

MINUTES

Special (Budget) Meeting

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

On Wednesday 21 June 2023

ORDER OF BUSINESS

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His Worship the Mayor, Cr Williamson conducted an acknowledgement of Country acknowledging the traditional custodians of the land on which we meet today.

Mayor Williamson advised that the Council Meeting is being streamed live, recorded and published in accordance with Council's Standing Orders, including publishing on Council's website.

Mayor Williamson advised those present in the public gallery that, by attending a public meeting of the Council they are consenting to their image, voice and comments being recorded and published, and comments will form part of the live stream and recording.

1. ATTENDANCE

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

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

The meeting commenced at 2:00 pm.

Mayor Williamson sought a change to Council's Standing Order to allow the Queensland Treasurer, the Hon Cameron Dick MP, to address Council.

Council Resolution ORD-2023-169

THAT Council's Standing Orders be changed to allow the Treasurer of Queensland, the Hon Cameron Dick MP, to address Council.

Moved Cr Bonaventura

Seconded Cr May

CARRIED UNANIMOUSLY

Queensland Treasurer, the Hon Cameron Dick MP, acknowledged the First Nations people of the Region and thanked Council for the opportunity to attend the Special (Budget) Meeting. The Treasurer noted the great partnership that exists between State Government and Local Government in Queensland and acknowledged the work of Mackay Regional Council to ensure that this part of Queensland has been part of the State's success story, not just during COVID, but over many decades.

The Treasurer acknowledged the contribution to the State from this Region from the perspective of the economy and also, what the Region has delivered through sport, culture and natural environment.

The Treasurer acknowledged the presence of the Assistant Minister for Treasury, Charis Mullen MP and the Member for Mackay, Julieanne Gilbert MP and wished Council well in their deliberations of the 2023-2024 budget.

The Treasurer recognised Council's staff for their hard work and thanked Council for the privilege of addressing the meeting.

2. ABSENT ON COUNCIL BUSINESS

Nil

3. APOLOGIES

Council Resolution ORD-2023-170

THAT Cr Townsend be granted leave of absence for today's meeting.

Moved Cr Mann

Seconded Cr Hassan

CARRIED UNANIMOUSLY

4. CORRESPONDENCE AND OFFICER'S REPORTS

4.1. STATEMENT OF ESTIMATED FINANCIAL POSITION 2022/23

4.1.1. STATEMENT OF ESTIMATED FINANCIAL POSITION 2022/23

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24
Attachments	 Statement of Estimated Income and Expenses [4.1.1.1 - 1 page] Statement of Estimated Financial Position [4.1.1.2 - 1 page] Statement of Estimated Council Projects Expanditure [4.1.1.2 - 1]

3. Statement of Estimated Council Projects Expenditure [4.1.1.3 - 1 page] 3.

Purpose

To present a statement of estimated financial position for 2022/23 in accordance with section 205 of the Local Government Regulation 2012 (the Regulation).

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Background/Discussion

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

The 2022/23 original budget was adopted by Council on 22 June 2022. Following adoption, budget reviews were undertaken to recognise any significant variances. The results of these revisions to the original budget, became Council's amended budget. The latest amended budget position estimated a small operating surplus would be achieved as at 30 June 2023 of \$0.5M.

All information known at the time of tabling this report has been considered in the presentation of the attached statements of estimated income and expenditure, financial position and council projects expenditure. Current analysis suggests an operating deficit closer to ~\$0.8M will now be achieved, primarily as a result of higher than expected employee benefits to maintain current levels of service.

Operating Revenue

The original budget estimated total annual operating revenue of \$278.1M. Revisions to the original budget saw this increased to \$283.2M, largely as a result of interest revenue realised in increasingly favorable market conditions. Current analysis indicates annual operating revenue will reach ~\$282.2M, \$1.0M lower than the amended budget, largely due to decreased activity in fees and charges revenue streams.

Significant risk is noted in this category, due to ongoing uncertainty surrounding expected timing of partial prepayment of the 2023/24 Financial Assistance Grant (~\$4.3M) from the Department of State Development, Infrastructure, Local Government and Planning (the Department). Both MRC and the Department have budgeted for this payment to occur in the 2023 financial year, however it is unknown at this time if payment to local governments will occur as planned, or in the next financial year.

Operating Expenses

The original budget forecast annual operating expenses at \$277.3M, while recognition of budget revisions through the year saw this amount increase to \$282.7M. Current estimates to 30 June 2023 indicate that operating expenditure will achieve ~\$283.0M due to higher-than-expected employee benefits expenditure to maintain existing levels of service.

Operating Result

The original budget forecast an operating surplus of \$0.7M, and recognition of variances identified through the year saw this revised to \$0.5M. Based on current projections for 30 June 2023, it is anticipated that a deficit position closer to ~\$0.8M is likely. Significant risk is noted if pre-payment of the Financial Assistance Grant (~\$4.3M) does not occur as budgeted.

Capital Revenue and Expenses (Net result)

The original budget forecast a net surplus of \$38.5M. Budget revisions, particularly to grants, subsidies, contributions and donations saw this amended to \$34.1M during the year. Current forecasts indicate that the net result will achieve ~\$29.6M due to expected increases in loss on disposal of non-current assets.

Council Projects Expenditure

The original budget for council projects expenditure was expected to achieve \$106.1M; where \$104.0M was forecast for capital expenditure and the remaining \$2.1M projected for operational expenditure. Through recognition of budget review adjustments through the year, this was ultimately revised to \$104.1M; \$101.2M of capital expenditure and \$2.9M of operational expenditure.

Continued risk in project delivery is evident, resulting from tightened local market conditions, with resource shortages across local building and civil construction firms and difficulty in sourcing some products. As a result of these factors, current project expenditure to 30 June 2023 is forecast at ~\$100.3M, or 96% completion of the revised budget.

Impact on Current and Future Budgets

The original budget forecast an operating surplus of \$0.7M. Budget revisions through the year ultimately saw this amount revised to a \$0.5M surplus. The current estimated final position at 30 June 2023 is currently forecast as a ~\$0.8M deficit.

Consistent with prior years, the 2023/24 budget has been established using the 2022/23 amended budget. While the Statement of Estimated Financial Position has been prepared using the best-known information available at the date of compilation, the actual final position is likely to vary.

Mackay Regional Council's Annual Financial Statements will be presented to Council for adoption as part of the Annual Report. Variances between the 2022/23 revised budget and the actual position will be brought to account in the first budget review following receipt of the Independent Auditor's Report.

Consultation and Communication

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

Resource Implications

Council's future budget estimates are based on achieving the amended budget in the current year. Any variance will impact the long-term financial forecast. Current estimates indicate an unfavorable variance between the estimated operating deficit and amended budget of ~\$1.3M.

Risk Management Implications

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

Conclusion

An operating deficit of ~\$0.8M is predicted for the period ended 30 June 2023, based on known information available at the time of compilation of this report.

The Statement of Estimated Financial Position has been prepared using actual results to the end of April 2023, with predictions made to the end of June 2023. Once the final actual position is determined, any variances will be brought to account through a future budget review, with impacts recognised in MRC's long-term financial forecast.

Officer's Recommendation

THAT the following statements of estimated financial position for 2022/23 be received:

- 1. Statement of Estimated Income and Expenses;
- 2. Statement of Estimated Financial Position; and
- 3. Statement of Estimated Council Projects Expenditure.

Council Resolution ORD-2023-171

THAT the following statements of estimated financial position for 2022/23 be received:

- 1. Statement of Estimated Income and Expenses;
- 2. Statement of Estimated Financial Position; and
- 3. Statement of Estimated Council Projects Expenditure.

Moved Cr May

Seconded Cr Bonaventura

CARRIED UNANIMOUSLY

MACKAY REGIONAL COUNCIL STATEMENT OF ESTIMATED INCOME AND EXPENSES For the year ending 30 June 2023

	Original Budget	Amended Budget	Estimated Actual
	2022/23	2022/23	2022/23
	\$000	\$000	\$000
Operating revenue			
Rates and charges	254,280	254,280	253,179
Discounts	(19,169)	(19,190)	(18,854)
Remissions	(2,428)	(2,428)	(2,450)
Net rates and charges	232,683	232,663	231,875
Fees and charges	19,555	18,357	17,748
Rental income	1,436	1,220	1,250
Sales - contracts and recoverable works	7,948	8,626	8,727
Grants and subsidies	9,980	10,984	10,965
Interest earned	1,992	5,736	6,116
Other operating revenue	4,462	5,581	5,556
Total operating revenue	278,056	283,167	282,237
			,
Operating expenses			
Employee costs	94,563	89,789	91,570
Materials and services	98,742	105,662	104,158
Finance costs	4,520	4,493	4,270
Depreciation	79,502	82,730	83,044
Total operating expenses	277,327	282,674	283,042
Operating result	729	493	(805)
Capital revenue			
Grants and subsidies	30,012	24,447	24,447
Contributions from developers	6,500	6,500	6,500
Donated assets	4,000	5,350	5,350
Other capital income	-,	-	60
Total capital revenue	40,512	36,297	36,357
			,
Capital expenses			
Loss on disposal or sale of assets	740	740	4,000
Other capital expenses	2,000	2,000	2,000
Total capital expenses	2,740	2,740	6,000
	_,	,	-,
Net result	38,501	34,050	29,552

MACKAY REGIONAL COUNCIL STATEMENT OF ESTIMATED FINANCIAL POSITION For the year ending 30 June 2023

	Original Budget	Amended Budget	Estimated Actual
	2022/23	2022/23	2022/23
	\$000	\$000	\$000
Current assets	+000		
Cash and cash equivalents	117,698	146,631	142,167
Trade and other receivables	20,421	20,491	20,491
Contract assets	3,500	3,500	4,873
Other assets	2,710	3,216	3,216
Inventories	2,745	2,988	3,278
inventories	147,074	176,826	174,025
Non-current assets held for sale	79	79	39
Non-current assets held for sale	147,153	176,905	174,064
Non-current assets			
Investments	5,102	5,277	5,340
	,	,	,
Property, plant and equipment	3,471,822	3,690,867	4,054,559 3,913
Intangible assets Right of use assets	4,202 741	3,927 1,223	1,223
Right of use assets	3,481,867	3,701,294	4,065,035
	3,401,007	5,701,254	4,005,055
Total assets	3,629,020	3,878,199	4,239,099
Current liabilities			
Contract liabilities	3,500	3,500	3,691
Lease liabilities	,	,	,
	25	66	68 8,755
Trade and other payables	10,002	10,477	,
Employee entitlements	-	-	21,393
Borrowings	14,049	14,048	14,048
Provisions	62,458	62,641	50,415
Other liabilities	12,654 102,688	19,570 110,302	13,832 112,202
		-,	, -
Non-current liabilities			
Lease liabilities	750	1,258	1,230
Employee entitlements	-	-	1,757
Borrowings	38,848	38,848	38,848
Provisions	16,746	14,968	13,269
Other liabilities	1,163	11,691	7,817
	57,507	66,765	62,921
Total liabilies	160,195	177,067	175,123
Net community assets	3,468,825	3,701,132	4,063,976
Community equity			
Retained surplus	2,299,637	2,311,716	2,289,373
Asset revaluation reserve	1,169,188	1,389,416	1,774,603
Total community equity	3,468,825	3,701,132	4,063,976

MACKAY REGIONAL COUNCIL STATEMENT OF ESTIMATED COUNCIL PROJECTS EXPENDITURE For the year ending 30 June 2023

	Original Budget 2022/23 \$000	Amended Budget 2022/23 \$000	Estimated Actual 2022/23 \$000
Capital expenditure	103,996	101,222	98,210
Operational expenditure	2,117	2,913	2,054
Total council projects expenditure	106,113	104,135	100,264

4.2. REVENUE POLICY 4.2.1. REVENUE POLICY

Author	Acting Manager Financial Services (Jaco Acke	
Responsible Officer	Director Organisational Services (Angela Hays	
File Reference	Budget 2023/24	
Attachments	1.	Revenue Policy 2023/24 [4.2.1.1 - 7 pages]

Purpose

To adopt Mackay Regional Council's (MRC's) Revenue Policy for the 2023/24 financial year.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Background/Discussion

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

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

- a) to set out the principles that MRC intends to apply in the 2023/24 financial year for:
 - levying rates and charges
 - granting concessions for rates and charges
 - recovering overdue rates and charges
 - cost recovery methods.
- b) if the local government intends to grant concessions for rates and charges the purpose for the concessions; and
- c) the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

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

Consultation and Communication

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

Resource Implications

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

Risk Management Implications

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

Conclusion

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

Officer's Recommendation

THAT in accordance with the provisions of section 104 of the Local Government Act 2009 and section 193 of the Local Government Regulation 2012, the attached Revenue Policy be adopted for the 2023/24 financial year.

Council Resolution ORD-2023-172

THAT in accordance with the provisions of section 104 of the Local Government Act 2009 and section 193 of the Local Government Regulation 2012, the attached Revenue Policy be adopted for the 2023/24 financial year. Moved Cr Hassan

Seconded Cr Jones

CARRIED UNANIMOUSLY

REVENUE POLICY 2023/24

Program: Date of Adoption: **Resolution Number: Review Date:** 21 June 2024

Financial Services 21 June 2023

Scope

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

The policy contains principles that underpin the development of the 2023/24 budget for Mackay Regional Council (MRC).

The 2023/24 budget will be available for inspection on MRC's website at:

www.mackay.qld.gov.au/budget

Objective

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

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

This policy also addresses:

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

Policy Statement

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

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

- a) to set out the principles intended to be used by MRC for the 2023/24 financial year for:
 - levying rates and charges
 - granting concessions for rates and charges
 - recovering overdue rates and charges
 - cost recovery methods.
- b) if the local government intends to grant concessions for rates and charges the purpose for the concessions; and
- c) the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

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REVENUE POLICY 2023/24

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

This process to remain in force until otherwise determined

by Mackay Regional Council



REVENUE POLICY 2023/24

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REVENUE POLICY 2023/24

1.0 Principles

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

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

1.1 <u>Principles applied in levying rates and charges</u>

Making rates and charges

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

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

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

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

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

MRC will also have regard to the principles of:

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

Levying rates and charges

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



REVENUE POLICY 2023/24

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

1.2 Principles applied in granting concessions for rates and charges

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

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

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

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

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

1.3 Principles applied to the recovery of overdue rates and charges

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

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

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

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REVENUE POLICY 2023/24

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

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

1.4 Payments in Advance

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

1.5 Cost recovery fees and other fees

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

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

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

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

1.6 Physical and social infrastructure cost funding

Council funds the provision of economic and social infrastructure assets from a number of sources:

- general Council revenue
- loans
- grants and subsidies provided by the Queensland State Government and the Commonwealth Government of Australia
- developers' cash contributions (infrastructure charges)

Council recognises that the revenue base and forecast growth are limited. Infrastructure investment decisions must be informed by the rigorous analysis of demand, whole-of-life asset management principles, and prioritisation.

Trunk infrastructure required to support new development is partly funded through infrastructure charges, pursuant to the provisions of the *Planning Act 2016.* Infrastructure charges are specifically for the purpose of funding infrastructure necessary to service the planning development, with the types of infrastructure detailed in Council's Local Government Infrastructure Plan. The amount MRC can collect in infrastructure charges is limited by section 52 and Schedule 16 of the *Planning Regulation 2017.*

Other economic and social infrastructure is funded from loans, general funds, and a significant reliance on State and Federal grant funding.



REVENUE POLICY 2023/24

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean the Mayor and Councillors of Mackay Regional Council

MRC shall mean Mackay Regional Council

The Act shall mean the Local Government Act 2009

The Regulation shall mean the Local Government Regulation 2012

3.0 Review of Policy

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

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

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

4.0 Reference

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

5.0 Attachments



4.3. REVENUE STATEMENT 4.3.1. REVENUE MEASURES REPORT

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24

Attachments Nil

Purpose

To provide an introduction to the revenue measures and documents for the 2023/24 financial year presented as separate reports for Council adoption.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Background/Discussion

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

Legislative requirements:

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

The Regulation, section 169 and section 170 state:

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

The Revenue statement is required to state the following under Section 172 of the Regulation:

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

The revenue statement must include:

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

The revenue measures are determined at the budget meeting and based on the Council's Revenue Policy. Changes have been made to the relevant documents to reflect the new budget and improve drafting.

The following revenue measures and documents are presented to Council as separate Council Agenda Items for adoption:

- Differential General Rates
- Special Rates & Charges
- Separate Charges
- Sewerage Utility Charges
- Trade Waste Utility Charges
- Waste Management Utility Charges
- Water Utility Charges
- Rates Concessions
- Levy and Payment
- Discount Measures
- Interest Measures

Related Policies

- i. Revenue Statement 2023/24 and associated maps for 2023/24 financial year prepared in accordance with section 104 of the *Local Government Act 2009* and section 169 of the *Local Government Regulation 2012*
- ii. Rating Remission for Non-Profit Community Organisations Policy
- iii. Conservation Remission Policy
- iv. Rates Relief Policy
- v. Discount on Late Rates Payment Policy

- vi. Debt Recovery Policy
- vii. Concession for Concealed Leaks Policy
- viii. Concession for Exceptional Circumstances (Water Consumption) Policy

Note the Dept Policy and Investment Policy is presented with the Community Budget Report, Agenda Item 4.4.1.1.

Consultation and Communication

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

Resource Implications

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

Risk Management Implications

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

Conclusion

This paper provides an introduction of the revenue measures, rating resolutions, Revenue Statement and related policies required as part of Council's budget, which are presented in the following reports for Council consideration:

- 4.3.2 Revenue Measures Report Differential General Rates
- 4.3.3 Revenue Measures Report Special Rates and Charges
- 4.3.4 Revenue Measures Report Separate Charges
- 4.3.5 Revenue Measures Report Sewerage Utility Charges
- 4.3.6 Revenue Measures Report Trade Waste Utility Charges
- 4.3.7 Revenue Measures Report Waste Management Utility Charges
- 4.3.8 Revenue Measures Report Water Utility Charges
- 4.3.9 Revenue Measures Report Rates Concessions
- 4.3.10 Revenue Measures Report Levy and Payment
- 4.3.11 Revenue Measures Report Discount Measures
- 4.3.12 Revenue Measures Report Interest Measures
- 4.3.13 Revenue Measures Report Related Policies
 - Revenue Statement 2023/24 and associated maps for 2023/24 financial year prepared in accordance with section 104 of the *Local Government Act 2009* and section 169 of the *Local Government Regulation 2012*
 - Rating Remission for Non-Profit Community Organisations Policy
 - Conservation Remission Policy
 - Rates Relief Policy
 - Discount on Late Rates Payment Policy
 - Debt Recovery Policy
 - Concession for Concealed Leaks Policy
 - Concession for Exceptional Circumstances (Water Consumption) Policy

4.3.2. REVENUE MEASURES REPORT - DIFFERENTIAL GENERAL RATES

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24

Attachments

Nil

Purpose

To present the 2023/24 Differential General Rates Measures for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

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

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

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

Category	Description	Identification
1.301 – Residential	Land which is used for, or in the case of vacant	Land having a residential,
Band 3	land, intended to be used for, residential purposes, with a rateable value above \$345,000 and up to and including \$575,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	primary land use or zoning and meets the criteria in the description.
1.401 – Residential Band 4	Land which is used for, or in the case of vacant land, intended to be used for, residential purposes, with a rateable value above \$575,000 and which is not included in categories 1.511, 1.531, 2.101, or 2.201.	Land having a residential, primary land use or zoning and meets the criteria in the description.
1.511 – Residential – Multi-Unit	Land which is used for, or intended to be used for, residential purposes and has more than one dwelling house, secondary dwelling, flat or unit constructed, or being constructed, on the rating assessment and the structures, houses, flats or units are not part of a body corporate. This category applies regardless of whether all houses, flats or units on the land have laundry facilities within the structure or not. Properties approved for Dependant Persons Accommodation (Granny Flat) that are occupied in accordance with that approval, are excluded from this category.	Land having a residential, primary land use and meets the criteria in the description.
1.531 – Residential – Home-based Business	 The land is used for a combined residential and a commercial or industrial purpose, where the area occupied by the non-residential use (including storage areas) does not exceed the lesser of: i. 25 percent of the total floor area of the principal dwelling house; or ii. 10 percent of the land area; or iii. 60 square metres. 	Land having a residential, primary land use and meets the criteria in the description.
2.101 – Special Residential Strata - Horizontal	 Land used for, or in the case of vacant land, intended to be used for, residential purposes, which is part of a body corporate where: i. the land is vacant or; (if the land is built on) the building does not exceed three stories in height; and ii. all of the lots in the body corporate share a common rateable valuation of greater than \$1,300,000 (issued by the Department of Resources); and iii. there are eight or more lots in the body corporate. 	Land having a residential, primary land use or zoning and meets the criteria in the description.
2.201 – Special Residential Strata - Vertical	Land used for residential purposes which is a unit and is part of a body corporate in a building with more than three stories.	Land having a residential, primary land use and meets the criteria in the description.

Category	Description	Identification
3.1 – Canefarming	Land used for, or in the case of vacant land, zoned and intended to be used for, the growing of, sugar cane or associated with the growing of, sugar cane.	Land having an agricultural primary land use code or zoning and meets the criteria in the description.
4.1 – Other Rural	Land used, or in the case of vacant land, zoned and intended for use, for rural industry purposes other than properties contained within category 3.1	Land having an agricultural primary land use code or zoning and meets the criteria in the description.
5 - Large Shopping Centre	 Land which is used for commercial retail purposes and: i. has an area greater than five (5) hectares; and ii. has a gross floor area greater than 30,000 square metres; and iii. contains more than 60 commercial tenancies; and iv. is located within the Mackay City Centre Area as shown in Map No. 1 (attached to the Revenue Statement for the 2023/24 financial year). The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops. 	Land having a commercial retail primary land use code and meets the criteria in the description.
6 - Medium Shopping Centre	 Land which is used for commercial retail purposes and: i. has an area greater than five (5) hectares; and ii. has a gross floor area greater than 20,000 square metres; and iii. contains more than 30 commercial tenancies; and iv. is not included in Category 5. The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops. 	Land having a commercial retail primary land use code and meets the criteria in the description.

Category	Description	Identification
7 – Commercial Retail	 Land which is used for commercial retail purposes and: i. has a gross floor area of greater than 1,500 square metres; and ii. has more than 40 car parking spaces; and iii. is not included in Category 5 or 6 The term "commercial retail purposes" means anything used for commercial retail purposes including, but not limited to, a shopping centre, other retail complex or single or multiple shops. 	Land having a commercial retail primary land use code and meets the criteria in the description.
8.11 – Other Commercial / Industrial (Mackay)	 Land within the Mackay Urban Commercial Area as shown in Map No. 2 (attached to the Revenue Statement for the 2023/24 financial year), but outside the gazetted locality of Paget, which is: i. used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or ii. vacant land and zoned for commercial or industrial purposes under the applicable planning scheme. 	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
8.21 – Other Commercial / Industrial (Regional)	 Land outside the Mackay Urban Commercial Area as shown in Map No. 2 (attached to the Revenue Statement for the 2023/24 financial year), which is: i. used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or ii. vacant land zoned for commercial or industrial purposes under the applicable planning scheme. 	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
8.31 – Other Commercial / Industrial (Paget)	 Land located in the Mackay Urban Commercial Area within the gazetted locality of Paget as defined in the Urban Commercial Area (Map No. No. 2) (attached to the Revenue Statement for the 2023/24 financial year), which is: i. used, or intended to be used, for commercial or industrial purposes irrespective of the zoning of the land under the applicable planning scheme; or ii. vacant land zoned for commercial or industrial purposes under the applicable planning scheme. 	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.

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

Category	Description	Identification
15 – Not-for-Profit Organisation	 Land which is: i. used by a not-for-profit organisation for the organisation's primary purpose; and ii. not used for any additional commercial or industrial operations on the land; and iii. is not otherwise included in any other category. 	Land that meets the criteria in the description.
16 - Non-resident Workforce Accommodation	Land used, in whole or in part, for providing intensive accommodation for non-resident workers (including provision of recreational and entertainment facilities for the exclusive use of workers) but not including accommodation made available to the ordinary travelling public. Such facilities are commonly known as "worker accommodation", "single person's quarters", "worker camps", "accommodation villages" and "worker barracks".	
17 - Other (Not elsewhere classified)	The property is not elsewhere categorised.	Land that meets the criteria in the description.

- (b) Council delegates to the Chief Executive Officer the power, pursuant to section 81(4) and section 81(5) of the Regulation, to identify the rating category to which each parcel of rateable land belongs.
- (c) Pursuant to section 94 of the Act and section 80 of the Regulation, the differential general rate to be made and levied for each differential rate category for the 2023/24 financial year, and pursuant to section 77 of the Regulation, the minimum differential general rate to be made and levied for each differential general rate category for the 2023/24 financial year, is as follows:

Category	Rate in the Dollar	Minimum Differential General Rate
1.101 - Residential Band 1	0.010300	\$1,221
1.201 - Residential Band 2	0.009951	\$1,803
1.301 - Residential Band 3	0.008792	\$3,433
1.401 - Residential Band 4	0.008586	\$5,055
1.511 - Residential – Multi-Unit	0.014305	\$1,405
1.531 - Residential – Home-based Business	0.012424	\$1,405
2.101 - Special Residential Strata - Horizontal	0.018643	\$1,785
2.201 - Special Residential Strata - Vertical	0.027291	\$1,884
3.1 - Canefarming	0.022586	\$2,110
4.1 - Other Rural	0.011211	\$1,386
5 - Large Shopping Centre	0.089471	\$2,532,582

Category	Rate in the Dollar	Minimum Differential General Rate
6 - Medium Shopping Centre	0.051101	\$888,784
7 - Commercial Retail	0.023855	\$5,175
8.11 - Other Commercial / Industrial (Mackay)	0.020169	\$2,608
8.21 - Other Commercial / Industrial (Regional)	0.017043	\$1,638
8.31 - Other Commercial / Industrial (Paget)	0.024048	\$3,093
9 - Major Port Industry	0.222217	\$1,487,105
10 - Sugar Mill or Sugar Refinery	0.132210	\$191,033
11 - Other Significant Industry (1)	0.170077	\$9,825
12 - Other Significant Industry (2)	0.038914	\$12,134
13 - Other Significant Industry (3)	0.038461	\$9,878
14 - Resorts and Island Commercial Operations	0.042668	\$2,608
15 - Not-for-Profit Organisation	0.012702	\$1,404
16 - Non-resident Workforce Accommodation	0.080972	\$6,523
17 - Other (not elsewhere classified)	0.015565	\$1,632
17 - Other (not elsewhere classified)	0.015565	\$1,6

Minimum General Rates will not apply to land to which sections 49-51 of the Land Valuation Act 2010 applies, nor to Permits to Occupy that have an area of one hundred (100) square metres or less, are separately valued from other valued land and have a rateable valuation of less than \$2,500.

Council Resolution ORD-2023-173

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

Moved Cr May

Seconded Cr Englert

CARRIED UNANIMOUSLY

4.3.3. REVENUE MEASURES REPORT - SPECIAL RATES AND CHARGES

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer File Reference	Director Organisational Services (Angela Hays) Budget 2023/24

Attachments

Nil

Purpose

To present the 2023/24 Special Rates and Charges for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

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

Rural Fire Services – 1 Special Charge

- (a) Pursuant to section 94 of the Local Government Act 2009 (the Act) and section 94 of the Local Government Regulation 2012 (the Regulation), Council makes and will levy a special charge for the 2023/24 financial year, (to be known as the "Rural Fire Services – 1 Special Charge") of \$44.60 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.
- (b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:
 - i) The service, facility, or activity for which the plan is made is for Council to:
 - a) fund rural fire brigades in the area to purchase and maintain equipment; and
 - b) administer the distribution of funds to rural fire brigades.
 - ii) The rateable land to which the plan applies is the rateable land situated on the maps (attached to the Revenue Statement for the 2023/24 financial year) as follows:

a)	Habana Rural Fire Brigade Area	[Map No. 3]
b)	Dumbleton Rural Fire Brigade Area	[Map No. 4]
c)	Victoria Plains Rural Fire Brigade Area	[Map No. 5]
d)	Ball Bay Rural Fire Brigade Area	[Map No. 6]
e)	Sunnyside Rural Fire Brigade Area	[Map No. 7]

- f) Mt Blackwood Rural Fire Brigade Area
- g) Calen/Cameron's Pocket Rural Fire Brigade Area
- h) Seaforth Town Rural Fire Brigade Area
- i) Midge Point Rural Fire Brigade Area
- j) Seaforth District Rural Fire Brigade Area
- (iii) The estimated cost of implementing the overall plan is \$200,269 for 2023/24.
- (iv) The estimated time for implementing the overall plan is 1 year commencing 1 July 2023 and ending 30 June 2024.
- (c) The rateable land proposed to be levied with the special charge specially benefits from these services, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.

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

Rural Fire Services – 2 Special Charge

- (a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2023/24 financial year, (to be known as the "Rural Fire Services 2 Special Charge") of \$25.00 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.
- (b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:
 - i) The service, facility, or activity for which the plan is made is for Council to:
 - a) fund rural fire brigades in the area to purchase and maintain equipment; and
 - b) administer the distribution of funds to rural fire brigades.
 - ii) The rateable land to which the plan applies is the rateable land situated on the maps (attached to the Revenue Statement for the 2023/24 financial year) as follows:

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

- iii) The estimated cost of implementing the overall plan is \$28,065 for 2023/24.
- iv) The estimated time for implementing the overall plan is one year commencing 1 July 2023 and ending 30 June 2024.
- (c) The rateable land proposed to be levied with the special charge specially benefits from these services, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.

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

Rural Fire Services – 3 Special Charge

(a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2023/24 financial year, (to be known as the "Rural Fire Services – 3 Special Charge") of

\$34.40 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.

- (b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:
 - 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; and a)
 - administer the distribution of funds to rural fire brigades. b)
 - ii) The rateable land to which the plan applies is the rateable land situated on the maps (attached to the Revenue Statement for the 2023/24 financial year) as follows:

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

- iii) The estimated cost of implementing the overall plan is \$179,256 for 2023/24.
- iv) The estimated time for implementing the overall plan is one year commencing 1 July 2023 and ending 30 June 2024.
- (c) The rateable land proposed to be levied with the special charge specially benefits from these service, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.

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

Council Resolution ORD-2023-174

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

Rural Fire Services – 1 Special Charge

- Pursuant to section 94 of the Local Government Act 2009 (the Act) and section 94 of the Local (a) Government Regulation 2012 (the Regulation), Council makes and will levy a special charge for the 2023/24 financial year, (to be known as the "Rural Fire Services – 1 Special Charge") of \$44.60 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.
- The overall plan for the service, facility, or activity to be funded by the special rate is as follows: (b)
 - i) The service, facility, or activity for which the plan is made is for Council to:
 - a) fund rural fire brigades in the area to purchase and maintain equipment; and
 - administer the distribution of funds to rural fire brigades. b)
 - ii) The rateable land to which the plan applies is the rateable land situated on the maps (attached to the Revenue Statement for the 2023/24 financial year) as follows:
 - a) Habana Rural Fire Brigade Area [Map No. 3]
 - b) Dumbleton Rural Fire Brigade Area Victoria Plains Rural Fire Brigade Area
- [Map No. 4] [Map No. 5]

c)

- d) Ball Bay Rural Fire Brigade Area [Map No. 6] e) Sunnyside Rural Fire Brigade Area [Map No. 7] [Map No. 8] Mt Blackwood Rural Fire Brigade Area **f**) Calen/Cameron's Pocket Rural Fire Brigade Area [Map No. 9] g) Seaforth Town Rural Fire Brigade Area h) [Map No. 10]
- Midge Point Rural Fire Brigade Area i)
- [Map No. 11] j) Seaforth District Rural Fire Brigade Area [Map No. 12]
- (iii) The estimated cost of implementing the overall plan is \$200,269 for 2023/24.
- (iv) The estimated time for implementing the overall plan is 1 year commencing 1 July 2023 and ending 30 June 2024.
- (c) The rateable land proposed to be levied with the special charge specially benefits from these services, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.

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

Rural Fire Services – 2 Special Charge

- Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a (a) special charge for the 2023/24 financial year, (to be known as the "Rural Fire Services - 2 Special Charge") of \$25.00 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.
- (b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:
 - 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; and a)
 - b) administer the distribution of funds to rural fire brigades.
 - ii) The rateable land to which the plan applies is the rateable land situated on the maps (attached to the Revenue Statement for the 2023/24 financial year) as follows:

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

- iii) The estimated cost of implementing the overall plan is \$28,065 for 2023/24.
- iv) The estimated time for implementing the overall plan is one year commencing 1 July 2023 and ending 30 June 2024.
- The rateable land proposed to be levied with the special charge specially benefits from these (c) services, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.

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

Rural Fire Services – 3 Special Charge

- (a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2023/24 financial year, (to be known as the "Rural Fire Services 3 Special Charge") of \$34.40 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.
- (b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:
 - i) The service, facility, or activity for which the plan is made is for Council to:
 - a) fund rural fire brigades in the area to purchase and maintain equipment; and
 - b) administer the distribution of funds to rural fire brigades.
 - ii) The rateable land to which the plan applies is the rateable land situated on the maps (attached to the Revenue Statement for the 2023/24 financial year) as follows:

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

- iii) The estimated cost of implementing the overall plan is \$179,256 for 2023/24.
- iv) The estimated time for implementing the overall plan is one year commencing 1 July 2023 and ending 30 June 2024.
- (c) The rateable land proposed to be levied with the special charge specially benefits from these service, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.

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

Moved Cr Jones

Seconded Cr Mann

CARRIED UNANIMOUSLY

4.3.4. REVENUE MEASURES REPORT - SEPARATE CHARGES

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24

Attachments Nil

Purpose

To present the 2023/24 Separate Charges for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

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

Natural Environment Separate Charge

Pursuant to section 103 of the *Local Government Regulation 2012* (the Regulation), Council makes and will levy a separate charge for the 2023/24 financial year, (to be known as the "Natural Environment Separate Charge") in the sum of \$29.28 per rateable assessment to be levied equally on all rateable land in the region.

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

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

Roads Improvement Separate Charge

Pursuant to section 103 of the Regulation, Council makes and will levy a separate charge for the 2023/24 financial year (to be known as the "Roads Improvement Separate Charge") in the sum of \$22.50 per rateable assessment to be levied equally on all rateable land in the region.

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

- a) upgrading the existing urban street network to incorporate kerb to kerb treatments and to improve drainage where practicable.
- b) providing traffic calming initiatives within identified roads and streets.
- c) contributing to the safety of pedestrian and bicycle traffic by improving walkways and cycleways within and around road reserves.
- d) contributing to the implementation of a roads treatment program to extend the life of the road network.

Disaster Response Separate Charge

Pursuant to section 103 of the Regulation, Council makes and will levy a separate charge for the 2023/24 financial year (to be known as the "Disaster Response Separate Charge") in the sum of \$14.48 per rateable assessment, to be levied equally on all rateable land in the region.

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

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

Council Resolution ORD-2023-175

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

Natural Environment Separate Charge

Pursuant to section 103 of the *Local Government Regulation 2012* (the Regulation), Council makes and will levy a separate charge for the 2023/24 financial year, (to be known as the "Natural Environment Separate Charge") in the sum of \$29.28 per rateable assessment to be levied equally on all rateable land in the region.

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

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

Roads Improvement Separate Charge

Pursuant to section 103 of the Regulation, Council makes and will levy a separate charge for the 2023/24 financial year (to be known as the "Roads Improvement Separate Charge") in the sum of \$22.50 per rateable assessment to be levied equally on all rateable land in the region.

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

- a) upgrading the existing urban street network to incorporate kerb to kerb treatments and to improve drainage where practicable.
- b) providing traffic calming initiatives within identified roads and streets.
- c) contributing to the safety of pedestrian and bicycle traffic by improving walkways and cycleways within and around road reserves.
- d) contributing to the implementation of a roads treatment program to extend the life of the road network.

Disaster Response Separate Charge

Pursuant to section 103 of the Regulation, Council makes and will levy a separate charge for the 2023/24 financial year (to be known as the "Disaster Response Separate Charge") in the sum of \$14.48 per rateable assessment, to be levied equally on all rateable land in the region.

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

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

Moved Cr Mann

Seconded Cr Green

4.3.5. REVENUE MEASURES REPORT - SEWERAGE UTILITY CHARGES

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24

Attachments

Nil

Purpose

To present the 2023/24 Sewerage Utility Charges for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

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

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

a) makes and will levy sewerage utility charges for the 2023/24 financial year, for the supply of sewerage services by Council, as follows:

Mackay Sewerage Area [Map No. 17(a)], Sarina Sewerage Area [Map No.17(b)] and Mirani Sewerage Area [Map No.17(c)] (attached to the Revenue Statement for the 2023/24 financial year)

\$962.70
\$770.10
\$481.30
\$240.70

For all properties connected to the North Eton Biocycle system

Factor charge per assessment	\$819.40
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b) will apply the levying of these charges in accordance with its 2023/24 Revenue Statement.

Council Resolution ORD-20223-176

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

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

a) makes and will levy sewerage utility charges for the 2023/24 financial year, for the supply of sewerage services by Council, as follows:

Mackay Sewerage Area [Map No. 17(a)], Sarina Sewerage Area [Map No.17(b)] and Mirani Sewerage Area [Map No.17(c)] (attached to the Revenue Statement for the 2023/24 financial year)

Factor Charge\$962.700.8 of Factor Charge (rounded)\$770.100.5 of Factor Charge\$481.300.25 of Factor Charge\$240.70

For all properties connected to the North Eton Biocycle system

Factor charge per assessment \$819.40

b) will apply the levying of these charges in accordance with its 2023/24 Revenue Statement.

Moved Cr Green

Seconded Cr Hassan

4.3.6. REVENUE MEASURES REPORT - TRADE WASTE UTILITY CHARGES

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24

Attachments

Nil

Purpose

To present the 2023/24 Trade Waste Utility Charges for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

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

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

a) makes and will levy trade waste utility charges for the 2023/24 financial year, for the supply of trade waste services by Council, as follows:

VTWUC = Volumetric Trade Waste Discharge Unit Cost \$2.73/kl

Trade Waste Conveyance and Treatment Charge

- n1 Total Suspended Solids = \$1.10/kg
- n2 Chemical Oxygen Demand = \$0.61/kg
- n3 Oil and Grease or Total Hydrocarbons = \$2.01/kg
- n4 Total Kjeldahl Nitrogen = \$3.39/kg
- n5 Total Phosphorous = \$5.83/kg

Additional Penalty Conveyance and Treatment Charge

- n11 Total Suspended Solids = \$1.75/kg
- n12 Chemical Oxygen Demand = \$1.75/kg
- n13 Oil and Grease or Total Hydrocarbons = \$1.75/kg
- n14- Total Kjeldahl Nitrogen = \$1.75/kg
- n15 Total Phosphorous = \$1.75/kg
- b) will apply the levying of these charges in accordance with its 2023/24 Revenue Statement.

Council Resolution ORD-2023-177

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

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

a) makes and will levy trade waste utility charges for the 2023/24 financial year, for the supply of trade waste services by Council, as follows:

VTWUC = Volumetric Trade Waste Discharge Unit Cost \$2.73/kl

Trade Waste Conveyance and Treatment Charge

- n1 Total Suspended Solids = \$1.10/kg
- n2 Chemical Oxygen Demand = {resolution}.61/kg
- n3 Oil and Grease or Total Hydrocarbons = \$2.01/kg
- n4 Total Kjeldahl Nitrogen = \$3.39/kg
- n5 Total Phosphorous = \$5.83/kg

Additional Penalty Conveyance and Treatment Charge

- n11 Total Suspended Solids = \$1.75/kg
- n12 Chemical Oxygen Demand = \$1.75/kg
- n13 Oil and Grease or Total Hydrocarbons = \$1.75/kg
- n14- Total Kjeldahl Nitrogen = \$1.75/kg
- n15 Total Phosphorous = \$1.75/kg
- b) will apply the levying of these charges in accordance with its 2023/24 Revenue Statement.

Moved Cr Mann

Seconded Cr Hassan

4.3.7. REVENUE MEASURES REPORT - WASTE MANAGEMENT UTILITY CHARGES

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24

Attachments

Nil

Purpose

To present the 2023/24 Waste Management Utility Charges for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

Officer's Recommendation

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

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

a) makes and will levy waste management utility charges for the 2023/24 financial year, for the supply of waste management services by Council, as follows:

Refuse Service Factor Charges for 2023/24:

i)	Rubbish and Recycling Service (Residential)	\$293.60
ii)	Rubbish and Recycling Service (Residential Bulk Bin)	\$293.60
iii)	Rubbish and Recycling Service (Other)	\$349.20
iv)	Rubbish and Recycling Service (Non-Res Household)	\$293.60
v)	Additional Recycling Service (Residential)	\$114.30

- b) will apply the levying of these charges in accordance with its 2023/24 Revenue Statement.
- c) makes and will levy a utility charge for the 2023/24 financial year (to be known as the "Waste Facilities Operations Utility Charge") in the sum of \$167.60 per rateable assessment to be levied equally on all rateable land in the region.

This utility charge will fund:

- i) The residual cost of waste facilities and services which are not met from the refuse removal and disposal utility charges and other fees and charges collected on a user pays basis; and
- ii) Meeting public expectations in matters of disposal of refuse that affect public health and the visual amenity of the area.

Council Resolution ORD-2023-178

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

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

a) makes and will levy waste management utility charges for the 2023/24 financial year, for the supply of waste management services by Council, as follows:

Refuse Service Factor Charges for 2023/24:

- i) Rubbish and Recycling Service (Residential) \$293.60
- ii) Rubbish and Recycling Service (Residential Bulk Bin) \$293.60
- iii) Rubbish and Recycling Service (Other) \$349.20
- iv) Rubbish and Recycling Service (Non-Res Household) \$293.60
- v) Additional Recycling Service (Residential) \$114.30
- b) will apply the levying of these charges in accordance with its 2023/24 Revenue Statement.
- c) makes and will levy a utility charge for the 2023/24 financial year (to be known as the "Waste Facilities Operations Utility Charge") in the sum of \$167.60 per rateable assessment to be levied equally on all rateable land in the region.

This utility charge will fund:

- i) The residual cost of waste facilities and services which are not met from the refuse removal and disposal utility charges and other fees and charges collected on a user pays basis; and
- ii) Meeting public expectations in matters of disposal of refuse that affect public health and the visual amenity of the area.

Moved Cr Hassan

Seconded Cr Green

4.3.8. REVENUE MEASURES REPORT - WATER UTILITY CHARGES

Author	Acting Financial Services Manager (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24

Attachments

Nil

Purpose

To present the 2023/24 Water Utility Charges for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

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

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

a) makes and will levy water utility charges for the 2023/24 financial year, for the supply of water services by Council, as follows:

Mackay Water Area is defined by maps 18(a) to 18(f) (attached to the Revenue Statement for the 2023/24 financial year).

Water Charges (per factor) are:

i)	Factor Charge – Commercial/Industrial	\$398.10
ii)	Factor Charge – Residential	\$398.10
Consu	mption Charges (per kilolitre) are:	
i)	Tariff 1	\$1.97
ii)	Tariff 2	\$2.91
iii)	Laguna Quays Resort	\$1.97
iv)	Bulk purchases	\$3.67
V)	Untreated water supplied	\$1.10
vi)	Community sporting facilities (as defined)	\$1.97

b) Will apply the levying of these charges in accordance with its 2023/24 Revenue Statement.

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

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

Council Resolution ORD-203-179

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

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

a) makes and will levy water utility charges for the 2023/24 financial year, for the supply of water services by Council, as follows:

Mackay Water Area is defined by maps 18(a) to 18(f) (attached to the Revenue Statement for the 2023/24 financial year).

Water Charges (per factor) are:

- i) Factor Charge Commercial/Industrial \$398.10
- ii) Factor Charge Residential \$398.10

Consumption Charges (per kilolitre) are:

- i) Tariff 1 \$1.97
- ii) Tariff 2 \$2.91
- iii) Laguna Quays Resort \$1.97
- iv) Bulk purchases \$3.67
- v) Untreated water supplied \$1.10
- vi) Community sporting facilities (as defined) \$1.97
- b) Will apply the levying of these charges in accordance with its 2023/24 Revenue Statement.

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

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

Moved Cr Jones

Seconded Cr May

4.3.9. REVENUE MEASURES REPORT - RATES CONCESSIONS

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer File Reference	Director Organisational Services (Angela Hays) Budget 2023/24
	Director Organisational Services (Angela Hays)

Attachments

Nil

Purpose

To present the 2023/24 Rates Concessions for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

THAT Council adopts the following resolutions relating to Rates Concessions:

Pensioners:

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

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

Non-Profit Organisations:

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

Land with Conservation Agreements:

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

Other Concessions:

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

Council Resolution ORD-2023-180

THAT Council adopts the following resolutions relating to Rates Concessions:

Pensioners:

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

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

Non-Profit Organisations:

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

Land with Conservation Agreements:

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

Other Concessions:

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

Moved Cr Jones

Seconded Cr Bonaventura

4.3.10. REVENUE MEASURES REPORT - LEVY AND PAYMENT

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24

Attachments

Nil

Purpose

To present the 2023/24 Levy and Payment for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

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

- a) Pursuant to section 107 of the *Local Government Regulation 2012* (the Regulation) and section 114 of the *Fire and Emergency Services Act 1990*, Council's rates and charges, and the State Government's Emergency Management, Fire and Rescue Levy be levied:
 - for the half year 1 July 2023 to 31 December 2023 in August / September 2023 and for Water Consumption Utility Charges in November 2023
 - for the half year 1 January 2024 to 30 June 2024 in February / March 2024 and for Water Consumption Utility Charges in May 2024.
- b) Pursuant to section 118 of the Regulation, that Council's rates and charges, and the State Government's Emergency Management, Fire and Rescue Levy, be paid within thirty (30) clear days after date of issue shown on the rates notice.

Council Resolution ORD-2023-181

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

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

- for the half year 1 January 2024 to 30 June 2024 in February / March 2024 and for Water Consumption Utility Charges in May 2024.
- b) Pursuant to section 118 of the Regulation, that Council's rates and charges, and the State Government's Emergency Management, Fire and Rescue Levy, be paid within thirty (30) clear days after date of issue shown on the rates notice.

Moved Cr Green

Seconded Cr Hassan

4.3.11. REVENUE MEASURES REPORT - DISCOUNT

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24

Attachments

Nil

Purpose

To present the 2023/24 Discount measures for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

THAT Council adopts the following resolutions relating to Discount:

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

- a) all of the rates and charges that are subject to discount in the period are paid within the discount period (plus a grace period of two days); and
- b) all other overdue rates and charges relating to the rateable assessment are paid within the discount period (plus a grace period of two days); and
- c) all amounts that have been transferred to the rates assessment (under section 142 of the Act) for costs that were incurred by Council under a remedial notice issued under the Act are paid within the discount period (plus a grace period of two days).

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

Council Resolution ORD-2023-182

THAT Council adopts the following resolutions relating to Discount:

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

- a) all of the rates and charges that are subject to discount in the period are paid within the discount period (plus a grace period of two days); and
- b) all other overdue rates and charges relating to the rateable assessment are paid within the discount period (plus a grace period of two days); and
- c) all amounts that have been transferred to the rates assessment (under section 142 of the Act) for costs that were incurred by Council under a remedial notice issued under the Act are paid within the discount period (plus a grace period of two days).

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

Moved Cr May

Seconded Cr Green

4.3.12. REVENUE MEASURES REPORT - INTEREST

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24

Attachments

Nil

Purpose

To present the 2023/24 Interest measures for adoption by Council.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

THAT Council adopts the following resolutions relating to Interest:

- a) Pursuant to section 133 of the Local Government Regulation 2012 (the Regulation), Council will charge interest on overdue rates at the rate specified as the maximum interest rate payable by the Department of State Development, Infrastructure, Local Government and Planning. The rate applicable from 1 July 2023 is 11.64% per annum, compounded monthly, calculated after the end of the financial half year in which the rates fall due. Interest is charged at the end of each month, on the overdue balance on that day.
- b) Pursuant to section 125 (3) of the Regulation, where Council enters a deferral of liability to pay rates and charges by way of a payment schedule or any other arrangement, the arrangement will include a premium equal to the amount of interest that would have been charged if the arrangement had not been agreed to. The premium will be charged in the same manner as interest.

Council Resolution ORD-2023-183

THAT Council adopts the following resolutions relating to Interest:

a) Pursuant to section 133 of the *Local Government Regulation 2012* (the Regulation), Council will charge interest on overdue rates at the rate specified as the maximum interest rate payable by the Department of State Development, Infrastructure, Local Government and Planning. The rate applicable from 1 July 2023 is 11.64% per annum, compounded monthly, calculated after the end

of the financial half year in which the rates fall due. Interest is charged at the end of each month, on the overdue balance on that day.

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

Moved Cr Englert

Seconded Cr Bonaventura

4.3.13. REVENUE MEASURES REPORT - RELATED POLICIES

- 7. Concessions for Concealed Leaks Policy [4.3.13.7 13 pages]
- 8. Concessions for Exceptional Circumstances Policy [4.3.13.8 8 pages]

Purpose

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

- a) Revenue Statement 2023/24 and associated maps for 2023/24 financial year prepared in accordance with section 104 of the *Local Government Act 2009* and section 169 of the *Local Government Regulation 2012* b) Rating Remission for Non-Profit Community Organisations Policy
- c) Conservation Remission Policy
- d) Rates Relief Policy
- e) Discount on Late Rates Payment Policy
- f) Debt Recovery Policy
- g) Concession for Concealed Leaks Policy
- h) Concession for Exceptional Circumstances (Water Consumption) Policy

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Officer's Recommendation

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

- a) Revenue Statement 2023/24 and associated maps for 2023/24 financial year prepared in accordance with section 104 of the *Local Government Act 2009* and section 169 of the *Local Government Regulation 2012*
- b) Rating Remission for Non-Profit Community Organisations Policy
- c) Conservation Remission Policy
- d) Rates Relief Policy
- e) Discount on Late Rates Payment Policy
- f) Debt Recovery Policy

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

Council Resolution ORD-2023-184

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

- a) Revenue Statement 2023/24 and associated maps for 2023/24 financial year prepared in accordance with section 104 of the *Local Government Act 2009* and section 169 of the *Local Government Regulation 2012*
- b) Rating Remission for Non-Profit Community Organisations Policy
- c) Conservation Remission Policy
- d) Rates Relief Policy
- e) Discount on Late Rates Payment Policy
- f) Debt Recovery Policy
- g) Concession for Concealed Leaks Policy
- h) Concession for Exceptional Circumstances (Water Consumption) Policy

Moved Cr May

Seconded Cr Englert



REVENUE STATEMENT 2023/24

Program: Date of Adoption: Resolution Number: Review Date: Financial Services 21 June 2023 21 June 2024

Scope

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

Objective

The purpose of the Revenue Statement is to set out:

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

Policy Statement

In accordance with the *Local Government Act 2009*, Council has developed this Revenue Statement in accordance with its Revenue Policy to develop Council's budget for the financial period from 1 July 2023 to 30 June 2024. Council levies rates and charges to raise sufficient revenue to enable it to maintain assets and to provide services to the community at a level that the Council considers appropriate for both current and future community requirements.

This process to remain in force until otherwise determined by Mackay Regional Council

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1.0 Principles

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

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

2.0 Differential General Rates

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

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

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

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

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

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

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

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

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

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Category	Description	Identification
13 – Other Significant Industry (3)	Land which is located within the Mackay Airport precinct and is used for activities associated, related or connected with the provision, management and operation of an airport facility.	Land having a commercial or industrial primary land use code or zoning and meets the criteria in the description.
14 – Resorts and Island Commercial Operations	 Land which is located within a resort facility or on an offshore island, and is: (i) used, or able to be used, for a commercial or industrial activity; or (ii) vacant land zoned for commercial or industrial purposes under the applicable planning scheme. 	Land that meets the criteria in the description.
15 – Not-for-Profit Organisation	 Land which is: (i) used by a not for profit organisation for the organisation's primary purpose; and (ii) not used for any additional commercial or industrial operations; and (iii) not otherwise included in any other category. 	Land that meets the criteria in the description.
16 - Non-resident Workforce Accommodation	Land used, in whole or in part, for providing intensive accommodation for non-resident workers (including provision of recreational and entertainment facilities for the exclusive use of workers) but not including accommodation made available to the ordinary travelling public. Such facilities are commonly known as "worker accommodation", "single person's quarters", "worker camps", "accommodation villages" and "worker barracks".	Land that meets the criteria in the description.
17 - Other (Not elsewhere classified)	The property is not elsewhere categorised.	Land that meets the criteria in the description.

Objection to Differential General Rate Categorisation

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

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



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

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

The following Differential General Rates and Minimum Differential General Rates have been made for the year 2023/24:

Category	Rate in the Dollar	Minimum Differential General Rate
1.101 – Residential Band 1	0.010300	\$1,221
1.201 – Residential Band 2	0.009951	\$1,803
1.301 – Residential Band 3	0.008792	\$3,433
1.401 – Residential Band 4	0.008586	\$5,055
1.511 – Residential – Multi-Unit	0.014305	\$1,405
1.531 – Residential – Home-based Business	0.012424	\$1,405
2.101 – Special Residential Strata - Horizontal	0.018643	\$1,785
2.201 – Special Residential Strata - Vertical	0.027291	\$1,884
3.1 – Canefarming	0.022586	\$2,110
4.1 – Other Rural	0.011211	\$1,386
5 - Large Shopping Centre	0.089471	\$2,532,582
6 – Medium Shopping Centre	0.051101	\$888,784
7 – Commercial Retail	0.023855	\$5,175
8.11 – Other Commercial / Industrial (Mackay)	0.020169	\$2,608
8.21 – Other Commercial / Industrial (Regional)	0.017043	\$1,638
8.31 – Other Commercial / Industrial (Paget)	0.024048	\$3,093
9 – Major Port Industry	0.222217	\$1,487,105
10 – Sugar Mill or Sugar Refinery	0.132210	\$191,033
11 – Other Significant Industry (1)	0.170077	\$9,825
12 – Other Significant Industry (2)	0.038914	\$12,134
13 – Other Significant Industry (3)	0.038461	\$9,878

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Category	Rate in the Dollar	Minimum Differential General Rate
14 – Resorts and Island Commercial Operations	0.042668	\$2,608
15 – Not-for-Profit Organisation	0.012702	\$1,404
16 – Non-resident Workforce Accommodation	0.080972	\$6,523
17 – Other (not elsewhere classified)	0.015565	\$1,632
Minimum General Rates will not apply to land to which sections 49-51 of the <i>Land Valuation Act 2010</i> applies, nor to Permits to Occupy that have an area of one hundred (100) square metres or less, are separately valued from other valued land and have a rateable valuation of less than \$2,500.		

3.0 Rural Fire Services – 1 Special Charge

- (a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2023/24 financial year, (to be known as the "Rural Fire Services 1 Special Charge") of \$44.60 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.
- (b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:
 - (i) The service, facility, or activity for which the plan is made is for Council to:
 - (a) fund rural fire brigades in the area to purchase and maintain equipment; and
 - (b) administer the distribution of funds to rural fire brigades.
 - (ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:
 - (a) Habana Rural Fire Brigade Area [Map No.3](b) Dumbleton Rural Fire Brigade Area [Map No.4]
 - (c) Victoria Plains Rural Fire Brigade Area [Map No.5]
 - (d) Ball Bay Rural Fire Brigade Area [Map No.6]
 - (e) Sunnvside Rural Fire Brigade Area [Map No.7]
 - (f) Mt Blackwood Rural Fire Brigade Area [Map No.8]
 - (g) Calen/Cameron's Pocket Rural Fire Brigade Area [Map No.9]
 - (h) Seaforth Town Rural Fire Brigade Area [Map No.10]
 - (i) Midge Point Rural Fire Brigade Area [Map No.11]
 - (j) Seaforth District Rural Fire Brigade Area [Map No.12]
 - (iii) The estimated cost of implementing the overall plan is \$200,269 for 2023/24
 - (iv) The estimated time for implementing the overall plan is one year commencing 1 July 2023 and ending 30 June 2024.

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

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

4.0 Rural Fire Services – 2 Special Charge

- (a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2023/24 financial year, (to be known as the "Rural Fire Services 2 Special Charge") of \$25.00 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.
- (b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:
 - (i) The service, facility, or activity for which the plan is made is for Council to:
 - (a) fund rural fire brigades in the area to purchase and maintain equipment; and
 - (b) administer the distribution of funds to rural fire brigades.
 - (ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:
 - (a) Armstrong Beach Rural Fire Brigade Area [Map No.13]
 - (b) Plane Creek Rural Fire Brigade Area [Map No.14]
 - (iii) The estimated cost of implementing the overall plan is \$28,065 for 2023/24.
 - (iv) The estimated time for implementing the overall plan is one year commencing 1 July 2023 and ending 30 June 2024.
- (c) The rateable land proposed to be levied with the special charge specially benefits from these service, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.

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

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5.0 Rural Fire Services – 3 Special Charge

- (a) Pursuant to section 94 of the Act and section 94 of the Regulation, Council makes and will levy a special charge for the 2023/24 financial year, (to be known as the "Rural Fire Services 3 Special Charge") of \$34.40 per rateable assessment for all rateable land to which the overall plan applies to fund the purchase and maintenance of equipment for each Rural Fire Brigade.
- (b) The overall plan for the service, facility, or activity to be funded by the special rate is as follows:
 - (i) The service, facility, or activity for which the plan is made is for Council to:
 - (a) fund rural fire brigades in the area to purchase and maintain equipment; and
 - (b) administer the distribution of funds to rural fire brigades.
 - (ii) The rateable land to which the plan applies is the rateable land situated on the maps as detailed:
 - (a) Mirani Combined Rural Fire Brigade Area [Map No.15]
 - (b) Hay Point Rural Fire Brigade Area [Map No.16]
 - (iii) The estimated cost of implementing the overall plan is \$179,256 for 2023/24.
 - (iv) The estimated time for implementing the overall plan is one year commencing 1 July 2023 and ending 30 June 2024.
- (c) The rateable land proposed to be levied with the special charge specially benefits from these service, facilities, or activities because the service, facilities or activities to be funded by the special rate will assist rural fire brigades servicing the rateable land.

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

6.0 Natural Environment Charge

Pursuant to section 94 of the Act and section 103 of the Regulation, Council makes and will levy a separate charge for the 2023/24 financial year, (to be known as the "Natural Environment Separate Charge") in the sum of **\$29.28** per rateable assessment to be levied equally on all rateable land in the region.

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

(a) promoting and supporting the preservation and enhancement of the natural environment

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

7.0 Roads Improvement Separate Charge

Pursuant to section 94 of the Act and section 103 of the Regulation, Council makes and will levy a separate charge for the 2023/24 financial year (to be known as the "Roads Improvement Separate Charge") in the sum of **\$22.50** per rateable assessment to be levied equally on all rateable land in the region.

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

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

8.0 Disaster Response Separate Charge

Pursuant to section 94 of the Act and section 103 of the Regulation, Council makes and will levy a separate charge for the 2023/24 financial year (to be known as the "Disaster Response Separate Charge") in the sum of **\$14.48** per rate assessment, to be levied equally on all rateable land in the region.

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

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

9.0 Sewerage, Waste Management & Water Utility Charges

In accordance with the provisions of Part 7 of Chapter 4 of the Regulation, Council makes and will levy the following utility charges for the 2023/24 financial year:





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9.01 Sewerage Utility Charges

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

> If the premises are used for, or available for, private residential purposes and more than one pedestal or urinal is installed on such premises, a charge shall be made in respect of one such pedestal or urinal only for each separate residence, dwelling, secondary dwelling or flat (with or without separate laundry facilities).

> In respect of flats or tenements designed or intended for use for separate occupation, including granny flats (except where the provisions of paragraph 9.01.08 applies), the charge shall be one sewerage factor for each flat or tenement whether there is a w.c. pedestal or urinal installed in each flat or tenement or not.

- 9.01.02 In respect of any structure, building or place on land which is not rateable under section 93 (3) of the Act or Part 2 of Chapter 4 of the Regulation, excluding however those classified under Clause 9.01.06 hereof, a factor charge in accordance with Clause 9.01.01 hereof, shall be levied on the persons or body or Commonwealth or State Department at whose request the structure, building or place was provided with sewerage.
- 9.01.03 In respect of premises used as a home or homes for the aged, as listed below, the charge shall be one sewerage factor for the first w.c. pedestal in each such home or group of homes, and a charge equivalent to 0.5 of a factor charge for each additional w.c. pedestal, slop hopper pan or flushing rim sink, and for each separate urinal installed on such premises, 0.5 sewerage factor charge for each 600 millimetres or part thereof:

Name

Assessment	Nume
04407	March and Data states (Operint)
24497	Mackay Benevolent Society
25940	Francis of Assisi Home
27384	Uniting Church in Australia
27913	R.S.L. (QLD) War Veterans Homes Ltd
30656	Mackay Benevolent Society
32880	Good Shepherd Lodge Ltd (Mackay)
41401	Nanyima Aged Care Incorporated
44743	Sarina Aged Residential Home Incorporated
44708	Wongabeena Aged Housing Sarina Incorporated
50978	Good Shepherd Lodge Ltd (Kerrisdale)
59554	Ozcare

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- 9.01.04 In respect of premises used as community sporting facilities where a Rates Remission for Non-Profit Community Organisations has been granted, the charge shall be one sewerage factor for the first w.c. pedestal in each such facility, and a charge equivalent to 0.5 of a factor charge for each additional w.c. pedestal, and for each separate urinal installed on such premises, 0.5 sewerage factor charge for each 600 millimetres or part thereof.
- 9.01.05 In respect of the Mackay Racecourse, all showgrounds and Mackay Entertainment and Convention Centre, the charge shall be one sewerage factor per w.c. pedestal for the first six w.c. pedestals, and a charge equivalent to 0.5 of a factor charge for each additional w.c. pedestal, and for each separate urinal installed on such premises, 0.5 sewerage factor charge for each 600 millimetres or part thereof.
- 9.01.06 In respect of premises used for public worship, the charge shall be a charge equivalent to 0.8 of a factor charge for each w.c. pedestal, and for each separate urinal installed on such premises, 0.8 sewerage factor charge for each 600 millimetres or part thereof.
- 9.01.07 In respect of all premises whether occupied or not, which are not lots that are part of a body corporate which are designed for and where the principal use is hotel, motel, holiday units or tourist resorts as determined by Council, the charge shall be a charge equivalent to 0.8 of a factor charge for each pedestal within an accommodation unit having private toilet facilities and a charge of one sewerage factor for each other pedestal, and for each separate urinal installed on such premises, one sewerage factor charge for each 600 millimetres or part thereof.
- 9.01.08 In respect of all sewered premises used for private residential purposes and containing a Dependant Persons Accommodation Unit (granny flat) while occupied in accordance with the relevant development approval, one factor charge for the principal residence, with no additional charge for the approved granny flat. The concession offered by this clause will only apply during the period that the granny flat is occupied by a person who complies with the requirements of the development approval, Council policies and local laws as dependant persons accommodation.
- 9.01.09 In respect of all premises in a sewered area which are not connected to a sewer main, but in respect of which Council is prepared to accept sewerage, or any premises having less connections than required by the Building Code of Australia 2011, a factor charge shall be made in accordance with Clause 9.01.01 hereof for the minimum number of pedestals, and for each separate urinal required to be installed on such premises, one sewerage factor charge for each 600 millimetres or part thereof required to be provided pursuant to the Building Code of Australia 2011.
- 9.01.10 In respect of all sewered premises whether connected to sewerage or not, designed or used as caravan parks with communal facilities, a factor charge for each pedestal and each 600 millimetres of urinal, or part thereof, as required pursuant to the provisions of the "Guidelines on Good Design for Caravan Parks & Relocatable Home Parks 1997"

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issued by the Queensland Department of State Development, Infrastructure, Local Government and Planning, the Planning Schemes or Shire Plan relevant to Council or other applicable legislation irrespective of the actual number of pedestals and length of urinal installed, plus a charge for an owner/managers residence if situated within the park and in respect of such premises also having private facilities for any sites an additional factor charge, equivalent to 0.25 of a factor charge for each van/camp site or cabin with private facilities.

- 9.01.11 In respect of all sewered premises designed or used as caravan parks with private facilities only, a charge equivalent to 0.25 of a factor charge for each van/camp site or cabin, and a charge of one sewerage factor for each other pedestal, and for each separate urinal installed on such premises, one sewerage factor charge for each 600 millimetres or part thereof.
- 9.01.12 In respect of vacant land or any land containing improvements thereon, which do not require a sewerage connection under the provisions of the *Building Code of Australia 2011*, a vacant sewerage charge will be assessed as one factor per separately surveyed allotment.
- 9.01.13 In respect of all properties intended for connection under a sewerage extension scheme, and where Council has incurred costs in relation to that sewerage extension scheme, Council shall determine by resolution a portion of one factor charge, which shall be charged against each property intended for connection under the sewerage extension scheme as though it were connected, until such time as the sewerage is connected or available to the property on a pro-rata basis with monthly rests at which time charges as per Sections 9.01.01 to 9.01.12 will apply in accordance with Council's Revenue Policy.
- 9.01.14 In respect of all properties serviced by the North Eton Biocycle System, a factor charge will be set to recover the costs associated with maintaining this system. The levy will be set to recoup the ongoing maintenance costs of this system and depreciation. Council will undertake minor plant upgrades, where applicable and cost effective, in order to maintain the plant in an efficient operational condition.
- 9.01.15 Exemptions from Multiple Factor Charges

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

- (i) where a building or other structure has been constructed across a common boundary of allotments with Council approval
- (ii) where a surveyed parcel of land is landlocked in terms of legal access to a road and cannot practicably be sold separately from the other parcels on the rating assessment



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

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

- 9.01.17 A factor charge referred to in paragraphs 9.01.01 to 9.1.14 are as set out below for those parts of the sewerage area as defined on [Map No. 17(a)], [Map No 17(b) and [Map 17(c)] and for the North Eton biocycle system.
- 9.01.18 Sewerage Charges for 2023/24 are:

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

Factor Charge	\$962.70
0.8 of Factor Charge (rounded)	\$770.10
0.5 of Factor Charge	\$481.30
0.25 of Factor Charge	\$240.70

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

Factor charge per assessment \$819.40

- 9.01.19 Trade Waste
 - 9.01.19.01 For the discharge of wastes from industries, business, trade and/or manufacturing premises licenced for the discharge of trade waste, determined to be discharging wastes into the sewer, the quantity of which exceeds the normal design limits covered by the annual sewerage charges set out in clause 9.01.01 to 9.01.13 hereof, a volumetric trade waste charge shall be made in accordance with the following formula:

VTWC = (M - P) *D*VTWUC

VTWC = Volumetric Trade Waste Charge (VTWC)

- **M** = Metered consumption (kL)
- **P** = Pedestal allowance (45kL) per pedestal (not applicable where discharge separately metered)
- D = Percentage discharged to sewer (%) Including an allowance for irrigation. (100% where discharge separately metered)

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VTWUC = Volumetric Trade Waste Discharge unit cost (\$2.73/kl)

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

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

C = V*n₁*x₁/1000 + V*n₂*x₂/1000 + V*n₃*x₃/1000 + V*n₄*x₄/1000 + V*n₅*x₅/1000 where

C is the conveyance and treatment charge for the period of discharge in Australian dollars; and

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

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

x₁, **x**₂ **x**₃, **x**₄ **x**₅, are the average concentrations of pollutions N₁, N₂ N₃, N₄ N₅, (mg/l); and

 \mathbf{N}_1 is TSS (Total Suspended Solids).

N₂ is COD (Chemical Oxygen Demand).

 \mathbf{N}_3 is O&G (Oil and Grease) or THc (Total Hydrocarbons).

N₄ is TKN (Total Kjeldahl Nitrogen).

 N_5 is TP (Total Phosphorus).

Trade Waste Conveyance and Treatment Charge

- n₁ Total Suspended Solids = \$1.10/kg
- n₂ Chemical Oxygen Demand = \$0.61/kg
- n₃ Oil and Grease or Total Hydrocarbons = \$2.01/kg
- n₄ Total Kjeldahl Nitrogen = \$3.39/kg
- **n**₅ Total Phosphorous = **\$5.83/kg**

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

9.01.19.03 For the discharge of wastes from industries, business, trade and/or manufacturing premises licensed for the discharge of trade waste, with a category 3 approval, determined to be discharging wastes into the sewer, the strength of which exceeds the maximum sewer admission limits (based on the limits applicable to the type of business), an additional penalty conveyance and treatment charge shall be made in accordance with the following formula:

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

 $\mathbf{C}_{\mathbf{p}}$ is the penalty Conveyance and Treatment Charge for the period of discharge in Australian dollars; and

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

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

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

N₁ is TSS (Total Suspended Solids).

N₂ is COD (Chemical Oxygen Demand).

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

N₄ is TKN (Total Kjeldahl Nitrogen).

N₅ is TP (Total Phosphorus).

Trade Waste Conveyance and Treatment Charge

 $\begin{array}{l} n_{11} - \mbox{ Total Suspended Solids = $1.75/kg} \\ n_{12} - \mbox{ Chemical Oxygen Demand = $1.75/kg} \\ n_{13} - \mbox{ Oil and Grease or Total Hydrocarbons = $1.75/kg} \\ n_{14} - \mbox{ Total Kjeldahl Nitrogen = $1.75/kg} \\ n_{15} - \mbox{ Total Phosphorous = $1.75/kg} \end{array}$

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.)





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9.02 <u>Waste Management</u>

9.02.01 Refuse Removal and Disposal

Council shall levy a utility charge on rateable land for the 2023/24 financial year for the removal and disposal of refuse, which shall be called the Rubbish and Recycling Service Charge.

The charge shall be calculated as follows:

- (a) for each house / unit that is a lot that is part of a body corporate or flat designed for separate residential occupation and whether occupied or not, the one factor charge for residential properties shall apply per service
- (b) For residential services provided to properties which are otherwise non-residential one Rubbish and Recycling Service (Non-Res Household) factor charge shall apply per service.
- (c) for any other property, the one Rubbish and Recycling Service (Other) factor charge shall apply per service.

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

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

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

9.02.02 Service

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

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

Refuse Service Factor Charges for 2023/24 are:

Rubbish and Recycling Service (Residential)	\$293.60
Rubbish and Recycling Service (Residential Bulk Bin)	\$293.60
Rubbish and Recycling Service (Other)	\$349.20
Rubbish and Recycling Service (Non-Res Household)	\$293.60
Additional Recycling Service (Residential)	\$114.30

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9.02.03 Waste Facilities Operation Utility Charge

Pursuant to section 99 of the Regulation, Council makes and will levy a utility charge for the 2023/24 financial year (to be known as the "Waste Facilities Operations Utility Charge") in the sum of **\$167.60** per rateable assessment to be levied equally on all rateable land in the region.

This utility charge will fund:

- (a) The residual cost of waste facilities and services which are not met from the refuse removal and disposal charges and other fees and charges collected on a user pays basis; and
- (b) Meeting public expectations in matters of disposal of refuse that affect public health and the visual amenity of the area.

9.3 Water Utility Charges

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

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

(a) An access charge – calculated on a per factor basis, on the number of factors as detailed hereunder and where more than one use occurs on the land the number of factors charged will be the sum of that applying to each use.

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

Plus

- (b) On a consumption basis.
- 9.03.01.01 Factor Basis Criteria for Factor Allocation Commercial / Industrial Properties.

One Factor

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



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

Three Factors

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

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• Welfare institution / day care centre

Four Factors

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



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

Five Factors

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

Six Factors

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

Eight Factors

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

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

Ten Factors

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

Fifteen Factors

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

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

Twenty Factors

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

Thirty Factors

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

One Hundred and Twenty Factors

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

Three Hundred Factors

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



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

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

- (i) where a building or other structure has been constructed across a common boundary of allotments with Council approval
- where a surveyed parcel of land is landlocked in terms of legal access to a road and cannot practicably be sold separately from the other parcels on the rating assessment
- (iii) where a surveyed parcel of land is of insufficient size for a building or other structure which would require a water connection i.e. less than four metres in any dimension or 200 m² in area.
- 9.03.01.03 Lots below the high-water mark

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

9.03.02 Residential Properties

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

- (i) an access charge calculated on a per factor basis, on the number of factors as detailed hereunder, and where more than one use occurs on the land, the number of factors charged will be the sum of that applying to each use; plus
- (ii) on a consumption basis.
- 9.03.02.01 Factor Basis Criteria for Factor Allocation Residential Properties

One Factor

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

Multi-unit dwelling house, secondary dwelling, flat (with or without separate laundry facilities, that is not part of a body



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corporate (per individual structure, unit or flat).

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

9.03.02.02 Exemptions from Multiple Factor Charges – Residential Properties

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

- (i) where a building or other structure has been constructed across a common boundary of allotments with Council approval
- where a surveyed parcel of land is landlocked in terms of legal access to a road and cannot practicably be sold separately from the other parcels on the rating assessment
- (iii) where a surveyed parcel of land is of insufficient size for a building or other structure which would require a water connection i.e. less than four metres in any dimension or 200 m2 in area.
- 9.03.02.03 Water access charges will not apply to lots fully below the high-water mark unless a water connection is supplied directly to the lot.

9.03.03 Vacant Land

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

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

Any parcel of land exceeding 4 hectares in area or any cane land of any area whatsoever, included in a rural zone under the Planning Scheme relevant to Council and which is:

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

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Planning Scheme relevant to Council.

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

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

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

9.03.04 Consumption Basis – Tarriff Levels

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

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

(a) <u>General Consumption Tariffs</u>

For all water consumed, the following tariffs apply:

Non-Residential:

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

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

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

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

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

(b) Laguna Quays Integrated Resort

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



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(c) Purchase of Water in Bulk

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

(d) <u>Untreated Water Supply</u>

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

(e) <u>Community Sporting Facilities</u>

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) <u>Recycled Waste Water (Bakers Creek)</u>

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

9.03.05 Water Extension Schemes

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

9.03.06 Water Utility Charges 2023/24

Water Charges (per factor) are:

(a)	Factor Charge – Commercial/Industrial	\$398.10
(b)	Factor Charge – Residential	\$398.10

Consumption Charges (per kilolitre) are:

(a)	Tariff 1	\$1.97
(b)	Tariff 2	\$2.91
(c)	Laguna Quays Resort	\$1.97
(d)	Bulk purchases	\$3.67
(e)	Untreated water supplied	\$1.10
(f)	Community sporting facilities (as defined)	\$1.97

Application of Water Consumption Charges

Pursuant to section 94 of the Act and section 99(3) of the Regulation, consumption charges shall apply as from the last reading date in the

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preceding financial year until otherwise amended by Council.

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

9.03.07 Defined Water Area

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

10.0 Cost-Recovery Fees

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

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

11.0 Other Fees and Charges

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

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

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

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

12.0 Rebates and Other Rates Concessions

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

12.01 Concessions for Eligible Pensioners

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

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- (b) To allow eligible pensioners a further concession by extending the terms and conditions of Item 13 – Time in which Rates must be paid and Item 14 – Discount for Prompt Payment, to include unpaid rates and charges where those rates and charges are paid in full by the due date in the last month of the rating period in which the levy is raised.
- (c) Eligible pensioners are those ratepayers who:
 - (i) have applied and conformed with the State Governments Guidelines for pensioner remission at the time of rating; and
 - (ii) are an elderly, invalid, disabled or disadvantaged citizen who is:
 - A. An eligible holder of a Queensland "Pensioner Concession Card issued by Centrelink, on behalf of the Services Australia, or the Department of Veterans Affairs, or a Queensland "Repatriation Health Card – For all Conditions (Gold Card)" issued by the Department of Veterans' Affairs; and
 - B. The owner (either solely or jointly) or life tenant/s of a property which is his/her principal place of residence; and
 - C. Has either solely or jointly with a co-owner, the legal responsibility for payment of rates and charges for the property.

12.02 Other Concessions

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

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

13.0 Time in Which Rates Must be Paid

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

14.0 Discount for Prompt Payment

All Ratepayers

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



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- (a) all of the rates and charges that are subject to discount in the period are paid within the discount period (plus a grace period of two days); and
- (b) all other overdue rates and charges relating to the rateable assessment are paid within the discount period (plus the grace period of two days) of the issue date of the rate notice; and
- (c) all amounts that have been transferred to the rates assessment (under section 142 of the Act) for costs that were incurred by Council under a remedial notice issued under the Act are paid within the discount period (plus a grace period of two days).

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

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

15.0 Interest on Overdue Rates

Pursuant to section 133 of the Regulation, Council will charge interest on overdue rates at the rate specified as the maximum interest rate payable by the Department of State Development, Infrastructure, Local Government and Planning. The rate applicable from 1 July 2023 is eleven-point six four percent (11.64%) per annum, compounded monthly, calculated after the end of the financial half year in which the rates fall due. Interest is charged at the end of each month, on the overdue balance on that day.

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

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

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

16.0 Limitation on Increases in Rates and Charges

17.0 Adjustments to Rates and Charges

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

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

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- 1. Where it can clearly be established that a Council error, which has resulted in the ratepayer paying more than was required, has been made and the ratepayer has not previously brought the matter to Council's attention, a refund will be granted to a maximum of six years prior to when the error was identified. If the property has changed ownership during the period, the refund will only be made for the period that the current owner has had an interest in the property.
- 2. When Council is not notified of a change being made to the property which affects the rating details, or requirements not being complied with (for example a pedestal being removed) without advice to Council. Council will only refund the overcharged rates or charges applicable from the date of being notified and any appropriate forms and fees being received.
- 3. In cases where Council is unable to clearly establish if an error has been made or all requirements have been complied with (for example insufficient supporting documentation), then no refund will be granted. Should the ratepayer be subsequently able to provide sufficient supporting documentation then the matter can be reviewed.
- 4. In cases where rates have been undercharged due to an error made by Council the maximum amount levied will be that due for the current and previous rating period. If the Department of Resources issues a back-dated valuation change, then an adjustment can be issued to the date of effect of the valuation change.

18.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean Mackay Regional Council.

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

The Act shall mean the Local Government Act 2009.

The Regulation shall mean the Local Government Regulation 2012.

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

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

19.0 Review of Policy

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

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

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

20.0 Reference

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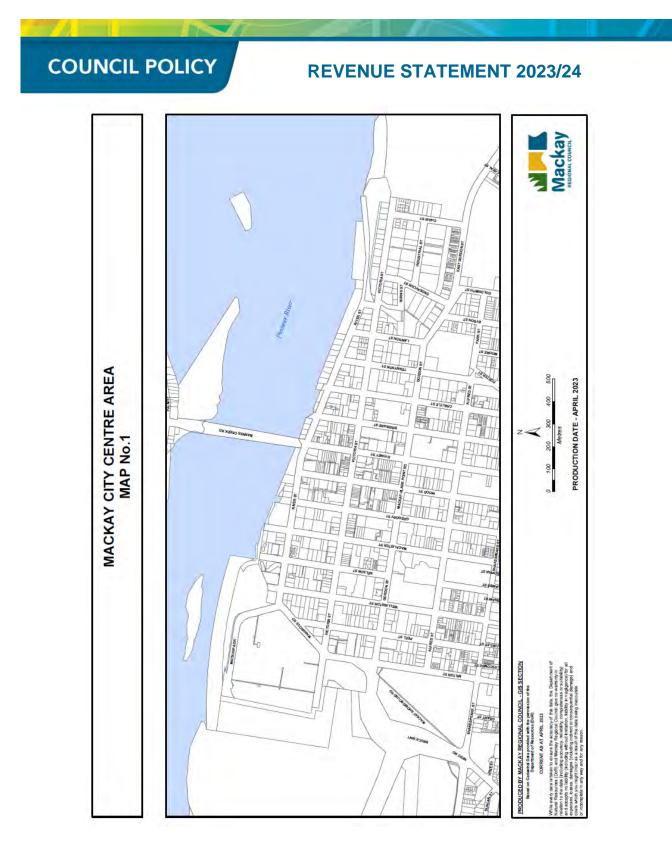
- Local Government Act 2009
- Local Government Regulations 2012

21.0 Attachments

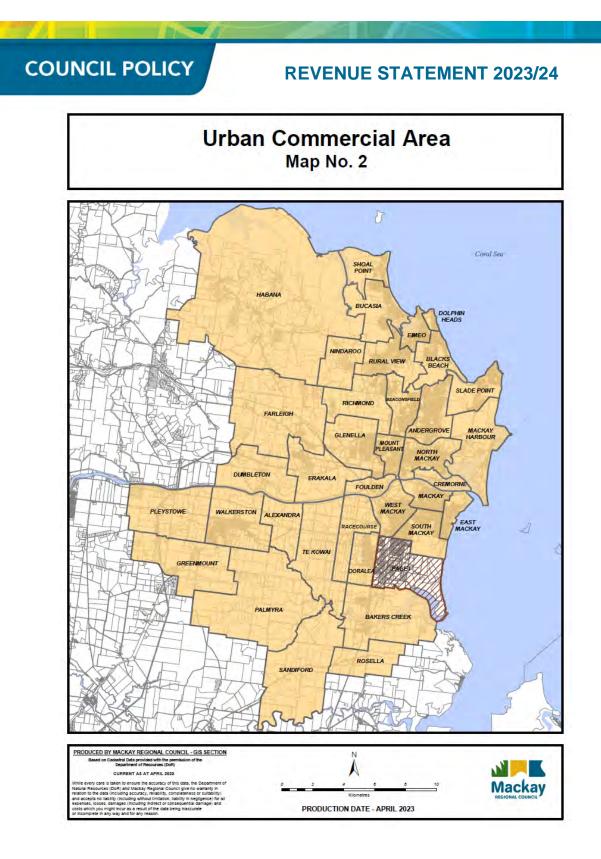
•	Mackay City Centre Area –	Map No. 1
•	Urban Commercial Area –	Map No. 2
•	Habana Rural Fire Brigade Area –	Map No. 3
•	Dumbleton Rural Fire Brigade Area –	Map No. 4
•	Victoria Plans Rural Fire Brigade Area –	Map No. 5
•	Ball Bay Rural Fire Brigade Area –	Map No. 6
•	Sunnyside Rural Fire Brigade Area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

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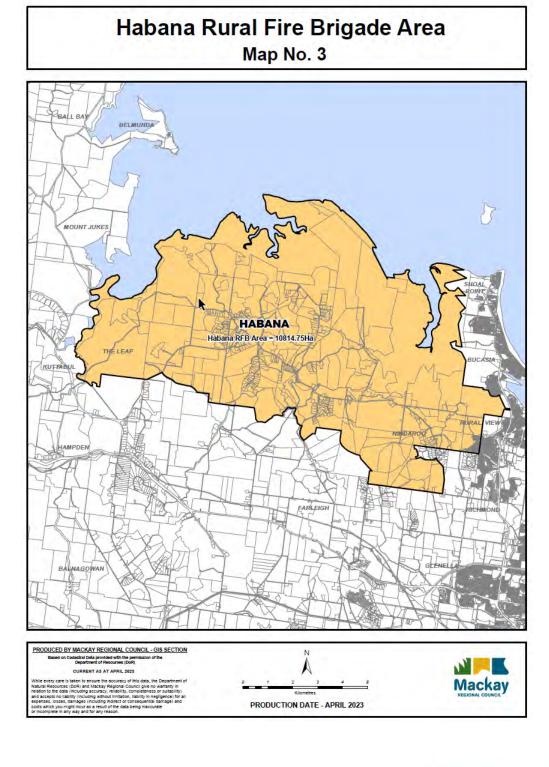


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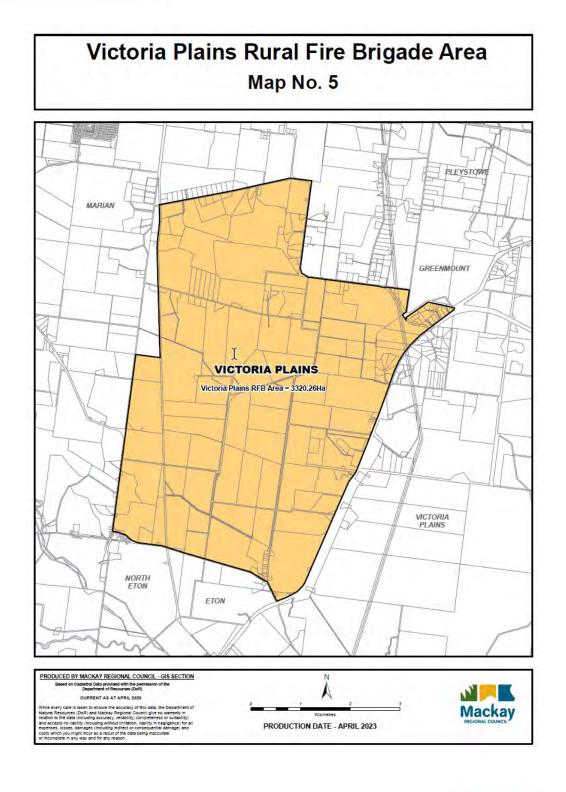
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COUNCIL POLICY REVENUE STATEMENT 2023/24 Dumbleton Rural Fire Brigade Area Map No. 4 THE LEAP RIEIGH RAIN DUMBLETON Dumbleton RFB Area = 4422.52Ha WALKERST RA ALMYR PRODUCED BY MACKAY REGIONAL COUNCIL - GIS SECTION N dastral Data provided with the per Department of Resources (DoR) Nº. A CURRENT AS AT APRIL 2023 Industry the first extract of this data, the Department (o R) and Mackay, Regional Council give no warranty in uting accuracy, reliability, completeness or subality) (including without limitation, liability in negligence) for all ages (including indirect or consequential damage and neur as a result of the data being inaccurate Mackay PRODUCTION DATE - APRIL 2023

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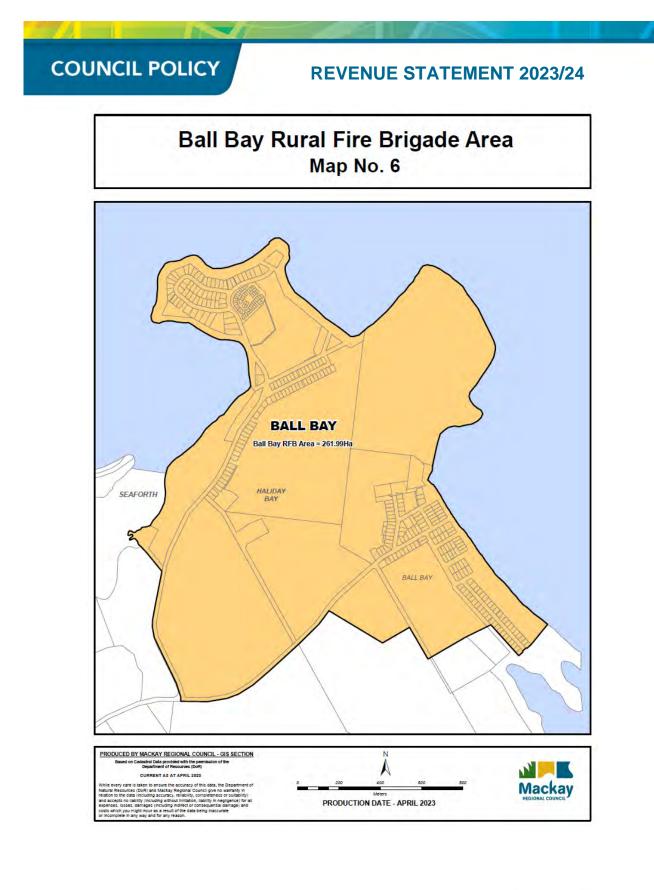
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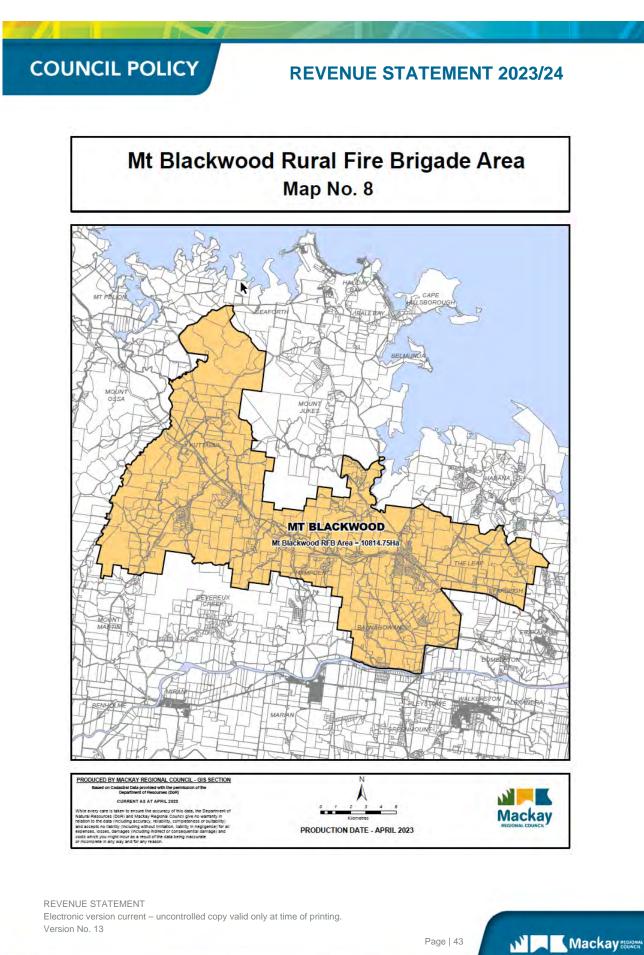
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COUNCIL POLICY REVENUE STATEMENT 2023/24 Sunnyside Rural Fire Brigade Area Map No. 7 HOMEBUSH AV BALBERR OAKENDEN SUNNYSIDE unnyside RFB Area = 6634.35Ha SUNNYS 3 MUNBURA ISAAC REGIONAL COUNCIL ARINA PRODUCED BY MACKAY REGIONAL COUNCIL - GIS SECTION Based on Cadadral Data provided with the permission of the Department of Resources (DoR) N A CURRENT AS AT APRIL 2028 Baten to ensure the accuracy of this data, the Department of (DRR) and Mackay Regional Council give no warranty in (including accuracy, reliability, complemens or availability) (itty (including without imitation, liability in negligence) for all simages (including indirect or consequential damage) and ph incur as a nexul of the data being inaccurate y way and for any reason. Mackay PRODUCTION DATE - APRIL 2023

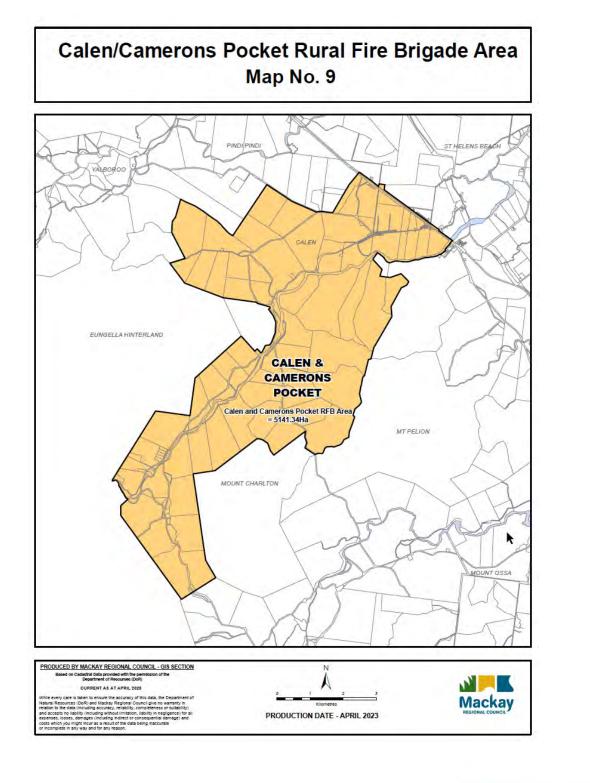
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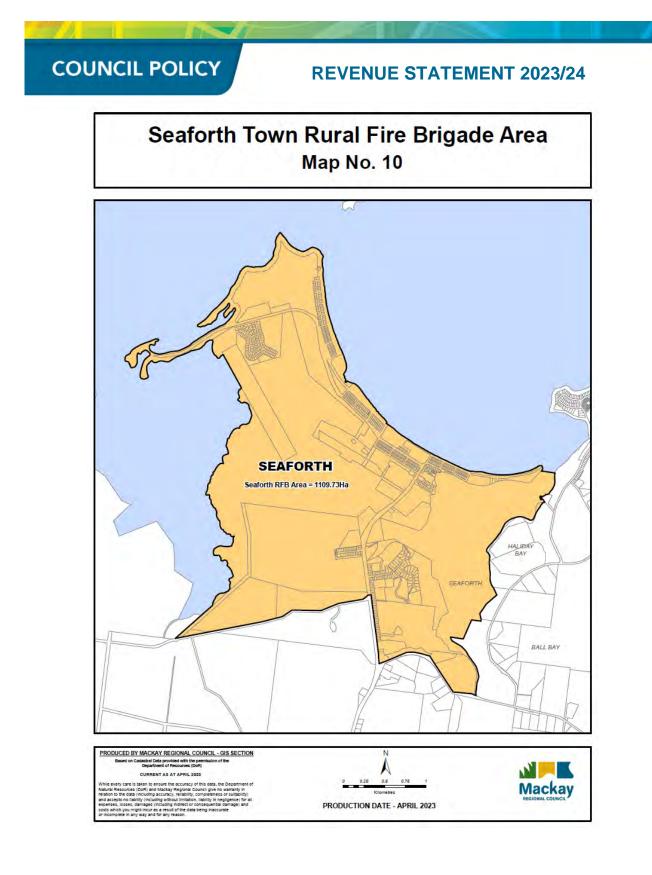




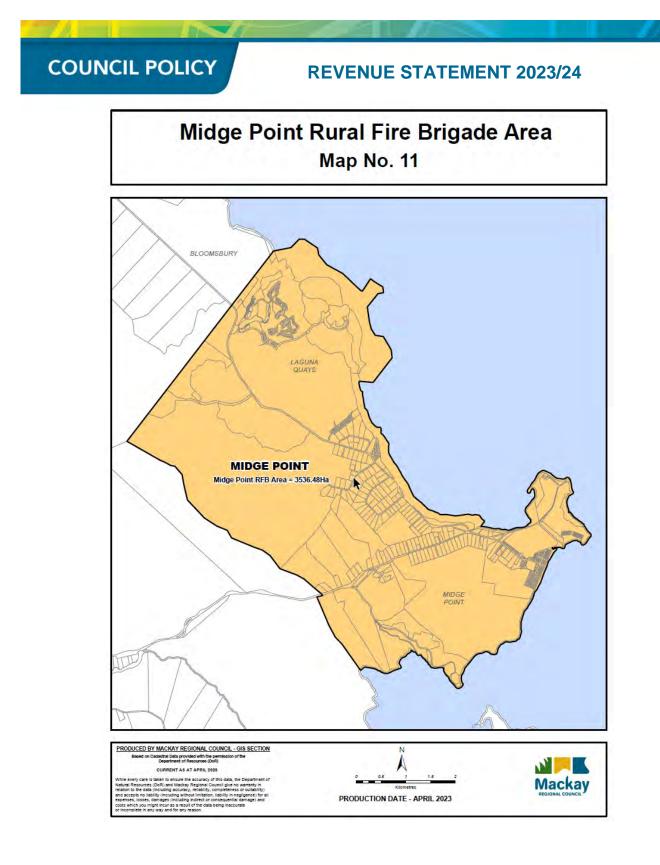
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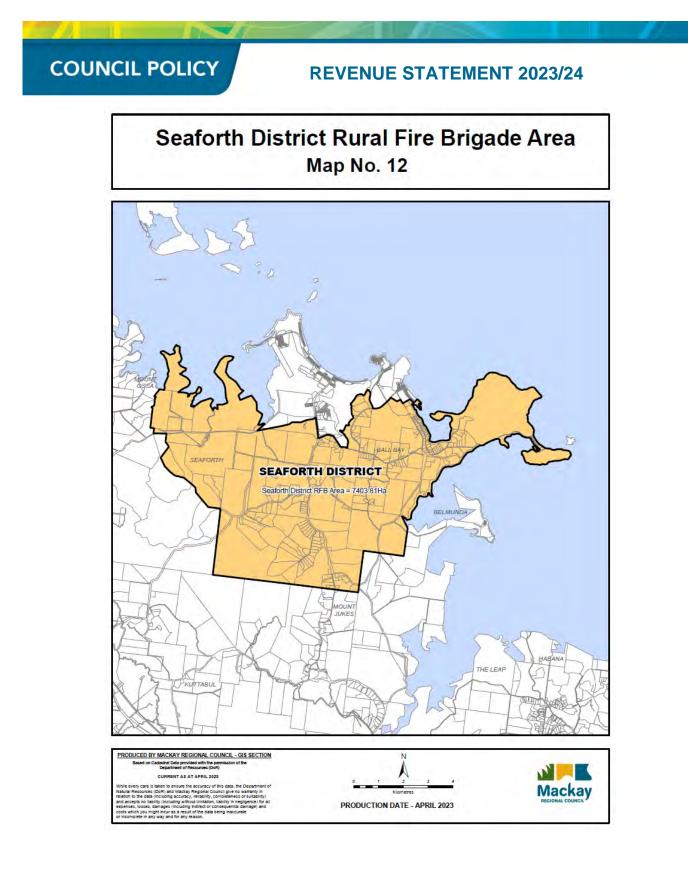
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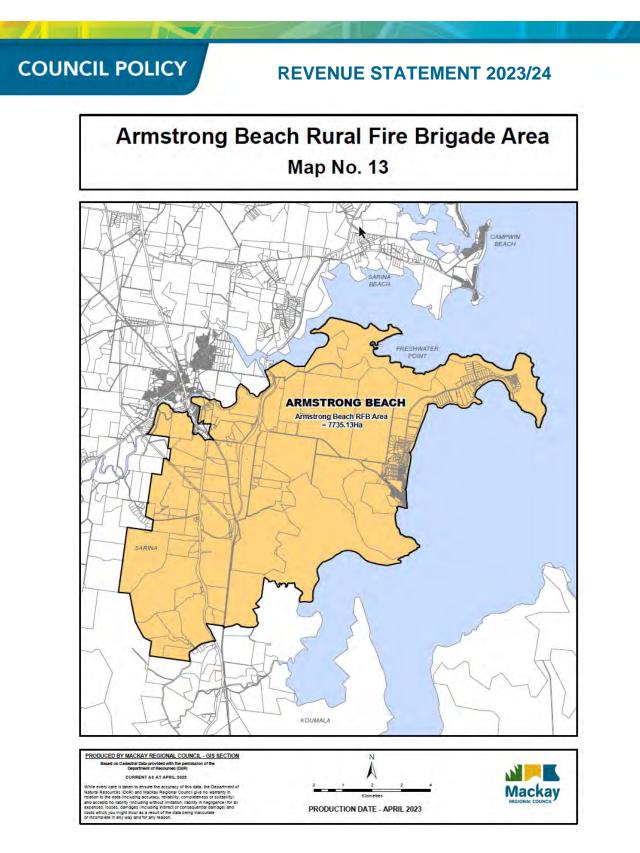
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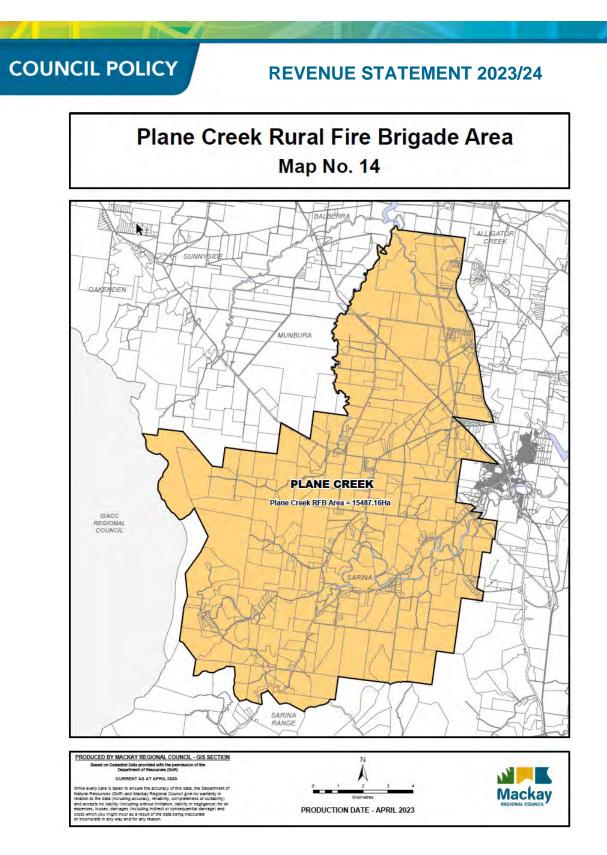
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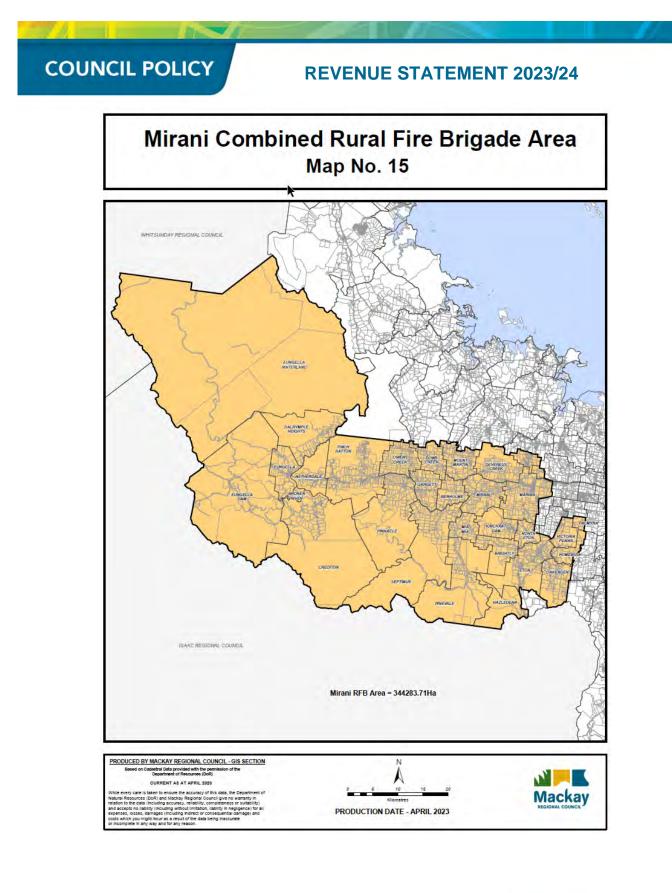
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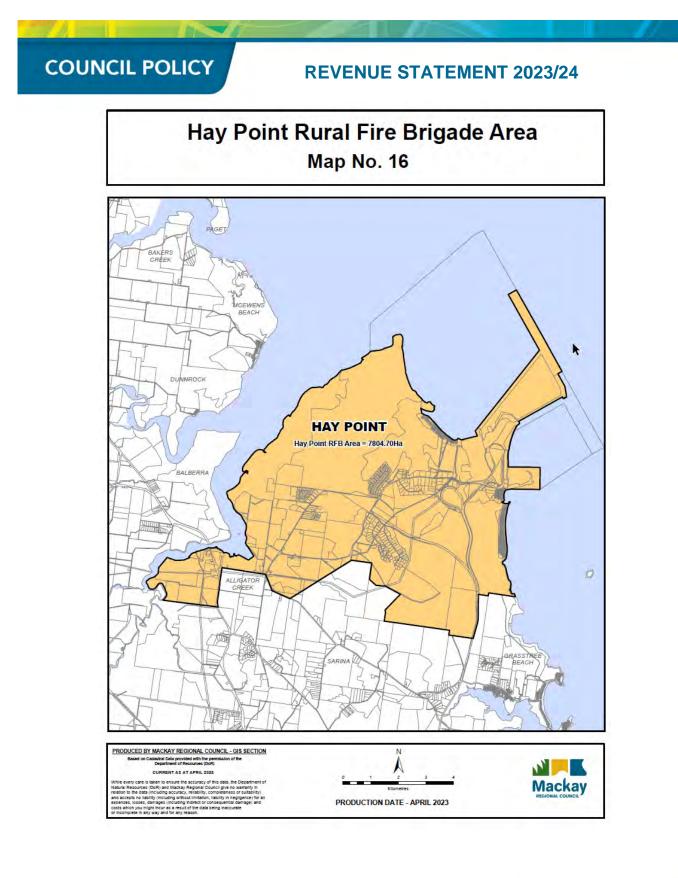


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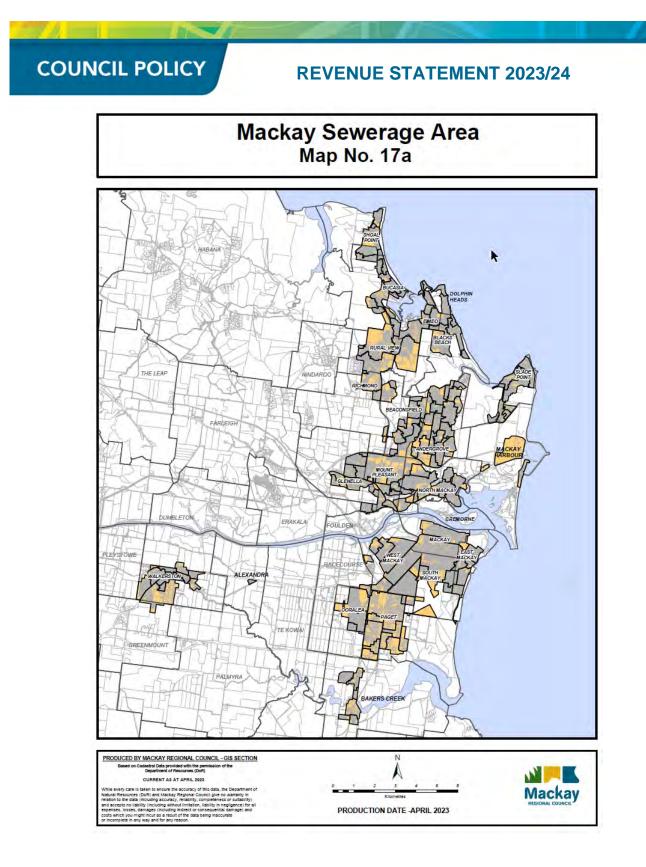


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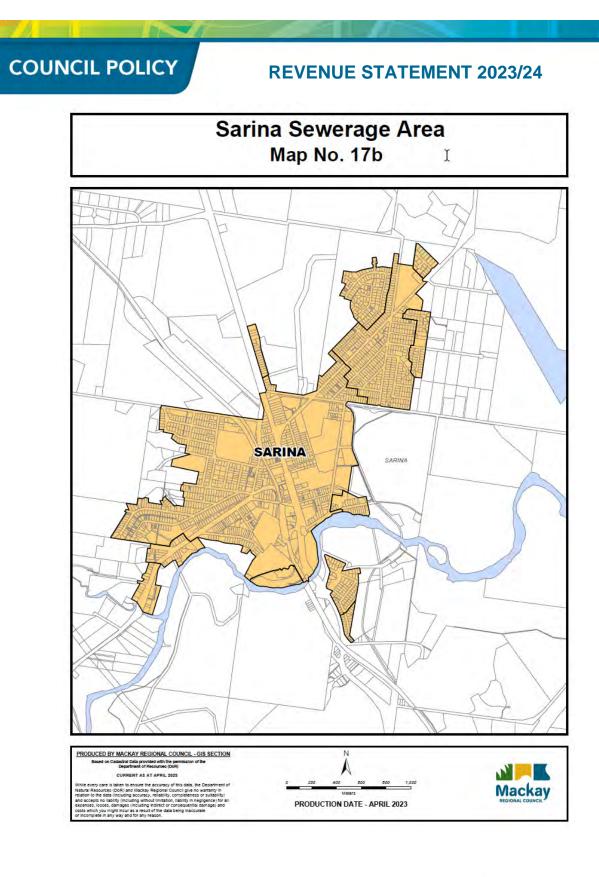




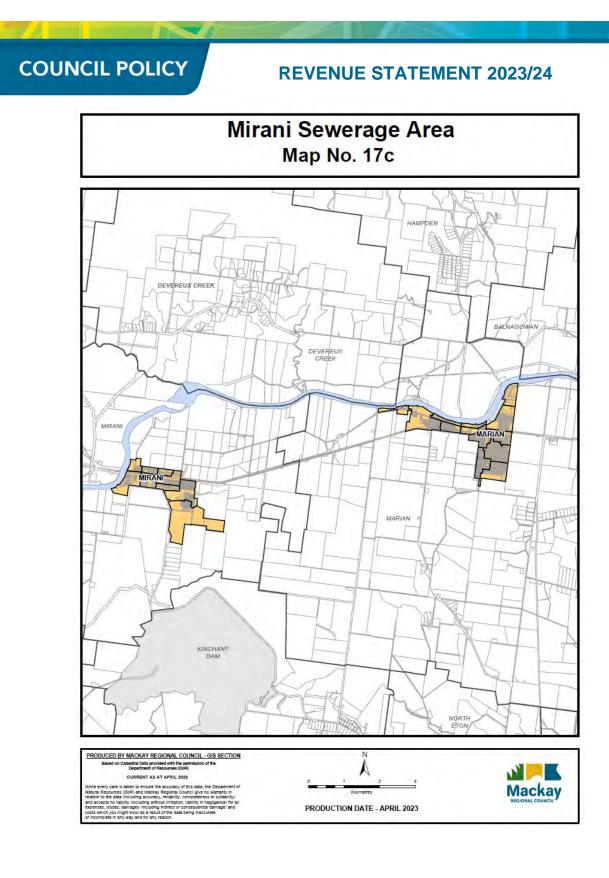
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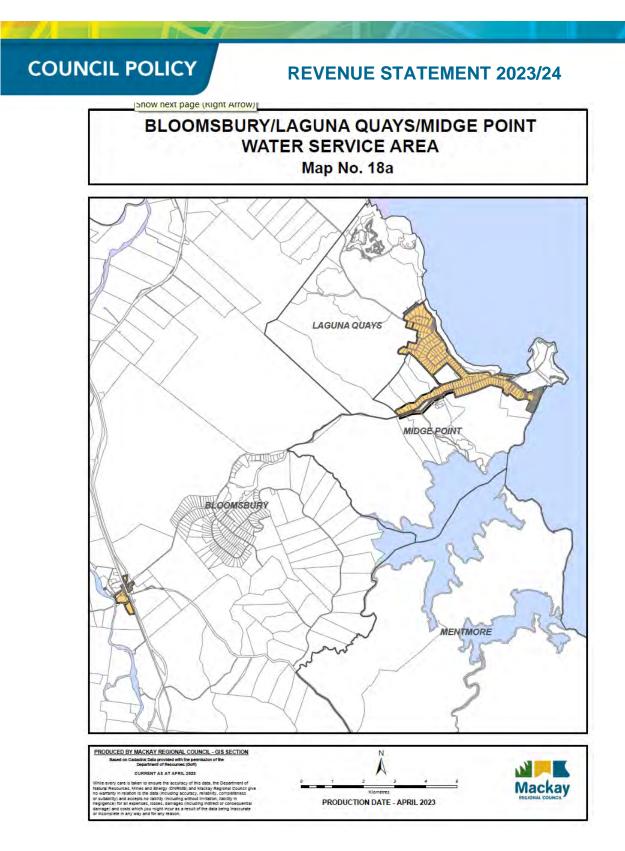
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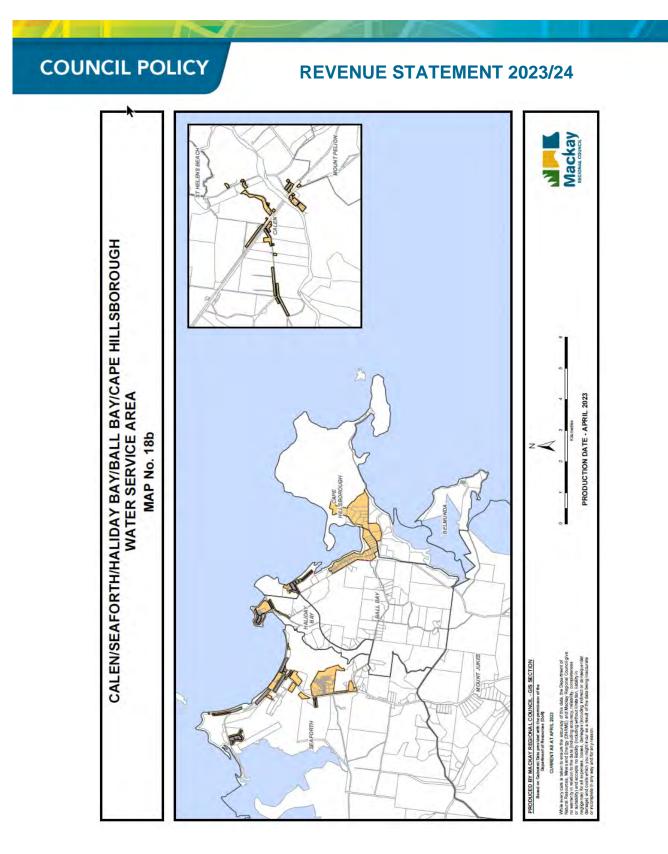
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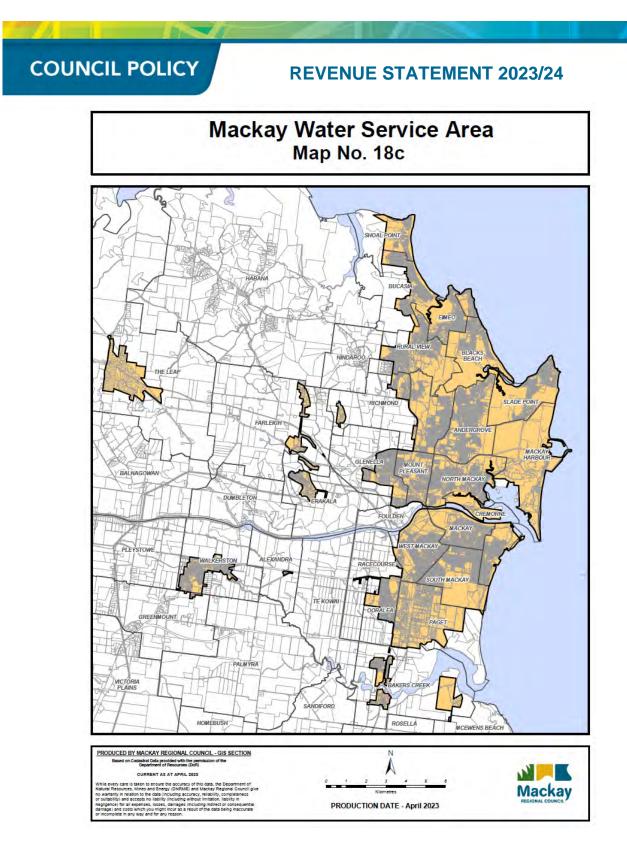
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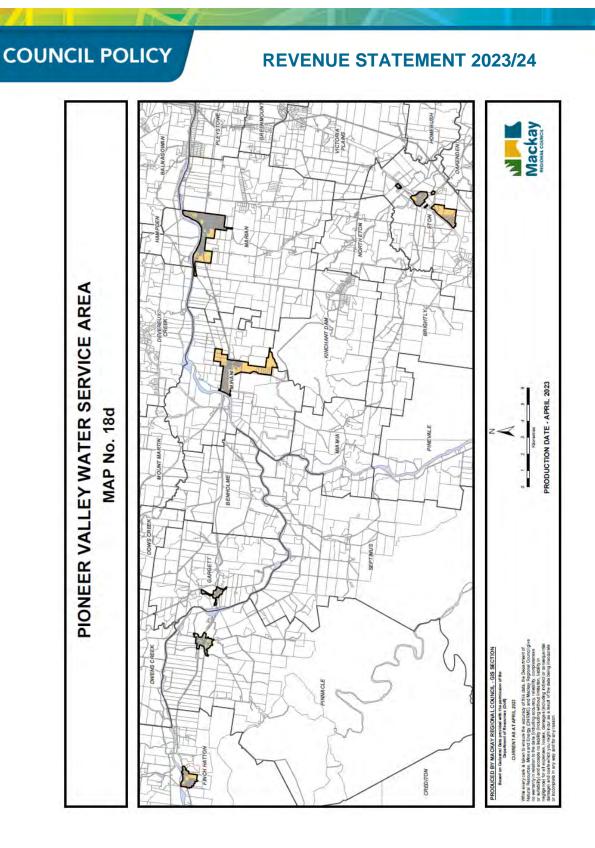
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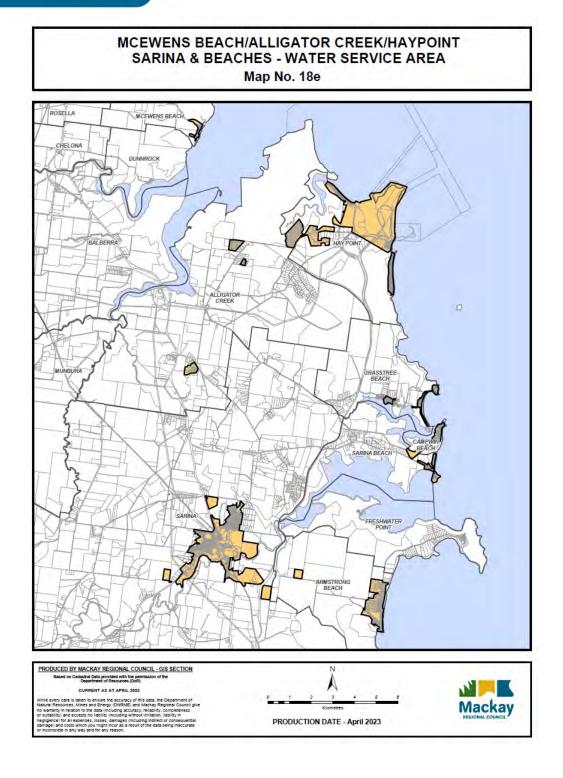


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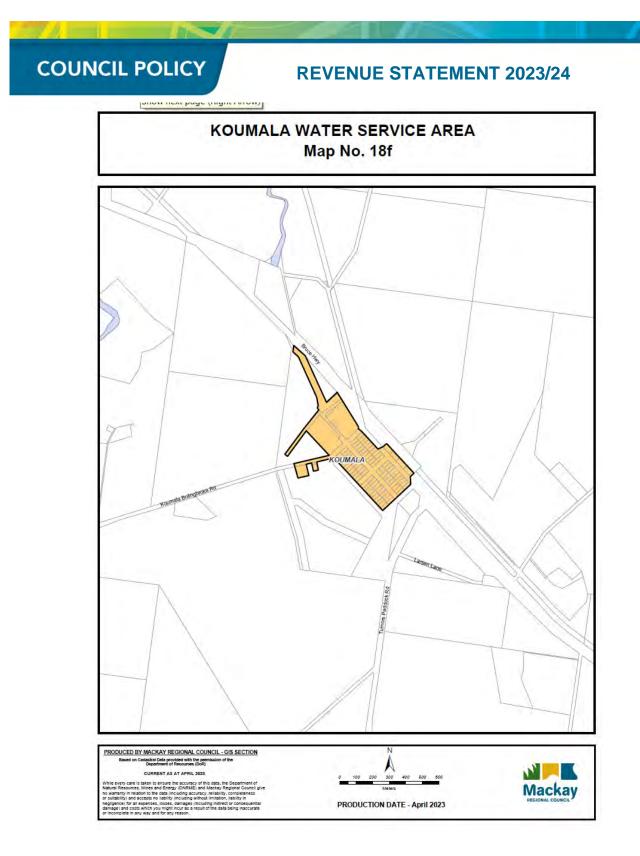
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RATING REMISSIONS FOR NON-PROFIT COMMUNITY ORGANISATIONS POLICY

Program: Date of Adoption: Resolution Number: Review Date: Financial Services 21 June 2023 21 June 2024

Scope

This policy applies to non-profit community organisations.

Objective

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

Policy Statement

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

This process to remain in force until otherwise determined

by Mackay Regional Council

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RATING REMISSIONS FOR NON-PROFIT COMMUNITY ORGANISATIONS POLICY

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Mackay Mackay

RATING REMISSIONS FOR NON-PROFIT COMMUNITY ORGANISATIONS POLICY

1.0 Principles

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

1.1 Criteria

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

Category A Remissions:

- The organisation must be a non-profit community-based organisation.
- The organisation must not have an annual turnover (revenue) more than \$1,098,560 (relating to activities carried out by the organisation on the relevant property).
- The organisation must be the owner or lessee of the land and be able to demonstrate that it is responsible for payment of the rates levied.
- The land, or any part of the land, must not be rented or leased to a third party.
- The property must not be a used for a residential purpose unless utilised for short-term accommodation for homeless and at-risk persons.
- Aged care facilities, or properties subject to the *Retirement Villages Act 1999* are excluded from the application of a remission under this policy.
- A liquor licence must not be held by the organisation or any affiliate relating to the property subject to the application. (This provision will not apply if the organisation can provide evidence that trading under the licence is restricted to an average 30 hours per week or less).
- The property must not be subject to a general rate exclusion, waiver or concession relating to a condition contained in a lease of a reserve, or other land from Council; and
- The property must not be exempted from general rates subject to a specific exemption relating to section 93(3) of the Act and/or section 73 of the Regulation.

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

Category B Remissions:

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

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RATING REMISSIONS FOR NON-PROFIT COMMUNITY ORGANISATIONS POLICY

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

Category C Remissions:

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

1.2 Level of Relief

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

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

Category A remissions:

50% rate remission of net rates, charges and levies (excluding water consumption and trade waste charges)

100% rate remission of general rates and any special or separate rate or charge levied where no utility services are applicable to the property.

Category B remissions:

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

Category C remissions:

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

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

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

1.3 <u>Period of Relief</u>

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COUNCIL POLICY RATING REMISSIONS FOR NON-PROFIT COMMUNITY ORGANISATIONS POLICY

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

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

1.4 <u>Delegation</u>

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

2.0 Definitions

To assist in interpretation the following definitions shall apply:

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

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

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

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

MRC shall mean Mackay Regional Council.

Non-Profit Community Organisation shall mean that:

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

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

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

The Act shall mean the Local Government Act 2009.

The Regulation shall mean the Local Government Regulation 2012.

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RATING REMISSIONS FOR NON-PROFIT COMMUNITY ORGANISATIONS POLICY

3.0 Review of Policy

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

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

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

4.0 Reference

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

5.0 Attachments

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CONSERVATION REMISSION POLICY

Program: Date of Adoption: Resolution Number: Review Date: Financial Services 21 June 2023 21 June 2024

Scope

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

Objective

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

Policy Statement

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

This process to remain in force until otherwise determined

by Mackay Regional Council



CONSERVATION REMISSION POLICY

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CONSERVATION REMISSION POLICY

1.0 Principles

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

Human Rights have been considered when preparing this Policy.

1.1 Rates Rebate Scheme

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

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

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

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

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

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

1.2 Nature Conservation Areas

General requirements for attracting the rebate include:

- (a) The subject site is to meet the selection criteria identified for nature conservation areas
- (b) A Conservation Agreement or Nature Refuge Agreement will be entered into, over the property or that part of the property subject to the rates reduction application, between the owner and the Department of Environment and Heritage Protection (Queensland)
- (c) Rates relief will commence from the beginning of the financial half year during which the Department of Environment and Heritage Protection

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CONSERVATION REMISSION POLICY

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

(d) Rates remission will apply as follows:

Less than 10% of the assessment area	10% of overall general rates to a maximum of \$494 per annum.
10% to less than 20% of rate assessment area	15% of overall general rates to a maximum of \$816 per annum.
20% to less than 40% of rate assessment area	20% of overall general rates to a maximum of \$1,229 per annum.
40% or greater of assessment area	25% of overall general rates to a maximum of \$1,634 per annum.

- (d) Rates relief will continue for at least a minimum of a three-year trial period or until the provisions of the Conservation or Nature Refuge Agreement are breached
- (e) Should a Conservation Agreement or Nature Refuge Agreement not be finalised within 18 months of advice from the Department of Environment and Heritage Protection (Queensland), that procedures to enter into an agreement has commenced, the full amount of any relief granted will be recoverable from the owner of the land. In addition, a schedule of repayment ratios for failure to honour the agreement will be negotiated through the preparation of the Conservation Agreement or Nature Refuge Agreement.

1.3 Human Rights Complaints

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

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean the Mayor and Councillors of Mackay Regional Council

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

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MRC shall mean Mackay Regional Council

The Act shall mean the Local Government Act 2009

The Regulation shall mean the Local Government Regulation 2012

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3.0 Review of Policy

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

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

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

4.0 Reference

- Local Government Act 2009
- Local Government Regulation 2012

6.0 Attachments

Rates Rebate Scheme – Expression of Interest Form



	1000	DATE				N	-
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	ON 2 - PROPERTY D which rates rebate is t	-111 M 2					
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	Old Growth Forest		Scenic Landscape		Rare an	nd/or Endangere	ed Species
	Other (please specif						
Is a liquiproperty		rganisation o	r its affiliate / subsidiary o	or conducted	from this	C Yes	D No
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It is con	npulsory for an audited f	inancial state	ment for the previous fina	ancial year t	o be attac	hed	
- Have	you attached the docum	ent				C Yes	□ No
SECT	ON 4 - GENERAL INF	OPMATION					
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SECTION 4	ATE SCHEME - EXPRESSI	ON OF INTEREST	FORM
SECTION 4-	GENERAL INFORMATION co	DNTINUED	
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SECTION 5 -	DECLARATION		
I declare that al is claimed.	or the granting of a rates rebate. Il of the above information is accurnate the second state of the second	rate and provides a reliable account of the tall or any applications for rebates and w	property for which rebate
at its absolute of	discretion.		



RATES RELIEF POLICY

Program: Date of Adoption: Resolution Number: Review Date: Financial Services 21 June 2023 21 June 2024

Scope

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

Objective

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

Policy Statement

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

This process to remain in force until otherwise determined

by Mackay Regional Council

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MACKAY REGIONAL COUNCIL

RATES RELIEF POLICY

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RATES RELIEF POLICY

1.0 Principles

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

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

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

Human Rights have been considered when preparing this Policy.

1.1 Role of the Rate Payment Review Tribunal

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

1.2 <u>Composition of the Tribunal</u>

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

1.3 Administration of the Tribunal

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



RATES RELIEF POLICY

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

1.4 Funding of Recommended Decisions

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

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

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

1.5 Monitoring and Data Collection

Council will monitor assistance under this policy by including:

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

1.6 Forms of Assistance that can be provided

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

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

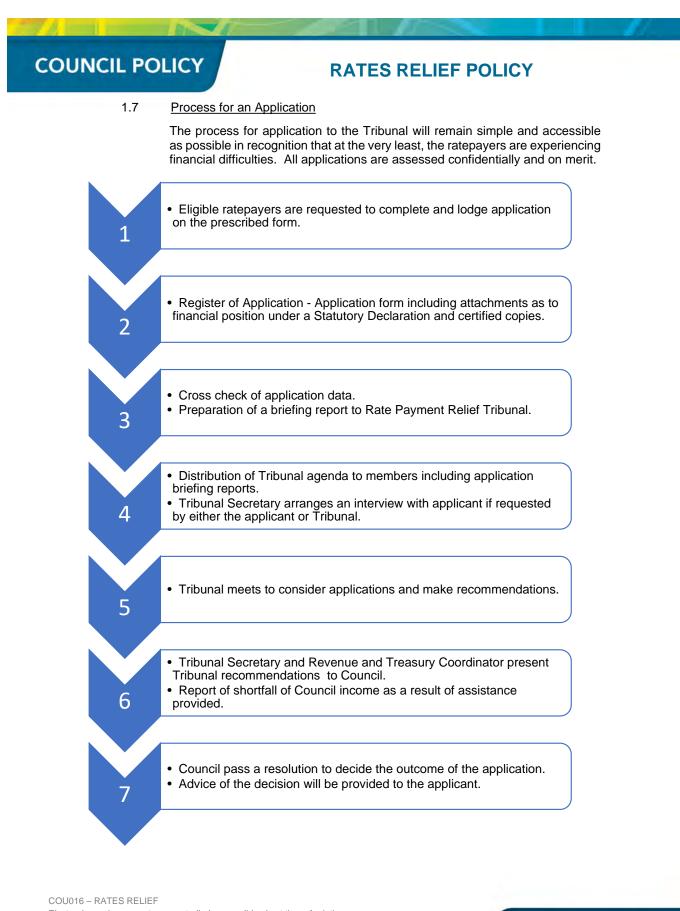
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RATES RELIEF POLICY

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

Categories of ratepayers			Assistance that can be recommended			
Re: i) ii) iii)	sidential ratepayers With six months or more in arrears; OR Who have suffered a recent adverse incident leaving them unable to meet these basic needs; OR Ratepayers experiencing serious hardship where the payment of the rates and charges would leave the ratepayer unable to meet reasonable needs for food, clothing, medicine, accommodation, education for children and other basic requirements.	-	The ratepayers may be eligible for assistance with interest, rates and charges, and/or payment terms outside the scope of the normal Debt Recovery Policy.			
Ag i) ii) iii)	ed Pensioners and Self-funded Retirees Endeavouring to meet their rate account by regular instalments, OR Part owner of the property they reside in and because of extreme hardship are unable to pay rates and/or do not qualify for full pensioner remission, OR In serious financial hardship.	-	The ratepayer may be eligible for assistance with interest, rates and charges, and/or payment terms outside the scope of the normal Debt Recovery Policy. Review the circumstances of applicants and make recommendations as to whether certain pensioners and self-funded retirees, otherwise ineligible due to policy reasons, should be entitled to assistance as though they were a Council pensioner. The Tribunal may recommend the deferral of payment of the rates and charges for the lifetime of a pensioner or self-funded retiree experiencing hardship under Section 125 of Local Government Regulation 2012 with the rates and charges to remain a charge on the land.			
No i)	n-profit Community Organisations That are already receiving rates based financial assistance or would be eligible if they did not have rates outstanding.	-	May be eligible for assistance with interest, rates and charges, and/or payment terms outside the scope of the normal Debt Recovery Policy.			

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RATES RELIEF POLICY

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

1.9 Communication of Policy

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

1.10 Human Rights Complaints

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

2.0 Definitions

To assist in interpretation the following definitions shall apply:

Application Form shall mean Council's Rates Relief Application Form for the

purpose of applying for assistance under this policy.

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

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

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

MRC shall mean Mackay Regional Council.

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

3.0 Review of Policy

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



RATES RELIEF POLICY

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

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

4.0 Reference

- Local Government Act 2009
- Local Government Regulation 2012
- 5.0 Attachments



MACKAY REGIONAL COUNCIL



DISCOUNT ON LATE RATES PAYMENT POLICY

Program: Date of Adoption: Resolution Number: Review Date: Financial Services 21 June 2023 21 June 2024

Scope

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

Objective

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

Policy Statement

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

This process to remain in force until otherwise determined

by Mackay Regional Council

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DISCOUNT ON LATE RATES PAYMENT POLICY

1.0 Principles

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

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

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

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

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

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

Human Rights have been considered when preparing this Policy.

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

1.1 Agency Payments

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

1.2 Cheque / Posted Payments

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

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DISCOUNT ON LATE RATES PAYMENT POLICY

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

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

1.3 <u>Medical Reasons</u>

- (a) The sole owner or all owners are hospitalised or incapacitated due to illness during the discount period, and therefore are unable to make payment of the due rates on time. Medical evidence and a statutory declaration explaining that there is no one else that could act on behalf of the ratepayer/s are to be provided for consideration.
- (b) Death or serious trauma (accident, life threatening illness or emergency operation) of the ratepayer/s and/or their spouse/dependents has occurred during the discount period. A death certificate or medical evidence must be provided.

1.4 Postal Issues

- (a) The rate notice was not received, and such claim can be supported by written concurrence of the applicable mail carrier, that problems existed with the mail delivery at this time.
- (b) The rate notice was not received, and the ratepayer can produce written evidence that a mail redirection was current at that location at the time of the rate notice issue.
- (c) The rate notice is returned to MRC although correctly addressed.

1.5 Incorrect Rates Record

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

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DISCOUNT ON LATE RATES PAYMENT POLICY

1.6 Exceptional Circumstances

- (a) Trauma caused by a major event such as fire or flood prevents the ratepayer from paying the amount outstanding before the discount due date.
- (b) Where a ratepayer has had an on-time payment history for a minimum period of at least three years or, in the case of an owner who has only become the owner within three years, the period of ownership, and the ratepayer pays the net amount when becoming aware of outstanding balance or responds to a reminder notice or letter within 14 days of issue.
- (c) Other situations where circumstances beyond the control of the ratepayer prevented payment and / or the ratepayer has made a genuine attempt to issue payment satisfactory to the Manager Financial Services, Revenue & Treasury Coordinator, or Senior Revenue & Treasury Accountant.

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

1.7 Outside Policy Guidelines

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

1.8 Human Right Complaints

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

2.0 Definitions

To assist in interpretation the following definitions shall apply:

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

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

MRC shall mean Mackay Regional Council.

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

The Regulation shall mean the Local Government Regulation 2012.

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DISCOUNT ON LATE RATES PAYMENT POLICY

3.0 Review of Policy

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

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

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

4.0 Reference

Local Government Regulation 2012

5.0 Attachments





DEBT RECOVERY POLICY

Program: Date of Adoption: Resolution Number: Review Date: Financial Services 21 June 2023 21 June 2024

Scope

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

Objective

The key objectives of the Debt Recovery Policy are to:

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

Policy Statement

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

This process to remain in force until otherwise determined

by Mackay Regional Council

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DEBT RECOVERY POLICY

1.0 Principles

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

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

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

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

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

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

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

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

Human Rights have been considered when preparing this Policy.

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

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

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DEBT RECOVERY POLICY

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

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

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

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

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

1.1.1 Initial Recovery Action

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

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

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



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

will be referred to our collection agents for further action.

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

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

1.1.2 Payment Schedules

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

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

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

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

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

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

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would be acceptable to MRC.

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

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

1.1.3 Legal Action

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

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

1.1.3.1 Claim and Statement of Claim

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

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

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

1.1.3.2 Judgment

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

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



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

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

1.1.3.3 Indicative Collection Timeline

Pre-legal process

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

Legal Proceedings

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

1.1.3.4 *Further collection action that may be considered*

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

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

1.1.3.4 Direct Statutory Demand and Wind-up Action

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



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judgment, in the appropriate court.

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

1.1.4 Sale of land for Arrears of Rates

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

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

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

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

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

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

1.1.5 Pensioners

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

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

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

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

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

1.1.6 Rates Relief Policy

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

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

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

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

1.2 <u>Accounts Receivable / Sundry Debtors</u>

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

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

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

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

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

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

1.2.1 Initial Recover Action

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

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

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

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

1.2.2 Interest on Overdue Invoices

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

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

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

1.2.3 Payment Schedules

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

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

1.2.4 Legal Action

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

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

1.3 <u>Human Rights</u>

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

2.0 Adopted Infrastructure Charges

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

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

2.1 Payment Schedules

It is preferred that Infrastructure Charges are paid as due however, a payment schedule may be entered into to clear the overdue amount. Such schedules should be for no longer than three years and be approved by the Director Development Services.

2.2 Failure to Pay

Unpaid infrastructure charges may be transferred to the rates assessment. Council will proceed to register a charge over the land so that the land cannot be sold without the prospective purchaser being aware of the debt. The charge will only be removed upon full payment of the infrastructure charge debt.

2.3 Discount on Rates

Once these charges have been transferred to the rates assessment, discount applicable to rates will only be applied if the amount due is paid in full by the due date, including overdue infrastructure charges.

2.4 Interest on Overdue Infrastructure Charges



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Interest will be charged on the outstanding Infrastructure Charges transferred to a rates assessment in accordance with the interest rate applicable to outstanding rates as detailed within the rating resolutions and Revenue Statement for the particular year.

2.5 <u>Recovery Action for Overdue Infrastructure Charges</u>

2.5.1 Initial Recovery Action

A notice in the form of a rates notice will be given to the ratepayer for the outstanding Infrastructure Charges giving 30 days for payment.

After the expiry of the 30 days the charges will be deemed to be overdue and subject to further collection action. As the amounts are included on the same assessment as other rates and charges, no independent recovery action is used for these accounts, and they are included in the action for the next rate levy.

If the amount is not paid after 14 days of the reminder, an attempt to contact the ratepayer will be made by SMS or email, prior to being referred to our Collection agents for further action.

On referral to our Collection agents, initial action consists of a sevenday letter of demand, followed by a final seven-day solicitor's demand letter. The letters issued will explain the possible financial impact if MRC proceeds to legal action, including an estimate of legal costs.

2.5.2 Legal Action

If the property owner fails to respond to the previous actions, our debt collection agents will provide a recommendation regarding issuing a Statement of Claim for the overdue amount. The property owner will be liable for the legal costs incurred and these can also be recovered against the land.

Upon the grant of judgment, other legal actions will be taken to effect payment of the debt if not paid. For a corporate entity this may include a statutory demand to wind up the company.

2.5.3 Sale of Land for Arrears of Rates

As the debt can be recovered as a rate, the next step could be to sell the land to recover the rates under Division 3 Part 12 Chapter 4 of the Regulation (see Section 1.1.4).

3.0 Bad Debts / Write Off

The process for writing off uncollectible amounts will be documented within each program.

For a rates account to be deemed uncollectible it will be necessary that:



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1. The ratepayer be deceased, bankrupt or untraceable or in the case of a company be in liquidation or receivership with advice from the trustee or other liquidator that the prospect of a dividend being declared would be remote or that the dividend amount would be minimal; and

There is no avenue to recover the debt by way of sale of the land for rate arrears. This would normally arise in the instance of a state tenure or lease that has been terminated or otherwise surrendered; or

2. The amount of the debt is less than \$10,000 and legal advice received that the circumstances relating to the creation of the debt make the eventual collection of the amount unlikely even if legal action were considered or, if such legal action would be too costly in relation to the amount sought or, if all legal avenues have failed to recover the amount owing plus costs.

For a sundry debtor to be deemed uncollectible it will be necessary that:

- 1. The debtor be deceased, bankrupt or untraceable or in the case of a company be in liquidation or receivership with advice from the trustee or other liquidator that the prospect of a dividend being declared would be remote or that the dividend amount would be minimal; or
- 2. The amount of the debt is less than \$10,000 and the circumstances relating to creation of the debt make the likely eventual collection of the amount unlikely even if legal action were considered, or if such legal action would be too costly in relation to the amount sought or, if all legal avenues have failed to recover the amount owing plus costs.

Authorisation levels are:

<u>Write-off amount less than \$10,000</u> Relevant Program Manager with endorsement of Manager Financial Services

Write-off amount \$10,000 - \$50,000 Relevant Director

Write-off amount greater than \$50,000 Chief Executive Officer

4.0 Delegations

The Chief Executive Officer is delegated authority to make determinations relating to this policy.

5.0 Definitions

To assist in interpretation the following definitions shall apply:

Commercial Debt shall mean any debt created on a commercial basis out of an arrangement with one of Council's Business Units for the supply of goods and services.

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

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Council Business Unit shall mean any area of Council supplying goods and services to external parties on a commercial basis.

Debtor shall mean any person including a ratepayer, who owes money to Council.

Debt collection agency shall mean the third party contracted to provide collection services for Council for the time being.

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

MRC shall mean Mackay Regional Council.

Pensioner shall mean an elderly, invalid, disabled or disadvantaged citizen, who is:

- (a) An eligible holder of a Queensland 'Pensioner Concession Card' issued by Centrelink, on behalf of the Department of Human Services, or the Department of Veterans' Affairs, or a Queensland 'Repatriation Health Card – For All Conditions (Gold Card)' issued by the Department of Veterans' Affairs; and
- (b) The owner (either solely or jointly) or life tenant/s of a property which is his/her principal place of residence; and
- (c) Has, either solely or jointly with a co-owner, the legal responsibility for the payment of rates and charges as defined which are levied in respect of the said property by the Local Authority in whose area the property is situated.

The Act shall mean the Local Government Act 2009.

The Regulation shall mean the Local Government Regulation 2012.

6.0 Review of Policy

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

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

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

7.0 Reference

- Local Government Act 2009
- Local Government Regulation 2012 (The Regulation)

8.0 Attachments

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CONCESSIONS FOR CONCEALED LEAKS POLICY

Program: Date of Adoption: Resolution Number: Review Date: Water Networks 21 June 2023 21 June 2024

Scope

This policy applies to all requests for a reduction in water charges from customers in the Local Government area of Mackay who receive a metered supply of water to a residential or commercial property.

This policy applies to Mackay Regional Council (MRC) staff delegated to consider applications for a concession off the Water Notice due to a Concealed Leak.

Objective

To guide MRC's practice and decision-making on the extent of, and the conditions under which, financial concessions will be offered to Property Owners who have received an unusually high water notice, resulting from a Concealed Leak.

Policy Statement

This policy applies to all requests for a reduction in water charges from customers in the Local Government area of Mackay who receive a metered supply of water to a residential or commercial property.

This process to remain in force until otherwise determined

by Mackay Regional Council



CONCESSIONS FOR CONCEALED LEAKS POLICY

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1.0 Principles

Concessions provided for Concealed Leaks has been previously governed by Local Law No. 69. This policy will replace the sections in the said Local Law No. 69 that deal with the provision of concessions for concealed leaks.

- The Property Owner is responsible for managing their water consumption. This includes registering on "myh2o" to monitor the daily water consumption and/or manually reading the water meter and carrying out overnight consumption tests on a regular basis to monitor water usage and consumption patterns.
- The Property Owner is responsible for repairing water leaks in the pipes carrying water from the water meter into the premises, in any internal pipes or plumbing fixtures within the premises, or in any irrigation piping or garden watering systems.
- Subject to any concession under this policy, the Property Owner is responsible for the payment of the full Water Notice, including consumption related to leaks.
- Where MRC becomes aware of a potential water leak at a Property, MRC will make best efforts to notify the Property Owner. Such notification is provided as an added service and such notification or the lack thereof does not alter the availability or non-availability of concessions under this Policy.

1.1 Eligibility

MRC will only consider a request for concession on a Water Notice due to a water leak where:

- the leak was a Concealed Leak; and
- when an AMR is installed on the water meter at the Property, the Property Owner has registered on myh2o, and has active leak alerts in place, and
- the Property Owner took all reasonable steps to ensure that the Concealed Leak was repaired within a reasonable period of time; and the Concealed Leak was repaired by a licensed plumber.

1.2 Extent of Concessions

Residential Customers - A reduction in water consumption charges will be granted only once per Property per Property Owner for each two-year period.

Commercial/Industrial Customers – A reduction in water consumption charges will be granted on a case-by-case bases.

The reduction of water consumption charges may be applied over two Billing Periods, as a single Concealed Leak can affect the consumption over two Billing Periods.

A concession will be available only if the consumption for applicable Billing Period is above the Tier 1 Threshold Limit.

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Hourly Data Available through AMR

(where detailed hourly consumption data is available through an installed AMR) For the lower of the number of days the Concealed Leak existed or 30 days.

Excess consumption due to Concealed = Leak	minimum consumption rate X number of leak hours (given day)
where	1 = first day of Concealed Leak, and
	n = day client was notified of the Concealed Leak, became aware of the Concealed Leak or the day on which the Concealed Leak ceased, whichever is earlier.

No Hourly Data Available

(where no AMR is installed or no detailed hourly consumption information is available)

If the application for a concession in water consumption charges is granted, the concession extended to the client shall be:

Excess consumption due to Concealed Leak x Concession Rate

Where,

Excess consumption due to Concealed Leak = Consumption for applicable non concession consumption

and,

Non concession consumption = The greater of: • Average consumption for property, and • Tier 1 Threshold Limit

If use of either of the above methods is deemed inappropriate under a given circumstance by MRC, then an alternate methodology may be adopted.

The decision whether to use an alternative methodology and the alternative methodology to be used will be at the sole discretion of the Director of Engineering & Commercial Infrastructure or an officer delegated to consider applications for concealed leaks under this Policy, on a case-by-case basis.



COUNCIL POLICY CONCESSIONS FOR CONCEALED LEAKS POLICY

1.3 Applying for a Concession

The Property Owner must apply in writing for a reduction of water consumption charges due to a Concealed Leak using the *Application for a Concession on Water Account due to a Concealed Leak* **Form**. The application must outline the location and circumstances of the Concealed Leak, including the conditions to be met under *Section 1* of this Policy and complete all sections of the form.

The application must be made to MRC, no later than the date on which payment for the consumption charge on which the concession is being sought, falls due for payment. Application made after this date but before the next Water Notice, may be considered at the discretion of the delegated decision-maker. Where such an application is considered, the concession granted will be 50% of the concession as identified in Section 1.2 – Extent of Concessions of this policy. An application received by MRC after the issuance of the next Water Notice will not be considered for relief.

The application must be accompanied by a detailed plumber's report, using the *Plumber's Report on Repair of Concealed Leak* **Form** as specified by MRC, from the licensed plumber who carried out the repair work, certifying:

- the Property on which the Concealed leak was discovered
- the Concealed Leak was repaired by the licensed plumber; and
- the date the Concealed Leak was repaired; and
- the details of the plumbing repairs undertaken; including:
 - that the Concealed Leak was in the main water supply pipe from the water meter to the *primary constructed structure on the Property*; and
 - that the Concealed Leak was in a location and/or a nature which contributed to it not being evident.
- 1.4 Specific Exclusions

MRC will not provide concessions for leaks that occur in:

- internal pipework (under floor or within walls) water fittings and appliances including taps, toilets, showers, sinks, hot water systems and appliances with water connections such as dishwashers, washing machines and fridges
- water tanks that are plumbed to the potable water supply, including solar water heaters and pipework related to such tanks
- external water taps, hoses, sprinklers and irrigation systems
- swimming pools, spas and other water features including fittings and the pipework that supply such fixtures
- firefighting equipment and systems

Concessions will also not be available for water loss:

- during construction, renovation, excavation or similar activity
 - due to theft, vandalism, and inadvertent use (e.g. tap/hose left running due to an oversight)

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2.0 Definitions

To assist in interpretation the following definitions shall apply:

AMR shall mean Automatic Meter Reading device(s)

Average Consumption shall mean where possible and/or relevant, the average of the past three years' actual water consumption during the equivalent billing period, adjusted at the discretion of MRC, for any relevant changes in circumstances that would impact consumption

Billing Period shall mean the time between meter readings and does not refer to the issue date or the payment due date on the Water Notice

Concealed Leak shall mean a leak that has occurred within the Property Owner's Property in the main water supply pipe from the water meter to the primary constructed structure, either underground, under or within concrete or paving or underneath a structure where the leak was not apparent, and the occupant was not aware of its existence and could not reasonably be expected to be aware of its existence

Concession Rate shall mean as defined in section 1.2 – Extent of Concessions of this policy

Council shall mean the Mayor and Councillors of MRC

Excess Consumption due to Concealed Leak shall mean as defined in Section 1.2 – Extent of Concessions of this Policy

MRC shall mean Mackay Regional Council

myh2o shall mean the MRC website <u>www.myh2o.qld.gov.au</u> where property owners can register to monitor consumption and receive high consumption and potential leak alerts

Policy shall mean this "Concession for Concealed Leaks" Policy

Property shall mean the property within the MRC area to which water is being supplied by MRC for which Water Notices are issued

Property Owner shall mean the owner or owners of the Property

Tier 1 Consumption Charge Rate shall mean the *Tier 1 Consumption Charge identified* within the Revenue Statement as adopted by Council each financial year

Tier 1 Threshold Limit shall mean the maximum volume on which the Tier 1 Consumption Charge rate will be applicable as identified within the Revenue Statement as adopted by Council each financial year

Tier 2 Consumption Charge Rate shall mean the Tier 2 Consumption Charge identified within the Revenue Statement as adopted by Council each financial year

Water Notice shall mean the notice issued by MRC to the Property Owner which contains the water consumption charges.

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3.0 Review of Policy

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

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

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

4.0 Reference

MRC Revenue Statement (Current)

5.0 Attachments

- Application for Concession on Water Notice Due to Concealed Leak
- Interpretation Guide





APPLICATION FOR CONCESSION ON WATER NOTICE DUE TO CONCEALED LEAK

FRM-38.313

PRIVACY DISCLAIMER Mackay Regional Council is collecting your personal information in order to process your application. This information will only be disclosed to any other third party with your written authorisation or as we are required to by law

SECTION 1	- PROPERTY OWNER DETAILS		
Applicant	l,	(Ful	l name)
	of	(A	ddress)
	(Mobile)	(Tele	ephone)
			(Email)
	Apply for concession on water account due to o	concealed leak.	
SECTION 2	- PROPERTY DETAILS FOR WHICH	I CONCEALED LEAK HAS OCCU	RRED
Assessment No.			
Property Address			
SECTION 3 -	GROUNDS FOR REQUEST (Attach ad	lditional page if necessary)	
	umber engaged to make repairs: leclaration will also need to be submitted.	Yes 🗌 No	
SECTION 4 -	CUSTOMER CONSENT		
	L	Date: /	/

FRM-38.313 Application for Concession on Water Notice due to Concealed Leak Electronic version current – uncontrolled copy valid only at time of printing. Version No. 1.000 (15/6/20)

SECTION 5 – INFORMATION FOR APPLICANTS				
MRC will accept this application once all sections have been completed and submitted to MRC. (See checklist below):				
I HAVE COMPLETED:				
Section 1	Property owner details			
Section 2	Property details for which concealed leak has occurred			
Section 3	Ground for request			
Section 4	Customer consent			
Other	Sign up to the myh ₂ o website (<u>www.myh2o.qld.gov.au</u>) (as per clause 6.2 in policy)			
	Plumber's report on concealed leak			
Attachments	Copy of plumber's invoice			
	Statutory Declaration (if applicable)			

Office Use Only

Date Received:

/

/

Application No:

FRM-38.313 Application for Concession on Water Notice due to Concealed Leak Electronic version current – uncontrolled copy valid only at time of printing. Version No. 1.000 (15/6/20)



Mackay	PLUMBER'S REPORT ON REPAIR OF CONCEALED LEAK	FRM- 38.313		
	CLAIMER Mackay Regional Council is collecting your personal information in order to process your a I not be disclosed to any other third party with your written authorisation or as we are required to by law			
PROPERTY DETAILS FOR WHICH CONCEALED LEAK HAS OCCURRED				
Assessment No.				
Property Address	S S			
LOCATION ((attach page if ne	OF CONCEALED LEAK AND DESCRIPTION OF WORK			
	PLUMBER'S DETAILS			
Company Name				
Company Name Plumber's Name				
Company Name	E License Number Mobile			
Company Name Plumber's Name Telephone	e License Number Mobile			
Company Name Plumber's Name Telephone Business Addres	e License Number Mobile	andard Plumbing an		

Interpretation Guide

Examples of Calculations

Hourly Data Available through AMR

Property A has had a Concealed Leak. The total consumption for Billing Period in which the Concealed Leak occurred was 230 kilolitres (kl). As hourly meter reading data is available for Property A, the meter data management system will calculate the exact quantum of the leak on a weekly basis as in Table 1:

Table 1		Table 2	
Week	Leak Quantum (kl)	Tier	Rate (\$)
1	20.0	2	2.91
2	40.7	1	1.97
3	30.2	Difference	0.94
Total	90.9		

The rate per kilolitre applicable in calculating the concession is the difference between the Tier 2 Consumption Charge Rate and Tier 1 Consumption Charge Rate as depicted in Table 2.

Even though the quantum of the leak is calculated as 90.9 kilolitres, only the quantum used above 150 kl (Tier 1 Threshold Limit) for the Billing Period will be eligible for concession.

Therefore, the maximum quantum eligible for concession is 80 kl (the consumption for the Billing Period of 230 kl less the Tier 1 threshold of 150 kl).

The concession for Property A therefore would be 80 kl multiplied by the difference between the rates applicable to the two Tiers (\$0.94 as shown in Table 2), which amounts to \$75.20.

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No Hourly Data Available

Property B has had a Concealed Leak. Property B does is not receiving hourly data through the AMR device installed on its water. The total consumption for Property B for the Billing Period of the Concealed Leak was 250 kl.

In this instance, the Non-concession Consumption for the Property B will be calculated as the average consumption of the three previous corresponding Billing Periods.

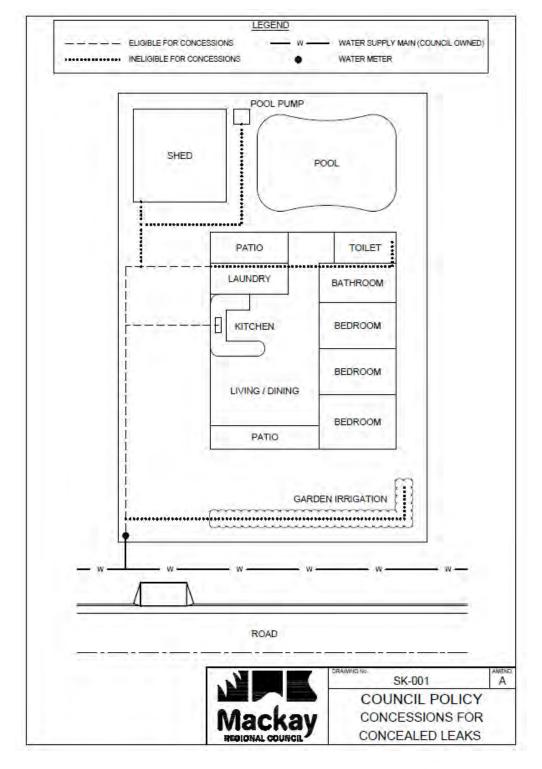
Table 1	Table 2		
Corresponding Period	Total Consumption (kl)	Tier	Rate (\$)
1	160	2	2.91
2	140	1	1.97
3	180	Difference	0.94
Average	160		

For the purposes of calculating relief under this Policy, the Non-Concession Consumption for Property B will be 160 kl. Therefore the Excess Consumption due to Concealed Leak will be 250 less 160, 90 kl.

The concession for Property B therefore would be 90 kl multiplied by the difference between the rates applicable to the two Tiers, (\$0.94 as shown in Table 2), which amounts to \$84.60.

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Inclusions and Exclusions



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CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

Program: Date of Adoption: Resolution Number: Review Date: Water Networks 21 June 2023 21 June 2024

Scope

This policy applies to property owners connected to Mackay Regional Council's (MRC) water reticulation scheme where high water consumption charges have been incurred due to exceptional circumstances.

Objective

The objective of this policy is to:

- provide a framework to identify the circumstances which would qualify property owners for relief under this policy,
- identify the manner in which property owners can claim eligibility, and
- establish the extent of relief to be provided for such property owners.

Policy Statement

The extent of relief provided should not exceed the additional charges that the property owners are subject to, due the identified circumstances. However, there is no obligation on the part of MRC to provide relief to the full extent of the additional charges.

This process to remain in force until otherwise determined

by Mackay Regional Council

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CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

Contents

1.0	Principles	3
2.0	Complaints (please delete if not relevant)	3
3.0	Definitions	4
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CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

1.0 Principles

MRC recognises that certain property owners will be faced with exceptional circumstances beyond their control, which would result in such property owners having to bear an unusually high level of charges on their water notice levied by MRC. MRC also recognises that it has an obligation to provide a level of relief to such property owners.

Human Rights have been considered when preparing this Policy.

The following principles will be applied in identifying the circumstances under which property owners would be eligible for relief.

It is NOT the intention of this policy to:

- provide relief to individual property owners based on individual needs and circumstances.
- provide relief based purely on economic circumstances (e.g. unemployment).

The identified exceptional circumstance should:

- have the capacity to be applicable to a specifically identified group of property owners;
- be non-economic;
- be beyond the control of the property owners; and
- result in the group of property owners being subject to a higher-than-normal water consumption charge in their water notice.

The extent of relief provided should not exceed the additional charges that the property owners are subject to, due the identified circumstances. However, there is no obligation on the part of MRC to provide relief to the full extent of the additional charges.

The circumstances which would make a group of property owners eligible for relief and the extent of relief to be extended to such property owners are identified in Annexure A to this policy.

2.0 Complaints

Any complaints in relation to this service will be assessed and managed in accordance with MRC's Administrative Action Complaints Policy, a copy of which can be found on MRC's website.

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

Complaints may be made as following: In writing to Chief Executive Officer Mackay Regional Council PO Box 41 MACKAY QLD 4740

Via Email - <u>complaints@mackay.qld.gov.au</u>

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CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

In person at the

following Council Client Services Centres:

- MRC Mackay Office 73 Gordon Street, Mackay
- MRC Sarina Office 65 Broad Street, Sarina
- MRC Mirani Council Office 20 Victoria Street, Mirani

3.0 Definitions

To assist in interpretation the following definitions shall apply:

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

Exceptional Circumstance shall mean as defined in the Policy Statement.

MRC shall mean Mackay Regional Council.

Policy shall mean this water charges relief due to exceptional circumstances policy.

Property Owner shall mean the owner or owners of the property.

Occupier shall mean, for the purpose of this policy is a person who resides at a property as the property owner, a family member of a property owner, a person in the registered care of a property owner, or a tenant of the property.

Tenant shall mean a person who is registered as a tenant by way of a tenancy agreement through a registered property manager or by way of a written agreement with the property owner.

Water Notice shall mean the charges levied based on the volume of water consumed as measured by the water meter installed at a given property.

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

4.0 Review of Policy

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

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

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

5.0 Reference

 Mackay Regional Council – Internal Operating Guideline – Continuity of Water Supply – Medical Requirements

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MACKAY REGIONAL COUNCIL

CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

6.0 Attachments

- Identified
 - Circumstances Eligibility
 - Application for Exceptional Circumstances

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Mackay Beclional

CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

Attachment "A"

	Identified Circumstance	Eligibility	Extent of Relief	Start	End
A1	Unusually high water consumption disputed by property owner (excludes concealed leaks which is covered under a separate policy)	 Unusually high water consumption No clear explanation as to the cause of high consumption Reasonable grounds to establish high consumption not due to usage by residents Reasonable grounds to believe that high meter read is not due to water flowing through the meter. Written request from property owner using the Application for Exceptional Circumstances Form (attached). 	The calculation of charges to be based on the average consumption of similar periods over the immediately past period of up to three years. Where above is deemed not appropriate by Director, Engineering and Commercial Infrastructure, alternate method to be used on a case-by-case basis as determined by the Director.	April 2011	Ongoing
A2	The need for property owners or occupiers to use a home dialysis machine for medical reasons.	 Written request from property owner. Form to be accompanied by medical certificate confirming the need for him/herself, or an occupier, to use a home dialysis machine. Doctor's certificate to clearly identify name of user, and address of residency. 	Total water consumption will be charged at tier one rates. No tier two rates will be applicable.	April 2011	Ongoing
A3	Other	 Specifically identified group of property owners; Be non-economic; 	The calculation of charges to be based on the average consumption of similar periods	April 2016	Ongoing

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CONCESSION FOR EXCEPTIONAL CIRCUMSTANCES (Water Consumption) POLICY

 Beyond the control of the property owners, and Result in the group of property owners being subject to a higher level of charges. 	over the immediately past period of up to three years. r Where above is deemed not appropriate by Director, Engineering and Commercial Infrastructure, alternate method to be used on a case-by-case basis as determined by the Director.
--	--

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FORM	APPLICATION FOR EXC CIRCUMSTANCI	-	Mackay Recional council
is personal info officers within t Information (P	tification (Information Privacy Act 2009) - The personal information the ormation for the purposes of the Information Privacy Act 2009 ('the Act') the Council and any person wishing to inspect the application in accordanc ublic Access) Act 2009). The Mackay Regional Council is collecting your in will only be disclosed to any other third party with your written authorise	 The intended recipients of the p with the Local Government Act 2 personal information in order to pr 	ersonal information are 009 or the Government ocess your application.
SECTION [·]	1 - PROPERTY OWNER DETAILS		
Applicant	l,		(Full name)
	of		(Address)
	(Mobil	e)	(Telephone)
	Apply for concession on water account due to exceptio		(Email)
Assessment Description	Council Rates Assessment Number Property address		
ECTION 3	- GROUNDS FOR REQUEST (attach additi	onal page if necessary)	

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4.4. BUDGET 2023/24 4.4.1. BUDGET 2023/24

Author Responsible Officer File Reference	Acting Manager Financial Services (Jaco Ackerman) Director Organisational Services (Angela Hays) Budget 2023/24
Attachments	 Community Budget Report 2023/24 [4.4.1.1 - 19 pages] Statement of Income and Expenses - Budget for year ending 30/06/24 and the next 2 years [4.4.1.2 - 1 page] Statement of Financial Position - Budget for year ending 30/06/24 and the next 2 years [4.4.1.3 - 1 page] Statement of Cashflow - Budget for year ending 30/6/24 and the next 2 years [4.4.1.4 - 1 page] Statement of Changes in Equity - Budget for year ending 30/6/24 and the part 2 years [4.4.1.5 - 1 page]
	 next 2 years [4.4.1.5 - 1 page] Key Financial Sustainability Ratios - Budget for year ending 30/6/24 and the next 2 years [4.4.1.6 - 1 page] Capital Works Program - Budget for year ending 30/6/24 and the next 2 years [4.4.1.7 - 1 page] Statement of Income and Expense - Business Unit - Budget for year ending 30/6/24 and the next 2 years [4.4.1.8 - 3 pages] Debt Deliay [4.4.1.9 - 5 pages]

- 9. Debt Policy [4.4.1.9 5 pages]
- 10. Investment Policy [4.4.1.10 9 pages]

Purpose

The purpose of this report is to adopt Council's 2023/24 Budget.

Related Parties

Nil.

Corporate Plan Linkage

Financial Strength

Affordable Living - Our rates and charges provide value for residents and are sufficient in providing for required infrastructure, facilities and services.

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

Resilient and Agile Economy - Our long-term vision guides our planning for present and future needs, understanding the future implications of decisions made today.

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

Background/Discussion

Under the requirements of the *Local Government Regulation 2012*, Council's budget for each financial year must be prepared on an accruals basis and include financial statements for the year for which it was prepared and the next two financial years.

Consultation and Communication

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

Resource Implications

This report sets Council's Budget for 2023/24. Changes to this budget will only occur with the approval of Council.

Risk Management Implications

The budget is monitored constantly throughout the year. Detailed estimates are prepared at the beginning of each financial year and performance is measured against these estimates through regular budget reviews, ensuring funds are utilised as efficiently and effectively as possible.

Conclusion

The 2023/24 Mackay Regional Council budget has been prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012.*

Officer's Recommendation

THAT Council adopt the budget for the 2023/24 financial year, as contained in the following attachments, pursuant to section 170A of the *Local Government Act 2009* and sections 169 and 170 of *the Local Government Regulation 2012*:

- (a) Community Budget Report.
- (b) Statement of Income & Expenses Budget for the year ending 30 June 2024 and the next 2 years.
- (c) Statement of Financial Position Budget for the year ending 30 June 2024 and the next 2 years.
- (d) Statement of Changes in Equity Budget for the year ending 30 June 2024 and the next 2 years.
- (e) Statement of Cash Flow Budget for the year ending 30 June 2024 and the next 2 years.
- (f) Key Financial Sustainability Metrics Budget for the year ending 30 June 2024 and the next 2 years.
- (g) Capital Works Program Budget for the period ending 30 June 2024 and the next 2 years.
- (h) Statement of Income and Expenses Business Unit Waste Services for the period ending 30 June 2024.
- (i) Statement of Income and Expenses Business Unit Water Services for the period ending 30 June 2024.

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

- (a) Debt Policy; and
- (b) Investment Policy.

Council Resolution ORD-2023-185

THAT Council adopt the budget for the 2023/24 financial year, as contained in the following attachments, pursuant to section 170A of the Local Government Act 2009 and sections 169 and 170 of the Local Government Regulation 2012:

- (a) Community Budget Report.
- (b) Statement of Income & Expenses Budget for the year ending 30 June 2024 and the next 2 years.
- (c) Statement of Financial Position Budget for the year ending 30 June 2024 and the next 2 years.
- (d) Statement of Changes in Equity Budget for the year ending 30 June 2024 and the next 2 years.
- (e) Statement of Cash Flow Budget for the year ending 30 June 2024 and the next 2 years.
- (f) Key Financial Sustainability Metrics Budget for the year ending 30 June 2024 and the next 2 years.
- (g) Capital Works Program Budget for the period ending 30 June 2024 and the next 2 years.

(h) Statement of Income and Expenses – Business Unit Waste Services for the period ending 30 June 2024.

(i) Statement of Income and Expenses – Business Unit Water Services for the period ending 30 June 2024.

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

- (a) Debt Policy; and
- (b) Investment Policy.

Moved Mayor Williamson

Seconded Cr May

MAYOR'S 2023-2024 BUDGET SPEECH

Mayor Williamson advised that as a Council, under the leadership of the Chief Executive Officer and Council's finance team, we have been working on the budget since February this year and he was pleased to be able to present the 2023-2024 budget.

Mayor Williamson noted that this budget presents a total expenditure of \$420 million, a slight rates increase which is well below inflation and \$128 million for Council's capital works program which will be one of the largest for many years. The budget reflects the current economy and seeks to manage from Council's perspective, the impacts of the current economic conditions on Council and our community. The budget will deliver a minor suplus.

2023-2024 Budget

Rate Increase

Mackay Regional Council	3.8%	A	
Consumer Price Index	7.4%	1/200	
			- And
Average residential rater	ayer Macka	y \$3164 per ye	ar CHH
An extra \$116 p	per year	r \$2.23 per we	ek 🖽

Average Residential Rates Bill 2023-2024

	Depreciation and finance cost	\$942.48
	Managing water, sewerage and waste	\$707.79
	Roads, footpaths, bridges and stormwater	\$400.79
nt	Property, parks, cemeteries and environment	\$328.53
	Community activities and facilities	\$316.57
Plant, and Information Services	Corporate management, Procurement and Plant, a	\$182.12
	Customer Service/Administration Services	\$101.12
tainability	Planning, Economic Development and Sustainabi	\$99.60
	Local laws and animal management	\$65.00
ing and Development	Trainees, apprentices, graduates and Learning and	\$20.00

Operational Expenditure



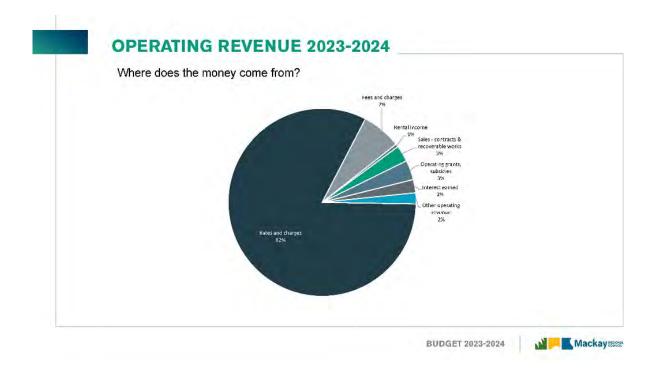
Capital Works Program

0	
\$	49.69M \$19.76M \$58.55M
AM:	\$21.5M in drainage works
PROGRAM:	\$6.5M to improve drinking water quality
	\$5.6M for water main works
SNAPSHOT OF THE	\$5.5M for asphalt resurfacing works and reseals
NAPSI	\$4.5M in rehabilitation and replacing ageing timber bridges
AS	\$4.2M for culvert rehabilitation
	\$3.2M for sewerage pump stations and mains

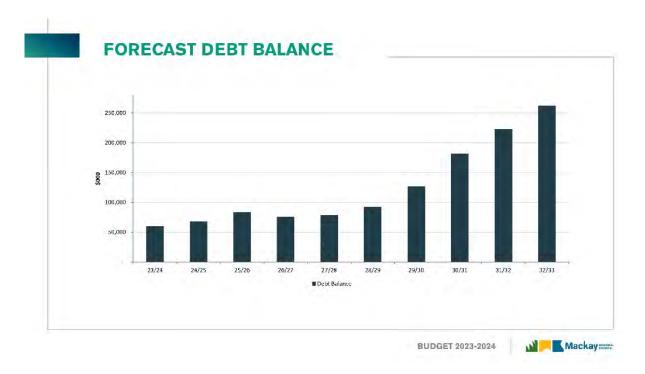
Signature Projects Under Way



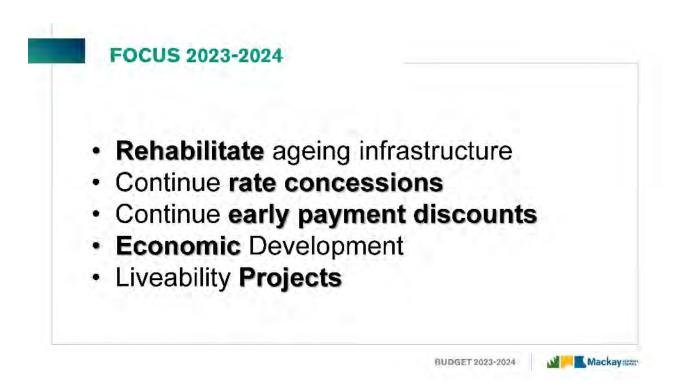
Operating Revenue 2023-2024



Forecast Debt Balance



Focus 2023-2024

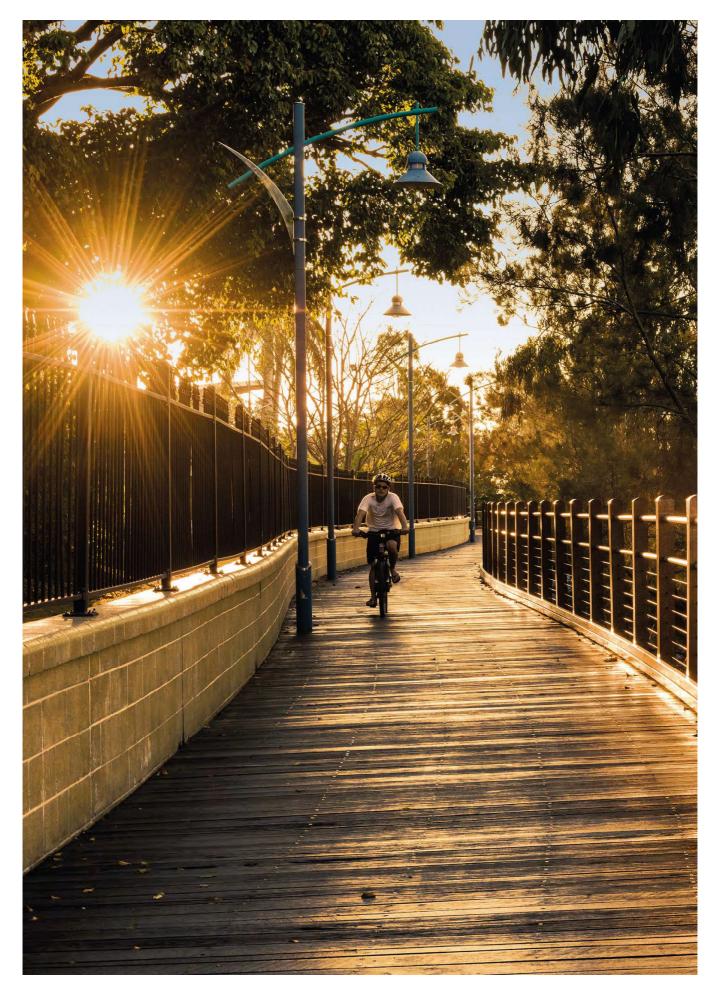


CARRIED UNANIMOUSLY



Community Budget Report 2023-2024







COMMUNITY BUDGET REPORT 2023-2024

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MESSAGE FROM THE MAYOR

Mayor Greg Williamson Mackay Regional Council

Mackay Regional Council's purpose as outlined in the Corporate Plan, aims to create opportunity to thrive with a vision to become the best region for liveability and livelihood.

The 2023-2024 budget focuses on advancing the initiatives of our Corporate Plan. This includes undertaking significant infrastructure projects to enhance the liveability of the region, managing existing assets with a particular emphasis on ageing infrastructure, and supporting the economic development of the community through various initiatives such as community grants and discount programs.

In the past five years, our budgets were primarily geared towards maintaining low rate rises by implementing ongoing efficiencies. Despite rising costs, this budget still keeps rate increases below the inflation rate, while also allocating more resources to our capital delivery program.

Numerous projects aimed at improving liveability, which were planned and designed over the past few years, are now being realised. Ongoing work on the Mackay Waterfront includes the expansion of the successful River Wharves precinct, the addition of a floating pontoon, and an over water function venue. Construction of the Pioneer Valley Mountain Bike Trailhead and the initial stage of the trail network has commenced, while progress continues at the Northern Beaches Community Hub. Significant redevelopment efforts are under way at Woodlands Parkland and Seaforth Foreshore, with two additional park redevelopment projects in the pipeline.

We are committed to maintaining our events and conference attraction program, as well as the successful community grants program. Additionally, we will ensure that rates concessions for pensioners and not-for-profit organisations remain in effect.

To support the projected increase in our capital program in the coming years, we will continue to enhance our capital planning. This involves finding a balance between funding council's operations and capital works in an inflated market while mitigating the impact on the community.

Council continues to absorb a reduction of 9 per cent reduction in the Financial Assistance Grants, which are down to \$5 million. We intend to augment our capital delivery program to rehabilitate ageing infrastructure, such as timber bridges, as well as underground infrastructure like sewerage pipes and stormwater systems. We are actively seeking increased grants from State and Federal Governments to support the continued growth of our capital program in the future.



Mackay Regional Council's budget aims to deliver high-quality services and infrastructure while ensuring longterm financial sustainability. It includes an expanded capital works program, ongoing investment in community services and economic development initiatives, and provisions for asset renewal.

The 2023-2024 budget aligns with strategic priorities and long-term planning to meet the community's needs both now and in the future.

While the financial position and budget framework are sound, external factors pose potential challenges. Skilled labour shortages and inflation could increase costs, particularly for infrastructure projects and service delivery. To mitigate these risks, council is considering alternative delivery methods, bundling capital projects, and investing in training programs.

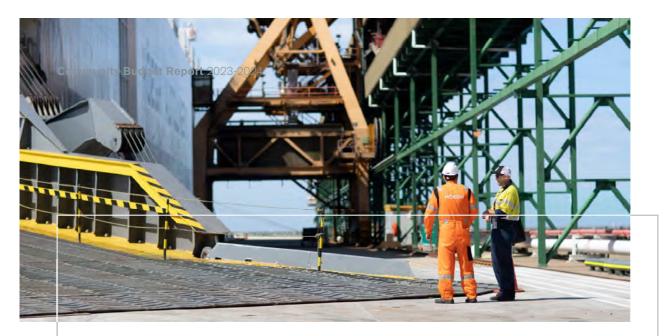
The budget covers a range of capital works projects, including road upgrades, community facilities, sporting infrastructure, parks, gardens, libraries, and community events.

Ongoing key projects like the Mackay Waterfront, Pioneer Valley Mountain Bike Trail, Northern Beaches Community Hub, Woodlands District Park and Seaforth Esplanade redevelopment contribute to the council's commitment to liveability.

This year's capital works program is one of the largest to date, valued at \$128 million (including \$3.5 million in donated assets). It focuses on improving the region's infrastructure and amenities. Modest increases in future capital expenditure are projected to support asset renewal and liveability projects.

Managing inflation's impact requires careful financial management, including increased loan funding and significant grants from the State and Federal Governments. Over a 10-year period, forecasted capital expenditure of nearly \$1.4 billion (excluding escalations) will be funded through operating surpluses, loans, increased grants, and capital contributions from new property development. Modest annual rate increases will also be necessary to ensure financial sustainability given the forecasted financial pressures.

With this budget, council is well-equipped to foster growth and ensure that our region is well on its way to being the best region for liveability and livelihood.



1.

BACKGROUND

Under the requirements of the Local Government Regulation 2012, council's budget for each financial year must include financial statements for the year for which it was prepared and the next two financial years. Budgeted financial statements within this report include:

- **Statement of Income and Expenses** Presents council's consolidated revenues (where the money comes from) and expenses (where the money is spent).
- Statement of Financial Position Identifies the predicted financial position of council, including assets (what we own), liabilities (what we owe) and equity (our net worth).
- Statement of Cash Flow Reports how revenue received, and expenses paid, impact council's cash balances.
- Statement of Changes in Equity Reports changes to equity (council's assets net of liabilities).
- Key Financial Sustainability Ratios Key financial indicators that measure council's financial performance.

Capital Works Program

- Details the budget for the period ending 30 June 2024 and the next two years.
- Statement of Income and Expenses Waste Services Business Presents the Waste Services Business consolidated revenues and expenses.
- Statement of Income and Expenses Water Services Business Presents the Water Services Business consolidated revenues and expenses.

2.

BUDGET AT A GLANCE

This budget responds to the Corporate Plan which provides the strategic direction and the Operational Plan which outlines key objectives and deliverables for council. The budget forms the basis of council's Long-Term Financial Forecast and is aligned with council's Asset Management Plan and Capital Works Program.

The 2023-2024 total expenditure budget is \$420M, of which \$128M will be spent on capital projects. Some significant highlights of the budget are:

- While council is predicting a minor surplus of \$550,777, it is laying the platform for the journey ahead with increased costs and increased capital expenditure planned for the foreseeable future.
- Council's planned spend on capital projects is considerably higher compared to recent capital budgets.
- Council's past debt reduction strategy has now put it in a healthy position to start borrowing again to support increased capital expenditure. Council plans to borrow \$21.2M in new loans to fund increased capital expenditure.
- The budget also provides for ongoing investment in the economic development program, which aims to attract new investment and businesses to the region.
- Council continues to keep rates increased below inflation with a 3.8% average residential rates increase increase, well below inflation of 7.4% (CPI, Brisbane). The average rate increase is based on a 4.2% increase in general rates and separate charges (including environmental, roads and disaster levees) and 3.0% increase in utility charges (water, waste and sewerage).
- Continuing commitment to community funding support, sponsorship and grants of \$2.0M, and \$1.0M for continuing the very successful event and conference attraction.
- Several liveability projects are underway with further funding commitments in this budget to continue with project implementation.
- The cash balance is forecast to remain steady at ~\$140M for the next 3 years, reducing in future years to support the capital delivery program.
- The impact of significant increases in valuations has been limited with a staged introduction over two years.
- Council is continuing with rates concessions to pensioners (in addition to the State Government rebates), community groups and sporting clubs. Discounts and remissions (including early payment of rates) are expected to reach \$22.4M. These concessions are detailed in various policies including the Rates Relief Policy, Rating Remissions for Non-Profit Community Organisations Policy, Concessions for Concealed Leaks Policy, Concessions for Exceptional Circumstances (Water Consumption) Policy, Conservation Remission Policy, and Discount of Late Rates Payment Policy. These policies are reviewed annually and adopted with the budget.

SPECIAL (BUDGET) MEETING - 21 JUNE 2023

Community Budget Report 2023-2024



3.

OPERATING RESULT

Council is projecting a minor surplus operating result. Any operating surpluses achieved are used to fund capital expenditure or reduce debt.

General rates are planned to increase by 4.2% for the year 2023-2024. Council's underlying principle was to increase capital expenditure in 2023-2024 and stabilise capital investment at the increased scale for the following two years before further increasing capital delivery in future years. This will require rates to change at the same level as capital cost escalations to ensure long-term sustainability.







NET RATES \$240.6M

The percentage increase in total rates paid will vary from property to property (particularly for non-residential properties) depending on the proportion of each of the applicable charges and the changes to the valuations of the individual property. The average residential ratepayer will see a 3.8% increase in rates and charges, despite the current headline CPI (Brisbane) of 7.4%.

The percentage change in rates and utility charges compared with the previous budget (excluding discounts and rebates) are as follows:

General Rates	4.2%
Jtility Charges	
Sewerage	3%
Water Utility (factor charge and consumption charge)	3%
Trade Waste	3%
Waste Management	3%
Waste Facilities Operations	3%
Separate Charges	
Natural Environment Levy	4.2%
Roads Improvement Levy	4.2%
Disaster Response Levy	4.2%



Pensioner concessions and other remissions together with early payment discounts are forecast at \$22.4M. A 0.5% growth in rateable properties is included in the 2023-2024 budget to reflect current economic conditions. Full details of council's rates and charges are outlined in the Revenue Statement 2023-2024.

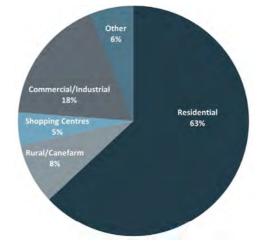
General rates are levied on ratepayers to provide revenue for a broad range of services. Council adopts a differential general rating scheme that categorises all rateable land into different general rates categories.

General Rates levied by Differential Category

Sewerage Utility 23% Waste Management 7% Water Utility 54% Separate 6%

Rates Revenue Split

The revenue contribution from the different charge types.



The segmentation of general rates levied on each category



FEES AND CHARGES \$19.8M

Fees and charges revenue includes ~\$8.1M of income from waste disposal fees, local laws compliance fees of \$2.4M, development and planning fees of \$2.0M and Mackay Entertainment and Convention Centre (MECC) revenue of \$1.6M.

The majority of fees and charges for 2023-2024 have increased generally by 3.5% noting some fee increases were impacted by external organisation requirements, legislative requirements or based on cost recovery. A small number of fees have shown a decrease. Full details of council's 2023-2024 fees and charges are available on council's website.

OPERATING GRANTS AND SUBSIDIES \$9.8M

The major sources of operating grant and subsidies funding include the general-purpose Financial Assistance Grant (FAGs) of \$5.0M, Works for Queensland operational grants of \$1.9M and the State library grant at \$0.6M.

In addition to operating revenue, council receives specific capital grants from both State and Federal Governments and capital contributions related to property development. Capital revenue from these sources is anticipated to be a further \$23.9M in 2023-2024.

OTHER REVENUE INCLUDES THE FOLLOWING:

Sales - Contract and Recoverable Works \$8.2M The majority of this revenue relates to work done on behalf of the Department of Transport and Main Roads in maintaining their assets.

Interest Earned on Investments \$6.7M

Council maximises interest returns on cash holdings by investing surplus cash requirements at the most optimal rate possible for the shortest possible term (not exceeding twelve months). It is expected that investment returns will reduce over the forecasted period as cash is utilised to fund capital expenditure. More detail can be found in Mackay Regional Council's Investment Policy.

Rental Income \$1.5M

The majority of rental income is generated from council owned properties. Council owns three commercial properties for strategic purposes that generate market-comparable rental returns. These property holdings are reviewed regularly with no commercial properties planned to be disposed in the near future.

Other operating revenue \$5.5M

Ticket sales and catering revenue at the Mackay Entertainment and Convention Centre (MECC) along with the Mackay Stadium account for approximately \$3.7M in revenue, with the remaining revenue from sales from the Sugar Shed, commissions, and other revenue.

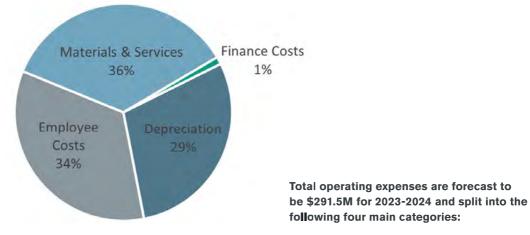




OPERATING EXPENSES

Where our money is spent

Operating Expenses 2023-2024



EMPLOYEE COSTS \$99.8M

Council maintains a large workforce to provide an extensive range of services to the community including maintenance of our roads, water and sewerage networks; town planning; community, sport, and cultural services. All employee-related expenditure including allowances, superannuation and leave entitlements are included. An additional \$16.6M related to the implementation of infrastructure projects charged to the capital budget.

MATERIALS AND SERVICES \$103.1M

The major expense categories for material and services are contract expenses of \$27.8M, costs related to waste disposal and collection of ~\$15.1M, external contractors involved in the maintenance of roads and parks amounting to \$6.6M and property maintenance of \$4.6M. Consultant costs are budgeted at approximately \$10.3M. External equipment hire is budgeted at \$4.8M and repairs and maintenance expenditures are budgeted at \$13.6M. Utilities, fuel and insurance amount to \$19.7M.

Council's Procurement Policy is underpinned by the principle of supporting local business. This leads to significant investment in the regional economy.

FINANCE COSTS \$3.2M

Finance cost related to interest and fees for loans held with Queensland Treasury Corporation (QTC) continue to decrease due to a reduction in the QTC debt balance in the past two years. Council will be borrowing \$21.2M in 2023-2024 to assist in funding the increased capital program, with cash reserves used in later years to continue implementing the capital program. Other finance costs are made up of bank and merchant fees and provision unwinding costs (\$0.4M).

DEPRECIATION \$85.4M

Depreciation represents the decline in the value of assets. This expenditure can be impacted by the age, condition and disposal of existing assets, along with the purchase and construction of new assets.



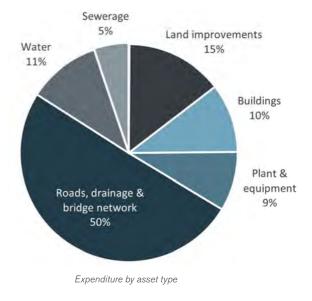
6.

CAPITAL WORKS PROGRAM

Council manages a diverse range of infrastructure assets valued at \$3.5B and is responsible for the construction, upgrade and renewal of these assets through its capital works program. Planned spend on capital projects is higher than in previous years due to a number of higher-value projects underway and the impact of cost escalations. Council is budgeting \$124.5M on capital projects (excluding donated capital) and expects to receive ~\$3.5M in donated assets from developers.

This expenditure consists of \$58M on renewing existing assets, \$20M on upgrades and \$50M on new assets.

Capital Expenditure by Asset Type (including donated)





\$2.8M to complete the Seaforth Esplanade Redevelopment



\$4.9M

for the construction of Stage 1 of the Pioneer Valley Mountain Bike Trail and Finch Hatton Trail Head



\$10.3M

to continue with the Northern Beaches Community Hub civil works (including a new road) and Stage 1A multi-purpose undercover area



53.1M

for the Mackay Stadium refurbishment and master planning for future development



\$8.1M

in the Mackay Waterfront and City Centre area including the construction of a floating pontoon and pedestrian crossing upgrade at the River/ Sydney Street intersection



\$1.1M to complete Woodlands District Park

Capital budget highlights

- A significant \$6.5M to improve drinking water quality including the \$2.5M Bloomsbury Water Supply Scheme, water disinfection projects at Eton and Sarina, the Calen Water Softener project, reservoir refurbishments and projects at the Nebo Road water treatment facility.
- Significant investment in bus shelters of \$4.4M which includes the completion of the Mackay Bus Station at \$2.4M.
- \$8.2M renewing our existing fleet assets as part of an \$11.2M Plant and Equipment program.
- \$21.5M in drainage works including the South Mackay Levee, Pioneer Levee (Rivers Edge to Heaths Rd) and Sarina northern trunk drainage upgrade.
- \$4.5M in rehabilitation and replacing ageing timber bridges and in planning and design to continue the bridges rehabilitation program in future years.
- Continue planning for Stage 2 of the Resource Centre of Excellence subject to the outcomes of a feasibility study (\$210,000).
- \$220,000 to continue with the planning and implementation of sustainability initiatives, including investigating the transition to LED street lighting with Ergon, implementing the greening strategy approved in 2022 and starting the Electric Vehicles trial for passenger fleet.

The 2023-2024 budget includes the adoption of a 10year forecasted capital works program. This represents an investment of almost \$1.4B (non-escalated) in community infrastructure assets. The ten-year capital program takes into account new assets to support and attract growth while maintaining and renewing ageing assets. Refer to the Long-Term Financial Forecast report for more information.



COUNCIL'S BALANCE SHEET

Statement of Financial Position

The Statement of Financial Position (attached) shows council's Assets and Liabilities. The result of these two components determines the net worth of our community equity (what we own less what we owe) which is forecast to be approximately \$3.7B at the end of 2023-2024.

CASH

Council invests surplus funds throughout the year in low-risk, short-term investments in accordance with council's investment policy and regulatory guidelines. The short and long-term cash flows indicate that sufficient cash is available to meet recurring activities and capital expenditure. The cash position at the end of the ten-year period is sufficient to operate and allow for the \$1.4B of capital spent in that period. The capital projects in the latter half of the forecast period require a more detailed analysis and scoping before delivery.

DEBT

Borrowing for long-term assets is an effective way of spreading the cost of community infrastructure over the life of the assets, in such a way that those deriving a benefit from the investment pay for it as it is being used.

Over the last 5 years, council's debt has been reduced by \$106.7M (including a bulk reduction of \$36.6M in the 2021/22 financial year), which allows the scope to take new borrowings to assist in funding key new infrastructure. Council will enter into new loans of \$21.2M in 2023-2024 and is set to increase borrowings in the following two years to support the extensive capital works program.

Council maintains strong liquidity and adequate debt servicing capacity resulting in an adequate level of financial flexibility.



8.

KEY FINANCIAL SUSTAINABILITY RATIOS

The following ratios indicate Council's budget performance against key financial sustainability criteria to ensure prudent management of financial risks in accordance with section 169(5) of Local Government Regulation 2012. The prime ratios have been calculated for the ten-year period and can be found below. Further information on sustainability ratios is available in Appendix 5. Ratio's for the 10 year period including the three-year budget forecast is shown in the Long-Term Financial Forecast document.

Ratio		Description					Formula Benchmar			
Operating	I	This is an indicator of the extent to which revenues Surplus								
Surplus	raised cover operational expenses only or are available for capital funding purposes Total Operating Revenue					ating	0 - 10%			
Result:										
2023- 2024	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
0%	1%	1%	2%	3%	3%	3%	3%	3%	4%	
Comment	ts:									
	Council is within the benchmark range. Council is forecasting minor operating surpluses for the forecast period available for capital funding, to service long-term debt required to fund the capital program and allows scope to									

absorb financial shocks.

Ratio		Descripti	on				Formula		Benchmark		
Net Finan					o which the by its opera		Total Liabil less Currei Assets		< 60%		
Liabilities	revenues Total Operating Revenue					ating					
Result:											
2023- 2024	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33		
4%	6%	9%	13%	16%	20%	30%	40%	46%	50%		
Comments:											

capacity to fund liabilities and capacity to increase loan borrowings if required. Council's debt reduction strategy in recent years has now allowed scope to increase borrowings to fund an increased capital projects program.

-1	
- 1	4

Ratio		Descripti	on				Formula	_	Benchmark		
Asset					tent to whic placed as th		Capital expenditur renewals	e on	>	90 %	
Sustainat	Dility	infrastructure assets are being replaced as these reach the end of their useful lives					Depreciatio expense	on			
Result:											
2023- 2024	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32		2032/33	
68%	98%	98%	88%	89%	99%	94%	92%	97%	6	87%	
Commen	ts:										
of asset gr	oups are re	g a sustainab eaching an ag g assets in ce	ge requiring	rehabilitatio	n, renewal o	r replaceme	nt which will	result in	high	er	

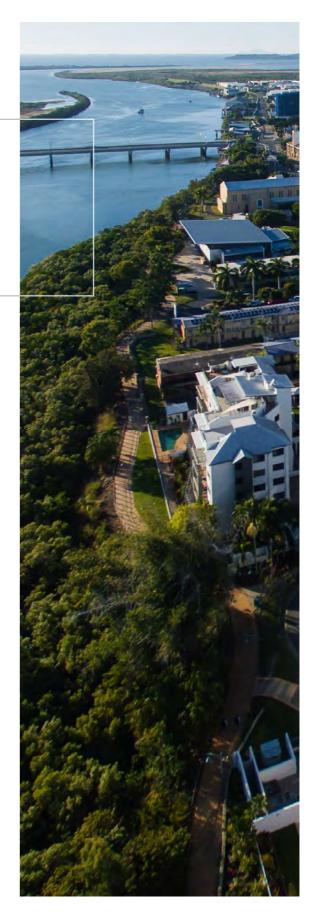
planning will further improve council's ability to make informed decisions regarding asset management into the future.

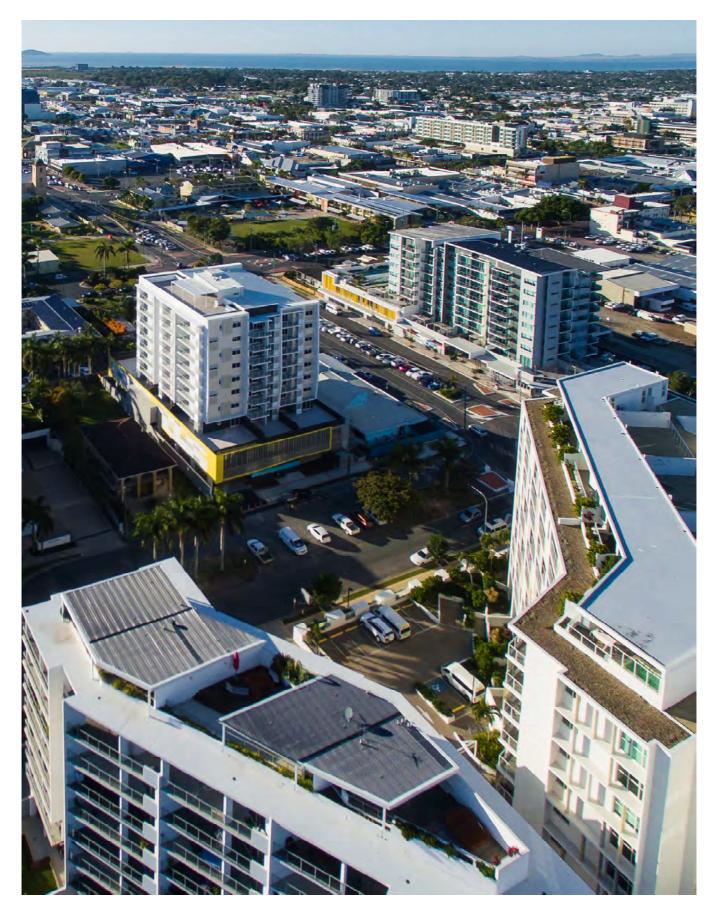




Appendices

- Statement of Income and Expenses Presents council's consolidated revenues (where the money comes from) and expenses (where the money is spent).
- Statement of Financial Position Identifies the predicted financial position of council, including assets (what we own), liabilities (what we owe) and equity (our net worth).
- Statement of Cash Flow Reports how revenue received, and expenses paid, impact council's cash balances.
- Statement of Changes in Equity Reports changes to equity (council's assets net of liabilities).
- Key Financial Sustainability Ratios Key financial indicators that measure council's financial performance.
- Capital Works Program Details the budget for the period ending 30 June 2024 and the next 2 years.
- Statement of Income and Expenses Waste Services Business Presents the Waste Services Business consolidated revenues and expenses.
- Statement of Income and Expenses Water Services Business Presents the Water Services Business consolidated revenues and expenses.





MACKAY REGIONAL COUNCIL STATEMENT OF INCOME AND EXPENSES For the year ending 30 June 2024 (including next two financial years)

	Budget	Forward	Estimate
	2023/24 \$000	2024/25 \$000	2025/26 \$000
Operating revenue			
Rates and charges	263,002	277,037	290,563
Discounts	(19,906)	(20,822)	(21,686)
Remissions	(2,539)	(2,656)	(2,766)
Net Rates and charges	240,557	253,559	266,111
Fees and charges	19,806	20,598	21,319
Rental income	1,497	1,557	1,611
Sales - contracts and recoverable works	8,230	8,559	8,859
Grants and subsidies	9,839	8,653	8,956
Interest earned	6,676	7,835	6,981
Other operating revenue	5,537	5,759	5,961
Total operating revenue	\$ 292,142	\$ 306,520	\$ 319,798
Operating expenses			
Employee costs	99,822	104,200	108,267
Materials and services	103,100	108,052	115,135
Finance costs	3,230	3,402	3,873
Depreciation	85,439	86,927	88,423
Total operating expenses	291,591	\$ 302,581	\$ 315,698
Operating result	\$ 551	\$ 3,939	\$ 4,100
Capital revenue			
Grants and subsidies	23,910	30,675	31,128
Contributions from developers	3,500	4,000	4,500
Donated assets	4,000	4,000	4,000
Other capital income	-	-	-
Total capital revenue	31,410	\$ 38,675	\$ 39,628
Capital expenses			
Loss on disposal or sale of assets	740	768	799
Revaluation decrement and loss on impairment	-	-	-
Other capital expenses	2,000	3,500	3,500
Total capital expenses	2,740	\$ 4,268	\$ 4,299
Net result	\$ 29,221	\$ 38,346	\$ 39,429
Netresult	φ 29,22 1	φ 30,346	ອ 39,429

		Duduct		F	Forward Estimate				
		Budget	<u> </u>		Estin				
		2023/24		2024/25		2025/26			
		\$000		\$000		\$000			
Current assets									
Cash, cash equivalents and investments		142,190		142,893		145,224			
Trade and other receivables		21,059		22,094		23,140			
Contract Assets		3,500		3,500		3,500			
Other assets		3,216		3,216		3,216			
Inventories		2,988		2,988		2,988			
Non-current assets held for sale		79		79		79			
Total current assets	\$	173,032	\$	174,770	\$	178,147			
Non-Current Assets									
Investments		5,277		5,277		5,277			
Trade and other receivables									
Property, plant and equipment		3,730,542		3,775,921		3,826,970			
Intangible assets		3,927		3,962		3,948			
-						982			
Right of use assets		1,143		1,062		902			
Total non-current assets	\$	3,740,889	\$	3,786,222	\$	3,837,177			
Total assets	\$	2 042 024	\$	2 060 002	\$	4 045 224			
	\$	3,913,921	Þ	3,960,992	>	4,015,324			
Current liabilities									
Contract liabilities		3,500		3,500		3,500			
Lease liabilities		66		66		66			
Trade and other payables		8,488		8,918		9,502			
Employee entitlements		14,135		14,224		14,302			
Borrowings		11,644		8,849		7,247			
Provisions		49,858		49,722		49,026			
Other liabilities		19,572		19,572		19,572			
		19,572		19,072		19,572			
Total current liabilities	\$	107,263	\$	104,851	\$	103,215			
Non-current liabilities									
Lease liabilities		1,241		1,224		1,207			
Employee entitlements		1,699		1,699		1,699			
Borrowings		48,406		59,560		76,116			
Provisions		13,268		13,268		13,268			
Other liabilities		11,691		11,691		11,691			
Total non-current liabilities	\$	76,305	\$	87,442	\$	103,981			
Total liabilities	\$	183,568	\$	192,293	\$	207,196			
Net community assets	\$	2 720 252	\$	2 769 600	\$	2 809 429			
net community assets	\$	3,730,353	\$	3,768,699	Þ	3,808,128			
Community equity									
Retained surplus		2,340,937		2,379,283		2,418,713			
Asset revaluation reserve		1,389,416		1,389,416		1,389,415			
Total community assets	\$	3,730,353	\$	3,768,699	\$	3,808,128			
	Ψ	0,100,000	Ψ	0,100,000	Ψ	0,000,120			

MACKAY REGIONAL COUNCIL – **STATEMENT OF FINANCIAL POSITION** For the year ending 30 June 2024 (including next two financial years)

MACKAY REGIONAL COUNCIL – **STATEMENT OF CASH FLOW** For the year ending 30 June 2024 (including next two financial years)

		Budget		Forward Estimate				
		2023/24 \$000		2024/25 \$000	2025/26 \$000			
Cash flows from operating activities:		075 075		000.040		000 007		
Receipts from customers		275,075		288,910		302,837		
Adjustment	-	(204,004)		(213,821)		(225,406)		
Payments to suppliers and employees	\$	71,071	\$	75,089	\$	77,431		
Interest received		6,676		7,835		6,981		
Non capital grants and contributions		9,824		8,739		8,934		
Borrowing Costs		(2,787)		(2,949)		(3,403)		
Net cash inflow (outflow) from operating activities	\$	84,784	\$	88,714	\$	89,943		
				· · ·		· · · ·		
Cash flow from investing activities:								
Payments for property, plant and equipment		(123,863)		(131,431)		(138,751)		
Payments for intangible assets		-		-		-		
Net movement in loans and advances		-		-		-		
Proceeds from sale of property plant and equipment		2,090		2,403		2,574		
Grants, subsidies, contributions and donations		27,410		34,675		35,628		
Other investing activities		(2,000)		(2,000)		(2,000)		
Net cash inflow (outflow) from investing activities	\$	(96,363)	\$	(96,353)	\$	(102,549)		
Cash flow from financing activities:		04 000		20,000		22.000		
Proceeds from borrowings		21,200		20,000		23,800		
Repayment of borrowings Principal lease repayments		(14,045)		(11,641)		(8,846)		
Principal lease repayments		(17)		(17)		(17)		
Net cash inflow (outflow) from financing activities	\$	7,138	\$	8,342	\$	14,937		
Net increase (decrease) in cash held	\$	(4,441)	\$	703	\$	2,331		
	Ť	(,,)	Ť			_,•••		
Cash at beginning of reporting period		146,631		142,190		142,893		
Cash at end of reporting period	\$	142,190	\$	142,893	\$	145,224		

	Budget		Forward Estimate		
	2023/24 \$000		2024/25 \$000		2025/26 \$000
Retained Surplus					
Opening balance	2,311,716		2,340,937		2,379,283
Net result for the period	29,221		38,346		39,430
Transfers to/(from) capital and reserves	-		-		-
Closing balance	\$ 2,340,937	\$	2,379,283	\$	2,418,713
Asset Revaluation Reserve					
Opening balance	1,389,416		1,389,416		1,389,416
Asset revaluation adjustments	-		-		(1)
Closing balance	\$ 1,389,416	\$	1,389,416	\$	1,389,415
Total					
Opening balance	3,701,132		3,730,353		3,768,699
Net result for the period	29,221		38,346		39,430
Asset revaluation adjustments	-		-		(1)
Transfers to/(from) capital and reserves	-		-		-
TOTAL COMMUNITY EQUITY	\$ 3,730,353	\$	3,768,699	\$	3,808,128

MACKAY REGIONAL COUNCIL – **STATEMENT OF CHANGES IN EQUITY For the year ending 30 June 2024 (including next two financial years)**

	Budget		Forward	d Estimate	
	Target	2023/24	2024/25	2025/26	
		\$	\$	\$	
Operating surplus ratio Operating result (excluding capital items) as a percentage of operating revenue	0% - 10%	0.2%	1.3%	1.3%	
Current ratio Current assets / current liabilities	Between 1 and 4	1.6	1.7	1.7	
Debt service cover ratio EBITDA / (interest expense + principal loan repayment)	>2 times	5.2	6.4	7.7	
Net financial liabilities ratio (Total liabilities - current assets) / total operating revenue (excluding capital items)	< 60%	3.6%	5.7%	9.1%	
Asset sustainability ratio Capital expenditure on renewals / depreciation expense	> 90%	67.9%	98.4%	98.3%	
Capital expenditure ratio Capital expenditure / depreciation	> 1.1 times	1.5	1.6	1.6	

MACKAY REGIONAL COUNCIL – KEY FINANCIAL SUSTAINABILITY METRICS For the year ending 30 June 2024 (including next two financial years)

	Budget	Forward	Forward Estimate		
	2023/24	2024/25	2025/26		
	\$000	\$000	\$000		
Buildings and Facilities	13,16	6 7,829	13,607		
Renewal	4,69	4 6,155	6,735		
Upgrade	1,05	1 308	1,059		
New	7,42	1 1,365	5,814		
Parks, Gardens, Coastal & Foreshores, Waste	18,46	3 21,711	17,000		
Renewal	2,97		,		
Upgrade	3,53	0 1,398	1,198		
New	11,95	4 15,322	12,909		
Intangible	-	-	-		
Renewal	-	-	-		
Upgrade	-	-	-		
New	-	-	-		
Land	14	4 -	-		
Renewal	-	-	-		
Upgrade	-	-	-		
New	14		-		
Plant & Equipment	11,23	5 13,353	13,641		
Renewal	10,89	7 13,269	13,558		
Upgrade	-	6 84	-		
New	30	- 2	83		
Roads, Drainage & Network	62,46	,			
Renewal	26,59	5 38,827	32,966		
Upgrade	12,75	9 5,928	7,088		
New	23,11		9,347		
Sewerage	5,58	5 15,244	12,977		
Renewal	4,17	4 10,017	8,246		
Upgrade	1,00				
New	40		1,963		
Water	12,80	0 17,904	32,124		
Renewal	8,65	4 12,198	22,412		
Upgrade	1,37	9 1,301	6,795		
New	2,76	,	1-		
Quarry and Landfill Remediaiton	55	,			
Renewal	55	7 1,636	2,197		
Upgrade	-	-	-		
New	-	-	-		
	\$ 124,42	0 \$ 133,067	\$ 140,947		

MACKAY REGIONAL COUNCIL – **CAPITAL WORKS PROGRAM** For the year ending 30 June 2024 (including next two financial years)

MACKAY REGIONAL COUNCIL - WASTE SERVICES BUSINESS UNIT STATEMENT OF INCOME AND EXPENSES

For the year ending 30 June 2024 (including next two financial years)

	Budget	Forward Estimate			
	2023/24	2024/25	2025/26		
	\$000	\$000	\$000		
Operating revenue					
Rates and charges	24,572	25,703	26,770		
Discounts	(1,376)	(1,439)	(1,499)		
Remissions	(42)	(44)	(46)		
Net Rates and charges	23,154	24,220	25,225		
Fees and charges	8,074	8,397	8,691		
Rental income	-	-	-		
Sales - contracts and recoverable works	-	-	-		
Grants and subsidies	-	-	-		
Interest earned	2,596	2,667	2,335		
Other operating revenue	500	520	538		
Total operating revenue	\$ 34,324	\$ 35,804	\$ 36,789		
Operating expenses					
Employee costs	1,543	1,612	1,675		
Materials and services	21,304	22,697	24,280		
Finance costs	475	407	212		
Depreciation	2,133	2,144	2,209		
Total operating expenses	25,455	\$ 26,860	\$ 28,376		
Operating result	\$ 8,869	\$ 8,944	\$ 8,413		
Capital revenue					
Grants and subsidies	-	290	-		
Contributions from developers	-	_	-		
Donated assets	-	-	_		
Other capital income	-	-	-		
Total capital revenue	_	\$ 290	\$-		
		* 100	¥		
Capital expenses					
Loss on disposal or sale of assets	-	-	-		
Revaluation decrement and loss on impairment	-	-	-		
Other capital expenses	100	1,600	1,600		
Total capital expenses	100	\$ 1,600	\$ 1,600		
Ned second	\$ 8,769	\$ 7,634	¢ 6.942		
Net result	\$ 0,769	\$ 7,634	\$ 6,813		
Tax equivalents & dividend					
Tax equivalents	2,542	1,967	1,401		
Dividend	651	651	651		

MACKAY REGIONAL COUNCIL - WATER SERVICES BUSINESS UNIT STATEMENT OF INCOME AND EXPENSES

For the year ending 30 June 2024 (including next two financial years)

	Budget	Forward Estimate			
	2023/24	2024/25	2025/26		
	\$000	\$000	\$000		
Operating revenue					
Rates and charges	102,756	107,340	111,632		
Discounts	(6,930)	(7,249)	(7,550)		
Remissions	(236)	(247)	(257)		
Net Rates and charges	95,590	99,844	103,825		
Fees and charges	4,117	4,282	4,432		
Rental income	244	253	262		
Sales - contracts and recoverable works	1,597	1,661	1,719		
Grants and subsidies	-	-	-		
Interest earned	3,905	4,981	4,259		
Other operating revenue	-	-	-		
Total operating revenue	\$ 105,453	\$ 111,021	\$ 114,497		
	•,	• • • • • • • •	· · · · · · · · · · · · · · · · · · ·		
Operating expenses					
Employee costs	14,582	15,188	15,750		
Materials and services	26,145	27,694	29,435		
Finance costs	1,176	1,151	871		
Depreciation	32,488	32,131	32,569		
Total operating expenses	74,391	\$ 76,164	\$ 78,625		
	,	¢ 10,101	· · · · · · · · · · · · · · · · · · ·		
Operating result	\$ 31,062	\$ 34,857	\$ 35,872		
Capital revenue					
Grants and subsidies	2,000				
	,	-	-		
Contributions from developers	1,050	- 1,200	- 1,350		
Donated assets	,	- 1,200 2,000	- 1,350 2,000		
	1,050				
Donated assets	1,050				
Donated assets Other capital income Total capital revenue	1,050 2,000 -	2,000	2,000		
Donated assets Other capital income Total capital revenue Capital expenses	1,050 2,000 -	2,000	2,000		
Donated assets Other capital income Total capital revenue Capital expenses Loss on disposal or sale of assets	1,050 2,000 -	2,000	2,000		
Donated assets Other capital income Total capital revenue Capital expenses Loss on disposal or sale of assets Revaluation decrement and loss on impairment	1,050 2,000 - 5,050 -	2,000 \$ 3,200	2,000 - \$ 3,350 - -		
Donated assets Other capital income Total capital revenue Capital expenses Loss on disposal or sale of assets	1,050 2,000 -	2,000	2,000		
Donated assets Other capital income Total capital revenue Capital expenses Loss on disposal or sale of assets Revaluation decrement and loss on impairment	1,050 2,000 - 5,050 -	2,000 \$ 3,200	2,000 - \$ 3,350 - -		
Donated assets Other capital income Total capital revenue Capital expenses Loss on disposal or sale of assets Revaluation decrement and loss on impairment Other capital expenses Total capital expenses	1,050 2,000 - 5,050 - - 600 600	2,000 \$ 3,200 - - 600 \$ 600	2,000 - \$ 3,350 - - 600 \$ 600		
Donated assets Other capital income Total capital revenue Capital expenses Loss on disposal or sale of assets Revaluation decrement and loss on impairment Other capital expenses	1,050 2,000 - 5,050 - - 600	2,000 - \$ 3,200 - 600	2,000 - \$ 3,350 - 600		
Donated assets Other capital income Total capital revenue Capital expenses Loss on disposal or sale of assets Revaluation decrement and loss on impairment Other capital expenses Total capital expenses Net result	1,050 2,000 - 5,050 - - 600 600	2,000 \$ 3,200 - - 600 \$ 600	2,000 - \$ 3,350 - - 600 \$ 600		
Donated assets Other capital income Total capital revenue Capital expenses Loss on disposal or sale of assets Revaluation decrement and loss on impairment Other capital expenses Total capital expenses Net result Tax equivalents & dividend	1,050 2,000 5,050 - - - - 600 600 \$ 35,512	2,000 3,200 5,600 5,600 37,457	2,000 \$ 3,350 \$ 600 \$ 600 \$ 38,622		
Donated assets Other capital income Total capital revenue Capital expenses Loss on disposal or sale of assets Revaluation decrement and loss on impairment Other capital expenses Total capital expenses Net result Tax equivalents & dividend Tax equivalents	1,050 2,000 5,050 - - - - - - - - - - - - - - - - - -	2,000 3,200 5,3,200 - - 600 5,600 5,600 11,290	2,000 \$ 3,350 \$ 600 \$ 600 \$ 38,622 11,619		
Donated assets Other capital income Total capital revenue Capital expenses Loss on disposal or sale of assets Revaluation decrement and loss on impairment Other capital expenses Total capital expenses Net result Tax equivalents & dividend	1,050 2,000 5,050 - - - - 600 600 \$ 35,512	2,000 3,200 5,600 5,600 37,457	2,000 \$ 3,350 \$ 600 \$ 600 \$ 38,622		

MACKAY REGIONAL COUNCIL BUDGET 2023-2024



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Disclaimer

While every care has been taken in preparing this publication, Mackay Regional Council accepts no responsibility for decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within. To the best of our knowledge the content was correct at the time of publishing.

COUNCIL POLICY

DEBT POLICY

Financial Services Program: Date of Adoption: **Resolution Number: Review Date:**

21 June 2023 21 June 2024

Scope

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

Objective

To ensure that appropriate forward financial planning is undertaken, and the level of Council debt is within acceptable limits to Council, its ratepayers, and other interested external parties.

Policy Statement

Council recognises that loan borrowings for capital works are an important funding source for local government, and that the full cost of infrastructure should not be borne entirely by present-day ratepayers but be contributed to by future ratepayers who will also benefit.

This process to remain in force until otherwise determined by Mackay Regional Council

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COUNCIL POLICY

DEBT POLICY

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COUNCIL POLICY

DEBT POLICY

1.0 Principles

Council recognises that loan borrowings for capital works are an important funding source for local government and that the full cost of infrastructure should not be borne entirely by present-day ratepayers but be contributed to by future ratepayers who will also benefit. Whilst recognising the importance of loan borrowings, Council should not treat loans as a source of income.

Council will maintain a Long-Term Financial Forecast (LTFF) to demonstrate its long-term financial viability and ability to service loan repayments.

This forecast includes future revenue and expenditure levels including loan borrowing and servicing costs. This forecast will be reviewed annually during the budget process to ensure MRC remains financially viable in the long term.

New borrowings will only be made to fund capital expenditure, for a period less than or equal to the estimated useful life of the asset(s) and not exceeding 20 years.

New borrowings will be undertaken in accordance with the Queensland Treasury Corporation Guidelines, the *Statutory Bodies Financial Arrangements Act 1982* and section 192 of the Regulation.

1.1 Purpose of the Borrowings

Loan funds can be raised to finance a range of infrastructure assets over the maximum timeframes stated. MRC will not utilise loan funding to finance operating activities or recurrent expenditure.

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

Council recognises that infrastructure demands placed upon MRC can often only be met through borrowings but will always be mindful of the additional cost incurred by the community when assets are acquired through borrowings, which increases the cost of providing capital infrastructure. MRC may meet long term debt requirements by first using any surplus cash and investments currently available (even if these are surplus only for a short time) before undertaking new borrowing. This is the case even if existing funds only defers the need to borrow for a short period of time.

MRC undertakes a full analysis of all funding options in preparing its LTFF, including a forward program of capital works to determine loan funding requirements. MRC will maintain close scrutiny of its level of debt to ensure its relevant financial sustainability indicators will not exceed the maximum limits recommended by QTC.

Where capital expenditure is deferred from one year to the next, the drawdown of approved loan funds will be reviewed to minimise interest expenses.

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1.2 <u>Repayment Term</u>

Unless otherwise noted, the repayment term of new borrowings is projected at 20 years, noting that market conditions and any other principles agreed to with QTC may change over time.

The loan portfolio of MRC is mainly with QTC, via their fixed rate loan product.

A fixed rate loan is a loan where the interest rate does not fluctuate for the term of the fixed period. A fixed rate loan provides rate certainty; however, an early repayment adjustment applies for any unscheduled repayments.

The amount required to extinguish a fixed rate loan at any point in time is the market value of the loan. The market value reflects the remaining cash flows required to repay the debt, valued at the current market rates of interest.

An early repayment adjustment reflects the difference between the loan balance and the market value of a fixed rate loan. The adjustment can be a loss or a gain depending on whether market rates for the remaining term are lower or higher than the original fixed rate.

MRC intends maintaining principal and interest repayment schedules consistent with the fixed rate terms of individual loans so that exposure to early repayment adjustment losses are minimised. However, in circumstances where the early repayment adjustment will result in a gain to Council, consideration will be given to early repayment of the relevant loan facilities, subject to evaluation of Council's financial position at the time.

The repayment term of existing loans varies between 2 and 11 years.

Details of outstanding loans will be reported annually in MRC's Financial Statements and Annual Report.

Council will raise all external borrowings at the most competitive rates available and from sources available as defined by legislation.

1.3 Proposed New Borrowings

New borrowings planned for 2023/24 and the subsequent nine years are as follows:

Year and Purpose of Borrowing	Amount \$'000
2023/24 – new and upgrade infrastructure assets	\$21,200
2024/25 – new and upgrade infrastructure assets	\$20,000
2025/26 – new and upgrade infrastructure assets	\$23,800
2026/27	Nil
2027/28 – new and upgrade infrastructure assets	\$10,000
2028/29 – new and upgrade infrastructure assets	\$20,000
2029/30 – new and upgrade infrastructure assets	\$39,500
2030/31 – new and upgrade infrastructure assets	\$61,500
2031/32 – new and upgrade infrastructure assets	\$50,000
2032/33 – new and upgrade infrastructure assets	\$50,500

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DEBT POLICY

The default repayment term of new loans is 20 years, however, will be set on a caseby-case basis to ensure best use of Council's surplus funds.

1.4 Loan Drawdowns

The Queensland Treasury Corporation (QTC) and the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) approve proposed borrowings for a particular financial year.

In order to minimise finance costs, loan drawdowns should be deferred as long as possible after taking into consideration MRC's overall cash flow requirements.

Should the completion of capital works be delayed during the financial year, the loan drawdown amount will be adjusted to avoid drawing down funds not required until the following financial year.

2.0 Definitions

To assist in interpretation the following definitions shall apply:

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

MRC shall mean Mackay Regional Council.

QTC shall mean Queensland Treasury Corporation.

The Act shall mean the Local Government Act 2009.

The Regulation shall mean the Local Government Regulation 2012

3.0 Review of Policy

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

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

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

4.0 Reference

- Local Government Act 2009
- Local Government Regulation 2012
- Statutory Bodies Financial Arrangements Act 1982
- Queensland Treasury Corporation Guidelines

5.0 Attachments

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INVESTMENT POLICY

Program: Date of Adoption: Resolution Number: Review Date: Financial Services 21 June 2023 21 June 2024

Scope

This policy applies to the investment of surplus funds in accordance with category 1 investment powers, allocated under Part 6 of the *Statutory Bodies Financial Arrangements Act* 1982.

Objective

To provide Mackay Regional Council (MRC) with an investment policy which outlines investment objectives, risk tolerance philosophies and portfolio performance measures, within the statutory framework of all associated legislation.

Policy Statement

Council has authority to exercise category 1 investment powers under Part 6 of the Statutory Bodies Financial Arrangement Act 1982 (the SBFA Act). Council aims to maximise investment returns on all surplus cash within agreed risk parameters. Capital preservation and liquidity management are the key consideration when entering into investment transactions.

> This process to remain in force until otherwise determined by Mackay Regional Council

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MACKAY REGIONAL COUNCIL

INVESTMENT POLICY

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Mackay REGIONAL

INVESTMENT POLICY

1.0 Principles

In accordance with s191(1) of the Regulation, Council must prepare and adopt an investment policy. The policy must outline investment objectives and overall risk philosophy; and procedures for achieving the goals related to investment.

MRC has been allocated authority to exercise category 1 investment power under Part 6 of the *SBFAA*. All investments are to be made in accordance with:

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

1.1 Ethics and Conflicts of Interest

1.1.1 *Prudent Person Standard* - Prudence is to be used by the Investment Officer when managing the investment portfolio. Investments will be managed with the care, diligence, and skill that a prudent person would exercise in managing the affairs of other persons.

The Investment Officer is to manage the investment portfolio in accordance with the spirit of this policy, and not for speculation. Any transactions that would harm confidence in MRC or its associated entities are to be strictly avoided.

1.1.2 *Ethics and Conflicts of Interest* - The Investment Officer is to refrain from personal activities that conflict with the proper execution and management of MRC's investment portfolio. Any activities that impair the Investment Officer's ability to make impartial decisions are to be avoided.

This policy requires that the Investment Officer disclose to the CEO any conflict of interest or holding of investment positions that could be related to the investment portfolio.

1.1.3 *Delegation of Authority* - Authority for the implementation of this policy is delegated to the CEO in accordance with s257(1)(b) of the Act.

Authority for the day-to-day management of the investment portfolio is delegated by the CEO to the Director Organisational Services, Manager Financial Services, and the Revenue & Treasury Coordinator.

1.2 Investment Objectives

In order of priority, the objectives of undertaking investment activities shall be preservation of capital, maintenance of liquidity, and return on investments.

1.2.1 *Preservation of Capital* - Preservation of capital shall be the principal objective of the investment portfolio. The Investment Officer will endeavour to preserve capital through the effective management of the investment portfolios exposure to credit risk, interest rate risk, liquidity risk and transaction risk.



INVESTMENT POLICY

- 1.2.1.1 *Credit Risk* The Investment Officer will evaluate and assess credit risk prior to investment and aim to mitigate credit risk in the investment portfolio by ensuring diversification, limiting transactions to secure investments and pre-qualifying all transactions including the dealers with which they do business.
- 1.2.1.2 Interest Rate Risk The Investment Officer shall seek to minimise the risk of a change in the market value of the investment portfolio due to a change in interest rates, by considering the cash flow requirements of MRC and structuring the portfolio accordingly. This will avoid the need to sell investments prior to maturity in the open market. Interest rate risk can also be limited by investing in shorter term investments.
- 1.2.1.3 *Transaction Risk* The Investment Officer shall mitigate loss through transaction risk by exercising due diligence, and employing adequate processes, procedures and systems when placing investment funds. An appropriate separation of duties shall also exist.
- 1.2.1.4 *Liquidity Risk* The Investment Officer shall undertake an analysis of cash flow prior to placement of investment funds to mitigate the risk of having insufficient cash on hand to meet working capital requirements.

1.2.2 *Maintenance of Liquidity* - The investment portfolio will maintain sufficient liquidity to meet all reasonably anticipated working capital cash flow requirements of MRC as, and when they fall due, without incurring significant transaction costs due to any need to sell an investment prior to maturity.

This can be facilitated by ensuring that maturity dates for individual investments are selected to ensure regular maturities throughout the year and maintaining a minimum of 10% of the portfolio at call or maturing within 14 days.

1.2.3 *Return on Investments* - The investment portfolio is expected to achieve a market average rate of return, considering MRC's risk tolerance, current interest rates, budget considerations, and the economic cycle.

Any additional return target set by MRC will also consider the risk limitations, prudent investment principles and cash flow characteristics identified within this policy.

Section 47 of the SBFAA dictates that MRC must exercise its best effort to place investment funds at the most advantageous interest rate available at the time of the investment, for an investment of the proposed type. Records must be kept showing MRC invested in the most appropriate way for the circumstances.

This will generally be achieved, for term deposits, by calling for interest rate quotes, from investment organisations (banks) registered with MRC, for a variety of maturity terms and evaluating the benefits of the various options received.

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INVESTMENT POLICY

The officers delegated under section 6.1.3 of this policy may accept offers of rates and terms made outside this process provided proper due diligence is followed, considering the last call for rates, an evaluation of the prevailing economic circumstances, and the other provisions of this policy.

1.3 Portfolio Implementation

1.3.1 *Internal Controls* - The Manager Financial Services shall establish internal controls and processes that ensure investment objectives are met, and that the investment portfolio is protected from loss, theft or misuse, as prescribed by s191(1) of the Regulation.

The internal controls will address the following:

- Collusion
- Separation of transaction authority from accounting and record keeping
- Safekeeping of records
- Avoidance of physical delivery of securities
- Clear delegation of authority to the Investment Officer
- Confirmation requirements for the settlement of securities
- Compliance and oversight of investment parameters
- Reporting of breaches of this policy

The established processes will include regular reporting, as well as an annual review of this policy.

In addition, a letter must be signed by the Director of Organisational Services advising any approved counterparty that, upon maturity/sale of an investment, all funds must be deposited into MRC's consolidated bank account on the morning of maturity date. This instruction can only be varied by providing a written request signed by the CEO, Director of Organisational Services, or a relevant account signatory.

1.4 Investment Parameters

1.4.1 *Investable Funds* - For the purposes of this policy, investable funds are the surplus funds available for investment at any one time. However, this policy does not apply to monies held in trust where those funds are subject to specific conditions.

It is appropriate for the Investment Officer to be conservative so that, where possible, it is not necessary to sell an investment prior to maturity to meet cash flow obligations. It is the responsibility of the Investment Officer to assess the cost of direct investment management by MRC, relative to the return generated. This should be compared with the cost of investing funds with a capital guaranteed cash fund, such as the QTC Capital Guaranteed Cash Fund.

1.4.2 *Authorised Investments* - MRC approves dealings with all financial institutions, as defined by the *Banking Act 1959*.

Authorised investments are limited to those prescribed by s44(1) of the SBFAA: • deposits with a financial institution



INVESTMENT POLICY

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

1.4.3 *Prohibited Investments* - This policy prohibits any investment carried out for speculative purposes.

The following investments are prohibited:

- derivative based instruments (excluding floating rate notes)
- principal only investments or securities that provide potentially nil or negative cash flow
- stand-alone securities that have underlying futures, options, forward contracts, and swaps of any kind
- securities issued in non-Australian dollars

1.4.4 *Portfolio Investment Parameters and Credit Requirements* - The following tables show the credit rating and counterparty limits for MRC, as a percentage of the market value of the investment portfolio:

Rating Rank (as below)	Maximum Individual Counterparty Limit	Maximum Portfolio Limit
QTC	100%	100%
1	40%	100%
2	20%	50%
3	10%	15%

Rating Rank	(Short Term Rating Standard and Poors Global	Short Term Rating Fitch Ratings	(Short Term Rating Moody's investors Service
QTC	N/A	N/A	N/A
1	(A-1)	(F1)	(P1)
2	(A2)	(F2)	(P2)
3	(A3)	(F3)	(P3)

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INVESTMENT POLICY

Overall, the amount invested with institutions should not exceed the above stated percentage ranges of the cash and investment balances at the time the investment is made, and appropriate documentation must be maintained, although future estimated cashflows must be considered in making the decision. When placing investments, consideration should also be given to the relationship between credit rating and interest rate.

Reporting and credit rating verification will be completed regularly for financial institutions that hold investments within MRC's portfolio to establish whether at that time, the above limits have been breached or the institution has been downgraded.

1.4.5 *Maturity* - All prescribed by s44(2) of the SBFAA, all investments will either be at call or for a fixed term of no longer than one year.

1.4.6 *Breaches* - Any breach of this policy is to be reported to the Director Organisational Services within 7 days of the breach occurring. The Director Organisational Services is delegated discretion to take appropriate action to rectify breaches.

Where MRC holds an investment that is downgraded below the minimum acceptable level (as specified by the SBFAA for the investment arrangement), MRC shall, within 28 days after the change becomes known to MRC, either:

- obtain the Treasurer's approval for continuing with the investment arrangement,
- or sell/redeem/withdraw the investment arrangement.

1.4.7 *Safekeeping of Records* - Pursuant to s48 of the SBFAA, written confirmation of each investment arrangement shall be held by MRC.

2.0 Definitions

To assist in interpretation the following definitions shall apply:

At call shall mean simple investments where the investment can be redeemed within 30 days without penalty.

CEO shall mean the person appointed to the position of Chief Executive Officer under s194 of the Local Government Act 2009. This includes anyone acting in that position.

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

Counterparty shall mean the other individual or institution to an agreement or contract. See financial institution.

Credit risk shall mean the risk of Mackay Regional Council suffering financial loss due to the failure of a counterparty to meet its obligations.

Financial institution shall mean an authorised deposit-taking institution within the meaning of the Banking Act 1959 (Cwlth). See counterparty.

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INVESTMENT POLICY

Interest rate risk shall mean the risk of a change in the market value of the investment portfolio, which arises due to a change in interest rates.

Investment Officer shall mean an employee engaged in activities related to the physical investment of funds (e.g. investment placement and redemption, reconciliations etc.).

Investment portfolio shall mean a collection of cash deposit investment accounts.

Investments shall mean arrangements that are undertaken or acquired for producing income and made in accordance with all applicable legislation.

Liquidity risk shall mean the risk that Mackay Regional Council will have insufficient cash available to meet its working capital needs.

Major Banks shall mean the big four Australian Banks – Commonwealth Bank of Australia, Westpac Banking Corporation, Australia and New Zealand Banking Group and National Australia Bank.

Market average rate of return shall mean for performance purposes, the investment portfolio will be compared to the Bloomberg AusBond Bank Bill Index.

MRC shall mean Mackay Regional Council.

Preservation of capital shall mean an investment strategy with the primary goal of preventing losses in an investment's total value.

QIC shall mean Queensland Investment Corporation.

QTC shall mean Queensland Treasury Corporation.

SBFAA shall mean Statutory Bodies Financial Arrangements Act 1982.

The Act shall mean the Local Government Act 2009.

The Regulation shall mean the Local Government Regulation 2012.

Transaction risk shall mean the risk of a direct or indirect loss resulting from inadequate or failed internal processes, people or systems.

3.0 Review of Policy

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

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

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

4.0 Reference

- Australian Prudential Regulation Authority; List of Approved Deposit-Taking Institutions
- Banking Act 1959 (Cwlth)
- Investment Internal Control Procedure
- Investment Policy Guidelines for Local Governments 2015
- Local Government Act 2009

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- Local Government Regulation 2012
- Register of Administrative Delegations
- Statutory Bodies Financial Arrangements Act 1982
- Statutory Bodies Financial Arrangements Regulation 2007

5.0 Attachments

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4.5. FINANCIAL STRATEGY AND LONG TERM FINANCIAL FORECAST 2024-2033 4.5.1. FINANCIAL STRATEGY AND LONG TERM FINANCIAL FORECAST 2024-2033

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24
Attachments	1. Long Term Financial Forecast 2024-2033 [4.5.1.1 - 28 pages]

Purpose

The purpose of this report is to adopt Council's Financial Strategy and Long-Term Financial Forecast 2024-2033.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Background/Discussion

Under the requirements of Section 171 of the *Local Government Regulation 2012*, Councils must prepare a forecast covering a period of at least 10 years. The forecast must include income, expenditure and the value of assets, liabilities and equity of the Council. The Council must consider its long-term financial forecast before planning new borrowings and it must be reviewed at a minimum annually.

Council's Financial Strategy and Long-Term Financial Forecast sets a plan for the long-term financial sustainability of Mackay Regional Council (MRC). It considers the risk and opportunities associated with meeting its long-term financial goals. In conjunction, MRC demonstrates due diligence by monitoring sustainability ratios to review the impact of changes over the long term.

Consultation and Communication

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

Resource Implications

This report sets a financial plan for the future. This is continually monitored in line with changes to Council's budget, and other factors that influence the financial performance of Council now and into the future.

Risk Management Implications

The long-term financial forecast is updated during the year in line with changes to the annual budget. A major review of the financial strategy and forecast is carried out at a minimum annually, and in line with preparation of

the next year's budget to model future year predictions and assumptions in conjunction with current and future activities.

Conclusion

The Financial Strategy and Long-Term Financial Forecast 2024-2033 sets the financial plan for MRC's future. The plan is based on current and known activities, available data and future assumptions. It demonstrates MRC is in a healthy financial position and has the fiscal flexibility to deal with unknown future financial impacts.

The long-term financial forecast is updated regularly in line with changes to the current budget and comprehensively reviewed at a minimum annually.

Officer's Recommendation

THAT Council adopts the Financial Strategy and Long-Term Financial Forecast 2024-2033.

Council Resolution ORD-2023-186

THAT Council adopts the Financial Strategy and Long-Term Financial Forecast 2024-2033.

Moved Cr Jones

Seconded Cr Hassan

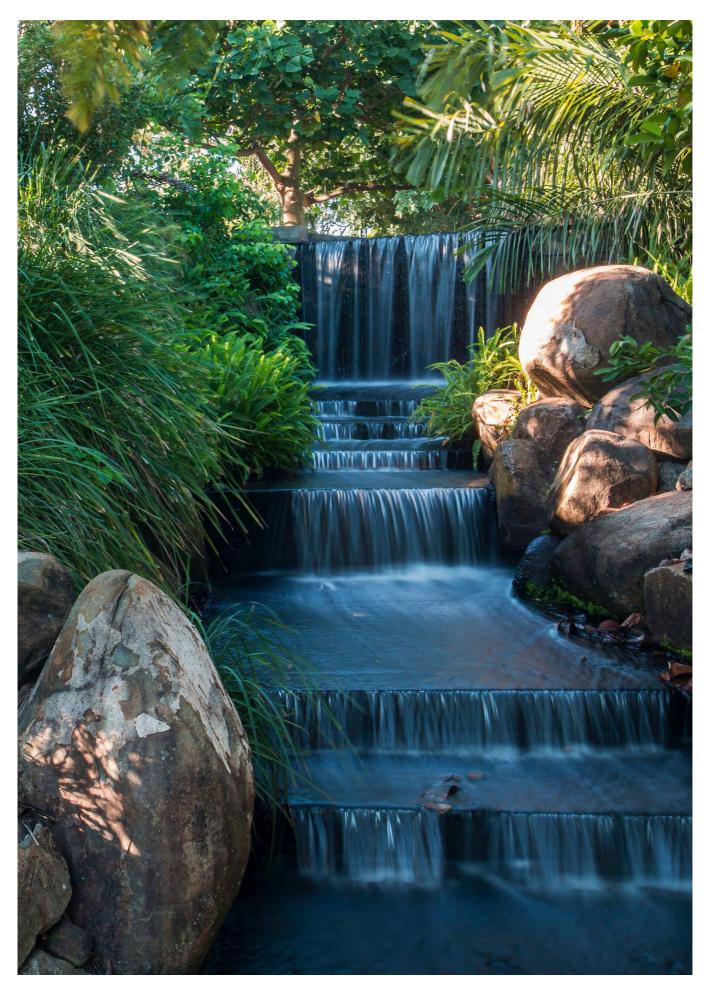
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MACKAY REGIONAL COUNCIL BUDGET 2023-2024

Long-Term Financial Forecast 2024-2033





SPECIAL (BUDGET) MEETING - 21 JUNE 2023



LONG-TERM FINANCIAL FORECAST 2024-2033

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SPECIAL (BUDGET) MEETING - 21 JUNE 2023

Long-Term Financial Forecast 2024-2033



Executive Summary

The Long-Term Financial Forecast (LTFF) provide visibility of council's long term financial sustainability including early identification of financial pressures and potential impacts. The LTFF includes strategies to balance financial pressures with competing demands for services and facilities to the community. This plan balances funding needs of asset renewal and new infrastructure assets, managing services against rating and fee expectations, and managing debt compared to cash reserves.

The LTFF demonstrates council's ability to manage the wide range of services and infrastructure over the long term by maintaining sufficient liquidity, adequate debt servicing capacity and a reasonable level of financial flexibility. The plan will be continuously reviewed to reflect the prevailing economic conditions, updated asset management plans and community requirements.

MACKAY REGIONAL COUNCIL

Long Term Financial Forecast 2024-2033

1.

COUNCIL'S FINANCIAL STRATEGY

The Financial Strategy is council's roadmap for managing its financial resources and processes and is aligned with the objectives and priorities of the Corporate Plan. This strategy establishes the framework under which sound and sustainable financial decisions can be made, outlines the economic environment that council operates in and identifies challenges to be addressed by the strategy.

The strategy provides guidance on capital and operating revenue and expenditure, and cash and revenue management and is measured through a series of financial sustainability targets that must demonstrate alignment with the asset management system and appropriate levels of service to support the community.

The following principles are identified to achieve this:

- Revenue generation is sufficient to achieve efficient and effective service delivery to meet the needs of the community;
- Key inter-generational infrastructure and service issues and initiatives are addressed with the right mix of debt, grant funding and council-generated funding to spread the financial impact over several years;
- Sufficient funding is provided to meet capital expenditure requirements identified in the LGIP to support development and population growth;
- Sufficient funding is provided to meet asset management requirements with agreed and affordable service levels over the long term;
- Strategic risks have been identified and are reflected in financial forecasts and asset management planning;
- Prudent management of investments and loan borrowings are ensured;
- A fair and equitable rating structure is provided.

Long-Term Financial Forecast 2024-2033

Key Initiatives

Council will deliver ongoing financial sustainability through the implementation of several initiatives including:

- Prioritising the capital program focussed on asset class budget targets to ensure the right projects are delivered at the right time;
- Improving long-term infrastructure planning and continuing to review robust systems around the review and management of the LTFF;
- Ensuring full lifecycle costs are considered as part of business case evaluation;
- Focusing on asset management practices and reviewing asset service level standards;
- Reviewing the mix of cash versus borrowings to balance affordability with equitable distribution of costs between current and future generations of ratepayers;
- Improving State and Federal grant allocations through improved advocacy and improved grants and liveability project planning;
- Maximising returns from cash investments to reduce financial impacts on ratepayers;
- Continuing to explore benefits of scale and shared services arrangements including through the Greater Whitsunday Council of Mayors (GWCoM).

Economic Climate and Financial Risks

The following external risks are considered in the LTFF:

 Following COVID-19, risks around price increases of capital projects driven primarily by skilled labour shortages, rising prices of materials and supply chain issues are continuing to impact the long-term financial forecast.

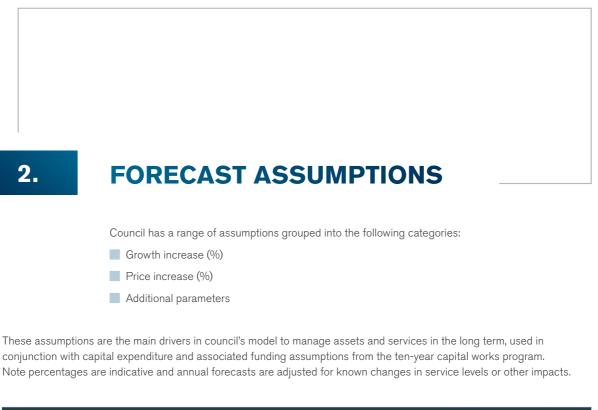
- For specific projects and services, the ability to accurately quantify the financial risks over a long period is hampered by uncertainties surrounding the availability of funding such as grants and contributions from State and Federal governments.
- Council recognises that climate change has the potential to impact council's operations and the economic, social and environmental viability of the local government region and the community. Council's Environmental Sustainability Strategy provides direction on sustainability actions required including the development of a carbon reduction plan. Council is also preparing a Coastal Hazard Adaptation Study to identify risks to the community and council assets at risk, which will inform future risk mitigation options.

The following internal risks are considered in the LTFF:

- Maintaining the extensive local road network of approximately 2,500km and over 350km of pathways and shared paths.
- Managing an extensive levee system, with various opportunities identified for improved flood immunity.
 Some major levee improvement projects are now underway.
- Managing 550km of mainland coastline (including estuaries and inlets).
- A number of asset classes (e.g., timber bridges, community facilities, city centre services) nearing the end of their life, requiring increased rehabilitation or renewal, and required to be renewed at current (higher cost) standards.
- A number of larger asset network changes are planned in the medium term to support the continued growth of the region (including sewerage network and landfill remediation and expansion).



MACKAY REGIONAL COUNCIL



	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Growth increase %										
General rates	0.50%	0.60%	0.65%	0.70%	0.75%	0.75%	0.80%	0.80%	0.90%	0.90%
Rates levies and charges	0.50%	0.60%	0.65%	0.70%	0.75%	0.75%	0.80%	0.80%	0.90%	0.90%
Fees & charges	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.25%	0.25%	0.25%	0.25%
Employee costs	0.00%	0.50%	0.50%	0.50%	0.50%	1.00%	1.00%	1.00%	1.00%	1.00%
Material & Services	0.00%	0.20%	0.20%	0.20%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Price increase %										
Underlying CPI	4.40%	4.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%
General rates	4.20%	5.20%	4.70%	4.70%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%
Other rates levies and charges	4.20%	5.20%	4.70%	4.70%	4.00%	3.50%	3.50%	3.50%	3.50%	3.50%
Waste/Water/Sewerage Rates	3.00%	4.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Fees & charges	3.50%	4.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee costs	2.50%	4.00%	3.50%	3.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Electricity	11.40%	11.00%	10.50%	10.50%	9.50%	9.00%	8.50%	8.50%	8.50%	8.50%
Other materials and services	4.20%	3.80%	3.30%	3.30%	2.80%	2.30%	2.30%	2.30%	2.30%	2.30%
Additional parameters										
Vacancy factor	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%
Developer contributions (\$'000)	3,500	4,000	4,500	5,500	6,500	7,000	7,500	8,000	9,000	9,000

Note: Assumptions are reviewed annually as part of the LTFF, based on the best available information at the time.

MACKAY REGIONAL COUNCIL

Long-Term Financial Forecast 2024-2033



FORECAST REVENUE

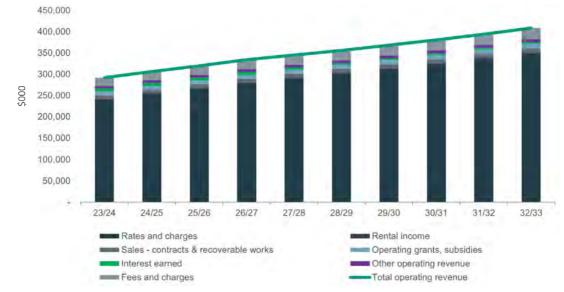
Council is required to raise revenue to maintain assets and provide services to the region, guided by the principles detailed in council's Revenue Policy.

Council's main source of revenue is rates and charges, including:

- General Rates
- Utility Charges (e.g. sewerage, water utility, trade waste, waste management and waste facilities operations)
- Separate Charges (e.g. natural environment, roads improvement and disaster response)

Council also generate revenue from other sources including:

- Fees and charges
- Rental income
- Interest earned
- Sales contract and recoverable works
- Other revenue
- Grants, subsidies and contributions



Operating Revenue

Total revenue by source over the next 10 years informed by the forecast assumptions

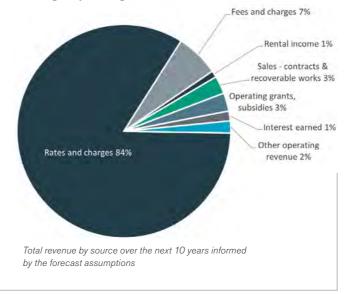


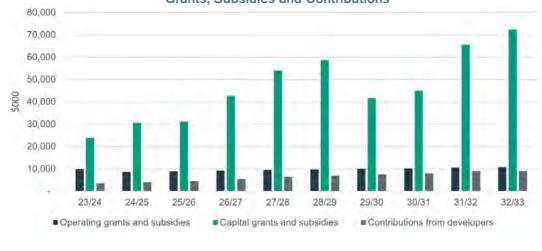


Cash flow requirements are monitored closely to identify any funds not required for operational purposes, with surplus cash invested as detailed in council's Investment Policy.

Through increased advocacy and ongoing development of council's grants management processes, council is projecting increased contributions from State and Federal Government grants to support various liveability projects and major asset management projects planned in the LTFF timeframe. Capital contributions are also received through infrastructure charges received from development to fund infrastructure projects identified in infrastructure agreements and the Local Government Infrastructure Plan.

Average Operating Revenue Distribution 2024-2033



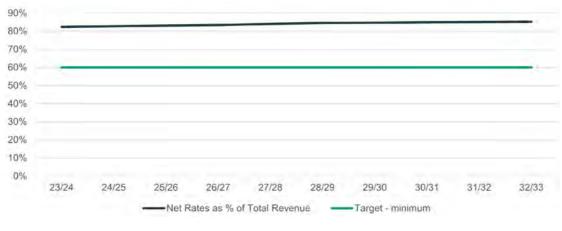


Grants, Subsidies and Contributions



Key Performance Information

The Council Controlled Revenue Ratio measures net rates as a percentage of total operating revenue and indicates the degree of reliance on external funding sources such as operating subsidies, donations and contributions. Council's financial flexibility improves with higher levels of council controlled revenue, with the optimum target being greater than 60%. Council maintains this ratio well above the 60% target across the 10-year span.



Council Controlled Revenue Ratio

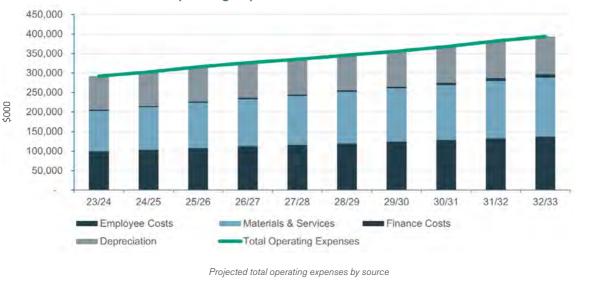
MACKAY REGIONAL COUNCIL

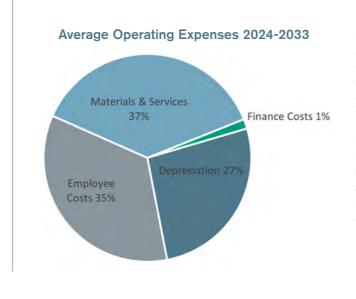
4.

FORECAST EXPENDITURE

Total operating expenses will increase annually because of inflation, increased capital expenditure and increased finance costs due to increased borrowings and reduced cash reserves.







Employee costs include limited employee growth and estimated pay increases based on the current certified agreement and predicted future increases. A vacancy factor of 7% is deducted from the full establishment costs to reflect staff turnover and timing to fill vacancies in a competitive market.

Materials and services will continue to be a significant expense at 37% of total operating expenses, followed by employee costs at 35%. As council's asset management planning matures more detail will be included on operating costs associated with assets in the long term.

Long-Term Financial Forecast 2024-2033

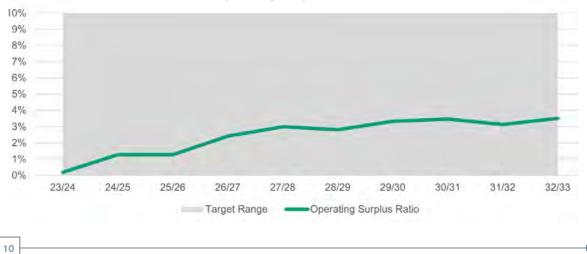


Depreciation is the recognition of consumption of future economic benefits or service potential embodied in noncurrent assets with limited useful lives and recognised as an expense in the Statement of Income and Expenses. Council's non-current assets are valued in excess of \$3.5 billion with a depreciation of \$85.4M in 2023-2024 and projected to be 27% for expenses for the forecast period. Ongoing review of depreciation charges is undertaken to ensure this expense reflects the estimated annual use and service potential of assets.

Finance costs are the smallest component of the operating expense budget making up around 1%. These costs mainly relate to interest and costs associated with council's long-term debt.

Key Performance Information

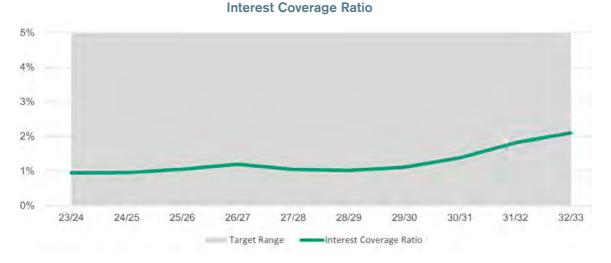
The Operating Surplus Ratio measures the extent to which revenue raised covers operating expenses or is available for capital funding or other purposes. A long-term ratio of between 0% and 10% means council is expecting to generate sufficient levels of revenue with an ability to fund proposed capital expenditure and/or debt repayments. Council is maintaining its operating surplus ratio within the target range for the forecast period, subject to revenue achieved as detailed in the forecast assumptions.



Operating Surplus Ratio

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The Interest Coverage Ratio measures the extent to which operating revenues are committed to funding interest expense. A smaller ratio indicates borrowing capacity, a greater ratio indicates council's limited ability to borrow to fund infrastructure. Net interest expense to service debt increases in later years as debt increases but remains well within the target range of between 0% and 5%.

Long-Term Financial Forecast 2024-2033



5.

CASH MANAGEMENT

Maintaining a cash balance adequate to cover cash operating requirements is fundamental to any organisation, and particularly important given council's bi-annual rating cycle requiring a cash balance adequate to cover cash operating requirements for at least 3 months (minimum target). Cash balances remain high for the first 3 years and reduce in later years to fund borrowings and an increasing capital program. Council is forecasting to maintain available cash balances above the minimum target over the life of the strategy.

Cash reserves are invested as detailed in council's Investment Policy.



Cash Balances

MACKAY REGIONAL COUNCIL



Key Performance Information

The Current Ratio is an indicator of council's liquidity and ability to meet short-term obligations. A high Current Ratio over a sustained period indicates the council may not be using its current assets or its short-term financing facilities efficiently or may indicate problems in working capital management. The Current Ratio is within target bounds for the life of the forecast period.



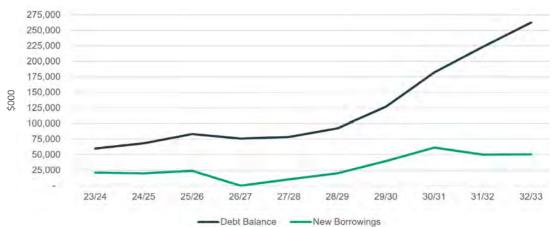
6.

Long-Term Financial Forecast 2024-2033

DEBT MANAGEMENT

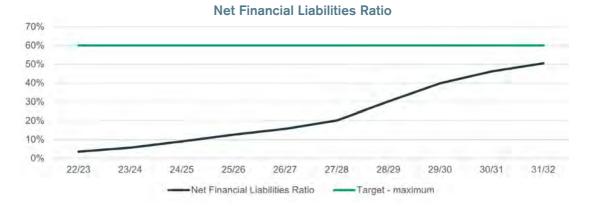
In accordance with council's Debt Policy, new borrowings are only used to fund capital expenditure, for a period less than or equal to the estimated useful life of the asset(s) and not exceeding 20 years.

Council plans to increase debt funding to fund the projected increased capital delivery program and accommodate projected inflation. This plan will require new borrowings of ~\$296M over the ten-year term of this plan. New Debt and Long-Term Debt balances (indexed values) are shown in the graph below.



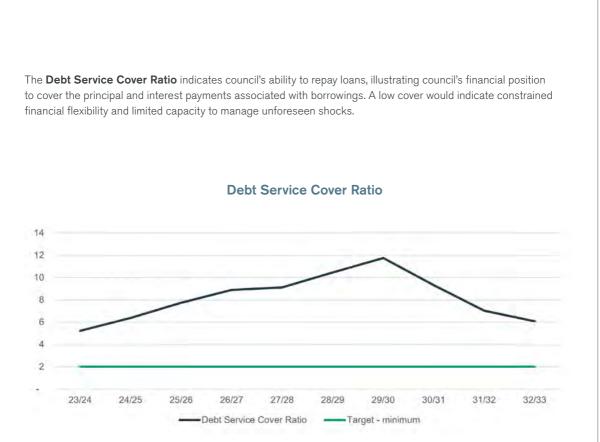
Net Debt Balances

Credit/sustainability reviews are undertaken by Queensland Treasury to ensure current budgeting, forecasting and financing assumptions are sustainable. Market conditions are also reviewed annually to determine the optimum time to make additional loan repayments.

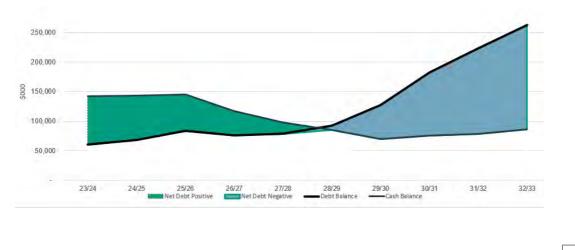


The **Net Financial Liabilities Ratio** is well below the target across all years of the financial model confirming council's ability to fund its net financial liabilities from operating revenue.

MACKAY REGIONAL COUNCIL



Net debt, calculated as total debt (current plus non-current) minus cash and cash equivalents, is a factor considered in Queensland Treasury sustainability reviews. The graph indicates council's strategy to use surplus cash balances and constrained cash reserves first before increasing borrowings to fund increased capital program in later years. Although debt is expected to exceed cash in later years, the Debt Service Cover Ratio demonstrates council's ability to continue to service debt during the forecast period.



Net Debt Position

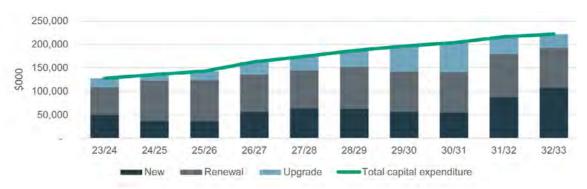
Long-Term Financial Forecast 2024-2033



7.

ASSET MANAGEMENT AND CAPITAL EXPENDITURE

Council is responsible for the provision of a diverse range of services to meet community needs and expectations. A significant number of these services are provided through infrastructure and other non-current assets (referred to as property, plant and equipment). Each year council invests in planned renewal, upgrade or new projects to maintain or enhance our existing asset base through the asset plan as guided by the Corporate Plan. Council's Asset Management Plans quantify the asset portfolio and requirements to manage assets across their life cycle in a financially sustainable manner, by incorporating the knowledge of asset condition, risk and impact of reviewing and setting intervention and service levels for each asset class.



Capital Expenditure (including donated capital)

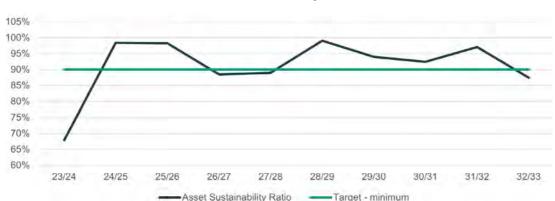
Council's projected ten-year capital program by spending type



MACKAY REGIONAL COUNCIL

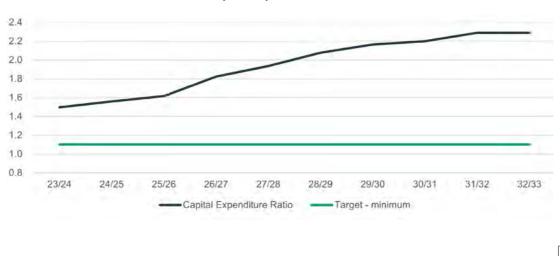
Key Performance Information

The **Asset Sustainability Ratio** approximates the extent to which the infrastructure assets are being replaced as they reach the end of their useful lives. Over the past five years, council's annual asset sustainability ratio was less than 70%, now requiring increased investment to ensure sustainable asset replacement over the long term. Continuing refinement of council's asset management plans will improve council's ability to make informed decisions regarding asset management in the future.



Asset Sustainability Ratio

The **Capital Expenditure Ratio** measures the extent to which annual capital expenditure (including donated capital) is covered by annual depreciation (excluding amortisation charges). A ratio above 1.1 indicates investment in long-term asset growth beyond current existing levels. Council is forecasting to invest in capital projects at a higher level than its asset base is depreciated during the next 10 years.



Capital Expenditure Ratio

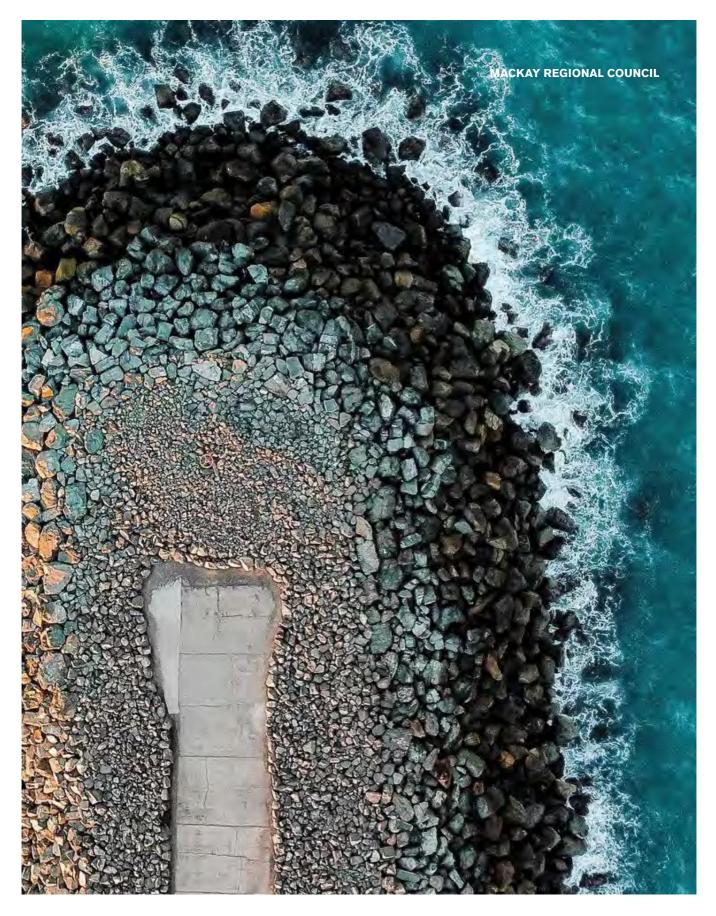
SPECIAL (BUDGET) MEETING - 21 JUNE 2023

Long-Term Financial Forecast 2024-2033

Appendices

Statement of Income and Expenses (including long term forecast until 2032/33) Presents council's consolidated revenues (where the money comes from) and expenses (where the money is spent) Statement of Financial Position (including long term forecast until 2032/33) Identifies the predicted financial position of council, including assets (what we own), liabilities (what we owe) and equity (our net worth) Statement of Cash Flow (including long term forecast until 2032/33) Reports how revenue received, and expenses paid impact council's cash balances Statement of Changes in Equity (including long term forecast until 2032/33) Reports changes to equity (council's assets net of liabilities) Key Financial Sustainability Ratios (including long term forecast until 2032/33) Identifies council's forecasted financial performance Long Term Capital Works Program Details forecasted capital program





20

	Budget				-	Forward Estimate				
	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000	2031/32 \$000	2032/33 \$000
Operating revenue	•			•	2 t					
Rates and charges	263,002	277,037	290,563	304,259	316,793	328,273	340,315	352,810	366,066	379,832
Discounts	(19,906)	(20,822)	(21,686)	(22,597)	(23,444)	(24,206)	(25,126)	(26,081)	(27,098)	(28,155)
Remissions	(2,539)	(2,656)	(2,766)	(2,882)	(2,990)	(3,087)	(3,189)	(3,294)	(3,407)	(3,522)
Net Rates and charges	240,557	253,559	266,111	278,780	290,359	300,980	312,000	323,435	335,561	348,155
Fees and charges	19,806	20,598	21,319	22,065	22,727	23,345	23,980	24,633	25,249	25,880
Rental income	1,497	1,557	1,611	1,667	1,718	1,760	1,804	1,850	1,896	1,943
Sales - contracts and recoverable works	8,230	8,559	8,859	9,169	9,444	9,680	9,922	10,170	10,424	10,685
Grants and subsidies	9,839	8,653	8,956	9,270	9,548	9,787	10,031	10,282	10,539	10,802
Interest earned	6,676	7,835	6,981	7,069	5,272	3,924	3,728	3,473	3,648	3,801
Other operating revenue	5,537	5,759	5,961	6,169	6,354	6,513	6,676	6,843	7,014	7,189
Total operating revenue	\$ 292,142	\$ 306,520	\$ 319,798	\$ 334,189	\$ 345,422	\$ 355,989	\$ 368,141	\$ 380,686	\$ 394,331	\$ 408,455
Operating expenses										
Employee costs	99,822	104,200	108,267	112,497	116,347	120,331	124,454	128,721	133,138	137,465
Materials and services	103,100	108,052	115,135	÷	124,495	131,263	135,885	140,295	146,426	150,345
Finance costs	3,230	3,402	3,873	4,524	4,150	4,159	4,648	5,840	7,769	9,160
Depreciation	85,439	86,927	88,423	89,480	90'063	90,164	90,838	92,609	94,609	97,084
Total oneration exnenses	291 591	\$ 302 581	\$ 315.60R	\$ 326.001	\$ 335 D55	\$ 345 917	\$ 355 R25	\$ 367 465	\$ 381 942	\$ 394.054
				ŀ						
Operating result	\$ 551	\$ 3,939	\$ 4,100	\$ 8,098	\$ 10,367	\$ 10,072	\$ 12,316	\$ 13,221	\$ 12,389	\$ 14,401
Capital revenue										
Grants and subsidies	23 910	30.675	31128		54075	58 741	41 720	44 950	65 620	72 330
	20,010	0000	11,120			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	7 500	000'++	00000	0000
	000 1	4,000	4,500	000'6	000,0	1,000	000'	6,000 1,000	9,000	9,000
Donated assets	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Other capital income	•	•			•	•	•	•	•	
Total capital revenue	\$ 31,410	\$ 38,675	\$ 39,628	\$ 52,255	\$ 64,575	\$ 69,741	\$ 53,220	\$ 56,950	\$ 78,620	\$ 85,330
Capital expenses										
Loss on disposal or sale of assets	740	768	799	812	1,100	975	925	892	(1,258)	(1,537)
Revaluation decrement and loss on impairment	'	•	•	'	'	•	'	'	•	•
Other capital expenses	2,000	3,500	3,500	3,500	3,500	3,500	3,000	3,000	2,820	2,000
Total capital expenses	2,740	\$ 4,268	\$ 4,299	\$ 4,312	\$ 4,600	\$ 4,475	\$ 3,925	\$ 3,892	\$ 1,562	\$ 463
Net result	\$ 29,221	\$ 38,346	\$ 39,429	\$ 56,041	\$ 70,342	\$ 75,338	\$ 61,611	\$ 66,279	\$ 89,447	\$ 99,268

Long-Term Financial Forecast 2024-2033

SPECIAL (BUDGET) MEETING - 21 JUNE 2023

SPECIAL (BUDGET) MEETING - 21 JUNE 2023

	Dudget					Connord Eatimate				
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Current assets	110 100	000 01 1	100 31 1	140 700	600 <u>20</u>	0E 040	70.050	100	200.02	000 20
Cash, cash equivalents and investments Trade and other receivables	21.059	22 094	23 140	24 198	25,003	26.043	26.957	27,003	28.821	29 933
Contract assets	3.500	3.500	3.500	3.500	3.500	3.500	3.500	3.500	3.500	3.500
Other assets	3.216	3.216	3.216		3.216	3.216	3.216		3.216	3.216
Inventories	2.988	2.988	2.988		2.988	2.988	2.988		2.988	2.988
Non-current assets held for sale	62	79	42	62	79	79	62	52	29	62
Total current assets	\$ 173,032	\$ 174,770	\$ 178,147	\$ 150,746	\$ 132,679	\$ 120,869	\$ 106,798	\$ 112,818	\$ 116,939	\$ 126,004
Non-Current Assets										
Investments	5.277	5.277	5 277	5.277	5.277	5.277	5 277	5.277	5 277	5.277
Trade and other received for	140	1170	1110	1110	1170	1170	140	11.0	11710	1110
I rade and other receivables		- 175 001	-	- 006 5	- 076 040	001 000 1	- 170 440	- 720 220 4	- 202450	-
Property, plant and equipment	3,730,542	3,775,921	3,826,970	3,896,140	3,9/6,243	4,069,180	4,170,449	4,2/1,2/4	4,397,156	4,520,633
intangible assets	176'5	3,962	3,948	3,930	3,921	3,908	3,899	3,885	3,891	3,887
Right of use assets	1,143	1,062	982	901	821	741	660	580	500	449
I otal non-current assets	\$ 3,740,889	\$ 3,786,222	\$ 3,837,177	\$ 3,906,253	\$ 3,986,262	\$ 4,079,106	\$ 4,180,285	\$ 4,287,026	\$ 4,406,824	\$ 4,530,246
				•	•	•		•		
l otal assets	\$ 3,913,921	\$ 3,960,992	\$ 4,015,324	\$ 4,056,999	\$ 4,118,941	\$ 4,199,975	\$ 4,287,083	\$ 4,399,844	\$ 4,523,763	\$ 4,656,250
Current liabilities										
Contract liabilities	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Lease liabilities	99	99	99	99	99	99	99	99	99	66
Trade and other payables	8,488	8,918	9,502	9,870	10,245	10,832	11,212	11,576	12,049	12,402
Employee entitlements	14,135	14,224	14,302	14,383	14,451	14,533	14,613	14,694	14,772	14,862
Borrowings	11,644	8,849	7,247	7,632	6,150	4,861	6,471	8,891	11,034	11,552
Provisions	49,858	49,722	49,026	41,475	30,279	21,471	9,980	7,996	6,680	147
Other liabilities	19,572	19,572	19,572	19,572	19,572	19,572	19,572	19,572	19,572	19,572
Total current liabilities	\$ 107.263	\$ 104.851	\$ 103.215	\$ 96.498	\$ 84.263	\$ 74835	\$ 65.414	\$ 66.295	\$ 67.673	\$ 62.101
	607'101 ¢	100'101 0	CI7'00I ¢	octine +	9	9	t t 00	÷	c 10'10 ¢	¢ 02,101
Non-current liabilities										
Lease liabilities	1,241	1,224	1,207	1,190	1,173	1,156	1,139	1,122	1,105	1,089
Employee entitlements	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699
Borrowings	48,406	59,560	76,116	68,484	72,336	87,477	120,510	173,125	212,095	251,049
Provisions	13,268	13,268	13,268	13,268	13,268	13,268	15,171	8,174	2,315	2,168
Other liabilities	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691
Total non-current liabilities	\$ 76,305	\$ 87,442	\$ 103,981	\$ 96,332	\$ 100,167	\$ 115,291	\$ 150,210	\$ 195,811	\$ 228,905	\$ 267,696
Total liabilities	\$ 183,568	\$ 192,293	\$ 207,196	\$ 192,830	\$ 184,430	\$ 190,126	\$ 215,624	\$ 262,106	\$ 296,578	\$ 329,797
Net community assets	\$ 3,730,353	\$ 3,768,699	\$ 3,808,128	\$ 3,864,169	\$ 3,934,511	\$ 4,009,849	\$ 4,071,459	\$ 4,137,738	\$ 4,227,185	\$ 4,326,453
Community equity										
Retained surplus	2,340,937	2,379,283	2,418,712	2,474,753	2,545,095		2,682,043	2,748,322		2,937,037
Asset revaluation reserve	1,389,416	1,389,416	1,389,416	1,389,416	1,389,416	1,389,416	1,389,416		1,389,416	1,389,416
Total community assets	\$ 3730353	\$ 3768.699	\$ 3 808 128		\$ 3 864 169 \$ 3 934 511	\$ 4 009 849	\$ 4071459	\$ 4137738	\$ 4227185	\$ 4326453
I otal community assets	\$ 3,1 30,333		\$ 3,000,120		1 0,404,011	\$ 4,003,043	\$ 4,071,459	\$ 4,137,738	\$ 4,227,185	î A

MACKAY REGIONAL COUNCIL

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	Budaet						Forward Estimate	late					
		č	10110	2012/00	2019000	00/2000		ľ	00	10,000	00/1000	ſ	001000
	\$000	N	\$000 \$	97/6707	202012	\$000	\$2000\$	\$000	20	\$000	\$000	N	\$000 \$
Cash flows from operating activities:													
Receipts from customers	275,075	75	288,910	302,837	316,815	329,725	341,348		353,487	366,001	379,243	43	392,761
Payments to suppliers and employees	(204,004)	4)	(213,821)	(225,406)			0	Ŭ	270,994)	(279,089)	(287,563)	3)	(294,611)
	\$ 71,071	71 \$	75,089	\$ 77,431	\$ 75,640	0 \$ 76,131	1 \$ 79,600	s	82,493 \$	86,912	\$ 91,680	80 \$	98,150
Interest received	6,676	76	7,835	6,981	7,069	9 5,272	3,924		3,728	3,473	3,648	48	3,801
Non capital grants and contributions	9,824	24	8,739	8,934			9,767		10,013	10,263	10,522	22	10,781
Borrowing Costs	(2,787)	()	(2,949)	(3,403)	(4,038)	(3,649)	(3,645)		(4,122)	(5,300)	(7,216)	(9	(8,593)
Net cash inflow (outflow) from operating activities	\$ 84,784	84 \$	88,714	\$ 89,943	\$ 87,918	3 \$ 87,283	3 \$ 89,646	\$	92,112 \$	95,348	\$ 98,634	34 \$	104,139
Cash flow from investing activities:													
Payments for property, plant and equipment	(123,863)	3)	(131,431)	(138,751)	(158,964)	(170,107)	(182,998)		(192,349)	(199,555)	(212,373)	3)	(218,195)
Payments tor intangible assets Net movement in Irans and advances			• •										
Proceeds from sale of property plant and equipment	2,090	06	2,403	2,574	3,596	3 2,935	3,016		3,406	3,313	3,225	25	3,225
Grants, subsidies, contributions and donations	27,410	10	34,675	35,628	48,255	60,575	65,741		49,220	52,950	74,620	20	81,330
Other investing activities	(2,000)	0	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)		(2,000)	(2,000)	(2,000)	0	(2,000)
Net cash inflow (outflow) from investing activities	\$ (96,363)	3) \$	(96,353)	\$ (102,549)) \$ (109,113)) \$ (108,597)) \$ (116,241)	\$	(141,723) \$	(145,292)	\$ (136,528)	8) \$	(135,640)
Cash flow from financing activities:													
Proceeds from borrowings	21,200	00	20,000	23,800		- 10,000			39,500	61,500	50,000	8	50,500
Repayment of borrowings	(14,045)	5)	(11,641)	(8,846)	(7,	(7)	(6,		(4,857)	(6,465)	(8,886)	(9)	(11,029)
Principal lease repayments	5	(17)	(17)	(11)	(17)	(17)	(11)	6	(17)	(11)	E)	(17)	(71)
Net cash inflow (outflow) from financing activities	\$ 7,138	38 \$	8,342	\$ 14,937	r \$ (7,264)) \$ 2,352	2 \$ 13,835	\$	34,626 \$	55,018	\$ 41,097	97 \$	39,454
												_	
Net increase (decrease) in cash held	\$ (4,441)	1) \$	703	\$ 2,331	\$ (28,459)) \$ (18,962)) \$ (12,760)	\$	(14,985) \$	5,074	\$ 3,203	03 \$	7,953
Cash at beginning of reporting period	146,631	31	142,190	142,893	145,224	4 116,765	97,803		85,043	70,058	75,132	32	78,335
Cash at end of reporting period	\$ 142,1	\$ 06	142,893	\$ 145,224	ş	\$	\$	Ş	0.058 \$			35 \$	86,288
Cash at end of reporting period	\$ 142,190		142,893	\$ 145,224	116,765					70,058	70,058 \$ 75,132	70,058 \$ 75,132 \$	70,058 \$ 75,132 \$ 78,335

Long-Term Financial Forecast 2024-2033

	Budget				æ	Forward Estimate				
	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000	2031/32 \$000	2032/33 \$000
Retained Surplus										
Opening balance	2,311,716	2,340,937	2,379,283	2,418,713	2,474,753	2,545,095	2,620,433	2,682,044	2,748,323	2,837,770
Aujustment to opening balance Net result for the period	- 29,221	- 38,346	- 39,429	- 56,041	- 70,342	- 75,338	- 61,611	- 66,279	- 89,447	- 99,268
Closing balance	\$ 2,340,937	\$ 2,379,283	\$ 2,418,713	\$ 2,474,753	\$ 2,545,095	\$ 2,620,433	\$ 2,682,044	\$ 2,748,323	\$ 2,837,770	\$ 2,937,038
Asset Revaluation Reserve										
Opening balance	1,389,416	1,389,416	1,389,416	1,389,415	1,389,416	1,389,416	1,389,416	1,389,415	1,389,415	1,389,415
Adjustment to opening balance Asset revaluation adjustments			- 1)	· -		1	- (1)		•	
			E	-						
Closing balance	\$ 1,389,416	\$ 1,389,416	\$ 1,389,415	\$ 1,389,416	\$ 1,389,416	\$ 1,389,416	\$ 1,389,415	\$ 1,389,415	\$ 1,389,415	\$ 1,389,415
Total										
Opening balance	3,701,132	3,730,353	3,768,699	3,808,128	3,864,169	3,934,511	4,009,849	4,071,459	4,137,738	4,227,185
Adjustment to opening balance	- rcc oc	- 90 00	- 007 00	- 11	- 010 02	- 75 220	- 644	- 020 99		- 000
	23,221	30,340	08,4 29 (1)	00,041	10,342	000'07	110,10	617'00	03,447	33,200
Asset revaluation adjustments	•	'	(E)	-	'	•	(1)	ı	•	ı
TOTAL COMMUNITY EQUITY	\$ 3,730,353	\$ 3,768,699	\$ 3,808,128	\$ 3,864,169	\$ 3,934,511	\$ 4,009,849	\$ 4,071,459	\$ 4,137,738	\$ 4,227,185	\$ 4,326,453
	•				•	•	•	•	•	

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		_	MACK KEY FINANC For the (including lo	MACKAY REGIONAL COUNCIL iNANCIAL SUSTAINABILITY ME or the year ending 30 June 202. ding long term forecast until 20	MACKAY REGIONAL COUNCIL KEY FINANCIAL SUSTAINABILITY METRICS For the year ending 30 June 2024 (including long term forecast until 2032/33)	TRICS 4 32/33)					
		Budget					Forward Estimate				
	Target	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Operating surplus ratio Operating result (excluding capital items) as a percentage of operating revenue	0% - 10%	0.2%	1.3%	1.3%	2.4%	3.0%	2.8%	3.3%	3.5%	3.1%	3.5%
Current ratio Current assets / current liabilities	Between 1 and 4	. 6.	1.7	1.7	1.6	1.6	1.6	1.6	1.7	1.7	2.0
Debt service cover ratio EBITDA / (interest expense + principal loan repayment)	>2 times	5. 2	6.4	7.7	Ο œ	0. 1	10.5	11.7	ю. о	0.7	6.1
Net financial liabilities ratio (Total liabilities - current assets) / total operating revenue (excluding capital items)	< 60%	3.6%	5.7%	9.1%	12.6%	15.0%	19.5%	29.6%	39.2%	45.6%	49.9%
Asset sustainability ratio Capital expenditure on renewals / depreciation expense	%06 <	67.9%	98.4%	98.3%	88.5%	88.9%	%0.66	94.0%	92.4%	97.1%	87.5%
Capital expenditure ratio Capital expenditure / depreciation	> 1.1 times	1.5	1.6	1.6	1.8	1.9	2.1	2.2	2.2	2.3	2.3

Long-Term Financial Forecast 2024-2033

	Budget				Fc	Forward Estimate				
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Buildings and Facilities	13,166	7,829	13,607	28,724	31,341	25,165	9,850	7,228	9,166	10,521
Renewal	4,694	6,155	6,735	7,569	5,777	4,826	3,981	4,323	6,277	3,921
Upgrade	1,051	308	1,059	7,120	219	26	66	102		'
New	7,421	1,365	5,814	14,035	25,344	20,243	5,769	2,803	2,889	6,599
Parks, Gardens, Coastal & Foreshores, Waste	18,463	21,711	17,000	8,399	15,777	21,553	12,801	12,165	8,879	8,545
Renewal	2,979	4,992	2,893	4,014	4,488	6,365	5,012	4,275	5,648	3,826
Upgrade	3,530	1,398	1,198	1,103	2,841	1,036	1,727	5,196	1,139	195
New	11,954	15,322	12,909	3,283	8,447	14,151	6,062	2,695	2,092	4,525
Intangible	•	•	•	•	•	•	•	•		•
Renewal	•		•				•	•		
Upgrade	•		•							
New									-	
Land	144	•		4,175	5,760			•		•
Renewal		•		•		•				
Upgrade	•									
New	144			4,175	5,760					
Plant & Equipment	11,235	13,353	13,641	11,136	10,654	10,944	12,646	12,838	13,726	12,564
Renewal	10,897	13,269	13,558	9,565	9,142	9,528	11,320	11,472	12,319	11,115
Upgrade	36	84		303						
New	302		83	1,268	1,512	1,416	1,326	1,366	1,407	1,449
Roads, Drainage & Network	62,468	55,390	49,401	53,893	71,119	71,369	80,461	98,485	107,567	101,066
Renewal	26,595	38,827	32,966	26,771	32,134	33,969	32,349	31,811	37,752	36,654
Upgrade	12,759	5,928	7,088	10,564	20,972	21,914	22,886	35,851	34,069	14,864
New	23,113	10,636	9,347	16,558	18,013	15,486	25,226	30,822	35,746	49,549
Sewerage	5,585	15,244	12,977	27,666	15,979	21,250	41,324	36,636	52,604	59,253
Renewal	4,174	10,017	8,246	14,768	12,164	17,140	16,075	16,348	12,386	12,830
Upgrade	1,008	3,186	2,769	6,313	2,982	2,923	24,650	17,857	1,253	10,201
New	404	2,041	1,963	6,585	834	1,187	599	2,431	38,964	36,221
Water	12,800	17,904	32,124	24,971	19,478	32,716	35,269	32,202	20,431	26,247
Renewal	8,654	12,198	22,412	16,390	16,316	17,375	16,574	17,289	17,407	16,513
Upgrade	1,379	1,301	6,795	1,699	2,756	8,472	4,574	3,448	105	4,521
New	2,767	4,404	2,917	6,883	406	6,869	14,121	11,465	2,919	5,212
Quarry and Landfill Remediaiton	557	1,636	2,197	9,050	12,696	10,308	10,589	9,980	7,996	6,680
Renewal	557	1,636	2,197	9,050	12,696	10,308	10,589	9,980	7,996	6,680
Upgrade	•									
New	•			•		·			·	
	\$ 124.420 \$	133.067	\$ 140.947 \$	168.015 \$	\$ 182.803 \$	\$ 193.306 \$	202.938 \$	\$ 209.535 \$	\$ 220.369 \$	224.875

MACKAY REGIONAL COUNCIL

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Long-Term Financial Forecast

2024-2033

MACKAY REGIONAL COUNCIL BUDGET 2023-2024



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While every care has been taken in preparing this publication, Mackay Regional Council accepts no responsibility for decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within. To the best of our knowledge the content was correct at the time of publishing.

4.6. CODE OF COMPETITIVE CONDUCT STATEMENT 4.6.1. CODE OF COMPETITIVE CONDUCT STATEMENT

Author	Acting Manager Financial Services (Jaco Ackerman)
Responsible Officer	Director Organisational Services (Angela Hays)
File Reference	Budget 2023/24
Attachments	1. Activity Statement 2024 [4.6.1.1 - 1 page]

Purpose

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

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

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

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

Background/Discussion

In accordance with the *Local Government Act 2009* (the Act) and the *Local Government Regulation 2012* (the Regulation), Council is required to make certain assessments and disclosures in relation to business activities:

Significant Business Activities

Section 19 of the Regulation prescribes the threshold that a business activity must meet to be a significant business activity for a financial year:

- If the business activity is the provision of combined water and sewerage services, the threshold is 10,000 or more premises being connected to a water service as at 30 June of the financial year ending immediately before the current financial year.
- For any other business activity, the threshold is expenditure of at least \$9.7m for the financial year ending immediately before the current financial year.

Section 20 of the Regulation requires Council to use this information to present significant business activities in either the performance report or at the budget meeting for the financial year ending immediately before the current financial year.

The following are significant business activities of Mackay Regional Council (MRC):

- Mackay Water Services, which manages water and sewerage activities; and
- Mackay Waste Services, which manages solid waste activities.

Code of Competitive Conduct

The Act requires Council to decide each financial year (by resolution) whether to apply the code of competitive conduct to a business activity prescribed under a regulation.

The Regulation (section 39) states that a business activity is prescribed if the amount of current expenditure for a financial year is \$340,000 or more. If Council decides not to apply the Code, then the reasons for not doing so must be stated per the Act (section 47(8)). The following activities are primarily involved in trading goods and services, and have been considered:

Building Certification

The Regulation (section 38) prescribes that any building certification activity of MRC is a prescribed business activity. As Council does not presently conduct a building certification activity, the requirements of this section do not apply.

Roads Activities

The Act (section 47(3)) states that the local government must apply the code of competitive conduct to a roads activity. A roads activity is defined to only include business activities which the State or local government has put out to tender. Council does not presently perform any such road activities and therefore the requirements of this section do not apply.

Mackay Entertainment & Convention Centre (MECC)

Whilst the activity receives a large component of its funding by trading in goods and services, the overall objective of the Mackay Entertainment and Convention Centre is to promote economic development in the region and to encourage artistic and cultural development within the community. It is anticipated that applying the code of competitive conduct to the business activity will add an administrative expense without necessarily improving decision-making or the financial results of the activity. Therefore, it is proposed that the code of competitive conduct should not be applied to this activity.

Sarina Sugar Shed

The primary activity of the Sarina Sugar Shed is to promote economic development within the region through tourism. A portion of its funding is generated by trading in goods and services. It is anticipated that an increase in administrative expense would occur from the application of the code of competitive conduct, with no measurable improvement in decision-making or the activity's financial result. Therefore, it is proposed that the code of competitive conduct should not be applied to this activity.

Off-street Parking

MRC operates off-street parking facilities within the city centre for the community's use. These facilities offer an alternative to on-street parking and have been provided to facilitate the demand for parking within the defined area. Application of the code of competitive conduct to the business activity is anticipated to add an administrative expense without necessarily improving decision-making or the financial results of the activity. Therefore, it is proposed that the code of competitive conduct should not be applied to this activity.

Sporting Facilities

Mackay Stadium and Mackay Aquatic and Recreation Complex are significant sporting facilities owned by MRC. These facilities are provided to support economic development in the region, through the provision of sporting games and other attractions including artist performances.

These businesses, along with the various aquatic facilities across the region, do not have the necessary commercial or profit-making focus, and application of the code of competitive conduct is anticipated to add an administrative expense without necessarily improving decision-making or financial results of the activity. Therefore, it is proposed that the code of competitive conduct should not be applied to this activity.

Other Business Activities

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

Principles of Community Service Obligations

Community service obligations (CSO) arise when the Council specifically requires a commercialised business unit to carry out operations that are not in the commercial interests of the business activity, or alternatively would only deliver at higher prices or through some other form of compensation.

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

- determine the specific policy objective of Council to which the CSO is linked;
- propose the CSO after undertaking research into its validity and delivery;
- cost the CSO according to an acceptable method;
- develop performance measures for the CSO to measure its effectiveness in achieving policy objectives, efficiency of delivery and other impacts;
- present the CSO to Council for review prior to its incorporation in the budget; to ensure that an appropriate decision is made on its size and importance;
- incorporate the CSO into pricing budgets as a revenue item; and
- ongoing negotiation and review of performance and size of CSO.

Types of Community Service Obligations

This policy recognises five basic types of Community Service Obligations:

Type CSO	Description
Uniform	Where Council considers it desirable that certain goods and services be supplied to all users at a uniform or affordable price regardless of the cost of the provision.
Concession	Where Council has social welfare objectives to provide concessions to consumers who are considered disadvantaged eg: pensioner concessions, sporting bodies, charitable organisations etc.
Industry	Where Council may wish to provide incentives to industry, eg: rate rebates.
Purchasing	Where Council may require business activities to purchase specific goods and services as inputs. This may apply for a number of reasons, including economies of scale, maintaining a certain quality or stimulating the local economy.
Other	Where Council may require business activities to abide by environmental, consumer, cultural heritage or some similar policy, which may not usually apply.

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

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

As part of this process, the performance of the CSO in achieving policy objectives needs to be reported to Council and the size of the CSO reviewed where appropriate.

The method for reporting on the CSO's is to be through the reporting to Council on achievement of the Annual Performance Plan of the commercialised business unit.

CONSULTATION AND COMMUNICATION

Consultation has been undertaken with the appropriate business areas.

RESOURCE IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

Nil.

CONCLUSION

This report concludes that the following National Competition Policy reforms should apply for the financial year 2023/24:

Business Activity	Level of NCP Reform
Water and Sewerage	Commercialisation
Waste Services	Commercialisation
MECC	No application of the code of competitive conduct or full cost pricing
Sarina Sugar Shed	No application of the code of competitive conduct or full cost pricing
Off street Parking	No application of the code of competitive conduct or full cost pricing
Sporting Facilities	No application of the code of competitive conduct or full cost pricing

Officer's Recommendation

THAT Council:

- 1. Determine that water and sewerage and waste business activities will continue as significant business activities; and
- 2. Determines that the code of competitive conduct should not apply to the Mackay Entertainment & Convention Centre, Sarina Sugar Shed, Off-street Parking and Sporting Facilities as prescribed business activities for the 2023/24 financial year, as the cost of applying the code will outweigh the benefits, and the activities have significant non-commercial objectives; and
- 3. Determines that it does not conduct any other business activities or prescribed business activities.

Council Resolution ORD-2023-187

THAT Council:

- 1. Determine that water and sewerage and waste business activities will continue as significant business activities; and
- 2. Determines that the code of competitive conduct should not apply to the Mackay Entertainment & Convention Centre, Sarina Sugar Shed, Off-street Parking and Sporting Facilities as prescribed business activities for the 2023/24 financial year, as the cost of applying the code will outweigh the benefits, and the activities have significant non-commercial objectives; and
- 3. Determines that it does not conduct any other business activities or prescribed business activities.

Moved Cr May

Seconded Cr Hassan

CARRIED UNANIMOUSLY

MACKAY REGIONAL COUNCIL ACTIVITY STATEMENT SIGNIFICANT BUSINESS ACTIVITIES For the year ended 30 June 2024

	Mackay Water Services	Mackay Waste Services
	2023/24	2023/24
	\$000	\$000
Revenue for services provided to MRC	4,429	776
Revenue for services provided to external clients	105,431	34,325
Community service obligations (community or sporting rebates)	221	39
	110,081	35,140
Less: expenditure	77,146	26,211
Operating result before tax and dividend	32,935	8,929
Tax	10,654	2,542
Dividend	18,917	651
Operating result after tax and dividend	3,364	5,736

4.7. MACKAY WASTE SERVICES PERFORMANCE PLAN 2023/24 4.7.1. MACKAY WASTE SERVICES ANNUAL PERFORMANCE PLAN 2023/24

Author Responsible Officer File Reference	Dire	Acting Chief Operating Officer Water & Waste Services (Stuart Boyd) Director Organisational Services (Angela Hays) Budget 2023/24	
Attachments	1.	Mackay Waste Services Annual Performance Plan 2023-24 [4.7.1.1 - 14 pages]	

Purpose

To adopt the proposed Mackay Waste Services Annual Performance Plan (2024–2029) which incorporates the requirements as outlined in the *Local Government Regulation 2012*.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

Strategy: Optimised Asset Management - Our asset spend is aligned with the optimised maintenance, replacement and renewal of our asset base.

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

Priority: Operational Excellence:

Strategy: Process and Systems – We develop and continually improve and innovate to create efficient processes that deliver value for our community. Council will endeavour to make service levels more transparent and harness opportunities for existing and emerging technologies to aid this delivery

Background/Discussion

The Performance Plan has been compiled to include the requirements of an Annual Performance Plan as specified in the Local Government Act 2009 and the Local Government Regulation 2012 for Commercialised Businesses.

Consultation and Communication

Chief Operating Officer Water and Waste Services, Manager Water & Sewerage Infrastructure Planning, Manager Water Network, Manager Water Treatment and Manager Waste Services.

Resource Implications

This report sets out a plan for the 2023/24 year. Changes to this plan will only occur with the approval of Council.

Risk Management Implications

The Mackay Waste Services Annual Performance Plan has been reviewed to ensure compliance with the Act and Regulations.

Conclusion

The Annual Performance Plan 2023/24 sets the expected standards of performance for Waste Services for the 2023/24 financial year.

Officer's Recommendation

THAT Council adopts the Mackay Waste Services Annual Performance Plan 2023/24.

Council Resolution ORD-2023-188

THAT Council adopts the Mackay Waste Services Annual Performance Plan 2023/24.

Moved Cr Jones

Seconded Cr Hassan

CARRIED UNANIMOUSLY

ANNUAL PERFORMANCE PLAN 2023/24

Mackay Waste Services A Commercial Business Unit of Mackay Regional Council



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Introduction

This Annual Performance Plan (APP) presents the business objectives and targets that will guide Mackay Waste Services (hereinafter Waste Services) performance over the 2023/24 financial year.

Waste Services is one of two Commercial Business Units (CBU) of Water and Waste Services within the Engineering and Commercial Infrastructure Directorate of Mackay Regional Council (council). Waste Services is responsible for the delivery of waste and resource recovery services for the regional community within the Local Government Area.

The Local Government Act 2009 (the Act) and the Local Government Regulation 2012 (the Regulation) govern the operation of business units run by local governments.

Key Principles of a Commercial Business Unit

Waste Services conducts business by adhering to the key principles of commercialisation as per Section 28 of the *Regulation*, namely having:

- clarity of objectives
- management autonomy and authority (governance)
- accountability for performance
- competitive neutrality.

Section 19 of the *Local Government Regulation 2012* states the thresholds for waste activities are:

• for any other business activity - expenditure of at least \$9.7m for the financial year as of June 30 of the financial year ending immediately before the current financial year.

Section 175 of the *Local Government Regulation 2012* states the annual operational plan for a local government must:

- be consistent with its annual budget; and
- state how the local government will:
 - (i) progress the implementation of the five-year corporate plan during the period of the annual operational plan; and
 - (ii) manage operational risks; and
- include an annual performance plan for each commercial business unit of the local government.





Inclusions of an Annual Performance Plan

An APP for a CBU is a document stating the following for the financial year:

- unit's objectives
- nature and extent of the significant business activity the unit is to conduct
- unit's financial and non-financial performance targets
- nature and extent of the community service obligations the unit must perform
- cost of, and funding for, the community service obligations
- unit's notional capital structure and treatment of surpluses
- unit's proposed major investments
- unit's outstanding and proposed borrowings
- unit's policy on the level and quality of service consumers can expect
- delegations necessary to allow the unit to exercise autonomy in its commercial activities
- type of information that the unit's reports to the local government must contain.

A local government may omit information from the copies of the annual performance plan made available to the public if:

- the information is of a commercially sensitive nature to the commercial business unit; and
- the information is given to each of the local government's councillors. *Note* – See also Section 171 (Use of information by councillors) of the *Act*.

The local government may change an annual performance plan for a commercial business unit at any time before the end of the financial year.

The *Regulation* requires the CBUs performance to be monitored by the local government against performance targets mentioned in the APP.

Our Commitment

Purpose and Vision

As a CBU of Mackay Regional Council, Waste Services shares council's purpose and vision:

'To create the opportunity to thrive. To become the best region for liveability and livelihood'

Our objective is to be an innovative waste service provider that is recognised for its commercial performance, provides regional leadership, has the respect of its clients and industry regulators and prides itself on sustainability.

Values

Our objectives in delivering outcomes for the community are governed by our values:

- Safety and Wellbeing
- Respect
- Working Together
- Service Excellence
- Integrity



Objectives

Commercial Business Unit Objectives

Waste Services is committed to minimising waste and achieving sustainable waste management practices through the implementation and management of integrated waste strategies in the Mackay region, and to:

- achieve excellence in financial and human resource management and safe work practises
- engage with our community and consistently meet our customer services standards
- create an engaged and high performing team culture with the aim to have the right people in the right roles with the right skills and knowledge to deliver on the vision
- manage the income and expenditure in a fiscally responsible and sustainable way
- create systems and procedures that assure responsive delivery, quality, and data-driven decision making
- deliver the best whole of life outcome decisions for the region's assets to meet customer service standards into the future
- ensure all operations and activities are undertaken in compliance with our regulatory obligations.

Significant Business Activity

Nature of Business

Waste Services is a significant business activity under the *Local Government Act 2009*, responsible for:

- waste and recyclable collection services
- processing of recyclables
- transfer station management and operations
- landfill and haulage management and operations
- green waste processing
- resource recovery operations
- legacy waste management
- landfill gas management.

In delivering waste services, the following range of activities are undertaken:

- contract management
- strategic procurement
- project management (including asset delivery coordination)
- preventative and reactive maintenance
- compliance monitoring
- strategic waste management planning including financial modelling
- customer management.





Extent of Business

Waste Services provides a range of waste related services to internal and external customers servicing 3.9 million residential, general waste and recycling bins each year. The region covers an area of 7,622 square kilometres, from north of Bloomsbury to south of Koumala and extends past Eungella to the west. The population within the council area was estimated at 125,162 as of June 30, 2022 (ABS).

The scope of high-level services provided to external customers is as follows:

- kerbside waste and recyclables collection
- transfer station operations
- green waste collection station operations
- Materials Recovery Facility (MRF) operations
- resource recovery operations
- landfill operations
- environmental monitoring and management
- waste and recycling education
- landfill gas management.

The scope of services provided to internal customers is as follows:

- development approval referrals
- event bin management
- waste audits
- waste education.

Scope of Existing Assets

Waste Services manages a significant portfolio of waste assets, with a replacement value of \$101M, and a forecast carrying value of \$47M as of 30 June 2022.

Asset Category		Quantity
Landfill	Active	1
	Inactive (legacy)	20
Disposal Facilities	Waste Management Centre	1
	Transfer Stations	9
	Green Waste Only Facility	2
Recyclate Receivals	Material Recovery Facility	1
	Resource Recovery Facility	1



Financial and Non-Financial Performance Targets

Financial Performance Targets

Section 25 of *the Regulation* advises a CBU that is applying full cost pricing to a significant business activity must comply with the tax equivalents manual.

Indicator	Explanation	Target	23/24 Budget
Financial management – Net Operating Result	Operational revenue and expenditure (actual to budget). Comparison of the actual net operation result with the budgeted net operating result.	+/-5% of adopted budget	
Operating Surplus Ratio	Indicates the extent to which revenue (utilities charges, fees & charges etc) raised cover operational expenses (employee, material & services, depreciations & loan interest payments) which is then available for capital funding or other purposes. It represents % of profit each \$ of revenue generates. A higher rate is an indication of a high capital funding requirement in the future years.	0% to10%	25.8%
Sustainability Ratio	The Asset Sustainability Ratio Percentage (ASRP) is an indicator used to understand if the current level of investment in the asset base will allow for the sustainable provision of services into the future. An ASRP value of 80-110% is a typical target for an infrastructure service provider and is indicative of an appropriate level of investment to ensure that service provision is sustainable in the longer term. An ASRP value of less than 80% can indicate underinvestment in infrastructure and if observed over an extended period is likely to be a lead indicator for a reduction in service levels. An ASRP value of greater than 110% can indicate over investment in infrastructure and presents an opportunity for a service provider to review the cost and level of service provided. The ASRP for Waste Services figures indicates that underinvestment may be occurring however the expenditure profile for Waste Services infrastructure is by nature highly variable with a comparatively small number of large value assets that require periodic major investment. The Waste Services asset base is also characterised by a number of assets that will not require renewal but will require ongoing rehabilitation (e.g., Closed Landfills). These factors result in an overall lowering of the ASRP for Waste Services assets. It is considered that the current ASRP is appropriate but will continue to be monitored over time.		11.6%
Debt Service Cover Ratio	The interest coverage ratio is a measure of an entities ability to honour its debt payments.	>2 times	4.1 times
Total Distribution to MRC - Dividends - Tax	Paid to Owner (MRC) from after tax profits, in accordance with the Competitive Neutrality principles contained in Local Government Act 2009		\$3.2M



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Non-Financial Performance Targets

Waste Services aims to provide a customer experience consistent with its Customer Service Charter and the Non-Financial Performance Indicators defined below.

Category	Waste Service Standards and Targets
Customer Response	Repair or replacement of bin upon customer request by next collection day
Times	Provision of new bins for a new standard service request within 3 business days
	Waste Collection Service – once a week
Deliver Essential Services	Recyclable Collection Services – once a fortnight
	Collection of bins on scheduled service day – aim to have one or less missed kerbside bin per 5,000 services per month
	Waste Disposal facilities open on published days and operating times – 100% compliance
Education	Perform 70 waste minimisation education sessions per annum at the MRF, in schools and the community each year
Community	Conduct a minimum of 5 MRC registered sites for 2023 Great Northern Clean Up
Safety	Zero lost time injuries recorded





Community Service Obligations

Nature and Extent of Service Obligations

Section 24 of *the Regulation* defines a Community Service Obligation (CSO) as 'an obligation the local Government imposes on a business entity to do something that is not in the commercial interests of the business entity to do'. A summary of the CSOs is included in council's annual report in accordance with *the Regulation*.

Cost of and Funding for Service Obligations

A CSO is treated as an expense for the activity of an amount equivalent to the cost of carrying out the obligation less any revenue arising from carrying out the activity.

The services provided by Waste Services, for which a Community Service Obligations (CSO) credit is provided by council for various waste services to not-for-profit Community Organisations. Council will be charged on actual avoidable costs incurred by Waste Services, where applicable.

The CSOs of Waste Services for the 2023/24 financial year are 100% funded by council.

CSO description	23/24 Budget
Waste concession, and disposal for charity and non-profit entities, clean-up events	\$39,098.04
Total	\$39,098.04



Financial Management

In accordance with section 169 (3) of *The Regulation*, council's budget must include the estimated costs for the local governments significant business activities carried on using a full cost pricing basis.

Notional Capital Structure and Treatment of Surpluses

As a wholly owned CBU of council, Waste Services' notional capital structure is via 100% equity funding from council.

A portion of any surplus earned by the business unit is returned as a dividend to council as a return on their investment. This return is in recognition that business units have been established to further the good governance of the region.

Funds earned by council through dividends are utilised to provide enhanced services and infrastructure to the Mackay region. The remaining surplus is retained by the CBU to fund future planned capital investments in the business unit. Waste Services planned capital and operational projects are delivered with agility in line with our business needs.

Proposed Major Investments

Major capital works for Waste Services are set out in council's annual budgeted capital expenditure program adopted in June each year. Investments planned for the 2023/24 year include:

- Paget Transfer Station and Material Recovery upgrades
- Technology solution implementation for new voucher system
- Landfill Remediation Business Cases Bucasia, Far Beach, Koumala, Grendon Street
- Landfill Cell 4 Business Case and Design Hogans Pocket
- Leachate Evaporation Plant Business Case.

Outstanding and Proposed Borrowings

Council will operate a central treasury function. It will provide working capital as required, as well as providing loans through Queensland Treasury Corporation. The projected debt structure for 2023/24 is provided below:

Loans Balances	\$M
Balance as at 30/6/22 (Actual)	9.84
Balance as at 30/6/23 (Forecast)	7.61
Balance as at 30/6/24 (Budget)	5.23





Customer Service Standards

Waste Services is committed to delivering excellent customer service, environmental management, and efficient operation. The Waste Customer Service Charter forms part of our commitment by outlining the acceptable guidelines for the delivery of service within our community. The charter applies to household waste to comply with regulatory standards and provide solid waste and resource recovery services to our customers.

Level and Quality of Service

Waste Services aims to provide a customer experience consistent with its Customer Service Charter and the non-financial performance indicators defined in the APP. A variety of methods are used to evaluate customer needs and analyse customer satisfaction including customer feedback and surveys. The Waste Customer Charter informs customers of the service they can expect to receive from Waste Services and the processes for interacting with customers including billing, customer consultations, complaints, and dispute resolution.

The Customer Service Charter details the services and opening hours of operation provided across the Waste Management Centre, the nine rural transfer stations and two green waste facilities.

Service standards will not apply during periods of declared natural disasters, for example cyclones, until as soon as practicable after the affected normal services have been restored. During an emergency or natural disaster Mackay Waste Services will endeavour to maintain services depending on availability of resources and the severity of the event.

The Customer Service Standard is found on the Waste page of the council website here.



Delegated Authorities

Delegations are provided to exercise autonomy and function of the council in respect to the CBU and its commercial activities.

Legislative Delegations

Legislative Delegations are in accordance with the *Local Government Act 2009, Public Health Regulation 2018, Waste Reduction and Recycling Act 2011 (Qld), Environmental Protection Act 1994 (Qld) and National Waste Policy 2018*

The Register of Delegations are maintained by Mackay Regional Council's Corporate Governance function and are available on council's intranet or for inspection via request by the general community.

Administrative Delegations

Administrative Delegations applicable to the Chief Operating Officer Water and Waste Services include:

Administrative Delegations	MRC Doc ID
Delegation to recruit, select, train and discipline employees.	ADEL02
Delegation to waive fees and charges	ADEL04
Delegation to sign documentation and general correspondence on behalf of the business unit	ADEL09
Financial Delegation - Authority to incur expenditure on behalf of the business unit	ADEL11
Delegation to execute contracts and expenditure	ADEL24
Authority to make a decision on Complaint Referrals from the Queensland Ombudsman	ADEL34
Authority to write off bad debts as per Debt Recovery Policy (limits apply	ADEL51
Authority to approve the insurance requirements on behalf of MRC in accordance with the Insurance Coverage Policy (limits apply)	ADEL63





Reporting

Waste Services reports against the financial and non-financial targets contained in the APP through several different mechanisms. The reporting framework can be divided into those corporate reporting functions required to meet the key principles of commercialisation as defined in the *Regulation*, along with a broad range of regulatory reports required of a waste service provider.

Corporate Framework Reporting

Corporate performance reporting requirements include:

Internal Paparting Paguiramenta	Reporting Frequency		
Internal Reporting Requirements	Monthly	Quarterly	Annually
MRC Corporate Plan (5-year)			~
MRC Operational Plan			~
Program Plans			~
Annual Performance Plan			~
Budget – Annual Financial Statements			~
Annual Report			~
Business Continuity Plan - Emergency Management			~
Corporate Performance Progress Reporting – Directorate Action Register	5	√	
Financial Performance Reporting	~		
Directorate Reports including: Performance against Customer Service Standards and Key	As Required		
Performance Indicators			



State and Federal Legislative and Regulatory Reporting

Waste Services reports to various State and Federal agencies in accordance with legislative requirements including those as identified below. Associated regulatory reporting documentation is available on the Waste page of the council website here.

External Report Requirements	То	Frequency
Queensland Waste Data System (QWDS)	DES	Monthly
Annual State of Waste and Recycling in Queensland Survey	DES	Annually
Waste Management Development Annual Return	DES	Annually
National Greenhouse and Energy Reporting Scheme (NGERS)	CER/DCCEEW	Annually, if required
Annual Performance Plan in accordance with Local Government Regulation 2012	Adopted by Council	Annually
Local Government Comparative Report	DLGRMA	Annually
National Pollution Inventory (NPi)	DCCEEW	Annually
Environmental Incident Reporting associated with Waste Management Development Permits	DES	As required

Glossary: CER: Clean Energy Regulator

DCCEEW: Department of Climate Change, Energy, the Environment and Water

DES: Department of Environment and Science DLGRMA: Department of Local Government, Racing and Multicultural Affairs



4.8. MACKAY WATER SERVICES PERFORMANCE PLAN 2023/24 4.8.1. MACKAY WATER SERVICES ANNUAL PERFORMANCE PLAN 2023/24

Author	Acting Chief Operating Officer Water & Waste Services (Stuart Boyd)
Responsible Officer	Director Engineering & Commercial Infrastructure (Jason Devitt)
File Reference	Budget 2023/24

Attachments {attachment-list}

Purpose

To adopt the proposed Mackay Water Services Annual Water Plan (2023/24) which incorporates the requirements as outlined in the *Local Government Regulation 2012*.

Related Parties

Nil

Corporate Plan Linkage

Priority: Financial Strength:

Strategy: Optimised Asset Management – Our asset spend is aligned with the optimised maintenance, replacement and renewal of our asset base.

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

Priority: Operational Excellence:

Strategy: Process and Systems – We develop and continually improve and innovate to create efficient processes that deliver value for our community. Council will endeavour to make service levels more transparent and harness opportunities for existing and emerging technologies to aid this delivery

Background/Discussion

The Performance Plan has been compiled to include the requirements of an Annual Performance Plan as specified in the *Local Government Act 2009* and the *Local Government Regulation 2012* for Commercialised Businesses.

Consultation and Communication

Chief Operating Officer Water and Waste Services, Manager Water & Sewerage Infrastructure Planning, Manager Water Network, Manager Water Treatment.

Resource Implications

This report sets out a plan for the 2023/24 year. Changes to this plan will only occur with the approval of Council.

Risk Management Implications

The Mackay Water Services Annual Performance Plan has been reviewed to ensure compliance with the Act and Regulations.

Conclusion

The Annual Performance Plan 2023/24 sets the expected standards of performance for Water Services for the 2023/24 financial year.

Officer's Recommendation

THAT Council adopts the Mackay Water Services Annual Performance Plan 2023/24.

Council Resolution ORD-2023-189

THAT Council adopts the Mackay Water Services Annual Performance Plan 2023/24.

Moved Cr Hassan

Seconded Cr Jones

CARRIED UNANIMOUSLY

ANNUAL PERFORMANCE PLAN 2023/24

Mackay Water Services A Commercial Business Unit of Mackay Regional Council



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Introduction

This Annual Performance Plan (APP) presents the business objectives and targets that will guide Mackay Water Services' (hereinafter Water Services) performance over the 2023/24 financial year.

Water Services is one of two commercial business units (CBU) of Water and Waste Services within the Engineering and Commercial Infrastructure Directorate of Mackay Regional Council (council). Water Services is responsible for the delivery of Water and Wastewater (Sewerage) Services for the regional community within the Local Government Area.

The Local Government Act 2009 (the Act) and the Local Government Regulation 2012 (the Regulation) govern the operation of business units run by local governments.

Key Principles of a Commercial Business Unit

Water Services conducts business by adhering to the key principles of commercialisation as detailed in section 28 of the *Regulation*, namely having:

- clarity of objectives
- management autonomy and authority (governance)
- accountability for performance
- competitive neutrality.

Section 19 of the *Local Government Regulation 2012* states the thresholds for water and sewerage combined activities are:

• 10,000 or more premises being connected to a water service as of June 30 of the financial year ending immediately before the current financial year

Section 175 of the *Local Government Regulation 2012* states the annual operational plan for a local government must:

- be consistent with its annual budget; and
- state how the local government will:
 - (i) progress the implementation of the five-year corporate plan during the period of the annual operational plan; and
 - (ii) manage operational risks; and
- include an annual performance plan for each commercial business unit of the local government.

Inclusions of an Annual Performance Plan

An APP for a CBU is a document stating the following for the financial year:

- unit's objectives
- nature and extent of the significant business activity the unit is to conduct
- unit's financial and non-financial performance targets
- nature and extent of the community service obligations the unit must perform
- cost of, and funding for, the community service obligations
- unit's notional capital structure, and treatment of surpluses
- unit's proposed major investments
- unit's outstanding and proposed borrowings
- unit's policy on the level and quality of service consumers can expect
- delegations necessary to allow the unit to exercise autonomy in its commercial activities
- type of information that the unit's reports to the local government must contain.

A local government may omit information from the copies of the annual performance plan made available to the public if:

- the information is of a commercially sensitive nature to the commercial business unit; and
- the information is given to each of the local government's councillors. *Note* – See also Section 171 (Use of information by councillors) of the *Act*.

The local government may change an annual performance plan for a commercial business unit at any time before the end of the financial year.

The *Regulation* requires the CBUs performance to be monitored by the local government against performance targets mentioned in the APP.

Our Commitment

Purpose and Vision

As a CBU of Mackay Regional Council, Water Services shares council's purpose and vision:

'To create the opportunity to thrive. To become the best region for liveability and livelihood'

Our objective is to be an innovative water service provider that is recognised for its commercial performance, provides regional leadership, has the respect of its clients and industry regulators and prides itself on sustainability.

Values

Our objectives in delivering outcomes for the community are governed by our values:

- Safety and Wellbeing
- Respect
- Working Together
- Service Excellence
- Integrity

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Objectives

Commercial Business Unit Objectives

Water Services is committed to providing high quality, safe and reliable water, and sewerage services to the Mackay region in an efficient and sustainable way and to:

- achieve excellence in financial and human resource management and safe health practices
- engage with our community and consistently meet our customer service standards
- create an engaged and high performing team culture with the aim to have the right people in the right roles with the right skills and knowledge to deliver on the vision
- manage income and expenditure in a fiscally responsible and sustainable way
- create systems and procedures that assure responsive delivery, quality, and data driven decision making
- deliver the best whole-of-life outcome decisions for the region's assets to meet customer service standards into the future
- ensure all operations and activities are undertaken in compliance with our regulatory obligations.

Significant Business Activity

Nature of Business

Water Services is a significant business activity under the *Local Government Act 2009* responsible for:

- planning functions associated with the provision of services relating to water and wastewater
- treatment and supply of potable water
- collection and treatment of wastewater.

In delivering water and sewerage services, the following range of activities are undertaken:

- management of water sources and infrastructure
- dam safety
- water treatment including water quality monitoring and environmental monitoring
- laboratory services
- water reticulation
- sewerage reticulation
- sewage treatment including management of biosolids
- effluent disposal including management of recycled water schemes
- trade waste
- plumbing inspections
- backflow prevention
- recoverable works for water and wastewater plumbing activities
- asset management
- long term planning for future asset requirements
- short term business case development for capital projects
- supervisory control and data acquisition (SCADA) maintenance.

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Extent of Business

Water Services provides a range of water and sewerage related services to internal and external customers. We supply potable water sewerage collection and treatment, and non-potable recycled water to over 104,000 customers. The region covers an area of 7,622 square kilometres, from north of Bloomsbury to south of Koumala and extends past Eungella to the west. The population within the council area was estimated at 125,162 as of June 30, 2022 (ABS).

The scope of high-level services provided to external customers is as follows:

- water treatment and supply to 41,606 residential properties and 3,233 commercial and industrial connections a total of 104,012 customers
- sewage collection, treatment, and disposal for 40,363 residential properties and 2,675 commercial and industrial connections a total of 43,038 connections
- high quality non-potable recycled water from the Mackay South, Sarina, and Mirani Water Recycling Facilities (WRF) to 32 local farmers and two public recreational facilities for irrigation purposes.

The scope of services provided to internal customers is as follows:

- development approval referrals
- quoted works for capital and operational project works
- treatment of leachate
- provide network and treatment services to other council Programs (eg Parks Amenities)
- laboratory services
- environmental incident reporting
- backflow testing for internal customers
- specialist water and wastewater advice.

Scope of Existing Assets

Water Services manages a significant portfolio of water and sewerage assets, with a replacement value of \$1.89B and a forecast carrying of \$1.13B as of June 30, 2022.

Asset Category		Quantity / Unit
Raw Water	Dams/ Weirs	1
	Pump Stations	2
	Boreholes	45
Water Treatment	Water Treatment Plants	2
	Water Treatment Facilities/Schemes	7
	Re-chlorination Systems	9
Water Distribution Network	Service Reservoirs	38
	Water Pump Stations	40
	Water Mains	1,279km
Wastewater Collection	Wastewater Network	967km
Network	Wastewater Manholes	18,106
	Sewage Pumping Stations	220
Wastewater Treatment	Sewage Treatment Plants	5
Recycled Water	Recycled Water Storages	5
	Recycled Water Network (Mains)	31km
	Recycled Water Pump Stations	3



Financial and Non-Financial Performance Targets

Financial Performance Targets

Section 25 of *the Regulation* advises a CBU that is applying full cost pricing to a significant business activity must comply with the tax equivalents manual.

Indicator	Explanation	Target	23/24 Budget
Financial management – Net Operating Result	Operational revenue and expenditure (actual to budget). Comparison of the actual net operation result with the budgeted net operating result.	+/-5% of adopted budget	
Operating Surplus Ratio	Indicates the extent to which revenue (utilities charges, fees & charges etc) raised cover operational expenses (employee, material & services, depreciations & load interest payments) which is then available for capital funding or other purposes. It represents % of profit each \$ of revenue generates. A higher rate is an indication of a high capital funding requirement in the future years.	0% to10%	Water - 25.5% Sewerage - 33.2%
Sustainability Ratio	The Asset Sustainability Ratio Percentage (ASRP) is an indicator used to understand if the current level of investment in the asset base will allow for the sustainable provision of services into the future. An ASRP value of 80-110% is a typical target for an infrastructure service provider and is indicative of an appropriate level of investment to ensure that service provision is sustainable in the longer term. An ASRP value of less than 80% can indicate underinvestment in infrastructure and if observed over an extended period is likely to be a lead indicator for a reduction in service levels. An ASRP value of greater than 110% can indicate over investment in infrastructure and presents an opportunity for a service provider to review the cost and level of service provided. The ASRP for Water Services figures indicate that underinvestment may be occurring on both Water and Sewerage. However, the long-term expenditure profile for Water Services infrastructure is closer to the lower bounds' sustainability ratio (80%). The ASRP will however continue to be monitored and trended over time and considered in conjunction with infrastructure performance to determine if additional capital investment is required.	>90%	Water - 54.5% Sewerage - 26.1%
Debt Service Cover Ratio	The interest coverage ratio is a measure of an entities ability to honour its debt payments.	>2 times	Water - 6.8 times Sewerage - N/A (no loans)
Total Distribution to MRC - Dividends - Tax	Paid to Owner (MRC) from after tax profits, in accordance with the Competitive Neutrality principles contained in Local Government Act 2009.		Water – \$12.8M Sewerage - \$16.7M



Non-Financial Performance Targets

Water Services aims to provide a customer experience consistent with its Customer Service Charter and the Non-Financial Performance Indicators defined below.

Category	Water and Sewerage Targets	SWIM Performance Indicator Reference (where applicable) *
	Provide a new standard water connection per application within 15 working days of receipt, 90% of the time	
	Provide a plumbing approval following a compliant application in an average time of 5 working days	
Customer Response	Assess a Building Over and Adjacent to Sewer Application within 10 working days	
Times	Aim to respond to sewage incidents within 2 hours 90% of the time	
	Attend to reported unplanned interruptions within 5 hours of formal notification 90% of the time	
	Attend to reported water incidents within 2 hours of formal notification 95% of the time	
	Minimum pressure of 22m of head (220kPa) to be provided at the property boundary under normal operating periods (not peak) at a rate of 20L/min	
	Minimum notice for all planned interruptions of 48 hours	
	Provide safe, high quality drinking water that complies with Australian Drinking Water Guidelines (ADWG)	
	Target set at less than 40 water main leaks or breaks per 100km of main	A8
Deliver Essential	Aim to have less than 5 overflows to private property per 1,000 connections	
Services	Aim to have less than 10 sewage overflows per 100km of sewer main	
	Aim to have less than 30 sewer main chokes or blockage per 100km	
	Less than 5 drinking water quality complaints per 1000 connections	C9
	Aim to have less than 6 odour complaints per 1,000 connections	C11
	Aim to have less than 75 unplanned interruptions per 1,000 connections	C17
Safety	Zero lost time injuries recorded	

*External Indicator Reference numbers (where applicable) relate to the National Urban Water Utility Performance Reporting Framework as reported to the Statewide Information Management (SWIM) System (refer reporting section).



Community Service Obligations

Nature and Extent of Service Obligations

Section 24 of the Regulation defines a Community Service Obligation (CSO) as 'an obligation the local Government imposes on a business entity to do something that is not in the commercial interests of the business entity to do'. A summary of the CSOs is included in council's annual report in accordance with the Regulation.

Cost of and Funding for Service Obligations

A CSO is treated as an expense for the activity of an amount equivalent to the cost of carrying out the obligation less any revenue arising from carrying out the activity.

The services provided by Water Services, for which a CSO credit is provided by council for various water services to not-for-profit community organisations. Council will be charged on actual avoidable costs incurred by Water Services, where applicable.

The CSOs of Water Services for the 2022/23 financial year are 100% funded by council.

CSO description	23/24 Budget
Water concession for concealed leaks, water discounts and reduced charges for charities and not for profit organisations and catchment management	\$220,964.48
Total	\$220,964.48

Financial Management

In accordance with section 169 (3) of *The Regulation*, council's budget must include the estimated costs for the local governments significant business activities carried on using a full cost pricing basis.

Notional Capital Structure and Treatment of Surpluses

As a wholly owned CBU of council, Water Services notional capital structure is via 100% equity funding from council.

A portion of any surplus earned by the business unit is returned as a dividend to council as a return on their investment. This return is in recognition that business units have been established to further the good governance of the region.

Funds earned by council through dividends are utilised to provide enhanced services and infrastructure to the Mackay region. The remaining surplus is retained by the CBU to fund future planned capital investments in the business unit. Water Services planned capital and operational projects are delivered with agility in line with our business needs.



Proposed Major Investments

Major capital works for Water Services are set out in council's annual budgeted capital expenditure program adopted in June each year. Investments planned for the 2023/24 financial year include:

<u>Design</u>

- Water Main Renewals Projects including upgrade works Marian and Nebo Road Water Treatment Plants
- SCADA Telemetry Radio upgrades
- Sewer Rising Main renewals West and East Mackay and Sarina
- Sewer Pump Station renewals city and regional
- Gravity Mains and Sewer Manhole relining

Construction

- Bloomsbury Water Supply New Trunk Main Midge Point to Bloomsbury
- Upgrade of Calen Water Treatment Plant Calen Water Softener replacement and renewal
- Upgrade of Eton and Sarina Disinfection Facilities
- Marian Reservoir Renewal
- SCADA radio and Process Logic Control upgrades
- Mackay North and Mackay South Odour Covers replacement and renewals.

Outstanding and Proposed Borrowings

Council operates a central treasury function that provides working capital as required, as well as providing loans through Queensland Treasury Corporation. The projected debt structure for 2023/24 is provided below:

Loans Balances	Water Loans \$ M	Sewerage Loans \$ M
Balance as at 30/6/22 (Actual)	24.00	0
Balance as at 30/6/23 (Forecast)	20.84	0
Balance as at 30/6/24 (Budget)	17.53	0

Customer Service Standards

Section 115 of the *Water Supply (Safety & Reliability) Act 2008* requires a Customer Service Standard (CSS) for its water and wastewater services. Section 116 requires the service provider to clearly state the level of service and customer rights and responsibilities including the process for service connections, billing, metering, accounting, customer consultation, complaints, and dispute resolution.

Level and Quality of Service

Water Services aims to provide a customer experience consistent with its Customer Service Charter and the non-financial performance indicators defined in the APP. A variety of methods are used to evaluate customer needs and analyse customer satisfaction, including customer surveys and benchmarking against other water service providers.

The Water and Sewerage CSS informs customers of the service they can expect to receive from Water Services and the obligations of customers in relation to their use of the water and sewerage systems.

The Customer Service Standards apply to residential and industrial/commercial connections and are prepared in accordance with Regulator Guidelines and reviewed every five years in consultation with our customers.

Service standards may not apply for water and sewerage services that are not installed in accordance with council's Engineering Design Guidelines or for which a separate service contract has been established.

This Customer Service Standard will not apply during periods of declared natural disasters, for example, cyclones, until as soon as practicable after the affected normal services have been restored. During an emergency or natural disaster Mackay Water will endeavour to maintain services and infrastructure and respond to incidents as soon as practicable depending on the availability of resources and the severity of the event.

The Customer Charter is found on the Water page of the council website <u>here</u>.

Delegated Authorities

Delegations are provided to exercise autonomy and function of the council in respect to the CBU and its commercial activities.

Legislative Delegations

Legislative Delegations are in accordance with sections 255-260 of the Local Government Act 2009, Water Act 2000, Water Supply (Safety and Reliability) 2008, Plumbing and Drainage Act 2018, Public Health Act 2005 and Plumbing and Drainage Regulation 2019.

The Register of Delegations are maintained by council's Corporate Governance function and are available on council's intranet or for inspection via request by the general community.

Administrative Delegations

Administrative Delegations applicable to the Chief Operating Officer, Water and Waste Services include:

Administrative Delegations	MRC Doc ID
Delegation to recruit, select, train and discipline employees	ADEL02
Delegation to waive fees and charges	ADEL04
Delegation to sign documentation and general correspondence on behalf of the business unit	ADEL09
Financial Delegation - Authority to incur expenditure on behalf of the business unit	ADEL11
Delegation to approve exemptions to water conservation measures	ADEL21
Delegation to approve applications for reduction in water accounts due to leaks	ADEL23
Delegation to execute contracts and expenditure	ADEL24
Authority to make a decision on Complaint Referrals from the Queensland Ombudsman	ADEL34
Authority to write off bad debts as per Debt Recovery Policy (limits apply	ADEL51
Authority to approve the insurance requirements on behalf of MRC in accordance with the Insurance Coverage Policy (limits apply)	ADEL63

Reporting

Water Services reports against the financial and non-financial targets contained in the APP through several different mechanisms. The reporting framework can be divided into those corporate reporting functions required to meet the key principles of commercialisation as defined in the *Regulation*, along with a broad range of regulatory reports required of a water and sewerage service provider.

Corporate Framework Reporting

Corporate performance reporting requirements include:

Internal Paparting Paguiromenta	Reporting Frequency		
Internal Reporting Requirements	Monthly	Quarterly	Annually
MRC Corporate Plan (5-year)			~
MRC Operational Plan			~
Program Plans			~
Annual Performance Reports			~
Budget – Annual Financial Statements			~
Annual Report			~
Business Continuity Plan – Emergency Management			~
Corporate Performance Progress Reporting – Directorate Action Register		~	
Financial Performance Reporting	~		
Directorate Reports including: Performance against Customer Service Standards and Key Performance Indicators	As Required		

State and Federal Legislative and Regulatory Reporting

Water Services report to various State and Federal agencies in accordance with legislative requirements including those as identified below. Associated regulatory reporting documentation is available on the Water page of the council website here.

External Reporting Requirements	То	Frequency	
Urban National Performance Report - Statewide Water Information Management (SWIM) Benchmarking Reports	DRDMW	Annually	
Drinking Water Quality Management Plan (DWQMP)	DRDMW	Annually	
Drinking Water Quality Incident Reporting in accordance with Water Supply (Safety and Reliability) Act 2008	DRDMW	As required	
National Performance Indicators (NPI)	DRDMW/NWC	Annually	
Annual Performance Plan in accordance with Local Government Regulation 2012	Adopted by Council	Annually	
Wastewater Treatment EPBC Approval Annual Return	DES	Annually	
Wastewater Treatment Environmental Authority Annual Return	DES	Annually	
Environmental Incident Reporting associated with Wastewater Treatment Environmental Authority	DES	As required	
State Key Performance Indicators	DRDMW	Annually	
Customer Service Standards (CSS) in accordance with the Water Supply (Safety and Reliability) Act 2008	Water and Sewerage Service Customers/DRDMW	Annually (Community consultation every five years)	
WaTERS Reporting for Wastewater (Water Tracking and Electronic Reporting System)	DES	Quarterly	
BoM National Water Accounting Data	ВоМ	Not required at present	
National Pollutant Inventory (NPi)	DCCEEW	Annually	
Emergency Action Plan Review	DRDMW	Annually	
Fluoride Dosing issues in Accordance Water Fluoride Regulation 2008 and the Public Health Regulation 2005	Qld Health	As required	
Fluoride Concentration Reporting (Please note: Fluoride dosing currently not in operation)	Qld Health	Quarterly	

Glossary: BoM: Bureau of Meteorology

CER: Clean Energy Regulator DCCEEW: Department of Climate Change, Energy, the Environment and Water DES: Department of Environment and Science

DLGRMA: Department of Local Government, Racing and Multicultural Affairs

DRDMW: Department of Regional Development, Manufacturing and Water NWC: National Water Commission



5. MEETING CLOSURE

Meeting closed at 2:47 pm.

Confirmed on Wednesday 26 July 2023.

MAYOR