for future release.
In addition to the changes at a state level, there are also changes at a national level with the revision of the *Australian National Waste Policy*, along with the adoption of the *National Plastics Action Plan 2021* and the associated ban on the export of specific unprocessed waste types.

Council's current *Waste Management Strategy Plan 2014-2018* was due for review in 2018, however, due to the significant changes to policies relating to waste, including the 2019 introduction of the State's Waste Levy, this was deferred. It is expected that the revised Waste Management Strategy Plan will be adopted in 2022.

Site Based Management Plans

To ensure that high risk facilities operate and are managed appropriately, Site Based Management Plans (SBMP) have been developed. The two key sites are the Hogan's Pocket landfill and the Paget Waste Management Centre. Both sites have regulatory obligations and SBMPs to ensure that they operate with safety, environment and quality risks considered and addressed.

Project or Asset Specific Analysis and Plans

Waste Services undertakes analysis for a variety of projects and assets. These contribute towards the overall asset management for the business. Key examples of these include:

- Hogan's Pocket landfill 20-year forecast
- Hogan's Pocket Landfill Leachate Management Strategy
- Hogan's Pocket Landfill Borrow Pit Management Plan
- Landfill Gas and Power Generation Economic Analysis
- Landfill Airspace Financial Analysis
- Operational and closed landfill environmental risk analysis and profiling
- Closed Landfill Strategic Review
- Post Closure and Care Plans for former landfills
- B-double investigation including analysis of the Paget Waste Management Centre growth constraints

Long-Term Financial Forecast

As part of council's cohesive financial management system, Waste Services plans and provides its annual forecasting for capital projects over a 20-year timeframe. The forecasting includes new projects, asset renewal or asset upgrading for growth.

Utilising the project management framework (including options analysis and business cases), the forecasting of projects will have less risk in terms of scope and contingency. Also, this process is enabling scrutiny of timing of projects and the consideration of alternative delivery to ensure nominated projects and future assets are provided when they are required.

Scope of Existing Assets

Waste Services manages a significant portfolio of waste assets, with a fore-casted carrying value of $45.1 million as of 30 June 2022.

These assets are broadly categorised as follows in **Table 20**.

Table 20: Extent of Existing Assets

Asset Category		Quantity
Landfill	Active	1
	Inactive (legacy)	20
Disposal Facilities	Waste Management Centre	1
	Transfer Stations	9
	Green Waste Only Facility	2
Recyclate Receivals	Material Recovery Facility	1
	Resource Recovery Facility	1

Asset Investment Profile

The asset investment profile to maintain the service standards and deliver against corporate requirements is detailed in the Planned Capital and Rehabilitation Expenditure **Figure 2.** The asset investment profile has been developed in accordance with the criteria for asset decision making.

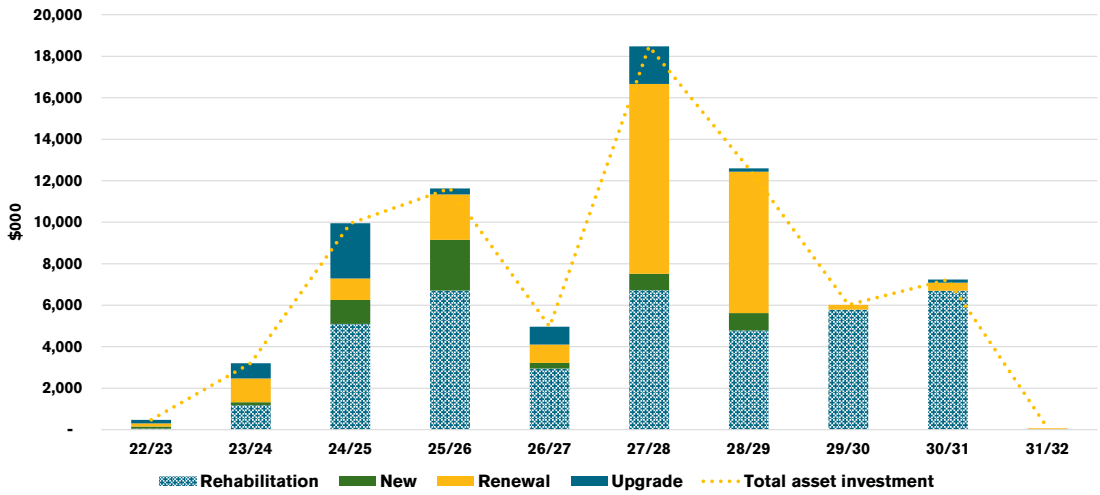
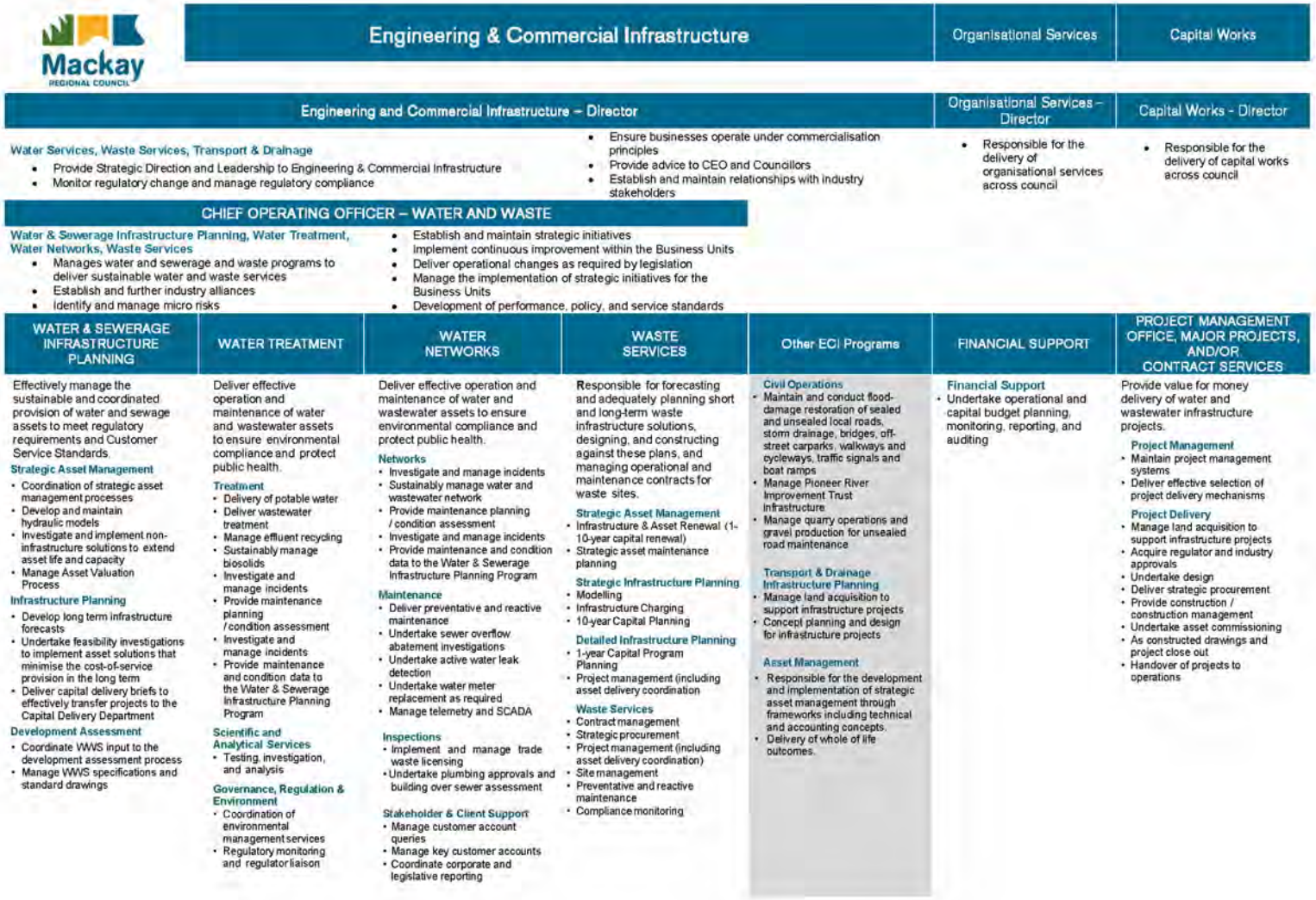


Figure 2: Ten Year Asset Investment Program

Appendix A – Management Team Responsibilities



Mackay REGIONAL COUNCIL

Engineering & Commercial Infrastructure

Engineering and Commercial Infrastructure – Director

Water Services, Waste Services, Transport & Drainage

- Provide Strategic Direction and Leadership to Engineering & Commercial Infrastructure
- Monitor regulatory change and manage regulatory compliance
- Ensure businesses operate under commercialisation principles
- Provide advice to CEO and Councillors
- Establish and maintain relationships with industry stakeholders

CHIEF OPERATING OFFICER – WATER AND WASTE

Water & Sewerage Infrastructure Planning, Water Treatment, Water Networks, Waste Services

- Manages water and sewerage and waste programs to deliver sustainable water and waste services
- Establish and further industry alliances
- Identify and manage micro risks
- Establish and maintain strategic initiatives
- Implement continuous improvement within the Business Units
- Deliver operational changes as required by legislation
- Manage the implementation of strategic initiatives for the Business Units
- Development of performance, policy, and service standards

WATER & SEWERAGE INFRASTRUCTURE PLANNING

Effectively manage the sustainable and coordinated provision of water and sewage assets to meet regulatory requirements and Customer Service Standards.

Strategic Asset Management

- Coordination of strategic asset management processes
- Develop and maintain hydraulic models
- Investigate and implement non-infrastructure solutions to extend asset life and capacity
- Manage Asset Valuation Process

Infrastructure Planning

- Develop long term infrastructure forecasts
- Undertake feasibility investigations to implement asset solutions that minimise the cost-of-service provision in the long term
- Deliver capital delivery briefs to effectively transfer projects to the Capital Delivery Department

Development Assessment

- Coordinate WWS input to the development assessment process
- Manage WWS specifications and standard drawings

WATER TREATMENT

Deliver effective operation and maintenance of water and wastewater assets to ensure environmental compliance and protect public health.

Treatment

- Delivery of potable water
- Deliver wastewater treatment
- Manage effluent recycling
- Sustainably manage biosolids
- Investigate and manage incidents
- Provide maintenance planning /condition assessment
- Investigate and manage incidents
- Provide maintenance and condition data to the Water & Sewerage Infrastructure Planning Program

Scientific and Analytical Services

- Testing, investigation, and analysis

Governance, Regulation & Environment

- Coordination of environmental management services
- Regulatory monitoring and regulator liaison

WATER NETWORKS

Deliver effective operation and maintenance of water and wastewater assets to ensure environmental compliance and protect public health.

Networks

- Investigate and manage incidents
- Sustainably manage water and wastewater network
- Provide maintenance planning / condition assessment
- Investigate and manage incidents
- Provide maintenance and condition data to the Water & Sewerage Infrastructure Planning Program

Maintenance

- Deliver preventative and reactive maintenance
- Undertake sewer overflow abatement investigations
- Undertake active water leak detection
- Undertake water meter replacement as required
- Manage telemetry and SCADA

Inspections

- Implement and manage trade waste licensing
- Undertake plumbing approvals and building over sewer assessment

Stakeholder & Client Support

- Manage customer account queries
- Manage key customer accounts
- Coordinate corporate and legislative reporting

WASTE SERVICES

Responsible for forecasting and adequately planning short and long-term waste infrastructure solutions, designing, and constructing against these plans, and managing operational and maintenance contracts for waste sites.

Strategic Asset Management

- Infrastructure & Asset Renewal (1-10-year capital renewal)
- Strategic asset maintenance planning

Strategic Infrastructure Planning

- Modelling
- Infrastructure Charging
- 10-year Capital Planning

Detailed Infrastructure Planning

- 1-year Capital Program Planning
- Project management (including asset delivery coordination

Waste Services

- Contract management
- Strategic procurement
- Project management (including asset delivery coordination)
- Site management
- Preventative and reactive maintenance
- Compliance monitoring

Other ECI Programs

Civil Operations

- Maintain and conduct flood-damage restoration of sealed and unsealed local roads, storm drainage, bridges, off-street carparks, walkways and cycleways, traffic signals and boat ramps
- Manage Pioneer River Improvement Trust infrastructure
- Manage quarry operations and gravel production for unsealed road maintenance

Transport & Drainage Infrastructure Planning

- Manage land acquisition to support infrastructure projects
- Concept planning and design for infrastructure projects

Asset Management

- Responsible for the development and implementation of strategic asset management through frameworks including technical and accounting concepts.
- Delivery of whole of life outcomes.

Organisational Services

Organisational Services – Director

- Responsible for the delivery of organisational services across council

FINANCIAL SUPPORT

Financial Support

- Undertake operational and capital budget planning, monitoring, reporting, and auditing

Capital Works

Capital Works - Director

- Responsible for the delivery of capital works across council

PROJECT MANAGEMENT OFFICE, MAJOR PROJECTS, AND/OR CONTRACT SERVICES

Provide value for money delivery of water and wastewater infrastructure projects.

Project Management

- Maintain project management systems
- Deliver effective selection of project delivery mechanisms

Project Delivery

- Manage land acquisition to support infrastructure projects
- Acquire regulator and industry approvals
- Undertake design
- Deliver strategic procurement
- Provide construction / construction management
- Undertake asset commissioning
- As constructed drawings and project close out
- Handover of projects to operations

Mackay REGIONAL COUNCIL

Waste Services
Customer Charter

Mackay Waste Services is committed to delivering excellent customer service, environmental management and efficient operation.

We service 3.6 million residential general waste and recycling bins each year.

Mackay Waste Services Vision:

Is to be an innovative waste service provider recognised for its commercial performance, provides regional leadership, has the respect of its clients and industry regulators, and prides itself on its sustainability.

In order to achieve this, we are committed to engaging with our customers through open two-way communication to deliver quality waste services that enhance our community.

The Waste Services Customer Charter forms part of our commitment by outlining the acceptable guidelines for the delivery of services within our community. Specifically, it documents the level of service that is provided to customers, and the processes for interacting with customers.

This Charter applies to households' waste services and we aim to comply with the regulatory standards and provide solid waste and resource recovery services to our customers.

We will:

- Comply with all legislative and statutory requirements including, but not limited to; the Local Government Act 2009 (Qld), Waste Reduction and Recycling Act 2011 (Qld), Environmental Protection Act 1994 (Qld), Ombudsman Act 2001 (Qld), and National Waste Policy 2018
- Deliver general waste and recycling collection services
- Provide accessible waste disposal facilities (including specialist recycling services and hazardous waste management) in accordance with all environmental licence requirements and the principles outlined in the State Waste Strategy and Mackay Regional Council Waste Management Strategic Plan
- Ensure timely establishment of services
- Maintain infrastructure and assets to ensure efficient delivery of services
- Provide efficient and secure operational facilities to assure community health and minimise environmental impact; and
- Ensure adequate resources including material and equipment, adequately trained personnel, outside expertise and finances are provided, maintained and audited.

OUR COMMITMENT TO YOU

Customer Rights and Responsibility	
Waste Management Service	▪ Supply waste management services such as waste and resource recovery services to the community ▪ Work with industry to seek beneficial reuse of resources recovered from waste locally ▪ Encourage community involvement and motivation around waste reduction, recycling, appropriate management, and appropriate handling and disposal and provide services to facilitate these ▪ Encourage and facilitate local reuse of waste by specifying and reusing waste construction and demolition materials in council infrastructure projects; and ▪ Identify areas of need in the community around waste management.
Consultation	Mackay Regional Council will keep customers informed on relevant matters through active two-way communication and engagement. General information and notices may be provided by brochure, media bulletins, or online at council's website www.mackay.qld.gov.au or social media channels. For those directly affected by a planned interruption, council will provide a minimum of 48 hours' notice by letter to the premises. Requests for information from council may be directed in writing or by telephone to the relevant department – see the contact section for details.
Complaints	Customers can contact the council to register a complaint by telephone, email, or in writing. See the contact section for details. When a complaint is registered, Mackay Regional Council will record the complaint on the council's customer portal, appoint a staff member to investigate the complaint, and then advise you of the outcome. Mackay Regional Council will respond to 90% of customer complaints within five working days of lodgement.
Dispute resolution	If you have tried to resolve the matter and are still dissatisfied, you can lodge an Administrative Action Complaint using the Complaint Lodgement Form on council's website. (www.mackay.qld.gov.au/aac) Customers that are still not satisfied with the outcome have the right to take the issue to the Queensland Ombudsman Office.

Waste Supply Services

Waste Services	Mackay Waste Services will ensure the supply of waste management services such as waste and recycling collections. Another objective is to reduce the amount of waste to landfill by recovering resources from the waste stream and increase the recovery and recycling of resources across all waste streams. We provide a Waste Managment Centre, nine rural transfer stations and two green waste facilities: These facilities are located at: ▪ Paget Waste Management Centre ▪ Bloomsbury Rural Transfer Station ▪ Eungella Rural Transfer Station ▪ Kolijo Rural Transfer Station ▪ Koumala Rural Transfer Station ▪ Seaforth Rural Transfer Station ▪ Sarina Rural Transfer Station ▪ Gargett Rural Transfer Station ▪ Hay Point Rural Transfer Station ▪ Otterburn Rural Transfer Station ▪ Bucasia Green Waste Facility ▪ Walkerston Green Waste Facility *Paget Waste Transfer Station is open 7 days* *Resource Recovery Facility is open 7 days (drop-off) except Christmas Day and Good Friday* *Rural transfer stations and green waste facilities are closed Christmas Day.* *Please refer to website for opening hours of specific Rural Transfer Stations: www.mackay.qld.gov.au/waste_times*

Fees and Charges

Transfer Station	All fees and charges at council's waste facilities are adopted by council each year.
Billing	Billing will occur at least every six months. Rubbish and Recycling Service fees are as per council's revenue statement.
Payment	Payment of Waste and Recycling Services fees must be made by the due date. Additional charges may be incurred for late payment. Payment can be made: ▪ online ▪ by telephone ▪ via BPAY ▪ by mail ▪ in person at your local Customer Service Centre, or ▪ at the post office. Overdue accounts incur a monthly compounded interest rate of 11% per annum, calculated from the end of the financial half-year in which they were due. In the instance of proven financial hardship, special financial arrangements may be available.
Disputed charges	If you believe you have been overcharged, please call council straight away to discuss the matter.

Contact Us

Emergency Assistance	For any immediate danger to people or property, call 000. For assistance outside of council's regular hours, our after hours Customer Service Centre is available 24 hours a day on 1300 622 529. More emergency contacts can be found at www.mackay.qld.gov.au/emergencycontacts
Enquiries, faults, and billing enquiries	Please call our Customer Service Centre on 1300 MACKAY (622 529).
Email	council@mackay.qld.gov.au
Online	www.mackay.qld.gov.au

1300 MACKAY (622 529) I council@mackay.qld.gov.au I mackay.qld.gov.au

Mackay REGIONAL COUNCIL

Appendix C - Delegated Authorities

Administrative Delegations

ADEL02 - Delegation to recruit, select, train and discipline employees. Refer to specific delegation for detail.

ADEL04 - Delegation to waive fees and charges - refer to specific delegation for detail.

ADEL09 - Delegation to sign documentation and general correspondence on behalf of the business unit. Refer to specific delegation for detail.

ADEL11 - Financial Delegation - Authority to incur expenditure on behalf of the business unit.

- Director Engineering & Commercial Infrastructure
- Chief Operating Officer Water & Waste Services
- Manager Waste Services

Refer to specific delegation for detail.

ADEL24 - delegation to execute contracts and expenditure. Refer to specific delegation for detail.

Legislative Delegations

The delegated authority to exercise each and every power and function of the council in respect to the Business Unit pursuant to the *Local Government Act 2009, Waste Reduction and Recycling Act 2011 (Qld), Environmental Protection Act 1994, Ombudsman Act 2001 (Qld) and National Water Policy 2018.*

4.8. MACKAY WATER SERVICES PERFORMANCE PLAN (2023-2028)
4.8.1. MACKAY WATER SERVICES PERFORMANCE PLAN (2023-2028)

Author	Chief Operating Officer Water & Waste Services (Cameron Jessup)
Responsible Officer	Director Engineering & Commercial Infrastructure (Jason Devitt)
File Reference	Budget 2022/23
Attachments	{attachment-list}

Purpose

To adopt the proposed Water Plan (2023–2028) for Water Services which incorporates the Annual Performance Plan requirements as outlined in the *Local Government Regulation 2012*.

Related Parties

Nil.

Corporate Plan Linkage

Priority: Financial Strength*:*

Strategy: Optimised Asset Management – Our asset spend is aligned with the optimised maintenance, replacement and renewal of our asset base.

Strategy: Ethical Decision-making and Good Governance - We are committed to keeping our community informed about our activities and performance and employing robust governance policies and procedures to ensure legislative compliance and organisational integrity.

Priority: Operational Excellence:

Strategy: Process and Systems – We develop and continually improve and innovate to create efficient processes that deliver value for our community. Council will endeavour to make service levels more transparent and harness opportunities for existing and emerging technologies to aid this delivery

Background/Discussion

The Performance Plan has been compiled to include the requirements of an Annual Performance Plan as specified in the *Local Government Act 2009* and the *Local Government Regulation 2012* for Commercialised Businesses.

Consultation and Communication

Chief Operating Officer Water and Waste Services, Manager Water & Sewerage Infrastructure Planning, Manager Water Network, Manager Water Treatment.

Resource Implications

Nil.

Risk Management Implications

Nil.

Conclusion

The Performance Plan (2023-2028) sets the expected standards of performance for Water Services for the 2022/2023 financial year.

Officer's Recommendation

THAT Council adopts the Mackay Water Services Performance Plan (2023-2028).

WATER SERVICES

Performance Plan 2023 – 2028

Including the requirements for Annual Performance Plan (LG Act)
and a Strategic Asset Management Plan (ISO55000)

Mackay REGIONAL COUNCIL

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Executive Summary

This Performance Plan provides an overview of the Mackay Water Services (hereinafter Water Services) business, the range of services it provides, identifying external and internal influences that the water industry is subject to, and identifies the activities necessary to ensure the delivery of council's corporate objectives prudently and efficiently at the lowest total lifecycle cost where possible.

In developing the performance plan, external drivers such as legislation, economic, social, and environmental and internal influences including council's corporate plan, Water Services vision and mission statements, organisational structure, governance, risk management and resources are considered. Water Services has translated the principal drivers, into a series of key result areas and overarching objectives. The objectives provide the focus areas for Water Services to build strategic direction and identify the key initiatives that will be delivered over the course of the three-year business plan.

Water Services aims to ensure appropriate levels of service in accordance with the Customer Charter are maintained through efficient management of water and sewerage assets and implementation of key business processes. This includes drinking water quality management, wastewater treatment and recycled water management, maintenance management, planning and project development, and environmental monitoring and compliance. Water Services is committed to a continuous improvement approach and proactively identifies opportunities to optimise operations and improve efficiencies while also managing risks.

An asset management framework has been developed to ensure that key objectives, quality standards and service level performance are achieved. A risk-based approach has been embraced by Water Services in making asset management decisions, as well as understanding the service performance of assets to ensure effective decisions when determining whether to upgrade, renew or build new assets.

The performance plan provides an overview of the business' financial management for the 2022/2023 financial year, including projected pricing and revenue, proposed capital outlays, budgeted operating performance and financial management ratios. Based on the initiatives and current activities, it predicts Water Services will be in a position to return $25.3 million of operating surplus back to Mackay Regional Council as dividends whilst maintaining an acceptable asset sustainability ratio. It also includes the 2022/2023 capital outlays, where capital works exceeding $19.8 million is planned, along with the 10-year capital investment program.

Introduction

Water Services is one of two Commercial Business Units (CBU) of Water and Waste Services (WWS) within the Engineering and Commercial Infrastructure (ECI) Directorate of Mackay Regional Council (MRC). Water Services is responsible for the delivery of Water and Sewerage Services for the regional community within the Mackay Regional Council Local Government Area.

The *Local Government Act 2009* (the *Act*) and the *Local Government Regulation 2012* (the *Regulation*) govern the operation of business units run by local governments.

Key Principles of a Commercial Business Unit

Water Services conducts business by adhering to the key principles of commercialisation as per Section 28 of the *Regulation*, namely having:

- clarity of objectives
- management autonomy and authority (governance)
- accountability for performance
- competitive neutrality.

Section 19 of the *Local Government Regulation 2012* prescribes the thresholds for the 2022-23 financial year are as follows:

- for water and sewerage combined activities - 10,000 or more premises being connected to a water service as of 30 June of the financial year ending immediately before the current financial year
- for any other business activity - expenditure of at least $9.7m for the financial year as of 30 June of the financial year ending immediately before the current financial year.

Section 175 of the *Local Government Regulation 2012* states the annual operational plan for a local government must:

- be consistent with its annual budget; and
- state how the local government will:
  - (i) progress the implementation of the 5-year corporate plan during the period of the annual operational plan; and
  - (ii) manage operational risks; and
- include an annual performance plan for each commercial business unit of the local government.

Inclusions of an Annual Performance Plan

An annual performance plan (APP) for a commercial business unit is a document stating the following for the financial year, the:

- unit's objectives
- nature and extent of the significant business activity, the unit is to conduct
- unit's financial and non-financial performance targets
- nature and extent of the community service obligations the unit must perform
- cost of, and funding for, the community service obligations
- unit's notional capital structure, and treatment of surpluses

- unit's proposed major investments
- unit's outstanding, and proposed, borrowings
- unit's policy on the level and quality of service consumers can expect
- delegations necessary to allow the unit to exercise autonomy in its commercial activities
- type of information that the unit's reports to the local government must contain.

A local government may omit information from the copies of the annual performance plan made available to the public if:

- the information is of a commercially sensitive nature to the commercial business unit; and
- the information is given to each of the local government's councillors.

Note – See also Section 171 (Use of information by councillors) of the *Act.*

The local government may change an annual performance plan for a commercial business unit at any time before the end of the financial year.

The *Regulation* also requires the CBU's performance to be monitored by the local government against performance targets mentioned in the APP.

This performance plan is designed to address each of these legislative requirements above. This document will contain both the longer-term strategy (five-year program) for business improvement as well as the more immediate (annual) goals for the business.

The performance plan has also been structured to define the elements of the business' 'Asset Management System' as identified in the International Standard for Asset Management ISO 55000. This plan presents a 10-year view of Asset Management for water and sewerage assets in accordance with the requirements of the Local Government Act.

Management Structure

The management structure and associated departments within Water Services are outlined in Figure 1. The responsibilities of the Water and Waste Services Management Team are identified in Appendix A.

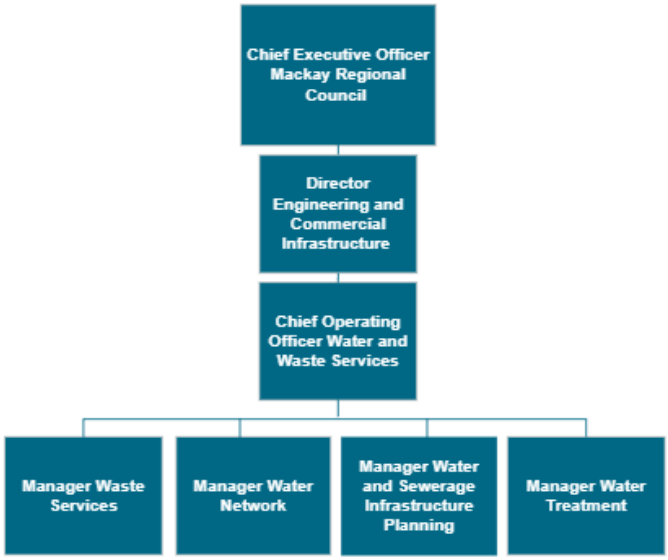


Figure 1: Management Structure

Commitment

Purpose

We are committed to delivering sustainable water and waste services to the Mackay Region in an efficient and commercially responsible manner.

Culture and Values

As a CBU of Mackay Regional Council, Water Services shares the commitment of:

'To create the opportunity to thrive. To become the best region for liveability and livelihood'

We endorse the five following core values in delivering outcomes for the community:

- Safety and Wellbeing
- Respect
- Working Together
- Service Excellence
- Integrity

Objectives

Commercial Business Unit Objectives

Water Services has seven key result areas and overarching objectives within the three-year Business Plan that provide focus and strategic direction:

- to achieve excellence in financial, human resource management and work health and safety
- to engage with our community and consistently meet our customer services standards
- to create an engaged and high performing team culture with the aim to have the right people in the right roles with the right skills and knowledge to deliver on the vision
- manage income and expenditure in a sustainable way
- to create systems and procedures that assure responsive delivery, quality, and management by fact
- to deliver the best whole of life outcome decisions for the Region's assets to meet customer service standards into the future
- to ensure all operations and activities are undertaken in compliance with our regulatory obligations.

Business Environment (Internal)

Mackay Regional Council's Corporate Plan 2022-2027 sets out the strategic direction of the Council. The corporate plan is intended to unify and guide the decision-making processes of the different departments to ensure the common vision of council is delivered to its ratepayers. Table 1 provides a summary of how the corporate plan priorities have translated into objectives for the Water Business.

Table 1: Water Business Objectives to Support Corporate Plan

MRC Corporate Priorities		Supporting Water Service Objectives
Invest & Work	We will encourage a buoyant, diverse economy that creates opportunities and employment and builds on our strengths so that we are a key player in the regional, state, and global economy. Build an informed, involved and digitally connected community that retains and attracts knowledge. We will work with local universities and educational institutions to improve the percentage of people completing tertiary and vocations education courses.	Water Services will deliver services efficiently that minimises the cost to provide services in the long run. Where financially responsible, Water Services will export skills developed. Water Services will deliver empowerment to our customers in the management of the services that are provided. Empowering our customers involves an improved understanding of our customers' needs, delivering effective communication and providing self-service capabilities. By implementing Water Industry Operator Association (WIOA) operator training for the Treatment and Water Industry Worker (WIW) for the Networks team, Water Services demonstrates our commitment to lifelong learning for the benefit of the organisation, ourselves, and our community.
Live & Visit	A community that creates a supportive environment for people of all ages, nationalities, cultures, and beliefs. Develop a strong regional voice to promote and facilitate growth to become a leading community in Northern Australia.	Water Services will be an innovative Water Service Provider focused on creating efficient, sustainable services. Water Services will contribute to the strengthening of the Queensland and Australian Water Industry through its contribution to formal and informal Regional Water Alliances and inter utility collaboration. Water Services will deliver regional leadership through its involvement and leadership in industry groups.
Community & Environment	Deliver a safe, healthy, and accessible community that offers a diverse range of services and facilities. Achieve a well-managed and healthy environment that provides a balance between built infrastructure and the conservation of our natural and cultural resources.	Water Services commits to provide safe, reliable, and high-quality water and sewerage services to the community. As a supporting service provider to the health and wellbeing of the community, Water Services will deliver integrated planning for our services to ensure support of the broader objectives of the region. Water Services will support community resilience through effective business continuity planning and preparedness. Water Services will minimise impact on the environment in a commercially sustainable way achieved through a broad range of measures including optimised operations, effective asset planning
Financial Strength	Council will have robust strategic asset management practices to optimise the planning, delivery, and maintenance of public assets. Develop and maintain regional infrastructure that will support a high standard of living.	Water Services will deliver the best whole of life outcome decisions for the region's assets to meet customer service standards into the future. This will be achieved through the development of both a Water and Sewer Strategy supported by comprehensive financial planning and modelling, further development of infrastructure asset management plans and a diligent and robust approach to the identification, prioritisation, planning, and delivery of works.
Operational Excellence	We are an innovative and responsive council that strives for excellence to achieve for our customers and the community	Water Services will deliver best practice quality and management systems to deliver on stakeholder outcomes consistently and efficiently

Business Environment (External)

In the development of the business strategy, Water Services must consider specific external drivers that can impact the business and operating strategy. These external drivers are summarised in **Table 2.** These drivers may continue to have an operational impact in future years.

Table 2: External Environment

Issue	Description	Implications for Water Services
Fiscal Constraints	Capital and Operational Funding Water Services has been successful in receiving the following State Government Grant and Subsidies over recent years: 2019-2021 - $801,000 for the Koumala Water Softening Unit Commissioning expected in early-2023 financial year. Pressure on Rates MRC property rates rank above the median for councils in Qld. The region experienced a decline in average weekly household income at the end on the mining boom in 2013, which has placed continued pressure on household expenditure. Although the region has been able to sustain strong employment levels through the Coronavirus (COVID19) period from 2020 to 2022, pressure on household expenditure persists due to the absence of notable wages growth and recent increases in consumer prices. Therefore, the ability of the community to absorb annual rates increases is limited.	There are no longer structured Capital Subsidies Program available from the State. Water Services relies on Council to fund the Forward Capital Program necessary to support future growth. There can be constraints in the amount of capital available, the ability to deliver capital and competing other Council priorities which can affect the delivery of the Forward Capital Program. The WIM Water Alliance is currently working on a series of initiatives aimed at improving collaboration. QWRAP funding requests will be developed and submitted in the first half of 22/23 for these initiatives. One-off funding does not provide any certainty and cannot be relied upon to deliver long term capital projects MRC are focused on ensuring its level of rates remains affordable. There is a focus on efficiencies and value for money when assessing capital expenditure. Scares resources (inputs - building materials and labour) remain a concern for Water Services.
Socio-political considerations	Socio-Economic Profile The region's population and employment has fluctuated since the end of the mining boom in 2013. The 2% loss of population between 2014 and 2018 has been regained between 2018 and 2022 due to favourable local employment conditions and the unique impact of COVID19. COVID19 measures prevented skilled migrants from entering Australia and caused residents not to move to major cities (as is the normal trend) but stay in regions to take up local employment. This contributed to the decline in unemployment rate to 2.6% (Dec 2021). Looking ahead, the population is projected to grow at a relatively low but steady rate of just under 1% per annum. The socio-economic profile of the Mackay region indicates a higher-than-average household wage compared to other Council's in Qld. However, this masks differential incomes between households employed in different economic sectors. Cost of Living Cost of living pressure has not eased and is expected to persist as driven by recent increases in consumer prices and inflation during 2021/22.	Pricing signals are generally considered ineffective for the provision of water services: the market research shows that this is accentuated in Mackay for a segment of the community with high wages. Demand Management Programs need to consider multiple customer groups. Cost of living pressures constrain the ability of the business to recover its increasing costs through pricing and drive a business objective of minimising the cost to provide services in the long run.

Issue	Description	Implications for Water Services
Water Industry Reform	Commercialisation Commonwealth and State Government Policies require larger water businesses to operate on a commercial basis. This means that at a minimum, all operational costs need to be covered by water charges and that investments will need to be funded on a commercial basis National reviews of the Australian Water Industry (undertaken by Infrastructure Australia, National Water Commission and Productivity Commission) have called for significant changes to the Queensland Water Industry with The National Water Reform draft report released in February 2021. The report recognises that water is critical to the well-being of Australian communities, the economy, and the environment. The final inquiry report was handed the Australian Government in May 2021 and publicly released in September 2021. The Productivity Commission's work has again highlighted a longer term need for water reform in regional and rural NSW and QLD. Drivers for reform include cost of service, increasing regulatory burden, increasing infrastructure complexity, lack of skills, aging workforce, and the need for centralised planning for catchments to improve water cycle outcomes.	Water Services is operating in accordance with the requirements for a "Commercialised Business Unit" of Council as specified in the Local Government Act and associated regulation. Water Services has led and continues to work with WRC and IRC as part of the WIM Alliance. The feedback from the members and external parties is that the WIM alliance is effective and providing value for the region. Further opportunities to share resources, establish commonality and present a regional perspective to external stakeholders remain and will continue to be worked on. Water Services continues to play a leading active role in the Queensland Water Directorate.
Legislation	Water Supply The Water Supply (Safety and Reliability) Act 2008 is the overarching legislation that provides a regulatory framework for the provision of water and sewerage services. The Act includes provision for drinking water quality management, recycled water quality management, recycled water quality, dam safety and protection of customer interests and service requirements. The Water Supply Services Amendment Bill 2014 passed in May 2014 made several changes that impacted Water Services. The legislation clarified the skill requirements for working on a water meter. Further legislation removes the requirement to develop a Recycled Water Management Plan and replaces the mandatory Strategic Asset Management Plans (SAMP) with a Key Performance Indicator framework for the monitoring of Service providers. Environmental Legislation Compliance with environmental legislation is a key driver for water businesses. Regulation governing the environmental aspects of the water businesses has increased significantly in recent years. A shift has occurred in how the regulatory environment licenses and conditions water service providers with a greater understanding of the cost to serve while meeting regulatory requirements. This approach allows for an outcome focused approach to regulation. Queensland Government proposed new sediment and nutrient emission standards for new or augmented point source activities (Wastewater Treatment Plants) the new Reef Regulations effective June 2021. The new Regulations will come into effect when there is an upgrade that requires an amendment to an Environmental Authority. It will look to reduce mass loads to the Reef or have the requirement to demonstrate no residual impact to the receiving waters; essentially capping the loads. This will have significant impacts on the capital and operational budgets to meet the current loads with the expected growth in the region. In addition to the Reef Regulations, the Point Source Offset Policy was published in November 2019 to allow for non-engineering intensive solutions to meet the new Reef Regulations.	Water Services will continue to maintain Recycled Water Management Plans for all Recycled Water Schemes to manage the risks associated with the supply of recycled water. Water Services has rewritten the legislative Strategic Asset Management Plan (SAMP) with several Management Plans that more closely align with the organisational context and facilitates transition to ISO 55000 compliance. Water Services has undertaken a review of legislative changes to date and has developed actions to ensure compliance with these changes. The business will continue to remain "in touch" with ongoing legislative change. Currently, MRC is investigating a nutrient offset for the Mackay North Water Recycling Facility with catchment management projects that help reduce non-points source discharge of nutrient loads to the environment. This also helps to protect our raw water source for our largest water treatment plant for the Region, Nebo Road Water Treatment Plant.

Significant Business Activity

Nature of Business

Water Services is committed to providing high quality, safe and reliable water, and sewerage services in an efficient and sustainable way. Water Services is a significant business activity under the *Local Government Act 2009* responsible for:

- planning functions associated with the provision of services relating to water and wastewater
- treatment and supply of potable water
- collection and treatment of wastewater.

In delivering water and sewerage services, the following range of activities are undertaken:

- management of water sources
- dam safety
- water treatment including water quality monitoring and environmental monitoring
- laboratory services
- water reticulation
- sewerage reticulation
- sewage treatment including management of biosolids
- effluent disposal including management of recycled water schemes
- trade waste
- plumbing inspections
- backflow prevention
- recoverable works for water and wastewater plumbing activities
- asset management
- long term planning for future asset requirements
- short term business case development for capital projects
- supervisory control and data acquisition (SCADA) maintenance.

Extent of Business

Water Services provides a range of water and sewerage related services to internal and external customers. The region covers an area of 7,621 square kilometres, from north of Bloomsbury to south of Koumala and extends past Eungella to the west. The population within the council's region was estimated at 118, 723 as of 30 June 2021. Population growth has been positive since June 2018 and is expected to continue to grow steadily in the future. The scope of high-level services provided to external customers is as follows:

- water treatment and supply to 42,812 residential properties and 3,370 commercial and industrial connections – a total of 107,028 customers
- sewage collection, treatment, and disposal for 39,713 residential properties and 2,527 commercial and industrial connections – a total of 42,240 connections
- high quality non-potable recycled water from the Mackay South, Sarina, and Mirani Water Recycling Facilities (WRF) to 32 local farmers and two public recreational facilities for irrigation purposes.

The scope of services provided to internal customers is as follows:

- development approval referrals
- quoted works for capital and operational project works
- treatment of leachate
- provide network and treatment services to other council Programs (e.g., parks amenities)
- laboratory services
- environmental incident reporting
- backflow testing for internal customers
- specialist water and wastewater advice.

Community Service Obligations

Nature and Extent of Service Obligations

Section 115 of the *Water Supply (Safety & Reliability) Act 2008* requires a customer service standard (CSS) for its water and wastewater services. Section 116 requires the service provider to clearly state the level of service to be provided to customers including the process for service connections, billing, metering, accounting, customer consultation, complaints, and dispute resolution.

The commitment on the level and quality of services provided to our customers is detailed in the Customer Charter. A copy of the Customer Charter (updated June 2022) is detailed in Appendix B. The Customer Charter applies to residential and industrial/commercial connections. Services' standards may not apply for water and sewerage services that are not installed in accordance with council's Engineering Design Guidelines or for which a separate service contract has been established.

Our customer service standards are reviewed annually to ensure an appropriate balance between the levels of service provided and the cost of the service provision to the community.

Cost of and Funding for Service Obligations

Section 24 of the *Local Government Regulation 2012* defines a Community Service Obligation (CSO) as 'an obligation the local Government imposes on a business entity to do something that is not in the commercial interests of the business entity to do'.

A CSO is treated as an expense for the activity of an amount equivalent to the cost of carrying out the obligation less any revenue arising from carrying out the activity.

The services provided by Water Services, for which a Community Service Obligations (CSO) credit is provided by MRC for Water Supply to Community Sporting Organisations. Council will be charged on actual avoidable costs incurred by Water Services, where applicable. Historically, Community Service Obligations associated with capital infrastructure installation has not been captured effectively. No Capital CSO's have been identified for the 2022/23 financial year.

Service Performance

A key factor in the asset decision making process is performance against the Customer Charter. In addition to the commitments made to the customers through the Customer Charter, Water Services measures the quality of services against internal targets. A summary of these standards and the service level performance in 2021/2022 are detailed in Table 3.

Table 3: Service Performance

Category	Service Standard	Measure	Indicator	Comments
Customer Response Times	Provide a new standard water connection per application within 15 working days	26 working days	🔴	Water Services aims to improve new service connections rate
	Provide a plumbing approval following a compliant application in an average time of 5 working days	3 working days	🟢	
	Assess a Building Over and Adjacent to Sewer Application within 10 days	2 working days	🟢	
Water Service	Minimum pressure of 22m to be provided at the property boundary under normal operating periods (not peak)	>22m or 220kPA	🟢	Over 99% of connections have greater than 22m of water pressure
	Attend to reported water incidents within 2 hours of formal notification 95% of the time	80%	🟡	Average response time of 1.44 hours
	Attend to reported unplanned interruptions within 5 hours of formal notification 90% of the time	90%	🟡	Average response time of 2.18 hours
	Aim to have less than 100 unplanned interruptions per 1,000 connections	33	🟢	
	Keep a full record of dialysis patients and any other high priority patients identified	Yes	🟢	
	Target set at less than 40 water main leaks or breaks per 100km of main	4.55	🟢	
	Less than 5 drinking water quality complaints per 1000 connections	3	🟡	
Sewer Response	Aim to respond to sewage incidents within 2 hours 90% of the time	77%	🔴	Average response time is 4.32 hours
	Aim to have less than 10 sewage overflows per 100km of sewer main	1.2	🟢	
	Aim to have less than 5 overflows to private property per 1,000 connections	2.11	🟢	
	Aim to have less than 6 odour complaints per 1,000 connections	0.64	🟢	
	Aim to have less than 30 sewer main chokes or blockage per 100km	0.78	🟢	

🟢 Full compliance in all areas
🟡 General Compliance with some exceptions
🔴 Significant non-conformances against standards

Financial Management

Pricing and Revenue

The existing charges for Water Services within MRC for 2021/2022 and the proposed charges for 2022/2023 are detailed in **Table 4.**

In addition to the primary services, Water Services also offer a range of other services for both residential and commercial customers on a fee for service basis. These fees are detailed in Mackay Regional Council's adopted Fees and Charges Schedule.

The budgeted revenue resulting from the set charges are detailed in **Table 5.** The budgeted and operating expenditure are detailed in **Table 6.**

Operating Performance

The budgeted total excess of operating revenue over operating expenditure for the financial year is approximately $30.2 million resulting from total budgeted operating revenue of $100.5 million and operating expenditure of $70.3 million.

A total of $25.3 million is budgeted to be paid out as dividends and notional tax to the General Fund.

The summary Operating Financial Budget for 2022/2023 in comparison to the forecast Operating Financial Performance for 2021/2022 and the Operating Financial Budget for 2021/2022 for the Water and Sewerage businesses appear in **Table 7** and **Table 8** respectively.

Table 4: Pricing

Rate Category	2021/22 Actual	2022/23 Proposed	Unit	% Inc.	2023/24 Projected	2024/25 Projected	2025/26 Projected	2026/27 Projected
Water - Access Charge	$377.10	$386.50	/factor	2.5%	$394.23	$402.11	$410.16	$418
Water - Consumption Charges								
- 0 – 150 kl per ½ year	$1.86	$1.91	/kl	2.5%	$1.95	$1.99	$2.03	$2.07
- over 150 kl per ½ year	$2.76	$2.83	/kl	2.5%	$2.89	$2.94	$3.00	$3.06
Wastewater - Access Charge	$911.90	$934.70	/factor	2.5%	$953.39	$972.46	$991.91	$1,011.75
Wastewater - Access Charge North Eton Biocycle	$776.10	$795.50	/factor	2.5%	$791.59	$807.42	$823.57	$840.04

Table 5: Budgeted and Projected Operating Revenue ($,000)

Revenue Category	2022/23		2023/24		2024/25		2025/26		2026/27	
	Water ($ K)	Sewerage ($ K)	Water ($ K)	Sewerage ($ K)	Water ($ K)	Sewerage ($ K)	Water ($ K)	Sewerage ($ K)	Water ($ K)	Sewerage ($ K)
Fixed Charge	23,227	52,587	23,924	54,164	24,582	55,654	25,258	57,185	25,890	58,615
Usage Charge	23,545	1,084	24,251	1,117	24,930	1,148	25,578	1,178	26,218	1,207
Discounts & Refunds	(2,102)	(4,848)	(2,165)	(4,994)	(2,225)	(5,131)	(2,286)	(5,272)	(2,343)	(5,404)
Other Fees & Charges	2,138	2,067	2,203	2,130	2,264	2,189	2.323	2,246	2.381	2,302
Rental Income	215	20	221	20	228	21	234	21	239	22
Interest Earned	461	578	1,328	1,005	2,367	2,087	1,852	1,897	1.750	2,117
Recoverable Works (^)	966	525	995	541	1,023	556	1,049	570	1,075	585
Other Operating Revenue	0	0	0	0	0	0	0	0	0	0
Operating grants, subsidies	0	0	0	0	0	0	0	0	0	0
TOTAL	**48,450**	**52,013**	**50,757**	**53,983**	**53,169**	**56,524**	**54,008**	**57,825**	**55,210**	**59,444**

Notes: ^ Recoverable Works revenue has an associated direct cost

Table 6: Budgeted and Operating Expenditure ($,000)

Expenditure Category	2022/23		2023/24		2024/25		2025/26		2026/27	
	Water ($ K)	Sewerage ($ K)	Water ($ K)	Sewerage ($ K)	Water ($ K)	Sewerage ($ K)	Water ($ K)	Sewerage ($ K)	Water ($ K)	Sewerage ($ K)
Employee Costs	6,967	7,135	7,158	7,329	7,354	7,529	7,573	7,751	7,798	7,979
Material & Services	13,168	13,112	13,693	13,637	14,331	14,275	14,981	14,925	15,529	15,473
Finance Costs	1,385	73	1,229	110	1,303	386	1,180	474	1,057	576
Depreciation	14,660	13,757	14,770	13,366	14,798	13,406	14.841	13,456	14,930	13,511
TOTAL	**36,180**	**34,077**	**36,850**	**34,442**	**37,786**	**35,596**	**38,575**	**36,606**	**39,314**	**37,539**

Table 7: Operating Performance – Water

(in $ M)	22/23 Budget	21/22 Forecast	21/22 Budget	[a] % Change	[b] % Change	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget
Operating Statement									
Operating Revenue	48.45	47.17	47.02	3%	3%	50.76	5317	54.00	55.21
Operating Expenses	36.18	35.86	34.83	1%	4%	36.85	37.79	38.57	39.31
Operating Surplus	**12.27**	**11.31**	**12.19**	**8%**	**1%**	**13.91**	**15.38**	**15.43**	**15.90**
Capital Revenue & Expenses									
Grants & Subsidies	0	0.05	0	(100%)	(100%)	0	0	0	0
Contributions	0.65	0.94	0.25	(31%)	160%	0.50	0.40	0.40	0.40
Donations	1.00	1.00	1.00	0%	0%	1.00	1.00	1.00	1.00
Other Capital Income/Expenses	(0.30)	(0.30)	(0.30)	0%	0%	(0.30)	(0.30)	(0.30)	(0.30)
Profit / (Loss) on Disposal of assets	0	0	0	n/a	n/a	0	0	0	0
Total Capital Revenue & Expenses	**1.35**	**1.69**	**0.95**	**(20%)**	**42%**	**1.20**	**1.10**	**1.10**	**1.10**
Net Result	**13.62**	**13.00**	**13.14**	5%	4%	**15.11**	**16.48**	**16.53**	**17.00**
Tax Equivalents									
Tax Equivalents Payable	4.09	4.04	3.94	1%	4%	4.54	5.04	5.08	5.25
Dividend	5.44	5.08	5.18	7%	5%	5.27	5.05	5.27	5.36
Net result after Dividend & Tax Equivalents	**4.09**	**3.88**	**4.02**	5%	2%	**5.30**	**6.39**	**6.18**	**6.39**

[a] 22/23 Budget over 21/22 Forecast, (b) 22/23 Budget over 21/22 Budget

Table 8: Operating Performance - Sewerage

(in $ M)	22/23 Budget	21/22 Forecast	21/22 Budget	[a] % Change	[b] % Change	23/24 Budget	24/25 Budget	25/26 Budget	26/27 Budget
Operating Statement									
Operating Revenue	52.01	50.39	50.14	3%	4%	53.98	56.53	57.83	59.44
Operating Expenses	34.07	39.12	35.07	(13%)	(3%)	34.44	35.60	36.61	37.53
Operating Surplus	**17.94**	**11.27**	**15.07**	**59%**	**19%**	**19.54**	**20.93**	**21.22**	**21.91**
Capital Revenue & Expenses									
Grants & Subsidies	0	0	0	n/a	n/a	0	0	0	0
Contributions	1.30	1.88	0.50	(31%)	160%	1.00	0.80	0.80	0.80
Donations	1.00	1.00	1.00	0%	0%	1.00	1.00	1.00	1.00
Other Capital Income/Expenses	(0.30)	(0.30)	(0.30)	0%	0%	(0.30)	(0.30)	(0.30)	(0.30)
Profit / (Loss) on Disposal of assets	0	0	0	n/a	n/a	0	0	0	0
Total Capital Revenue & Expenses	**2.00**	**2.58**	**1.20**	**(22%)**	**167%**	**1.70**	**1.50**	**1.50**	**1.50**
Net Result	**19.94**	**13.85**	**16.27**	44%	23%	**21.24**	**22.43**	**22.72**	**23.41**
Tax Equivalents									
Tax Equivalents Payable	5.98	4.15	4.88	44%	23%	6.38	6.82	6.93	7.17
Dividend	9.76	10.91	10.18	(11%)	(4%)	9.83	9.84	10.16	10.35
Net result after Dividend & Tax Equivalents	**4.20**	**(1.21)**	**1.21**	447%	247%	**5.03**	**5.77**	**5.63**	**5.89**

[a] 22/23 Budget over 21/22 Forecast, (b) 22/23 Budget over 21/22 Budget

Sustainability Ratios

The Asset Sustainability Ratio Percentage (ASRP) is an indicator used to understand if the current level of investment in the asset base will allow for the sustainable provision of services into the future. An ASRP value of 80-110% is a typical target for an infrastructure service provider and is indicative of an appropriate level of investment to ensure that service provision is sustainable in the longer term. An ASRP value of less than 80% can indicate underinvestment in infrastructure and if observed over an extended period is likely to be a lead indicator for a reduction in service levels. An ASRP value of greater than 110% can indicate over investment in infrastructure and presents an opportunity for a service provider to review the cost and level of service provided.

The ASRP for Water Services shown in **Table 9** below indicates that underinvestment may be occurring on both Water and Sewerage. However, the long-term expenditure profile for Water Services infrastructure is closer to the lower bounds' sustainability ratio (80%). The ASRP will however continue to be monitored and trended over time and considered in conjunction with infrastructure performance to determine if additional capital investment is required.

Table 9: Sustainability Ratios

Ratio	Water	Sewerage
Asset Sustainability	72.2%	41.8%
Interest Cover	22.3x	n/a
Operating Surplus	25.3%	34.5%

Capital Outlays & Funding

Capital works of approximately $21.77 million is planned for 2022/2023. See **Table 10** and **Table 11.**

Table 10: Capital Outlay & Funding – Water

(in $ M)	22/23 Budget	21/22 Budget	* % Change	23/24 Projected	24/25 Projected
Capital funding sources					
Working Capital	15.03	18.43	(18%)	17.85	22.10
New loan borrowings	0	0	n/a	0	0
Constrained grants and developer contributions	1.00	1.00	0%	1.00	1.00
Other capital revenue	0	0	n/a	0	0
Total capital funding sources	**16.03**	**19.43**	**(17%)**	**18.85**	**23.10**
Capital funding applications					
Capital expenditure	12.91	16.49	(22%)	15.54	19.59
Principle loan repayments	3.12	2.94	6%	3.31	3.51
Total capital funding applications	**16.03**	**19.43**	**(17%)**	**18.85**	**23.10**

Table 11: Capital Outlay & Funding – Sewerage

(in $ M)	22/23 Budget	21/22 Budget	* % Change	22/23 Projected	23/24 Projected
Capital funding sources					
Working Capital	7.86	14.87	(47%)	8.30	10.84
New loan borrowings	0	0	n/a	0	0
Constrained grants and developer contributions	1.00	1.00	0%	1.00	1.00
Other capital revenue	0	0	n/a	0	0
Total capital funding sources	**8.86**	**15.87**	**(44%)**	**9.30**	**11.84**
Capital funding applications					
Capital expenditure	8.86	12.30	(28%)	9.30	**11.84**
Principle loan repayments	0	3.57	(100%)	0	**0**
Total capital funding applications	**8.86**	**15.87**	**(44%)**	**9.30**	**11.84**

Capital Investment Program

The Long-term Capital Program forecasts a total investment of $218.1 million for Water and $151.2 million for Wastewater over the next 10 years as detailed in **Table 12**.

Table 12: Capital Investment Program

Year	Water $ M	Sewerage $ M
2022/23	12.91	8.86
2023/24	15.54	9.30
2024/25	19.59	11.84
2025/26	21.52	12.10
2026/27	33.12	20.54
2027/28	17.15	12.63
2028/29	28.93	10.62
2029/30	30.82	11.88
2030/31	25.83	18.98
2031/32	12.73	34.49

Note: 2022/23 to 2031/32 are in future dollars

Outstanding and Proposed Borrowings

The Loan balances for the end of 2020/21 through 2022/23 appear in **Table 13**.

Table 13: Loans Balances

(in $ M)	Water Loans	Sewerage Loans
Balance as at 30/6/21 (Actual)	26.90	39.19
Balance as at 30/6/22 (Forecast)	26.96	0
Balance as at 30/6/23 (Budget)	20.84	0

Human Resources

Staffing costs are the single largest operational cost element for the Water Services business. At $14.10 million, staff costs account for approximately 20.1% of the total costs. The projected number of staff for Water Services for 2022/2023 and its costs together with the comparative figures for 2021/2022 are analysed in **Table 14**.

Table 14: Staffing Analysis by Program

Category	2022/23 Budget		2021/22 Budget
	Count	Cost ('000)	Cost ('000)
Water Services	165.70	13,595	14,024
Director's Office	2.85	507	450
Total	168.55	14,102	14,474

Note: 2022/23 financial support provided as part of corporate overhead paid to Council

Skill Base

Despite the easing of the resources sector there continues to be positions which are difficult to find a suitable skill set. There are several driving forces that are impacting on the current and future skill set requirements within Water Services. These include:

- changes to Water Services Systems and Process
  - increased focus on quality systems and risk-based decision making
  - reduction in the Capital Program
  - productivity and efficiency improvements
- the rate of change of technology and its application in the Water Industry
  - increased reliance on real-time information systems
  - digitisation of telemetry
  - systems integration and analytics
- the changing Queensland and Australian Water Industry
  - increases in environmental performance
  - increases in drinking water quality performance
  - increased regional collaboration
- continuation of a competency-based framework for Treatment (Water Industry Operator) and Network (Water Industry Worker) operations has enabled 26 staff from Mackay Regional Council to obtain a formal qualification.
- the frameworks are on track to providing:
  - growth and development opportunities for staff to acquire new skills and undertake different tasks within an industry recognised framework
  - formal recognition of the unique skills and expertise of the Teams who perform an essential service for customers
  - industry-wide nationally recognised competency-based qualifications allowing improved mobility for staff
  - clearly defined career pathways with set requirements for each role and industry-leading skills development delivered through individual training plans.

The Water Industry Worker (WIW) Program was successful in their bid for Queensland Water Regional Alliance Program (QWRAP) funding for the ongoing delivery of the WIW program. The program has expanded and now includes eleven regional councils encompassing sections of the Far North Qld, Wide Bay-Burnett, and the Darling Downs Regions. The continuation of the program has created an opportunity for six new cohorts, enrolling 51existing team members to be rolled out across the eleven councils. Strengthening the outcomes and experience of the participants, several councils expressed interest in further developing the skills and knowledge of the teams by undertaking a Certificate IV in Water Industry Operations.

Delegated Authorities

Water and Sewerage Services delegated authorities are in accordance with the *Local Government Act 2009.* Delegated authorities for specific staff are set out in the Council's Register of Delegations, held by Legal Services within the Office of the Chief Executive Officer.

Delegations are given to the Chief Operating Officer from the Chief Executive Officer to exercise autonomy in Water and Waste's commercial activities and are noted in Appendix C

Reporting

Council Reporting (Internal)

Water Services will routinely report to Council on the performance of the business unit. The performance criteria reported to MRC together with its frequency is detailed in Table 15.

Table 15: Internal Reporting

Key Performance Indicators	Reporting Frequency		
	Monthly	Quarterly	Annually
Financial			
Financial Performance			✓
Return on Regulated Asset Base			✓
Cash Flow from operating activities			✓
Net Cash Flow			✓
Financial Position			✓
Balance Sheet			✓
Income Statement			✓
Management Report on Financial Position	✓		
Return on Regulated Asset Base			✓
Non-Financial Indicators			
Performance against Operational Plan		✓	
Safety Performance	✓		
Performance against Environmental Licences	✓		
Water Quality Regulatory Performance	✓		
Performance against Customer Service Standards	✓		
Planning Activity Performance and Progress	✓		

External Reporting Requirements

Water Services report to various State and Federal agencies in accordance with legislative requirements as identified in Table 16.

Table 16: External Reporting

Report	To	Frequency
Drinking Water Quality Management Plan (DWQMP)	DRDMW	Annually
Drinking Water Quality Incident Reporting in accordance with Water Supply (Safety and Reliability) Act 2008	DRDMW	As required
National Performance Indicators (NPI)	DRDMW/NWC	Annually
Annual Performance Plan in accordance with Local Government Regulation 2012	Adopted by Council	Annually
Wastewater Treatment EPBC Approval Annual Return	Department of Environment (Federal)	Annually
Wastewater Treatment Environmental Authority Annual Return	DES	Annually
Environmental Incident Reporting associated with Wastewater Treatment Environmental Authority	DES	As required
State Key Performance Indicators	DRDMW	Annually
Customer Service Standards (CSS) in accordance with the Water Supply (Safety and Reliability) Act 2008	Water and Sewerage Service Customers/DRDMW	Every five years
Fluoride Dosing issues in Accordance Water Fluoride Regulation 2008 and the Public Health Regulation 2005	Qld Health	As required
Fluoride Concentration Reporting*	Qld Health	Quarterly
WaTERS Reporting for Wastewater (Water Tracking and Electronic Reporting System)	DES	Quarterly
BoM National Water Accounting Data	BoM	Not required at present
National Pollutant Inventory (NPi)	Department of Environment (Federal)	Annually
Emergency Action Plan Review	DRDMW	Annually

**Please note: Fluoride dosing currently not in operation*

Business Processes and Management

Drinking Water Quality Management

The Water Treatment Program is responsible for managing quality and continuity of water extracted and treated throughout the Mackay Region. The key business processes are described in the Drinking Water Quality Management Plan (DWQMP) which is based on the Framework for Management of Drinking Water Quality in the Australian Drinking Water Guidelines. The distribution of the water from the treatment plant to the customer is managed by the Water Network Program.

Opportunities exist to optimise the water extraction and treatment processes. These opportunities include:

- making use of latest technology advances to continue to optimise and automate treatment operations and network monitoring
- defer further treatment upgrades by maximising treatment plant throughput and reliability. This will involve identifying treatment process improvements and infrastructure restrictions on major trunk infrastructure.

Challenges and risks will be managed into the future. These include:

- continual review and tightening of the Drinking Water Quality Standards
- further tightening of Standards and implementation of Health Based Targets for contaminants over the coming years, may trigger expensive capital upgrades like UV disinfection to the water treatment facilities.
- Nebo Road Water Treatment Plant is the single point of supply for approximately 100,000 customers. As the treatment plant is operated closer to its capacity, the reliability of operations and the effectiveness of demand management practices will become more critical to maintaining supply in accordance with the Customer Charter.

Sewerage Management

The following components make up the systems that manage sewerage:

- The Water Treatment Program is responsible for managing the treatment and disposal of sewage throughout the region. Sewage treatment is managed under individual site-based management plans which are driven by the Environmental Authority (EA) for each site.
- Recycled water is used at three of the four main sewage treatment plants. Recycled water is managed by individual Recycled Water Management Plans which are underpinned by Hazard Analysis and Critical Control Point (HACCP) principles.
- The collection and transportation of the sewage to the treatment plants is managed by the Water Network Program. The Sewage Management Plan is a risk-based plan that describes the approach.

Previous strong growth in the region had seen significant investment in sewage collection, treatment, and disposal infrastructure over the last 10 years. Water Services has had some success in influencing regulation and will continue to promote a move towards a more balanced approach for the regulation of sewerage services. In the short-term, the Capital Program will continue to be generally focussed on renewals.

The most significant growth/capacity driven project is the upgrade to the Mirani Water Recycling Facility. Anticipated commissioning date will be the beginning of the financial year 2022/2023.

In July 2019, Mackay Regional Council took in-house the operations of the Mackay North and Mackay South Water Recycling Facilities from the contractor, Downer Utilities. There has been significant improvement in the operational performance, and the asset management while reducing operational cost.

Additional opportunities exist to optimise the management of sewage collection, treatment and disposal. These opportunities include:

- Reform to legislation and the industry guidelines that are used to implement the legislation continue to be updated. Input into these changes will assist in delivering the best long-term outcomes for the community.
- Improved data collection in the sewerage network over recent years has provided information that has enabled alternate approaches to the management of inflow and infiltration to be considered. Formalising revised operating arrangements will reduce the cost to serve, improve environmental performance and improve service outcomes for our customers.
- Consistent operator training under the Water Industry Operator Framework to provide a competency-based framework to support and guide operational staff and the Water Industry worker (WIW) for the network teams.
- Investigate any possible synergies with the Whitsunday Isaac Mackay (WIM) Alliance that can create treatment efficiencies such as common procurement of chemicals, equipment, relief operational coverage and process specialists.

Challenges and risks will be managed into the future. These include:

- The Mackay North Water Recycling Facility (MNWRF) is near capacity from population growth in the catchment. Currently there are impacts to the treatment plant from peak loads in the network. Managing these peaks is critical to extending the life of the treatment plant, but planning is currently underway to evaluate future upgrade options and volumes required. The incoming Reef Regulations will likely bring with it increased stringency on effluent quality that is allowed to be discharged into Reliance Creek. This will influence the types of treatment technologies and likely increase the cost of the upgrades.
- The treatment plant licence at the Mackay South Water Recycling Facility (MSWRF) is linked to the amount of effluent reused. In years of high rainfall, demand for recycled water is low making management of the discharges more complex. The way future discharge licences are negotiated will be critical in managing future risk.

Maintenance Management

Delivery of maintenance activities for treatment and network assets is undertaken by the Water Network Program. Maintenance Management Strategies are detailed in the individual asset class Asset Management Plans. The maintenance is managed through a combination of in house and contract resources to deliver preventative and reactive maintenance.

The Maintenance Management System, Brightly, (formally Assetic) allows for interactive dashboards and maintenance performance reporting. This has increased the availability of information to continually improve work practices. Opportunities exist to optimise the management of maintenance. These opportunities include:

- review the balance of contract resources used to best deliver maintenance management activities
- optimise work allocation through improved work scheduling and maintenance planning systems and processes to assist in optimising operations

- one point of truth for asset condition rating, maintenance data collection and asset attribute information
- implementation of planned asset maintenance and optimisation of scheduled routine inspections with the view to move into predictive / reliability centred maintenance.

Challenges and risks will be managed into the future. These include:

- the implementation of the Corporate Asset Management Strategy and resources is critical to ongoing improvements in the business
- as the water business moves to maximise the capacity of existing assets more pressure will be placed on the effectiveness of maintenance planning, maintenance management and preventative maintenance to ensure service levels do not fall below the minimum standards outlined in the customer charter.

Planning and Project Development

As asset owners, the Water and Sewage Infrastructure Planning team is responsible for managing strategic and master planning projects to guide asset owner decisions with consideration of the full range of relevant stakeholders.

The focus over the next five years will be to review and update existing water and sewerage strategies for the Mackay Region and to develop strategies to optimise asset performance and balance organisational risk and strategic objectives. The use of advanced asset management planning tools will enhance the use of existing infrastructure to meet service standards as the region continues to grow and assets age. This will support the over-arching twenty-year investment profile based on asset management and growth in the region.

Opportunities exist to optimise the planning and project development processes. These opportunities include:

- optimise the forward capital investment program through further development of asset management tools and business rules to deliver the 'right project at the right time'
- optimising the timing of investment decisions through improved understanding of current and future demand on infrastructure and condition of assets
- optimise service delivery and infrastructure planning through benchmarking against other similar service providers
- implementing improved program and project management principles with the delivery of planning and project development projects. This includes a focus on cost estimation and rigour in delivery from budget and timing perspective
- continued improved coordination with other infrastructure service providers and MRC stakeholders to ensure optimum service delivery to the community.

Challenges and risks will be managed into the future. These include:

- the Asset Management system and data capture processes/systems is continuing to mature. The current implementation and data capture is limiting data availability to make the most appropriate asset investment decisions. Implementation of improved asset management and maintenance management systems is critical to good asset investment decisions into the future
- there is a risk that when growth occurs out of sequence with the Planning Scheme, additional investment in water and sewerage infrastructure will be required bringing forward capital investment. A coordinated approach to the development approval process is critical to ensure the best overall outcomes are achieved for the community.

Environmental Management and Monitoring

Environmental Management

In December 2019, the Queensland Government introduced new Reef protection regulations. While the intent of the new legislation is to strengthen Reef protection, there are potential impacts to the operations and long-term planning of MRC's sewerage treatment plants. Key amendments to the Environmental Protection (Great Barrier Reef Protection Measures) and Other Legislation Amendment Bill 2009 for MRC are set nutrient and sediment pollution load limits for the Reef catchments based on the end-of-catchment water quality targets in the Reef 2050 Water Quality Improvement Plan.

To meet the proposed nutrient loading requirements, MRC is investigating non-capital solutions to include an offset to improve discharges into the channel catchment. Improvements in catchment water quality will have multiple benefits for Mackay residents and the Great Barrier Reef (GBR). This not only means a reduction in nutrient loads entering the GBR lagoon but also provides improvements in water quality for the region.

Environmental Monitoring

Environmental monitoring is primarily carried out by the Scientific and Analytical Services Laboratory within the Treatment Program. The Laboratory is NATA Accredited for sampling and a wide range of chemical and microbiological analyses of various types of water including drinking water, groundwater, sewage, trade wastes and treating effluent. Drinking water is sampled from the source, through the treatment process, and then from the reticulation network and analysed to ensure it meets the Australian Drinking Water Guidelines. The laboratory continues to increase its capability to test emerging contaminants and stay abreast of new methods and technologies. Testing is performed for the water recycling facilities, landfills, and trade waste facilities for regulatory purposes and to provide information to assist with operation of the plants and monitor the receiving environments.

The laboratory provides sampling and testing services to Mackay Regional Council internal customers as well as other regional councils, residential and commercial customers. Each month the laboratory tests ~ 1200 samples and performs ~28,000 tests.

Environmental Compliance

Notable sewerage related incidents reported to the Department of Environment and Science (DES):

- an overflow within the Beaconsfield Road sewer pump station catchment occurred through an Emergency Release Overflow Structure. The overflow was related to a loss of power at the pump station. The DES is yet to determine the outcome of this event.
- a leak was identified within the Coles Road rising sewer main. The leak was in an area which was difficult to access and is believed to have been caused through heavy machinery impacting the rising sewer main. There was no compliance action taken over this event
- an overflow within the Beaconsfield Road sewer pump station catchment occurred due to a significant rainfall event. The overflow had the potential to impact on primary recreational waters. There was no compliance action taken over this event.

Additionally, Council has invested in excess of $100,000 in monitoring equipment within its wastewater systems. The investment is primarily aimed at improving the network overflow alarm systems to ensure faster responses to future incidents and at minimising untreated sewage being released to our waterways.

Risk Management

Water Services works within Mackay Regional Council's Enterprise Risk Management Framework and applies a risk-based approach to the management of the business. The top risks to the business are provided in Table 17. Risk registers are developed as required and maintained for the following areas:

- Drinking Water Management
- Recycled Water Management
- Sewerage Management
- Asset Management

Table 17: Key Business Risks

Category	Risk	Mitigating Measures
WHS	Accidents or incidents leading to injury of staff or others	Safe Plan implementation Safety culture initiatives Providing safety leadership
Public Health	Failure of equipment or breach of procedures resulting in poor drinking water quality Uncontrolled sewage overflows resulting in exposure to sewage	Drinking Water Quality Management Plan Capital upgrades to water treatment facilities Sewage Management Plan Asset Management Plans Design Standards Real time monitoring Water quality monitoring
Environmental	Incident causing release of unlicensed contaminants to the receiving environment	Sewage Management Plan Recycled Water Management Plan (RWMP) Asset Management Plans Site based Management Plans Real time monitoring Water quality monitoring
Service Standards	Insufficient information about assets to make asset life cycle decisions to maintain service standards and make optimised infrastructure decisions	Asset management system improvements Asset Management Plans MonitorPro implementation SCADA system upgrades
Growth	Unplanned growth or out of sequence growth resulting in misaligned capital investment	Shaping Mackay Coordination Strategy Master and Local Area Plans
Resources and Skills	Inadequate resources to deliver on stakeholder requirements Aging workforce	Human Resources Plan in conjunction with the People and Culture Team Implementation of Water Industry Worker (WIW) and Water Industry Operator Association (WIOA) competency frameworks to assist in training and supporting water network and treatment operations staff to undertake their work
Community	Community uninformed about Water Services' activities leading to concern and mistrust	Revised Customer Charter Community Reference Group initiative Continued stakeholder engagement and education initiatives

Water Services has general commercial insurance policies to mitigate against key risks. These policies are managed by MRC's Organisational Services directorate.

Stakeholders

Table 18 outlines the responsibilities and requirements of each of the major stakeholders for Water Services. The principal stakeholder is Mackay Regional Council.

Table 18: Stakeholders and Interests

Stakeholder	Interest	Water Services Deliverables	Stakeholder Deliverables / Inputs
Council (MRC)	Business Owner	Preserve commercial interests Provide value for money Contribute to corporate plans Protect assets	Overall strategic direction Governance Delegated authority Appropriate pricing Facilitate Financing
	Customer Advocate	Maintain service standards Display social responsibility	Fund community service obligations
	Regulator	Comply with laws and regulations Promote energy efficiency Promote environmental sustainability Maintain governance standards	Feedback on expectations Advice on compliance Provide support services
	Service Provider	Establish service requirements	Provide support services Maintain service level agreements
	Capital Works Directorate	Engage to identify problem to be solved or opportunity to be realised Investigate and identify preferred options and whole of life costs Provide detailed Business Cases Engage to inform operability of assets to be created Provide technical and operational input into design and delivery of capital projects	Engage to inform the preliminary designs and constructability of projects Deliver Capital projects on time and on budget Ensure new assets compliance with quality and levels of service requirements
Customers	Customers	Maintain service standards Provide value for money Engage in consultations	Timely settlement of dues Respond to community initiatives
Suppliers	Supplier	Uphold contractual obligations Adopt a partnership approach	Uphold contractual obligations Adopt a partnership approach
Employees	Employee	Ensure Safety Create a Conducive Work Environment Provide Job Security Recognise and Reward	Adopt and maintain professional standards Facilitate safety Promote corporate objectives
Govt. Agencies	Regulator	Ensure Compliance with Legislative and Reporting Requirements Engage relating to initiatives and emerging issues Incorporate community requirements	Interpretation and implementation support Adopt a balanced approach

Support Service Arrangements

Capital Renewals and Enhancements

The Capital Directorate is responsible for capital and major operational project delivery for Water Services. The team is responsible for detailed design, procurement, construction and commissioning activities. Projects are delivered through a combination of in-house and external resources.

The Capital Works Directorate was formed to optimise the planning and project development processes. This has included:

- implementation of enterprise-wide project management practices
- coordinating the Forward Capital Program with Water and Sewage Infrastructure Planning to manage the Forward Capital Program, for at least a three-year horizon, to maximise the potential to package projects and realise delivery efficiencies
- management of the Capital Program with a consolidated risk pool.

The challenges and risks associated with the use of an internal capital service provider need to be managed into the future. These include:

- maintaining communication and relationships across two separate Departments to ensure alignment between Water Services and the Capital Delivery Program
- ensuring resource levels are provided to manage the peaks and troughs in the Forward Capital Program
- ensuring project delivery is prudent and efficient
- understanding competing funding and project priorities and managing risk accordingly.

Mackay Regional Council Services

In accordance with the Mackay Regional Council Corporate Overheads model, Water Services obtains services from the following providers internal to MRC:

- Corporate Communications
- Governance & Safety
- Plant and Procurement
- Financial Services
- Asset Management
- Health & Regulatory Services
- Property Services
- Economic Development
- Development, Planning & Engineering
- Strategic Planning
- Quality Management
- People & Culture.

Shared Services Centre

The Shared Service Centre also provide a centralised range of council services including:

- managing the administrative support centre
- customer service
- employee services
- records management
- accounts payable/receivable.

Governance

Water Services is subject to the governance regulations applicable to Local Governments. This includes:

- *Capital Governance Framework*: As a capital-intensive business, it is essential that prudent and financial sustainability practices limit the level of debt funding. Community considerations and monopoly status also constrain operating margins. These dual requirements effectively "cap" the speed at which infrastructure can be provided.

- *Operating Governance Framework*: To ensure that the business is efficient and effective in delivering its outcomes, a clear governance framework has been developed across the business. This framework ensures that all personnel understand their roles/responsibilities and outcomes are managed using an appropriate performance framework.

Demand Forecasting

Demand on Services into the Future

The demand for Water, Sewerage Services and Recycled Water Services is influenced by a range of factors including:

- population and economic growth
- weather and weather patterns
- water use culture in the community including the extent of water saving devices
- water restrictions.

The impact of growth on the water and sewage infrastructure is detailed in relevant water and sewage planning reports. Master infrastructure planning is current for the Water and Sewerage Services for Mackay, Sarina, and Mirani/Marian centres. The investment required to maintain services is reflected in the Long-Term Financial Plan.

Water Allocation and Demand

MRC's primary allocation is from the Pioneer Water Supply Scheme with extraction at Dumbleton and Marian Weirs. Generally, utilisation from this Scheme increases in line with population growth. Peak water use is significantly impacted by rainfall. The demand management initiatives implemented over recent years have successfully reduced peak demand. While there is a continued focus on reducing the demand of water per capita in the long term, the forecast population growth over the next twenty years is anticipated to continue to increase the region's demand on raw water supplies. Forecast demand increases have been undertaken using the following assumptions:

- medium rainfall
- medium series population growth
- demand management initiatives achieve target of 10% reduction in peak consumption.

A summary of the historic and forecast surface demand is detailed in Table 19.

Table 19: Historic and Forecast Uptake of Surface Water

Source	Entitlement 2021/2022 (ML)	18/19 (ML)	19/20 (ML)	20/21 (ML)	21/22^ (ML)	22/23^ (ML)
Pioneer (Dumbleton)	16,000	12,000	12,029	12,493	13,000	13,360
Pioneer (Marian)	460	444	512*	502*	500*	510*
Plane Creek (Mt Blarney)	236	0	0	0	0	0
Cattle Creek (Gargett)	60	26	23	25	28	30
Cattle Creek (Finch Hatton)	75	0	0	0	0	0
Proserpine (Midge Point)	2,700	159	156	190	150	190

^ Forecast

*A temporary transfer of water allocation between Dumbleton and Marian occurs to manage the Marian allocation if an exceedance is likely

Groundwater is the sole source of supply for many of the rural Water Supply Schemes and is an alternate source of supply for the larger schemes for periods where there is an increase in risk for the surface water usually due to heavy rain events. The historic and predicted groundwater use is detailed in **Table 20**.

Table 20: Historic and Forecast Groundwater Usage

Borefield	Entitlement 2021/2022 (ML)	18/19 (ML)	19/20 (ML)	20/21 (ML)	21/22^ (ML)	22/23^ (ML)
Mackay	1,164	628	1,319*	516	606	650
Eton	62	39	49	45	41	45
Mirani	100	0.4	2	0.1	0	0
Marian	95	51	35	41	50	52
Finch Hatton	46	27	27	25	36	38
Sarina	300	6	1	0.2	0.2	0.2
Marwood	490	0	0	0	0	0
Bally Keel	150	0.01	0.02	0.05	0	0
Armstrong Beach	230	0	0	0	0	0
Koumala	35	7	13	11	11	12
Calen	N/A	31	34	42	41	45
Bloomsbury	22	8	7	10	7	8

^ Forecast

* An additional 110ML of allocation was obtained during the year

MRC holds several raw water allocations from both surface and ground water sources as outlined in **Table 19** and **Table 20**.

Due to increase in salinity in the groundwater in the coastal areas in the central and southern regions, groundwater allocations are subject to annual announced allocations.

A comparison of water demand predictions to water availability indicates that:

- In 2017, DEWS completed the Regional Water Security Assessment, and the Water Strategy was adopted by Council on 9 August 2017. While it is evident that the Mackay Region currently has sufficient raw water supplies, the demand for raw water will be continually reviewed to determine the timing and volume of any increase in allocation required to meet the community's needs. Unallocated high priority water is available within the Pioneer Water Supply Scheme to meet future requirements. Funds have been allocated in the Long-Term Financial Plan to purchase additional water; however, the timing has been delayed to reflect the adopted water strategy.

- Water requirements from the Mirani and Marian bores have reduced since commissioning the Marian Water Treatment Plant. Marian Weir surface water demand is predicted to be slightly above allocation for the 2021/2022 financial year. The shortfall will be addressed by transfer of allocation from the Dumbleton Weir. Additional surface water requirements for the Marian and Mirani townships will be required in approximately five to 10 years depending on growth and the impact of demand management initiatives.

- A reduction in the use of Sarina groundwater sources (i.e., Sarina, Marwood, Bally Keel and Armstrong Beach bore fields) reflects the fact that the majority of water for Sarina is now sourced from the transfer of treated water via a water main from Mackay.

- The future growth for the Midge Point area remains uncertain. There is sufficient capacity to meet future needs.

Sewerage

Water demand and sewage flows are linked to the weather and the forecast sewage inflow volumes appear below in **Table 21**. Generally, in the wet season, there is an overall lower water demand due to less non-essential watering such as watering of gardens and filling of swimming pools. There is also a corresponding increase in sewage flows which is linked to higher inflow and infiltration into the sewage network.

Table 21: Sewerage Inflow

STP	18/19 (ML)	19/20 (ML)	20/21 (ML)	21/22^ (ML)	22/23^ (ML)
Mackay North	1,383	1,382	1,442	1,450	1,465
Mackay South	6,792	6,794	6,881	6,655	6,725
Sarina	428	427	387	328	350
Mirani	359	364	353	315	350

^ Forecast

Recycled Water

Recycled water is used for irrigation of farming land and some golf courses throughout the Mackay Region. Demand for recycled water is closely linked to rainfall. The historic and forecast recycled water flows are as detailed in Table 22.

Table 22: Volume of Water Recycled Used

STP	18/19 (ML)	19/20 (ML)	20/21 (ML)	21/22^ (ML)	22/23^ (ML)
Mackay South	3,903	4,901	4,434	4,600	4,825
Sarina	144	90	76	104	110
Mirani	141	98	127	136	145

^ Forecast

Asset Management Framework

Councils Corporate Asset Management Framework

The MRC Asset Management Policy aims to ensure the effective and efficient management of the community's assets for present and future generations through effective asset management. The Policy recognises that infrastructure assets are of critical importance to the Mackay Region and are fundamental to Council's overall service delivery.

Council's approach to asset management, as set out in the Policy, is summarised below:

- align risk-based decision making with the Enterprise Risk Management Framework
- service outcomes are to be driven by the Corporate Plan, legislative requirements, and Council's long term strategic intent
- incorporate wider social, environmental, and economic considerations in the decision-making process
- the Asset Management Framework will apply across the Council yet recognise the need for flexibility in its application (i.e., a 'one size fits all' approach may not always be appropriate)
- develop our culture and strengthen our capability and resilience
- understand and anticipate changes in Council's operating environment (e.g., changes in demand for services or other outcomes)
- use performance indicators to link Customer Service Standards to the cost-of-service provision
- develop cost effective systems, processes and technologies which enhance our operational efficiency, asset performance and reliability
- employees and contractors who are aware of and held accountable for their asset management responsibilities.

Water Services' responsibilities in delivering on these outcomes are to:

- develop and implement asset management plans and asset management improvement plans for individual asset groups
- deliver levels of service to agreed risk and cost standards
- consideration of long-term sustainability requirements in the management and operation of infrastructure assets.

The Strategic Asset Management Plan states that MRC's asset management maturity will be assessed to measure the progression towards delivering asset management practices in line with ISO 55000. Water Services is proceeding towards meeting the ISO 55000 framework.

Water Services Asset Management Framework

The Water Services Asset Management Framework has been developed to deliver on the objectives of the Corporate Asset Management Policy and integrate into the Water Services Quality Management Structure.

The key documents describing the asset management methodologies to deliver the service outcomes are detailed in **Table 23**. The Water Services Framework has been mapped to the requirements of ISO 55000 and is detailed in Appendix D.

Table 23: Asset Management Documentation

Asset Management Area	Water Service Documentation
Organisation Context and Leadership	Performance Plan
Planning	Enterprise Project Management Framework (EPMF) Project Planning and Development Plan Project Prioritisation Guidelines Cost Estimation Manual Water System Asset Management Plan Sewer System Asset Management Plan Asset Management document hierarchy identified Sub Asset Management Plans Water and Sewer System Strategies
Operations and Performance Evaluation	Drinking Water Quality Management Plan Sewer Management Plan Site Based Management Plans Recycled Water Management Plans

Criteria for Asset Management Decision Making

Water Services has adopted a risk-based approach to the delivery of service outcomes. The risk-based decision-making criteria have been mapped to the corporate risk framework. Risks and opportunities are assessed under the criteria of:

- provide Workplace Health and Safety
- protect public health
- protect the environment
- deliver the Customer Service Standards
- deliver services at the Lowest Total Life Cycle Cost
- deliver coordinated services for council.

The level of risk that council is willing to accept is best represented in the Enterprise Risk Management Framework (ERMF). There has been work completed in understanding Council's strategic risks and council are currently revisiting risk appetite and the approach to the ERMF.

Scope of Existing Assets

Water Services manages a significant portfolio of water and sewerage assets with a forecasted carrying value of $1,153.8 million as at 30 June 2022.

These assets are broadly categorised as follows in **Table 24**.

Asset Category		Quantity / Unit
Raw Water	Dams/ Weirs *Note: most Dams & Weirs owned and operated by Sunwater*	1
	Pump Stations	2
	Boreholes	35
Water Treatment	Water Treatment Plants	5
	Water Treatment Facilities	8
	Re-chlorination Systems	9
Water Distribution Network	Service Reservoirs	33
	Water Pump Stations	35
	Water Mains	1,267km
Wastewater Collection Network	Wastewater Network	1,035km
	Wastewater Manholes	17,978
	Sewage Pumping Stations	190
Wastewater Treatment	Sewage Treatment Plants	5
Recycled Water	Recycled Water Storages	5
	Recycled Water Network (Mains)	31km
	Recycled Water Pump Stations	3

Asset Performance Standards

Water Services sets design parameters and monitors the performance of assets with the aim of delivering on the Customer Service Standards and managing the assets at the lowest whole of life cost. A summary of the performance of the assets is detailed in **Table 25**.

Table 25: Asset Service Standards

Asset Type	Indicator / Standard	Measure	Indicator	Comments
Water Supply Design Standards	Average Day Demand for residential, non-residential and system losses in master planning 280L/ep/day.	240 + 40 NRW		Mackay Water Strategy currently reviewing these figures
	Mean Day Max Month Peaking Factor is set in the design standards at 1.45 (MDMM:AD).	1.45		
	Maximum Day is currently modelled on 1.75 (PD:AD).	1.75		
Water Treatment Performance	Bore Water Extracted Less than Allocation	**Yes**		
	River Water Extracted Less than Allocation	Yes		
	Less than 10 drinking water incidents per year	9		Seven incidents related to ADWG health guideline breaches, one related to detection of a parameter without an ADWG guideline value and one related to a drinking water event. Four of the seven ADWG health guideline breach incidents were considered a verified ADWG breach with the other three deemed likely to have been caused by sample/ field contamination or due to an incorrect sample point location.
	Critical control points at treatment facilities	Compliant		
Water Network Performance	Provide reservoir levels to cater for (3 x maximum day demand less mean day maximum day demand) + emergency storage	Compliant		
	Target set at less than 40 water main leaks or breaks per 100km of main	4.3		
	15L/s for 2 hours to the property at 12m residual pressure for firefighting residential	Approx. 99%		Capital program planned for upgrades to network for firefighting
	30L/s for 4 hours to the property at 12m firefighting commercial	Approx. 99%		Capital program planned for upgrades to network for firefighting
	Maximum Service Pressure of 80m	<80m		Limited number of areas exposed to higher pressures
	System water loss less than 14%	21.25%		Water loss to be investigated as per Directorate and Program Plans

Asset Type	Indicator / Standard	Measure	Indicator	Comments
Sewer Design Standards	Sewage Loading at Average Dry Weather Flow: 230L/ep/day.	230		Review of the ADWF L/EP/day currently being undertaken as within the Mackay Sewerage Strategy
	Pipes sized to cater for wet weather flow	Designed for 5x ADWF		Inflow and infiltration to the network can increase the wet weather flow above 5 x ADWF for some catchments
	Gravity Pipes shall be no more than 75% full at design flow			Some catchments with high I/I have mains
	Sewer Pump Stations Design Compliance in line with WSAA and/or CTM Code	200		
Sewer Network Performance	Target set at less than 30 Sewer main breaks / chokes per 100km of sewer main. Sewer mains replaced on risk-based assessment and run to fail.	5.25		
	Sewage overflows reported to the environmental regulator	46		42 'general releases' i.e., wet weather releases from regulated SPSs reported in annual report to DES. Four 'notifiable releases' three of which relate to a dry weather release from a SPS. The fourth release was during wet weather, with the overflow impacting on a "Sensitive Receptor"
Sewage Discharge	Sewage discharged in accordance with Development Approval requirements	No		Assumption made that 'sewage discharge' refers to releases of untreated and treated effluent. 12 incidents relating to bypasses outside of licence conditions (4), and contaminant release limit breaches (8) were reported to the regulator in the 2020/2021 FY. All incidents were closed out by the regulator with no enforcement action taken.

Asset Type	Indicator / Standard	Measure	Indicator	Comments
Recycled Water	Target to provide Class A water quality at the plant	No	🟡	SWRF consistently supplied Class A recycled water as per the Public Health Regulation 2005 Recycled Water Standard and Class A to Class B recycled water as per the MWRP Recycled Water Supply Agreement (RWSA) Recycled Water Standard. MSWRF consistently supplied Class A recycled water as per the Public Health Regulation 2005 Recycled Water Standard and generally Class A to Class B recycled water as per the MWRP Recycled Water Supply Agreement (RWSA) Recycled Water Standard. During the month of April 2021, the recycled water quality was less than class B. Mirani WRF consistently supplied Class B recycled water ranging as per the Public Health Regulation 2005 Recycled Water Standard and Class A to Class B quality as per the MWRP Recycled Water Supply Agreement (RWSA) Recycled Water Standard.
Recycled Water	Critical control points at treatment facilities met	N/A	🟢	Recycled Water (RW) CCP's not currently measured - appropriateness of RW CCP's to be reviewed as part of the Recycled Water Management Plan update commencing in May 2021.
	Target the delivery of the Annual Allocation to each farm as per end user agreement	Allocation available	🟢	Approximately 39% of the total allocations were utilised by the MSWRF recycled water users in the 20/21 FY Approximately 65% of the total allocations were utilised by the SWRF recycled water users in the 20/21 FY Approximately 60% of the total allocations were utilised by the Mirani WRF recycled water users in the 20/21 FY

🟢 Full compliance in all areas
🟡 General Compliance with some exceptions
🔴 Significant non-conformances against standards

Asset Investment Profile

The asset investment profile to maintain the service standards and deliver against the corporate requirements is details in Figure 2 and Figure 3. The asset investment profile has been developed in accordance with the criteria for asset decision making.

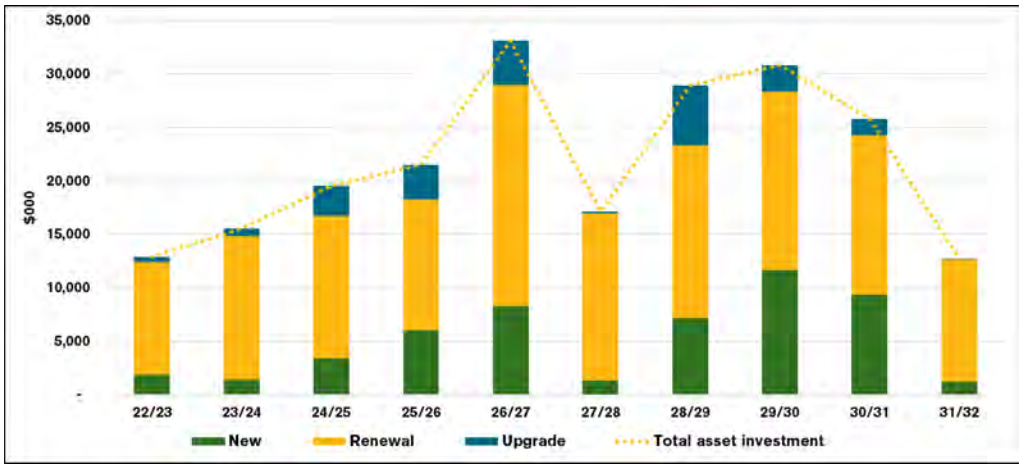


Figure 2: Ten Year Asset Investment Program – Water (Excluding donated assets)

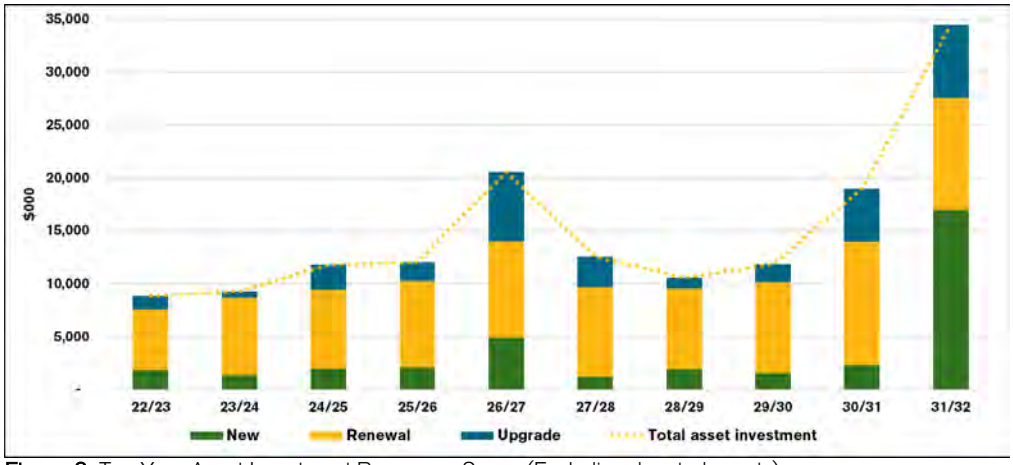
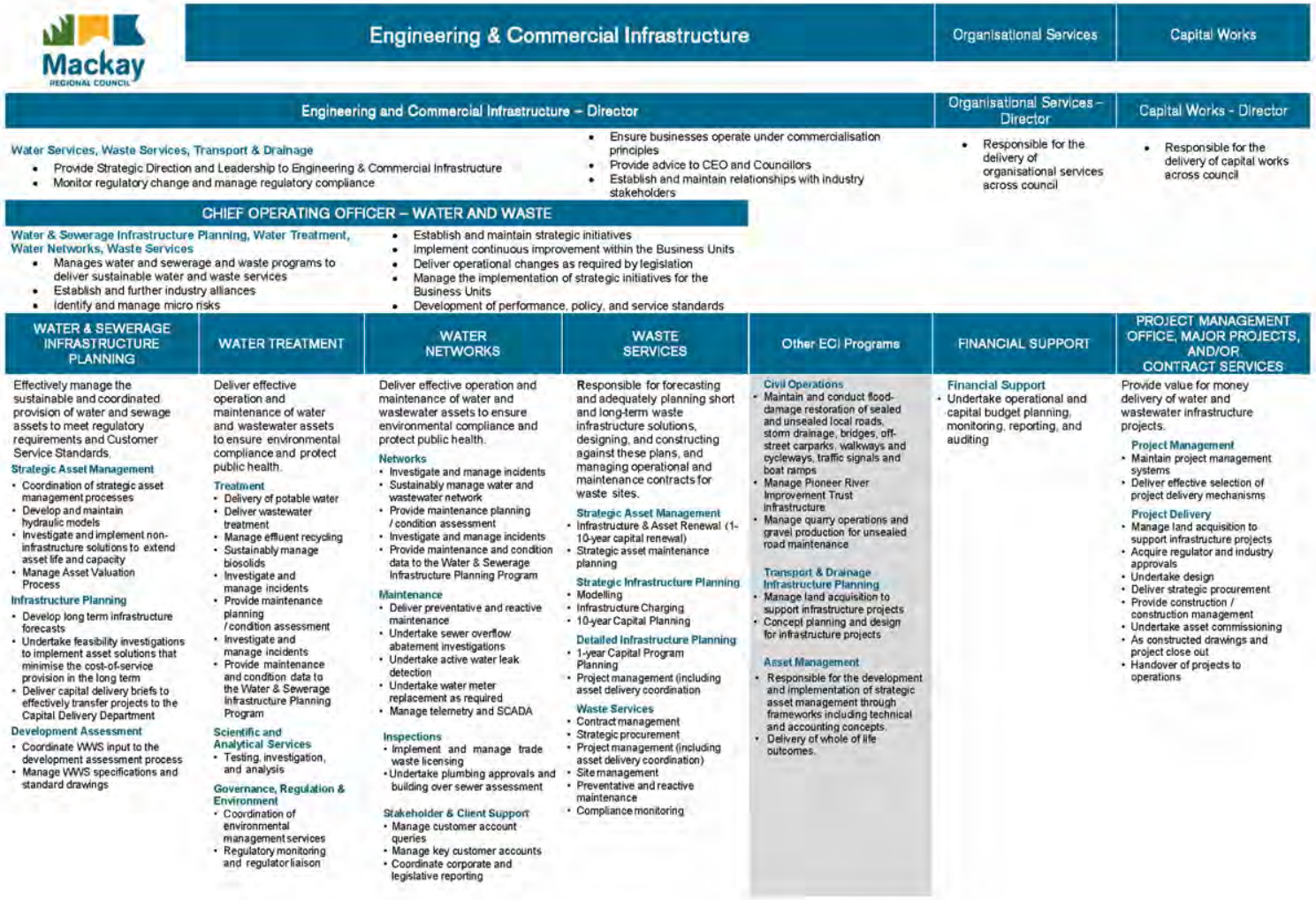


Figure 3: Ten Year Asset Investment Program – Sewer (Excluding donated assets)

Appendix A – Management Team Responsibilities



Engineering & Commercial Infrastructure	Organisational Services	Capital Works

Engineering and Commercial Infrastructure – Director

Water Services, Waste Services, Transport & Drainage

- Provide Strategic Direction and Leadership to Engineering & Commercial Infrastructure
- Monitor regulatory change and manage regulatory compliance
- Ensure businesses operate under commercialisation principles
- Provide advice to CEO and Councillors
- Establish and maintain relationships with industry stakeholders

Organisational Services – Director

- Responsible for the delivery of organisational services across council

Capital Works - Director

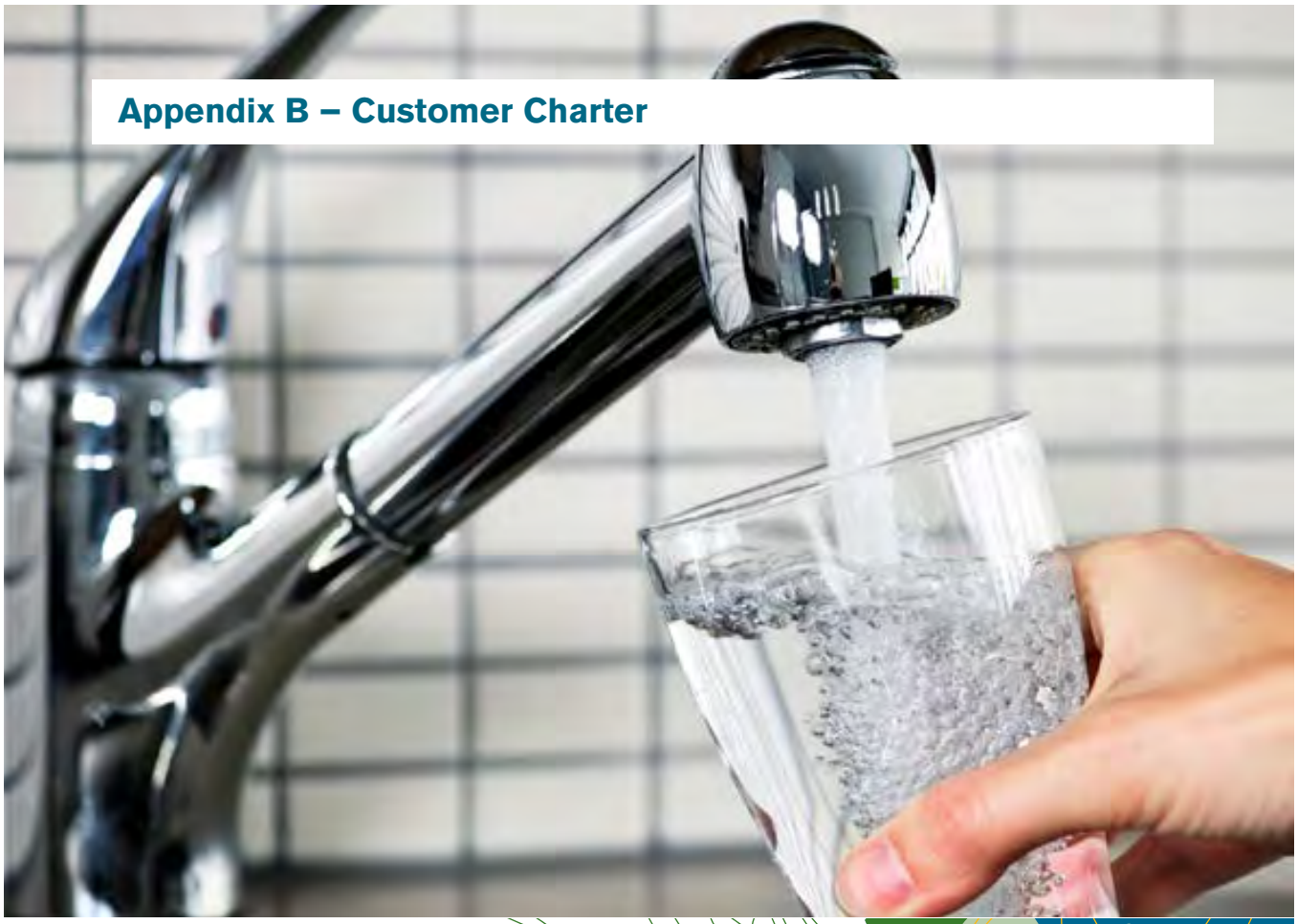
- Responsible for the delivery of capital works across council

CHIEF OPERATING OFFICER – WATER AND WASTE

Water & Sewerage Infrastructure Planning, Water Treatment, Water Networks, Waste Services

- Manages water and sewerage and waste programs to deliver sustainable water and waste services
- Establish and further industry alliances
- Identify and manage micro risks
- Establish and maintain strategic initiatives
- Implement continuous improvement within the Business Units
- Deliver operational changes as required by legislation
- Manage the implementation of strategic initiatives for the Business Units
- Development of performance, policy, and service standards

WATER & SEWERAGE INFRASTRUCTURE PLANNING	WATER TREATMENT	WATER NETWORKS	WASTE SERVICES	Other ECI Programs	FINANCIAL SUPPORT	PROJECT MANAGEMENT OFFICE, MAJOR PROJECTS, AND/OR CONTRACT SERVICES
Effectively manage the sustainable and coordinated provision of water and sewage assets to meet regulatory requirements and Customer Service Standards. **Strategic Asset Management** • Coordination of strategic asset management processes • Develop and maintain hydraulic models • Investigate and implement non-infrastructure solutions to extend asset life and capacity • Manage Asset Valuation Process **Infrastructure Planning** • Develop long term infrastructure forecasts • Undertake feasibility investigations to implement asset solutions that minimise the cost-of-service provision in the long term • Deliver capital delivery briefs to effectively transfer projects to the Capital Delivery Department **Development Assessment** • Coordinate WWS input to the development assessment process • Manage WWS specifications and standard drawings	Deliver effective operation and maintenance of water and wastewater assets to ensure environmental compliance and protect public health. **Treatment** • Delivery of potable water • Deliver wastewater treatment • Manage effluent recycling • Sustainably manage biosolids • Investigate and manage incidents • Provide maintenance planning /condition assessment • Investigate and manage incidents • Provide maintenance and condition data to the Water & Sewerage Infrastructure Planning Program **Scientific and Analytical Services** • Testing, investigation, and analysis **Governance, Regulation & Environment** • Coordination of environmental management services • Regulatory monitoring and regulator liaison	Deliver effective operation and maintenance of water and wastewater assets to ensure environmental compliance and protect public health. **Networks** • Investigate and manage incidents • Sustainably manage water and wastewater network • Provide maintenance planning / condition assessment • Investigate and manage incidents • Provide maintenance and condition data to the Water & Sewerage Infrastructure Planning Program **Maintenance** • Deliver preventative and reactive maintenance • Undertake sewer overflow abatement investigations • Undertake active water leak detection • Undertake water meter replacement as required • Manage telemetry and SCADA **Inspections** • Implement and manage trade waste licensing • Undertake plumbing approvals and building over sewer assessment **Stakeholder & Client Support** • Manage customer account queries • Manage key customer accounts • Coordinate corporate and legislative reporting	Responsible for forecasting and adequately planning short and long-term waste infrastructure solutions, designing, and constructing against these plans, and managing operational and maintenance contracts for waste sites. **Strategic Asset Management** • Infrastructure & Asset Renewal (1-10-year capital renewal) • Strategic asset maintenance planning **Strategic Infrastructure Planning** • Modelling • Infrastructure Charging • 10-year Capital Planning **Detailed Infrastructure Planning** • 1-year Capital Program Planning • Project management (including asset delivery coordination **Waste Services** • Contract management • Strategic procurement • Project management (including asset delivery coordination) • Site management • Preventative and reactive maintenance • Compliance monitoring	**Civil Operations** • Maintain and conduct flood-damage restoration of sealed and unsealed local roads, storm drainage, bridges, off-street carparks, walkways and cycleways, traffic signals and boat ramps • Manage Pioneer River Improvement Trust Infrastructure • Manage quarry operations and gravel production for unsealed road maintenance **Transport & Drainage Infrastructure Planning** • Manage land acquisition to support infrastructure projects • Concept planning and design for infrastructure projects **Asset Management** • Responsible for the development and implementation of strategic asset management through frameworks including technical and accounting concepts. • Delivery of whole of life outcomes.	**Financial Support** • Undertake operational and capital budget planning, monitoring, reporting, and auditing	Provide value for money delivery of water and wastewater infrastructure projects. **Project Management** • Maintain project management systems • Deliver effective selection of project delivery mechanisms **Project Delivery** • Manage land acquisition to support infrastructure projects • Acquire regulator and industry approvals • Undertake design • Deliver strategic procurement • Provide construction / construction management • Undertake asset commissioning • As constructed drawings and project close out • Handover of projects to operations



Appendix B – Customer Charter

Mackay REGIONAL COUNCIL

Water Services
Client Charter

Mackay Regional Council is committed to delivering water and sewerage services that supply quality potable water, sewage collection and treatment, and non-potable recycled water to over 100,000 customers.

Mackay Water Services Vision:

Is to be an innovative water service provider recognised for its commercial performance, provides regional leadership, has the respect of its customers and industry regulators, and prides itself on sustainability.

In order to achieve this, we are committed to engaging with our customers through open two-way communication to deliver quality water and sewerage services to enhance our community.

The Customer Charter forms part of our commitment by outlining the acceptable guidelines for the delivery of services within our community. Specifically, it documents the level of service that is provided to customers, and the processes for interacting with customers.

This Charter applies to normal residential water and sewerage connections. It does not apply to services that are not installed in accordance with council's engineering design guidelines or for which a separate contract has been established.

OUR COMMITMENT TO YOU

Customer Rights and Responsibility

Service connections	New water and sewerage connections can be applied for by filling out and submitting the relevant form to council. Approval of service connections is conditional on the availability of the appropriate working drains and main supplies to the property, in compliance with the Plumbing and Drainage Act 2018 (Qld). When an application is approved, Mackay Regional Council aims to provide the connection within 15 workings days of receipt, 90 percent of the time. Disconnection from the water supply requires prior approval from council. On receiving approval, it is the responsibility of owners to arrange for proper disconnection from the supply pipe.
Consultation	Mackay Regional Council will keep customers informed on relevant matters through active two-way communication. General information and notices may be provided by brochure, media bulletins (printed and radio), or online at www.mackay.qld.gov.au. For those directly affected by a planned interruption, council will provide a minimum of 48 hours' notice by letter to the premises. Requests for information from council may be directed in writing or by telephone to the relevant department – see the Contact section for details.
Complaints	Customers can contact the council to register a complaint by telephone, email, or in writing. See the Contact section for details. When a complaint is registered, Mackay Regional Council will record the complaint on the council's Customer Portal, appoint a staff member to investigate the complaint, and then advise you of the outcome. Mackay Regional Council will respond to 90% of customer complaints within five (5) working days of lodgement.
Interference with Infrastructure	If you have tried to resolve the matter and are still dissatisfied, you can lodge an Administrative Action Complaint using the Complaint Lodgement Form on council's website. (www.mackay.qld.gov.au/aac) Customers that are still not satisfied with the outcome have the right to take the issue to the Queensland Ombudsman Office. Connecting to or disconnecting from council's infrastructure without approval is an offence under the Water Supply (Safety and Reliability) Act 2008.
Water Restrictions	It is the responsibility of the customer to be aware of and abide by any water restrictions that are in place. Refer to council's policy for further information, at www.mackay.qld.gov.au/residents/services/water/water_conservation
Dispute resolution	If you have tried to resolve the matter and are still dissatisfied, you can lodge an Administrative Action Complaint using the Complaint Lodgement Form on council's website. (www.mackay.qld.gov.au/contact/administrative_action_complaints) Customers that are still not satisfied with the outcome have the right to take the issue to the Queensland Ombudsman Office.

Plumbing Approvals	Provide a plumbing approval following a compliant application in an average time of 5 working days.
Building over and/or adjacent to Sewers	Assess a Building Over and/or Adjacent to Sewer Applications within 10 working days.

Water Supply Services

Water Pressure	During normal operating periods, water will be provided to the meter at a pressure of 22 m of head (220 kPA), and at rate of 20 L/min. Properties that are part of a Tank Replenishment Scheme are subject to different water service conditions, particularly pressure of supply. These different conditions apply to: ▪ Cape Hillsborough Road, Cape Hillsborough ▪ Wainai Road, Farleigh ▪ Palm Ridge Drive, Richmond ▪ Ian Reddacliff Drive, The Leap ▪ Droughtmaster Drive, Hay Point ▪ Austin Drive, Eton ▪ Rural View Drive, Nindaroo ▪ Mooreland Street, Bakers Creek Further information on the service conditions for the Tank Replenishment Scheme can be provided on request – see the Contact section for details.
Reliability	Mackay Regional Council aims to ensure water supply continuity through the following performance targets each financial year: ▪ Less than 40 water main breaks per 100 km ▪ Less than 75 unplanned interruptions per 1000 connections, and ▪ Minimum notice for all planned interruptions of 48 hours In the event where an unplanned interruption does occur, council will endeavour to respond within five (5) hours of being notified for 90% of cases per financial year.
Incidents	A water supply incident is any event affecting Mackay Regional Council water infrastructure which adversely affects the service provided to customers, and to which service complaints can be attributed. Mackay Regional Council will respond to reported water incidents within two (2) hours of formal notification, 95% of the time across each financial year.
Water Quality	Mackay Regional Council commits to the effective and safe management of the water supply in order to provide a safe, high quality drinking water that complies with the physical, chemical, and microbiological health limits of the Australian Drinking Water Guidelines (ADWG).

Complaints	Complaints can be made to the Customer Service Centre listed in the Contact section. Council aims for an incidence of less than 5 water quality complaints (discolouration or staining, taste, odour, illness, or cloudy water), and less than 50 water service complaints per 1000 connections per financial year.
Fire Services	Water drawn from a firefighting system or hydrant is strictly for firefighting purposes only and is not charged. Misuse of firefighting water is an offence. After such use, the property owner must notify council of this use within 7 working days. If this water comes from the general metered supply to the property, a meter reading will be performed as soon as possible, to determine the usage for firefighting purposes. Queensland Fire and Emergency Service may take water for fire-fighting from any source.
Dialysis and Life Support Machines	Customers who have an increased consumption of water due to its use in home haemodialysis may be eligible for concession water rates from Mackay Regional Council. To apply, send a written request to the address in the Contact section, along with the appropriate medical certificate. If you are registered with Mackay Water Services as having a life-support machine requiring water, we will endeavour to advise of planning interruptions and emergency situations. For further details, contact the council via the details in the Contact section. Dialysis requires water quality beyond that which is prescribed for normal drinking water. Setting up for home dialysis usually involves its own water filtration equipment. For information on this, customers should consult Kidney Health Australia at kidney.org.au, or call them on 1800 454 363.

Sewer Services

Reliability	Mackay Regional Council will endeavour to provide reliable sewerage services through the following performance targes each financial year: ▪ Less than 10 sewage overflows per 100km of sewer mains ▪ Less than 5 overflows to private property per 1000 connections ▪ Less than 30 sewer main chokes or blockages per 100km of sewer mains
Incidents	A sewer service incident is any event affecting Mackay Regional Council sewerage infrastructure which adversely affects the services provided to customers, and to which service complaints can be attributed. The response time to 90% of sewerage incidents will be two (2) hours or less per financial year.
Maintenance	Mackay Regional Council will maintain all sewerage infrastructure up to the sewerage point of connection (jump-up). All plumbing works on the household side of the jump-up are the responsibility of the property owner. It is the responsibility of property owners to not cause stormwater flow to infiltrate the sewerage system, such as through illegal rainwater connections or changes to landscaping that diverts stormwater into sewer access holes.
Odours	Complaints about odours caused by sewage can be made to the council Customer Contact Centre (see Contact section). Mackay Regional Council will maintain sewerage infrastructure in order to limit odour complaints to six (6) per 1000 customers per financial year.
Overflows and blockages	In the case of a blocked or overflowing sewer, customers should advise Mackay Regional Council by phone as soon as possible. The call centre will send field staff out to investigate the problem and locate its source. The location of the blockage will determine who is responsible for its repair. Sewer blockages and overflows that are found to originate in council's sewerage infrastructure must be cleared only by the council's arrangement. Private contractors hired by property owners are not permitted to carry out works on council infrastructure. If the problem is located within the plumbing or house drain of the property, then the property owner is responsible for arranging and paying for repair.
Access	Property owners are responsible for providing unhindered access to the sewer manhole. This includes ensuring the manhole is not obstructed by an object such as pot plants.

Meters and Infrastructure

Water meters & Automated Meter Reading Devices	A water meter and an Automatic Meter Reader (AMR) Device is installed and located on the property boundary as part of each water service connection. The water meter and AMR device is the property of council.
Access	Property owners are responsible for providing unhindered access to the water meter (and AMR device). This includes ensuring the area is clear of vegetation and other obstructions such as fences and concreting. Any cost for restoring access will be charged to the property owner. Mackay Regional Council staff or their contractors may require entry to your land to: ▪ carry out connection work ▪ read or test meters, or ▪ to inspect, maintain, repair, or replace council property. Staff will have council photo identification, and you are entitled to ask to see this identification before answering questions or allowing work to be carried out.
Estimated Readings	Under some circumstances, a meter reading may not be available and an estimated value of water consumption may be used for billing, based on previous use.
Accuracy	Council will test the accuracy of a water meter at the property owner's request. A pre-paid fee applies for this service. However, the fee will be refunded if the water meter is found to be inaccurate. Meter testing will be done by an independent accredited testing agency.
Maintenance	Mackay Regional Council will replace water meters in accordance with council's meter replacement program. Council will maintain all water infrastructure up to and including the water meter. All plumbing works after the meter is the responsibility of the property owner. For all billable sub-metered properties, council will maintain the sub-meter. The infrastructure between the master meter and the sub-meter is the property owner's responsibility. For further information refer to Mackay Regional Council's Sub-Metering Policy. (www.mackay.qld.gov.au/__data/assets/pdf_file/0011/192548/55_-_Sub-Metering_Potable_Water_Supply_Policy_-_Adopted_10_October_2018.pdf).
Damage to Infrastructure	Damage to council infrastructure should be reported by phone (see the Contact section). Intentional damage is an offence. Council will charge the owner of the property with the reasonable cost of repair, unless the damage was caused by council staff or council contractors. The safekeeping of meters and AMRs is the responsibility of the owner of the property on which they are located.

Fees and Charges

Billing	Billing will occur at least every six (6) months. All water registered on the meter will be deemed to have been delivered to the customer, unless meter error can be established. Both water and sewage access charges are reviewed and set annually by council resolution. Water usage is charged on a per kilolitre basis as per council's Revenue Statement.
Payment	Payment of all water and sewerage related charges must be made by the due date. Additional charges may be incurred for late payment. Payment can be made: ▪ online ▪ by telephone ▪ via BPay ▪ by mail ▪ in person at your local Client Service Centre, or ▪ at the Post Office. Overdue accounts incur a monthly compounded interest rate of 8.17% per annum, calculated from the end of the financial half-year in which they were due. Special financial arrangement may be available in the instance of proven hardship. Council will offer property owners financial concession when they have received an unusually high Water Notice, resulting from a concealed leak. Refer to council's Concessions for Concealed Leaks Policy for further information. (https://www.mackay.qld.gov.au/__data/assets/pdf_file/0010/110143/048_Concessions_for_Concealed_Leaks_.pdf)
Disputed charges	If you believe you have been overcharged, it is recommended that you pay the amount in full and raise the matter with us. If you have been overcharged due to a meter misread, council will promptly credit the overpayment to your account.

Contact Us

Emergency Assistance	For any immediate danger to people or property, call 000. For assistance outside of council's regular hours, the Customer Service Centre is available 24 hours a day on 1300 622 529. More emergency contacts can be found at www.mackay.qld.gov.au/residents/emergency_management/important_contacts
Enquiries, faults, and billing enquiries	24-hour Customer Service Centre: 1300 MACKAY (1300 622 529)
Email	council@mackay.qld.gov.au
Online	www.mackay.qld.gov.au

1300 MACKAY (622 529) I council@mackay.qld.gov.au I mackay.qld.gov.au

Mackay REGIONAL COUNCIL

Appendix C - Delegated Authorities

Administrative Delegations

ADEL02 - Delegation to recruit, select, train and discipline employees. Refer to specific delegation for detail.

ADEL04 - Delegation to waive fees and charges - refer to specific delegation for detail.

ADEL09 - Delegation to sign documentation and general correspondence on behalf of the business unit. Refer to specific delegation for detail.

ADEL11 - Financial Delegation - Authority to incur expenditure on behalf of the business unit.

- Director Engineering & Commercial Infrastructure
- Chief Operating Officer Water & Waste Services
- Manager Water Network

Refer to specific delegation for detail.

ADEL24 - delegation to execute contracts and expenditure. Refer to specific delegation for detail.

Legislative Delegations

The delegated authority to exercise each and every power and function of the Council in respect to the Business Unit pursuant to the *Local Government Act 2009, Water Act 2000, Water Supply (Safety and Reliability) 2008, Transport Operations (Road Use Management) Act 1995.*

Appendix D – ISO 55000 to Water Services Framework

Matching the ISO Framework with Water Services QMS

ISO Scope		Status	QMS Element
Cl4 - Org. Context	• *4.1 ….**external and internal issues** that are relevant to its purpose and that affect* (the businesses) *ability to achieve the **intended outcomes** …..* • *4.2 …determine… the* (relevant) *stakeholders* (and) ***the requirements of those stakeholders,*** • *Determine…the criteria for asset management decision making.*	✓ ✓ ✓	• Water Services **Performance Plan** identifies the businesses key stakeholders, the needs of those stakeholders and capability from which is derived the businesses purpose and intended outcomes • Outlined in capital prioritization guidelines
Cl5 - Leadership	• *5.1 **leadership and commitment** with respect to the AMS* • *5.2 top management shall **establish an AM Policy*** • *5.3 ……..the **responsibilities and authorities** for relevant roles are assigned and communicated within the organisation.*	✓ ~	• The **QMS** itself provides the governance framework for Mackay Water. HOW this integration occurs needs to be developed in the **SAMP** (S4) . • **Councils AM Policy** to be updated for ISO55000 • Roles and responsibilities are broadly outlined in various **role statements**
Cl6 - Planning	• *6.1.1 When planning for the AMS the organisation shall…. **determine the risks** (and, Cl 6.1.2) shall establish, implement and maintain processes for the ongoing determination, **analysis and evaluation of asset related risks**…..* • *6.2.1 …..establish **AM objectives** at relevant functions and levels* • *6.2.2 ….establish, document and maintain **asset management plan (s)** to achieve the organisational objectives.*	✓ ✓ ✓	• The **Business Continuity Management Plan** outlines the businesses Risk Management Procedures and process for analysis and evaluation of these risks • The **draft AMP** establish and document how the business will achieve the organisational objectives
Cl7 - Support	• *7.1 ……**provide the resources** needed* • *7.2 l…. determine the necessary **competence of persons (s)*** • *7.3 …. (staff) **shall be aware** of …(their role in delivering key aspects of the AMS).* • *7.4 …..internal and external **communications** relevant to the asset, asset management and AMS….* • *7.5 …. determine its **information requirements** to support its asset, AM and the AMS……*	✓ ~ ~ ✓	• The **Human Resources Management Plan** will identify the skills/capabilities of key staff, skills gaps and training needs analysis which ensures that staff are (and remain) their competence • The businesses **Information Management Strategy** outlines system support requirements and document management • The Councils **Performance Management framework** provides a mechanism for communication of key operational outcomes on a regular basis

ISO Ref	ISO Scope	Status	QMS Element
			The **Asset Management Plans** assess the risks associated with each of the asset areas.
CI9 - Perform Eval.	• *9.1 determine… (a process **for monitoring, measurement , analysis and evaluation)***	✓	• The **Performance Plan** reflects Council broader performance management framework which define the businesses efficiencies in delivering nominated outcomes • The **Information Management Strategy** outlines a series of detailed management reporting protocols which ensure that specific processes within the business are delivering their intended outcomes • The proposed SAMP/AMPs should include consideration of performance metrics for monitoring, evaluation and evaluation of asset class/network performance
CI10 - Improvement	• *10.2 …. **continually improve** the suitability, adequacy and effectiveness of the AMS* • *10.3 ….. identify **potential non conformities** and evaluate the need for preventative and predictive action to prevent their occurrence*	✓	• Mackay Waters QMS has been developed in accordance with Council overall QA system. This QAS provides the framework for management of continuous improvement, non-conformances and preventative action
CI8 - Operation	• *8.1 …. plan, implement and control the **processes** needed to meet requirements...* • *8.2 ….shall **assess the associated risks** (of change) before the arrangements are implemented*	✓ ~	• The business **Operational Management Plan** (and the subordinate DWQM Plan, WWT Management Plan, Sewerage Management plan and RW Management Plans) clearly outline how the business will deliver the nominated outcomes • The **Project Development and Delivery Plan** outlines the processes required to be undertaken to ensure that the business can meet its overall objectives • The **Business Continuity Management Plan** outlines the businesses Risk Management Procedures and process for analysis and evaluation of these risks

5. MEETING CLOSURE

Mayor Williamson congratulated the Acting CEO, Director of Organisational Services, Manager of Finance and staff and all Directors and Councillors for their work.

Meeting closed at 1:35 pm

Confirmed on Wednesday 13 July 2022.

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MAYOR