FINAL MINUTES

22 July 2009

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Declaration of Material Personal Interest

Nil

SPECIAL BUDGET MEETING MINUTES

1. ATTENDANCE:

His Worship the Mayor, Cr C Meng (Chairperson), Crs G Christensen, D T Comerford, P F Steindl, D J Perkins, D R Hatfield, D E Camilleri, W A Cameron, G R Thomsen, K J Casey and K L May were in attendance at the commencement of the meeting. Also present was Mr P Franks (Chief Executive Officer) and Ms D Jeffery (Minute Secretary).

The meeting commenced at 11:02am.

2. APOLOGIES:

THAT the apology on behalf of Cr D J Perkins be accepted.

Moved Cr Comerford **Seconded Cr Casey**

CARRIED

3. MAYORS BUDGET REPORT 2009/10

The Mayor delivered his Budget Report for the year 2009/10 *[attached at pages 18-19]*.

4. REPORT ON FINANCIAL OPERATIONS AND FINANCIAL POSITION OF THE COUNCIL FOR THE FINANCIAL YEAR 2008/2009 AND STATEMENT OF ORIGINAL BUDGET VERSES AMENDED BUDGET VERSES ESTIMATED ACTUALS FOR 2008/2009.

Purpose

In accordance with the provisions of Section 521 of the *Local Government Act 1993* and Part 8, Division 3, Section 57 of the *Local Government Finance Standard 2005*, a report is required on the financial operations and financial position of the Council for the 2008/2009 financial year.

The Statement of Original Budget compared to Actual Results provides a comparison of the actual results of Council and the Original Budget.

Part 8, Division 3, Section 57 of the *Local Government Finance Standard 2005* requires a report on the significant differences from the original budget (whether an actual or anticipated difference).

It is important to note that the newly formed Regional Council continued with the budgets of the 3 former councils up until 30 June 2008, before proceeding with a single budget for 1 July 2008 to 30 June 2009. This is the budget on which the report is based. The financial statements however, will be prepared for the 15 month reporting period through the amalgamation process, and will include the associated amalgamation accounting treatments.

Background and Discussion

A synopsis of some of the major initiatives resulting in expenditure during 2008/2009 are outlined below. As the actual expenditure for the financial year is still to be finalised, these major initiatives are estimated costs only.

- Park's Capital/Foreshores

  A total of $2.2 million was expended on upgrades to various parks, foreshores, camping reserves, playgrounds, public conveniences and cemeteries during the financial year. This included the Botanic Gardens, Seaforth Camping Grounds, Mulherin Park and the Sarina Sustainable Landscapes Program.

- Roads and Drainage

  There has been significant Roads and Drainage capital expended in the 2008/2009 financial year totalling $38.9 million. An estimated $5.6 million of work will be carried forward into the 2009/2010 financial year.

  Significant roadworks were achieved throughout the urban and regional areas of the new Council. Urban projects included the Connors Road and Farrelly's Lane Intersection Upgrade, Malcomson Street Upgrade between Glenpark Street and the Goose Ponds Bridge, and the Alfred Street Upgrade between Wellington and Macalister Streets. Regional projects undertaken by Council were upgrades throughout the Mirani and Sarina areas specifically the upgrade of Dalrymple Road, Mirani, Grasstree Beach Road 1.5km section and the intersection with Grasstree Road, and Armstrong Beach Road for a 1.6km section from the Bruce Highway. Bitumen resealing projects as part of Council's annual resealing program and asphalt upgrades to road resurfacing projects were carried out throughout the region along with shoulder widening projects in the South and North Mackay areas. Various traffic, pedestrian and cyclist facility improvements were constructed throughout the region. Substantial works were carried out on the Pinnacle-Septimus Road Bridge and approaches and at the Toons Road Bridge near Calen. Council also carried out substantial works at the Bucasia Boat Ramp and widening works to the Sarina Boat Ramp.

- Ergon Building Purchase

  Council acquired building space valued at approximately $3.3 million through an agreed land swap.

- Library Services

  A total of $563,563 was expended on book and reference material purchases during the 2008/2009 financial year.

- Mackay Convention Centre

  $22.7 million was expended on the Mackay Entertainment and Convention Centre precinct in 2008/2009. The Convention Centre was officially opened on 11 July 2009.

- Bluewater Lagoon

  A further $2.9 million was spent in relation to construction of the Bluewater Lagoon. The facility was completed and opened in August 2008 as scheduled.

- Bluewater Quay

  Approximately $9.1 million was spend on the Bluewater Quay project. The estimated completion date is September 2009.

- Plant Replacement

  A total of $7.7 million has been spent on the continued scheduled replacement of Councils extensive plant fleet.

- Water and Waste Water

  Capital expenditure of $53.5 million was expended on water and waste water during the financial year.

  An estimated amount of $26.4 million of the 2008/2009 Capital Works Program for Water and Waste Water will be carried forward. An increase of $12.5M in capital delivery from 07/08 has been delivered. This has been achieved through the projects delivered via the Mackay Infrastructure Alliance and the improved delivery performance of Councils Capital team.

  The main focus of the Alliance activities has continued on capital planning, design and delivery of major infrastructure. The Alliance along with an increased focus of Council's internal civil, mechanical and electrical teams will ensure that the proportion of capital projects delivered in 2009/2010 will be significantly increased when compared with previous years.

- Mackay Water Recycling Project

  An additional $33.2 million was expended on the Mackay Water Recycling Project in 2008/2009. The Mackay Water Recycling Project is now essentially complete with works including the closure of the Mt Bassett Waste Water Treatment Plant on Harbour Road, the redirection of wastewater to the new Mackay South Water Recycling Facility, the reticulation of effluent to irrigate agricultural land under threat from saltwater intrusion in the Chelona and Homebush areas and the upgrade of the Mackay North Water Recycling Facility.

  The total expenditure on the project to date is approximately $154 million which includes a $4.6M payment for the Force Majeure claim associated with the February 2008 flood event. An estimated amount of $4.3 million is required for the Mackay Water Recycling Project to complete outstanding minor works.

Carryover Works

A number of major projects will continue across financial years and provision in the 2009/2010 financial year will be necessary. Final carryover will not be ascertained until the year ended 30 June 2009 Financial Statements are completed.

Estimated capital carryovers as at 30 June 2009 are as follows:

• General	$ 33,736,302
• Waste Services	$ 226,453
• Water	$ 18,843,958
• Waste Water	$ 7,547,975
ESTIMATED TOTAL	**$ 60,354,688**

This total estimated capital carryover includes the following major projects:

- Mirani Water Treatment Plant $ 2.8 million
- Depot construction $ 4.5 million

ESTIMATED TOTAL **$7.3 million**

There are also anticipated inter-financial year operational transfers of approximately $6.1 million. These largely represent specific purpose operating grants received but not expended and partially completed projects. These operational transfers are still subject to accrual adjustments.

Financial Position

The attached comparison of Original, Amended Budgets and Estimated Actuals illustrates Council's financial position as at 30 June 2009. It should be noted that the actual figures are interim results that are subject to further accrual adjustments and final audit review.

Operational expenditure excluding depreciation is currently 9.41% under the Amended Budget. This represents a good result in a challenging operating environment. Total revenue is projected to be up 3.17% on Amended Budget. The combined effect of this outcome is an improved financial position.

Mackay Regional Council has cash funds on hand as at 30 June 2009 of approximately $97 million. This cash figure includes reserve funds of approximately $60 million.

Loans

Loans owing as at 30 June 2009 totalled $113.462 million compared to a balance of $92.967 million as at 1 July 2008. New loans raised during 2008/09 included $8.365 million for General projects, $4.889 million for Sewerage projects and $7.335 million for Water projects.

Significant Differences - Original Budget vs Estimated Actuals

The following list identifies significant differences from the 2008/2009 Original Budget and the Anticipated Actuals for 2008/2009 and also provides an explanation for the differences:-

Item	Anticipated Differences	Reason
Rates Revenue	$5,143,844	Additional rates income and water charges have largely resulted from growth and increased water consumption.
Recoverable Works	$1,392,698	Increased income generated through Engineering Services due to Main Roads Maintenance.
Operating Grants & Subsidies	$11,915,063	Increased due to Flood Damage works being reclassified as operational.
Interest on Investments	$3,485,592	Higher interest earned due to interest on advanced subsidy payments and high reserve balances.
Total Operating Expenses	$3,971,548	Increased expenditure in goods, services & other operational costs due to Flood Damage works.
Gain/Loss on Disposal of Assets	-$6,146,361	Reduced due to budgeted sales being delayed.
Transfers to/from reserves	$54,809,513	Reflects transfers relating to carryovers and additional interest on reserves.

Item	Anticipated Differences	Reason
Capital Grants	-$15,627,339	Reduced capital grants claimed mainly relating to Water and Waste.
Loans	-$15,416,040	Decreased as a result of loans not being drawn down including for the Depot Redevelopment.

Explanation of the Impact on Current and Future Budgets

The projected financial result to 30 June 2009 indicates an estimated surplus across all programs of just over $ 2.1 million.

This result is subject to the completion of the 2008/2009 financial statements, and allowance for the 15 month reporting period and associated amalgamation accounting treatments.

Consistent with previous practice and based on the above being an estimate only, the 2009/2010 budget has been established from a balanced opening position.

In accordance with Council's budget policy, it is proposed that any final actual surplus be transferred to appropriate capital reserves or used in reducing debt levels. The Ten Year Strategic Financial Plan is estimated to be completed for the Mackay Regional Council during the 2009/2010 financial year.

The final audited results for 2008/2009 will be factored into the first budget review after the receipt of the audit report.

Consultation

Chief Executive Officer, Directors, Executive Managers, Manager Financial Services and other Program Managers.

Resource Implications

The estimated position for the financial year ended 30 June 2009 is a surplus of $2.1 million across all programs, subject to finalisation of the 2008/2009 Financial Statements. It equates to 1.17% of total 2008/2009 revenue.

Conclusion

As previously detailed in this report there were a number of significant achievements during the year ended 30 June 2009. It is also very pleasing that Operational Expenditure excluding depreciation at this present time is 9.41 % under the Amended Budget and Operating Revenue up 3.17% on Amended Budget. The combined effect of this outcome is an improved financial position with anticipated surplus at this stage to be $2.1 million across all programs.

Consistent with previous practice and based on the above being an estimate only, the 2009/2010 budget has been established from a balanced opening position. It is recommended that the surplus resulting from the year ended 30 June 2009 be transferred to appropriate capital reserves or be used to reduce debt levels.

As detailed above the final audited results for 2008/2009 will be factored into the first budget review after the receipt of the audit report.

Council Resolution

THAT the report be received *[attached at page 20]*.

Moved Cr Camilleri **Seconded Cr Steindl**

CARRIED

Cr Comerford recorded her vote against the Motion.

5. COMMUNITY SERVICE OBLIGATIONS POLICY FOR MACKAY REGIONAL COUNCIL FOR THE FINANCIAL YEAR 2009/2010

Council Resolution

THAT the attached Community Service Obligations Policy for Mackay Regional Council for 2009/2010 be adopted *[attached at pages 21-23]*.

Moved Cr Christensen **Seconded Cr Cameron**

CARRIED

6. REVENUE POLICY FOR MACKAY REGIONAL COUNCIL FOR THE FINANCIAL YEAR 2009/2010

Council Resolution

THAT the attached Revenue Policy for Mackay Regional Council for 2009/2010 be adopted *[attached at pages 24-33]*.

Moved Cr Camilleri **Seconded Cr Casey**

CARRIED

7. BORROWING POLICY FOR MACKAY REGIONAL COUNCIL FOR THE FINANCIAL YEAR 2009/2010

Council Resolution

THAT the attached Borrowing Policy for Mackay Regional Council for 2009/2010 be adopted *[attached at pages 34-37]*.

Moved Cr Camilleri **Seconded Cr Hatfield**

CARRIED

Crs Comerford and May recorded their votes against the Motion.

8. BUDGET POLICY FOR MACKAY REGIONAL COUNCIL FOR THE FINANCIAL YEAR 2009/2010

Council Resolution

THAT the attached Budget Policy for Mackay Regional Council for 2009/2010 be adopted *[attached at pages 34-37]*.

Moved Cr Camilleri **Seconded Cr Thomsen**

CARRIED

9. NATIONAL COMPETITION POLICY REFORM OF BUSINESS ACTIVITIES

Purpose

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

Background and Discussion

Part 4 of Chapter 9 of the *Local Government Act 1993* requires Council to conduct an annual review of its activities to identify those that are business activities and resolve whether the code of competitive conduct should apply. It is a requirement of the Act that activities to which the Code is applied achieve appropriate commercial return after taking into account direct, indirect and inputted cost together with the question of investment and risk of the activity.

In May 1998, Mackay City Council identified the following business activities as Type 3 activities and resolved that the Code of Competitive Conduct would apply to each. These were: -

- Mackay Entertainment Centre;
- Sport and Recreations (Public Swimming Pools);
- Building Services (including plumbing permits and inspections).

A number of other activities were identified as potential business activities and a resolution was made to apply full cost pricing to each to establish a competitive costing environment for direct comparison with private providers. These were not listed separately in the minutes however were:

- Other Roads (Council Operations) (1)
- Road (Main Roads Contract) (2)
- Plant & Equipment
- Workshop
- Public Convenience
- Cemetery Operations (3)
- Land Development

- Refuse Management

Notes:

(1) This activity is not considered a Type 3 activity as Council does not submit tenders for its own work which has been put out to competitive tender nor that of other Local Governments.

(2) This activity is not considered a Type 3 activity as all work is done as part of a sole supplier arrangement.

(3) This activity is not considered a Type 3 activity as there is no direct competition. It should be noted that the service offered by the cemetery operations is significantly different to crematorium operations.

A resolution was passed from the Mackay City Council Policy Committee Meeting of 4 October 2000 that full cost pricing principles would be applied to the activities for the 2001/2002 financial year. This provides additional accountability and transparency for the services as well as encouraging a commercial focus.

Orion Consulting Network undertook a review of Council's Business Activities in February 2009.

The recommendations from this report were

(1) That the Waste Management activities were now a Type 2 Business as the activity has now exceeded the expenditure threshold for a Type 2 Business activity.

That Council will need to resolve that the Waste Management activity is a Type 2 Business activity under The Local Government Act, and that the Minister be advised accordingly.

Council resolves that a "Public Benefit Assessment" be conducted for The Waste Management activity.

Council resolves that "Community Consultation on the Public Benefit Assessment" should include:

- a statutory notice in local newspapers,
- public display of the report in Council libraries and offices, and
- a single public meeting.

(2) That Council continue to apply the Code of Competitive Conduct and full cost pricing to:

- The Roads Business Activity
- Other Roads Business Activity
- Plant Operations Business Activity
- Workshop Business Activites
- Land Development
- Mackay Entertainment Precinct.

(3) That the Code of Competitive Conduct and Full Cost Pricing be discontinued for

- The Aquatic Facilities Business Activity

- Cemeteries
- Building Certification and Plumbing
- Development Assessment
- Public Conveniences.

There were also two other recommendations:-

(1) In relation to Water and Waste Water the recommendations mainly covered the business case and possibly restructuring the capital structure of Commercial Services and also the review of the dividend back to the General Fund.

This recommendation will be covered in a future report.

(2) That NCP journals used by Finance be discontinued for these activities and replaced by annual mark-up percentages for pricing purposes.

No additional activities have been identified as business activities for the 2009/2010 financial year.

Resource Implications

Significant National Competition Policy payments have been received in prior years.

Conclusion

The recommendations within this report are in line with The Review of Council Business Activities undertaken by Orion Consulting Network in February 2009.

The possible restructuring of the capital structure of Commercial Services and also the review of the dividend back to the General Fund will form the basis of a future report to Council.

Council Resolution

1. THAT the activities of

- The Waste Management Activity

is a Type 2 Business Activity under the Local Government Act, and that the Minister be advised accordingly.
- Council resolves that a "Public Benefit Assessment" be conducted for The Waste Management activity.
- Council resolves that "Community Consultation on the Public Benefit Assessment" should include but not be limited to:

- a statutory notice in local newspapers,
- public display of the report in Council libraries and offices, and ,
- a single public meeting.

2. THAT the activities of

- Mackay Entertainment and Convention Centre

be continued as a Type 3 Business Activity under Part 4 of Chapter 9 of the *Local Government Act 1993* and that the Code of Competitive Conduct will apply for the 2009/2010 financial year.

AND THAT for the activities of:-
- Road (Main Roads Contract);
- Other Roads (Council Operations);
- Plant & Equipment;
- Land Development;
- Workshop

continue to have the Code of Competitive Conduct applied for the 2009/2010 financial year *[attached at pages 38-41]*.

Moved Cr Comerford **Seconded Cr May**

CARRIED

10. PERFORMANCE PLAN FOR MACKAY WATER & WASTE FOR THE FINANCIAL YEAR 2009/2010

Council Resolution

THAT the attached Performance Plan for Mackay Water & Waste for the 2009/2010 financial year be adopted *[attached at pages 42-44]*.

Moved Cr Comerford **Seconded Cr Thomsen**

CARRIED

11. PERFORMANCE PLAN FOR MACKAY ENTERTAINMENT & CONVENTION CENTRE FOR THE FINANCIAL YEAR 2009/2010

Council Resolution

THAT the attached Performance Plan for Mackay Entertainment & Convention Centre for the 2009/2010 financial year be adopted *[attached at pages 45-76]*.

Moved Cr Christensen **Seconded Cr Casey**

CARRIED

12. RESERVES

Council Resolution

THAT the following Reserves included in the Budget for the year 2009/2010 be created for the purposes as stated:

Reserve	Purpose
Constrained Works	Funding associated with Constrained Works
Capital Improvements Reserve	Capital works/purchases relating to the General Fund
Offstreet Parking Reserve	Capital Works relating to Offstreet Parking
Community Housing Reserve	Unallocated funds received from Pensioner Housing rentals, which are to be spent on Capital Works relating to Pensioner or Community Housing
City Centre Reserve	Unallocated funds received from the City Centre Special Rate levy
Cleansing Reserve	Relating to Refuse Facilities
Water Reserve	Capital works relating to Water
Sewerage Reserve	Capital works relating to Sewerage
Natural Environment Reserve	Unspent funds received from Natural Environmental Levy
Natural Environment – Land Acquisition Reserve	Allocation of 20% from Natural Environment Levy for the purchase of Strategic Environmentally Sensitive Land
Disaster Response Reserve	Unallocated funds received from the Disaster Response Levy
Gravel Quarry Reserve	To fund future quarry restoration capital expenditure
Carry Forward Works	Programmed works carried forward into future financial year

[attached at pages 77-92]

Moved Cr Camilleri **Seconded Cr Casey**

CARRIED

13. PROPOSED BUDGET 2009/2010

Purpose

The purpose of this report is to adopt Council's 2009/2010 Budget.

Background

The 2009/2010 Budget has involved numerous workshops with Council to discuss key aspects of this proposed Budget, set the strategy and prioritise major expenditure.

The Budget has been set on the basis of ensuring best value for ratepayer's dollars, with an increased focus on infrastructure operations across roads, drainage and parks, water, waste water, and waste services.

Comments are as follows:

Operating Costs/General Rates

It will be a major challenge in the 2009/2010 financial year to minimise operating costs and at the same time direct the majority of Council effort into capital works, to provide for the continuing growth in population and economic activity across the region.

Cash operating expenses excluding interest and reserve transfers have increased by 11.33%, excluding flood damage operating costs.

The following matters have had a significant impact on operating costs across the organisation:

1. Additional operational costs largely driven by growth, such as increasing impacts of roads maintenance, the maintaining of additional parklands, operating the Blue Water Lagoon Facility, Mackay Entertainment and Convention Centre, Mackay Water Recycling Plant at Bakers Creek and Sewerage Treatment Plant at Bucasia. There are also operational impacts for Hogan's Pocket and Paget Waste Facilities.

2. Salary and wages pressures, due to the shortage of qualified personnel and EBA impacts.

3. Continuing increasing construction costs. Queensland Cost Index increased 6.20% Dec 07–Dec 08.

4. Continuing to bring Council facilities in line with regulatory standards applicable to a Regional Council.

The proposed 2009/2010 budget reflects an increase in average residential general rate revenue of $73 per year or $1.40 per week. The loss of the roads operating grant ($509,000) and fuel subsidy ($117,000) account for close to $8 of this increase per year.

Council has reviewed the impact of various sectors to adjust the rates contribution relativities to ensure a more equitable distribution of rates.

Disaster Response Levy

To ensure that Council will meet its obligations in times of natural disaster it will be introducing a Disaster Response Levy of $10, payable by all ratepayers. The levy will help offset the costs involved in upgrading facilities utilised during times of emergency, as well as providing for the operating costs in planning for disasters.

Key Projects/Initiatives (excluding carryovers) for 2009/2010

- Total Roads, Drainage, Operating and Capital Costs (excluding depreciation) and Flood Damage. $94,602,570

  This continuing significant road and drainage Operating/Capital budget will ensure that Council will make significant improvements into a number of critical road issues. This includes $34.242 million towards new road and

drainage projects, including $1.962 million to continue the Road Shoulder Treatment initiatives and $5.960 million on improving existing pavements throughout the Region. There is also $4.235 million allocated for trunk drainage, $2.301 million for bridges and $13.680 million for trunk roads. $795,000 has been allocated for boat ramps. $1.760 million has been allocated to LATM - Traffic and Road Safety and $2.310 million for General Works.

- Road Flood Damage $36,000,000

  An additional $36.0 million has been allocated for road flood damage. This cost is funded by State Government.

- Other Park Capital $2,557,000

  A number of Capital Projects are planned for various Council Parks including $40,000 for camping grounds, $200,000 to be spent on various foreshore facilities, $505,000 for local and regional park development, $482,000 for Queens Park development, $300,000 for Botanic Gardens, $170,000 for public conveniences, $380,000 for cemeteries, $210,000 for play facilities and $127,500 for streetscapes.

- Council Depot $9,831,067

  Further funds allocated for the development of a Council Depot to meet the needs of our expanding service delivery climate. This will involve development of new stores, workshop facilities and new administration offices. It will also result in increased space and storage facilities for the State Emergency Service operations at Ness Street. The new depot is projected to be completed in the 2010/2011 financial year.

- Plant Replacement $7,002,000

  Continued scheduled replacement of Council's extensive Plant Fleet.

- Design Transfer Stations $400,000

  Otterburn, Sarina and Hay Point design.

- Bedford Road $800,000

  Remediation former waste disposal site.

- Hogan's Pocket $300,000

  Design for future cells.

There are significant capital allocations for Water capital projects ($30.902 million) and Waste Water ($20.527 million). Significant projects are:-

- Nebo Road Water Treatment Plant Upgrade $10,663,000

  Sludge, process and capacity upgrade to Nebo Road Water Treatment Plant.

- Mackay to Sarina Pipeline $8,372,000

  Pipeline construction.

- Sewerage Pump Station Upgrades $9,231,000

  Various pump station upgrades

- Mackay Water Recycling Project $4,000,000

  Completion of the final stages of the Mackay Water Recycling Project. This project involves the closure of the Mt Bassett Waste Water Treatment Plant on Harbour Road, redirection of wastewater to a new plant on the southern outskirts of the city and reticulation of treatment effluent to irrigate agricultural land in the Chelona and Homebush areas.

Additional Loans

Loans of $42.003 million are anticipated to be raised in the 2009/2010 financial year. $12.5 million is funding for the Depot. $9.948 million will fund various Road projects, $2.1 million for Trunk Drainage and $405,000 for Parks. $700,000 will fund various Waste Services projects, $7.0 million for Water projects and $9.35 million for Waste Water projects.

Financial Management Summary

Council continues to enhance its management practices to ensure the highest level of accountability. There has also been a further review and enhancement of the monthly financial reporting to Council during the financial year. Council will continue to review and improve the Executive Financial Performance Report during the 2009/2010 financial year.

Council recognises that during the course of the year rate income increases as a result of the creation of new parcels of land. The additional income accrued from these will, wherever possible, be utilised to reduce debt or for specific one off projects, so that when the level of service has to be increased to cater for the increased number of ratepayers the funds may be appropriately allocated.

A Ten Year Strategic Financial Plan will be developed for the Mackay Regional Council during 2009/2010. This Financial Plan will provide a blue print of Mackay Regional Council's estimated future financial positions. It will provide an appropriate tool to clearly understand the future impact of current financial decisions to ensure the sustainability of new facilities and activities. It is also essential, as a result of the loss of significant future water and waste water project subsidies.

Consultation

Council, Chief Executive Officer, Directors and Management Team.

Resource Implications

This report sets Council's Budget for 2009/2010. Changes to this Budget will only occur in compliance with the adopted Budget Policy.

Conclusion

The second budget for Mackay Regional Council reflects the continuing commitment to invest heavily in essential infrastructure over the next few years to cater for the region's growth and to meet future planning forecasts.

A substantial capital expenditure program amounting to $119.2 million (excluding carryovers from 2008/2009) has been allocated in the 2009/2010 financial year across the region. This will provide a major challenge for the organisation to achieve this program. There is a continued major commitment to roads and drainage expenditure.

As detailed within the report, there are significant operational cost impacts such as the Blue Water Lagoon operations.

There will be increases to provide for the future population of our region and it is only right that they are funded in a manner which results in future populations paying the cost of the projects.

The level of Capital Works and increasing operating expenditure will result in Mackay Regional Council having a total budget of $314.6 million (excluding depreciation) for the 2009/2010 financial year. When multi-year projects (which commenced in the 2008/2009 financial year) and 2008/2009 budgeted projects (not yet commenced) are factored into the 2009/2010 Budget, the total Budget will increase significantly. This level of expenditure reflects the need to enhance community facilities, replace aging infrastructure and facilitate ongoing strong growth. To achieve this significant budget will be a major challenge for the whole organisation in the current economic environment.

Due to significant increases in valuations across Council's assets, there will be a significant increase in depreciation, from $33.095 million to $46.099 million. To fund this level of increase would have an unacceptable increase on rates. Therefore, $7.148 million will be unfunded. Council will be aiming to decrease this level of unfunded depreciation through allocating rate surpluses and allocation of 2009/2010 rate growth through Budget Reviews.

Council Resolution

THAT the attached 2009/2010 Budget and forward estimates for 2010/2011, 2011/2012, 2012/2013 and 2013/2014 as outlined in the Statement of Original Budget for the year ending 30 June 2010 and Statement of Original Budget for the five years ending 30 June 2014, be adopted.

AND THAT the attached Balance Sheet, Statement of Cash Flow, Statement of Income and Expenditure and Statement of Changes in Equity for the year ending 30 June 2010 be adopted *[attached at pages 93-116]*.

Moved Cr Camilleri **Seconded Cr Steindl**

CARRIED

Cr Comerford recorded her vote against the Motion.

14. SUPPORTING BUDGET SCHEDULES

Council Resolution

THAT the attached Budget Supporting Schedules be received.

Moved Cr Camilleri **Seconded Cr Cameron**

CARRIED

Cr Comerford recorded her vote against the Motion.

15. REVENUE STATEMENT OF MACKAY REGIONAL COUNCIL FOR THE FINANCIAL YEAR 2009/2010

Council Resolution

THAT the attached Revenue Statement for the Mackay Regional Council for the 2009/2010 financial year and the Rates and Utility Charges therein be adopted *[attached at pages 117-144]*.

Moved Cr Camilleri **Seconded Cr Steindl**

CARRIED

The meeting closed at 11:50am.

Confirmed on Wednesday 5 August 2009.

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MAYOR

MAYOR'S BUDGET SPEECH – 2009/10

As Mayor, I am very proud to be proposing the 2009/10 Budget which is the second budget for the Mackay Regional Council. Although there have been a number of external factors that have had a significant impact on this budget I believe that it is one that will take us forward and continue to allow the region to be one of the quickest growing regions in Queensland. There are operational increases as a result of bringing on line of a number of important community infrastructure projects which includes the Convention Centre, Bluewater Lagoon, the Q150 Bluewater Quay Project on River Street and the Mackay Water Recycling Project.

The current world economic climate and more importantly the Queensland Government's decision to abolish important subsidies has and will continue to have a significant impact on ratepayers with an $18.7 Million burden to this Budget. We face enormous challenges to minimise our operating costs while at the same time deliver the massive capital works program to provide the continued growth right across our region. The staff have worked hard at reducing operating costs and apart from three (3) key areas we see an actual reduction in operating costs across the organisation, in real dollar terms, taking inflation into account. The three (3) areas where expenditure has increased are Strategic Planning to ensure we properly plan for the future, Road Maintenance and Parks. The last two (2) are in direct response to requests from the community as a whole.

The proposed 2009/10 Budget reflects an increase to the average residential rate of $73 per year or $1.40 per week which equates to a 7.6% increase in general rates. The loss of the fuel subsidy, road grants and $1 Million for our Q150 Arts Project has equated to a 1.6% increase to our rates this year. Without the financial support from the State Government for essential infrastructure projects Council will have no option but to borrow more funds into the future to meet the needs of our community. This then has the flow on effect of increased rates to repay these loans in the future.

There will be a number of major capital works projects throughout the year with the main emphasis being shown on the Mackay Sarina Pipeline, Nebo Road Water Treatment Plant upgrades, a number of major roads projects and the relocation of Council's Depot to the Paget area. These are essential capital works projects which will see Council better able to meet the service levels needed for the community while at the same time reducing operating costs into the future and improve staff efficiency.

I cannot emphasise enough how important it is for all levels of Government to work together. The discussions with State Government in the past few months certainly creates a worrying time for this Council and it is a difficult juggling act to carry out our capital works program and holding our rates at a minimum of increase.

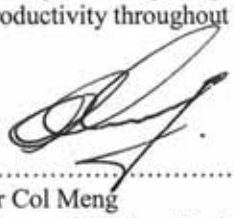
This $314 Million Budget delivered by Mackay Regional Council boasts a capital works program of $119 Million, will create a number of jobs and will continue to improve the livability of the Mackay Region with the much needed infrastructure.

Since amalgamation this Council has always considered and worked towards this region as a whole and I am sure looking at this Budget it proves that this will continue.

[2]

This Budget is a forward thinking Budget which will be welcomed across the whole of our region as there are a number of projects in our country areas, Sarina, Mirani, Calen and this Budget is also part of the Mackay Regional Council Ten (10) Year Strategic Financial Plan which will see this region prosper and grow.

I would like to pay tribute to our Chief Executive Officer, Directors and all staff in not only putting this Budget together but also accepting the challenge to improve our efficiencies and productivity throughout this next financial year.



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Cr Col Meng
Mayor of Mackay Region
22 July 2009

UNAUDITED

MACKAY REGIONAL COUNCIL
INTERIM STATEMENT OF
ORIGINAL BUDGET VS AMENDED BUDGET VS ESTIMATED ACTUALS
Year Ending 30 June 2009

	Original Budget 2008/2009	Amended Budget 2008/2009	Estimated Actuals 2008/2009
Operating Revenue			
Rates & Utility Charges	133,205,555	135,443,711	138,349,399
Less: Discounts and Remissions	(11,243,440)	(11,243,440)	(11,239,376)
Fees & Charges	14,835,112	14,574,489	14,399,043
Sales - Contract & Recoverable Work	5,379,680	5,229,441	6,772,378
Operating Grants & Subsidies	7,897,946	23,238,298	19,813,009
Operating Contributions	0	0	32,294
Interest Earned	3,296,313	3,276,363	6,781,905
Other Revenue	2,451,706	2,586,983	3,693,569
Community Services Obligations	0	(0)	0
Internal Transfers - Revenue	14,799,227	15,423,986	15,915,233
	170,622,099	188,529,831	194,517,454
Less: Operating Expenses			
Employee Cost	54,217,740	54,194,840	52,535,180
Goods, Services & Other Operational Costs	58,715,661	75,968,586	65,274,301
Transfer from Capital re Loss on Disposal of Assets	0	0	277,498
Finance Costs (incl Interest Expense)	7,187,826	7,187,826	4,892,618
Other Expenses	4,058,328	4,671,407	5,171,506
Depreciation	33,095,412	33,095,412	33,095,412
Corporate Overheads & Competitive Neutrality Costs	0	(0)	0
Internal Transfers - Expenses	12,124,578	12,840,456	14,086,837
	169,399,545	187,958,527	175,333,352
Less: Transfers			
Transfer from Capital re Loss on Disposal of Assets	0	0	(277,498)
Retained Surplus/Deficit Brought Forward from Prior Year	0	0	0
Transfer from Capital for Unfunded Depreciation	(500,000)	(500,000)	(500,000)
Transfer (to) Capital General Revenue Expended	5,211,153	6,040,744	5,165,510
Inter-Function Dividends & Return on Capital	0	0	(670,397)
Constrained funds carried forward	0	0	0
Transfers from Reserves	(4,376,101)	(7,000,498)	(5,122,336)
Transfers to Reserves	887,500	2,031,058	5,218,295
	1,222,552	571,304	3,813,574
Operating Surplus (Deficit)	$ 2	-$ 0	$ 15,370,528
Capital Summary			
Capital Funding			
General Revenue Used for Capital Purposes	5,211,154	6,040,744	5,165,510
Capital Grants	36,637,206	40,923,255	21,009,867
Capital Contributions - Cash	9,041,000	4,265,896	9,849,939
Capital Contributions - Non Cash Developer	0	0	5,983,750
Capital Other Revenue	0	320,701	576,505
Capital Internal Transfers - Revenue	0	2,984,320	735,185
Transfers from Capital Reserves	14,345,543	104,076,498	81,050,378
Transfers to Capital Reserves	(4,000,000)	(9,970,424)	(12,310,762)
Loans	36,435,000	26,839,960	21,018,960
Proceeds from Sale of Assets	10,723,520	18,558,408	4,577,159
Funded Depreciation	32,595,412	32,595,412	32,595,412
Capital Funding Brought Forward	0	0	0
Capital Funding Carried Forward	0	0	(17,125,480)
	$ 140,988,835	$ 226,634,769	$ 153,126,423
Capital Expenditure			
Capital Expenditure (refer Schedules)	131,950,384	212,805,337	133,484,596
Capital Internal Transfers - Expenditure	776,869	5,567,850	2,563,868
Capital - Non Cash Developer Contributions	0	0	5,983,750
Loan Repayments	8,261,582	8,261,582	11,094,209
	$ 140,988,835	$ 226,634,769	$ 153,126,423

Mackay REGIONAL COUNCIL

COUNCIL POLICY FIN01

DEPARTMENT CORPORATE SERVICES

PROGRAM FINANCIAL SERVICES

POLICY TITLE COMMUNITY SERVICE OBLIGATIONS

SUB-TITLE

ADOPTED

AMENDED

REVOKES

1. PURPOSE

The purpose of this Policy is to establish Council's Position regarding Community Service Obligations (CSOs) with respect to business activities where Council has resolved to apply the Code of Competitive Conduct (the Code) and commercialisation requirements.

The Code is detailed in the *Local Government Act 1993* and *Local Government Finance Standard 2005*. It is a requirement of the Code that activities to which the Code is applied, achieve a proper commercial return after taking into account tax equivalents and other costs, which would be incurred by the private sector (full cost pricing). Commercialisation requires prices to include the above elements plus specific reporting requirements and identification as a distinct component of Council's corporate structure.

2. OBJECTIVE

To detail Council's approach and policy direction in relation to Community Service Obligations undertaken by its business activities in accordance with the legislative requirements of the *Local Government Act 1993* (the Act), *Local Government Finance Standards 2005* (LGFS) and *Regulations 2005*.

3. POLICY

There are four principles of Community Service Obligations:

3.1 Within the Full Cost Pricing frameworks, a local government should have the right to determine prices charged to customers.

3.2 CSO's must be linked to stated policy objectives or priorities of the Local Government.

3.3 CSO's arise from a direction by the local government.

3.4 CSO's must be transparent, costed and funded.

The definitions of CSO's under the Local Government Act and the Local Government Finance Standard comprise the following elements:

- The CSO arises because of a direction by the local government;
- It would not be performed for purely commercial reasons; and
- In the case of a commercialised business activity, does not arise because of the application of the commercial principles of accountability for performance or competitive neutrality.

This policy recognises five basic types of Community Service Obligations: -

3.1.1 Uniform CSOs

Where the 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;

3.1.2 Concession CSOs

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

3.1.3 Industry CSOs

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

3.1.4 Purchasing CSOs

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

3.1.5 Other CSOs

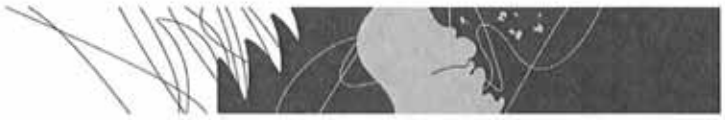
The Council may require business activities to abide by environmental, consumer, cultural heritage or some similar policy, which may not usually apply.

4. IMPLICATIONS OF CSOs FOR FULL COST PRICING (FCP)

Part 9, Division 1, of the *Local Government Finance Standard 2005* addresses Full Cost Pricing with section 65 detailing how CSOs should be treated:

4.1 *This section applies if Community Service Obligations for an activity are carried out as part of an activity;*

4.2 *For deciding charges for goods or services provided as part of the activity, the amount mentioned in subsection (3) must be treated as revenue for the activity;*



4.3 *For subsection (2), the amount is the cost of carrying out the obligations less any revenue arising from carrying out the obligations.*

Part 10, Division 2, of the *Local Government Finance Standard 2005* has the same clause in relation to commercialisation and Part 11, Division 2, has the same clause in relation to Code of Competitive Conduct.

Clause 74 states that Community Service Obligations must not be included in offers or competitive tenders submitted for roads business activities carrying out work on State controlled Land.

The cost of providing the CSOs should be identified and removed from the cost base of the business unit, less any revenue attributable to the provision of the CSO, prior to calculating prices for the activities of the business unit.

5. FUNDING

CSOs can be funded in a variety of ways. Typically, these include:

- Direct funding from the general fund; and/or:-
- Acceptance of lower rates of return on capital (a derivative of the above that achieves the same thing, only less transparently and with less budget scrutiny).

Each method has its own costs and benefits. The methods are not mutually exclusive; a business unit may have its CSOs funded by different methods.

6. AUTHORISATION

Mackay REGIONAL COUNCIL

COUNCIL POLICY – NUMBER 008

DEPARTMENT	CORPORATE SERVICES
PROGRAM	FINANCIAL SERVICES
POLICY TITLE	**LOCAL GOVERNMENT FINANCE STANDARD**
SUB-TITLE	**REVENUE POLICY 2009/10**
ADOPTED	17 June 2009
AMENDED	
REVOKES	

THAT in accordance with the provisions of Section 513A & 513B of the *Local Government Act 1993* (LGA) and Section 12 of the *Local Government Finance Standard 2005* (LGFS), the following be adopted as Council's Revenue Policy for the year 2009/10:

MACKAY REGIONAL COUNCIL

1. BACKGROUND

The *Local Government Act 1993* requires a local government to adopt a Revenue Policy for each financial year. This Revenue Policy is required, under the *Local Government Act 1993* and the *Local Government Finance Standard 2005* to include:

Details of the principles applied by it for the year for each of the following—

(a) making and levying rates and charges;

(b) exercising its powers to grant rebates and concessions;

(c) recovery of unpaid amounts of rates and charges.

The revenue policy must, if, under section 1035A the local government intends to remit rates or defer payment of rates for the financial year, state the purpose of the remittance or deferral.

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.

The Revenue Policy may be changed by resolution at any time before the financial year ends.

The policy is set out in three sections: -

- The first section relates to the principles applied in Making and Levying Rates and Charges.
- The second section contains the principles applied in granting rebates and concessions including those under Section 1035A.

Mackay REGIONAL COUNCIL

- The third section contains the principles applied in recovering unpaid rates and charges.

Each section includes information on how the principles will be applied.

2. PRINCIPLES APPLIED IN MAKING AND LEVYING RATES AND CHARGES

The Council will try to achieve an equitable distribution of the cost of its operations between different groups of ratepayers. It will achieve this by balancing the conflicting principles of *User Pays*, where the cost of a service is borne by each user of the service in proportion to the benefit that particular user obtains from the service, and *Ability to Pay*, where the level of contribution to services provided for the benefit of the whole community is collected according to a measure of the funds likely to be available to each payer.

Each ratepayer should contribute at, at least, a basic level to the cost of operations of the Council.

The Council will also have regard to the measures required to stimulate the local and national economy and, particularly where the Council is in competition with private sector providers of goods and services, will price according to generally accepted market principles. These principles ensure the Council does not put private sector providers at a disadvantage because its businesses are publicly owned.

The Council will ensure that the rates and charges made are sufficient to cover the cost of its operations and that it is able to continue to provide services to the community at a level consistent with the growth and development of the area.

Council is endeavoring to meet the significant new demands being placed on it, although with no probable increases in grants from the Grants Commission, along with reducing state water and waste water subsidies and the requirement to develop infrastructure, it will not be possible to satisfy all the needs.

3. APPLICATION OF THE PRINCIPLES

3.1 General Rates

General rates are set each year to meet the operational costs of the Local Government (exclusive of water, sewerage and cleansing utilities) and to service the Capital requirements of those operations. Council has opted for a system of differential General Rating to meet its needs.

3.2 Differential General Rates

Council considers that the valuation relativities between Residential, Rural, Commercial and Industrial lands within the Local Government area do not accurately reflect the intensity of the use of land nor the impact that the various categories of properties have upon the operational outputs and services provided by the Council.

In particular:

- Certain categories of land have varying degrees of potential to produce income;
- Land used for residential purposes deserves special consideration in regards to rating;
- Council will further enhance the equitable distribution of the rates burden by expanding the use of differential rating categories. This will be achieved, with the use of banding within the residential rating category.
- Certain groups of strata title developments have a relatively low proportional allocation of unimproved land value per property, which would provide a disproportionately low contribution in comparison to the benefits obtained, and impact on Council's cost base if they were to be retained in a general residential category;
- Activities associated with Drive-in Shopping Centres, Sugar Mills and Sugar Refineries, Major Port Industries and other significant Commercial or Industrial activities result in an even more intensive use of lands and higher impact upon the operational outputs and services provided by Council than other properties within commercial or industrial categories in relation to the valuations assessed for the properties;
- Council will encourage the orderly and efficient development of land within its area by categorizing lands upon which a development approval has been granted in a differential category and rating them at a level to encourage completion of the development.
- In its budget deliberations, Council may identify additional categories of properties that merit a Differential General Rate based on identified criteria. These categories may then be included in Council's Revenue Statement without necessarily being directly mentioned in this Revenue Policy.

The Council will therefore adopt a categorisation of land for differential rating and differential rates reflecting these impacts which will enable Council to make strategic decisions as to the appropriate level of revenue required from each category.

3.3 Minimum Differential General Rates

In order to ensure that lower valued properties contribute equitably towards the general operating costs of Council a minimum differential general rate will be determined for each differential category.

The minimum Differential General Rates will not apply to land to which Section 25 of the *Valuation of Land Act 1994* applies, nor to Permits to Occupy issued as Oyster Leases having an unimproved valuation of less than $1,000.

3.4 Water Utility Charges on Properties within Designated Water Areas

Water Utility Charges levied by Council will be collected to recover the costs of operating and maintaining the water supply system and will consist of:

(a) An annual access charge for all properties within the reticulation system area; and
(b) A charge for water consumed.

Mackay REGIONAL COUNCIL

3.4.1 Access Charge

The access charge will be set to recover the components of the costs of the water supply system as appropriate to the circumstances, and the legislation governing the supply of water by local government.

Access charges will not apply to lots fully below the high water mark unless water is reticulated directly to the lot.

3. 4.2 Consumption Basis

Tariff levels will be adopted to achieve equitable distribution of costs and to provide water management incentives.

A multiple tariff consumption charge is seen as the most equitable method of allocating water costs and will assist with demand management at all consumption levels.

3.5 Sewerage Utility Charges

A Sewerage Utility Charge will be levied on each property, both vacant and occupied, that Council has, or is able to, provide with sewerage services. A partial charge will also be levied in those areas where a scheme to construct the service infrastructure has commenced, but is not yet available to the sewerage service. Full charges will be levied when the scheme is available or a connection is made on a pro-rata basis with monthly rests.

In the case of vacant land, or those properties where Council is prepared to connect the property to the service but is prevented from doing so by some action of the owner or occupiers, the full charge will apply from the end of the month in which Council was prepared to supply the sewerage service.

A sewerage utility charge will not apply to lots fully below the high water mark unless a connection is maintained directly to the lot.

The Sewerage Utility Charge, in conjunction with the Trade Waste Charges will be set to recover the costs associated with the provision of sewerage and waste water services provided by Council in the financial year.

The charge will be based primarily upon the number of pedestals and urinal cisterns or length of urinals installed at a property.

3.5.1 Trade Waste Charges

For the discharge of wastes from industries, business, trade and/or manufacturing premises discharging wastes into the sewer, the combined quantity and/or strength of which exceeds the normal design limits covered by the annual sewerage charge, a trade waste charge shall be made to reflect the additional impact on the system.

Mackay REGIONAL COUNCIL

3.6 Refuse Utility Charges (Cleansing)

Refuse utility charges apply to properties where a refuse collection service is provided or available. The utility charges meet collection costs, management of the collection and a contribution to the waste management facilities to meet the costs associated with the processing of refuse sourced through the collection services.

3.7 Special Rate (City Centre Management)

Council intends to spend money on the promotion, revitalisation and enhancement of the City Centre area and will collect core funding of this through a Special Rate.

The Special Rate will be levied on properties within the City Centre Precinct, as identified by Council, which benefit from the expenditure.

The Special Rate will be levied in accordance with the Plan adopted by the Council

3.8 Special Charge (Rural Fire Services)

Council will implement Special Charges on behalf of Rural Fire Brigades to assist with their operational and capital requirements.

The Special Charges will be made in accordance with the Plans adopted by the Council and will apply to all rateable properties in rural fire brigade areas where a request for such a levy to be made has been received prior to 30 April in any year from a Rural Fire Service Brigade or group of Rural Fire Brigades recognised by the State Government. The implementation of a levy will be at the discretion of each duly constituted Rural Fire Brigade or group of Rural Fire Brigades.

Council will act as a collection house only and the funds raised will be forwarded to each Brigade.

The levy will be set equivalent to the Fire Service Levy applicable to a vacant allotment within the Mackay Urban Fire District or at such other amount as agreed between the individual Brigade and Council.

Application of the levy will be based on the conditions for the urban Fire Services levy with a collection fee equivalent to half that payable by Queensland Fire Services to be deducted from collections.

3.9 Separate Charge (Natural Environment)

This levy will be applied to all rateable assessments with the aim to address the following broad objectives:

- Protect, manage and enhance ecologically significant areas on public and private land and encourage best practice in native vegetation and waterway management
- Monitor health of native vegetation , water quality and healthy ecosystems
- Provide range of types and styles of projects (including pilot projects)

- Ensure an integrated catchment management focus to ensure multiple benefits (ie for biodiversity, land degradation, water quality, community wellbeing, economic and commercial gains)

3.10 Separate Charge (Waste Facilities Management)

This levy will be applied to all rateable assessments. It recognises that :

- Refuse management facilities and operation meet a public need in matters of public health and visual amenity of the council area.
- Provision of these services benefits all ratepayers.
- There are significant fixed costs associated with waste management and it is equitable to apply a flat charge on all properties.

3.11 Separate Charge (Roads Improvement)

This levy will be applied to all rateable assessments to assist in addressing the following broad objectives:

- Upgrade the existing urban street network to incorporate kerb to kerb treatments and to improve drainage where practicable.
- Provide traffic calming initiatives within identified roads and streets.
- Contribute to the safety of pedestrian and bicycle traffic by improving walkways and cycle-ways within and around road reserves.
- Contribute to the implementation of a roads treatment program to extend the life of the road network.

3.12 Separate Charge (Disaster Response)

This levy will be applied to all rateable assessments to ensure that Council has the capability to meet its obligations in times of natural disaster faced by the regional council area.

Examples of areas in which the levy may provide funding are:

- Improvements to SES facilities.
- Operating costs for SES and Emergency Service Management Team.
- Purchase of capital equipment essential to maintaining a disaster co-ordination centre in the administration building.
- Covering the trigger point costs for actual emergencies not otherwise funded by other government support.
- Development and implementation of an Emergency Risk Plan for the area.

3.13 Additional Special and Separate Rates and Charges

Council may consider the implementation of additional special or separate rates and charges where appropriate, to recover the costs associated with a particular service, facility activity warrants the application of an additional charge.

3.14 Issue of Rates Levy

Rates and charges are levied half yearly by rate notices which will be issued no earlier than the first day of February and the first day of August each year.

Mackay REGIONAL COUNCIL

3.15 Time for Payment

All rates and charges referred to in this policy shall be levied and payable within thirty clear days after notice has been issued, except where otherwise determined by Council and except for pensioners who have applied and conform with the state government guidelines for pensioner remission at the time of rating. The due date for payment for approved pensioners will be a date to be determined, with regard to operations, within two weeks before the last working day of the rating period in which the levy is raised. This exception for approved pensioners will not apply to metered water accounts.

3.16 Regulatory Fees and Other Fees

The Council makes regulatory fees and other fees and charges. Generally the Council will set these fees and charges at a level which reflects the underlying costs and charges including allocated overheads and administration costs.

For regulatory fees the expected revenue from fees and other sources for each regulatory 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 the council, because it is a public sector entity, does not incur.

The council may impose community service obligations on its business activities and exclude the cost of those obligations in fixing prices for the activity. Council has adopted Policy Number 006 which provides the framework for identification of Community Service Obligations enforced on its identified Business Units.

4. PRINCIPLES APPLIED IN GRANTING REBATES AND CONCESSIONS

Generally, all ratepayers should meet their obligations to the Council.

Pensioners, as a group, may need assistance in meeting their obligations due to reduced real incomes.

In circumstances where a ratepayer incurs responsibility for a rating debt that is beyond their financial capacity to pay immediately, Council 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. Council should assist in such circumstances.

Mackay REGIONAL COUNCIL

5. APPLICATION OF THE PRINCIPLES

5.1 Pensioner Rates Concession

Council will grant a remission Under LGA Section 1035A on general rates to pensioners who qualify for a rebate under the State Government Pensioner Subsidy Scheme.

Eligible pensioners are also allowed a further concession by extending the terms and conditions of Item 7.1 – Discount on Rates, to include unpaid rates and charges where those rates and charges are paid in full by a date to be set as per clause 3.15 hereof.

Eligible pensioners are those ratepayers who have applied and conformed with the State Government Guidelines for pensioner remission at the time of rating.

5.2 Rates Remission for Non-Profit Community Organisations

Council will provide a remission of identified Council Rates and Charges to ratepayers in accordance with a Policy Number 014 "Remission for Non-Profit Community Organisations Policy".

5.3 Rates Remission – Conservation Strategy

Council provides relief to ratepayers in accordance with the Policy Number 015 "Conservation Strategy – Rates Relief" to those owners who enter into an agreement with the Environmental Protection Agency to preserve areas within their holdings which are accepted by that Agency as areas of conservation significance.

The rebate will be based upon the percentage of the land holding to be preserved and will be subject to maximum rebate amounts.

5.4 Rates Relief Policy

Council may provide relief to individual ratepayers on limited incomes including Pensioners who are experiencing difficulties in the payment of their rates liabilities.

The level of relief to apply may be:

- For aged Pensioners, deferral of a portion of their General Rate levy for a period or for the life of the ratepayer.
- In other cases assistance may be provided by way of waiving of interest payments while regular repayments are being made to clear the debt.

Policy Number 016 has been adopted by Council setting out the circumstances in which the provision of relief will apply and the procedure required to approve the level of relief.

Mackay REGIONAL COUNCIL

5.5 Undetected Water Leak Relief

Council may provide relief to individual ratepayers where due to an unapparent plumbing failure, a metered water account is issued which is grossly in excess of the average accounts issued for the property previously.

In the absence of a Local Law or Local Law Policy dealing with this matter, a policy will be adopted by Council setting out the circumstances in which the provision of relief will apply and the procedure required to approve the level of relief.

6. PRINCIPLES APPLYING TO THE COLLECTION OF RATES AND CHARGES

Generally, all ratepayers should meet their obligations to the Council on or before the due date.

Those ratepayers who do meet their obligations to the Council on or before the due date should be rewarded.

Ratepayers should not benefit financially by delaying payment.

7.00 APPLICATION OF THE PRINCIPLES

7.1 Discount on Rates

Ratepayers

Discount at the rate of ten (10) percent will be allowed on Council rates and charges identified in the Revenue Statement, provided the full amount outstanding, including any overdue rates and interest to the date of payment, less any discount entitlement, is paid on or before the due date. Certain Rates and Charges as identified in the Revenue Statement will be excluded from the application of Discount.

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

7.2 Interest on Arrears

All rates and charges remaining outstanding at the end of the half year in which they fall due will be deemed to be overdue rates and will thereafter bear interest at the rate of eleven (11%) per annum compound, calculated on the balance of overdue rates and charges at the end of each month.

Interest will similarly apply to all overdue rates where a concession has been granted pursuant to any other Council policy or provision of the *Local Government Act*, including concessions under Section 4 and 5 of this policy except where otherwise provided within this Policy.

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 entered into and the payments had been made on the dates proposed in the agreement.

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

Mackay REGIONAL COUNCIL

7.3 Collection of Outstanding Rates and Charges

Council requires payment of rates and charges within the specified period and it is Council's policy to pursue the collection of outstanding rates and charges diligently but with due concern for the financial hardship faced by some members of the community.

To this end Council has established administrative processes which allow for compositions with ratepayers to defer payment of rates for short periods or for payment schedules to pay rates within an agreed timeframe.

These payment schedules are to provide that a premium equivalent to interest will accrue during the term of the schedule and that any default in the terms will result in the debt being overdue and payable immediately.

The processes will allow for the selection of options including Reminder Notices, Final Notices, use of Collection Agents (where appropriate), legal action and sale of land for the recovery of debt as the circumstances require.

8. PAYMENTS IN ADVANCE

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

Mackay REGIONAL COUNCIL

COUNCIL POLICY – NUMBER 007

DEPARTMENT CORPORATE SERVICES

PROGRAM FINANCIAL SERVICES

POLICY TITLE **LOCAL GOVERNMENT FINANCE STANDARD**

SUB-TITLE **BORROWINGS POLICY**

ADOPTED

AMENDED

REVOKES

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1. PURPOSE

To ensure compliance with the Local Government Finance Standards as well as ensuring that appropriate forward financial planning is undertaken.

2. OBJECTIVES

To have a document adopted by Council that is in accordance with the following legislative requirements:

Part 2, Division 1, 4, of the *Local Government Finance Standard 2005* states that a Local Government must develop a policy about borrowings.

Section 8 states that a Local Government's policy about borrowings be prepared for a financial year and must state the following:

(a) new borrowings planned for the current financial year and the next four financial years;
(b) the purpose of the new borrowings;
(c) the time over which it is planned to repay existing and proposed borrowings.

4. BACKGROUND

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

5. POLICY

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

Mackay REGIONAL COUNCIL

COUNCIL POLICY – NUMBER 007

Purpose of the Borrowings

The type 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 Region's Ratepayers are not burdened by unrealistic expenditure levels. The repayment for these Capital Works creates an asset for Council, which can then be repaid over the years relating to the life of the asset, where appropriate.

Repayment Term

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

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

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

- Interest will be payable to the reserve at the existing ten (10) year loan borrowing interest rate at the time of borrowing, on the reducing balance of the amount borrowed.
- Principal repayments will be made (together with interest) on a quarterly basis on 15 September, 15 December, 15 March and 15 June each year.
- The annual principal repayments will be the equivalent of the one-tenth of the original principal amount borrowed.
- Repayments of the outstanding balances may be made at any time during the 10 year period when funds are made available for such purposes. The repayments will be at the face value of the outstanding amount.

6. PROPOSED NEW BORROWINGS

New borrowings planned for the 2009/2010, 2010/20011, 20011/2012, 2012/2013 and 2013/2014 financial years are as follows:

Mackay REGIONAL COUNCIL

COUNCIL POLICY – NUMBER 007

Project	2009/2010 Loan	2010/2011 Loan	2011/20012 Loan	2012/2013 Loan	2013/2014 Loan
City Centre Precinct Carpark & Land		800,000			
Hogans Pocket-Landfill	300,000	2,500,000			
Dumbleton Raw Water Trunk Main					
Transfer Stations	400,000		2,100,000		
Landfill Closures		1,500,000			
Future Waste services Projects		10,500,000	11,300,000	14,700,000	4,000,000
Nebo Road Water Treatment Plant Upgrade	6,000,000				
Makay to Sarina Water Supply Trunk Main	1,000,000				
Waste Treatment Facilities	1,600,000				
Mackay Water Recycling Project	1,000,000				
Pump Stations	2,000,000				
Marian Sewerage Scheme	350,000				
Sewer Mains, Upgrades & Relining	4,400,000				
Future Water & Waste Water Projects		8,000,000	26,000,000	36,500,000	3,000,000
Depot	12,500,000	26,200,000			
Roads& bridges	9,948,000	3,000,000		3,000,000	
Trunk Drainage	2,100,000				
Parks	405,000				
	$42,003,000	**$52,500,000**	**$39,400,000**	**$54,200,000**	**$7,000,000**

COUNCIL POLICY – NUMBER 007

7. LOAN DRAWDOWNS

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

8. AUTHORISATION

Mackay REGIONAL COUNCIL

COUNCIL POLICY FIN04

DEPARTMENT CORPORATE SERVICES

PROGRAM FINANCIAL SERVICES

POLICY TITLE BUDGET

SUB-TITLE

ADOPTED

AMENDED

REVOKES

1. PURPOSE

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

The policy applies to the annual budget in addition to the subsequent reviews.

2. SCOPE

Mackay Regional Council's budget cycle is aimed at addressing the need for longer term financial planning, detailed annual budgets supporting Council's operating plans and revenue decisions and reviews to address progress against the annual operating plan and to fine tune the budget based on actual results. This is illustrated as follows: -

Mackay REGIONAL COUNCIL

COUNCIL POLICY FIN04

3. OBJECTIVES

The objectives of the policy are: -

- To clarify limitations on the release of budgetary information prior to the formal adoption of the budget.
- To ensure that Council reports are presented in a fiscally responsible manner.
- To provide guidance in the preparation of the Budget Reviews.
- To ensure that required amendments to the budget are made in a timely manner.
- To ensure consistency with Council's Ten Year Strategic Financial Plan, when adopted.

4. POLICY

Council Reports

(a) Recommendations that are presented to Council that have the effect of increasing expenditure (if adopted) MUST indicate where the funds are to be transferred from.

(b) No report is to include a recommendation that "Funds are to be identified at the next review" or that "the project be included in next year's budget" (although the item may be **listed for consideration** in either the next review or the following year's budget).

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

(c) Where a recommendation states that the funds are to be allocated from various Reserve pools the report **MUST** include the current balance of the relevant account. This will enable Councillors to be fully informed prior to approving the allocation.

(d) Only emergent projects/expenditure items should generally be incorporated into the Budget Reviews.

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

(e) Where an item that has a financial implication is raised in the General Business section at a Council Meeting, a report is to be presented to a future meeting so that possible funding can be identified before the recommendation is adopted.

(f) The budget is a "project" budget. Where projects are completed under budget, the funds are to be retained in consolidated revenue for those projects that may be over expended.

Annual Budget Consideration

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

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

In the case of commercial activities, the disclosure of detailed pricing and expenditure information may be detrimental to Council's competitive position. Consequently this information is to be treated as confidential. Commercial activities include those activities defined as Type 1, 2 and 3 business activities in accordance with the *Local Government Act (1993)*.

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

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

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

Budget Reviews

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

Any rates growth income that arises during the financial year will be utilized to reduce borrowings.

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

Amendments to the Budget

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

Type of Amendment	Process
Increased/decreased expectation of revenue	Adjust at next review.

Mackay REGIONAL COUNCIL

COUNCIL POLICY FIN04

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

AUTHORISATION

MACKAY CITY COUNCIL
STATEMENT OF ACTIVITIES FOR NATIONAL COMPETITION POLICY
For the year ending 30 June 2010

Activities to which the National Competition Policy reforms have been applied

(a) **Business Activities**
Definitions of Activities:
Before the end of each financial year, the Minister must decide for the financial year, the expenditure amounts (the "threshold amounts") for identifying a "significant business activity" that should be a type 1 or 2 business activity.

Type 1A
Significant business activity where the threshold expenditure has been set by the Minister for the year ended 30 June 2007 as follows:-

(a) for water and sewerage combined activities - $36.4 million
(b) for other activities - $21.8 million

Type 2
(a) for water and sewerage combined activities - $10.9 million
(b) for other activities - $7.3 million

The Council has resolved to commercialise the activities which fall into the expenditure guidelines above.

WATER & WASTE WATER	2009/2010
Operating Revenue	
Rates & Utility Charges	55,443,511
Less: Discounts and Remissions	(3,671,140)
Fees & Charges	2,131,830
Sales - Contract & Recoverable Work	2,114,000
Operating Grants & Subsidies	-
Operating Contributions	-
Interest on Investments	695,000
Other Revenue	107,000
Community Services Obligations	381,048
Internal Transfers - Income	135,000
	$ 57,336,249
Less: Operating Expenses	
Employee Cost	11,717,312
Goods, Services & Other Operational Costs	14,809,008
Transfer from Capital re Loss on Disposal of Assets	-
Finance Costs (incl Interest Expense)	3,934,417
Other Expenses	532,671
Depreciation	16,030,025
Overheads & Competitive Neutrality Costs	2,229,120
Internal transfers - expenses	2,064,649
	$ 51,317,202
Less: Transfers	
Retained Surplus (Deficit) Brought Forward from Prior Year	-
Transfer from Capital for Unfunded Depreciation	- 1,740,327
Transfer (to) Capital General Revenue Expended	1,019,693
Inter-Function Dividends & Return on Capital	8,504,673
Other Transfers Between Functions	-
Transfers from Capital Reserves	(1,764,992)
Transfers to Capital Reserves	
	$ 6,019,047
Operating Surplus (Deficit)	$0

MACKAY CITY COUNCIL
STATEMENT OF ACTIVITIES FOR NATIONAL COMPETITION POLICY
For the year ending 30 June 2010

WASTE SERVICES	2009/2010
Operating Revenue	
Rates & Utility Charges	13,469,600
Less: Discounts and Remissions	(765,500)
Fees & Charges	5,002,686
Sales - Contract & Recoverable Work	-
Operating Grants & Subsidies	-
Operating Contributions	-
Interest on Investments	267,000
Other Revenue	271,304
Community Services Obligations	-
Internal Transfers - Income	80,000
	$ 18,325,090
Less: Operating Expenses	
Employee Cost	897,906
Goods, Services & Other Operational Costs	14,452,082
Transfer from Capital re Loss on Disposal of Assets	-
Finance Costs (incl Interest Expense)	1,243,391
Other Expenses	77,830
Depreciation	166,858
Overheads & Competitive Neutrality Costs	151,952
Internal transfers - expenses	115,752
	$ 17,105,771
Less: Transfers	
Retained Surplus (Deficit) Brought Forward from Prior Year	-
Transfer from Capital for Unfunded Depreciation	-
Transfer (to) Capital General Revenue Expended	1,025,894
Inter-Function Dividends & Return on Capital	243,425
Other Transfers Between Functions	-
Transfers from Capital Reserves	(50,000)
Transfers to Capital Reserves	
	$ 1,219,319
Operating Surplus (Deficit)	$0

A "business activity" of a local government is divided into two (2) categories:

Type 3(a) Road business activity means:-
(i) the construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement.
(ii) Submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by other local government.

Type 3(b) Business activity means:-
(i) trading in goods and services to clients in competition with the private sector, or
(ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself. Excluded activities are (a) library services, (b) an activity or part thereof prescribed by legislation.

Local Government may elect to apply a Code of Competitive Conduct (CCC) to their identified Type 3(b) business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is compulsory.

* The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the activities primary objective was to make a profit. The council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

MACKAY CITY COUNCIL
STATEMENT OF ACTIVITIES FOR NATIONAL COMPETITION POLICY
For the year ending 30 June 2010

The Type 3 activities listed below are those to which the Council has resolved to apply the CCC.

	Mackay Convention Precinct 2008/2009 $
Revenue for services provided to external clients	5,248,000
Revenue for services provided to internal clients	0
Community service obligations (Council Operating Contrib)	606,682
	5,854,682
Less: Expenditure	7,535,749
Surplus/(Deficiency)	-$ 1,681,068

The other business activities listed below are those to which the Council has resolved to apply the CCC.

	Plant / Workshop 2008/2009 $
Revenue for services provided to external clients	0
Revenue for services provided to internal clients	14,594,973
Community service obligations (Council Operating Contrib)	-
	14,594,973
Less: Expenditure	9,243,327
Surplus/(Deficiency)	$ 5,351,646

	Roads - (Inc Roads, Bridges & Street Sweeping) 2007/2008 $	Main Roads Contract 2007/2008 $
Revenue for services provided to external clients	185,000	2,663,200
Revenue for services provided to internal clients	-	-
Community service obligations (Council Operating Contrib)	-	-
	185,000	2,663,200
Less: Expenditure	15,932,951	2,420,560
Surplus/(Deficiency)	-$ 15,747,951	$ 242,640

(b) **Community Service Obligations**
Details of community service obligations are:-

Activities / CSO Description	Actual
Mackay Water In terms of Financial Services Policy FIN01 - "Community Services Obligations" Council will provide a CSO for Rebates to Community/Sporting Bodies & a revenue supplement to offset tax equivalents.	$ 381,048
Mackay Convention Precinct In terms of Financial Services Policy FIN01 - "Community Services Obligations" Council has determined that this service should be provided to all users at an affordable price. This decision recognises an active role undertaken by Council in encouraging the artistic and cultural development of the region. All steps are taken to ensure that the business operations are undertaken efficiently and effectively in terms of National Competition Policy aims. As the community benefit is largely intangible, Council will fund the residual cost of provision of the service with a CSO.	$ 606,682
Total CSO's	$ 987,730

Mackay Water Services

A business unit of the Commercial Services directorate

Performance Plan 2009-10

Mackay REGIONAL COUNCIL

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MACKAY WATER SERVICES
PERFORMANCE PLAN 2009/10

Endorsements:

Mackay Water Services is a Type 1 water business responsible for providing quality, cost effective and environmentally sustainable bulk water services to the Mackay Region. This is one of two commercialised business units within the Commercial Services directorate (the other being Mackay Waste Services). These services are essential for the maintenance of the lifestyle, economy and public health of the region. The business recognises the importance of its role and is striving to further improve its service capacity through the establishment of sound, long term planning for sustainable management of the region's water resources.

Council recognises that the water industry itself is undergoing a period of unprecedented change. This dynamic change means that only those businesses that have the highest standards of corporate governance, technical, financial capacity, customer outcomes and a willingness to adapt will survive in the new environment.

Mackay Water Services itself is facing some significant challenges. The business is currently in a reasonably sound financial position with all recurrent operating activities funded from the business' own revenues. However, the combined effect of growth, changes in treatment standards and the impact of an ageing infrastructure network create the need for significant capital investment over the next ten (10) years. To ensure that Mackay Water Services remains commercially sustainable over the long term, the business intends to move toward a more commercialised mode of operation.

The range of initiatives contained in this Performance Plan and supporting Total Management Plan (TMP) / Strategic Asset Management Plan (SAMP) strategies have been developed to ensure that these outcomes are delivered by the business.

We fully support the vision and strategies contained within this Business Management Plan/Performance Plan and look forward to its successful implementation by the management and staff of Mackay Water Services.

.....
Date:.....

Barry Omundson
Director, Commercial Services

AND

.....
Date:.....

Mayor
Mackay Regional Council

.....
Date:.....

Chief Executive Officer
Mackay Regional Council

1.0 Overview of the Business

1.1 Introduction

Management of a water services business in the 21st century is becoming a far more complex operation. With increasing regulation, structural reforms, skills shortages, climate change and increasing expectations, the businesses which will survive the changes in the industry will be those with both vision and the ability to adapt to a rapidly changing environment.

As one of the largest regional water service providers in Queensland, the sustainable operation of Mackay Water Services is fundamental to the ongoing viability of one of the most dynamic service hubs in the country. Recognising the challenges facing the business at the regional, state and national levels, Mackay Water Services is positioning itself as an innovative provider of quality, cost effective and environmentally sustainable water services.

This document illustrates how the business is responding to these challenges and ensures that the business delivers sound long term outcomes.

The purpose of this Performance Plan is to outline the commercial objectives, financial capacity, levels of service, Council's expectations and strategic business activities of Mackay Water Services for the period 2009-2010. This Performance Plan has been developed to comply with Council's Corporate Plan 2009 - 2014.

1.2 Supporting Council's Overall Vision

This Performance Plan is part of a suite of documents, the purpose of which are to:

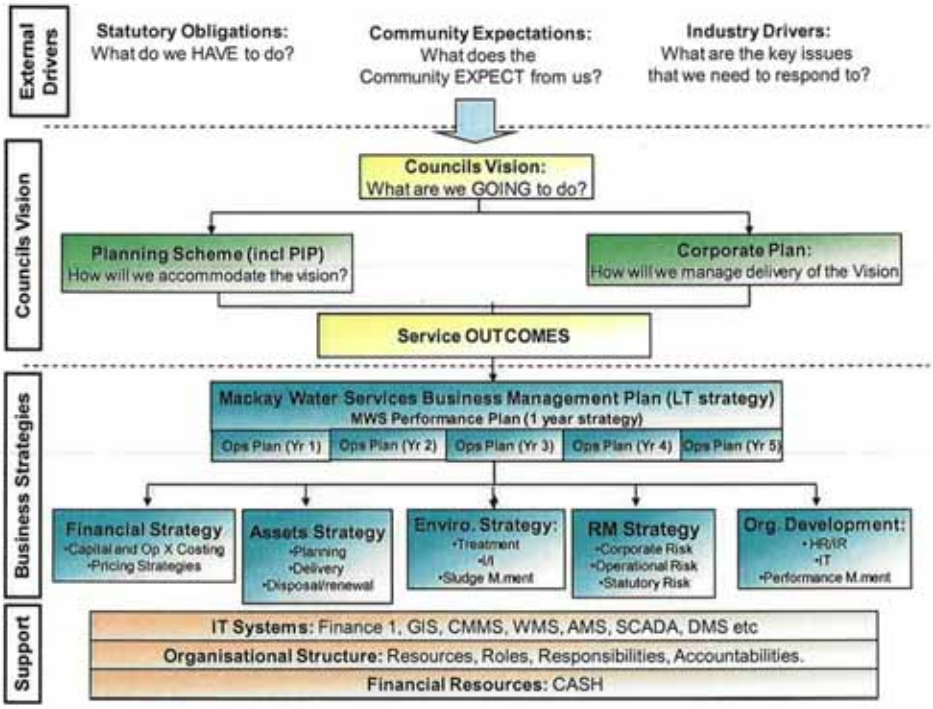
- Provide a complete picture of the Mackay Water Services' business;
- Establish the long term strategic direction for the business and targeted outcomes;
- Highlight key challenges confronting the business; and
- Summarise the strategies developed by the business to address those key challenges and deliver the nominated outcomes.

To achieve this most effectively, it is imperative that Mackay Water Services integrate with Council's Corporate Planning. In this regard, the Performance Plan has been designed to reflect:

- Council's **Planning Scheme** (the document which defines Council's "Vision" for the development of Mackay); and
- Council's **Corporate Plan** (the document which outlines HOW Council's vision will be achieved)

To ensure that the strategies contained in this Performance Plan are relevant to the overall corporate direction for Council, each proposed initiative has been linked (or "mapped") to an equivalent driver in both the Corporate and Operational Plans (Table 4.1). The detail for delivery of each of these initiatives is then summarised in a series of operating strategies developed by the business.

Figure 1.1 – Interrelationships between key corporate documents



1.3 Other Statutory Obligations:

This Performance Plan has been developed to clearly outline the main strategies and initiatives proposed by Mackay Water Services for development of water services to the region. However, the document has also been structured in such a manner to address a wider range of statutory obligations. This includes the following:

- Under the *Water Supply (Safety and Reliability) Act 2008*, Mackay Water Services is required to develop a **Strategic Asset Management Plan (SAMP).** The purpose of the SAMP is to identify the specific programs, projects, goals and resources required to achieve the outcomes nominated in the Performance Plan. The individual strategies contained within the SAMP have been developed by the individual managers within the business.

- Development of an **Annual Operating Plan** is also a requirement of the *Local Government Act 1993* for a commercialised business such as Mackay Water Services. This Performance Plan has been structured in such a way to easily transfer into an Annual Operating Plan.

2.0 Strategic Direction of Mackay Water Services

2.1 Business' Mission (What we do)

Mackay Water Service's mission statement has been developed to reflect the business' current activities, outcomes and customers.

The mission statement for Mackay Water Services is:

> ***"Mackay Water Services is committed to delivering sustainable water services to the Mackay Region in an efficient and commercially responsible manner"***

2.2 Vision (Where we want to be)

Mackay Water Services's vision statement is an expression of the business' commitment to delivering quality water services into the future. The Vision statement defines where the business wants to be in 5 or 10 years time.

The Vision Statement for Mackay Water Services is:

> ***"Mackay Water Services will be an innovative water service provider which is recognised for its commercial performance, provides regional leadership, has the respect of its customers and industry regulators and prides itself on its sustainability."***

2.3 Our Values:

At Mackay Water Services we are committed, as individuals and as an organisation, to the following core values in all our relationships:

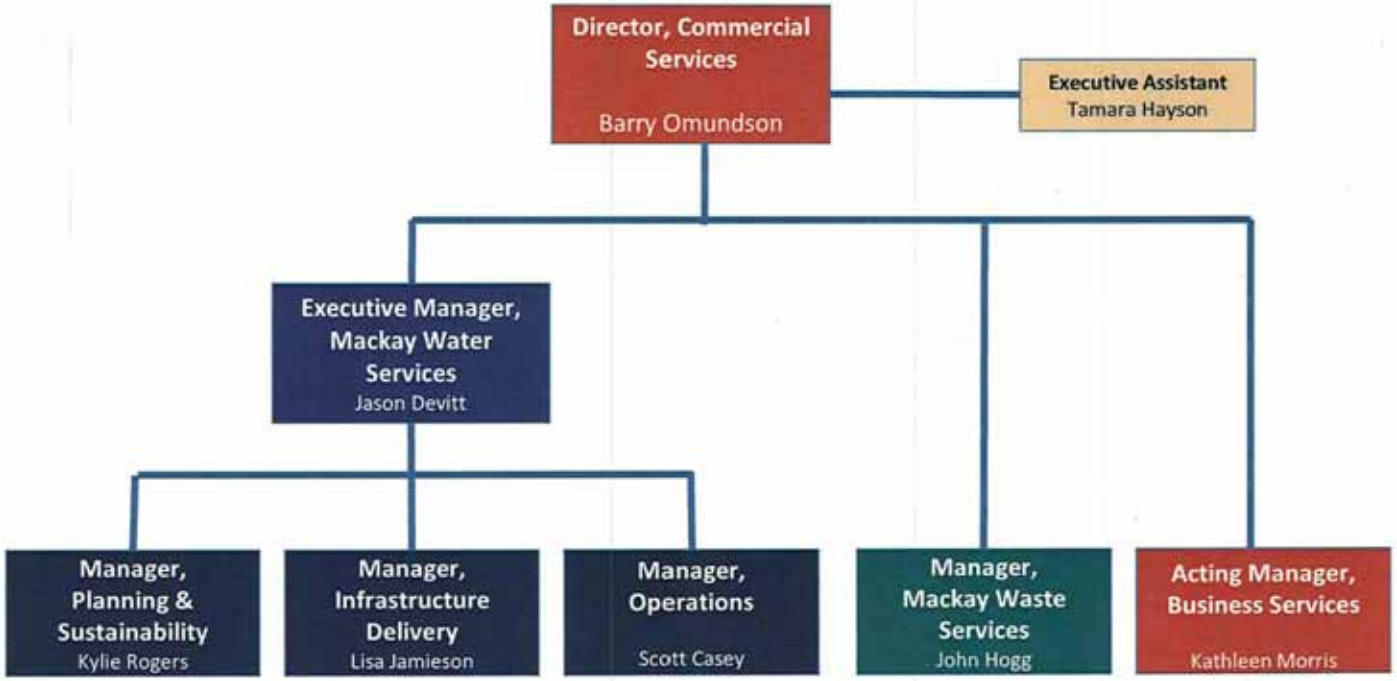
- Working as a team
- Putting the customer first
- Respecting one another
- Continuously improving the way we work
- Taking pride in our work

2.4 Organisational Structure and Management Responsibility

The business' organisational structure is built around the functional outcomes required of the business. This approach provides greater accountability for achievement of specific outcomes and focus on the business' strategic priorities.

The organisational chart is provided in Figure 2.1 below.

Figure 2.1 – Organisational Structure



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A brief overview of the key responsibilities for each first line manager (relevant to Water Services delivery) is provided in Table 2.1 below:

Table 2.1 Management Responsibility

Division	Responsibility	Priorities
Executive Manager, Mackay Water Services	Responsible for managing the directorate's water services function	• Monitoring the states Water Reform initiatives and ensuring that MWS positions itself as an industry leader in Central North Queensland • Supporting the Director in forming effective regional alliances • Delivery of the Total Management Plan; and • Coordination of the water businesses strategies activities
Manager, Planning and Sustainability	Responsible for forecasting and adequately planning short and long term water services solutions to ensure that they address current and future regional growth	• Strategic Asset Management • Strategic Infrastructure Planning • Detailed infrastructure Planning • Development Assessment • Policy and Standards
Manager, Infrastructure delivery	Responsible for detailed design and construction of the capital plans as determined by the Planning and Sustainability program	• Construction management • Project services
Manager, Operations	Responsible for operating and maintaining water and sewerage assets	• Network Operations • Civil Services • Mechanical and Electrical Services • Treatment
Manager, Business Services	Responsible for providing support across the entire Directorate.	• Change and Communication • Financial Management • Governance and Regulation • Business Support Services (Admin) • Laboratory • Environmental Management

3.0 Outcomes expected of the Organisation:

3.1 Scope of Services (jurisdiction)

Mackay Water Services provides **retail water supply services** to the Mackay Region. These services are provided on a fully commercial basis. The scope of services provided is summarised in Table 3.1 below.

Table 3.1 – Scope of Services Provided:

Scheme Name	Communities Served	Service Provided	Approx No of connections
Mackay City	Mackay City	Full Water/Sewer Services	29,171 (Water); 28,622 (Sewer)
	Walkerston		1,198 (Water); 1161 (Sewer)
	Eton		185
	Calen/Kolijo		163
	Bloomsbury		41
	Midge Point/Laguna Quays		733
Sarina	Sarina	Water and Sewer Services	1,488
	Northern Beaches	Water Supply only	1,595
	Armstrong Beach		319
	Koumala		75

Scheme Name	Communities Served	Service Provided	Approx No of connections
Mirani	Mirani	Water and Sewer Services	410 (Water); 407 (Sewer)
	Marian		822 (Water); 809 (Sewer)
	Gargett/Pinnacle	Water Supply only	117
	Finch Hatton		138

3.2 *Non Commercial Activities (Community Service Obligations):*

The business undertakes a variety of activities on a non-commercial basis. These activities are defined under the *Local Government Act 1993* as Community Services Obligations and include the following:

- Provision of discounted water and sewerage services to eligible persons, associations, welfare or community bodies (e.g. pensioner rebates, sporting clubs etc);
- Maintenance of some water and sewerage facilities within Council owned / controlled land;
- Implementation of demand management policies of Council;
- Provision of information and technical advice to Council, customer and stakeholders; and
- Activities on behalf of and as agreed with Mackay Regional Council, which may arise from time to time.

In consideration of Mackay Water Services undertaking non-commercial activities for the 2009/10 financial year Mackay Regional Council will make payment of $381,048.

It is the business' intention to critically review their finances as it relates to non-commercial activities this year.

3.3 *Our Service Standards:*

3.3.1 Customer Service Standards:

As required under the *Water Supply (Safety and Reliability) Act 2008*, each of the three pre-existing businesses (Mackay, Sarina and Mirani) have developed and published their own Customer Service Standards. These standards outline the commitments and responsibilities of the business and expectations that the customers may have of Mackay Water Services in the provision of water services. These customer service standards (CSS) have been subject to a preliminary review to ensure compliance against the parameters required by the Department of Environment and Resource Management (DERM) under the *Water Supply (Safety and Reliability) Act 2008*. The consolidated statutory customer service standards are provided below:

Table 3.1 – Customer Service Standards (SAMP)

Performance Indicator	Performance Measure	Target
Continuity of Water Supply		
• Restoration of services – unplanned interruptions	% Restored within 5 hours	95%
• Average response/ reaction time to all interruptions	Hours	95% response within 2 hours
• Extent of planned interruptions	Number per '000' connections	<75
• No of service complaints	Number per '000' connections (NWI C10)	50
Adequacy and Quality of Water Supply		
• Minimum water pressure	Minimum water pressure experienced (m)	>22m
• Connections with deficient pressure	% of total connections	5%

MACKAY WATER SERVICES
PERFORMANCE PLAN 2009/10

Performance Indicator	Performance Measure	Target
• Physical/chemical/biological quality of water	% Compliance with NHMRC Guidelines (NWI H2)	98% compliance (Faecal coliform) 95% compliance Total coliforms
	% Compliance with NHMRC Guidelines – Physical/Chemical Parameters (NWI H4)	95% compliance[1]
• No. of drinking water complaints	Number per '000 connections (NWI C9)	<7
• No. of drinking water quality incidents	Number per year	<30
Long Term Continuity – Water		
• Water main breaks and leaks	Number per 100km of main	<40
• System water loss	Percentage	<14%
Effective Transport of Waste Effluent		
• No. of sewage overflows	Number per 100km main	<10
• No. of sewage overflows to customer property	Number per '000 connections	<5
• No. of odour complaints	Number per '000 connections	<6
• Average Response time	Hours	95% within 2 hours
Long Term Continuity – Wastewater		
• Sewer main breaks & blockages	Number per 100km of main	<30
• Sewer inflow/infiltration ratio of peak day flow to average day flow	Ratio of peak day flow / average day flow	<4:1

In addition to the above parameters, Mackay Water Services is also required to report against the National Performance Indicators as well as report compliance against Council's environmental licences. These additional parameters are summarised below and are envisaged to be regularly reported to Council via monthly and/or quarterly reports.

Key Performance Indicators

Performance Indicator	Performance Measure	TARGET
Customer and Community Focus	General customer satisfaction	4 stars
	Response time for water and sewerage complaints	3h
	Water and waste water property connections	TBA
Minimise the impact of our business upon the environment	Percentage of effluent reused Percentage of biosolids reused	10% 100%
	Nitrogen release to environment from WWTP (kg) per 1000 properties	6,000
	Phosphorous release to environment from WWTP (kg) per 1000 properties	2,000
	Number of wastewater overflows to the environment per 100km of main	<10
Encourage customers and key stakeholders to deliver their services and manage our products in an environmentally responsible manner	Water supplied per property (kL)	420
	Number of applications under Waterwise rebate scheme	450

[1] Rural communities (which are reliant solely on groundwater for their potable water supplies, may experience a lower standard of service than those with surface water supplies (e.g. hardness)

Performance Indicator	Performance Measure	TARGET
Ensure compliance with relevant environmental legislation and procedures	Number of environmental licence parameter excursions (Mt Bassett, Bucasia & Bakers Creek WWTPs	0

Consultation with the Community:
Recognising the central importance of its customer base, Mackay Water Services will undertake consultation on major water supply and sewerage issues that affect the environment as well as on issues affecting customers own properties.

3.3.2 Demand for Service:

Water Services
The Mackay Region is one of the fastest growing areas within the state. The overall demand for water services is a function of growth in the number of users (measured as "equivalent population" (EP)) and changes in the consumption per EP. The business has recently updated its assessment of historic and future growth to reflect changes in the (PIFU) population projections and changes to Councils strategic planning. This review suggested that the average annual historical growth (in the order of 1.75%) is likely to increase to around 2.6% per annum in the foreseeable future.

In terms of changes in the per capital consumption rates, the business is planning for a decline in the level of average daily consumption from historical levels of around 500L/EP/d[2] to 300L/EP/day by 2016. This would represent a 40% reduction in per capita water consumption.

This combination of growth in EP and reduction in consumption per EP will lead to a total overall increase in water consumption of around 80% by 2056.

Sewerage Services:
The business has undertaken a detailed review of the provision of existing sewerage services and future growth in the Mackay, Sarina and Mirani areas. The business anticipates that there will be a similar increase in the demand for sewerage services as that outlined for water services above. This will primarily be driven by population growth.

There are a number of communities throughout the region that receive reticulated water but do not have reticulated sewerage services. These include Seaforth and the Sarina Beach catchments. Preliminary feasibility planning has commenced for the provision of sewerage services to these communities. However, the business has no plans to extend sewerage services to these areas within the current planning horizon.

3.4 *Expectations of Key Stakeholders:*

The business needs to be structured to deliver a wide range of outcomes to a variety of stakeholders. The expectations of the business from key stakeholders (i.e. those whose interests are the primary driver of the business) and expectations of the business on those stakeholders are summarised below:

[2] Mackay Infrastructure Alliance, "Nebo Road Water Treatment Plan and Strategic Plan for Water Supply (to the) City of Mackay", January 2008

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Stakeholder	Stakeholders Expectations	Mackay Water Services Expectation
Council as Owner of the business	Council expects that Mackay Water Services will be managed in a way that: • Provide value for money in its operations, maintenance and investment functions; • Preserves Council's commercial interest (Fiduciary duty) through payment of a regular (and sustainable) dividend and advice on appropriate levels of investment for the business; • Develop and implement strategies that deliver the outcomes required under Council's Corporate Plan; • Be efficient and effective in the day to day management of attainment of those outcomes.	Mackay Water Services expects that Councils will: • Provide an overall strategic direction for the business (clarity of objectives) • Provide the business with the necessary managerial responsibility and delegated authority to deliver Council's nominated outcomes • Apply full cost pricing in providing water and sewerage services
Council as a Service Provider to Mackay Water Services	Council expects that Mackay Water Services will: • Provide clear direction on the scope and nature of support services required by the business	Mackay Water Services expects that Council will: • Provide appropriate levels of support, at reasonable cost through the provision of service level agreements to facilitate the business' development (support includes skills, IT, HR, financial and other considerations as agreed with MWS)
Council as Regulator	Council expects that Mackay Water Services will: • Monitor and maintain efficient levels of energy consumption • Maintain a reasonable standard of corporate governance • Comply with all state and local laws and licence obligations • Provide regular reports to Councils on performance against predetermined measures	
Council as Customer advocate	Council expects Mackay Water Services to: • Maintain its (pre agreed) customer service standards • Exhibit a sense of social responsibility by having regard to the interest of the community in which the business operates.	Mackay Water Services expects the Council (as Customer) to: • Observe the business' obligation for funding of community service obligations • Share in costs for the development of service level agreements
Water Services Customers	Customers expect that Mackay Water Services will: • Maintain its customer service standards (specifically in regard to water services quality, availability and reliability) • Provide "value for money" • Be responsive • Undertake consultation/communication on key issues • Provide notification of Mackay Water Services' activities (wherever possible) • Develop appropriate processes for complaints handling and dispute resolution	Mackay Water Services expects customers to: • Be responsive to community based strategies such as water conservation measures • Minimise their impact on the water services network (and resultant impact on receiving environment) • Mackay Water Services reserves the right to recover unpaid fees as a charge against the property or take other action for cost recovery in accordance with relevant legislation
Suppliers	Suppliers expect that Mackay Water Services will: • Act in good faith at all times and manage the supply contract in a professional manner • Adopt a partnership/non adversarial approach • Provide flexibility in arrangements	Mackay Water Services expects that suppliers will: • Act in good faith at all times and perform their duties in a professional manner • Adopt a partnership/non adversarial approach • Provide efficient, reliable, quality services
Employees	The employees expectation of Mackay Water Services are to: • Provide a stimulating work environment which facilitates professional development • Provide employment security • Recognise achievements and responsibility • Allocate adequate authority/autonomy	Mackay Water Services expectations of its employees are to: • Adopt a professional standard in the execution of their duties • Adopt a 'safety first' culture • Communicate and participate in a productive manner • Maintain high standards of customer service
State Government Agencies and Regulators	The regulators expectations of Mackay Water Services are: • Understand and discharge the business' various statutory and regulatory obligations in a professional manner • Consider the needs of the community in development and execution of the businesses strategies	Mackay Water Services expectations of the State Government and regulators are to: • Provide advice and support in interpretation and implementation of regulation • Act professionally in dealing with regulatory matters

4.0 Key Issues and Business Strategies

Mackay Water Services operates in a dynamic business environment with numerous challenges. Key among these challenges are:

- Accommodating the growth within the region (domestic and commercial demand);
- The probability of structural changes from water reform;
- Capacity considerations (getting the staff/skills we need and retaining knowledge through succession planning) and the subsequent need to think laterally in the provision of projects (e.g. the Mackay Infrastructure Alliance);
- Increasing regulation (e.g. DERM, NWC etc);
- Delivering service standards with ageing infrastructure;
- Increasing customer service expectations;
- Changing environmental considerations, including the effects of climate change;
- The imperative of financial sustainability;
- Until implemented this year, limitations created by the absence of commercially oriented service level agreements with Council's service providers;
- The global economic crisis constrains our customer's ability to pay more for services which affects Mackay Water Services' capability; and
- Changing industry practice.

Mackay Water Services needs to be flexible enough to adapt to these changes.

Table 4.1 provides an overview of the strategies which have been developed by the business to address these challenges. The detail of HOW the business will achieve these nominated outcomes is contained within the relevant detailed strategy which has been developed as a series of separate documents. This table also demonstrates the linkage back into the Council's Corporate Plan and the business' Operational Plan.

Table 4.1 – Business Management Framework

Operational Plan Reference	Operational Area	Service Area/Project	Proposed Outcomes	Relevant Corp Strategy	Accountability	Major Initiatives for 2009/10
6.1	Commercial Services Directorate Management	Leadership	• Pursue organisational excellence	6, 7, 6.7	Director	• Implement a strategy for regional alliance between Cairns, Townsville and Mackay water businesses
		Community Planning	• Support corporate community planning for the MRC region	All strategies	Executive Manager, Mackay Water Services	• Provide strategic input on the requirements of Mackay Water Services into the development of the Council's Community Plan
		Sustainable Futures	• Ensuring environmentally sustainable practices are implemented into program activities	3	Executive Manager, Mackay Water Services	• Promote future sustainable practices to the program managers and Sustainable Futures Committee
		Special Projects	• Effective management of sustainable recycled water supply	6.4, 6.5	Executive Manager, Mackay Water Services	• Completion of the Mackay Water Recycling Project and commencement of reporting against operational and maintenance contract targets
6.2	Planning & Sustainability	Infrastructure Planning strategy	• Effective integration of land use and infrastructure planning which ensures sustainable delivery of service standards, optimises asset management and accommodated growth	6.2, 6.6, 6.9	Manager, Planning and Sustainability Manager, Infrastructure Delivery	• Development of 10 year capital plan for the upgrade and replacement of water and waste water infrastructure • Identify and implement a plan of delivery mechanisms for the annual capital program (including clearly defined project feasibility and project delivery documentation)
					Manager, Planning & Sustainability	• Undertake a review of the water and waste water master plan in line with latest regional planning information • Develop and implement an All Pipe Hydraulic Model for the water and waste water systems for all MRC reticulated areas • Provide assistance to Development Services program on specific water and waste water services requirements for development assessment applications to meet IDAS timeframes (including review and update of standard drawings and planning policies and standards) • Development of an integrated infrastructure development plan, incorporating uniform planning, project management and supervision policies and practices
		Asset Information	• Improved understanding of assets	6.6	Manager, Planning and Sustainability	• Undertake detailed audit of asset information (including condition) data to ensure that all assets are identified and recorded in the AMA (Hansen) • Develop and implement standard drawings and specifications across MRC
		Inflow/Infiltration	• Manage I/I at a cost effective e level	6.4	Manager, Planning and Sustainability Manager, Operations	• Implement detailed I/I Management Plan and associated Community Engagement Plan • Undertake I/I source detection in accordance with the Management Plan • Implement sewer remedial works
		Asset Optimisation and Disposal Strategy	• Improved knowledge and understanding of assets and optimisation of asset replacement processes	6.6	Manager, Operations Manager, Planning and Sustainability	• Undertake Condition assessment (as outlined in the Asset Information Service Area) • Develop an optimised renewal strategy
6.3	Infrastructure Delivery	Infrastructure Development/ Delivery strategy	• Provide services and facilities that are consistent across the region • Effective delivery of the capital program	6.3, 6.4, 6.5	Manager, Infrastructure Delivery	• Develop and implement a process for planning, design, construction and commissioning of capital works • Review/refine design parameters (specifically current technical specifications) • Undertake review of project delivery methodology and develop strategy for VFM and on time delivery
6.4	Operations	Operations Management	• Ensuring effective management in the delivery of water and waste water services that meet customer service standards	6.1, 6.7, 7.1, 7.2	Manager, Operations	• Implement and enforce a backflow prevention policy to ensure ongoing safe water supply and testing of installed devices • Implement a process for full cost recovery of CCTV inspections associated with building over sewer audits • Audit of the business' operational capabilities and review of operational skills • Undertake a risk assessment • Address odour issues
		Trade Waste Management Strategy	• Effective management of trade waste discharges to address compliance, ensure community safety, protect infrastructure and the environment • Engagement and education of the business community regarding trade waste • Networking forum for regional trade waste regulators	6.4, 6.5	Manager, Operations	• Develop and update Trade Waste Implementation Plan aimed at reducing the levels of trade waste in the network • Implement new trade waste policy and management plan across the region • Implement regional trade waste forums • Develop and roll out comprehensive education plan to the community informing them about trade waste • Increase number of licensed trade waste generators across the region
		Water Source and Quality Management	• Meet broader public health objectives in respect to DWQ, and deliver equivalent DWQ outcomes across the region	3.1, 6.1	Manager, Operations Manager, Planning & Sustainability	• Develop Risk Based Water Quality Management Plan – Contribute to the development of the Mackay Whitsunday Regional Water Supply Strategy
		Maintenance Management Strategy	• Optimise the performance of the asset portfolio in a manner which meets our CSS	6.3, 6.5, 6.6	Manager, Operations	• Review preventative maintenance program to ascertain budget and resources required for implementation in order to reduce reactive maintenance

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Operational Plan Reference	Operational Area	Service Area/Project	Proposed Outcomes	Relevant Corp Strategy	Accountability	Major Initiatives for 2009/10
						• Review and develop an optimised reactive maintenance reporting process (currently through Pathway) • Investigate the implementation of a reactive reporting process for treatment assets • Maintain water quality levels throughout all maintenance activities • Further development of the Maintenance Management Strategy • Identification of critical assets
		Demand and System Leakage Management	• Promote effective water conservation • Reduce system losses and meet statutory obligation for development of System Leakage Management Plan (SLMP)	3.5, 6.5, 6.7	Manager, Operations	• Address statutory obligations for development of System Leakage Management Plan (SLMP) and Demand Management Strategy (DMS) • Implement the SLMP • Implement DMS
		Wastewater Treatment and Effluent Management	• Effective management of sewerage treatment and discharge options	3.5, 6.4, 6.5, 6.6	Manager, Operations	• Review water recycling operations end user contracts and introduce/amend where necessary • Review resourcing requirements for the operation of the treatment program • Review and discuss existing licences with relevant authorities to ensure licences are current and realistic • Complete the development of the MERP and upgrade of WWTPs (refer also Special Projects)
		Environmental Sustainability Strategy	• Ensure environmental compliance in the businesses operations and promote sustainable development	3.5, 6.4 and 6.6	Manager Operations	• Identify all ERAs and associated licences • Identify key environmental risks • Develop management plans as required under relevant legislation • Develop strategies to decrease the generation of greenhouse gas emissions and brief the Council on strategies for (and cost of) continued participation in the "Cities for Climate Change" program
6.6	**Business Services**	**Customer Service Strategy**	• Ensure that the business remains responsive to customer needs through: – the development of internal service level agreements – the review and development of appropriate customer service standards	6.1, 6.3, 6.4, 6.7, 7.1, 7.2	Manager Business Services	• Formalise service level agreements with key MRC programs and internal stakeholders • Engage in community consultation on issues affecting major water supply and sewerage issues • Undertake review of customer service standards across the region
		Financial Management Strategy	• Demonstrate effective and sustainable management of the businesses financial position on a commercial basis that meet social and environmental objectives	6.1, 6.2,6.7, 6.11	Manager, Business Services	• Develop business management plan to capture strategic and operational goals that is supported by a financial model capable of scenario testing • Design, develop and implement a comprehensive and robust water and waste services pricing strategy to ensure commercial sustainability and customer value • Introduce new policies for recoverable works and damage to Council assets
		HRM Strategy	• Recognise and utilise the value of our employees through relevant learning and personnel development opportunities • Ensure that recruitment and retention is a significant focus for the coming years • Meet Workplace Health and Safety obligations	6.1, 6.7, 7	Manager, Business Services	• Participate in Council's cultural survey and skills matrix development programs
		IT integration	• Support innovation by implementing technologies that improve the way Council conducts its business and managed its information and data	7.7	Manager, Business Services	• In consultation with IT, develop agreed action plan for system integration and development, including o Hansen Upgrade (what, when and by Whom) o Integration with Finance systems o Integration with GIS and Customer Service System
		Performance Assessment Strategy	• Implement an effective, timely and accurate process for reporting and promoting best practice performance and ensuring that the business meets its statutory requirements	6.7, 7.1, 7.9, 7.11	Manager, Business Services	• Review and rationalise statutory and internal reporting • Develop systems/processes to streamline reporting • Undertake BM against Peers, establish KPIs across the business
		Communication	• Identify effective communication strategies for the business that ensure the provision of relevant information to customers • Encourage participation in water conservation	6.7, 7.2, 7.9, 7.10, 7.11, 7.14	Manager, Business Services	• Develop a communication plan to increase internal and external awareness of the business • Undertake a desktop audit of other regional water businesses to ascertain best practice in water education
		Quality	• Develop standard operating procedures for task related activities	6.7, 7.1	Manager, Business Services	• Develop a quality management framework
		Risk Management Strategy	• Understand and effectively manage the corporate risk profile	7.17	Manager, Business Services	• Develop a risk register for MWS activities (including mitigation strategies for high risk activities)

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5.0 The role of assets in our service delivery strategies

5.1 *Overview:*

Throughout the period of this Plan, Mackay Water Services will maintain a Strategic Asset/ Total Management Plan (TMP) in accordance with the requirements of the Water (Supply and Reliability) Act. This SAMP/TMP will demonstrate strategic support for this Plan and Council's overall Corporate Plan.

The Director, Commercial Services will confirm that during the period of this Plan, the assets under the control of Mackay Water Services have been:

- Incorporated in the business' fixed asset register[3];
- Identified, valued[4] and assessed for economic remaining useful lives;
- Adequately maintained;
- Productively utilised;
- Adequately protected; and
- Managed on a commercial basis to deliver the rate of return specified in Mackay Regional Council's Financial Plan.

All the infrastructure assets utilised by Mackay Water Services are owned by Mackay Regional Council. The costs of these assets are recognised in the dividend paid to Mackay Regional Council.

Mackay Regional Council's Financial Services will maintain asset valuations and depreciation on behalf of Mackay Water Services. These services will be managed under a service level agreement between the business and Council.

5.2 *Scope of the Businesses Assets:*

Mackay Water Services manages a significant portfolio of water services assets. The total replacement value of the existing assets is in excess of $550m and the assets have a written down value of around $400m. Key components of the network include the following:

The Water Network:

- Potable water for Mackay and Sarina is primarily drawn from the Pioneer River (with the point of extraction being immediately upstream of the Dumbleton Weir). This supply is secured by the Teemburra Dam
- Groundwater is used in other parts of the Shire (specifically in Mirani) as the primary source of supply
- At present, Mackay Water Services currently supplies an average of around 34ML/day to the existing connected population. The combination of growth within Mackay and the connection of Sarina to the Mackay network will mean that production will increase to around 43ML/d by 2011
- Raw Water is treated at the Nebo Road Water Treatment Plant. The business is currently undertaking an upgrade of this plant. The upgrade is aimed at improving the environmental performance of the sludge handling system, increasing plant capacity and providing improved quality of drinking water;

[3] The asset register will comply with requirements of Council's Non-Current Asset Policy.
[4] Mackay Water will value all assets under its control to meet Council's obligations under the Local Government Finance Standard 2005 and specifically to satisfy applicable Australian Accounting Standards and other prescribed requirements.

- The business distributes potable water to the connected population at Mackay and Sarina through a network of around 800km of water main, over 30 pumping stations and 30 reservoirs

The Wastewater Network:

- The main wastewater treatment facilities in the region are currently located at Bucasia and Bakers Creek. The business has recently completed a comprehensive review of infrastructure planning for the wastewater network within the Mackay City region;
- The business collects and transports wastewater through a network of over 650km of wastewater mains and more than 175 sewerage pump stations
- At present, the scope of sewer service within Sarina and Mirani is limited to the current urban growth area

5.3 *Projected Asset Replacement Cost Profile*

From studies undertaken to date, it appears that the business' assets are in reasonable condition. However, further work is proposed to ensure that the business understands the condition of its assets and associated renewal liability. Such work (will include:

- Condition assessment of all active assets (pump stations, reservoirs, treatment facilities etc);
- Condition assessment on select passive assets;
- Development of an asset renewal strategy; and
- Staged renewal of assets.

This review will be undertaken as a joint initiative of MWS and Councils Corporate Asset team. The scope and outcomes of the review will be managed under a Service Level agreement between the two parties.

The current forward forecast asset renewal liability is illustrated in Figures 5.2 and 5.3 below

Figure 5.2 – Asset renewal forecast - Water

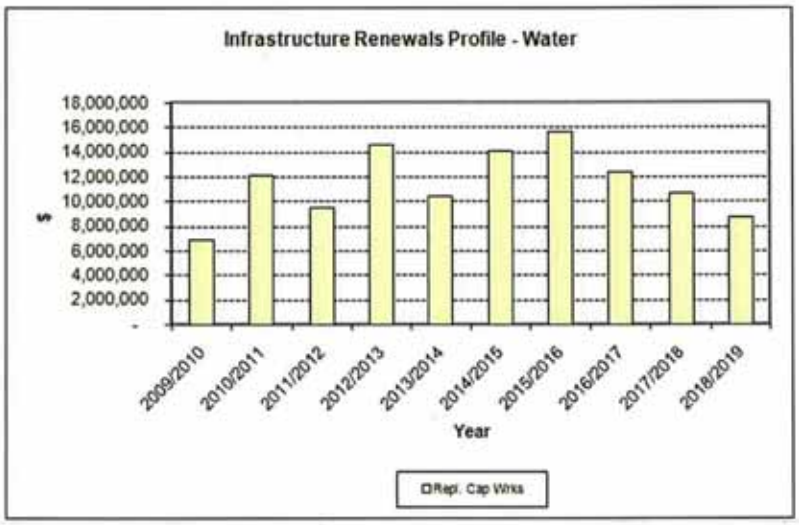
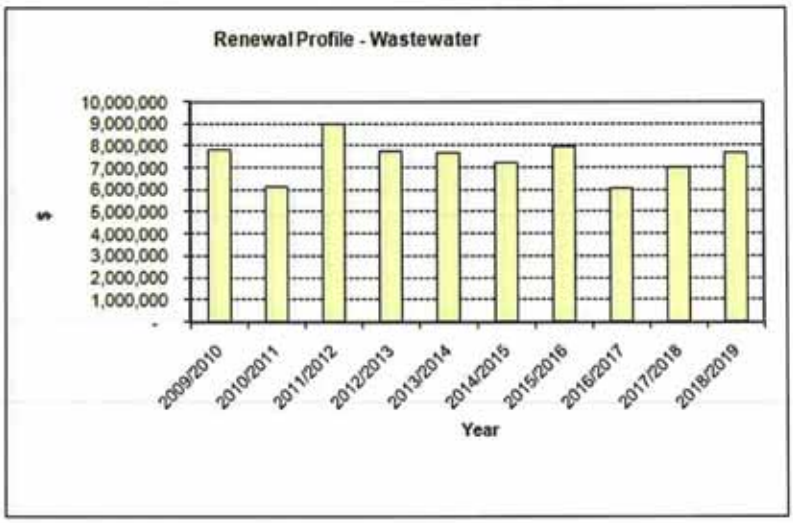


Figure 5.3 – Asset Renewal Forecast – Sewer



5.4 *Projected Capital Works Program*

Recognising the increase in demand for water services which has (and will continue to) result from the regions rapid growth, Mackay Water Services has undertaken a detailed review of a range of key infrastructure items and networks. This review has identified the need for a range of augmentations and extensions to the systems. While the scope of the final capital works investment is still under review, it is expected that the business will invest around $570m over the next 10 years.

The business' capital program represents those investments required to achieve the objectives and targets of the business over the next 10 years. The key drivers determining capital expenditure are:

- Customer Service Standards;
- Environmental and other standards;
- Population Growth and demographic changes;
- Business efficiency;
- Increased shareholder value;
- Total Management Plan (TMP) / Strategic Asset Management Plan (SAMP);
- State Government Legislation;
- Demand management, water conservation and potential impact on climate change; and
- Asset condition (Risk Management).

The business is developing a process for evaluation of all capital projects against business demand. This framework includes consideration of economic value, financial, demand management, due diligence, risk and ecologically sustainable development requirements.

As outlined below (in the summary of the business' financial sustainability), Mackay Water Services' existing strong balance sheet means that the business has the capability to fund this

development through a combination of accumulated cash reserves, headwork's reserves and loans.
The scope of the proposed investment in new capital works is summarised in Table 5.1 and Figures 5.4 and 5.5 below

Table 5.1 – Proposed Capital works program

		2009/2010
Water	New	$ 23,784,710
	Renewals	$ 6,921,040
Sewerage	New	$ 12,891,377
	Renewals	$ 7,833,065
Total Program		**$ 51,430,192**

Figure 5.4 – NEW Capital investment – Water

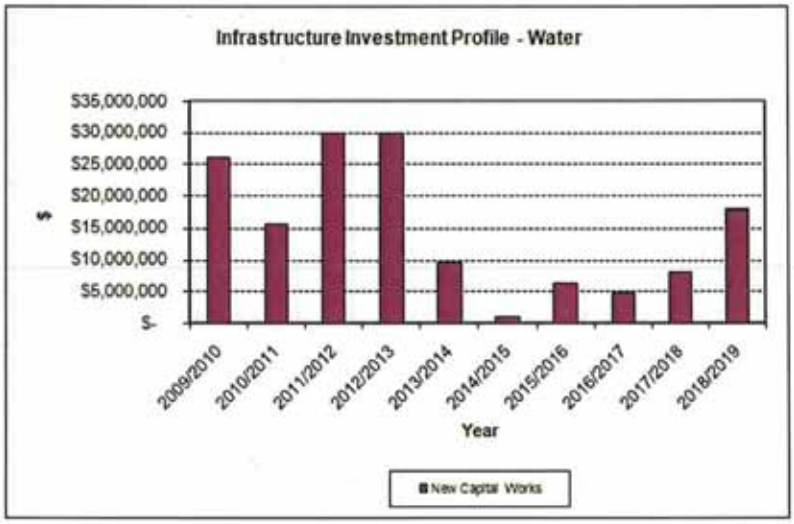
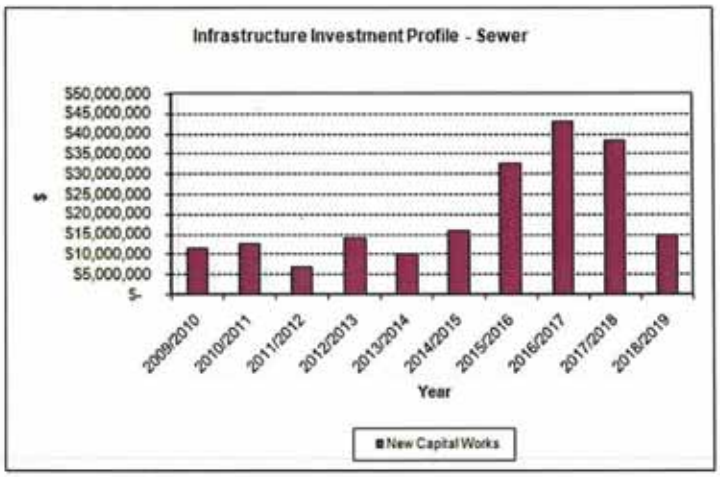


Figure 5.5 – NEW capital investment – Sewer



6.0 Risk Management:

6.1 *General:*

Mackay Water Services will comply with Council's established risk management policies and procedures and establish and maintain such systems as are necessary to manage and control the risks associated with the operations of the business. Mackay Water Services' approach to risk management will be outlined in the Total Management Plan Risk Management Strategy. Mackay Water Services' management system documentation and processes will be updated to conform to this risk management approach. Mackay Water Services will be working towards developing a culture that actively seeks to minimise risk at all levels.

6.2 *Insurance*

Mackay Water Services will have in place normal commercial insurances which are sourced and managed by Council's Governance Section.

7.0 Financial Capabilities:

7.1 *Overview of Financial Forecasting:*

Mackay Water Services has established comprehensive long term financial forecast models for both the water and sewerage components of the business. These models provide a detailed analysis of the projected financial performance of the business over a ten (10) year period. The key inputs to these models are the estimates of growth and associated demand for water services, pricing and revenue forecasts and the businesses capital investment program. The outcomes of this model includes forecast Statement of Cash flow, Operating Statement, Balance Sheet and Capital Funding Statements.

The outcomes of the financial modelling are provided in Appendix A1and A2. Key Financial Performance indicators are summarised in Table 7.1 below:

Table 7.1 – Key Financial Performance Indicators

Financial Indicators	Budget 2009/10
Operating Profit (before tax and abnormals)	$9,953,463
Total Return to Council (Dividend and TER) (**)	$8,504,673
Return on Net Operating Assets (before tax)	2.6%
Forecast debt ($)	$73,394,077
Debt: Equity Ratio	23%
Debt Repayment Ratio (I&R/Rates)	9.9%

Footnotes: (**) The above estimates of dividend payment to Council is currently under review

7.2 *Key assumptions in the analysis*

The financial modelling incorporates a range of key financial assumptions including:

Pricing Strategy:
The overall objectives underpinning the business pricing strategy include the following:

- Providing customers with value for money
- Recovering the full cost of operations
- Recognising the need to earn a competitive return on Mackay Regional Council's' investment
- Maintaining an appropriate balance between charges applied to new developments and annual charges that are applied to all customers

The business is currently undertaking a review of its overall pricing strategy. This will include a review of:

- Current tariff arrangements and the extent to which the business achieves full cost pricing (i.e. obtaining a commercial rate of return on its investment); and
- Current capital funding strategies including ensuring that the business recovers an appropriate level of cost for services provided (thereby minimising levels of debt).

The business proposes to discuss a range of pricing options with Council in the short term

Borrowings (Debt to Equity Ratio)
Mackay Water Services will work within the originally established debt to equity ratio of 40%. The business will seek capital debt funding as required to provide working capital and to fund new works provided the debt to equity ratio does not exceed 40% and is in accordance with Council's debt policy.

Mackay Water Services will be accountable for servicing its debt from its revenues. Mackay Water Services's existing debt facility is with Queensland Treasury Corporation. The business will continue to utilise Queensland Treasury Corporation for its borrowing requirements where:

- The terms and conditions offered by Queensland Treasury Corporation at least match those of other sources; and
- It is within Queensland Treasury Corporation's capacity to finance the particular project.

Regional Growth
The business' financial projections are based on overall growth in demand for water services of around 2.6% per annum.

Returns to Council:
Mackay Water Services will provide a return to Council which includes a taxation equivalent payment (TER) and Dividend. The taxation equivalent payment will include direct costs such as:

- Payroll Tax;
- Stamp Duty; and
- Land tax for any lands controlled by Mackay Water Services.

In accordance with principle of competitive neutrality, Mackay Water Services will be liable for payments with respect to:

- Fringe Benefits Tax;
- Council Rates and Charges; and
- Equivalent payments with respect to Income Tax.

Mackay Water Services will pay Mackay Regional Council an amount equivalent to around $8m for the 2009/10 year. The dividend is subject to NCP review and we anticipate that future dividends will be negotiated as a percentage of annual operating earnings, as recommended in the recently Council adopted Orion Consulting Report on NCP.

Capital Investment:
The investment criteria for capital investments undertaken by the business will include the following:

- The investment shall yield returns at least equivalent to Mackay Water Services's weighted average cost of capital[5];
- The investment shall be of such a size that Mackay Water Services can finance its equity, involvement from its own balance sheet and within its specified corporate gearing level;
- The structure of the investment shall ensure that Mackay Water Services can participate and influence the overall management of the capital project;
- The financial analysis shall contain prudent provision for assessed risks;
- The only financial risk exposure to the capital project that Mackay Water Services (and Mackay Regional Council) shall have is the extent of its equity involvement; and
- There shall be prior consultation with and approval from Mackay Regional Council for capital investments outside Queensland.

As outlined in Section 5.4, the Capital program for the next 10 years sums to around $570m. This will be funded by increases in the level of debt within the business from current levels in the order of $62m to around $164m.

7.3 *Financial Accountability*

7.3.1 General

Mackay Water Services will prepare monthly, quarterly and annual financial statements in accordance with the provisions of the *Local Government Finance Standard 2005* and will conform to Australian Accounting Standards, Statement of Accounting Concepts and other prescribed requirements as applicable. Financial reporting will be consistent with the requirements of Mackay Regional Council, and will be undertaken by Mackay Regional Council.

The financial results from Mackay Water Services will be consolidated as part of the financial affairs of the whole of Mackay Regional Council into a single economic activity.

[5] The businesses weighted average cost of capital is 8.19% and has been based on the current 10 year bill rate of 5.79% (Aug 22nd 08) plus 2.4% as per Local Government Bulletin 06/01

In accordance with the *Local Government Finance Standard 2005* and Council's internal procedures, Mackay Water Services will certify, on a timely basis, that the assets for which it is accountable have been:

- Physically verified and remain under its control;
- Adequately maintained;
- Productively utilised; and
- Adequately protected.

A new Financial Management Strategy has been developed for Mackay Water Services. This strategy provides a detailed analysis of the projected financial performance of the business over a ten (10) year period. The key inputs to this model are the estimates of growth and associated demand for Water Services and Pricing and Revenue Forecasts in the business capital investment program which are summarised above.

As identified in the Council adopted Orion Consulting Reporting, Mackay Water Services will seek to strengthen both its financial accountability and its financial management, through additional financial resources within Commercial Services.

7.3.2 Audit

Mackay Water Services will comply with the established internal audit program of Mackay Regional Council and will be subject to external audit in accordance with the audit program organised by Mackay Regional Council.

7.4 *Non Financial Performance Reporting:*

The key non-financial indicators are summarised in Tables 3.1 and 4.1. These parameters will be reported to Council on a monthly, quarterly and annual basis, as specified.

8.0 Management

8.1 *Support Services*

Mackay Water Services may use the existing Council support services.

The level of service provided to the Business Unit – (Mackay Water Services) will be the subject of a series of individual service level agreements between the Business Unit - (Mackay Water Services) and a variety of other Council Departments providing the service.

8.2 *Level of Autonomy*

The level of autonomy and delegation of the Director Commercial Services is as follows:

- Mackay Regional Council will be responsible for adopting broad policy directions on an annual basis for Mackay Water Services through the Annual Performance Plan;
- Mackay Regional Councillors may continue to interact directly with the Director Commercial Services in terms of customer service, response times and general performance in meeting levels of customer service;
- Mackay Regional Council will establish the delegations (purchase approval up to $150,000) to provide the appropriate level of responsibility for the conduct of the Performance Plan; and
- Financial responsibility will rest with the Director Commercial Services.

8.3 *Human Resources Issues*

Mackay Water Services will abide by Mackay Regional Council's human resources policies and procedures. The Director Commercial Services, Executive Manager and Program Managers are to retain control of staff and decision making with regard to staff issues after giving due consideration to advice provided by the Council's Human Resources Program.
Mackay Water Services employees will comply with Mackay Regional Council's Code of Conduct.

Mackay Water Services will have in place systems and resources necessary for compliance with all aspects of the Workplace Health & Safety Act and will strive to excel. Mackay Water Services will be supported in this regard by the corporate Human Resources Program through a service level agreement.

8.4 *Development of Annual Performance Plan*

As required under the *Local Government Act 1993*, the business will develop an Annual Performance Plan. This Performance Plan is to be reviewed on an annual basis commencing February each year and incorporated into the Mackay Regional Council Operational Plan. The objectives of Mackay Water Services will be incorporated into the Mackay Regional Council Corporate Plan when the next review is undertaken.

8.5 *Modification*

The Chief Executive Officer in conjunction with the Director Commercial Services can make modifications to the Performance Plan. Such modification is to be notified to the Ordinary Meeting prior to inclusion in the Performance Plan.

Appendix A.1 – Financial Projections – Water

Mackay Water and Waste - Water Services

Profit and Loss (Operating) Statement

Return to Start

	Year	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Operating Revenue/Expenses	REVENUE										
	Water Rates and Charges	$ 24,548,483	$ 25,323,812	$ 29,043,374	$ 33,309,264	$ 38,201,729	$ 42,248,056	$ 43,262,009	$ 44,300,298	$ 45,363,505	$ 46,452,229
	Other Commercial Services	$ 1,560,651	$ 2,183,530	$ 2,445,554	$ 2,739,820	$ 3,067,702	$ 3,313,119	$ 3,313,119	$ 3,313,119	$ 3,313,119	$ 3,313,119
	Interest Revenue	$ 1,324,612	$ 365,000	$ 326,068	$ 143,253	$ 36,845	$ 23,117	$ 24,978	$ 90,388	$ 110,539	$ 94,132
	Community Service Obligations	$ 165,127	$ 173,383	$ 173,383	$ 173,383	$ 173,383	$ 173,383	$ 173,383	$ 173,383	$ 173,383	$ 173,383
	Non-Capital Grants and Subsidies	$ 90,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Other Revenue	$ 212,057	$ 162,000	$ 162,000	$ 162,000	$ 162,000	$ 162,000	$ 162,000	$ 162,000	$ 162,000	$ 162,000
	Total Operating Revenue	$ 27,890,929	$ 28,207,725	$ 32,149,378	$ 36,526,920	$ 41,641,660	$ 45,919,674	$ 46,935,490	$ 48,039,187	$ 49,122,545	$ 50,194,862
	EXPENDITURE										
	Operations &Maintenence Expense	$ 10,455,369	$ 12,587,857	$ 13,534,464	$ 14,552,256	$ 15,646,585	$ 16,823,208	$ 18,088,314	$ 19,448,555	$ 20,911,086	$ 22,483,600
	Management and Administration			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Depreciation	$ 5,435,420	$ 8,460,251	$ 6,560,980	$ 6,907,298	$ 7,399,733	$ 7,911,035	$ 8,135,613	$ 8,200,360	$ 8,332,078	$ 8,450,658
	Expenditure - Non-Recurring		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Other operating expenses	$ 2,460,554	$ 2,654,306	$ 2,654,306	$ 2,654,306	$ 2,654,306	$ 2,654,306	$ 2,654,306	$ 2,654,306	$ 2,654,306	$ 2,654,306
	Total Operating Expenditure	$ 18,351,343	$ 23,702,414	$ 22,749,750	$ 24,113,859	$ 25,700,624	$ 27,388,550	$ 28,878,233	$ 30,303,220	$ 31,897,470	$ 33,588,564
	EBIT (Excl Capital adj)	$9,539,587	$4,505,311	$9,399,628	$12,413,060	$15,941,036	$18,531,125	$18,057,257	$17,735,967	$17,225,075	$16,606,299
	Interest Expense	$ 530,009	$ 927,519	$ 2,199,007	$ 3,828,236	$ 5,676,191	$ 5,586,859	$ 5,414,457	$ 5,229,759	$ 5,031,889	$ 4,819,903
	Net Operating Profit (Loss)	$9,009,578	$3,577,792	$7,200,622	$8,592,825	$10,264,844	$12,944,266	$12,642,800	$12,506,207	$12,193,186	$11,786,396
Abnormal (Capital) Adjustments	ABNORMAL/CAPITAL RELATED REVENUE										
	Capital Grants and Subsidies	$ 40,000	$ 5,240,491	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Infrastructure Charges (Headworks)	$ 3,029,371	$ 4,544,057	$ 4,653,114	$ 4,764,789	$ 4,879,144	$ 4,996,243	$ 5,116,153	$ 5,238,948	$ 5,364,675	$ 5,493,427
	Donated Assets		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Funds from Disposal of Non current assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total Abnormal/Capital related Revenue	$ 3,069,371	$ 9,784,548	$ 4,653,114	$ 4,764,789	$ 4,879,144	$ 4,996,243	$ 5,116,153	$ 5,238,948	$ 5,364,675	$ 5,493,427
	ABNORMAL/CAPITAL RELATED EXPENSE										
	Abnormal and Extraordinary Items	$ 64,938	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total Abnormal/Capital Related Expense	$ 64,938	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PROFIT	Total Operating Profit (EBIT)	$ 9,539,587	$ 4,505,311	$ 9,399,628	$ 12,413,060	$ 15,941,036	$ 18,531,125	$ 18,057,257	$ 17,735,967	$ 17,225,075	$ 16,606,299
	Gross Profit (EBIT- Abnormals)	$8,944,640	$3,577,792	$7,200,622	$8,592,825	$10,264,844	$12,944,266	$12,642,800	$12,506,207	$12,193,186	$11,786,396
	Taxable Income	$ 12,014,011	$ 13,362,340	$ 11,853,736	$ 13,357,613	$ 15,143,988	$ 17,940,509	$ 17,758,953	$ 17,745,148	$ 17,557,861	$ 17,279,823
	Income Tax Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Operating Profit (After Tax, before abnormals)	$9,009,578	$3,577,792	$7,200,622	$8,592,825	$10,264,844	$12,944,266	$12,642,800	$12,506,207	$12,193,186	$11,786,396
	Profit (Loss) after tax and incl. abnorr	$12,014,011	$13,362,340	$11,853,736	$13,357,613	$15,143,988	$17,940,509	$17,758,953	$17,745,148	$17,557,861	$17,279,823
	Distributed Profit (Dividend Paid from Operating	$ 3,797,203	$ 3,357,063	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000
	Total Payment to Council	$ 3,797,203	$ 3,357,063	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000

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MACKAY WATER SERVICES
PERFORMANCE PLAN 2009/10

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Mackay Water and Waste - Water Services
Cashflow Statement

Return to Start

Cash Flow

	Year	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Opening Balance		$13,740,865	$7,930,320	$1,619,847	$836,499	$704,612	$960,621	$5,065,239	$2,304,000	$3,971,448
Operating Revenue/Expenses	**Operating Revenue**										
	Water Rates and Charges	$24,548,483	$25,323,812	$29,043,374	$33,309,264	$38,201,729	$42,248,056	$43,262,009	$44,300,298	$45,363,505	$46,452,229
	Other Commercial Services	$1,550,651	$2,183,530	$2,445,554	$2,739,020	$3,067,702	$3,313,119	$3,313,119	$3,313,119	$3,313,119	$3,313,119
	Interest Revenue	$1,324,612	$365,000	$325,068	$143,253	$36,845	$23,117	$24,978	$90,388	$110,539	$94,132
	Community Service Obligations	$165,127	$173,383	$173,383	$173,383	$173,383	$173,383	$173,383	$173,383	$173,383	$173,383
	Non-Capital Grants and Subsidies	$90,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Other Revenue	$212,057	$162,000	$162,000	$162,000	$162,000	$162,000	$162,000	$162,000	$162,000	$162,000
	Total Operating Revenue	$27,890,929	$28,207,725	$32,149,378	$36,526,920	$41,641,660	$45,919,674	$46,935,490	$48,039,187	$49,122,545	$50,194,862
	Operating Expenses:										
	Operations &Maintenence Expense	$10,455,369	$12,587,857	$13,534,464	$14,552,256	$15,646,585	$16,823,208	$18,088,314	$19,448,555	$20,911,086	$22,483,600
	Management and Administration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Interest Expense	$530,009	$927,519	$2,199,007	$3,820,236	$5,676,191	$5,586,859	$5,414,457	$5,229,759	$5,031,889	$4,819,903
	Expenditure - Non-Recurring	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Other operating expenses	$2,460,554	$2,654,306	$2,654,306	$2,654,306	$2,654,306	$2,654,306	$2,654,306	$2,654,306	$2,654,306	$2,654,306
	Income Tax Payable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Distributed Profit (Dividend Paid from Operating Profit)	$3,797,203	$3,357,063	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000
	Total Operating Cost	$17,243,134	$19,526,745	$22,387,776	$25,026,797	$27,977,082	$29,064,374	$30,157,076	$31,332,620	$32,597,281	$33,957,809
	Operating Cash Surplus/Deficiency	$10,647,795	$8,680,980	$9,761,601	$11,500,122	$13,664,577	$16,855,301	$16,778,413	$16,706,567	$16,525,264	$16,237,054
Abnormal (Capital) Adjustments	**Capital Revenue:**										
	Funds from Disposal of Non current assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Funds from Infrastructure Charges 9Headworks)	$3,029,371	$4,544,057	$4,653,114	$4,764,789	$4,879,144	$4,996,243	$5,116,153	$5,238,940	$5,364,675	$5,493,427
	Loans for Capital Expenditure (incl Internal and External Loans)	$7,334,820	$7,000,000	$8,000,000	$24,000,000	$28,000,000	$1,000,000	$0	$0	$0	$0
	Capital Subsidies/Grants	$2,151,113	$5,240,491	$0	$0	$0	$0	$0	$0	$0	$0
	Total Capital Revenue	$12,515,304	$16,784,548	$12,653,114	$28,764,789	$32,879,144	$5,996,243	$5,116,153	$5,238,940	$5,364,675	$5,493,427
	Capital Expenses										
	New Capital Works Expenditure	$4,389,883	$23,784,710	$15,821,899	$30,044,795	$29,819,125	$9,706,842	$1,102,610	$6,278,401	$4,843,027	$8,020,238
	Replacement Capital Works Expenditure	$8,756,527	$6,921,040	$12,095,820	$9,551,794	$14,617,765	$10,466,251	$14,092,492	$15,648,804	$12,402,051	$10,634,634
	Redemption on Loans	$371,631	$570,323	$807,470	$1,451,671	$2,238,717	$2,422,442	$2,594,845	$2,778,542	$2,977,413	$3,189,399
	Total Capital Expense	$13,518,041	$31,276,073	$28,725,188	$41,048,260	$46,675,607	$22,595,535	$17,789,947	$24,705,747	$20,222,491	$21,844,270
	Cash Movement in year	$9,645,058	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$256,008	$4,104,619	$ [illegible]	$1,667,448	$ [illegible]
	Closing Balance	$13,740,865	$7,930,320	$1,619,847	$836,499	$704,612	$960,621	$5,065,239	$2,304,000	$3,971,448	$3,857,659

Mackay Water and Waste - Water Services

Balance Sheet

Return to Start

Year	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Current Assets										
Cash & investments	$13,740,865	$7,930,320	$1,519,847	$836,499	$704,612	$960,621	$5,065,239	$2,304,000	$3,971,448	$3,857,659
Non-Current Assets										
Non-current assets at current replacemer	$ 140,029,873	$ 163,814,583	$ 179,636,482	$ 209,681,277	$ 239,500,402	$ 249,207,244	$ 250,309,854	$ 256,588,255	$ 261,431,282	$ 269,451,520
Accumulated depreciation		$ 1,539,211	-$ 3,995,629	-$ 6,640,125	-$ 13,858,157	-$ 16,413,373	-$ 22,370,252	-$ 29,818,696	-$ 33,888,669	-$ 36,072,645
Net book value	$ 140,029,873	$ 162,275,372	$ 183,632,111	$ 216,321,401	$ 253,358,558	$ 265,620,616	$ 272,680,106	$ 286,406,951	$ 295,319,951	$ 305,524,165
TOTAL ASSETS	$ 153,770,738	$ 170,205,692	$ 185,251,958	$ 217,157,900	$ 254,063,171	$ 266,581,237	$ 277,745,345	$ 288,710,951	$ 299,291,399	$ 309,381,823
Current Liabilities										
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Entitlements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-Current Liabilities										
Long Term Loans	$ 15,782,118	$ 22,211,796	$ 29,404,326	$ 51,952,655	$ 77,713,938	$ 76,291,496	$ 73,696,651	$ 70,917,109	$ 67,939,696	$ 64,750,297
TOTAL LIABILITIES	$ 15,782,118	$ 22,211,796	$ 29,404,326	$ 51,952,655	$ 77,713,938	$ 76,291,496	$ 73,696,651	$ 70,917,109	$ 67,939,696	$ 64,750,297
Net Assets	$ 137,988,620	$ 147,993,896	$ 155,847,632	$ 165,205,245	$ 176,349,233	$ 190,289,741	$ 204,048,694	$ 217,793,842	$ 231,351,703	$ 244,631,526
Shareholder Equity:										
Capital account	$ 125,438,394	$ 137,278,885	$ 137,278,885	$ 137,278,885	$ 137,278,885	$ 137,278,885	$ 137,278,885	$ 137,278,885	$ 137,278,885	$ 137,278,885
Constrained Works Reserves	$2,030,055	$1,629,893	$61,108	$81,101	$3,141,120	$30,521	$4,044,063	$3,004,603	$3,526,251	$999,440
Other reserves	$10,520,171	$8,684,957	$16,538,692	$25,896,305	$37,040,293	$50,980,802	$64,739,755	$78,484,902	$92,042,763	$105,322,586
TOTAL EQUITY	$ 137,988,620	$ 147,593,734	$ 153,878,685	$ 163,256,291	$ 177,460,297	$ 188,290,207	$ 206,062,702	$ 218,768,390	$ 232,847,899	$ 243,600,911

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MACKAY WATER SERVICES
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Appendix A.2– Financial Projections – Sewer

Mackay

Mackay Water and Waste - Sewerage Services

Profit and Loss (Operating) Statement

Return to Start

	Year	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Operating Revenue/Expense	REVENUE											
	Sewerage Rates and Charges	$ 22,917,711	$ 26,448,559	$ 29,249,990	$ 32,348,149	$ 35,774,465	$ 39,563,697	$ 42,538,887	$ 45,737,811	$ 49,177,294	$ 52,875,427	$ 56,851,659
	Other Commercial Services	$ 1,164,618	$ 2,062,300	$ 2,227,284	$ 2,405,467	$ 2,597,904	$ 2,805,736	$ 2,946,023	$ 3,093,324	$ 3,247,991	$ 3,410,390	$ 3,580,910
	Interest Revenue	$ 837,534	$ 330,000	$ 463,692	$ 248,194	$ 77,228	$ 39,011	$ 35,946	$ 37,267	$ 36,658	$ 32,425	$ 34,066
	Community Service Obligations	$ 197,776	$ 207,665	$ 207,665	$ 207,665	$ 207,665	$ 207,665	$ 207,665	$ 207,665	$ 207,665	$ 207,665	$ 207,665
	Non-Capital Grants and Subsidies	$ 38,333	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Other Revenue	$ 136,395	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
	Total Operating Revenue	$ 25,294,367	$ 29,128,524	$ 32,228,632	$ 35,289,475	$ 38,737,262	$ 42,696,109	$ 45,808,521	$ 49,156,067	$ 52,749,608	$ 56,605,907	$ 60,754,300
	EXPENDITURE											
	Operations &Maintenance Expence	$ 8,987,506	$ 13,938,464	$ 14,986,636	$ 16,113,632	$ 17,325,377	$ 18,628,245	$ 20,129,089	$ 21,642,796	$ 23,278,335	$ 25,026,264	$ 26,901,780
	Management and Administration		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Depreciation	$ 4,013,164	$ 7,569,774	$ 5,952,720	$ 6,217,264	$ 6,352,089	$ 6,632,438	$ 6,839,108	$ 7,111,624	$ 7,698,471	$ 8,493,296	$ 9,234,345
	Expenditure - Non-Recurring		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Other operating expenses	$ 1,763,127	$ 2,172,134	$ 2,172,134	$ 2,172,134	$ 2,172,134	$ 2,172,134	$ 2,172,134	$ 2,172,134	$ 2,172,134	$ 2,172,134	$ 2,172,134
	Total Operating Expenditure	$ 14,763,797	$ 23,680,372	$ 23,111,490	$ 24,503,030	$ 25,849,599	$ 27,432,817	$ 29,140,331	$ 30,926,554	$ 33,148,940	$ 35,685,694	$ 38,308,257
	EBIT (Excl Capital adj)	$10,520,570	$5,448,152	$9,117,141	$10,786,445	$12,887,663	$15,263,292	$16,668,190	$18,229,453	$19,608,668	$20,920,212	$22,446,033
	Interest Expense	$ 2,210,506	$ 3,006,901	$ 4,003,363	$ 4,045,095	$ 4,530,721	$ 4,538,301	$ 4,847,249	$ 6,358,852	$ 8,481,583	$ 10,355,360	$ 10,369,181
	Net Operating Profit (Loss)	$8,310,064	$2,441,251	$5,113,778	$6,741,350	$8,356,941	$10,724,991	$11,820,941	$11,870,601	$11,127,085	$10,564,852	$12,076,851
Abnormal (Capital) Adjustments	ABNORMAL/CAPITAL RELATED REVENUE											
	Capital Grants and Subsidies	$ 304,091	$ 182,170	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Infrastructure Charges (Headworks)	$ 2,000,000	$ 2,000,000	$ 4,000,000	$ 4,096,000	$ 4,194,304	$ 4,294,967	$ 4,398,047	$ 4,503,600	$ 4,611,686	$ 4,722,366	$ 4,836,703
	Donated Assets		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Funds from Disposal of Non current assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total Abnormal/Capital related Revenue	$ 2,304,091	$ 2,182,170	$ 4,000,000	$ 4,096,000	$ 4,194,304	$ 4,294,967	$ 4,398,047	$ 4,503,600	$ 4,611,686	$ 4,722,366	$ 4,836,703
	ABNORMAL/CAPITAL RELATED EXPENSE											
	Abnormal and Extraordinary Items	$ 13,923	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total Abnormal/Capital Related Expense	$ 13,923	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PROFIT	Total Operating Profit (EBIT)	$ 10,520,570	$ 5,448,152	$ 9,117,141	$ 10,786,445	$ 12,887,663	$ 15,263,292	$ 16,668,190	$ 18,229,453	$ 19,608,668	$ 20,920,212	$ 22,446,033
	Gross Profit (EBIT- Abnormals)	$8,296,141	$2,441,252	$5,113,778	$6,741,350	$8,356,941	$10,724,991	$11,820,941	$11,870,601	$11,127,085	$10,564,852	$12,076,851
	Taxable Income	$ 10,600,232	$ 4,623,422	$ 9,113,778	$ 10,837,350	$ 12,551,245	$ 15,019,958	$ 16,218,987	$ 16,374,209	$ 15,738,772	$ 15,287,218	$ 16,912,555
	Income Tax Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Operating Profit (After Tax, before abnormals)	$8,310,064	$2,441,251	$5,113,778	$6,741,350	$8,356,941	$10,724,991	$11,820,941	$11,870,601	$11,127,085	$10,564,852	$12,076,851
	Profit (Loss) after tax and incl. abnorr	$10,600,232	$4,623,422	$9,113,778	$10,837,350	$12,551,245	##########	##########	##########	$15,738,772	$15,287,218	$16,912,555
	Distributed Profit (Dividend Paid from Operating	$ 4,302,485	$ 5,147,610	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000
	Total Payment to Council	$ 4,302,485	$ 5,147,610	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000

Mackay Water and Waste - Sewerage Services

Cashflow Statement

Return to Start

Cash Flow

	Year	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Opening Balance		$18,107,265	$12,805,555	$3,740,724	$1,407,802	$1,192,940	$1,203,466	$1,277,008	$1,166,869	$994,785	$1,276,284
Operating Revenues/Expenses	Operating Revenue											
	Sewerage Rates and Charges	$22,917,711	$26,448,559	$29,249,990	$32,348,149	$35,774,465	$39,563,697	$42,538,887	$45,737,811	$49,177,294	$52,875,427	$56,851,659
	Other Commercial Services	$1,164,618	$2,062,300	$2,227,284	$2,405,467	$2,597,904	$2,805,736	$2,946,023	$3,093,324	$3,247,991	$3,410,390	$3,580,910
	Interest Revenue	$837,534	$330,000	$463,692	$248,194	$77,228	$39,011	$35,946	$37,207	$36,658	$32,425	$34,066
	Community Service Obligations	$197,776	$207,665	$207,665	$207,665	$207,665	$207,665	$207,665	$207,665	$207,665	$207,665	$207,665
	Non-Capital Grants and Subsidies	$30,333	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Other Revenue	$136,395	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000
	Total Operating Revenue	$25,284,367	$29,128,524	$32,228,632	$35,289,475	$38,737,262	$42,696,109	$45,808,521	$49,156,007	$52,749,608	$56,605,907	$60,754,300
	Operating Expenses:											
	Operations &Maintenence Expense	$8,987,506	$13,538,464	$14,986,636	$16,113,632	$17,325,377	$18,628,245	$20,129,089	$21,642,796	$23,270,335	$25,020,264	$26,901,788
	Management and Administration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Interest Expense	$2,210,506	$3,006,961	$4,003,363	$4,045,095	$4,530,721	$4,538,301	$4,847,249	$6,358,852	$8,481,583	$10,355,360	$10,369,181
	Expenditure - Non-Recuring	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Other operating expenses	$1,763,127	$2,172,134	$2,172,134	$2,172,134	$2,172,134	$2,172,134	$2,172,134	$2,172,134	$2,172,134	$2,172,134	$2,172,134
	Income Tax Payable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Distributed Profit (Dividend Paid from Operating Profit)	$4,302,485	$5,147,610	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000
	Total Operating Cost	$17,263,624	$24,265,109	$25,162,134	$26,330,861	$28,028,232	$29,338,680	$31,148,472	$34,173,783	$37,924,052	$41,547,758	$43,443,103
	Operating Cash Surplus/Deficiency	$8,020,743	$4,863,415	$7,066,498	$8,958,615	$10,709,030	$13,357,429	$14,660,049	$14,982,225	$14,825,556	$15,058,148	$17,311,196
Abnormal (Capital) Adjustments	Capital Revenue:											
	Funds from Disposal of Non current assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Funds from Infrastructure Charges 3Headworks)	$2,000,000	$2,000,000	$4,000,000	$4,096,000	$4,194,304	$4,294,967	$4,398,047	$4,503,600	$4,611,686	$4,722,366	$4,835,703
	Loans for Capital Expenditure (incl Internal and External Loans)	$4,899,140	$9,350,000	$0	$2,000,000	$8,500,000	$2,000,000	$6,500,000	$24,000,000	$33,500,000	$31,000,000	$5,500,000
	Capital Subsidies/Grants	$304,091	$182,170	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Capital Revenue	$7,193,231	$11,532,170	$4,000,000	$6,096,000	$12,694,304	$6,294,967	$10,898,047	$28,503,600	$38,111,686	$35,722,366	$10,335,703
	Capital Expenses											
	New Capital Works Expenditure	$39,688,567	$12,696,511	$12,735,263	$6,989,509	$14,154,596	$10,048,185	$16,020,164	$32,667,889	$43,015,847	$38,430,966	$14,807,469
	Replacement Capital Works Expenditure	$0	$7,833,065	$6,137,210	$8,952,118	$7,740,977	$7,689,855	$7,255,955	$7,965,813	$6,091,784	$7,013,953	$7,646,517
	Redemption on Loans	$0	$1,167,719	$1,258,856	$1,405,910	$1,722,623	$1,903,829	$2,208,435	$2,962,262	$4,001,695	$5,054,098	$5,559,438
	Total Capital Expense	$39,688,567	$21,697,295	$20,131,329	$17,387,537	$23,618,196	$19,641,870	$25,484,554	$43,595,964	$53,109,326	$50,499,016	$28,013,424
	Cash Movement in year	-$24,474,593	-$9,301,710	-$9,064,831	-$2,332,922	-$214,862	$10,527	$73,542	-$110,139	-$172,083	$281,499	$368,524
	Closing Balance	$18,107,265	$12,805,555	$3,740,724	$1,407,802	$1,192,940	$1,203,466	$1,277,008	$1,166,869	$994,785	$1,276,284	$909,760

MACKAY WATER SERVICES
PERFORMANCE PLAN 2009/10

Mackay

Return to Start

Mackay Water and Waste - Sewerage Services
Balance Sheet

Year	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Current Assets											
Cash & investments	$18,107,265	$12,805,555	$3,740,724	$1,407,802	$1,192,940	$1,203,466	$1,277,008	$1,166,869	$994,785	$1,276,284	$909,760
Non-Current Assets											
Non-current assets at current replacement	$200,683,427	$213,379,938	$226,115,201	$233,104,710	$247,259,306	$257,307,491	$273,327,655	$305,995,544	$349,011,390	$387,442,356	$402,249,825
Accumulated depreciation		$ 263,291	$ 447,781	-$ 3,222,635	-$ 4,611,524	-$ 5,668,941	-$ 6,085,788	-$ 6,939,977	-$ 5,333,290	-$ 3,853,946	$ 2,266,118
Net book value	$200,683,427	$213,643,229	$226,562,982	$236,327,345	$251,870,830	$262,976,432	$279,413,443	$312,935,520	$354,344,680	$391,296,302	$404,515,943
TOTAL ASSETS	$218,790,692	$226,448,784	$230,303,706	$237,735,147	$253,063,769	$264,179,898	$280,690,451	$314,102,389	$355,339,466	$392,572,586	$405,425,703
Current Liabilities											
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Entitlements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-Current Liabilities											
Long Term Loans	$ 43,000,000	$ 51,182,281	$ 49,923,426	$ 50,517,516	$ 57,294,893	$ 57,391,064	$ 61,682,628	$ 82,720,366	$ 112,218,671	$ 138,164,574	$ 138,105,135
TOTAL LIABILITIES	$ 43,000,000	$ 51,182,281	$ 49,923,426	$ 50,517,516	$ 57,294,893	$ 57,391,064	$ 61,682,628	$ 82,720,366	$ 112,218,671	$ 138,164,574	$ 138,105,135
Net Assets	$175,790,692	$175,266,502	$180,380,281	$187,217,631	$195,768,876	$206,788,835	$219,007,822	$231,382,023	$243,120,794	$254,408,013	$267,320,567
Shareholder Equity:											
Capital account	$169,797,036	$167,979,205	$176,779,205	$177,779,205	$179,779,205	$183,279,205	$188,379,205	$192,879,205	$197,879,205	$200,879,205	$205,079,205
Constrained Works Reserves		$2,000,000	$64,737	$75,228	$516,632	$162,750	$37,554	$267,712	$255,465	$436,185	$51,082
Other reserves	$5,993,656	$5,287,298	$1,601,076	$7,438,425	$13,989,671	$21,509,630	$28,628,617	$36,502,818	$43,241,589	$51,528,808	$60,241,363
TOTAL EQUITY	$175,790,692	$175,266,502	$178,445,018	$185,292,859	$194,285,508	$204,951,585	$217,045,376	$229,649,734	$241,376,259	$252,844,198	$265,371,650

MACKAY ENTERTAINMENT CONVENTION CENTRE MECC

Performance Plan 2009-2010

Mackay REGIONAL COUNCIL

A BUSINESS UNIT OF
MACKAY REGIONAL COUNCIL

Commercial-in-Confidence

MACKAY ENTERTAINMENT

& CONVENTION CENTRE

This 2009/2010 Performance Plan has been agreed between:

_____
Director Community Services

AND

_____
Mayor
Mackay Regional Council

_____
Chief Executive Officer
Mackay Regional Council

Date: _____

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1. PURPOSE

This Annual Performance plan is intended to outline the commercial objectives, financial performance targets and business activities of Mackay Entertainment & Convention Centre (MECC) as a type Three Business Activity established under National Competition Principles. For the purposes of reporting, the financial results of Artspace have been included as part of the Mackay Convention Precinct for the 2009/10 Financial Year. The Annual Performance Plan is consistent with Council's Corporate Plan.

2. STRATEGIC DIRECTION OF MACKAY ENTERTAINMENT & CONVENTION CENTRE

2.1 Vision

To be the premium provider of performing arts programs and conference facilities and to provide an increasing range of performing arts, function and convention facilities which are responsive to community and corporate needs.

2.2 Mission

To enhance the quality of life for our community by ensuring the provision of a contemporary facility which caters for a range of services, encompassing, arts, conferences and corporate events while encouraging diverse cultural awareness and experience.

2.3 Desired Business Outcomes

- To meet all of the requirements of statutory Licences (liquor etc)
- To operate at least as efficiently as any comparable business
- To maximise the net worth of the Council investment in the business
- To enhance and expand use and productivity of the facility
- To exhibit a sense of social responsibility by having regard to the interests of the community
- To perform at a high level of enthusiasm and confidence in seeking expanding opportunities
- To contribute to the economic and cultural growth of the region

2.4 Price

- To provide services to customers at prices that reflect value for money
- To pursue high level of usage and hire of the Centre to minimise Council's significant Community Service Obligation
- To apply prices which are consistent with Council's Ten Year Strategic Financial Plan
- To ensure cost recovery occurs for commercial operations

2.5 Assets

- To maintain and operate, at an optimal overall cost, a system of assets needed to provide the operating capability required to deliver performing arts and functions
- To maintain and operate, at an optimal overall cost, a system of assets needed to provide the operating capability required to deliver performing arts and functions
- To acquire, at an optimal cost, new assets required to provide essential improvement or financially viable expansion of the MECC facilities and services

2.6 Product

- To deliver a high level of service to all customers in a cost effective manner
- To ensure entrepreneurial activities are adequately evaluated prior to purchase
- To maintain a direction towards hire of the Centre as opposed to purchase of shows
- To be consistent with contemporary industry trends
- To maintain the assistance of the "Friends of the Theatre" in provision of services

3. NATURE AND SCOPE OF ACTIVITIES

3.1 Core Business

- Ensure performing arts are adequately catered to in terms of the utilisation of the Centre
- Ensure that equipment and services associated with the provision of functions are adequately provided
- Develop sponsorship for use of the Centre and entrepreneurial activities where possible
- Develop utilisation of the Centre for training/seminar/presentation activities
- Develop a business and strategic plan for Convention business.

Regulatory functions to be performed by the Centre:

- Compliance with Liquor Licensing Requirements
- Compliance with Workplace Health and Safety Regulations

3.1 Non Commercial Activities

Other work to be performed by the Mackay Entertainment & Convention Centre:

- Provision of services / activities / presentations on behalf of Mackay Regional Council
- Provision of information and technical advice to Council
- Provision of entrepreneurial activities which are undertaken by the Mackay Entertainment & Convention Centre
- Provision of a high quality range of topical Festivals and Events

The primary focus of these activities is to acknowledge that the Mackay Entertainment & Convention Centre is a community facility, which should be supported in generating the capacity to hold events / performances and functions.

3.3 Catering Facilities

A contract exists for the provision of catering rights to the MECC. These rights are subject to an individual contract between the Lessee (Mackay Regional Council) and the Lessor (presently Grinders Corporate Catering).

3.4 Marketing

The Mackay Entertainment & Convention Centre should be appropriately marketed to maintain and expand its sustainability and relevance to the community.

- Develop a marketing plan for the Mackay Entertainment and Convention Centre which integrates the performing arts and convention operations.

4. LEVEL AND QUALITY OF SERVICE

4.1 Customer Charter

The Mackay Entertainment & Convention Centre is to provide activities/services in a manner that meets accepted social, health, economic and environmental standards.

The objectives include:

- The Mackay Entertainment & Convention Centre considers that a high level of customer satisfaction with services provided is essential
- That the community and commercial hirers perceive that the Mackay Entertainment & Convention Centre is committed to ensuring the provision of an adequate range of facilities, services and equipment
- The customer charter is based on service excellence
- The development of a high level of customer loyalty to the Centre

4.2 Consumers

4.2.1 Service

Mackay Entertainment & Convention Centre customers have a right to expect the provision of services to customer requests at the levels and responses as detailed below:

- Customer hire queries should be replied to within twenty-four (24) hours
- Customer performance queries should be replied to within twenty-four (24) hours

These service levels are not applicable in times of natural disasters.

4.2.2 Service Performances/Activities/Seminars/Presentations

- Issues raised by Performance/Function Managers are to be resolved within seventy-two (72) hours
- Performances/activities/seminars are to be provided at a commercially viable price where cost recovery occurs

4.2.3 Consultation

Mackay Entertainment & Convention Centre customer hirers have a right to be consulted about all aspects relating to the bump in/out and operation of the Centre which will impact on their event. The Mackay Entertainment & Convention Centre is to address issues raised in a timely and commercial manner.

4.3 Council

Mackay Regional Council expects the Mackay Entertainment & Convention Centre to deliver the following service standards:

- Operational costs to be at least in accordance with benchmarked industry standards of other Centres
- Maintenance Operation costs per square metre or per week are to be provided at a comparable level to at least three (3) other similar Centres

- Utilisation of the Centre is to be developed in conjunction with E-Commerce initiatives
- The Mackay Entertainment & Convention Centre is to develop an Australia-wide partnership approach to performance bookings.

4.4 Entertainment & Convention Centre

The Mackay Entertainment & Convention Centre representing Council has the following rights subject to the necessary Council requirements.

4.4.1 Fees

The right to implement fees and charges, which equate to the full cost of providing services by the MECC.

When hire fees and charges change, the change will apply from the next application for an event for which a contract has been issued.

The Manager has the right to negotiate hire fees and charges at a level which will increase customer loyalty taking into account full cost pricing. These fees are to be calculated and identified on a fees and charges hire document. Where fees are negotiated then such fees are to be advised in the following monthly report. The Director Community Services is to approve such fees or delegate where appropriate.

The fee charged is to be recorded on a reconciliation which indicates the dissection of the fee so charged. Such dissection is to be filed for future reference in the event of a dispute.

4.4.2 Performance/Activities/Services/Presentations

The Manager, Mackay Convention Precinct & Events has the right to refuse availability of the Centre where the event is not considered appropriate to the image of the Centre or to Council.

The Manager Mackay Convention Precinct & Events and the Director Community Services have the right to determine priorities in the availability of the Centre to hirers. When entrepreneurial activities are undertaken, the operating capability of the show attendances are at the discretion of the Manager Mackay Convention Precinct & Events with a subsequent notation in the following monthly report.

4.4.3 Recovery of Damage to Infrastructure

The Mackay Entertainment & Convention Centre has the right to recover costs of damage to the Mackay Entertainment & Convention Centre infrastructure from persons/organisations who caused the damage. Such right is extended to damage to any facilities/assets provided by the Centre.

4.4.4 Contravention Legislation

The Mackay Entertainment & Convention Centre has the right to enforce corrective action for any activity which contravenes any relevant legislation (eg. Liquor Act, Workplace, Health and Safety, Gaming).

4.4.5 Entrance to Centre

The Manager Mackay Convention Precinct & Events and persons authorised by the Manager are to have right of entry to any area for which the Centre is responsible.

5. POLICIES

5.1 Asset Management

5.1.1 General

The Manager Mackay Convention Precinct & Events will confirm that during the period of this Annual Performance Plan, the assets under the control of Mackay Entertainment & Convention Centre have been:

- Identified, valued and assessed for economic raising useful lives
- Adequately maintained
- Productively utilised
- Adequately protected
- Managed on a commercial basis to maximise the rate of return from their use

5.1.2 Asset Ownership

All the infrastructure assets utilised by the Mackay Entertainment & Convention Centre are owned by Mackay Regional Council. The cost of these assets are recognised in the dividend paid to Mackay Regional Council by the Mackay Entertainment Centre.

5.1.3 Asset Registers

Financial Services will maintain asset registers on behalf of Mackay Entertainment & Convention Centre to record and manage all Mackay Entertainment & Convention Centre's assets, controlled for the purpose of providing Mackay Entertainment & Convention Centre Services.

5.1.4 Asset Valuation

Mackay Entertainment & Convention Centre will value all assets under its control to meet Council's obligations under the Local Government Finance Standard 2005 and specifically to satisfy applicable Australian Accounting Standards and other prescribed requirements.

The assets under the control of Mackay Entertainment & Convention Centre will be valued and depreciated in accordance with the adopted Mackay Regional Council asset valuation methodology.

5.1.5 Validation of Valuation Methodology

Mackay Entertainment & Convention Centre will ensure that its methodology for valuation of assets for financial reporting purposes complies with the requirements of the *Australian Accounting Standards Board* (AASB 104) 'Revaluation of Non-Current Assets'. Mackay Entertainment & Convention Centre will also remain cognisant of pending International financial Reporting Standards, which may impact on valuation practices.

5.1.6 Asset Maintenance / Operations

Mackay Entertainment & Convention Centre will operate and maintain the assets it controls so as to achieve minimum lifecycle costs. Mackay Entertainment & Convention Centre will develop a condition evaluation program and report as appropriate on the condition of assets it controls and demonstrate how it is achieving appropriate maintenance and up-keep of assets. Mackay Entertainment & Convention Centre will develop an asset management plan.

5.2 Risk Management

Mackay Entertainment & Convention Centre will comply with Council's established risk management policies and procedures and establish and maintain such systems as are necessary to manage and control the risks associated with the operations of the Business. Mackay Entertainment & Convention Centre will work toward developing a culture that actively seeks to minimise risk at all levels.

5.3 Insurance

The Mackay Entertainment & Convention Centre will have in place normal commercial insurances which are sourced and managed by Council's Financial Services Program.

6. FINANCIAL REQUIREMENTS

6.1 Financial Accountability

Mackay Entertainment & Convention Centre will prepare monthly, quarterly and annual financial statements in accordance with the provisions of the *Local Government Finance Standard 2005* and will conform with Australian Accounting Standards, Statement of Accounting Concepts and other prescribed requirements as applicable. Financial reporting will be consistent with the requirements of Mackay Entertainment & Convention Centre.

In accordance with the *Local Government Finance Standard 2005* and Council's internal procedures, Mackay Entertainment & Convention Centre will certify, on a timely basis, that the assets for which it is accountable have been:

- Physically verified and remain under its control
- Adequately maintained
- Productively utilised
- Adequately protected.

The financial results from Mackay Entertainment & Convention Centre will be consolidated as part of the financial affairs of the whole of Mackay Regional Council into a single economic activity.

6.2 Borrowings Policy

Mackay Entertainment & Convention Centre's existing debt facility is with Queensland Treasury Corporation. The business will continue to utilise Queensland Treasury Corporation for its borrowing requirements where:

- The terms and conditions offered by Queensland Treasury Corporate at least match those of other sources

- It is within Queensland Treasury Corporation's capacity to finance the particular project
- Borrowings will be consistent with Council's Ten Year Strategic Financial Plan

6.3 Return on Equity

Mackay Entertainment & Convention Centre is established as a type Three Business Activity under National Competition Principles, while operating the business, will in lieu of return on equity calculations, provide for a margin of 10% of full costs in its pricing decisions.

The appropriate rate is determined in accordance with the guidelines provided in "Full Cost Pricing in Queensland Local Government" or any other proxy issued by the relevant State Government Department.

6.4 Dividend Policy

The dividend recommended for the Mackay Entertainment Centre 2009/2010 Financial Year is $305,373.

The recommendation is made in the light of end of year financial results after taking into account the businesses existing and target capital structure, future capital investment commitments, capacity to pay with prudent financial management and the Ten Year Strategic Financial Plan.

6.5 Taxation Policy

Mackay Entertainment & Convention Centre will be subject to the Local Government Tax Equivalent Regime (TER):

- Payroll Tax
- Stamp Duty
- Land Tax for any lands controlled or used by Mackay Entertainment & Convention Centre.

In accordance with principle of competitive neutrality, Mackay Entertainment & Convention Centre will be liable for payments with respect to:

- Fringe Benefits Tax
- Council Rates and Charges

and equivalent payments with respect to Income Tax.

6.6 Investment Criteria

The investment criteria for capital investments will be:

- The structure of the investment shall ensure that Mackay Entertainment & Convention Centre can participate and influence the overall management of the project
- The financial analysis shall contain prudent provision for assessed risks
- The only financial risk exposure to the project that Mackay Entertainment & Convention Centre (and Mackay Regional Council) shall have is the extent of its equity involvement.
- There shall be prior consultation with and approval at the Ordinary Meeting for capital investments outside Queensland.

6.7 Audit

Mackay Entertainment & Convention Centre will comply with the established internal audit program of Mackay Regional Council and will be subject to external audit in accordance with the audit program organised by Mackay Regional Council.

6.8 Operational Policies

That Mackay Entertainment & Convention Centre fully operates in accordance with all Council endorsed policies in operation of the business. A review of all endorsed policies will be undertaken on an annual basis to maintain relevance with current legislative and operational requirements.

7. PRODUCT PRICING

7.1 Full Cost Price Budget

The Full Cost Pricing Budget of Mackay Entertainment & Convention Centre and budgets for Artspace for the financial year 2009/2010 are detailed below:

Mackay Convention Precinct - Financial Performance Report

	Convention Centre Budget 2009/2010	Entertainment Centre Budget 2009/2010	Artspace Budget 2009/2010	TOTAL Budget 2009/2010
Operating Revenue				
Rates & Utility Charges	-	-	-	-
Less: Discounts and Remissions	-	-	-	-
Fees & Charges	1,371,650	719,000	70,000	2,160,650
Sales - Contract & Recoverable Work	-	-	-	-
Operating Grants & Subsidies	-	-	80,000	80,000
Operating Contributions	-	-	-	-
Interest Earned	-	-	-	-
Other Revenue	2,923,400	206,000	85,000	3,214,400
Community Services Obligations	-	606,682	-	606,682
Internal Transfers	-	-	-	-
Internal Revenue Distribution	433,609	1,313,853	752,912	2,500,374
	$4,728,659	$2,845,535	$987,912	$8,562,105
Less: Operating Expenses				
Employee Cost	1,054,522	1,331,495	439,771	2,825,788
Goods, Services & Other Operational Costs	3,655,050	776,400	515,900	4,947,350
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-
Finance Costs (incl Interest Expense)	-	-	-	-
Other Expenses	78,500	16,000	7,500	102,000
Depreciation	107,646	464,720	83,685	656,051
Corporate Overheads & Competitive Neutrality Costs	-	238,406	-	238,406
Inter-Function Expenditure for Services Provided	59,819	7,861	15,740	83,420
	$4,955,537	$2,834,881	$1,062,597	$8,853,015
Less: Transfers				
Transfer from Capital re Loss on Disposal of Assets	-	-		-
Retained Surplus (Deficit) Brought Forward from Prior Year	-	-	-	-
Transfer from Capital for Unfunded Depreciation	-	-	-	-
Transfer (to) Capital General Revenue Expended	- 107,646	(294,720)	- 74,685	(477,051)
Inter-Function Dividends & Return on Capital	-	305,373	-	305,373
Net Transfers from Reserves	- 119,232	-	0	(119,232)
Net Transfers to Reserves	-	-	-	-
	($226,878)	$10,654	($74,685)	($290,909)
Operating Surplus	$0	($0)	$0	$0
Capital Summary				
Capital Funding				
General Revenue Used for Capital Purposes	($107,646)	($294,720)	($74,685)	($477,051)
Capital Grants	-	-	-	-
Capital Contributions	-	-	-	-
Capital Contributions - Non Cash Developer	-	-	-	-
Capital Other Revenue	-	-	-	-
Capital Internal Transfers - Revenue	-	-	-	-
Transfers from Capital Reserves	-	1,200,000	-	1,200,000
Transfers to Capital Reserves	-	-	-	-
New Loans				-
Proceeds from Sale of Assets	-	-	-	-
Funded Depreciation	107,646	464,720	83,685	656,051
	$0	$1,370,000	$9,000	$1,379,000
Capital Expenditure				
Capital Expenditure (refer Schedules)	-	1,370,000	9,000	1,379,000
Capital Internal Transfers - Expense	-			-
Loan Repayments	-	-	-	-
	$0	$1,370,000	$9,000	$1,379,000

7.2 Pricing Requirements

In developing its pricing strategy and policies, the Mackay Entertainment & Convention Centre has sought to establish a fee and charge system which will allow commercial competitiveness. Such fees and charges are negotiable depending on the circumstances including development of customer loyalty, business development and market expansion. Embodied in this strategy are the following objectives:

- Full cost recovery, including an appropriate return on capital investments
- The transparency of cross subsidies as they are identified
- Cost reflective usage charges with signal the value of the operation of the Centre
- Transparent pricing arrangements which are understandable to customers and which are easy to administer
- To apply prices which are consistent with Council's Ten Year Strategic Financial Plan

8. CAPITAL PROGRAM

Mackay Entertainment & Convention Centre's capital program represents those investments required to achieve the objectives and targets of the business over the next five (5) years. The key drivers determining capital expenditure are:

- Customer service as reflected in the Performance Plan
- Environmental and other standards
- Population growth
- Business efficiency
- Increased shareholder value
- Asset refurbishment
- Convention Centre development

All capital projects are evaluated against business demand including economic, financial, demand management, economic value, due diligence, risk and ecologically sustainable development requirements.

As part of Mackay Entertainment & Convention Centre's strategic management process, capital projects are subject to financial and economic appraisals. However, not all investments have an expected rate of return over the life of the investment, which exceeds the cost of capital.

In such cases Mackay Entertainment & Convention Centre will – subject to Mackay Regional Council agreement – seek consideration of pricing adjustments to recover costs and an appropriate return on investments from Mackay Regional Council.

8.1 Description of Works

The draft capital works program for each of the next five financial years is detailed below.

$M	2009/2010	2010/2011	2011/2012	2012/2013	2012/2013
Capital Works	$1,370,000	$300,000	$250,000	$400,000	$250,000

The Capital Projects for the Mackay Convention Precinct for 2009/2010 to 2012/2013 are subject to the review of the 10 Year Strategic Financial Plan.

9. PERFORMANCE

The key objective of Council is to ensure that Mackay Entertainment & Convention Centre's performance is maintained and improved. To achieve this objective, a performance monitoring framework has been developed which will provide Council with accurate monthly reports on the performance to Council through the Ordinary Meeting and Performance Management Committee.

9.1 Financial

The key financial indicators for the Mackay Entertainment & Convention Centre (established as a Type 3 Business Activity under the National Competition Policy) are:

- Operating Contribution required (before tax and abnormal)
- Return on Net Operating Assets (before tax)
- Financial contribution from Council

The financial performance targets for Mackay Entertainment & Convention Centre for 2009/10 are:

Financial Indicators	2009/2010
Operating Income *	$5,455,049
Operating Costs	$8,769,595
Operating Contribution Required by Council (before tax and return on equity)	$3,314,546
Operating contribution per rateable payer assessment	$72.49

* Excludes Community Service Obligations and internal Revenue Distribution.

9.2 Non Financial

The key non-financial indicators are in accordance with adopted Customer Service Standards:

- Customer Hire Satisfaction (usage survey greater than 90% satisfied)
- Patron Usage Satisfaction (usage survey greater than 90% satisfied)
- Rates of Complaints to a sample of Patron Usage (less than 5%)

The non-financial performance targets for Mackay Entertainment & Convention Centre for 2009/10 are:

Non-Financial Indicators	2009/2010
Number of Performances fully cost recovered	7
Minimum number of Functions	140
Average attendance at shows	Auditorium 550 Foyer/space 150
Number of non-utilised days	tba
Yearly occupancy of facility	75,000
Average Response time for Patrons enquiries	<24 hours
Customer Hire Satisfaction	95%
Ratio of Complaints to a sample of Patron Usage	5%
Are adequate range of facilities being provided	70%
Would you use the Centre again	70%

Further non financial indicators are to be developed

10. MANAGEMENT

10.1 Support Services

The Mackay Entertainment & Convention Centre may use the existing Council support services.

The level of service provided to the Business Unit will be the subject of a service level agreement between the Business Unit and the Council Units providing the service.

10.2 Level of Autonomy

The level of autonomy and delegation of the Director Community Services is:

- The Council will be responsible for setting broad policy directions for Mackay Entertainment & Convention Centre through the Performance Plan – on an annual basis
- Councillors may continue to interact directly with the Director Community Services in terms of customer service, response times and general performance in meeting levels of customer service
- Mackay Regional Council will establish the delegations (purchase approval up to $150,000) to provide the appropriate level of responsibility for the conduct of the Performance Plan
- Financial control will rest with the Director Community Services
- Operations should be in compliance with Mackay Regional Council Policies

10.3 Human Resources Issues

Mackay Entertainment & Convention Centre will abide by Council's Human Resources policies and procedures. The Director Community Services and Manager Mackay Convention Precinct & Events are to retain control of staff and decision making with regard to staff issues after giving due consideration to advice provided by the Human Resources Unit in compliance with Council policy.

Mackay Entertainment & Convention Centre employees will comply with Mackay Regional Council's Code of Conduct.

The Mackay Entertainment & Convention Centre will have in place systems and resources necessary for compliance with all aspects of the Workplace Health & Safety Act and will strive to excel.

10.4 Duration

This Performance Plan is to be reviewed on an annual basis by 30 June each year and incorporated in to the Mackay Regional Council Operational Plan.

10.5 Modification

Modifications to the Performance Plan can be made by the Chief Executive Officer in conjunction with the Director Community Services. Such modification is to be notified to the Ordinary Meeting and Performance Management Committee to inclusion in the Performance Plan.

MACKAY REGIONAL COUNCIL
STATEMENT OF ORIGINAL BUDGET
For the year ending 30 June 2010

	Corporate Revenue & Expense	Development Services	Corporate Services & Office of CEO	Community Services	Engineering Services	Commercial Services	TOTAL
Operating Revenue							
Rates & Utility Charges	77,082,593	820,500	-	-	3,838,400	68,913,111	150,654,604
Less: Discounts and Remissions	(8,338,200)	(700)	-	-	(5,050)	(4,436,640)	(12,780,590)
Fees & Charges	630,000	5,444,050	140,500	2,538,250	432,000	7,134,516	16,319,316
Sales - Contract & Recoverable Work	-	-	65,000	-	3,310,543	2,114,000	5,489,543
Operating Grants & Subsidies	6,400,000	40,000	573,000	338,506	36,844,352	-	44,195,858
Interest on Investments	2,035,000	-	-	-	-	962,000	2,997,000
Other Revenue	-	130,200	177,900	4,267,212	1,438,084	378,304	6,391,700
Community Services Obligations	(2,554,568)	-	-	1,465,017	708,503	381,048	-
Internal Transfers - Income	-	401,500	12,890,683	-	1,246,180	215,000	14,753,363
Internal Revenue Distribution	(89,360,281)	4,801,190	24,431,824	11,986,062	48,141,204	-	(0)
	($ 14,105,455)	$ 11,636,740	$ 38,278,907	$ 20,595,047	$ 95,954,216	$ 75,661,339	$ 228,020,794
Less: Operating Expenses							
Employee Cost	(2,724,570)	7,304,211	15,484,441	8,485,053	20,792,498	12,615,218	61,956,851
Goods, Services & Other Operational Costs	2,020,292	2,857,725	11,444,123	9,736,072	49,019,952	29,261,091	104,339,255
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-	-
Finance Costs (incl Interest Expense)	1,867,793	-	-	-	-	5,177,808	7,045,602
Other Expenses	3,000	916,940	2,058,460	623,152	16,500	610,501	4,228,573
Depreciation	1,560,147	-	4,467,444	1,004,166	22,870,529	16,196,883	46,099,169
Corporate Overheads & Competitive Neutrality Costs	(5,192,600)	253,592	254,192	339,429	1,964,316	2,381,071	-
Internal Transfers - Expenses	14,830	1,031,375	469,873	358,432	7,080,484	2,180,401	11,135,395
	($ 2,451,108)	$ 12,363,843	$ 34,178,552	$ 20,546,305	$ 101,744,279	$ 68,422,974	$ 234,804,845
Less: Transfers							
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-	-
Retained Surplus/Deficit Brought Forward from Prior Year	-	-	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	-	-	-	-	(5,404,336)	(1,740,327)	(7,144,663)
Transfer (to) Capital General Revenue Expended	1,111,775	100,000	2,587,519	(277,105)	(3,522,188)	2,045,587	2,045,588
Inter-Function Dividends & Return on Capital	(12,766,123)	232,880	1,572,836	450,080	1,762,229	8,748,097	0
Transfers from Reserves	-	(1,879,783)	(60,000)	(124,232)	(280,268)	(1,814,992)	(4,159,275)
Transfers to Reserves	-	819,800	-	-	1,654,500	-	2,474,300
	($ 11,654,347)	($ 727,103)	$ 4,100,355	$ 48,743	($ 5,790,063)	$ 7,238,365	($ 6,784,050)
Operating Surplus (Deficit)	$ -	$ 0	$ -	$ 0	$ -	$ -	($ 0)
CAPITAL SUMMARY							
Capital Funding							
General Revenue Used for Capital Purposes	1,111,775	100,000	2,587,519	277,105	3,522,188	2,045,587	2,045,588
Capital Grants	-	-	-	430,000	5,487,655	5,240,491	11,158,146
Capital Contributions - Cash	-	-	-	-	6,484,000	-	6,484,000
Internal Transfer - capital revenue	-	-	68,638	-	-	-	68,638
Transfers from Capital Reserves	-	-	68,638	1,452,300	5,776,314	18,192,316	25,489,568
Transfers to Capital Reserves	-	-	-	-	-	-	-
Loans	-	-	-	-	19,953,000	17,050,000	37,003,000
Proceeds from Sale of Assets	-	-	4,700,000	-	-	-	4,700,000
Funded Depreciation	1,560,147	-	4,467,444	1,004,166	17,466,193	14,456,556	38,954,506
	$ 2,671,923	$ 100,000	$ 11,892,239	$ 2,609,361	$ 51,644,973	$ 56,984,949	$ 125,903,445
Capital Expenditure							
Capital Expenditure (refer Schedules)	-	100,000	11,892,239	2,609,361	48,153,233	52,800,051	115,554,884
Capital Internal Transfers - Expense	-	-	-	-	3,491,740	194,866	3,686,606
Loan Repayments	2,671,923	-	-	-	-	3,990,032	6,661,955
	$ 2,671,923	$ 100,000	$ 11,892,239	$ 2,609,361	$ 51,644,973	$ 56,984,949	$ 125,903,445

MACKAY REGIONAL COUNCIL
STATEMENT OF ORIGINAL BUDGET FOR FIVE YEARS
For Year Ending 30 June 2014

	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Operating Revenue					
Net Rates & Utility Charges	137,874,014	151,661,416	166,827,557	183,510,313	201,861,345
Fees & Charges	16,319,316	17,135,282	17,992,046	18,891,648	19,836,231
Sales - Contract & Recoverable Work	5,489,543	5,764,020	6,052,221	6,354,832	6,672,574
Operating Grants & Subsidies	44,195,858	8,000,000	8,000,000	8,000,000	8,000,000
Interest Earned	2,997,000	1,500,000	1,500,000	1,500,000	1,500,000
Other Revenue	6,391,700	6,711,285	7,046,849	7,399,192	7,769,151
	213,267,431	190,772,003	207,418,674	225,655,985	245,639,300
Less: Operating Expenses					
Employee Cost	61,956,851	66,293,831	70,934,399	74,481,119	78,205,175
Goods, Services & Other Operational Costs	104,339,255	71,756,218	75,344,029	79,111,230	83,066,791
Other Expenses	4,228,573	4,440,002	4,662,002	4,895,102	5,139,857
Internal Transfer - Expenses	11,135,395	11,692,164	12,276,773	12,890,611	13,535,142
Internal Transfer - Income	(14,753,363)	(15,491,031)	(16,265,583)	(17,078,862)	(17,932,805)
Total Operating Expenses	166,906,711	138,691,184	146,951,619	154,299,200	162,014,160
Finance Costs (incl Interest Expense)	7,045,602	9,245,602	11,995,602	13,759,602	16,291,602
Depreciation	46,099,169	47,000,000	49,350,000	51,817,500	54,408,375
	220,051,482	194,936,785	208,297,221	219,876,302	232,714,137
Less: Transfers					
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-
Retained Surplus/Deficit Brought Forward from Prior Year	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	(7,144,663)	(3,715,730)	0	0	0
Transfer (to) Capital General Revenue Expended	2,045,588	1,050,948	621,452	7,279,683	14,425,163
Transfers from Reserves	(4,159,275)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Transfers to Reserves	2,474,300	500,000	500,000	500,000	500,000
	(6,784,050)	-(4,164,783)	-(878,548)	5,779,683	12,925,163
Operating Surplus (Deficit)	$0	$0	$0	$0	$0
Capital Summary					
Capital Funding					
General Revenue Used for Capital Purposes	2,045,588	1,050,948	621,452	7,279,683	14,425,163
Capital Grants	11,158,146	3,082,000	3,478,000	2,328,000	1,738,000
Capital Contributions - Cash	6,484,000	8,000,000	9,000,000	10,000,000	11,000,000
Capital Revenue - Internal Transfers	68,638	-	-	-	-
Transfers from Capital Reserves	25,489,568	8,000,000	9,000,000	10,000,000	11,000,000
Transfers to Capital Reserves	0	(8,000,000)	(9,000,000)	(10,000,000)	(11,000,000)
New Loans	37,003,000	52,500,000	39,400,000	54,200,000	7,000,000
Proceeds from Sale of Assets	4,700,000	5,000,000	5,000,000	5,000,000	5,000,000
Funded Depreciation	38,954,506	43,284,270	49,350,000	51,817,500	54,408,375
	$ 125,903,445	$ 112,917,217	$ 106,849,452	$ 130,625,183	$ 93,571,538
Capital Expenditure					
Capital Expenditure (refer Schedules)	119,241,490	104,155,262	95,487,497	116,963,228	77,209,583
Loan Repayments	6,661,955	8,761,955	11,361,955	13,661,955	16,361,955
	$ 125,903,445	$ 112,917,217	$ 106,849,452	$ 130,625,183	$ 93,571,538

MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS
For the year ending 30 June 2010
BALANCE SHEET

		2009/2010 Budget $
Current Assets		
	Cash Assets	10,264,253
	Receivables	14,000,000
	Tax assets	1,300,000
	Inventories	1,600,000
	Other	1,100,000
		28,264,253
Non-Current Assets		
	Other	5,000
	Property, plant and equipment	1,774,000,000
	Capital works in progress	101,327,000
		1,875,332,000
TOTAL ASSETS		1,903,596,253
Current Liabilities		
	Payables	15,500,000
	Interest bearing liabilities	6,661,955
	Provisions	1,433,296
	Other	1,000,000
		24,595,251
Non-Current Liabilities		
	Interest bearing liabilities	142,293,870
	Provisions	4,322,007
	Other	0
		146,615,877
TOTAL LIABILITIES		171,211,128
NET COMMUNITY ASSETS		**$ 1,732,385,125**
Community Equity		
	Council Capital	1,290,485,125
	Available Surplus (deficiency)	0
	Retained Surplus (deficiency)	1,290,485,125
	Asset revaluation reserve	433,000,000
	Other Reserves	8,900,000
TOTAL COMMUNITY EQUITY		**$ 1,732,385,125**

MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS
For the year ending 30 June 2010
STATEMENT OF CASHFLOWS

	2009/2010 Budget $
Cash flows from operating activities:	
Receipts from customers	227,312,577
Payments to suppliers and employees	(169,424,679)
	57,887,898
Interest received	2,997,000
Borrowing Costs	(7,045,602)
Net cash inflow (outflow) from operating activities	**$ 53,839,296**
Cash flow from investing activities:	
Payments for property, plant and equipment	(175,489,722)
Net movement in loans to community organisations	(11,600)
Proceeds from sale of property plant and equipment	4,700,000
Net cash inflow (outflow) from investing activities	**-$ 170,801,322**
Cash flow from financing activities:	
Proceeds from borrowings	37,003,000
Repayment of borrowings	(6,661,955)
Net cash inflow (outflow) from financing activities	**$ 30,341,045**
Net increase (decrease) in cash held	(86,620,981)
Cash at beginning of reporting period	96,885,234
Cash at end of reporting period	**$ 10,264,253**

MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS
For the year ending 30 June 2010
STATEMENT OF INCOME AND EXPENDITURE

	2009/2010 Budget $
INCOME	
Recurrent Revenue:	
Net rates and utility charges	137,874,014
Fees and Charges	16,319,316
Interest received	2,997,000
Sales contracts and recoverable works	5,489,543
Grants, subsidies, contributions and donations	44,195,858
Other	6,391,700
Total recurrent revenue	213,267,431
Capital revenue:	
Grants, subsidies, contributions and donations	17,642,146
Total capital revenue	17,642,146
Total Revenue	$ 230,909,577
EXPENDITURE	
Recurrent Expenses:	
Employee expenses	61,956,851
Materials and services	100,721,287
Finance costs	7,045,602
Depreciation & amortisation	46,099,169
Other expenses	4,228,573
Total recurrent expenses	220,051,482
Total Expenses	$ 220,051,482
NET RESULT ATTRIBUTABLE TO COUNCIL	**$ 10,858,096**

MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS
For the year ending 30 June 2010
STATEMENT OF CHANGES IN EQUITY

	Available Surplus	Capital Account	Asset Revaluation Reserve	Other Reserves	Total
Estimated Balance at 30 June 2009	0	1,252,452,486	433,000,000	36,074,543	1,721,527,029
Surplus for the period	10,858,096				10,858,096
Transfer to and from reserves					
Transfer to/from Capital	(12,543,071)	12,543,071			0
Transfer to Reserve - prior surplus					
Transfer to Reserves	(2,474,300)			2,474,300	0
Transfer from Reserves	4,159,275	25,489,568		(29,648,843)	0
Total Transfers to and from Reserves	(10,858,096)	38,032,639	0	(27,174,543)	0
Balance as at 30 June 2010	-$ 0	$ 1,290,485,125	$ 433,000,000	$ 8,900,000	$ 1,732,385,125

Mackay Regional Council
Budget Statements - 09/10

	Mackay Regional Council by Department						
	Corporate Revenue & Expenses Budget 2009/2010	Development Services Budget 2009/2010	Corporate Services Office of CEO Budget 2009/2010	Community Services Budget 2009/2010	Engineering Services Budget 2009/2010	Commercial Services Budget 2009/2010	Total Budget 2009/2010
Operating Revenue							
Rates & Utility Charges	77,082,593	820,500	-	-	3,839,400	68,913,111	150,654,604
Less: Discounts and Remissions	(8,338,200)	(700)	-	-	(5,050)	(4,436,640)	(12,780,590)
Fees & Charges	630,000	5,444,050	140,500	2,538,250	432,000	7,134,516	16,319,316
Sales - Contract & Recoverable Work	-	-	65,000	-	3,310,543	2,114,000	5,489,543
Operating Grants & Subsidies	6,400,000	40,000	573,000	338,506	36,844,352	-	44,195,858
Operating Contributions	-	-	-	-	-	-	-
Interest Earned	2,035,000	-	-	-	-	962,000	2,997,000
Other Revenue	-	130,200	177,900	4,267,212	1,438,084	378,304	6,391,700
Community Services Obligations	(2,554,568)	-	-	1,465,017	708,503	381,048	-
Internal Transfers - Revenue	-	401,500	12,890,683	-	1,246,180	215,000	14,753,363
Internal Revenue Distribution	- 89,360,260.54	4,801,189.57	24,431,824.22	11,986,062.30	48,141,204.45	-	- 0.00
	($ 14,105,455)	$ 11,636,740	$ 38,278,907	$ 20,595,047	$ 95,954,216	75,661,339.30	$ 228,020,794
Less: Operating Expenses							
Employee Cost	(2,724,570)	7,304,211	15,484,441	8,485,053	20,792,498	12,815,217.90	61,956,851
Goods, Services & Other Operational Costs	2,020,292	2,857,725	11,444,123	9,736,072	49,019,952	29,261,081.27	104,339,255
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-	-
Finance Costs (incl Interest Expense)	1,857,793	-	-	-	-	5,177,808.42	7,045,602
Other Expenses	3,000	916,940	2,058,480	623,152	16,500	610,501.00	4,228,573
Depreciation	1,560,147.28	-	4,467,443.70	1,004,166.29	22,870,529.02	16,196,882.59	46,099,168.88
Corporate Overheads & Competitive Neutrality Costs	(5,192,600)	253,592	254,192	339,429	1,964,316	2,381,071.48	-
Internal Transfers - Expenses	14,830	1,031,375	469,873	358,432	7,080,484	2,180,401.28	11,135,395
	($ 2,451,108)	$ 12,363,843	$ 34,178,552	$ 20,546,305	$ 101,744,279	68,422,973.94	$ 234,804,845
Less: Transfers							
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-	-
Retained Surplus/Deficit Brought Forward from Prior Yea	-	-	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	-	-	-	-	(5,404,336)	(1,740,327)	(7,144,663)
Transfer (to) Capital General Revenue Expended	1,111,775	100,000	2,587,519	(277,105)	(3,522,188)	2,045,587	2,045,588
Inter-Function Dividends & Return on Capital	(12,766,123)	232,880	1,572,936	450,060	1,762,229	8,748,097	0
Transfers from Reserves	-	(1,679,783)	(60,000)	(124,232)	(280,268)	(1,814,992)	(4,159,275)
Transfers to Reserves	-	819,800	-	-	1,654,500	-	2,474,300
	($ 11,654,347)	($ 727,103)	$ 4,100,355	$ 48,743	($ 5,790,063)	$ 7,238,365	($ 6,784,050)
Operating Surplus (Deficit)	$0	$0	$0	$0	$0	$0	$0
CAPITAL SUMMARY							
Capital Funding							
General Revenue Used for Capital Purposes	1,111,775	100,000	2,587,519	- 277,105	(3,522,188)	2,045,587	2,045,588
Capital Grants	-	-	-	430,000	5,487,655	5,240,491	11,158,146
Capital Contributions - Cash	-	-	-	-	6,484,000	-	6,484,000
Capital Contributions - Non Cash Developer	-	-	-	-	-	-	-
Capital Other Revenue	-	-	-	-	-	-	-
Capital Internal Transfers - Revenue	-	-	68,638	-	-	-	68,638
Transfers from Capital Reserves	-	-	68,638	1,452,300	5,776,314	18,192,316	25,489,568
Transfers to Capital Reserves	-	-	-	-	-	-	-
Loans	-	-	-	-	19,953,000	17,050,000	37,003,000
Proceeds from Sale of Assets	-	-	4,700,000	-	-	-	4,700,000
Funded Depreciation	1,560,147	-	4,467,444	1,004,166	17,466,193	14,456,556	38,954,505.88
	$ 2,671,923	$ 100,000	$ 11,892,239	$ 2,609,361	$ 51,644,973	$ 56,984,949	$ 125,903,445
Capital Expenditure							
Capital Expenditure (refer Schedules)	-	100,000	11,892,239	2,609,361	48,153,233	52,800,051	115,554,884
Capital Internal Transfers - Expense	-	-	-	-	3,491,740	194,866	3,686,606
Loan Repayments	2,671,923	-	-	-	-	3,990,032	6,661,955
	$ 2,671,923	$ 100,000	$ 11,892,239	$ 2,609,361	$ 51,644,973	$ 56,984,949	$ 125,903,445

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	Mackay Regional Council by Fund				
	GENERAL	WATER	WASTE	WASTE SERVICES	TOTAL
	Budget 2009/2010	Budget 2009/2010	Budget 2009/2010	Budget 2009/2010	Budget 2009/2010
Operating Revenue					
Rates & Utility Charges	81,741,493	26,399,103	29,044,409	13,469,600	150,654,504
Less: Discounts and Remissions	(8,343,950)	(1,075,290)	(2,595,850)	(765,500)	(12,780,190)
Fees & Charges	9,184,800	964,530	1,167,300	5,002,686	16,319,316
Sales - Contract & Recoverable Work	3,375,543	1,219,000	895,000	-	5,489,543
Operating Grants & Subsidies	44,195,858	-	-	-	44,195,858
Operating Contributions	-	-	-	-	-
Interest Earned	2,035,000	365,000	330,000	267,000	2,997,000
Other Revenue	6,013,396	107,000	-	271,304	6,391,700
Community Services Obligations	(361,048)	173,383	207,665	-	-
Internal Transfers - Revenue	14,538,363	55,000	80,000	80,000	14,753,363
Internal Revenue Distribution	(0)	-	-	-	(0)
	$ 152,359,455	$ 28,207,725	$ 29,128,524	$ 18,325,090	$ 229,020,794
Less: Operating Expenses					
Employee Cost	49,341,634	6,278,684	5,439,628	897,906	61,956,851
Goods, Services & Other Operational Costs	75,079,164	6,309,173	8,499,838	14,452,080	104,339,255
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-
Finance Costs (incl Interest Expense)	1,867,793	927,516	3,000,901	1,243,391	7,045,602
Other Expenses	3,618,072	153,605	379,068	77,830	4,228,573
Depreciation	29,902,286	8,460,251	7,569,774	166,858	46,099,169
Corporate Overheads & Competitive Neutrality Costs	(2,381,071)	1,406,009	823,111	151,952	-
Internal Transfers - Expenses	8,954,993	1,094,692	969,357	115,752	11,135,395
	$ 166,381,871	$ 24,629,931	$ 26,687,272	$ 17,109,771	$ 234,804,845
Less: Transfers					
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-
Retained Surplus/Deficit Brought Forward from Prior Year	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	(5,404,336)	-	(1,740,327)	-	(7,144,663)
Transfer (to) Capital General Revenue Expended	1	1,019,693	(0)	1,025,894	2,045,588
Inter-Function Dividends & Return on Capital	(8,748,097)	3,357,063	5,147,610	243,425	0
Transfers from Reserves	(2,344,283)	(798,962)	(966,030)	(50,000)	(4,159,275)
Transfers to Reserves	2,474,300	-	-	-	2,474,300
	($ 14,022,416)	$ 3,577,795	$ 2,441,252	$ 1,219,319	($ 6,784,050)
Operating Surplus (Deficit)	$0	$0	$0	$0	$0
CAPITAL SUMMARY					
Capital Funding					
General Revenue Used for Capital Purposes	1	1,019,693	(0)	1,025,894	2,045,588
Capital Grants	5,917,855	5,240,491	-	-	11,158,146
Capital Contributions	6,484,000	-	-	-	6,484,000
Capital Contributions - Non Cash Developer	-	-	-	-	-
Capital Other Revenue	-	-	-	-	-
Capital Internal Transfers - Revenue	68,638	-	-	-	68,638
Transfers from Capital Reserves	7,297,252	10,332,344	7,359,972	600,000	25,489,568
Transfers to Capital Reserves	-	-	-	-	-
New Loans	19,953,000	7,000,000	9,350,000	700,000	37,003,000
Proceeds from Sale of Assets	4,700,000	-	-	-	4,700,000
Funded Depreciation	24,497,550	8,460,251	5,829,447	166,858	38,954,506
	$ 68,918,496	$ 32,052,780	$ 22,439,418	$ 2,492,752	$ 125,903,445
Capital Expenditure					
Capital Expenditure (refer Schedules)	62,754,633	30,705,759	20,329,576	1,564,725	115,354,694
Capital Internal Transfers - Expense	3,491,740	125,440	69,426	-	3,686,606
Loan Repayments	2,671,923	1,221,580	1,940,416	928,027	6,761,955
	$ 68,918,496	$ 32,052,780	$ 22,439,418	$ 2,492,752	$ 125,903,445

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	DEVELOPMENT SERVICES						
	Departmental Management Budget 2009/2010	Strategic Planning Budget 2009/2010	Development Assessment & Planning Budget 2009/2010	Urban Renewal & Economic Development Budget 2009/2010	Health & Regulatory Budget 2009/2010	Development Assessment & Engineering Budget 2009/2010	Total Budget 2009/2010
Operating Revenue							
Rates & Utility Charges	-	-	-	820,500	-	-	820,500
Less: Discounts and Remissions	-	-	-	(700)	-	-	(700)
Fees & Charges	-	-	2,261,500	471,900	1,410,650	1,300,000	5,444,050
Sales - Contract & Recoverable Work	-	-	-	-	-	-	-
Operating Grants & Subsidies	-	40,000	-	-	-	-	40,000
Operating Contributions	-	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-	-
Other Revenue	-	2,000	45,000	32,500	50,700	-	130,200
Community Services Obligations	-	-	-	-	-	-	-
Internal Transfer - Income	-	-	-	-	11,500	390,000	401,500
Internal Revenue Distribution	336,366	1,251,442	528,709	764,208	1,808,884	111,581	4,801,190
	$ 336,366	$ 1,293,442	$ 2,835,209	$ 2,088,408	$ 3,281,734	$ 1,801,581	$ 11,636,740
Less: Operating Expenses							
Employee Cost	309,563	971,561	2,160,881	249,049	2,328,930	1,284,228	7,304,211
Goods, Services & Other Operational Costs	17,200	1,130,000	349,200	804,325	531,000	26,000	2,857,725
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-	-
Finance Costs (incl Interest Expense)	-	-	-	-	-	-	-
Other Expenses	-	1,500	160,000	600,940	94,500	100,000	916,940
Depreciation							-
Corporate Overheads & Competitive Neutrality Costs	-	-	107,612	-	-	145,980	253,592
Internal Transfers - Expenses	9,603	65,381	475,134	19,077	387,304	94,876	1,031,375
	$ 336,366	$ 2,168,442	$ 3,252,826	$ 1,673,391	$ 3,281,734	$ 1,651,084	$ 12,363,843
Less: Transfers							
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-	-
Retained Surplus (Deficit) Brought Forward from Prior Year	-	-	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	-	-	-	-	-	-	-
Transfer (to) Capital General Revenue Expended	-	-	-	100,000	-	-	100,000
Inter-Function Dividends & Return on Capital	-	-	82,383	-	-	150,497	232,880
Transfers from Reserves	-	(875,000)	(500,000)	(504,783)	-	-	(1,879,783)
Transfers to Reserves	-	-	-	819,800	-	-	819,800
	$ -	($ 875,000)	($ 417,617)	$ 415,017	$ -	$ 150,497	($ 727,103)
Operating Surplus (Deficit)	$0	$0	$0	$0	$0	$0	$0
CAPITAL SUMMARY							
Capital Funding							
General Revenue Used for Capital Purposes	-	-	-	100,000	-	-	100,000
Capital Grants	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-
Capital Contributions - Non Cash Developer	-	-	-	-	-	-	-
Capital Other Revenue	-	-	-	-	-	-	-
Capital Internal Transfers - Revenue	-	-	-	-	-	-	-
Transfers from Capital Reserves	-	-	-	-	-	-	-
Transfers to Capital Reserves	-	-	-	-	-	-	-
New Loans	-	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-	-
Funded Depreciation	-	-	-	-	-	-	-
	$ -	$ -	$ -	$ 100,000	$ -	$ -	$ 100,000
Capital Expenditure							
Capital Expenditure (refer Schedules)	-	-	-	100,000	-	-	100,000
Capital Internal Transfers - Expense	-	-	-	-	-	-	-
Loan Repayments	-	-	-	-	-	-	-
	$ -	$ -	$ -	$ 100,000	$ -	$ -	$ 100,000

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	CORPORATE SERVICES & OFFICE OF THE CEO					
	Departmental Management Budget 2009/2010	Organisational Development Budget 2009/2010	Financial Services Budget 2009/2010	Procurement & Plant Budget 2009/2010	Information Services Budget 2009/2010	Office of the CEO Budget 2009/2010
Operating Revenue						
Rates & Utility Charges	-	-	-	-	-	-
Less: Discounts and Remissions	-	-	-	-	-	-
Fees & Charges	-	-	140,000	-	-	-
Sales - Contract & Recoverable Work	-	-	-	-	-	-
Operating Grants & Subsidies	-	310,000	-	240,000	-	-
Operating Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Other Revenue	-	-	158,900	-	3,000	-
Community Services Obligations	-	-	-	-	-	-
Internal Transfer - Income	-	-	14,830	12,719,253	-	-
Internal Revenue Distribution	280,474	4,163,006	3,633,199	2,563,691	5,939,093	450,723
	$ 280,474	$ 4,473,006	$ 3,946,929	$ 15,522,944	$ 5,942,093	$ 450,723
Less: Operating Expenses						
Employee Cost	262,557	2,042,296	2,579,740	2,994,487	2,120,874	406,537
Goods, Services & Other Operational Costs	5,500	2,389,291	807,500	4,872,650	2,036,541	24,501
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-
Finance Costs (incl Interest Expense)	-	-	-	-	-	-
Other Expenses	-	70,500	505,980	280,000	-	5,000
Depreciation	-	-	-	3,165,999	1,301,445	-
Competitive Neutrality Costs	-	-	-	254,192	-	-
Internal Transfers - Expenses	12,417	30,919	53,708	257,989	20,505	14,686
	$ 280,474	$ 4,533,006	$ 3,946,929	$ 11,825,317	$ 5,479,365	$ 450,723
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-
Retained Surplus (Deficit) Brought Forward from Prior Yea	-	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	-	-	-	-	-	-
Transfer (to) Capital General Revenue Expended	-	-	-	2,124,791	462,728	-
Inter-Function Dividends & Return on Capital	-	-	-	1,572,836	-	-
Transfers from Reserves	-	(60,000)	-	-	-	-
Transfers to Reserves	-	-	-	-	-	-
	$ -	($ 60,000)	$ -	$ 3,697,627	$ 462,728	$ -
Operating Surplus (Deficit)	$0	$0	$0	$0	$0	$0
Capital Summary						
Capital Funding						
General Revenue Used for Capital Purposes	-	-	-	2,124,791	462,728	-
Capital Grants	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Capital Contributions - Non Cash Developer	-	-	-	-	-	-
Capital Other Revenue	-	-	-	-	-	-
Capital Internal Transfers - Revenue	-	-	-	54,138	14,500	-
Transfers from Capital Reserves	-	-	-	68,638	-	-
Transfers to Capital Reserves	-	-	-	-	-	-
New Loans	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	1,700,000	-	-
Funded Depreciation	-	-	-	3,165,999	1,301,445	-
	$ -	$ -	$ -	$ 7,113,566	$ 1,778,673	$ -
Capital Expenditure						
Capital Expenditure (refer Schedules)	-	-	-	7,113,566	1,778,673	-
Capital Internal Transfers - Expense	-	-	-	-	-	-
Loan Repayments	-	-	-	-	-	-
	$ -	$ -	$ -	$ 7,113,566	$ 1,778,673	$ -

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CORPORATE SERVICES & OFFICE OF THE CEO (CONT.)					
	Internal Audit Budget 2009/2010	Asset Management Budget 2009/2010	Customer Services Budget 2009/2010	Corporate Communications Budget 2009/2010	Goverance Budget 2009/2010
Operating Revenue					
Rates & Utility Charges	-	-	-	-	-
Less: Discounts and Remissions	-	-	-	-	-
Fees & Charges	-	-	500	-	-
Sales - Contract & Recoverable Work	-	-	-	-	-
Operating Grants & Subsidies	-	-	23,000	-	-
Operating Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
Other Revenue	-	-	10,000	6,000	-
Community Services Obligations	-	-	-	-	-
Internal Transfer - Income	-	156,600	-	-	-
Internal Revenue Distribution	200,875	502,236	2,049,717	999,723	1,795,783
	$ 200,875	$ 658,836	$ 2,083,217	$ 1,005,723	$ 1,795,783
Less: Operating Expenses					
Employee Cost	185,675	544,382	1,883,465	526,986	369,407
Goods, Services & Other Operational Costs	5,200	106,500	173,740	469,200	227,600
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-
Finance Costs (incl Interest Expense)	-	-	-	-	-
Other Expenses	10,000	-	-	-	1,187,000
Depreciation	-	-	-	-	-
Competitive Neutrality Costs	-	-	-	-	-
Internal Transfers - Expenses	-	7,954	26,011	9,537	11,777
	$ 200,875	$ 658,836	$ 2,083,217	$ 1,005,723	$ 1,795,783
Less: Transfers					
Transfer from Capital re Loss on Disposal of Assets			-	-	
Retained Surplus (Deficit) Brought Forward from Prior Yea	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	-	-	-	-	-
Transfer (to) Capital General Revenue Expended			-	-	-
Inter-Function Dividends & Return on Capital	-	-	-	-	-
Transfers from Reserves	-	-	-	-	-
Transfers to Reserves			-	-	
	$ -	$ -	$ -	$ -	$ -
Operating Surplus (Deficit)	$0	$0	$0	$0	$0
Capital Summary					
Capital Funding					
General Revenue Used for Capital Purposes	-	-	-	-	-
Capital Grants	-	-	-	-	-
Capital Contributions	-	-	-	-	-
Capital Contributions - Non Cash Developer	-	-	-	-	-
Capital Other Revenue	-	-	-	-	-
Capital Internal Transfers - Revenue	-	-	-	-	-
Transfers from Capital Reserves	-	-	-	-	-
Transfers to Capital Reserves	-	-	-	-	-
New Loans	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Funded Depreciation	-	-	-	-	-
			$ -	$ -	$ -
Capital Expenditure					
Capital Expenditure (refer Schedules)	-	-	-	-	-
Capital Internal Transfers - Expense	-	-	-	-	-
Loan Repayments	-	-	-	-	-
	$ -	$ -	$ -	$ -	$ -

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	CORPORATE SERVICES & OFFICE OF THE CEO (CONT.)		
	Administration	Councillor Support	Total
	Budget 2009/2010	Budget 2009/2010	Budget 2009/2010
Operating Revenue			
Rates & Utility Charges	-	-	-
Less: Discounts and Remissions	-	-	-
Fees & Charges	-	-	140,500
Sales - Contract & Recoverable Work	65,000	-	65,000
Operating Grants & Subsidies	-	-	573,000
Operating Contributions	-	-	-
Interest Earned	-	-	-
Other Revenue	-	-	177,900
Community Services Obligations	-	-	-
Internal Transfer - Income	-	-	12,890,683
Internal Revenue Distribution	318,961	1,534,344	24,431,824.22
	$ 383,961	$ 1,534,344	$ 38,278,907
Less: Operating Expenses			
Employee Cost	278,758	1,289,277	15,484,441
Goods, Services & Other Operational Costs	95,600	230,300	11,444,123
Transfer from Capital re Loss on Disposal of Assets	-	-	-
Finance Costs (incl Interest Expense)	-	-	-
Other Expenses	-	-	2,058,480
Depreciation	-	-	4,467,444
Competitive Neutrality Costs	-	-	254,192
Internal Transfers - Expenses	9,603	14,767	469,873
	$ 383,961	$ 1,534,344	$ 34,178,552
Less: Transfers			-
Transfer from Capital re Loss on Disposal of Assets	-	-	-
Retained Surplus (Deficit) Brought Forward from Prior Yea	-	-	-
Transfer from Capital for Unfunded Depreciation	-	-	-
Transfer (to) Capital General Revenue Expended	-	-	2,587,519
Inter-Function Dividends & Return on Capital	-	-	1,572,836
Transfers from Reserves	-	-	60,000
Transfers to Reserves	-	-	-
	$ -	$ -	4,100,355
Operating Surplus (Deficit)	$0	$0	$0
Capital Summary			
Capital Funding			
General Revenue Used for Capital Purposes	-	-	2,587,519
Capital Grants	-	-	-
Capital Contributions	-	-	-
Capital Contributions - Non Cash Developer	-	-	-
Capital Other Revenue	-	-	-
Capital Internal Transfers - Revenue	-	-	68,638
Transfers from Capital Reserves	-	-	68,638
Transfers to Capital Reserves	-	-	-
New Loans	-	-	-
Proceeds from Sale of Assets	3,000,000	-	4,700,000
Funded Depreciation	-	-	4,467,444
	$ 3,000,000	$ -	11,892,239
Capital Expenditure			
Capital Expenditure (refer Schedules)	3,000,000	-	11,892,239
Capital Internal Transfers - Expense	-	-	-
Loan Repayments	-	-	-
	$ 3,000,000	$ -	$ 11,892,239

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	COMMUNITY SERVICES					
	Departmental Management	Property Services	Community Dev & Library Services	Mackay Convention Precinct	Recreation Services	Total
	Budget 2009/2010	Budget 2009/2010	Budget 2009/2010	Budget 2009/2010	Budget 2009/2010	Budget 2009/2010
Operating Revenue						
Rates & Utility Charges	-	-	-	-	-	-
Less: Discounts and Remissions	-	-	-	-	-	-
Fees & Charges	-	79,600	49,000	2,160,650	249,000	2,538,250
Sales - Contract & Recoverable Work	-	-	-	-	-	-
Operating Grants & Subsidies	-	-	258,506	80,000	-	338,506
Operating Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Other Revenue	-	779,750	78,562	3,214,400	194,500	4,267,212
Community Services Obligations	-	-	-	606,682	858,336	1,465,017
Internal Transfer - Income	-	-	-	-	-	-
Internal Revenue Distribution	246,443	2,582,888	4,335,707	2,500,374	2,320,651	11,986,062
	$ 246,443	$ 3,442,238	$ 4,721,775	$ 8,562,105	$ 3,622,487	$ 20,595,047
Less: Operating Expenses						
Employee Cost	224,203	901,491	3,355,098	2,825,788	1,178,473	8,485,053
Goods, Services & Other Operational Costs	8,000	2,021,151	782,369	4,947,350	1,977,202	9,736,072
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-
Finance Costs (incl Interest Expense)	-	-	-	-	-	-
Other Expenses	-	-	438,000	102,000	83,152	623,152
Depreciation		-		656,051	348,116	1,004,166
Competitive Neutrality Costs	-	-	-	238,406	101,023	339,429
Internal Transfers - Expenses	14,240	73,063	146,307	83,420	41,402	358,432
	$ 246,443	$ 2,995,705	$ 4,721,775	$ 8,853,015	$ 3,729,368	$ 20,546,305
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-
Retained Surplus (Deficit) Brought Forward from Prior Year	-	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	-	-	-	-	-	-
Transfer (to) Capital General Revenue Expended	-	451,533	-	(477,051)	(251,588)	(277,105)
Inter-Function Dividends & Return on Capital	-	-	-	305,373	144,707	450,080
Transfers from Reserves	-	(5,000)	-	(119,232)	-	(124,232)
Transfers to Reserves	-	-	-	-	-	-
	$ -	$ 446,533	$ -	($ 290,909)	($ 106,881)	$ 48,743
Operating Surplus (Deficit)	$0	$0	$0	$0	$0	$0
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	-	451,533	-	(477,051)	(251,588)	(277,105)
Capital Grants	-	-	430,000	-	-	430,000
Capital Contributions	-	-	-	-	-	-
Capital Contributions - Non Cash Developer	-	-	-	-	-	-
Capital Other Revenue	-	-	-	-	-	-
Capital Internal Transfers - Revenue	-	-	-	-	-	-
Transfers from Capital Reserves	-	252,300	-	1,200,000	-	1,452,300
Transfers to Capital Reserves	-	-	-	-	-	-
New Loans	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Funded Depreciation	-	-		656,051	348,116	1,004,166
	$ -	$ 703,833	$ 430,000	$ 1,379,000	$ 96,528	$ 2,609,361
Capital Expenditure						
Capital Expenditure (refer Schedules)	-	703,833	430,000	1,379,000	96,528	2,609,361
Capital Internal Transfers - Expense	-	-	-	-	-	-
Loan Repayments	-	-	-	-	-	-
	$ -	$ 703,833	$ 430,000	$ 1,379,000	$ 96,528	$ 2,609,361

Mackay Regional Council
Budget Statements - 09/10

Mackay Convention Precinct - Financial Performance Report

	Convention Centre Budget 2009/2010	Entertainment Centre Budget 2009/2010	Artspace Budget 2009/2010	TOTAL Budget 2009/2010
Operating Revenue				
Rates & Utility Charges	-	-	-	-
Less: Discounts and Remissions	-	-	-	-
Fees & Charges	1,371,650	719,000	70,000	2,160,650
Sales - Contract & Recoverable Work	-	-	-	-
Operating Grants & Subsidies	-	-	80,000	80,000
Operating Contributions	-	-	-	-
Interest Earned	-	-	-	-
Other Revenue	2,923,400	206,000	85,000	3,214,400
Community Services Obligations	-	606,682	-	606,682
Internal Transfers	-	-	-	-
Internal Revenue Distribution	433,609	1,313,853	752,912	2,500,374
	$4,728,659	$2,845,535	$987,912	$8,562,105
Less: Operating Expenses				
Employee Cost	1,054,522	1,331,495	439,771	2,825,788
Goods, Services & Other Operational Costs	3,655,050	776,400	515,900	4,947,350
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-
Finance Costs (incl Interest Expense)	-	-	-	-
Other Expenses	78,500	16,000	7,500	102,000
Depreciation	107,646	464,720	83,685	656,051
Corporate Overheads & Competitive Neutrality Costs	-	238,406	-	238,406
Inter-Function Expenditure for Services Provided	59,819	7,861	15,740	83,420
	$4,955,537	$2,834,881	$1,062,597	$8,853,015
Less: Transfers				
Transfer from Capital re Loss on Disposal of Assets	-	-		-
Retained Surplus (Deficit) Brought Forward from Prior Year	-	-	-	-
Transfer from Capital for Unfunded Depreciation	-	-	-	-
Transfer (to) Capital General Revenue Expended	- 107,646	(294,720)	- 74,685	(477,051)
Inter-Function Dividends & Return on Capital	-	305,373	-	305,373
Net Transfers from Reserves	- 119,232	-	0	(119,232)
Net Transfers to Reserves	-	-	-	-
	($226,878)	$10,654	($74,685)	($290,909)
Operating Surplus	$0	$0	$0	$0
Capital Summary				
Capital Funding				
General Revenue Used for Capital Purposes	($107,646)	($294,720)	($74,685)	($477,051)
Capital Grants	-	-	-	-
Capital Contributions	-	-	-	-
Capital Contributions - Non Cash Developer	-	-	-	-
Capital Other Revenue	-	-	-	-
Capital Internal Transfers - Revenue	-	-	-	-
Transfers from Capital Reserves	-	1,200,000	-	1,200,000
Transfers to Capital Reserves	-	-	-	-
New Loans	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-
Funded Depreciation	107,646	464,720	83,685	656,051
	$0	$1,370,000	$9,000	$1,379,000
Capital Expenditure				
Capital Expenditure (refer Schedules)	-	1,370,000	9,000	1,379,000
Capital Internal Transfers - Expense	-	-	-	-
Loan Repayments	-	-	-	-
	$0	$1,370,000	$9,000	$1,379,000

Mackay Regional Council
Budget Statements - 09/10

ENGINEERING SERVICES

	Departmental Management Budget 2009/2010	Maintenance Budget 2009/2010	Technical Services Budget 2009/2010	Parks and Recreation Budget 2009/2010	Construction Budget 2009/2010	Total Budget 2009/2010
Operating Revenue						
Rates & Utility Charges	450,000	-	-	1,129,500	2,258,900	3,838,400
Less: Discounts and Remissions	-	-	-	(1,750)	(3,500)	(5,550)
Fees & Charges	-	-	10,000	422,000	-	432,000
Sales - Contract & Recoverable Work	-	2,848,200	1,000	461,343	-	3,310,543
Operating Grants & Subsidies	11,000	36,785,852	-	47,000	-	36,844,352
Operating Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Other Revenue	-	1,260,000	95,984	82,500	-	1,438,584
Community Services Obligations	-	-	-	706,503	-	706,503
Internal Transfer - Income	-	-	46,160	-	1,200,000	1,246,160
Internal Revenue Distribution	1,383,054	19,330,313	2,852,967	13,884,268	10,690,603	48,141,204
	$ 1,844,554	$ 60,224,365	$ 3,005,731	$ 16,743,364	$ 14,136,203	$ 96,954,216
Less: Operating Expenses						
Employee Cost	1,065,443	9,049,288	957,946	8,488,607	1,210,302	20,780,486
Goods, Services & Other Operational Costs	151,500	43,191,258	1,914,056	3,796,096	67,000	49,018,862
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-
Finance Costs (Ind Interest Expense)	-	-	-	-	-	-
Other Expenses	-	-	2,000	4,500	10,000	16,500
Depreciation	-	-	-	1,384,874	21,485,555	22,870,329
Competitive Neutrality Costs	-	1,770,214	-	189,102	-	1,964,316
Internal Transfers - Expenses	165,610	4,316,586	76,687	2,415,654	103,996	7,080,484
	$ 1,402,554	$ 58,332,358	$ 2,952,731	$ 16,188,883	$ 22,866,754	$ 101,744,379
Less: Transfers						
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-	-	-
Retained Surplus (Deficit) Brought Forward from Prior Year	-	-	-	-	-	-
Transfer from Capital for Unfunded Depreciation	-	269,000	53,000	(517,874)	(5,454,339)	(5,454,339)
Transfer (to) Capital General Revenue Expended	-	1,549,007	-	214,223	(3,326,214)	(3,323,168)
Inter-Function Dividends & Return on Capital	(8,000)	-	-	(272,284)	-	(280,284)
Transfers from Reserves	(450,000)	-	-	1,129,500	-	1,654,500
Transfers to Reserves	450,000	75,000	-	-	-	525,000
	$ 442,000	$ 1,893,007	$ 53,000	$ 553,481	$ 8,780,553	$ 5,790,023
Operating Surplus (Deficit)	$0	$0	$0	$0	$0	$0
CAPITAL SUMMARY						
Capital Funding						
General Revenue Used for Capital Purposes	-	269,000	53,000	(517,874)	(3,326,214)	(3,322,188)
Capital Grants	-	-	-	-	5,487,555	5,487,555
Capital Contributions - Cash	-	-	-	-	6,494,000	6,494,000
Capital Contributions - Non Cash Developer	-	-	-	-	-	-
Capital Other Revenue	-	-	-	-	-	-
Capital Internal Transfers - Revenue	-	-	-	-	-	-
Transfers from Capital Reserves	450,000	-	-	1,385,163	4,041,151	5,776,314
Transfers to Capital Reserves	-	-	-	-	-	-
New Loans	7,500,000	-	-	420,000	12,048,000	19,953,000
Proceeds from Sale of Assets	-	-	-	-	-	-
Funded Depreciation	-	-	-	1,384,874	16,091,219	17,466,193
	$ 7,950,000	$ 269,000	$ 53,000	$ 2,557,163	$ 40,815,911	$ 51,844,973
Capital Expenditure						
Capital Expenditure (refer Schedules)	7,950,000	269,000	53,000	2,519,982	37,391,351	48,183,333
Capital Internal Transfers - Expense	-	-	-	37,280	3,424,460	3,461,740
Loan Repayments	-	-	-	-	-	-
	$ 7,950,000	$ 269,000	$ 53,000	$ 2,557,163	$ 40,815,911	$ 51,644,973

Mackay Regional Council
Budget Statements - 09/10

	COMMERCIAL SERVICES			
	Commerical Services Management Budget 2009/2010	Planning & Sustainability Budget 2009/2010	Infrastructure Delivery Budget 2009/2010	Operations Budget 2009/2010
Operating Revenue				
Rates & Utility Charges	53,755,102	-	-	1,688,409
Less: Discounts and Remissions	(3,658,640)	-	-	(12,500)
Fees & Charges	430,000	-	-	1,699,800
Sales - Contract & Recoverable Work	1,555,000	45,000	-	514,000
Operating Grants & Subsidies	-	-	-	-
Operating Contributions	-	-	-	-
Interest Earned	695,000	-	-	-
Other Revenue	-	-	-	107,000
Community Services Obligations	-	-	-	-
Internal Transfer - Income	-	-	-	135,000
Internal Revenue Distribution	-	-	-	-
	$ 52,776,462	$ 45,000	$ -	$ 4,131,709
Less: Operating Expenses				
Employee Cost	1,018,643	565,641	307,730	9,390,045
Goods, Services & Other Operational Costs	744,754	1,764,750	322,850	11,289,520
Transfer from Capital re Loss on Disposal of Assets	-	-	-	-
Finance Costs (incl Interest Expense)	-	-	-	-
Other Expenses	99,990	-	-	465,111
Depreciation	-	-	-	16,030,025
Corporate Overheads & Competitive Neutrality Costs	-	-	-	-
Internal Transfers - Expenses	162,322	73,496	32,797	1,743,245
	$ 2,023,710	$ 2,403,887	$ 663,378	$ 38,917,946
Less: Transfers				
Transfer from Capital re Loss on Disposal of Assets	-	-		-
Retained Surplus (Deficit) Brought Forward from Prior Year				
Transfer from Capital for Unfunded Depreciation	-	-	-	(1,740,327)
Transfer (to) Capital General Revenue Expended	-	-	10,383,377	(9,363,684)
Inter-Function Dividends & Return on Capital	-	-	-	-
Transfers from Reserves	-	(1,273,402)	(491,590)	-
Transfers to Reserves	-	-	-	-
	$ -	($ 1,273,402)	$ 9,891,787	($ 11,104,011)
Operating Surplus (Deficit)	50,752,752	- 1,085,485	- 10,555,165	- 23,682,226
CAPITAL SUMMARY				
Capital Funding				
General Revenue Used for Capital Purposes	-	-	10,383,377	(9,363,684)
Capital Grants	-	-	1,244,491	3,996,000
Capital Contributions	-	-	-	-
Capital Contributions - Non Cash Developer	-	-	-	-
Captial Other Revenue	-	-	-	-
Capital Internal Transfers - Revenue	-	-	-	-
Transfers from Capital Reserves	3,000,000	-	5,451,166	9,141,150
Transfers to Capital Reserves	-	-	-	-
New Loans	1,000,000	-	14,350,000	1,000,000
Proceeds from Sale of Assets	-	-	-	-
Funded Depreciation	-	-		14,289,698
	$ 4,000,000	$ -	$ 31,429,034	$ 19,063,164
Capital Expenditure				
Capital Expenditure (refer Schedules)	4,000,000	-	31,429,034	15,806,292
Capital Internal Transfers - Expense	-	-	-	194,866
Loan Repayments	-	-	-	3,062,006
	$ 4,000,000	$ -	$ 31,429,034	$ 19,063,164

Mackay Regional Council
Budget Statements - 09/10

	COMMERCIAL SERVICES (CONT.)		
	Mackay Waste Services Budget 2009/2010	Business Services Budget 2009/2010	TOTAL Budget 2009/2010
Operating Revenue			
Rates & Utility Charges	13,469,600	-	68,913,111
Less: Discounts and Remissions	(765,500)	-	(4,436,640)
Fees & Charges	5,002,686	2,030	7,134,516
Sales - Contract & Recoverable Work	-	-	2,114,000
Operating Grants & Subsidies	-	-	-
Operating Contributions	-	-	-
Interest Earned	267,000	-	962,000
Other Revenue	142,348	128,956	378,304
Community Services Obligations	-	381,048	381,048
Internal Transfer - Income	80,000	-	215,000
Internal Revenue Distribution	-	-	-
	$ 18,196,134	$ 512,034	75,661,339.30
Less: Operating Expenses			
Employee Cost	724,674	610,484	12,615,217.90
Goods, Services & Other Operational Costs	14,258,763	880,454	29,261,091.27
Transfer from Capital re Loss on Disposal of Assets	-	-	-
Finance Costs (incl Interest Expense)	-	5,177,808	5,177,808.42
Other Expenses	42,500	2,900	610,501.00
Depreciation	166,858	-	16,196,882.59
Corporate Overheads & Competitive Neutrality Costs	-	2,381,071	2,381,071.48
Internal Transfers - Expenses	104,809	63,732	2,180,401.28
	$ 15,297,603	$ 9,116,451	68,422,973.94
Less: Transfers			
Transfer from Capital re Loss on Disposal of Assets	-	-	-
Retained Surplus (Deficit) Brought Forward from Prior Year			-
Transfer from Capital for Unfunded Depreciation	-	-	(1,740,327)
Transfer (to) Capital General Revenue Expended	1,025,894	-	2,045,587
Inter-Function Dividends & Return on Capital	-	8,748,097	8,748,097
Transfers from Reserves	-	(50,000)	(1,814,992)
Transfers to Reserves	-	-	-
	$ 1,025,894	$ 8,698,097	$ 7,238,365
Operating Surplus (Deficit)	1,872,637	- 17,302,514	$0
CAPITAL SUMMARY			
Capital Funding			
General Revenue Used for Capital Purposes	1,025,894	-	2,045,587
Capital Grants	-	-	5,240,491
Capital Contributions	-	-	-
Capital Contributions - Non Cash Developer	-	-	-
Captial Other Revenue	-	-	-
Capital Internal Transfers - Revenue	-	-	-
Transfers from Capital Reserves	600,000	-	18,192,316
Transfers to Capital Reserves	-	-	-
New Loans	700,000	-	17,050,000
Proceeds from Sale of Assets	-	-	-
Funded Depreciation	166,858	-	14,456,556
	$ 2,492,752	$ -	$ 56,984,949
Capital Expenditure			
Capital Expenditure (refer Schedules)	1,564,725	-	52,800,051
Capital Internal Transfers - Expense	-	-	194,866
Loan Repayments	928,027	-	3,990,032
	$ 2,492,752	$ -	$ 56,984,949

MACKAY REGIONAL COUNCIL
BUDGET STATEMENTS
For the year ending 30 June 2010
CAPITAL PROJECTS

	Budget 2009/2010
Regulatory Services	
90003 - City Centre Works	100,000
	$ 100,000
Corporate Services	
10325 - Office Furn & Equip	57,586
10353 - New Staff - Office Furn & Equip	23,707
10390 - Plant & Equipment - Replacement Program	5,687,730
10393 - Plant & Equipment - New Requests	577,730
10394 - New Staff - Plant & Equipment	736,813
10402 - Mirani & Sarina Workshop	30,000
10307 - Corporate Backup Software Upgrade	50,000
10309 - HAF Eda - Online DA System	50,000
10314 - GIS Arcinfo Licence	26,000
10316 - Server Virtualisation	52,000
10317 - On-Line Services	15,000
10318 - New Staff - IT Equipment	85,400
10319 - Aerial Photograpy	130,000
10320 - Computer Equipment Strategic	665,235
10321 - Computer Software Strategic	276,050
10322 - Computer Equip & Software Non Strategic	150,358
10323 - Computer Systems Business Continuity	121,000
10354 - Photocopiers	21,630
10357 - Chris21 Upgrade version - February	15,000
90200 - Corporate Computer Systems	121,000

10304 - Canelands Land Sale Infrastructure Upgd.	3,000,000
	11,892,239
Community Programs	
10356 - Council Buildings - Electronic security upgrade & co	65,000
10358 - Brewers Park Sporting Complex	50,000
10359 - Mirani Museum Air Conditioner Replacement	32,300
20214 - Slade Point Community Hall - Floor & Roof repairs	19,500
20215 - Andergrove Neighbourhood Centre - Upgrade	11,600
20216 - Andergrove Neighbourhood Centre - Drainage	10,000
29009 - Bedford Road Council House - Carpet Replacement	3,500
90101 - Relocation within Admin Building	100,000
90115 - Admin Building - Air Conditioner heater element repl	49,080
90117 - Council Chambers Refurbishment	70,000
90283 - Holmes Dr Comm Housing Units - Bathroom/Kitcher	50,000
90339 - Greenmount Homestead - 3 phase power/road acce	43,000
90341 - City Library - Air Conditioner Replacement	63,150
90446 - Sarina Cultural Hall - Bar/Sound System/Stage Curt	59,461
90447 - Sarina Cultural Hall - Replace Dishwashers	16,000
90482 - Sarina Sugar Shed Improvements	61,242
10445 - Library Books	430,000
10385 - MEC Theatre Equipment	170,000
10386 - MEC Facility Upgrade	1,200,000
10443 - Artspace - Reseal Timber Floor	9,000
90406 - Mirani Pool Capital Expenditure	10,000
90411 - Pioneer Pool Capital Expenditure	43,264
90412 - Memorial Pool Capital Expenditure	43,264
	$ 2,609,361
Engineering Services	
10404 - Generator	150,000
10405 - Emergency Services	300,000
90470 - Depot Redevelopment	7,500,000
10397 - Plant & Equipment - Maintenance	25,000
10403 - City Centre Works	200,000
90457 - Calen Depot	23,000

90458 - Sarina Depot	21,000
90540 - Asset Services - Capital	53,000
20000 - Parks Loan Program	1,734,720
20001 - McEwans Bch Fshore Reveg	30,000
20010 - Queens Park Reg Pk Dev	482,663
20028 - Walkerston Cemetery - Land Acquisition	100,000
20036 - Roundabout Upgrades Streetscapes	27,500
20151 - Mulherin Park Gardens Shed	30,000
20176 - Railway Corridor-Park Upgrade	80,000
20228 - Railway Park Mirani	35,000
21120 - Sarina Coastal Sustainable Landscapes	37,280
52000 - Roads Capital Projects	40,695,811
55502 - Stormwater Quality - 09/10 Projects	120,000
	$ 51,644,973
Water & Waste	
70040 - MWRP -Mky South Water Recycling Facility	4,000,000
30392 - Safety Equipment	5,830
30393 - Sarina Hazardous Goods Store	11,660
30394 - Site Analytical Equipment	11,660
30395 - Sarina Chemical Storage Area	88,616
30396 - Purge & Trap Concentrator	39,655
30397 - Analytical Equipment - Sarina	11,660
30398 - Hydrocarbon Wands	4,664
30399 - Generator	58,300
61029 - Boundary Road (Connors to Highway)	133,000
61030 - Slade Point - PLC	11,543
61031 - Mt Oscar High Level Controller	13,992
61032 - Sarina Res Booster Upgrade	1,000
61033 - Mirani Telemetry	254,654
61034 - Water Level Monitor - Middle Creek	26,469
61035 - Upgrading Treatment Plant Security	49,707
61036 - Fluoride Treatment - Remote Sites	44,491
61037 - Calen & Bloomsbury	139,920
61038 - Koumala & Sarina NB	49,800
61039 - Gargett & Finch Hatton	19,800

61040 - Sarina Pneumatic Upgrade	15,916
61041 - Sarina Static Protection	8,162
61042 - OHS Upgrade	23,320
61043 - Nebo Rd Reliability & Environmental	10,663,171
61045 - Mt Griffith Reservoir - Leaking Roof	7,137
61046 - Reservoir Chlorination System	81,620
63031 - Shakespeare Street - Asset Enhancement	991,571
63032 - Ron Camm Bridge - New Valves	30,313
63033 - Retic Main on Nebo Road - Eastern	633,185
63036 - New Eimeo Road - New Water Main	105,010
63037 - Renewal of Service Connections	142,000
63038 - Farrellys Lane East Development	137,500
63039 - Carlyle Street Upgrade	9,695
63040 - Dumbleton Main - Air Valves	25,698
63041 - Anzac Street - Valve Replacement	139,542
63042 - Shoal Point Road - Missing Link	257,600
63044 - Letchford Street (Cook St to Reservoir)	98,162
63047 - Bridge Road (Hume St-Streeter Ave)	34,136
63048 - Bridge Road (Juliet St-Goldsmith St) incl stadium	159,750
63049 - Paradise Street (Webberly St-Archibald St)	315,141
63054 - Heaths Road (Valetta Dve-Fursden St)	280,083
63056 - Smith Street (Wilson St-Nebo Rd)	277,750
63057 - Field Street (Webberly St-Keith Hamilton St)	70,000
63058 - Kennedy Street (Evans St-Ready St)	139,032
63059 - McKenney Street (Symon St-Juliet St)	122,348
63061 - Shakespeare Street (Nebo Rd-Gardiner St)	19,958
63062 - Howard Street (George St-Griffin St)	10,222
63063 - Keith Hamilton Street (Nebo Rd-Longair St)	289,186
63064 - Hinton Street (George St-Howard St)	18,741
63066 - Mogford Street (Field St-Nebo Rd)	11,000
63067 - Connors Road (Boundary Rd Intersection)	259,902
63068 - Anzac Avenue - Marian	148,538
63073 - Hospital Street - Sarina	83,503
63074 - Lee Street - Sarina	62,390
63075 - Goonyella Street (Maudsley Rd-Charles Taylor Ave)	67,448
63076 - Bring Forward Design	150,000

70118 - Gordon Street SPS Upgrade	2,229,320
70119 - Mirani Refurbishment & Enhancement	450,123
70120 - Regional Sepit Delivery Scheme	106,714
70121 - UV Disinfection - Mirani	37,858
70122 - Sarina A Well Upgrade	39,640
70123 - Sarina B Well Upgrade	39,640
70124 - Sarina Alarm Upgrade	58,968
70125 - Sarina Digester Safety Upgrade	27,717
70126 - Upgrade Site Access - Sarina	23,320
70127 - Sarina Disinfection Upgrade	53,000
70128 - Sewer Relining & I/I Reduction	1,226,719
70129 - Marryatt Street SPS Upgrade	1,971,255
70130 - Schmidtkes Road Development - New	1,242,282
70131 - Goldsmith Street SPS Upgrade	166,336
70132 - Gooseponds SPS - Emergency Storage	88,806
70133 - Gooseponds SPS Upgrade	131,231
70134 - Gordon Street SPS Rising Main	1,286,060
70135 - Lamberts Beach - Switchboard Upgrade	12,161
70136 - Base Hospital	112,890
70137 - Prawn Farm - Dump Road	720,000
70138 - Emergency Relief Structures	196,644
70139 - Place Avenue - Sarina	98,432
70140 - SPS - Sarina No 3	145,447
70141 - SPS - Sarina No 4	145,447
70142 - SPS - Sarina No 5	145,447
70143 - SPS - Sarina No 6	145,447
70144 - SPS - Sarina No 7	145,447
70145 - SPS - Sarina No 8	145,447
70146 - Boundary Road Switchboard	7,350
70147 - Scott Street Switchboard	7,350
70148 - Holts Road Switchboard	94,271
70149 - Sarina Telemetry	6,366
70163 - Mirani Telemetry	51,081
70164 - Seaforth Upgrade	18,425
70165 - Generator Connections	21,804
70166 - High Level Alarms - 50 Sites	15,304

70167 - SPS - Forgan Street	31,830
70168 - SPS - Burgess Street	31,833
70169 - SPS - Wattle Street	11,750
70170 - WWTP to Smythes	5,112
70171 - Beaconsfield Trunk Sewer Upgrade	101,952
70172 - Marian Sewerage Scheme	350,000
70173 - Feed to Schmidtkes Road PS	483,090
70174 - Farrellys Lane East Development	144,375
70175 - Beaconsfield Road No 1 SPS Upgrade	1,697,668
70177 - Bring Forward Design	150,000
70178 - Mulherin Drive (Ron Searle Dve to PS)	142,524
30390 - Plant & Equipment at Cost - Water	100,000
30391 - Laboratory - Plant & Equipment at Cost	30,900
40390 - Plant & Equipment at Cost - Sewerage	50,000
60004 - Water Service Replacements	30,000
60006 - Eton Water Supply Augmentation	119,393
60007 - Sarina Water Supply Main	8,372,855
60011 - Depot Redevelopment - Mackay Water	2,331,067
60029 - Middle Creek Dam	361,244
60065 - Retic - Meter Replacement Program	223,000
60133 - Pump Stations - Unspecified	30,000
60170 - Leak Detection and Demand Management	213,366
60238 - WMR Lawson Street (River St to Tennyson St)	150,510
60250 - Digitisation of Telemetry Header Account	154,000
60251 - Mackay Water & Waste Control Room	133,000
60252 - Raw Water Header Account	274,880
60255 - Mirani WTP	59,666
60258 - Water Capital Investigations	262,800
60272 - WMR Broad St (Upgrade)	308,405
60293 - MRW - Install 2 Inline Chlorine Analysers	12,000
61010 - Eton Water Pump Station	36,404
63015 - Rural View Reservoir	89,303
63030 - South Mackay Trunk Main	673,246
70106 - Sarina WWTP	207,769
70117 - North Eton Biocycle Upgrade	93,040
70400 - Waste link Mobile Collection Module	21,580

71029 - Coles Road Sewer Pump Station	1,662,730
90020 - Hogans Pocket - Landfill and Road	300,000
90026 - Otterburn Closure	100,000
90027 - New Sarina Transfer Station	100,000
90034 - Haypoint Landfill Conversion to Hardfill	200,000
90037 - Bedford Rd Liquid Waste Remediation	800,000
90038 - Sarina Landfill Closure/Remediation	64,725
	$ 52,994,917
TOTAL CAPITAL PROJECTS	**119,241,490**

MACKAY REGIONAL COUNCIL
REVENUE STATEMENT
2009/2010

1. BACKGROUND

The *Local Government Act 1993* (LGA) Section 518 requires every local government to adopt a revenue statement for each financial year.

The revenue statement is adopted at the budget meeting and is required, under LGA Section 520A to state: -

(a) If the local government makes and levies a differential general rate for the financial year: -
(i) the categories into which rateable land in its area is to be categorised; and
(ii) the criteria by which land is to be categorised;

(b) If the local government makes and levies a special rate or charge, for the financial year, for a service, facility or activity supplied by another local government under arrangements entered into under Section 59 - a summary of the terms of the arrangements;

(c) If the local government fixes a regulatory fee for the financial year - the criteria used to decide the amount of all regulatory fees fixed for the year.

Under the *Local Government Finance Standard 2005* (LGFS) Section 56, the Revenue Statement must include the following information for the financial year: -

(a) An outline and explanation of the revenue raising measures adopted, including, for example, an outline and explanation of: -
(i) the rates and charges to be made and levied in the financial year; and
(ii) the rebates and concessions to be granted in the financial year;

(b) Whether the local government has made a resolution limiting the increases in rates and charges;

(c) The extent to which physical and social infrastructure costs for new development are to be funded by charges for the development;

(d) Whether the operating capability of the local government is to be maintained, increased or decreased and, if it is to be increased or decreased, the extent to which it is to be increased or decreased;

(e) Whether depreciation and other non-cash expenses are to be fully funded.

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

2. DIFFERENTIAL GENERAL RATES 2009/2010:

Pursuant to section 977 of the Local Government Act 1993, the categories into which rateable land is categorised is as follows: -

Category 1(a) - Residential

Criteria

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

Unimproved Capital Value of the land is up to $175,000

Residential properties with a Land Use 03 or 03F (Multiple Dwelling/s Flats) will be included in this Category irrespective of the Unimproved Capital Valuation applying to the rating assessment.

The intention of these criteria is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose within the valuation range specified and not included in any other category.

2. That such land will in the main be owner occupied and where tenanted, the revenue earned is limited to rental income solely.

3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.

4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable.

Category 1(b) - Residential

Criteria

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

Unimproved Capital Value of the land is between $175,001 and $345,000

Residential properties with a Land Use 03 or 03F (Multiple Dwelling/s Flats) will be included in Category 1(a) irrespective of the Unimproved Capital Valuation applying to the rating assessment.

The intention of these criteria is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose within the valuation range specified and not included in any other category.

2. That such land will in the main be owner occupied and where tenanted, the revenue earned is limited to rental income solely.

3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.

4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable.

Category 1(c) - Residential

Criteria

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

Unimproved Capital Value of the land is between $345,001 and $575,000

Residential properties with a Land Use 03 or 03F (Multiple Dwelling/s Flats) will be included in Category 1(a) irrespective of the Unimproved Capital Valuation applying to the rating assessment.

The intention of these criteria is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose within the valuation range specified and not included in any other category.

2. That such land will in the main be owner occupied and where tenanted, the revenue earned is limited to rental income solely.

3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.

4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable.

Category 1(d) - Residential

Criteria

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

Unimproved Capital Value of the land is above $575,000.

Residential properties with a Land Use 03 or 03F (Multiple Dwelling/s Flats) will be included in Category 1(a) irrespective of the Unimproved Capital Valuation applying to the rating assessment.

The intention of these criteria is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose within the valuation range specified and not included in any other category.

2. That such land will in the main be owner occupied and where tenanted, the revenue earned is limited to rental income solely.

3. That in the case of land on which there is erected a single unit domestic dwelling to the extent that the dominant use of the land is residential, it will fall into this category regardless of the zoning of the land.

4. That this category will not include Retirement Villages or equivalent where the individual residences are not separately rateable.

Category 2(a) – Special Residential Strata - Horizontal

Criteria

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

1. Any of the structures within the properties that share a common unimproved capital value, contain more than 2 (two) levels, or,
2. the property is contained within a resort or other tourist related facility, or,
3. the properties share a common unimproved capital valuation of $1,000,000 or more and there are 8 (eight) or more lots in the development.
4. The property is not categorised in Category 2b.

The intention of these criteria is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose.

2. That such land will in the main be owner occupied and where tenanted, the revenue earned is limited to rental income solely.

3. That the lands are part of a Body Corporate, and that any of the properties contained within the Community Management Statement(s) meet the criteria set out above.

Category 2(b) – Special Residential Strata - Vertical

Criteria

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

The intention of these criteria is: -

1. That this category will cover all land, where the dominant purpose for which that land is used or intended for use is a residential purpose.

2. That such land will in the main be owner occupied and where tenanted, the revenue earned is limited to rental income solely.

3. That the lands are part of a Body Corporate, and that the property meets the criteria set out above.

Category 3(a) - Canefarming

Criteria

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

The land is located within the boundary of the former Mackay City Council.

The intention of these criteria is to cover all land that is used for or associated with the growing of sugar cane and located within the boundary of the former Mackay City Council.

Category 3(b) - Canefarming

Criteria

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

The land is located within the boundary of the former Mirani Shire Council.

The intention of these criteria is to cover all land that is used for or associated with the growing of sugar cane and located within the boundary of the former Mirani Shire Council.

Category 3(c) - Canefarming

Criteria

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

The land is located within the boundary of the former Sarina Shire Council.

The intention of these criteria is to cover all land that is used for or associated with the growing of sugar cane and located within the boundary of the former Sarina Shire Council.

Category 4(a) – Other Rural

Criteria

The property is used, or in the case of vacant land, zoned and intended for use, for rural purposes other than properties contained within Categories 3(a), 3(b) or 3(c).

The land is located within the boundaries of the former Mackay City Council or Mirani Shire Council.

The intention of these criteria is to cover all land that is used for an agricultural, grazing or any other rural purpose, not included in Categories 3(a), 3(b) or 3(c) and located within the boundaries of the former Mackay City Council or Mirani Shire Council.

Category 4(b) – Other Rural

Criteria

The property is used, or in the case of vacant land, zoned and intended for use, for rural purposes other than properties contained within Categories 3(a), 3(b) or 3(c).

The land is located within the boundaries of the former Sarina Shire Council.

The intention of these criteria is to cover all land that is used for an agricultural, grazing or any other rural purpose, not included in Categories 3(a), 3(b) or 3(c), and located within the boundaries of the former Sarina Shire Council.

Category 5 - Large Drive-in Shopping Centre

Criteria

1. The property be used for commercial purposes, viz. Drive-in Shopping Centre; and

2. The property is greater than 5 hectares in area, and has a retail floor area of greater than 30,000 square metres; and

3. The property contains more than 60 commercial tenancies and is located within the City Centre Management Benefited area as defined in [Map No. 2010/1] attached.

The intention of these criteria is to cover all land where the dominant purpose for which that land is used or intended for use is a Drive-In Shopping Centre that meets criteria 2 and 3 above.

Category 6 - Medium Drive-in Shopping Centre

Criteria

1. The property is used for commercial purposes, viz. Drive-in Shopping Centre; and

2. The property is greater than 5 hectares in area, and has a retail floor area of greater than 20,000 square metres; and

3. The property contains more than 30 commercial tenancies; and

4. The property is not in the Large Drive-in Shopping Centre category.

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

Category 7 - Shopping Complex

Criteria

1. The property is used for commercial retail purposes, viz. Drive-in Shopping Centre, other retail complex or single or multiple shops; and

2. The property has a gross floor area of greater than 1,500 square metres; and

3. The property contains more than 40 car parking spaces

4. The property is not in the Large or Medium Drive-in Shopping Centre categories.

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

Category 8(a) – Other Commercial / Industrial

Criteria

The property is:

a. used for commercial or industrial purposes; or
b. if vacant land, is zoned for commercial or industrial purposes under the Planning Schemes or Shire Plan relevant to Mackay Regional Council; or
c. if otherwise zoned under the Planning Schemes or Shire Plan relevant to Mackay Regional Council is intended for use for commercial or industrial purposes; or
d. not elsewhere categorised in this statement.

The land is located within the Mackay Urban area as defined in Urban Commercial Area [Map No. 2010/2] attached.

The intention of these criteria is:

1. To cover commercial and industrial properties located within the area defined within Map No. 2010/2;

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

3. To categorise land within the identified area not elsewhere categorised.

Category 8(b) – Other Commercial / Industrial

Criteria

The property is:

a. used for commercial or industrial purposes; or
b. if vacant land, is zoned for commercial or industrial purposes under the Planning Schemes or Shire Plan relevant to Mackay Regional Council; or
c. if otherwise zoned under the Planning Schemes or Shire Plan relevant to Mackay Regional Council is intended for use for commercial or industrial purposes; or
d. not elsewhere categorised in this schedule

The land is located outside the Mackay Urban area as defined in Urban Commercial Area [Map No. 2010/2] attached.

The intention of these criteria is:

1. To cover commercial and industrial properties located outside the area defined within Map No. 2010/2;

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

3. To categorise land outside the Mackay Urban areas defined and not elsewhere categorised.

Category 9 - Major Port Industry

Criteria

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

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

Category 10 - Sugar Mill or Sugar Refinery

Criteria

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

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

Category 11 – Other Significant Industry (1)

Criteria

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

The intention of these criteria is to cover all properties used for identified, significant industries located within the former Sarina Shire area.

Category 12 – Other Significant Industry (2)

Criteria

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

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

Category 13 – Other Significant Industry (3)

Criteria

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

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

Category 14 – Resorts and Island Commercial Operations

Criteria

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

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

Category 15 – Development Lands

Criteria

The property has had a Development Approval (by way of a Development Permit), granted for a "reconfiguration of lot" or "making a material change of use of premises" that has not been finalised.

Residual properties subject to a staged development approval will be included in this category until the final stage is completed.

The intention of these criteria is to identify all properties where Council has granted an approval for development of the property but the development subject to the approval has not been finalised.

The following Differential Rates have been made for the year 2009/2010:

Description	Rate in $
Category 1(a) - Residential	0.6531 cents
Category 1(b) - Residential	0.6370 cents
Category 1(c) - Residential	0.5402 cents
Category 1(d) - Residential	0.5272 cents
Category 2(a) - Special Residential Strata - Horizontal	0.9550 cents
Category 2(b) - Special Residential Strata - Vertical	1.3579 cents
Category 3(a) - Canefarming	2.3833 cents
Category 3(b) - Canefarming	2.6739 cents
Category 3(c) - Canefarming	2.5394 cents
Category 4(a) - Other Rural	1.2299 cents

Category 4(b) - Other Rural	1.0383 cents
Category 5 - Large Drive-in Shopping Centre	15.7896 cents
Category 6 - Medium Drive-in Shopping Centre	3.5944 cents
Category 7 - Shopping Complex	1.7626 cents
Category 8(a) - Other Commercial / Industrial	1.2421 cents
Category 8(b) - Other Commercial / Industrial	0.9727 cents
Category 9 - Major Port Industry	8.4699 cents
Category 10 - Sugar Mill or Sugar Refinery	10.2617 cents
Category 11 - Other Significant Industry (1)	7.6671 cents
Category 12 - Other Significant Industry (2)	2.3295 cents
Category 13 - Other Significant Industry (3)	3.8011 cents
Category 14 - Resorts and Island Commercial Operations	1.6327 cents
Category 15 - Development Lands	1.1800 cents

3. MINIMUM GENERAL RATE LEVY 2009/2010:

In accordance with the provisions of Section 967 of the *Local Government Act 1993*, the following Minimum General Rate Levies for the various Categories of land, shall apply for the year 2009/210:

Description	Minimum General Rate
Category 1(a) - Residential	$871 per annum
Category 1(b) - Residential	$1,146 per annum
Category 1(c) - Residential	$2,200 per annum
Category 1(d) - Residential	$3,110 per annum
Category 2(a) - Special Residential Strata - Horizontal	$1,274 per annum
Category 2(b) - Special Residential Strata - Vertical	$1,345 per annum
Category 3(a) - Canefarming	$1,388 per annum
Category 3(b) - Canefarming	$1,388 per annum
Category 3(c) - Canefarming	$1,506 per annum
Category 4(a) - Other Rural	$990 per annum
Category 4(b) - Other Rural	$990 per annum
Category 5 - Large Drive-in Shopping Centre	$1,070,098 per annum
Category 6 - Medium Drive-in Shopping Centre	$647,036 per annum
Category 7 - Shopping Complex	$3,506 per annum
Category 8(a) - Other Commercial / Industrial	$1,861 per annum
Category 8(b) - Other Commercial / Industrial	$1,169 per annum
Category 9 - Major Port Industry	$647,036 per annum
Category 10 - Sugar Mill or Sugar Refinery	$136,332 per annum
Category 11 - Other Significant Industry (1)	$7,011 per annum
Category 12 - Other Significant Industry (2)	$7,011 per annum
Category 13 - Other Significant Industry (3)	$7,011 per annum
Category 14 - Resorts and Island Commercial Operations	$1,861 per annum
Category 15 - Development Lands	$1,700 per annum

4. SPECIAL RATE (CITY CENTRE MANAGEMENT) 2009/2010:

In accordance with section 971 and 1008 of the Local Government Act 1993, Council levies a special rate as follows:

(1) Council make and levy a special rate on rateable land described below to fund the Council to promote and advance the trading and economic development of the businesses being conducted on land within the Benefitted Area (as shown on the Benefitted Area Map Numbered 2010/1).

(2) The overall plan for the activities to be funded by the special rate is as follows:-

(a) The rateable land to which the plan applies is the rateable land situated within the Benefitted Area (as shown on the Benefitted Area Map).

(b) The service, facility, or activity for which the plan is made is for Council to fund the following activities:

(i) Supervising, promoting and advancing the trading and economic development of the businesses being conducted on the rateable land;

(ii) promoting and attracting commerce and tourism to the businesses being conducted on the rateable land;

(iii) improving the public areas surrounding the rateable land;

(iv) conducting and organising promotional programmes, publicity, special events, entertainment programs and decorations in the public areas adjoining the rateable land; and

(v) improving access to and around the rateable land for pedestrians, vehicles, public transport and cyclists, including adequate on and off street parking.

(c) The estimated cost of implementing the overall plan is $820,407 for 2009/10;

(d) The estimated time for implementing the overall plan is 1 year commencing 1 July 2009 and ending on 30 June 2010.

(3) The Council is of the opinion that the use made of the rateable land proposed to be levied with the special rate, specially benefits from these activities because the activities to be funded by the special rate will assist in promoting the businesses being conducted upon the rateable land, thereby assisting those patrons to retain their existing business, as well as attract new business.

(4) A special rate will apply to all land in the Benefitted Area as shown in the Benefitted Area Map other than exempt properties and properties used exclusively for residential purposes. The quantum of the special rate is dependant upon the benefit Council considers the rateable land will receive. The special rate payable by the the rateable land is as follows:

(a) for rateable land in Subdivision A (the area coloured pink on the Benefited Area Map) is 0.4018 cents in the dollar (based on the extent of the benefit being 36.87%);

(b) for rateable land in Subdivision B (the area coloured blue on the Benefited Area Map) is 0.2862 cents in the dollar (based on the extent of the benefit being 59.50%);

(c) for rateable land in Subdivision C (the area coloured yellow on the Benefited Area Map) is 0.1912 cents in the dollar (based on the extent of the benefit being 3.63%).

5. SPECIAL CHARGES – (RURAL FIRE SERVICES) 2009/2010:

(1) Council make and levy a special charge on land described below to purchase and maintain equipment for the following rural fire brigades:

(a) Habana Rural Fire Brigade Area	[Map No. 2010/3]
(b) Dumbleton Rural Fire Brigade Area	[Map No. 2010/4]
(c) Victoria Plains Rural Fire Brigade Area	[Map No. 2010/5]
(d) Ball Bay Rural Fire Brigade Area	[Map No. 2010/6]
(e) Eton Rural Fire Brigade Area	[Map No. 2010/7]
(f) Marian Rural Fire Brigade Area	[Map No. 2010/8]
(g) Sunnyside Rural Fire Brigade Area	[Map No. 2010/9]
(h) Kuttabul Rural Fire Brigade Area	[Map No. 2010/10]
(i) Balnagowan Rural Fire Brigade Area	[Map No. 2010/11]
(j) The Leap Rural Fire Brigade Area	[Map No. 2010/12]
(k) Calen/Camerons Pocket Rural Fire Brigade Area	[Map No. 2010/13]
(l) Seaforth Town Rural Fire Brigade Area	[Map No. 2010/14]
(m) Midge Point Rural Fire Brigade Area	[Map No. 2010/15]
(n) Coningsby Rural Fire Brigade Area	[Map No. 2010/16]
(o) Seaforth District Rural Fire Brigade Area	[Map No. 2010/17]
(p) Hay Point Rural Fire Brigade Area	[Map No. 2010/18]
(q) Armstrong Beach Rural Fire Brigade Area	[Map No. 2010/19]
(r) Plane Creek Rural Fire Brigade Area	[Map No. 2010/20]
(s) Mirani Combined Rural Fire Brigade Area	[Map No. 2010/21]

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

(a) The rateable land to which the plan applies is the rateable land situated on the maps numbered_2010/3, 2010/4, 2010/5, 2010/6, 2010/7, 2010/8, 2010/9, 2010/10, 2010/11, 2010/12, 2010/13, 2010/14, 2010/15, 2010/16, 2010/17, 2010/18, 2010/19, 2010/20 and 2010/21;

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

(i) Fund rural fire brigades in the area to purchase and maintain equipment;

(ii) Administer the distribution of funds to rural fire brigades.

(c) The estimated cost of implementing the overall plan is $323,624 for 2009/10.

(d) The estimated time for implementing the overall plan is 1 year commencing 1 July 2009 and ending 30 June,2010.

(3) The Council is of the opinion that the rateable land proposed to be levied with the special charge specially benefits from these service, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.

(4) A special charge of $42.00 will apply to all rateable land situated on the maps numbered_2010/3, 2010/4, 2010/5, 2010/6, 2010/7, 2010/8, 2010/9, 2010/10, 2010/11, 2010/12, 2010/13, 2010/14, 2010/15, 2010/16, 2010/17, a special charge of $25.00 will apply to all rateable land situated on the maps numbered 2010/18, 2010/19, 2010/20 and a special charge of $31.20 will apply to all rateable land situated on the map numbered 2010/21.

6. SEPARATE CHARGE – (NATURAL ENVIRONMENT LEVY) 2009/2010

In accordance with section 972 of the Local Government Act 1993, Council levies a separate charge of $25.00 per rate assessment for the 2009/2010 financial year to be levied equally on all rateable assessments. The separate charge will be called the Natural Environment Levy and will fund a service, facility or activity identified as:

a. promoting and supporting the preservation and enhancement of the natural environment;

b. encouraging environmental awareness by promoting activities and practices that support preservation of the region's natural environment;

c. supporting sustainable management of areas of environmental ignificance to maintain biodiversity;

d. encouraging improved efficiency and use of energy through greenhouse gas reduction and renewable clean energy sources; and

7. SEPARATE CHARGE – (ROADS IMPROVEMENT LEVY) 2009/2010:

In accordance with section 972 of the Local Government Act 1993, Council levies a separate charge of $50.00 per rate assessment for the 2009/2010 financial year to be levied equally on all rateable assessments. The separate charge will be called the Roads Improvement Levy and will fund a service, facility or activity identified as:

(a) Upgrading the existing urban street network to incorporate kerb to kerb treatments and to improve drainage where practicable;

(b) Providing traffic calming initiatives within identified roads and streets;

(c) Contributing to the safety of pedestrian and bicycle traffic by improving walkways and cycle-ways within and around road reserves; and

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

8. SEPARATE CHARGE – (WASTE FACILITIES MANAGEMENT LEVY) 2009/2010:

In accordance with section 972 of the Local Government Act 1993, Council levies a separate charge of $118.90 per rate assessment for the 2009/2010 financial year to be levied equally on all rateable assessments. The separate charge will be called the Waste Facilities Management Levy and will fund a service, facility or activity identified as:

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

(b) meeting public expectations in matters of disposal of refuse that affect public health and the visual amenity of the area.

9. SEPARATE CHARGE – (DISASTER RESPONSE LEVY) 2009/2010:

In accordance with section 972 of the Local Government Act 1993, Council levies a separate charge of $10.00 per rate assessment for the 2009/2010 financial year to be levied equally on all rateable assessments. The separate charge will be called the Disaster Response Levy and will fund a service, facility or activity identified as:

(a) upgrading facilities utilised during times of natural disaster; and

(b) contributing to the cost of the SES and Emergency Service Management Team and the development and implementation of an Emergency Risk Plan for the area; and

(c) as funds permit, providing for the funding of trigger point costs for actual emergencies not otherwise funded by other government support.

10. SEWERAGE, CLEANSING AND WATER UTILITY CHARGES 2009/2010:

1.00 SEWERAGE UTILITY CHARGES

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

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

1.02 In respect of any structure, building or place on land which is not rateable under Section 957 of the *Local Government Act*, excluding however those classified under Clause 1.05 hereof a factor charge in accordance with Clause 1.01 hereof, shall be levied on the persons or body or Commonwealth or State Department at whose request the structure, building or place was provided with sewerage.

1.03 In respect of 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 .5 of a factor charge for each W.C. pedestal or Slop Hopper Pan, and for each separate urinal installed on such premises, .5 sewerage factor charge for each 600 millimetres or part thereof in excess of one charge

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	The Corporation of the Diocesan Synod of North QLD
41401	The Valley Retirement Centre Incorporated
44743	Sarina Aged Residential Home Incorporated
44708	Sarina District Aged Peoples Settlement

1.03.01 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 .5 of a factor charge for each W.C. pedestal, and for each separate urinal installed on such premises, .5 sewerage factor charge for each 600 millimetres or part thereof in excess of one charge.

1.04 In respect of the Mackay Racecourse, all Showgrounds and Mackay Entertainment and Convention Centre, the charge shall be one sewerage factor per W.C. pedestal for the first six (6) W.C. pedestals, and a charge equivalent to .5 of a factor charge for each W.C. pedestal, and for each separate urinal installed on such premises, .5 sewerage factor charge for each 600 millimetres or part thereof in excess of six charges.

1.05 In respect of premises uses for public worship, the charge shall be a charge equivalent to .8 of a factor charge for each W.C. pedestal, and for each separate urinal installed on such premises, .8 sewerage factor charge for each 600 millimetres or part thereof.

1.06 In respect of all premises whether occupied or not, which are not lots that are part of a body corporate which are designed for and where the principal use is Motel, Holiday Units or Tourist Resorts as determined by Council, the charge shall be a charge equivalent to .8 of a factor charge for each pedestal within an accommodation unit having private toilet facilities and a charge of one sewerage factor for each other pedestal, and for each separate urinal installed on such premises, one sewerage factor charge for each 600 millimetres or part thereof.

1.07 In respect of all sewered premises used for private residential purposes and containing a granny flat, one factor charge for the principle residence plus a charge equivalent to .5 of a factor charge for the approved granny flat. The concession offered by this clause will only apply during the period that this granny flat is occupied by a person who complies with the requirements of Council Policies and Local Laws.

1.08 In respect of all premises in a sewered area which are not connected to a sewer main, but in respect of which the Council is prepared to accept sewerage, or any premises having less connections than required by the Building Code of Australia 2006, a factor charge shall be made in accordance with Clause 1.01 hereof for the minium 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 2006.

1.09 In respect of all sewered premises whether connected to sewerage or not, designed or used as caravan parks with communal facilities, a factor charge for each pedestal and each 600 millimetres of urinal, or part thereof, as required pursuant to the provisions of *the "Guidelines on Good Design for Caravan Parks & Relocatable Home Parks 1997" issued by the Queensland Department of Local Government and Planning*, the Planning Schemes or Shire Plan relevant to Mackay Regional Council or other applicable legislation irrespective of the actual number of pedestals and length of urinal installed, plus a charge for an owner/managers residence if situated within the park and in respect of such premises having private facilities for any sites an additional factor charge, equivalent to .25 of a factor charge for each van/camp site or cabin with private facilities.

1.09.01 In respect of all sewered premises designed or used as caravan parks with private facilities only, a charge equivalent to .25 of a factor charge for each van/camp site or cabin, and a charge of one sewerage factor for each other pedestal, and for each separate urinal installed on such premises, one sewerage factor charge for each 600 millimetres or part thereof

1.10 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 2006, a vacant sewerage charge will be assessed as one factor per separately surveyed allotment.

1.11 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 1.01 to 1.10 will apply in accordance with Council's Revenue Policy.

1.12 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.

1.13 A factor charge referred to in paragraphs 1.01 to 1.12 are as set out below for those parts of the sewerage area as detailed on [Map No. 2010/22(a)], [Map No. 2010/22(b)] and [Map No. 2010/22(c)] attached signed for identification by His Worship the Mayor, and the Chief Executive Officer on this date.

SEWERAGE CHARGES for 2009/2010 are: -

Mackay Sewerage Area [Map No. 2010/22(a)], Sarina Sewerage Area [Map No. 2010/22(b)] and Mirani Sewerage Area [Map No. 2010/22(c)]

Factor Charge per Assessment	$610.40

For all properties connected to the North Eton Biocycle system

Factor charge per assessment	$519.80

1.14 TRADE WASTE

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

   VWC = (M - P)*D*VWUC

   VWC = Volumetric Waste Charge (VWC)
   M = Metered Consumption (kl)
   P = Pedestal Allowance (45kl) per pedestal
   D = Percentage Discharged to Sewer (%) Including an allowance for irrigation.
   VWUC = Volumetric Waste Discharge Unit Cost 1.85/kl)

Charged each six months utilising water consumption measured and/or charged for in the previous billing period. These charges will apply to properties in the former Sarina Shire Council or Mirani Shire Council areas in the second half of the year, based on water consumptions billed in the first half of the year.

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

VTWC = (M - P)*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 ($1.85/kl)

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

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

$C = V*n_1*x_1/1000 + V*n_2*x_2/1000 + V*n_3*x_3/1000 + V*n_4*x_4/1000 + V*n_5*x_5/1000$ 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 Mackay Water's Trade Waste Management Plan**) of Category 3 Trade Waste discharged during the period of discharge (kL); and

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

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

N_1 is TSS (Total Suspended Solids).
N_2 is COD (Chemical Oxygen Demand).
N_3 is O&G (Oil and Grease) or THc (Total Hydrocarbons).
N_4 is TKN (Total Kjeldahl Nitrogen).
N_5 is TP (Total Phosphorus).

Trade Waste Conveyance and Treatment Charge

n_1 – Total Suspended Solids = $0.78/kg
n_2 - Chemical Oxygen Demand = $0.43/kg
n_3 - Oil and Grease or Total Hydrocarbons = $1.42/kg
n_4 – Total Kjeldahl Nitrogen = $2.42/kg
n_5 - Total Phosphorous = $4.18/kg

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

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

$C_p = V*n_{11}*x_1/1000 + V*n_{12}*x_2/1000 + V*n_{13}*x_3/1000 + V*n_{14}*x_4/1000 + V*n_{15}*x_5/1000$ 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 Mackay Water'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 = $1.25/kg
n_{12} - Chemical Oxygen Demand = $1.25/kg
n_{13} - Oil and Grease or Total Hydrocarbons = $1.25/kg
n_{14}- Total Kjeldahl Nitrogen = $1.25/kg
n_{15} - Total Phosphorous = $1.25kg

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

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

2.0 REFUSE REMOVAL AND DISPOSAL

2.01 REFUSE CHARGE

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

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

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

2.02 For each factor charge levied, the owner or occupier of such premises shall be entitled to have one standard wheelie bin of house refuse removed weekly.

CLEANSING CHARGES for 2009/2010 are: -

(a)	Factor Charge Refuse Service	$189.40

3.0 WATER UTILITY CHARGES

3.01 COMMERCIAL AND INDUSTRIAL PROPERTIES AND PROPERTIES WITH LAND USES OTHER THAN RESIDENTIAL AND VACANT LAND

In respect of each separately surveyed parcel of land on which is erected one or more buildings, or vacant land to which a metered supply has been connected, used or intended for use for commercial or industrial purposes including retirement villages or equivalent, hotels, motels and caravan parks or for any purpose other than a residential purpose, referred to in Clause 3.02 hereof, charges shall be assessed on:

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

(ii) on a consumption basis.

3.02 FACTOR BASIS – CRITERIA FOR FACTOR ALLOCATION COMMERCIAL/INDUSTRIAL PROPERTIES

.75 of one Factor (or equivalent charge)

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

One Factor

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

Three Factors

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

Four Factors

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

Five Factors

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

Six Factors

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

Eight Factors

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

Ten Factors

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

Fifteen Factors

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

Twenty Factors

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

Thirty Factors

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

One Hundred and Twenty Factors

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

Three Hundred Factors

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

3.03 RESIDENTIAL PROPERTIES

In respect of each separately surveyed parcel of land on which is erected one or more buildings, or vacant land to which a metered water supply has been connected, used or intended for use for the residential purposes referred to herein, charges shall be assessed on:

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

(ii) on a consumption basis.

3.03.1 FACTOR BASIS – CRITERIA FOR FACTOR ALLOCATION RESIDENTIAL PROPERTIES

.75 of one Factor (or equivalent charge)

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

One Factor

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

3.04 VACANT LAND

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

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

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

(a) Located outside the preferred future dominant land use area relating to urban lands as shown on the Strategic Plan for Mackay City, and

(b) In the case of the Eton Water Supply, is located outside the Township of Eton as delineated on the, Planning Scheme relevant to Mackay Regional Council, maps, and

(c) In the case of the Water Supply to Bakers Creek/Dundula, is located outside the Township of Bakers Creek as delineated on the, Planning Scheme relevant to Mackay Regional Council, maps.

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

Council in accordance with the Policy of Council relating to the proposed use in the particular Water Supply Area.

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

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

3.05 CONSUMPTION BASIS – TARIFF LEVELS

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

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

(a) General Consumption Tariffs

For all water consumed, the following tariffs apply: -

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

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

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

(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 Supplied to Bureau of Sugar Experiment Station facility at Te Kowai, and to the Botanic Gardens

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.

3.06 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 3.01 to 3.04, which shall be charged against each property intended for servicing under the water extension scheme on a basis as detailed in sections 3.01 to 3.04 as though it were serviced.

WATER CHARGES (PER FACTOR) for 2009/2010 are: -

(a)	Factor Charge – Commercial/Industrial	$236.10
(b)	Factor Charge – Residential	$236.10

CONSUMPTION CHARGES (PER KILOLITRE) are: -

(a)	Tariff 1	$1.13
	Tariff 2	$1.70
(b)	Laguna Quays Resort	$1.13
(c)	Bulk Purchases	$2.20
(d)	Untreated Water Supplied to Bureau of Sugar Experiment Station facility at Te Kowai, and to the Botanic Gardens	$0.62
(e)	Community Sporting Facilities (As Defined)	$1.13

APPLICATION OF WATER CONSUMPTION CHARGES

In accordance with the provisions of Section 973(7) of the *Local Government Act 1993* consumption charges shall apply as from the last reading date in the preceding financial year until otherwise amended by Council.

In accordance with the provisions of Section 973(11) of the *Local Government Act 1993* water meter readings taken within fourteen (14) days before or after the expected half-yearly reading date will be deemed to have been taken on that date.

11. REGULATORY FEES

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

The regulatory fees set by the Council are shown in the Register of Regulatory Fees.

12. OTHER FEES AND CHARGES

Fees other than regulatory fees are contained in the Councils schedule of fees and charges. They are set at levels considered appropriate under the various legislative authorities.

13. REBATES AND OTHER RATES CONCESSIONS:

In accordance with Chapter 14 Part 6 of the *Local Government Act 1993* as amended, the Council will give the following concessions: -

a) to allow eligible pensioners a concession of 25% of the General Rate, with a maximum Remission allowable of $226.00.
b) to allow eligible pensioners a further concession by extending the terms and conditions of Item 14 – Discount for Prompt Payment, to include unpaid rates and charges where those rates and charges are paid in full by a date to be set within two weeks before the last working day of the rating period in which the levy is raised.
c) eligible pensioners are those ratepayers who have applied and conformed with the State Governments Guidelines for pensioner remission at the time of rating.
d) Further Concessions are also available as per Council's Revenue Policy and Rates Relief Policy.

14. TIME IN WHICH RATES MUST BE PAID:

In accordance with the provisions of Section 1014 of the *Local Government Act 1993,* the rates and charges levied by Council must be paid within thirty (30) clear days after the notice is issued except for pensioners who have applied and conform with the State Government Guidelines for pensioner remission at the time of rating. The due date for payment for approved pensioners will be as per the concessions above. This exception may not apply to metered water accounts.

15. DISCOUNT FOR PROMPT PAYMENT:

All Ratepayers

In accordance with the provisions of Section 1019 of the *Local Government Act 1993,* discount at the rate of ten percent shall be allowed on the following rates and charges provided they, together with all arrears of rates and charges in respect of the land, excluding however, State Fire Service Levies, are paid on or before the due date.

- Differential General Rates
- Water Utility Charges (Excluding Metered Water Accounts)
- Sewerage and Cleansing Utility Charges

Discount will not be allowed on any Separate or Special Rates or Charge, nor the State Government Fire Services Levy.

Allowance of discount on payments received after the discount date is covered in Financial Services Policy FIN07 – Discount on Rates After Discount Date.

16. INTEREST ON OVERDUE RATES 2009/2010:

In accordance with the provisions of Section 1018 of the *Local Government Act 1993,* Overdue Rates bear interest at the rate of eleven percent per annum compounded monthly, to be calculated from the end of the financial half year in which they fall due.

17. FUNDING OF DEPRECIATION

Provision is made for funding of depreciation to ensure that infrastructure capability and capacity is sufficient for projected growth.

Council will generally set rates and charges to provide sufficient revenue to fund depreciation at an appropriate level relative to Council's asset management and replacement plans.

Council will seek to maximize the use of subsidies and grants and in some cases, may make an election not to replace an asset at the end of its useful life.

Where Council expects to receive a subsidy or grant for the replacement of particular assets, Council may elect not to fund depreciation on the proportion of the asset so funded. Also, where an asset will not be replaced upon the expiration of its life, Council may elect not to fund depreciation on this asset.

Council seeks wherever possible to fully fund depreciation within the financial constraint of the capacity to pay of its ratepayers. These depreciation charges may however be applied to new capital projects in any financial year. Also any change to the level of works constructed or the valuation of non-current assets during the year may impact upon the funded amount.

18. OPERATING CAPABILITY OF THE LOCAL GOVERNMENT

The intention of the Council is to maintain the assets and Community facilities of Council at an affordable level in conjunction with the provision of additional goods and services to satisfy the needs of the expanding population of the Mackay Regional Council area.

Council is endeavouring to meet the significant new demands being placed on it, although with no probable increases in grants from the Grants Commission along with reducing state water and waste water subsidies and the requirement to develop infrastructure, it will not be possible to satisfy all the needs.

19. PROVISIONS

Council will ensure funds are available to cover 100% of the current liability of Long Service Leave and of Annual Leave. Council intends to maintain a provision to meet the present value of the discounted cash flows of the non-current portion of employee's Long Service Leave as calculated by Council's own Long Service Leave probabilities, which have been established taking into account past leave trends. This provision will not necessarily be cash backed.

20. PHYSICAL AND SOCIAL INFRASTRUCTURE COSTS

Mackay Regional Council is responsible for administering the planning schemes of three pre-merger Council jurisdictions, being Mackay City Council, Mirani Shire Council and Sarina Shire Council. Under these schemes, developers contribute towards the funding for construction of community infrastructure assets including transport, public parks and community land, water supply and sewerage and stormwater.

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

Funds are raised from developers through contributions associated with development conditions and other instruments governed by the Integrated Planning Act 1997. Planning scheme policies detail the standards of construction and the basis of contributions provided by developers.

Planning scheme policies for developer contributions currently administered by the recently amalgamated Mackay Regional Council are as follows:-

Mackay City Planning Scheme

Policy 16.01 – Transport Network Contributions;
Policy 16.02 - Parks Contributions Policy Parks and Community Land;
Policy 16.03 - Water Supply and Sewerage; and
Policy 16.04 – Stormwater Trunk Infrastructure.

Mirani Shire Plan

Policy 1 - Water Supply and Sewerage Headworks;
Policy 2 - External Roadworks; and
Policy 3 - Parkland.

Sarina Shire Planning Scheme

Policy 3 - Provision of Parks;
Policy 10 - Water Supply and Sewerage Headworks;
Policy 11 - Stormwater Drainage;
Policy 12 - External Roadworks; and
Policy 13 - Public Car Parking.

Council is also examining policy options in relation to raising contributions from developers for car parking in the Mackay City Centre.

It is anticipated that an Infrastructure Charges Schedules (ICS) will replace the existing scheme policies as part of a Priority Infrastructure Plan (PIP) prior to the expiry of the policies.

21. COMMUNITY SERVICE OBLIGATIONS

Council has adopted policy 006, which provides the framework for identification of Community Service Obligations, enforced on its identified Business Units.

22. LIMITATION ON INCREASES IN RATES AND CHARGES

Council has not made a resolution limiting the increases in Rates and Charges.

CITY CENTRE MANAGEMENT SPECIAL RATE

BENEFITED AREA - 2010/1

2010/1

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Legend

- Subdivision A
- Subdivision B
- Subdivision C

N

0 100 200 300 400 500

Metres

MAYOR .....

CEO .....

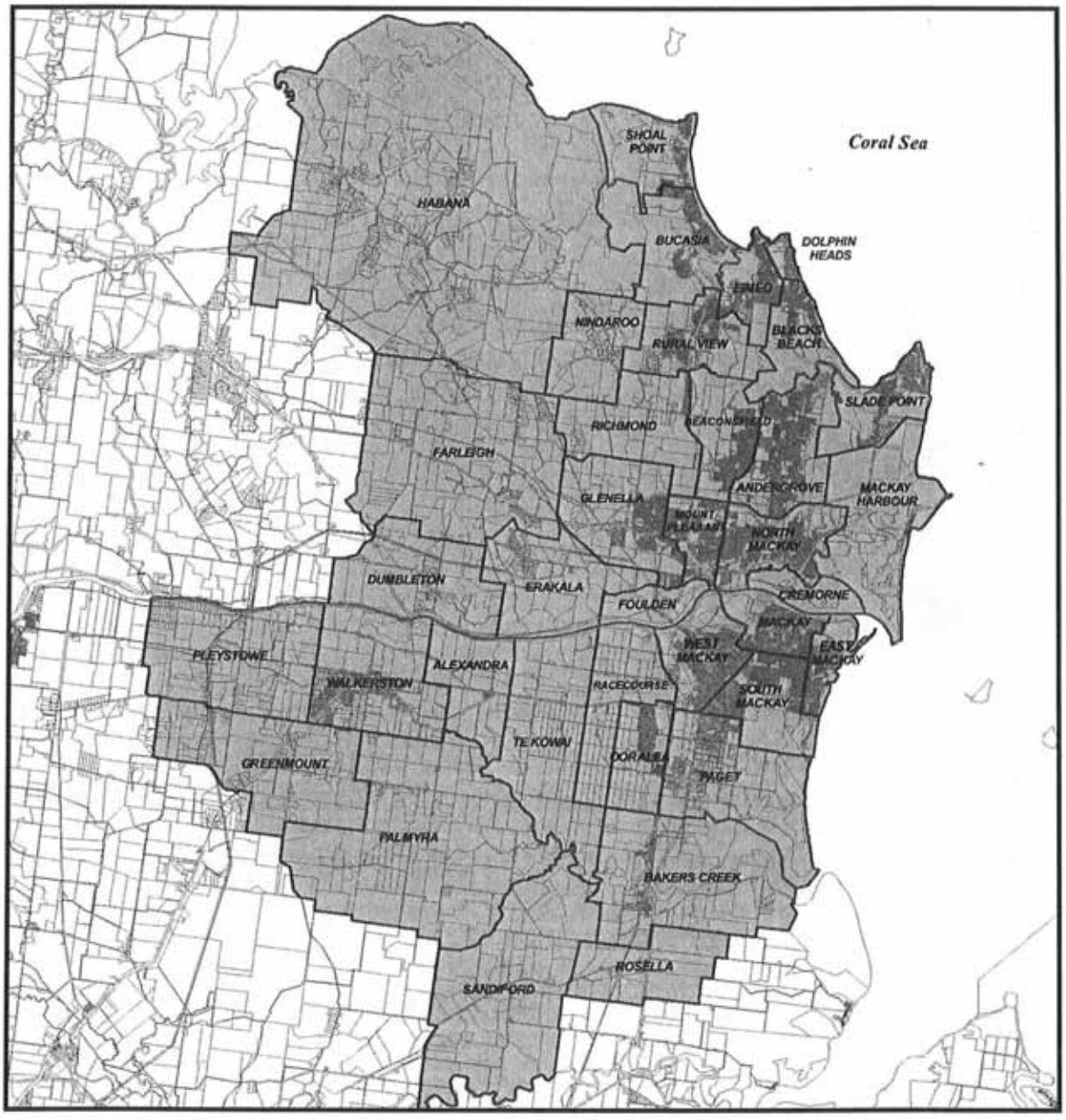
DATE .....

Mackay REGIONAL COUNCIL

PRODUCTION DATE - JULY 2009

Urban Commercial Area

Map No. 2010/2



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N

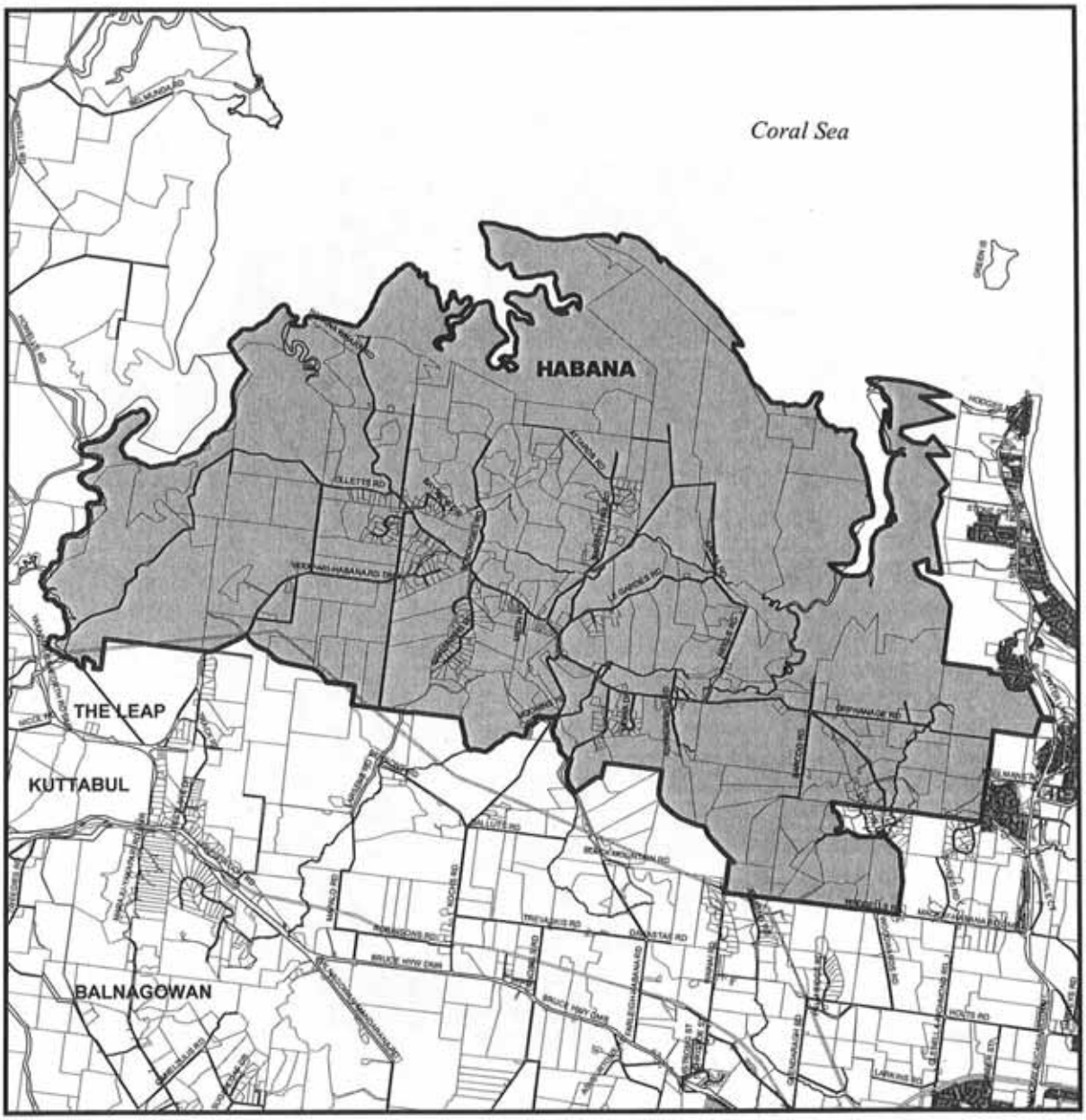
0 1 2 3 4
Kilometers

Mackay REGIONAL COUNCIL

PRODUCTION DATE - JULY 2009

Habana Rural Fire Brigade Area

Map No. 2010/3



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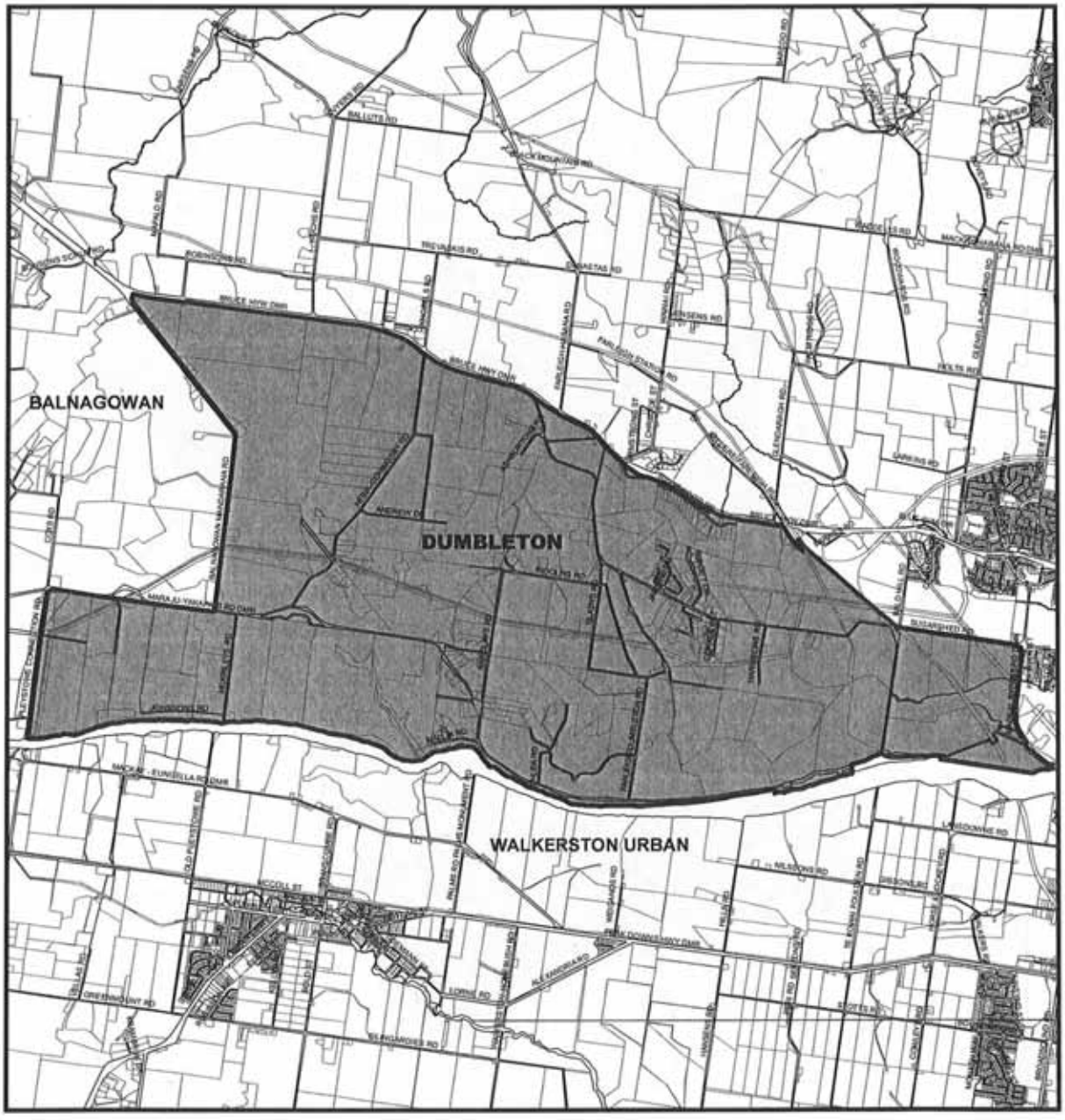
N

0 1,000 2,000 3,000 4,000 5,000
Metres

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Dumbleton Rural Fire Brigade Area

Map No. 2010/4



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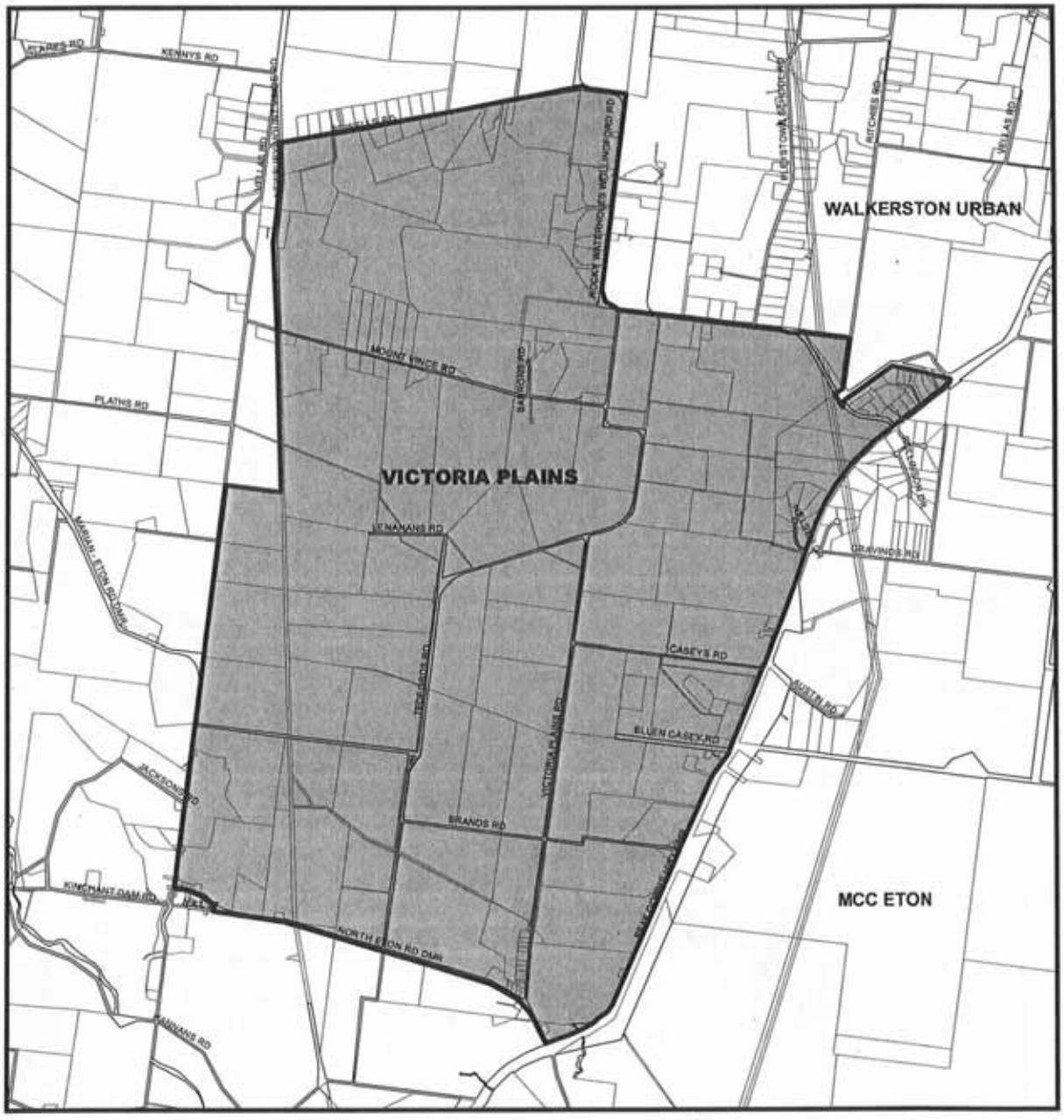
N

0 1,000 2,000 3,000 4,000
Metres

Mackay
REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Victoria Plains Rural Fire Brigade Area

Map No. 2010/5



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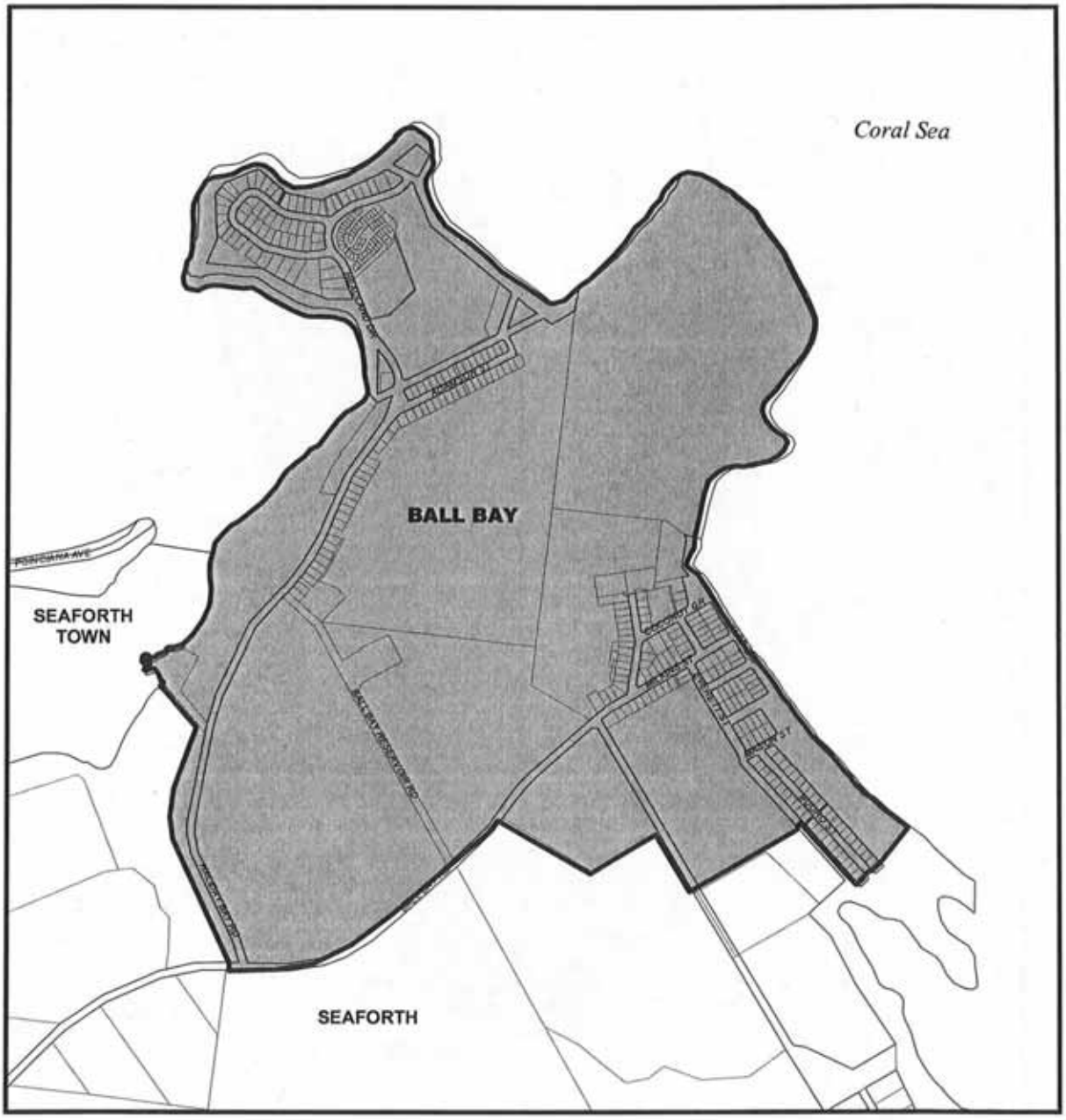
N

0 500 1,000 1,500 2,000 2,500
Metres

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Ball Bay Rural Fire Brigade Area

Map No. 2010/6



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N

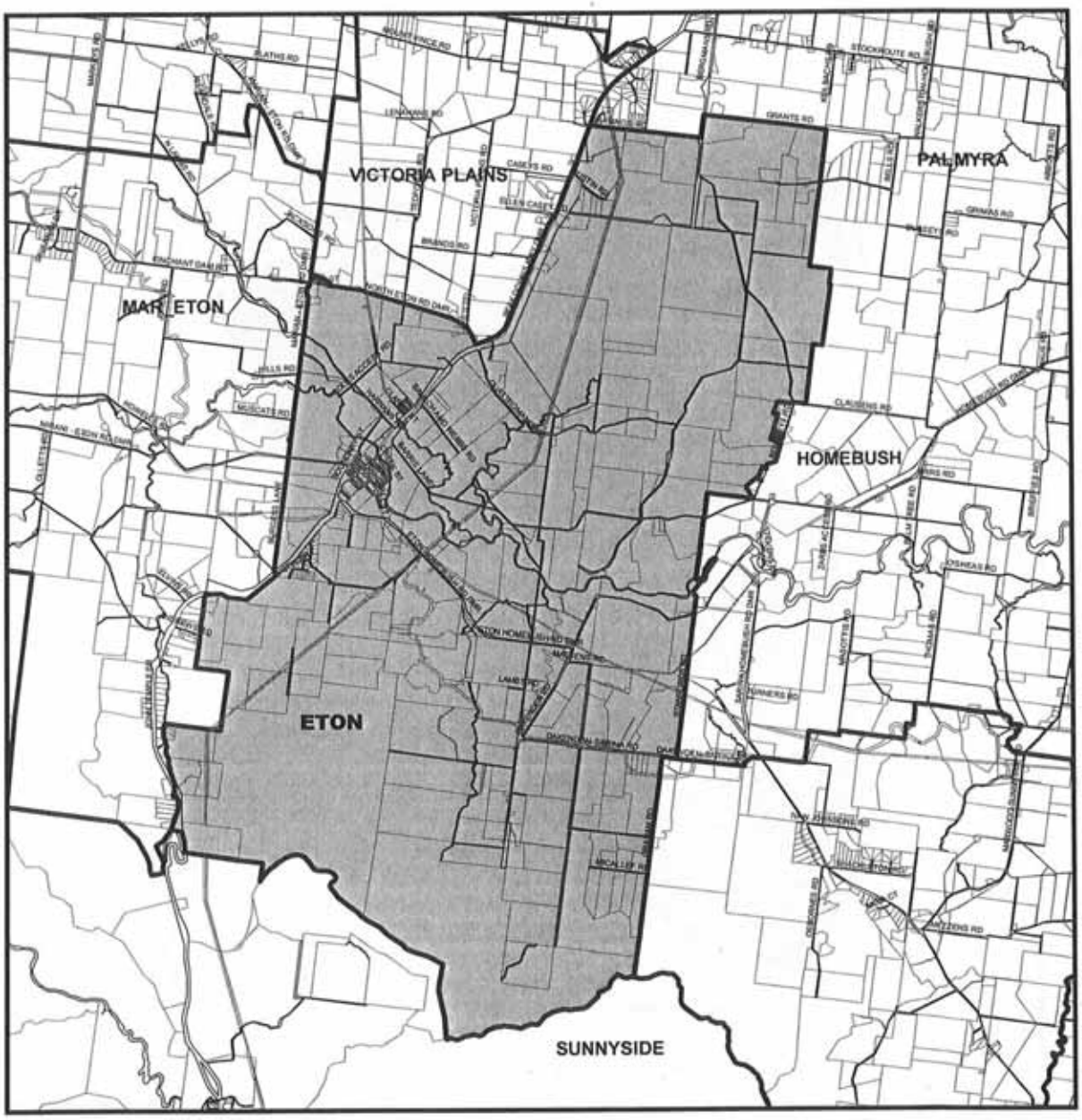
0 200 400 600 800 1,000
Metres

Mackay REGIONAL COUNCIL

PRODUCTION DATE - JULY 2009

Eton Rural Fire Brigade Area

Map No. 2010/7



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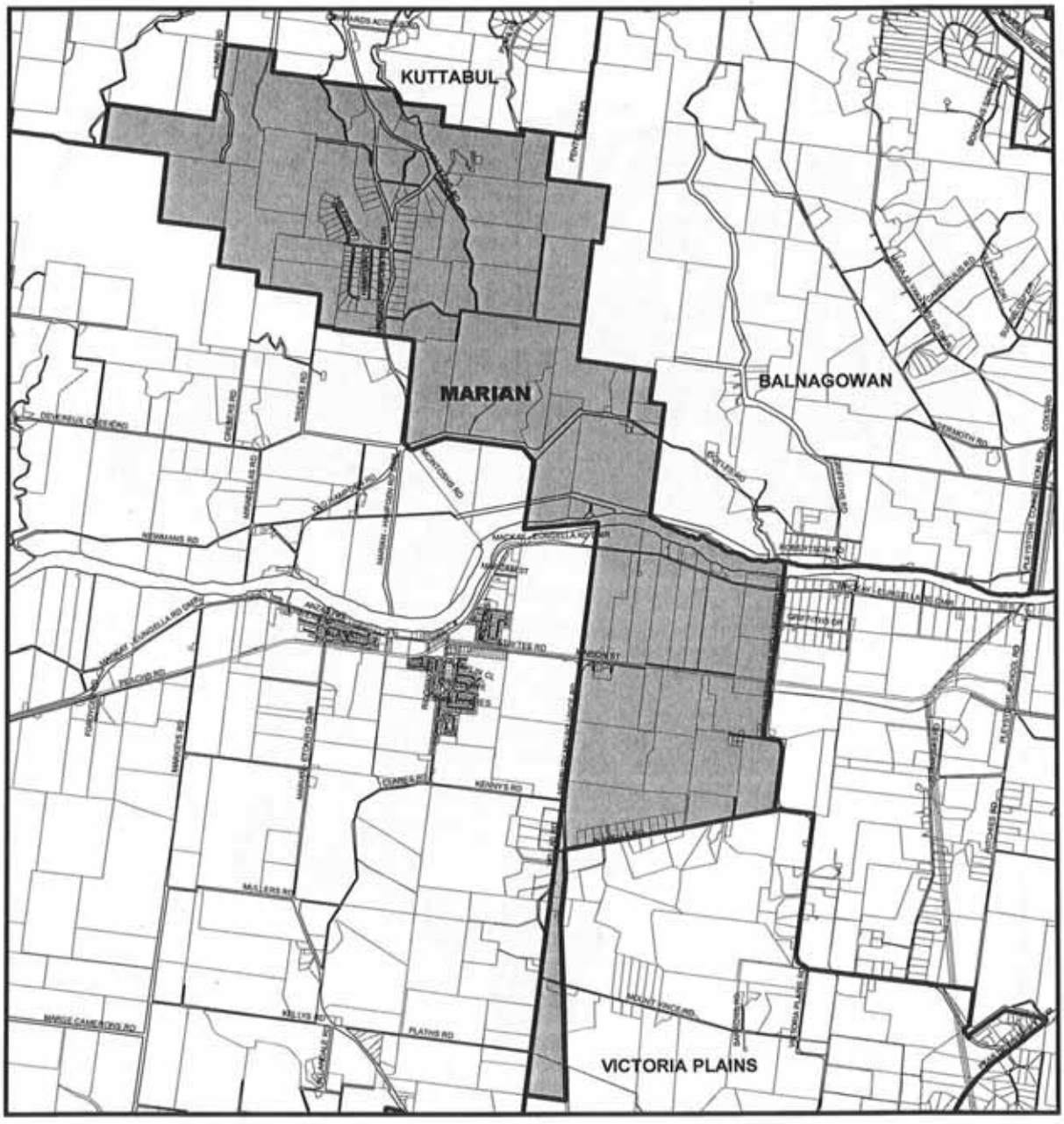
N

0 1,000 2,000 3,000 4,000 5,000
Metres

Mackay
REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Marian Rural Fire Brigade Area

Map No. 2010/8



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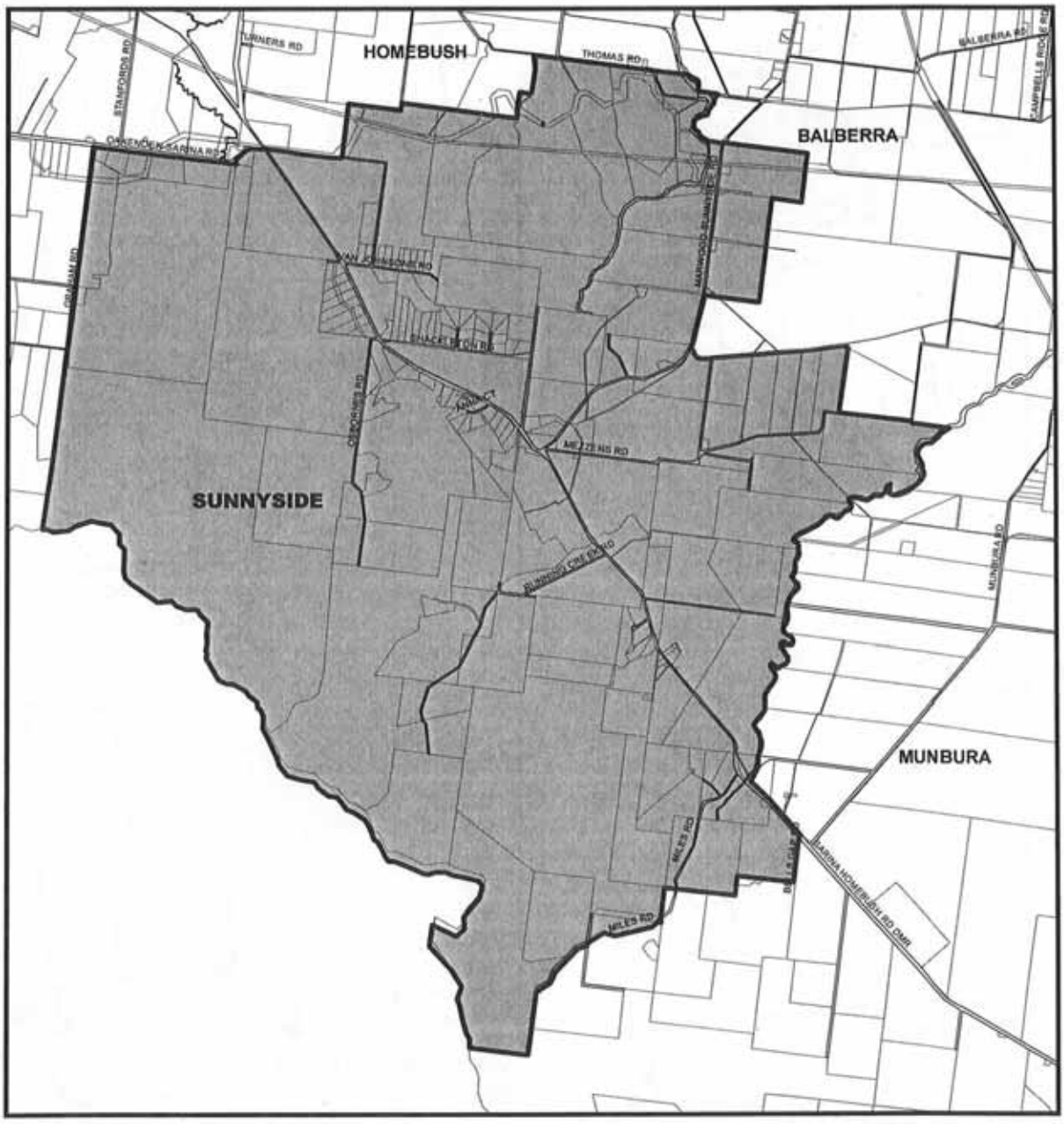
N

0 1,000 2,000 3,000 4,000
Metres

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Sunnyside Rural Fire Brigade Area

Map No. 2010/9



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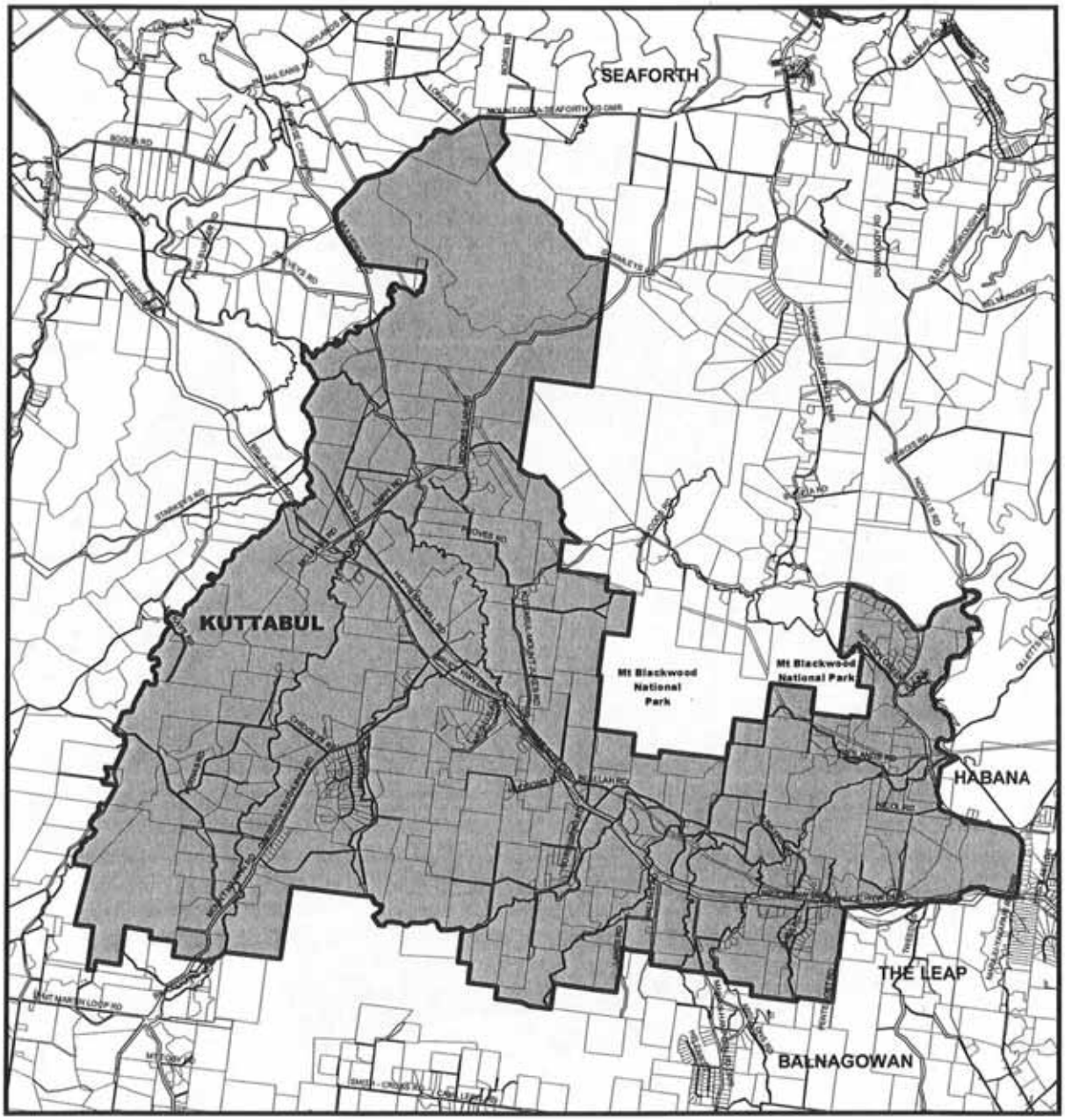
N

0 500 1,000 1,500 2,000 2,500 3,000
Metres

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Kuttabul Rural Fire Brigade Area

Map No. 2010/10



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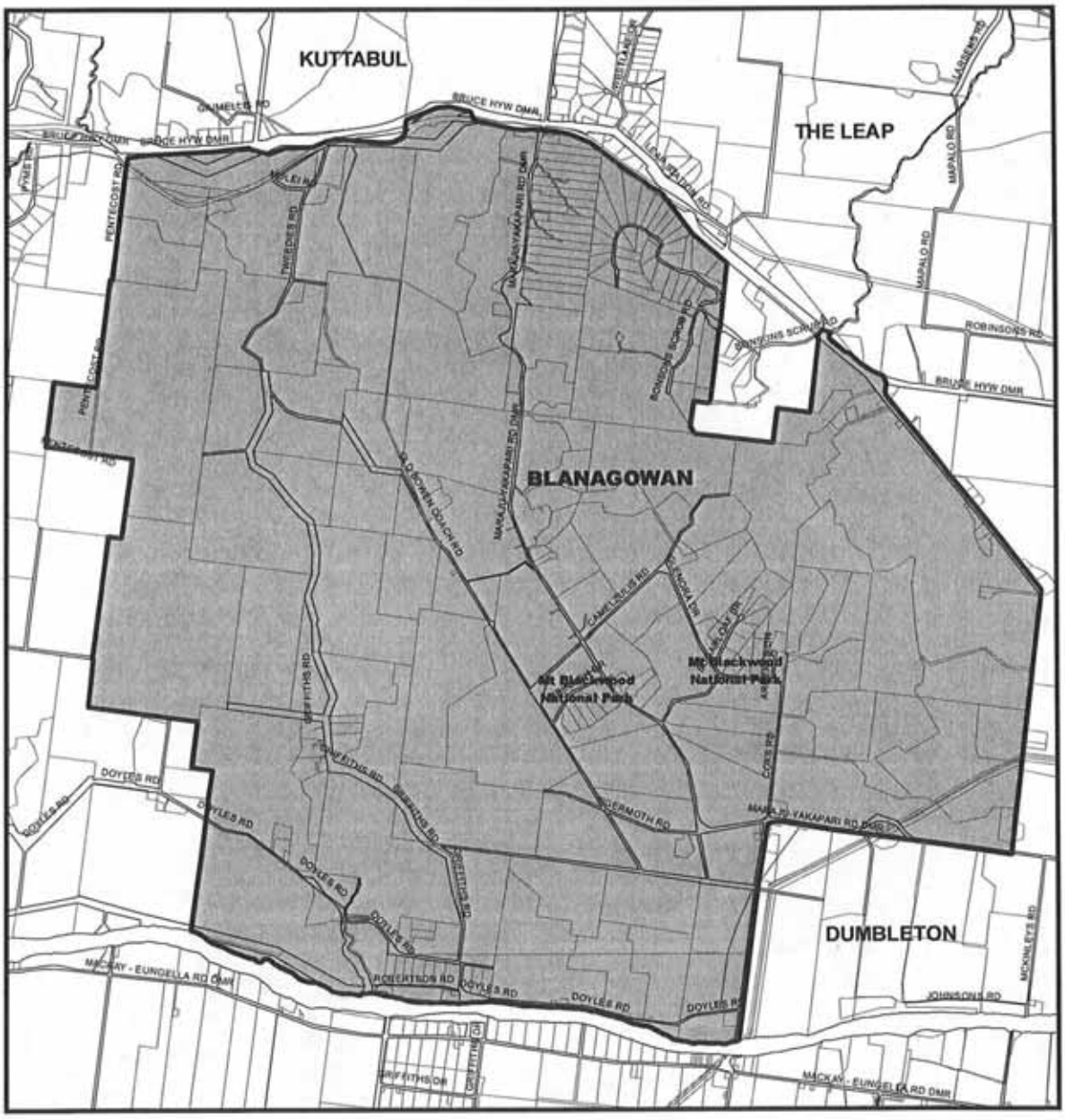
N

0 1,000 2,000 3,000 4,000 5,000
Metres

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Balnagowan Rural Fire Brigade Area

Map No. 2010/11



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N

0 250 500 1,000 1,500 2,000 2,500

Meters

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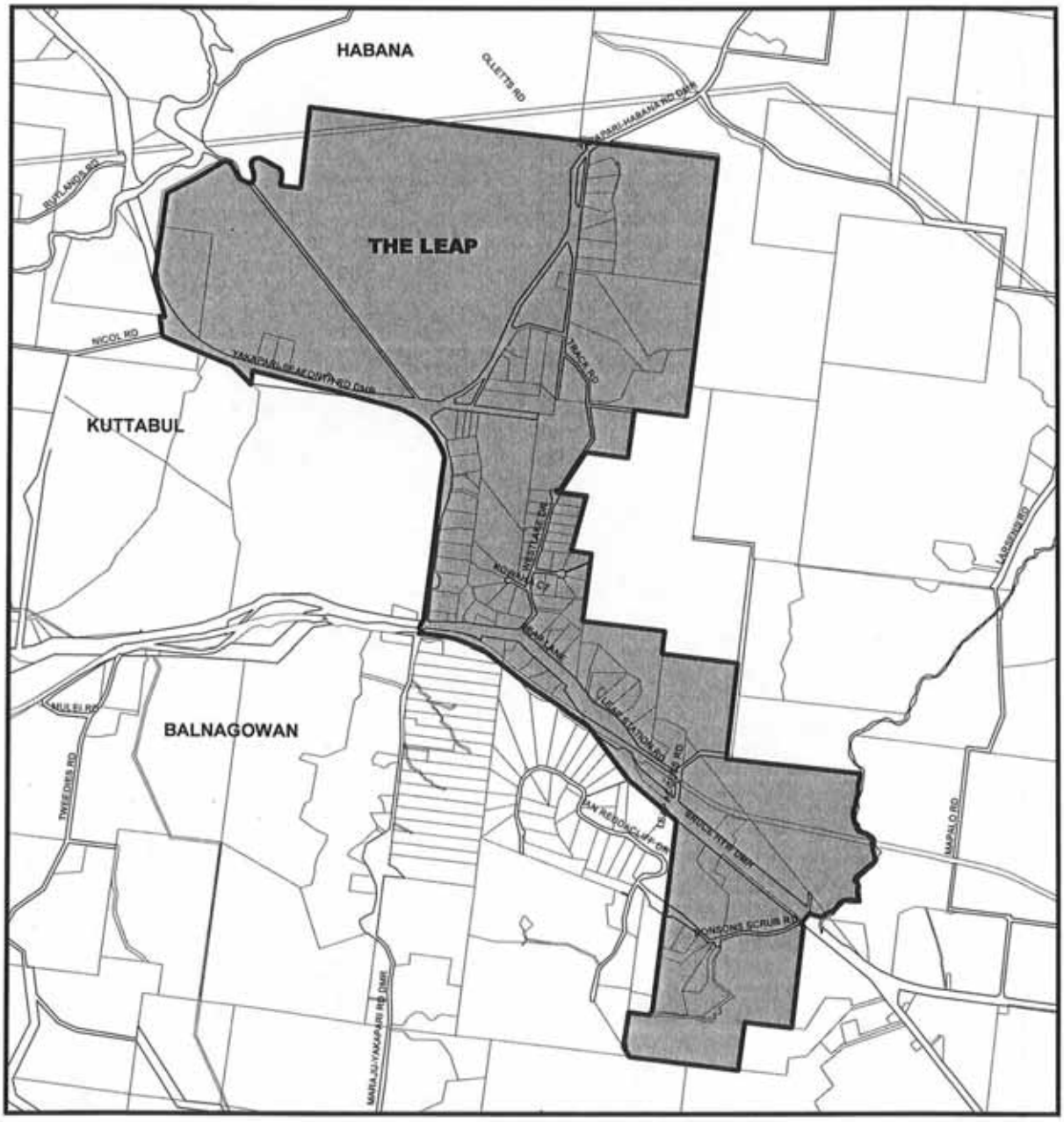
PRODUCTION DATE - JULY 2009

The Leap Rural Fire Brigade Area

Map No. 2010/12



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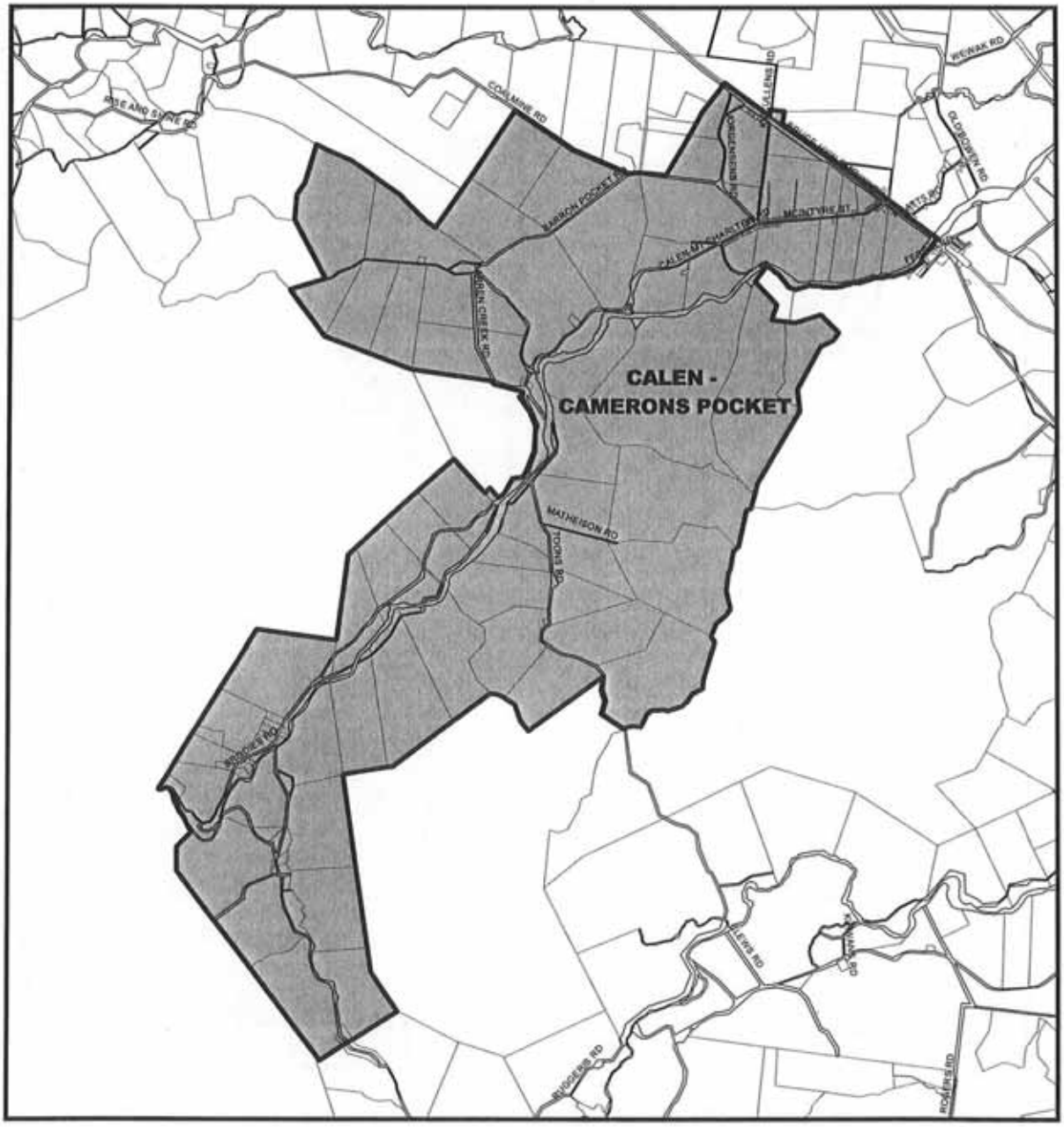
N

0 500 1,000 1,500 2,000
Metres

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Calen/Camerons Pocket Rural Fire Brigade Area

Map No. 2010/13



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N

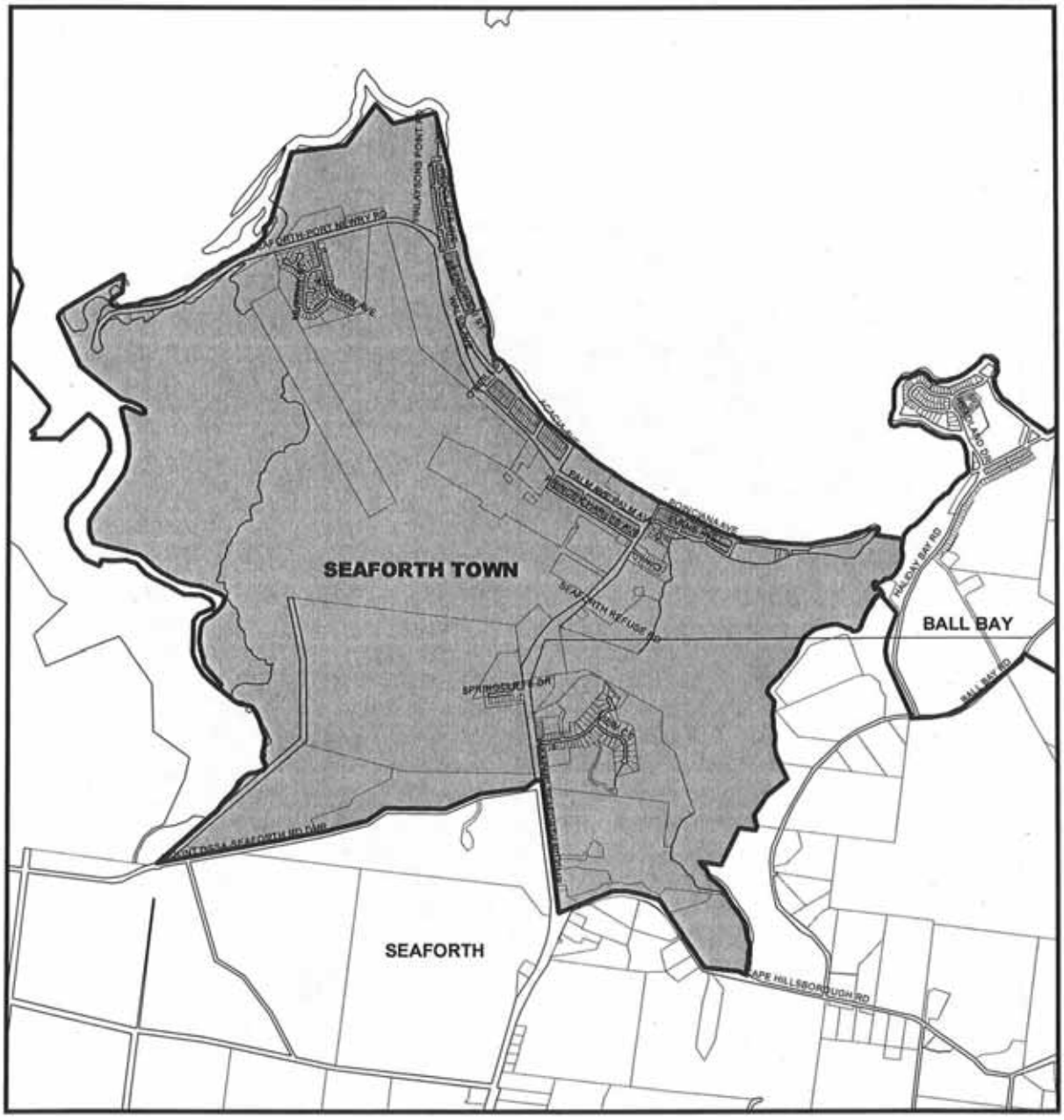
0 1,000 2,000 3,000 4,000 5,000
Metres

Mackay REGIONAL COUNCIL

PRODUCTION DATE - JULY 2009

Seaforth Town Rural Fire Brigade Area

Map No. 2010/14



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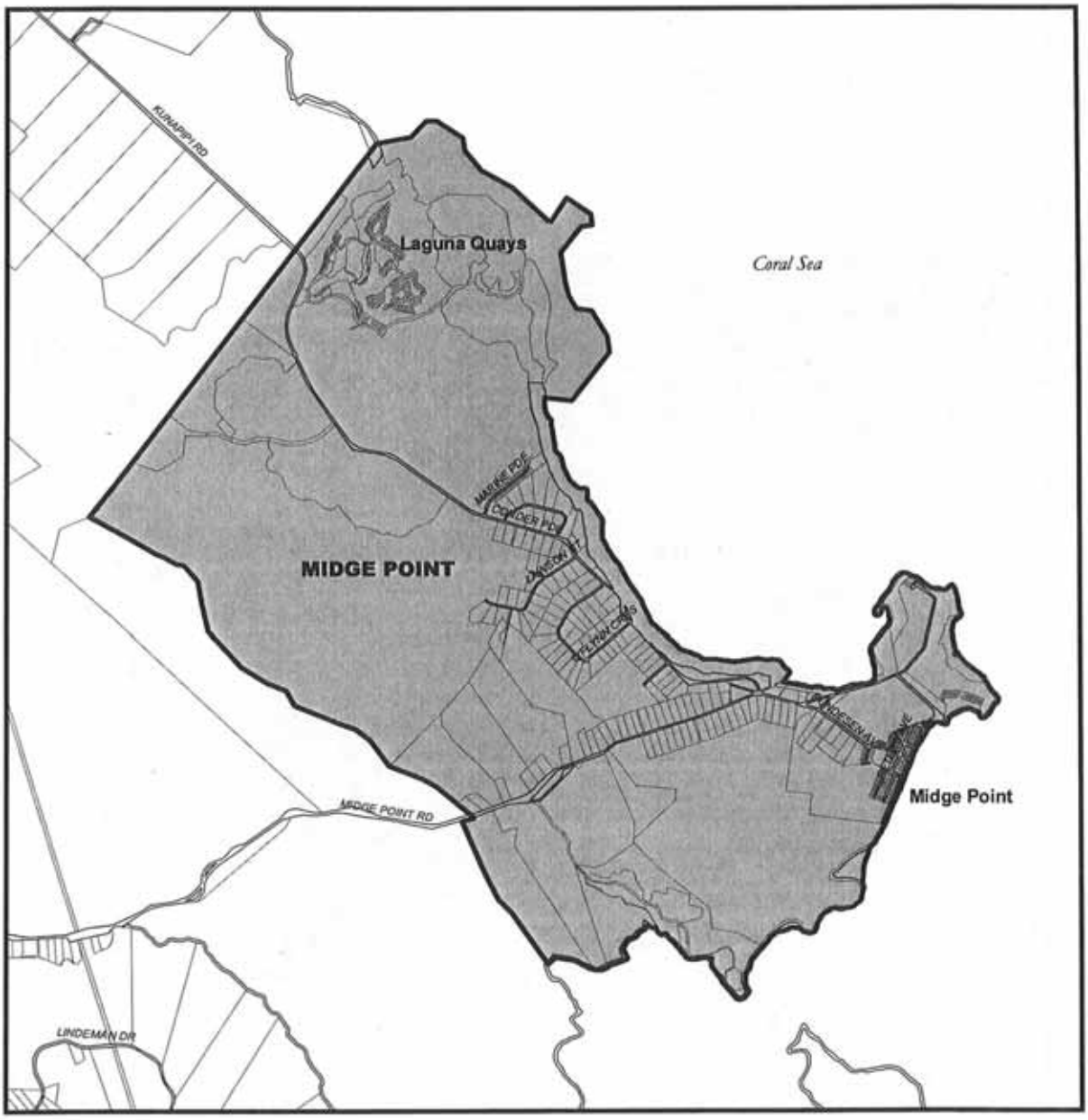
N

0 500 1,000 1,500 2,000
Metres

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Midge Point Rural Fire Brigade Area

Map No. 2010/15



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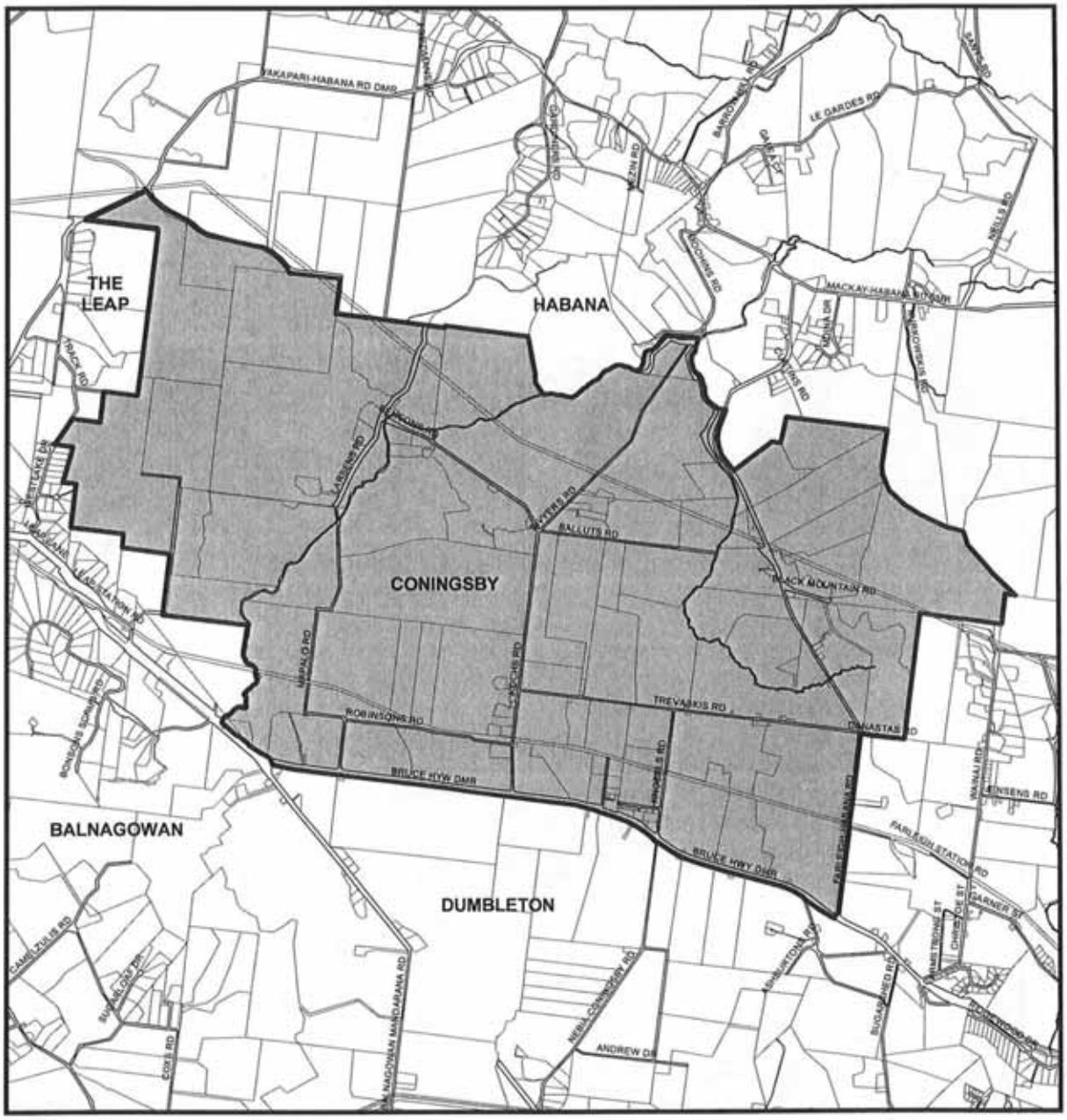
N

0 250 500 1,000 1,500 2,000 2,500
Meters

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Coningsby Rural Fire Brigade Area

Map No. 2010/16



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N

0 500 1,000 1,500 2,000 2,500
Metres

Mackay REGIONAL COUNCIL

PRODUCTION DATE - JULY 2009

Seaforth District Rural Fire Brigade Area

Map No. 2010/17

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N

0 1,000 2,000 3,000 4,000 5,000

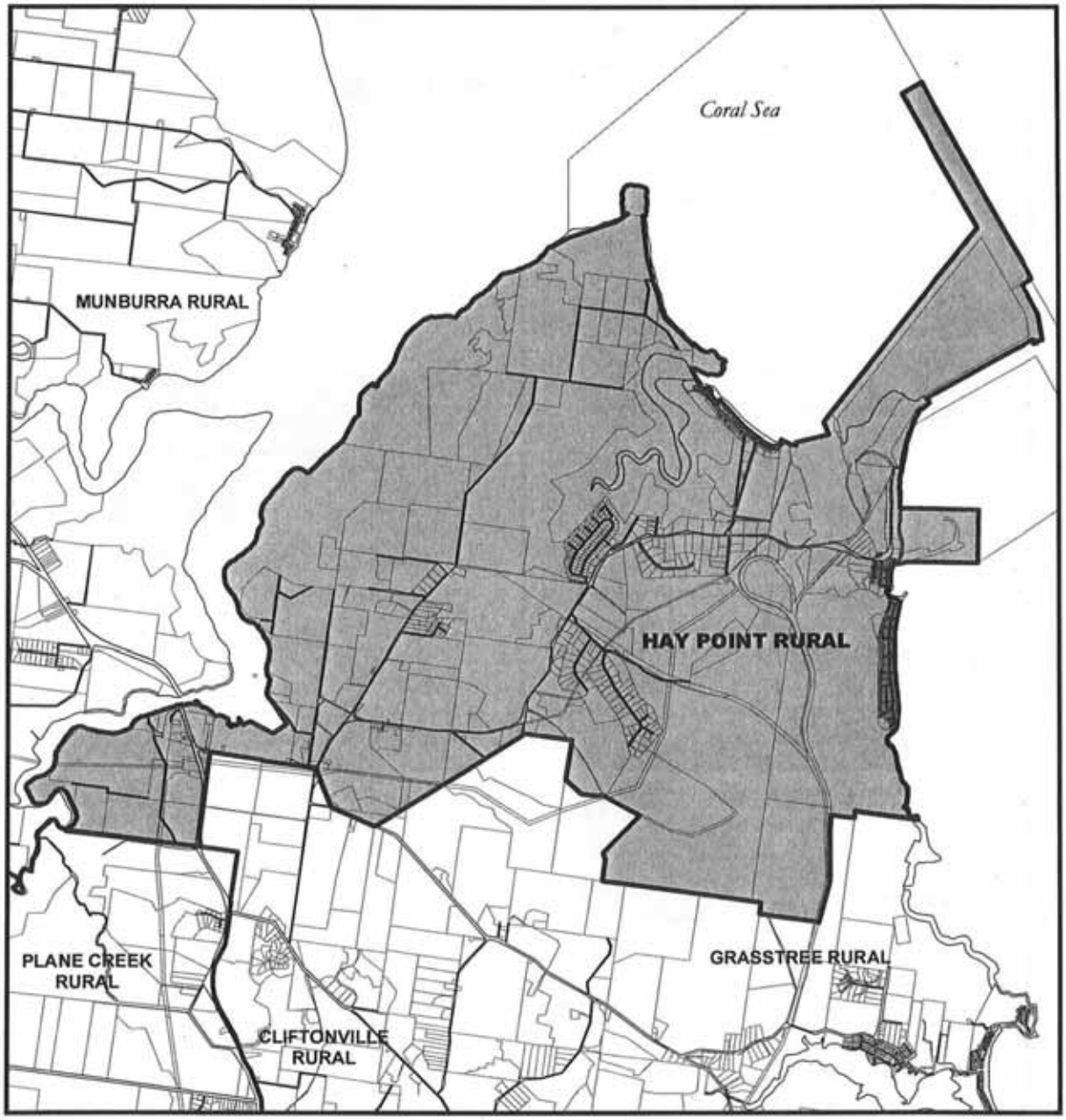
Metres

Mackay REGIONAL COUNCIL

PRODUCTION DATE - JULY 2009

Hay Point Rural Fire Brigade Area

Map No. 2010/18



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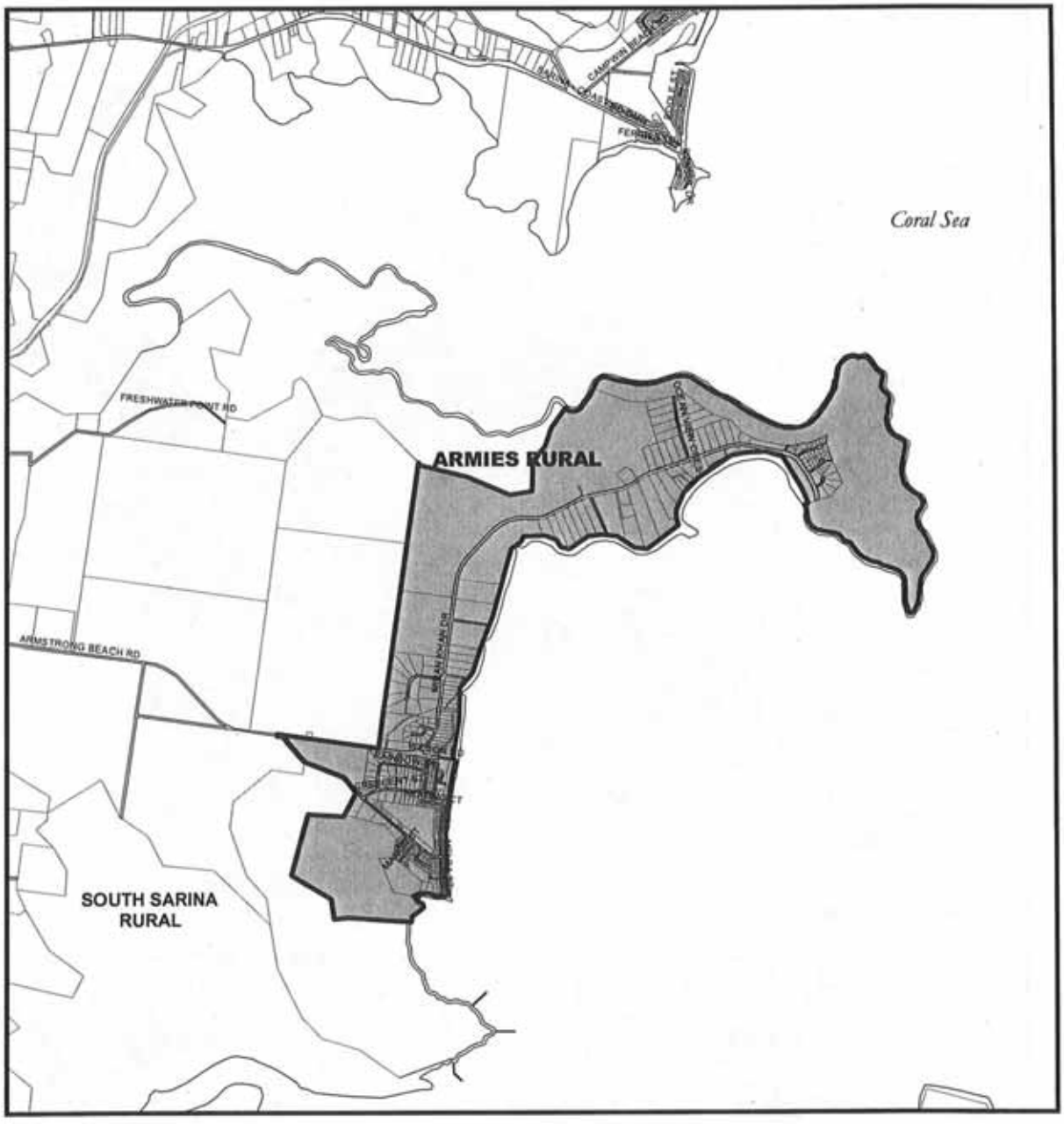
N

0 1,000 2,000 3,000 4,000
Metres

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Armstrong Beach Rural Fire Brigade Area

Map No. 2010/19



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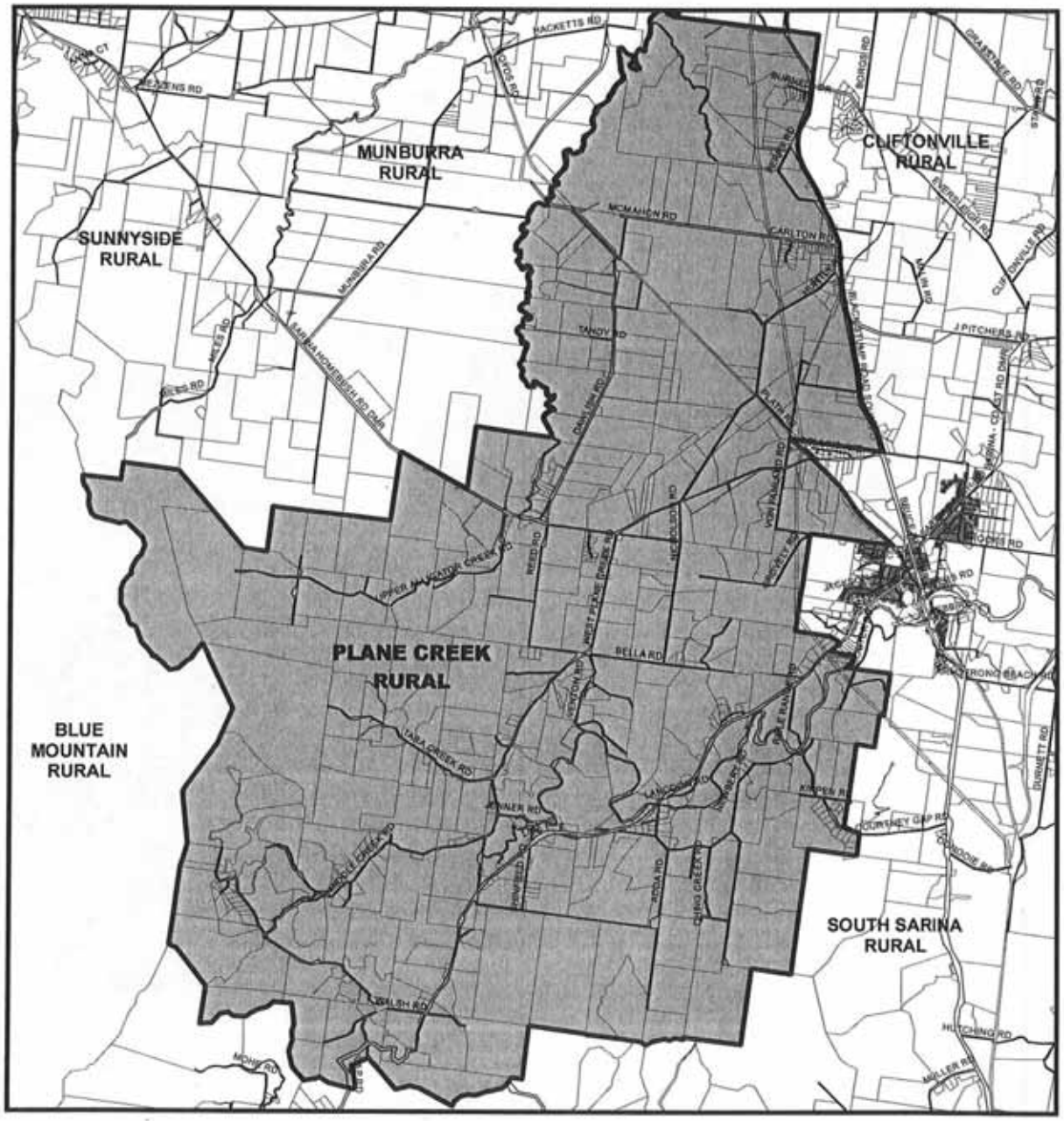
N

0 500 1,000 1,500 2,000 2,500
Metres

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 2009

Plane Creek Rural Fire Brigade Area

Map No. 2010/20



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N

0 1,000 2,000 3,000 4,000 5,000

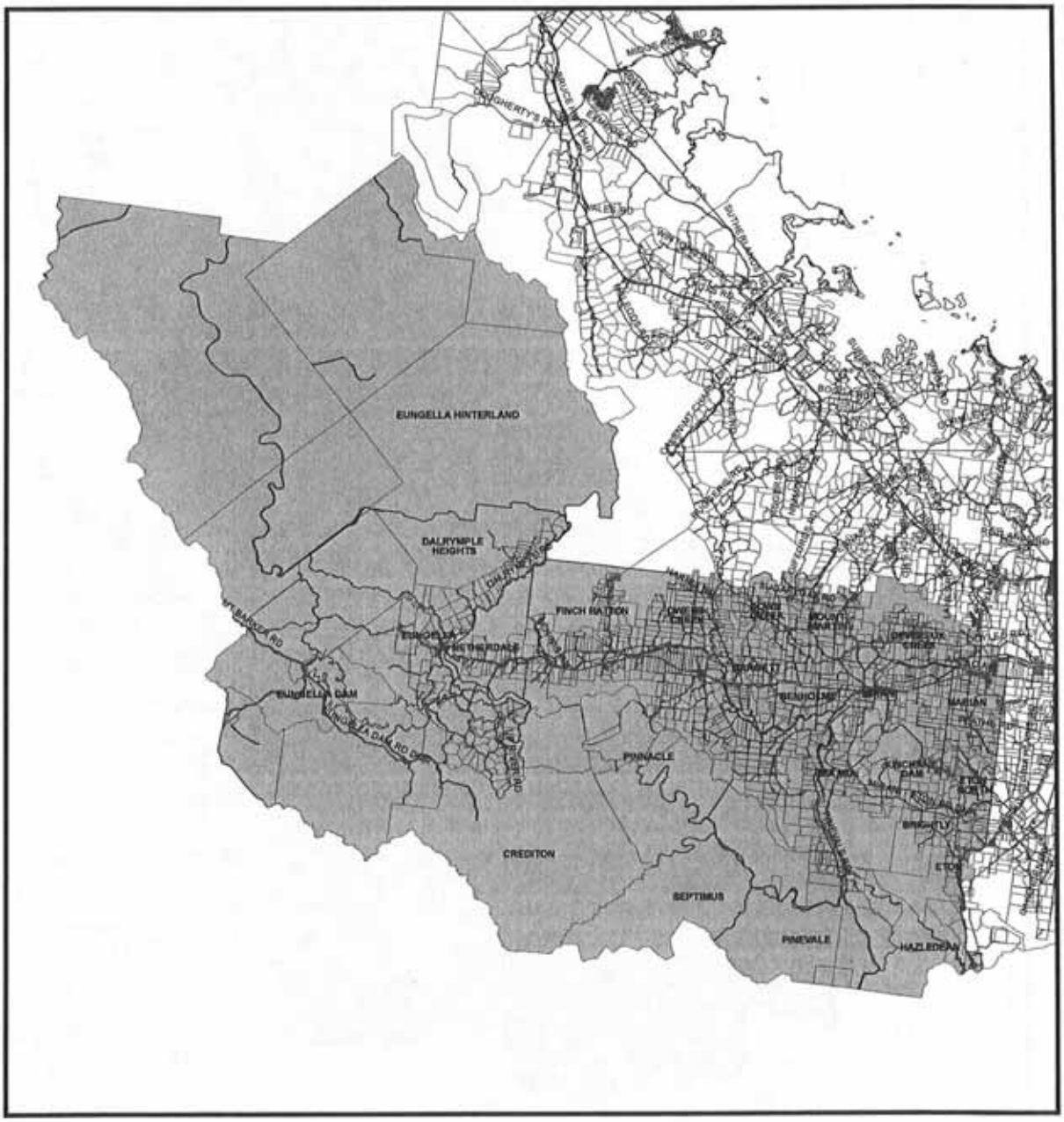
Metres

Mackay REGIONAL COUNCIL

PRODUCTION DATE - JULY 2009

Mirani Combined Rural Fire Brigade Area

Map No. 2010/21



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N

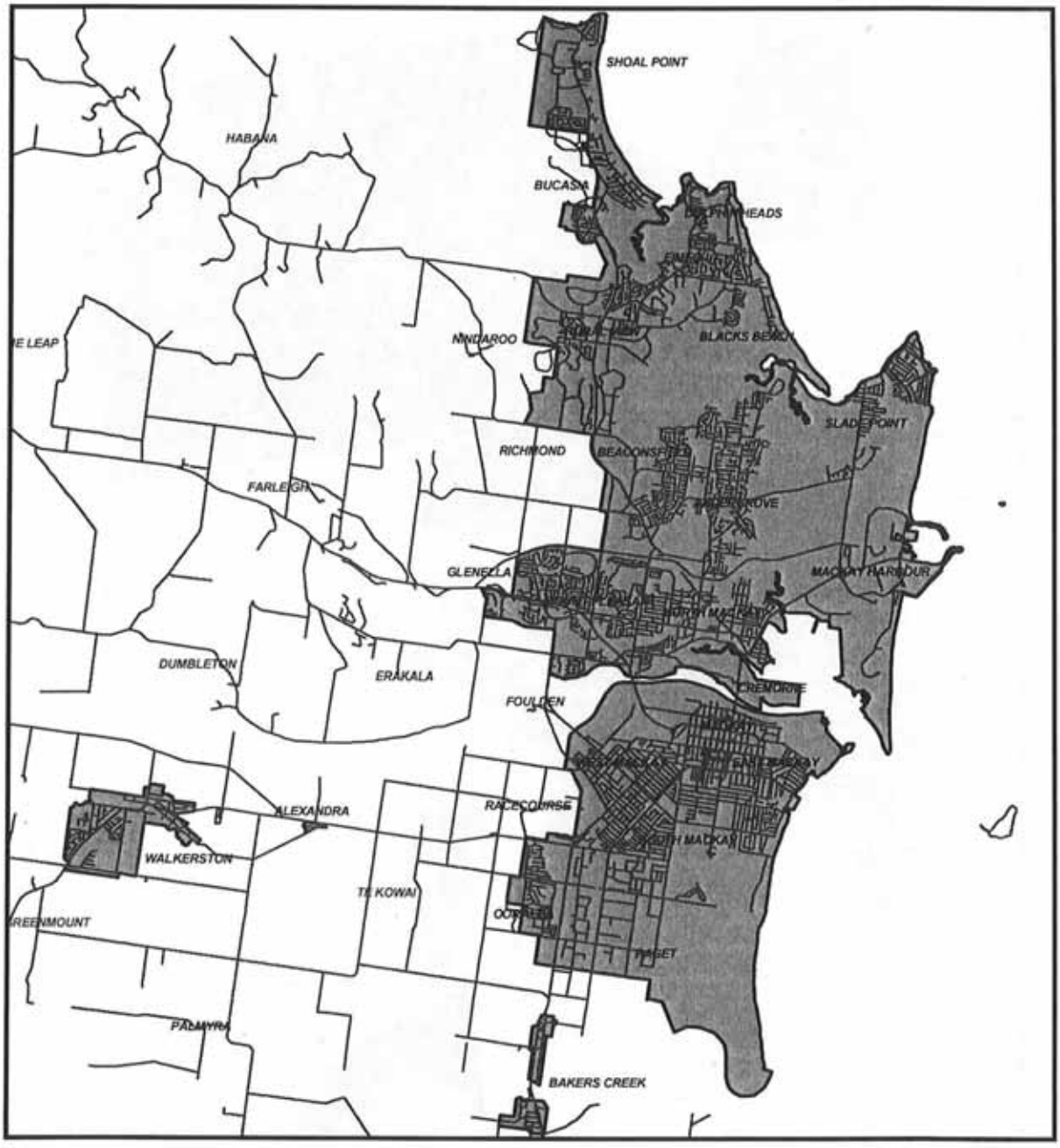
0 5,000 10,000 15,000 20,000 25,000

Metres

Mackay REGIONAL COUNCIL

PRODUCTION DATE - JULY 2009

Mackay Sewerage Area
Map No. 2010/22a



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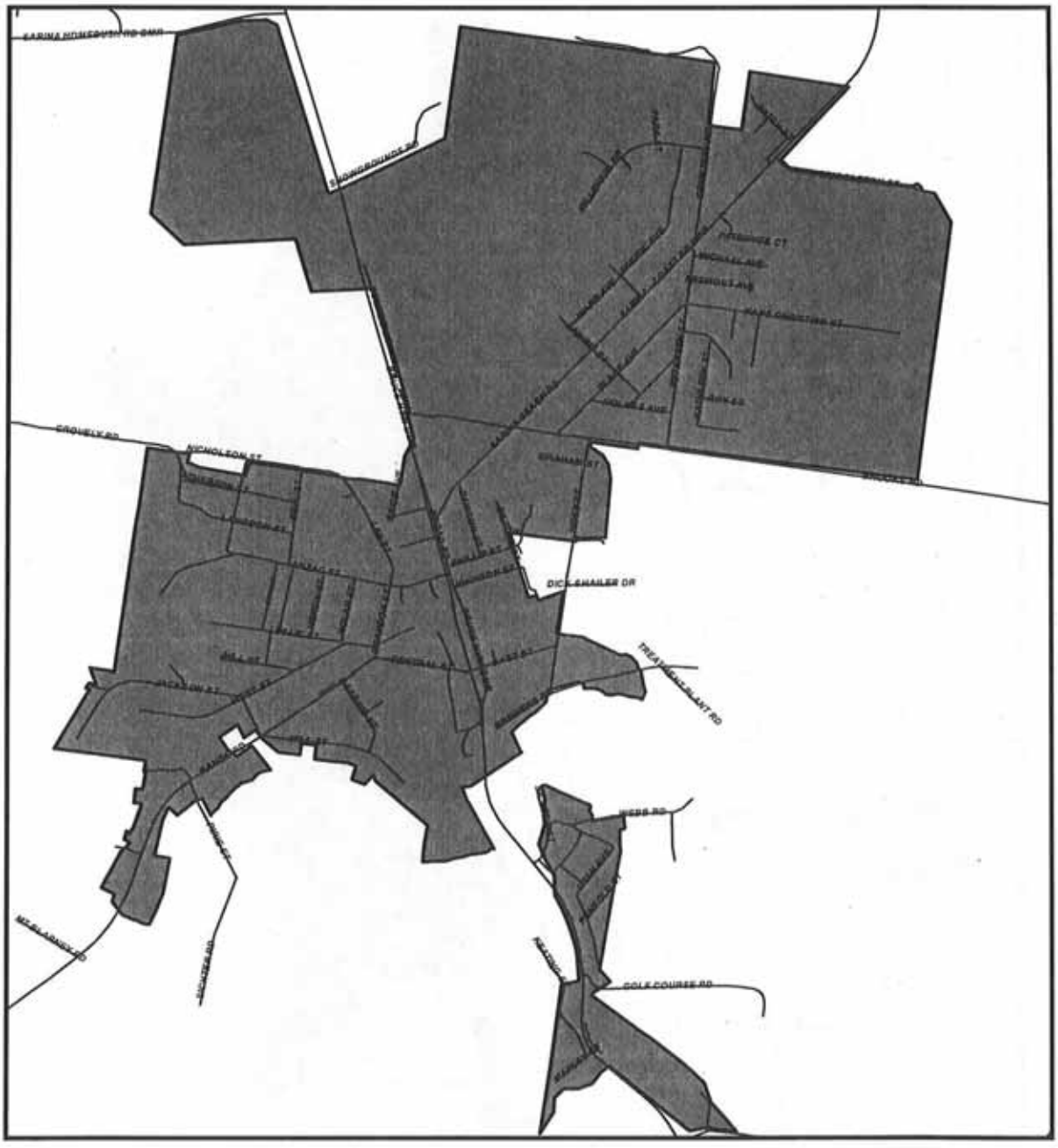
PRODUCTION DATE - JULY 2009

Sarina Sewerage Area
Map No. 2010/22b



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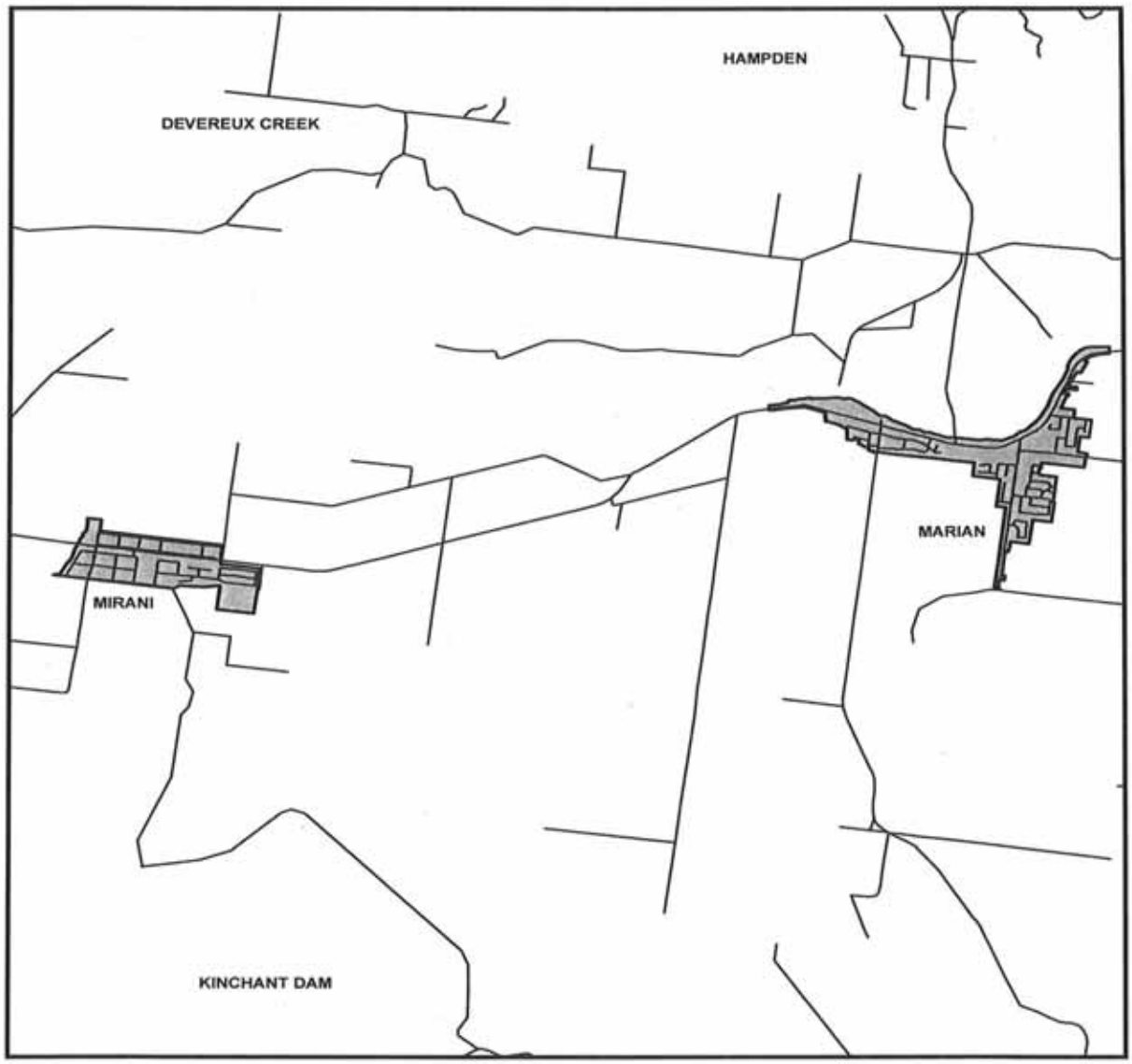
N

0 200 400 600 800 1,000
Meters

Mackay REGIONAL COUNCIL

PRODUCTION DATE - JULY 2009

Mirani Sewerage Area
Map No. 2010/22c



MAYOR ..... CEO ..... DATE .....

PRODUCED BY MACKAY REGIONAL COUNCIL - GIS SECTION
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N

0 500 1,000 1,500 2,000 2,500
Meters

Mackay REGIONAL COUNCIL
PRODUCTION DATE - JULY 200

APPENDIX / ATTACHMENTS