



GLADSTONE
REGIONAL COUNCIL

SPECIAL BUDGET MEETING AGENDA

**TO BE HELD AT THE GLADSTONE ENTERTAINMENT
CONVENTION CENTRE, 56 GOONDOON STREET, GLADSTONE**

On 23 June 2020

Commencing at 9.00am

Notice Section 277E Local Government Regulation 2012: This meeting will be closed to the public, due to health and safety reasons associated with the public health emergency involving COVID-19.

Live streaming will be available on Council's website.

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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S/1. 2020/21 BUDGET

S/1.1. 2020/2021 BUDGET OVERVIEW

Responsible Officer: Chief Executive Officer

Special Budget Meeting Date: 7 July 2020

File Ref: FM6.1

Purpose:

The Mayor presenting an Overview Report on Council's 2020/21 Budget.

Recommendation:

That Council receive the Mayor's Budget Overview Report.

Overview:

It is my privilege to present the 2020/21 Budget. This budget was developed to support the 2020/21 Operational Plan, which centres around the theme *Our Community Our Future*.

The challenges presented in preparing this budget are unprecedented. Council is focused on supporting the community and local economy as we recover from the COVID-19 health emergency. Through engaged communities, a healthy environment, outstanding customer service, smart asset management, operational excellence and economic resilience we aim to deliver the best outcomes for our community and our future.

There remains a great deal of uncertainty as to the long-term impacts of the pandemic on our community. Businesses have had to close their doors or change their service offerings and people have been left without work. These circumstances have been taken into consideration when preparing this budget. Council has carefully implemented changes to our 2020/21 rating and have reprioritised some infrastructure projects to stimulate the local economy.

The Gladstone Local Disaster Management Group has stood up its recovery structures and the Economic Recovery Sub Group has received advice as to the current and projected impacts from the COVID-19 pandemic from a macroeconomic perspective:

- A predicted 12.3 per cent drop in Gross Regional Product (GRP) during the 2020 June Quarter compared to the same period for 2018/19
- Reversing the upwards trend of the last three years, it is expected that there will be a \$172m quarterly fall in GRP
- Forecasts predict GRP average impact of 12 per cent is in line with the Queensland average and puts Gladstone in the top five impacted regions
- Estimated 3,500 fully productive jobs will be impacted
- A fall in trading impact will average 5 per cent for the 2020 calendar year.

The 2020/21 Budget features the following collective assistance from our partners which will aid in supporting our regions recovery:

- Federal Government:
 - Through the accelerated Local Roads and Community Infrastructure Program \$1.6m

- Indexation of the Financial Assistance Grant, resulting in a total contribution of \$8.2m
- State Government:
 - 2020-21 COVID Works for Queensland Program, \$5.2m to be spent on project activity with 2020/2021
- Council:
 - Freezing of all rates and charges for 2020/2021
 - Allocation of up to \$500,000 to support recovery efforts of our Economic Recovery Group
 - Establishment of a community investment fund in partnership with major industrial stakeholders.

I am pleased to present a budget that both delivers on ensuring that key projects are continued and new projects are brought forward to support continued employment opportunities, while minimising the burden on our ratepayers.

The capital works delivery program of \$64.8m has been supported by both the State and Federal Governments to the value of \$27.2m. This demonstrates the continued effectiveness of Council's strategy to seek specific funding for our capital project expenditure. Additional investment by other tiers of government will contribute to the planned delivery of key capital projects including (but not limited to):

- Benaraby Landfill Cell Development, \$3.2m
- Gravel Road Resheeting, \$1.55m
- Gladstone Tondoon Botanic Gardens - building and electrical improvements, \$2.3m
- Turkey Beach Road – safety improvements, \$200,000
- Agnes Street, Agnes Water Carpark, \$690,000
- Bridge Replacements - Gorge Road and John Clifford Way, \$1.4m
- Goondoon Street Footpath Renewal, \$730,000

The Philip Street Communities and Families Precinct is Council's signature strategic project with \$4.5m in funding in 2020/21 that will support the delivery of a human and social service hub to address current and future needs for the region. Completion of the \$16m Stage 1 will see the delivery of an entrance road, stormwater drains, four buildings and a landscaped parkland to be enjoyed by the whole community. The first stage of this project is expected to be completed by June 2021.

The accelerated works that have been brought forward as part of the dedicated COVID-19 grant programs has been aimed at projects that provide maximum return to our community and are deliverable within the next 12 months:

Local roads and community infrastructure projects, \$1.6m funded, to be delivered in 2020/21:

- Dawson Highway, Gladstone - Batter restoration/stabilisation between Far Street and Breslin Street
- Blackmans Gap Road, Miriam Vale – safety improvements.

2020-21 COVID Works for Queensland Projects, \$5.2m funded, to be delivered in 2020/21:

- Gladstone Aquatic Centre - rejuvenation & upgrade -\$1.3m
- Boyne Island Community Centre, including Castletower Building – floor replacement and upgrades
- Gladstone Entertainment Convention Centre - safety/building improvements
- Cassy Lives Skate Park, Gladstone
- Playground replacement program, across the region
- Benaraby Landfill - second weighbridge

- Gladstone WWTP Stormwater mitigation
- Renewal of pump station SPS A06 (LGIP)

As we continue to embrace our vision to Connect, Innovate and Diversify, funds have been allocated within our strategic projects to continue with three other key strategic projects. The design of the Boyne Tannum Aquatic Recreation Centre, the Gladstone Coal Exporters Sports Complex (Marley Brown Oval) and the Boyne Burnett Inland Rail Trail. These three strategic projects provide a vessel to promote our region, in partnership with our community, industry and other tiers of government to ensure that the region remains a great place to work, live and play.

To progress the planning for the Boyne Tannum Aquatic Recreation Centre, \$150,000 has been allocated. Following the selection of a preferred site at Coronation Drive, Tannum Sands, this project had progressed to design stage. The detailed design based on the selected site will facilitate decision making with respect to facility components, capital and whole of life costs.

A further \$130,000 has been allocated to continue with the development a master plan for the Gladstone Coal Exporters Sports Complex (Marley Brown Oval), Harvey Road, Gladstone. A key component of the master plan is the development of a multi-purpose sports and events complex that can be utilised all year round, with the capacity and facilities to host national, state and local sport events.

Funds have been allocated to progress the design of the Boyne Burnett Rail Trail, this is fully funded through the Department of Transport and Main Roads.

Our focus on the economic development of our region has never been more important and is supported by dedicated resources that are driving our Economic Recovery Group with key partners from throughout the region. Council has clear economic objectives to facilitate sustainable, financially and environmentally responsible initiatives that will advance economic development in the Gladstone Region. Our Economic Development Specialist will continue to implement the Economic Development Strategy, collaborating with key business and industry leaders to attract and sustain investment in our region.

The continuation of our investment in the Infrastructure Incentive Program provides incentives by way of discounted levied charges for specifically eligible developments that will deliver economic development and growth outcomes that align with Council's Economic Development Strategy and Planning Scheme.

We will continue to invest in improving asset management practices, with a strong focus on engaging with stakeholders, building staff capability and identifying opportunities to reduce cost to serve. We are already starting to see the benefits of improved asset management, as we move to more proactive maintenance in the water and wastewater fields. For every maintenance activity that we can shift from reactive to planned, Council will reduce overall maintenance costs.

The 2020/21 Capital expenditure of \$64m includes:

- Community Assets and Facilities, \$15.3m
- Capital Parks Projects, \$4.5m
- Bridge upgrades, renewals and replacements, \$3.1m
- Footpath and cycle upgrades, \$2.4m
- Capital roads projects, \$9.6m
- Upgrades to waste water (sewerage) infrastructure, \$11.6m
- Upgrades to water supply infrastructure, \$6.2m.

Borrowings

Council is proud to declare that for the eighth consecutive year we have no new borrowings. Our focus on reducing existing debt with no new borrowings will see interest bearing debt decline to \$100.2m by June 2021.

In line with best practice, Council will take a holistic treasury management focus with borrowings minimised through a working capital facility with Queensland Treasury in future financial years.

The resultant debt ratio equivalent is 4.65 per cent of physical assets, by the end of 2020/21.

Concessions and remissions

As part of Council's commitment to freezing rates for the 2020/21 financial year, all rural, residential, commercial and light industrial land uses (in Rating Categories 1-16 inclusive) will not pay more in general rates or service charges than they did last year.

In order to give effect to the rates freeze, those properties that would have otherwise received an increase due to the implementation of the rate cap will receive a COVID-19 concession to reduce their effective general rate to be equivalent to the 2019/20 general rate levy. The amount of this concession will vary between individual properties, but the net impact will be the same for all receiving this concession. The total value of this concession is \$657,000 and applies to 3,949 properties.

Further, in recognition of the unique needs of pensioners and to encourage our pensioners to continue to be independent and live in their own home we offer eligible pensioners a remission of 50 per cent of the differential general rate to a maximum of \$300. The maximum pensioner remission limit has been increased to \$300 from \$295 last year.

The State Government pensioner concession provides for a maximum of \$200. Council currently has 3,065 pensioners receiving a remission of their Council rates.

Rates and Utility Charges

When looking at the average residential ratepayer in the Gladstone Region, in line with the decision to freeze rates and charges, there is a decrease in the general rate of 1 per cent, and an overall decrease to the average ratepayer of 0.5 per cent across all services.

The overall rate decrease, as a result of the freeze, is below the current CPI (Brisbane) of 1.8 per cent (LGAQ Cost Index 2020 – 1.88 per cent):

	20/21	19/20	Movement
Average Valuation	\$112,077	\$112,163	-0.08%
General Rate	\$1,571.31	\$1,587.71	-1.03%
Water Access	\$490.00	\$490.00	Nil
Sewerage	\$750.00	\$750.00	Nil
Waste	\$345.50	\$345.50	Nil
Gross Rates	\$3,156.81	\$3,173.21	-0.52%
Discount	-\$315.68	-\$317.32	
Net Rates	\$2,841.13	\$2,855.89	-0.57%

Water and sewerage charges differ across the various schemes of Boyne Island/ Tannum Sands, Calliope, Agnes Water/ Seventeen Seventy and Miriam Vale/ Bororen but in line with

Council's commitment for the 2020/21 Budget these charges will be the same as levied for the previous financial year.

The gross value of rates and charges proposed to be levied in 2020/21 totals \$151.5m compared to \$151.9m from the prior budget, exclusive of waste disposal fees and water consumption charges; this represents a net decrease of 0.4 per cent, after allowing for property growth during the period of 0.22 per cent.

General Rates

As the Gladstone Region rebounds from the measures taken to protect our community during the COVID-19 pandemic, Council has made a conscious decision to not increase any residential, commercial or light industrial rates.

While the total general rate revenue for most categories has not increased, different rate categories will be impacted differently. Of the levied general rates accounts, 3,973 (12 per cent) will be levied a greater amount than last year, with only 24 of those properties in the major industrial categories not eligible for the COVID-19 concession.

Major industrial assessments will be levied a 3 per cent increase in general rates, with 1 per cent of that increase being set aside to establish a community investment fund to be administered jointly by major industry representatives and Council.

Refuse Charges

Council's underlying waste service costs, excluding recycling, increased in line with CPI, the associated costs of waste disposal, transfer station operation and recycling component have had significant cost pressures applied during the past financial years.

While Council adopted a three year price path in its budget last year for the recovery of waste costs, the second year of this price path implementation has been deferred, in line with the freezing of all rates and service charges.

It has been necessary to pass through the cost of commercial waste levy costs at our landfill but all other increases have been deferred for the 2020/21 Budget.

The refuse charges across the region will remain at \$345.50 per annum, for a standard 240 litre weekly waste service, and a 240 litre fortnightly recycling service. This charge applies to all premises receiving a domestic waste and recycling service.

Sewerage Services

Sewerage services across the region for domestic services will remain unchanged for the 2020/21 financial year, represented below by sewerage scheme:

Sewer area	2019/20	2020/21
Boyne Island, Tannum Sands and Calliope	773.00	773.00
Gladstone	750.00	750.00
Agnes Water / 1770	919.00	919.00

Water Availability and consumption charges

Scheme	2019/20	2020/21
Lake Awoonga	490.00	490.00
Miriam Vale and Bororen*	538.00	538.00
Agnes Water*	538.00	538.00

Scheme	Consumption Charge
Lake Awoonga	1.83
Miriam Vale and Bororen	3.73
Agnes Water	3.81

The consumption charge for those connected to the Miriam Vale/Bororen schemes will remain at the rates adopted for the prior year being \$3.73 per kilolitre and the Agnes Water/Seventeen Seventy Scheme will remain at \$3.81 per kilolitre.

Conclusion

The Gladstone Region is a proud and resilient community who has experienced devastating fires, floods, cyclones and now a global pandemic in the past year alone. The 2020/21 Budget and Operational Plan focus on the theme Our Community Our Future. Through funding assistance from all levels of government, this budget is overwhelmingly focused on supporting community and economic recovery.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Mayor Matthew Burnett.

S/1.2. REVENUE STATEMENT

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 7 July 2020

File Ref: FM6.1, CM28.2

Purpose:

The purpose of this report is to allow Council to consider the revised Revenue Statement to support the 2020/2021 Budget.

Officer's Recommendation:

That Council, in accordance with section 172 of the *Local Government Regulation 2012*:

1. Repeal P-2019-13 Revenue Statement Policy; and
2. Adopt P-2020-10 Revenue Statement provided as Attachment 1.

Background:

Under s169 of the *Local Government Regulation 2012*, Council's budget for each financial year must include the adoption of a revenue statement. The revenue statement sets out an explanation that outlines and explains the revenue raising measures to be adopted in the budget.

Section 172 of the *Local Government Regulation 2012* provides the information that must be stated and included within the Revenue Statement.

Consideration:

The revenue statement has been prepared using the general principles set out in Council's adopted Revenue Policy.

Officers recommend a number of amendments to current policy, including:

- update of relevant dates;
- in response to the Coronavirus (COVID-19) pandemic:
 - inclusion of COVID-19 Concession - All rural, residential, commercial and light industrial land uses (rating categories 1 to 16 inclusive) will not pay more in general rates or service charges than they did last year, as part of Council's commitment to freezing Council rates for the 2020/2021;
 - amendment to rating financial hardship concession eligibility to provide concessions to properties used for business, commercial or other purposes that may have been affected by the Coronavirus (COVID-19) pandemic;
 - amendments to concealed water leak concession eligibility to include non-residential property owners;
 - deferral of second year of waste price path;
 - sewer services, water availability (fixed cost component), and water consumption charges will remain unchanged from the 2019/2020 financial year;
 - amendments to discount percentage and discount period to 10% discount permitted for payments received within sixty (60) days of the date of issue of the rate notice;

- no penalty interest to be applied from date of approval of a rates instalment plan which is honoured by the ratepayer;
- update of the amounts to be raised and charged under the Special Charge for Curtis Island Sewerage Infrastructure;
- inclusion of legislation applicable to sections; and
- general wording amendments to provide greater clarity to intent.

All amendments proposed to the current policy are reflected in Attachment 2.

Legal Environmental and Policy Implications:

The Revenue Statement has been prepared in accordance with the requirements of s172 of the *Local Government Regulation 2012*. A legal review has been undertaken by Council's Legal Team.

Attachments:

1. Draft P-2020-10 Revenue Statement
2. Draft P-2020-10 Revenue Statement (Tracked Changes version)
3. Current P-2019-13 Revenue Statement Policy

Tabled Items:

Nil.

Report Prepared by: Governance Officer / Manager Revenue Services

S/1.3. LONG-TERM FINANCIAL FORECAST

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 7 July 2020

File Ref: FM6.1

Purpose:

This report seeks the adoption of the Long-Term Financial Forecast, for the 10 years through to 30 June 2030, prepared in accordance with the requirements of the *Local Government Regulation 2012*.

Officer's Recommendation:

That Council adopt the Long-Term Financial Forecast in accordance with section 171 of the *Local Government Regulation 2012*.

Background:

Council's annual budget for a financial year must include a long-term financial forecast. Section 171 of the *Local Government Regulation 2012* sets out what the forecast must include, being:

- income;
- expenditure;
- the value of assets, liabilities and equity.

The Long Term Financial Plan (or forecast as it is referred to in legislation) is an integral part of the local government planning framework. The forecast is informed by not only the Gladstone Region Community Plan and the Gladstone Regional Council Corporate Plan 2018-2023, but also the latest information available at the time of preparation with respect to:

- master planning documents, inclusive of the Gladstone Region Social Infrastructure Strategic Plan and Sport and Recreation Plan;
- infrastructure schedules (Local Government Infrastructure Plans) included within the Our Place Our Plan Gladstone Regional Council Planning Scheme;
- latest population growth estimates from relevant sources;
- most recent estimates of development activity; and
- Asset Management Plans for the various classes of assets.

Consideration:

It is the intent that this Long-Term Financial Forecast will be a dynamic document with all revenue and expenditure drivers and asset involvement assumptions reviewed regularly.

Legislatively, the review period is annually, however in practice it will be reviewed more frequently to ensure currency.

A number of key revenue and expenditure drivers have been identified by the best estimate of officers, with these assumptions having been used in the development of the 10 year forecast. Whilst these broad assumptions give some indication of what may happen over the coming 10 years, they remain flexible.

The forecast becomes a guide for Council in future years, with the forecast not replacing the requirement to consider each annual budget in detail. Departing from the forecast assumptions, where appropriately considered, to settle on an acceptable budget position for the region as a whole, will be at the prerogative of Council.

Communication and Consultation (Internal/External):

The Long-Term Financial Forecast has been prepared on the basis of a number of individual master plans and assessment management plans, all of which have been subject to individual consultation with relevant stakeholders.

Financial and Resource Implications:

The Long-Term Financial Forecast details the statement of comprehensive income, statement of financial position, statement of cash flows, and statement of changes in equity.

Attachments:

1. Long-Term Financial Forecast 2020-21

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.4. DEBT POLICY

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 07 July 2020

File Ref: FM6.1, CM28.2

Purpose:

The purpose of this report is to seek Council's endorsement of the Debt Policy for the 2020/2021 financial year.

Officer's Recommendation:

That Council, in accordance with section 192 of the *Local Government Regulation 2012*:

1. Repeal P-2019-17 Debt Policy; and
2. Adopt P-2020-11 Debt Policy provided as Attachment 1.

Background:

In accordance with the s192 of the *Local Government Regulation 2012*, Council is required to prepare and adopt a debt policy for a financial year.

Debt is only used for capital purposes. The term of the debt is matched, as best as possible, to the life of the asset up to the maximum term imposed by Queensland Treasury Corporation (QTC). Borrowings usually have terms of 9, 12 or 15 years. Occasionally, for major capital projects, debt will be borrowed over a maximum term of 20 years.

The level of borrowings drawn each financial year is carefully monitored through long term financial modelling to ensure affordability. A number of financial measures are utilised to assess sustainability, including those mandated by legislation. In addition to internal assessments, Council is required to submit an annual application to the State Government, which includes the long-term financial forecast, to gain approval for all planned borrowings. The external debt assessments focus on the macro view of Council's ability to repay debt.

However, Council manages debt at a more detailed funding level internally, further ensuring the financial sustainability of borrowing decisions. Council seeks to minimise general rates as a funding source to repay debt, preferring to rely on specific revenue sources (water charges, sewerage charges) that are matched to the infrastructure being constructed.

Each year there is an amount of general borrowings that relies on the general rate as a funding source, but this is kept to a minimum.

Council when looking at managing its debt takes a holistic approach with respect to the management of both debt and also cash holdings (investments), and seeks to minimise the net interest cost to Council by focusing on cash management and ensuring the Long Term Financial Forecast is optimised to minimise the holding cost of debt.

Consideration:

All borrowing metrics established by the QTC and Department of Local Government and Planning, including interest coverage ratio and net financial liabilities, are within benchmarks for the forecast period.

Following a review of the current policy, officers have identified some minor amendments required (Attachment 2).

Legal Environmental and Policy Implications:

The Debt Policy has been prepared in accordance with the *Local Government Regulation 2012*.

Attachments:

1. Draft P-2020-11 Debt Policy;
2. Draft P-2020-11 Debt Policy (Tracked Changes version);
3. Current P-2019-17 Debt Policy.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.5. PROJECTED FINANCIAL STATEMENTS FOR YEAR END 30 JUNE 2021

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 7 July 2020

File Ref: FM6.1

Purpose:

This report seeks the adoption of the projected financial statements for year ending 30 June 2021.

Officer's Recommendation:

That Council adopt the projected financial statements attached for the year ending 30 June 2021 in accordance with section 169 of the *Local Government Regulation 2012*, noting the contents of the Balance Sheet include the statement of estimated financial position for the previous 2019/2020 financial year in accordance with section 205 of the *Local Government Regulation 2012*.

Attachments:

1. Projected Financial Statements for year end 30 June 2021

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.6. RATE PAYMENT PERIOD AND DISCOUNTS

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 7 July 2020

File Ref: FM6.1

Purpose:

This report seeks the adoption of rate payment periods, discount, interest and paying rates or charges by instalments.

Officer's Recommendation:

That Council considers each of the following as separate resolutions.

1. That:

- a. In accordance with section 107 of the *Local Government Regulation 2012* and section 114 of the *Fire and Emergency Services Act 1990*, Council's rates and charges outlined below will be levied on an annual basis in August/September:
 - general rates;
 - special rates and charges;
 - waste cleansing charges;
 - water availability charges (fixed cost component) under section 41(4)(a) of the *Local Government Regulation*;
 - sewerage charges; and
 - State Emergency Management Levy.
- b. In accordance with section 107 of the *Local Government Regulation 2012*, Council rates and charges will be levied on a bi-annual basis in August/September and January/February/March:
 - water consumption charges under section 41(4)(b) of the *Local Government Regulation 2012*; and
 - trade waste charges.
- c. In accordance with section 118 of the *Local Government Regulation 2012*, Council determines that the following rates and charges shall be payable within sixty (60) days of the issue of the rate notice:
 - general rates;
 - special rates and charges;
 - waste cleansing charges;
 - sewerage charges;
 - water charges (availability (fixed cost component) and water consumption);
 - trade waste charges; and
 - State Emergency Management Levy.
- d. In accordance with section 118 of the *Local Government Regulation 2012*, Council determines that the following rates and charges shall be payable within thirty (30) days of the issue of the notice issued in January/February/March:
 - water consumption charges under section 41(4)(b) of the *Local Government Regulation 2012*.

2. That:
 - a. In accordance with section 130 of the *Local Government Regulation 2012*, a discount of 10% will be allowed if payment of all rates and charges is made in full within the discount period of sixty (60) days from the date of issue of the rate notices. The discount will only be applied to the following rates and charges made and levied:
 - general rates;
 - waste cleansing charges;
 - sewerage charges;
 - trade waste charges; and
 - water availability (fixed cost component) charges.
 - b. No discount will be offered in respect of the following rates and charges made and levied:
 - special rates and charges;
 - water consumption charges; and
 - State Emergency Management Levy.
3. That in accordance with section 129 of the *Local Government Regulation 2012*, Ratepayers may choose to pay their complete annual rate account by equal monthly instalments subject to the following conditions:
 - the rate discount for payment within sixty (60) days is forfeited;
 - the amount of each instalment is to be calculated on the total amount of rates and charges for the full year;
 - the ratepayer must select the instalments payment option by signing the prescribed form which will be included with each rate notice, and return it no later than sixty (60) days after the date of issue of the notice;
 - should an instalment payment plan application not be received within sixty (60) days, interest charges will apply until the date of approval of the signed prescribed form;
 - no reminder notices for instalments will be issued;
 - rate instalment payments are due on the 21st day of each month, with ratepayers being advised in writing when their first instalment payment is due;
 - the maximum instalment payment frequency is to be six-monthly; however, optimally this frequency should not exceed monthly and advance payments on a weekly and fortnightly basis are accepted;
 - no interest penalty will apply to those participating in the instalment scheme provided that all payments are made in accordance with the instalment schedule; and
 - should an instalment not be received by the due date, the total amount outstanding will become due and payable, and the ratepayer will forfeit the right to participate in the scheme, and interest charges will apply from the day after the due date of the unpaid instalment.
4. That in accordance with section 133 of the *Local Government Regulation 2012*, any rates or charges remaining outstanding from the date on which they become overdue will thereafter bear interest at the rate of 8.53% per annum, compounding daily.

Attachments:

Nil

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.7. DIFFERENTIAL GENERAL RATES**Responsible Officer: General Manager Finance Governance and Risk****Special Budget Meeting Date: 7 July 2020****File Ref: FM6.1**

Purpose:

This report seeks the adoption of differential general rates.

Officer's Recommendation:

That:

1. In accordance with section 81 of the *Local Government Regulation 2012* the categories into which rateable land is categorised and the description of each of those categories for 2020/2021 financial year is:

Category	Description
1	Land used, or approved for development, for residential purposes, as a single dwelling, including a lot within a 2-lot community titles scheme, with a rateable value of or not exceeding \$495,734, other than land in Categories 5 to 8 inclusive
2	Land used, or approved for development, for residential purposes, as a single dwelling, including a lot within a 2-lot community titles scheme, with a rateable value of or exceeding \$495,735, other than land in Categories 5 to 8 inclusive
3	a) Land used, or approved for development, for rural activities; or b) Land located on any island, which is not otherwise categorised.
4	Land described in section 49 of the <i>Land Valuation Act 2010</i> , which qualifies for discounted valuation under section 50 of that Act.
5	Vacant residential land that has an area greater than 5 hectares.
6	Land used for: a) the purposes of multiple dwellings as flats, duplexes, boarding houses, and guest houses, other than land included in Category 7, 8, 9, 14 and 15; b) residential purposes, as a lot within a community titles scheme, located on an island; or c) residential purposes, as a lot within a community titles scheme containing between three (3) and eight (8) lots, located on the mainland and which is not part of a gated community.
7	Land used for residential purposes, which is a lot within a community titles scheme containing nine (9) or more lots, located on the mainland and which is not part of a gated community.

Category	Description
8	Land used, or approved for development, for residential purposes, which is a lot located within a gated community on the mainland that forms part of a community titles scheme.
9	Land used for business or commercial purposes, including motels and caravan parks, other than land included in Categories 10 to 24 inclusive.
10	Land used for the purposes of a Shopping Centre with a Gross Floor Area of at least 2,000m ² but less than 5,000m ² .
11	Land used for the purposes of a Shopping Centre with a Gross Floor Area of at least 5,000m ² but less than 10,000m ² .
12	Land used for the purposes of a Shopping Centre with a Gross Floor Area of at least 10,000m ² , but less than 20,000m ² .
13	Land used for the purposes of a Shopping Centre with a Gross Floor Area of at least 20,000m ² .
14	Land used, in whole or in part, for Workforce Accommodation, with up to, and including 500 rooms, suites and/or caravan sites.
15	Land used, in whole or in part, for Workforce Accommodation, with more than 500 rooms, suites and/or caravan sites.
16	Land used for industrial purposes, or approved for development for industrial purposes, other than land included within Categories 17 to 22 inclusive and Category 24.
17	<ul style="list-style-type: none"> a) Land used for, or in connection or association with, major industry; b) All land within a Special Purpose Zone under the Gladstone Regional Council Planning Scheme 2015 adopted on 06 October 2015; c) All land within the Gladstone State Development Area being used for a commissioned major industrial purpose, excluding the land included in Categories 18 to 22 inclusive and Category 24; d) Land used for the generation of electricity; or e) Land used for the manufacture of aluminium oxide.
18	Land, within the Gladstone State Development Area being developed, or approved for development, for future major industrial use, including land upon which all or part of an industrial facility, the primary intended purpose of which is the manufacture of liquefied natural gas, is located or approved to be located.
19	Land used, or being developed for use, for the purposes of storage or handling facilities for the commodities or containers shipped through the Port of Gladstone, other than land included in Category 20.
20	Land used, or being developed for use, for the purposes of storage or handling facilities for commodities or containers shipped through the Port of Gladstone, which is Strategic Port Land and is occupied by a port authority, the State or a government entity.
21	Land used for the purposes of a bulk storage facility with a capacity greater than 1,000,000 litres of any combustible liquid or flammable liquid.

Category	Description
22	Land used for the purposes of a built oil recycling facility.
23	a) Land used for the extraction of minerals, resources or other substances; b) Land used, in connection or association with the extraction of minerals, resources or substances; or c) Land which is a mining lease issued under the <i>Mineral Resources Act 1989</i> .
24	Land used for an operational liquefied natural gas processing facility.

2. Council delegates to the Chief Executive Officer the power pursuant, to sections 81(4) and 81(5) of the *Local Government Regulation 2012* to identify the rating category to which each parcel of rateable land belongs.

3. In accordance with section 94 of the *Local Government Act 2009* and section 80 of the *Local Government Regulation 2012* ("Regulation"), the differential rate to be made and levied for each differential general rate category, and pursuant to section 77 of the Regulation, the minimum general rate to be made and levied for each differential general rate category, and pursuant to section 116 of the Regulation, the maximum percentage by which rates levied for each differential general rate category will increase (if a limit is imposed) for the 2020/2021 financial year is as follows:
 - (a) For properties within Category 1: 1.402 cents in the dollar, with a minimum rate of \$1,010.00 and Regulation section 116 shall apply with the amount so levied not to exceed 110% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
 - (b) For properties within Category 2: 0.569 cents in the dollar, with a minimum rate of \$7,089.00 and Regulation section 116 shall apply with the amount so levied not to exceed 110% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
 - (c) For properties within Category 3: 1.025 cents in the dollar, with a minimum rate of \$1,010.00 and Regulation section 116 shall apply with the amount so levied not to exceed 110% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
 - (d) For properties within Category 4: 1.402 cents in the dollar;
 - (e) For properties within Category 5: 1.315 cents in the dollar, with a minimum rate of \$1,010.00;
 - (f) For properties within Category 6: 3.136cents in the dollar, with a minimum rate of \$1,010.00 Regulation section 116 shall apply with the amount so levied not to exceed 110% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
 - (g) For properties within Category 7: 5.553 cents in the dollar, with a minimum rate of \$1,220.00 Regulation section 116 shall apply with the amount so levied not to exceed 110% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;

- (h) For properties within Category 8: 1.900 cents in the dollar, with a minimum rate of \$1,561.00; Regulation section 116 shall apply with the amount so levied not to exceed 110% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
- (i) For properties within Category 9: 2.911 cents in the dollar, with a minimum rate of \$1,112.00; Regulation section 116 shall apply with the amount so levied not to exceed 115% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
- (j) For properties within Category 10: 2.127 cents in the dollar, with a minimum rate of \$30,600.00;
- (k) For properties within Category 11: 3.411 cents in the dollar, with a minimum rate of \$105,926.00;
- (l) For properties within Category 12: 3.822 cents in the dollar, with a minimum rate of \$111,203.00;
- (m) For properties within Category 13: 7.733 cents in the dollar, with a minimum rate of \$306,000.00;
- (n) For properties within Category 14: 15.035 cents in the dollar, with a minimum rate of \$95,398.00;
- (o) For properties within Category 15: 94.286 cents in the dollar, with a minimum rate of \$364,854.00;
- (p) For properties within Category 16: 5.579 cents in the dollar, with a minimum rate of \$1,112.00; Regulation section 116 shall apply with the amount so levied not to exceed 115% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
- (q) For properties within Category 17: 14.143 cents in the dollar, with a minimum rate of \$2,567.00; Regulation section 116 shall apply with the amount so levied not to exceed 150% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
- (r) For properties within Category 18: 13.731 cents in the dollar, with a minimum rate of \$2,567.00 Regulation section 116 shall apply with the amount so levied not to exceed 150% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
- (s) For properties within Category 19: 11.510 cents in the dollar, with a minimum rate of \$1,112.00; Regulation section 116 shall apply with the amount so levied not to exceed 150% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
- (t) for properties within Category 20: 11.976 cents in the dollar, with a minimum rate of \$2,567.00; Regulation section 116 shall apply with the amount so levied not to exceed 150% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year;
- (u) For properties within Category 21: 17.381 cents in the dollar, with a minimum rate of \$1,112.00;

- (v) For properties within Category 22: 6.213 cents in the dollar, with a minimum rate of \$69,051.00;
- (w) For properties within Category 23: 2.447 cents in the dollar, with a minimum rate of \$1,112.00; Regulation section 116 shall apply with the amount so levied not to exceed 115% of the corresponding annual amount levied as the differential general rate in the 2019/2020 financial year; and
- (x) For properties within Category 24: 71.919 cents in the dollar, with a minimum rate of \$3,832,344.00.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.8. CORONAVIRUS (COVID-19) CONCESSION

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 07 July 2020

File Ref: FM6.1

Purpose:

This report seeks the adoption of a Coronavirus (COVID-19) concession, applying to the 2020/2021 financial year.

Officer's Recommendation:

That in accordance with section 120, 121 and 122 of the *Local Government Regulation 2012*, a concession be granted to rating categories 1 to 16 (inclusive) to aid the economic development of the region in response to the impacts from the Coronavirus (COVID-19) pandemic by limiting the general rates for the 2020/2021 financial year to not greater than:

1. If the general rates for the 2019/2020 financial year were levied for the full year, the general rates for the 2019/2020 financial year; or
2. If the general rates for the 2019/2020 financial year were not levied for the full year, the corresponding annual amount for the general rates for the 2019/2020 financial year.

Background:

Under section 120(1)(d) of the *Local Government Regulation 2012*, Council may grant a concession if it is satisfied the concession will encourage the economic development of all or part of the local government area.

All rural, residential, commercial and light industrial land uses (rating categories 1 to 16 inclusive) will not pay more in general rates or service charges than they did last year, as part of Council's commitment to freezing Council rates for the 2020/2021.

In order to give effect to the rates freeze, those properties (in the above categories) that would have otherwise received an increase due to the implementation of the rate cap will receive a concession to reduce their effective general rate to be equivalent to the 2019/2020 general rate levy.

Financial and Resource Implications:

The total value of this concession is \$657,000 and applies to 3,949 properties.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.9. PENSIONER CONCESSION

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 7 July 2020

File Ref: FM6.1, CM28.2

Purpose:

This report seeks the adoption of P-2020-06 Pensioner Remission Policy applying to the 2020/2021 financial year.

Officer's Recommendation:

That Council:

1. Repeal P-2019-10 Pensioner Remission Policy;
2. Adopt P-2020-06 Pensioner Remission Policy provided as Attachment 1 and apply to the 2020/2021 financial year; and
3. In accordance with sections 119-122 of the *Local Government Regulation 2012* and the requirements of Council's Pensioner Remission Policy, a concession of the differential general rate of 50% up to a maximum \$300 per annum be granted to all ratepayers who are pensioners and who are eligible for the Queensland State Government Pensioner Rate Subsidy Scheme.

Background:

Under section 120(1)(a) of the *Local Government Regulation 2012*, a local government may grant a concession if it is satisfied that "the land is owned or occupied by a pensioner".

The State Government, and generally most local governments, grant a pensioner concession on rates to assist this sector of the community with meeting the costs of living in their own home.

Council has offered a pensioner concession since amalgamation in 2008, with the former Councils also offering their own schemes prior to amalgamation.

Currently, Council has 3065 assessments with pensioners who are accessing the pensioner concession.

Consideration:

It is proposed that the annual pensioner concession of \$295 offered to eligible pensioners in the 2019/2020 financial year be increased to \$300 in the 2020/2021 financial year.

Under the proposed Pensioner Remission Policy, eligible pensioners will receive 50% of the Differential General Rate up to a maximum of \$300. This is in addition to the 20% of the gross rates and charges up to a maximum of \$200 available under the Queensland State Government Pension Rebate.

The State Government Rebate is available to those persons who hold a Pensioner Concession Card or a Department of Veterans' Affairs Health Card for all conditions (Gold

Card). Similar to the State Government Scheme, Council's policy requires the pensioner to be the owner and resident of the property. Furthermore, the proportion of benefit for the Council concession will be granted in accordance with that of the State Government Scheme.

Following a review of the current policy, officers have identified some minor amendments required (Attachment 2).

Legal Strategy and Policy Implications:

Section 120(1)(a) of the *Local Government Regulation 2012* provides Council with the ability to grant a concession for rates and charges if it is satisfied that the land is owned or occupied by a pensioner.

Financial and Resource Implications:

For the period 01 July 2019 to 30 June 2020:

Total Council remission granted:	\$ 865,256.79
Reversals of Council remission due to sale of properties:	\$ 17,326.95
Total cost to Council 01 July 2019 to 30 June 2020:	\$ 847,929.84

It is anticipated that the proposed increase of concession from \$295 to \$300 will increase to the total cost to Council for the financial year by approximately \$15,325.

Attachments:

1. Draft P-2020-06 Pensioner Remission Policy;
2. Draft P-2020-06 Pensioner Remission Policy (Tracked Changes version);
3. Current P-2019-10 Pensioner Remission Policy.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.10. PROPERTIES EXEMPT FROM GENERAL AND DIFFERENTIAL RATES

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 07 July 2020

File Ref: CM28.2, FM6.1

Purpose:

This report seeks the adoption of P-2020-07 Properties Exempt from General and Differential Rates Policy, applying to the 2020/2021 financial year.

Officer's Recommendation:

That Council:

1. Repeal P-2019-11 Properties Exempt from General and Differential Rates Policy;
2. Adopt P-2020-07 Properties Exempt from General and Differential Rates Policy provided as Attachment 1 and apply to the 2020/2021 financial year; and
3. In accordance with section 93 of the *Local Government Act 2009* and Council's Properties Exempt from General and Differential Rates Policy, an exemption from general rates (including differential general rates) will be granted where Council considers a property is used for a charitable purpose.

Background:

The *Local Government Act 2009* (Act) and the *Local Government Regulation 2012* provides for certain types of properties which are used for the general public good to be exempt from general and differential rates i.e. hospitals, schools, and for religious purposes.

Under the Act, Council may exercise its discretion, by resolution, to make further exemptions where Council considers that such properties are used for "charitable purposes".

Consideration:

It is proposed that exemptions consistent with the 2019/2020 financial year be offered again in 2020/2021.

Under the proposed policy, the type of property that would be granted an exemption is land that is being used for a "charitable purpose" where it is being used for a purpose which has a public service element **and** is being conducted on a not-for-profit basis. For example, not-for-profit sporting clubs and community organisations that are eligible under the proposed policy are recognised for the important role that they play in the community.

Following a review of the current policy, officers have identified some minor cosmetic amendments required (Attachment 2).

Legal Environmental and Policy Implications:

Under section 93(3)(i) of the *Local Government Act 2009* and section 73 of the *Local Government Regulation 2012*, exemptions from general and differential rates are available to organisations that provide services to the community within the scope of those provisions.

Financial and Resource Implications:

Most properties which would be eligible under the proposed policy do not have a valuation and accordingly Council would not be levying general rates for those properties. There are no additional costs to Council in the adoption of the revised policy.

Attachments:

1. Draft P-2020-07 Properties Exempt from General and Differential Rates Policy;
2. Draft P-2020-07 Properties Exempt from General and Differential Rates Policy (Tracked Changes version);
3. Current P-2019-11 Properties Exempt from General and Differential Rates Policy.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.11. RATING FINANCIAL HARDSHIP CONCESSION

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 07 July 2020

File Ref: FM6.1, CM28.2

Purpose:

This report seeks the adoption of P-2020-05 Rating Financial Hardship Concession Policy, applying to the 2020/2021 financial year.

Officer's Recommendation:

That Council:

1. Repeal P-2019-07 Rating Financial Hardship Policy;
2. Adopt P-2020-05 Rating Financial Hardship Concession Policy provided as Attachment 1 and apply to the 2020/2021 financial year; and
3. In accordance with section 119, 120, 121 and 122 of the *Local Government Regulation 2012* and the requirements of Council's Rating Financial Hardship Concession Policy, a concession be granted to land owners who are experiencing financial hardship and are unable to pay rates and charges levied upon a property.

Background:

Under section 120(1)(c) of the *Local Government Regulation 2012*, Council may grant a concession if it is satisfied that "the payment of rates and charges will cause hardship to the land owner".

The primary focus for a rating financial hardship concession is to facilitate realistic payment arrangements for property owners that are not able to meet the required payment by instalments and/or the reimbursement of interest and other costs associated with the overdue rates and charges.

Consideration:

In line with the resolution from the Special Meeting of 23 March 2020, the draft policy reflects the extension of scope to include businesses and other entities that may have been affected by the Coronavirus (COVID-19) pandemic.

In addition to the above, officers propose further amendments to the current policy to provide greater support to property owners who are experiencing genuine financial hardship. These changes are identified in Attachment 2 and include:

- use of an accredited financial counsellor for principal place of residence property owners:
 - local, not-for-profit financial counsellors are available to assist property owners;
 - provides holistic support to the property owner rather than an isolated focus on only rates and charges;
 - independent assessment of property owner's circumstances by a qualified professional;

- inclusion of suspension of court or sale of land action as a concession option available; and
- inclusion of a flow chart, for ease of reference, of the application process.

Legal Environmental and Policy Implications:

Section 120(1)(c) of the *Local Government Regulation 2012* provides Council with the ability to grant a concession for rates and charges if it is satisfied that the payment of rates and charges will cause hardship to the land owner.

Financial and Resource Implications:

A concession by way of an alternative payment plan will create delays in the receipt of funds, however it is not expected to have a significant impact on cash flow given expenditure is spread across the financial year. Likewise, a significant impact is not expected of Council's earning of interest on investments given the number of property owners accessing assistance under this policy.

Attachments:

1. Draft P-2020-05 Rating Financial Hardship Concession Policy;
2. Draft P-2020-05 Rating Financial Hardship Concession Policy (Tracked Changes version);
3. Current P-2019-07 Rating Financial Hardship Policy.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.12. WASTE CLEANSING CHARGES

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 7 July 2020

File Ref: FM6.1

Purpose:

This report seeks the adoption of waste cleansing charges for 2020/2021.

Officer's Recommendation:

That in accordance with section 94 of the *Local Government Act 2009* and section 99 of the *Local Government Regulation 2012*, the following utility charges be made and levied for the 2020/2021 financial year:

1. Domestic Refuse - Wheeled Bin Collection Normal Collection Day:
 - (a) an annual charge of \$345.50 will be levied for each domestic premises in the defined cleansing service area. A domestic bin service provides for the removal from the premises of a weekly 240 litre wheeled cart of refuse and a fortnightly service of a 240 litre wheeled cart of recyclables;
 - (b) optional 240 litre cart of refuse collected and disposed of weekly and one 340 litre wheeled cart of recyclables collected and processed fortnightly shall be \$371.40;
 - (c) optional 140 litre cart of refuse collected and disposed of weekly and one 140 litre wheeled cart of recyclables collected and processed fortnightly shall be \$324.90;
 - (d) optional 140 litre cart of refuse collected and disposed of weekly and one 240 litre wheeled cart of recyclables collected and processed fortnightly shall be \$324.90;
 - (e) optional 140 litre cart of refuse collected and disposed of weekly and one 340 litre wheeled cart of recyclables collected and processed fortnightly shall be \$345.50;
 - (f) additional 2nd 240 litre wheeled cart of refuse collected and disposed of weekly carried out in conjunction with the 1st domestic service shall be \$226.50;
 - (g) additional 2nd 240 litre wheeled cart of recyclables collected and processed fortnightly in conjunction with the 1st domestic service shall be \$119.00;
 - (h) additional 2nd 340 litre wheeled cart of recyclables collected and processed fortnightly in conjunction with the 1st domestic service shall be \$187.30.

2. Commercial Refuse - Wheeled Bin Collection Normal Collection Day:
 - (a) optional annual charge will be levied for each premises in the defined cleansing service area, which charge will be \$614.60 per Commercial Bin Unit included in the Nominated Bin Unit, for the purpose of providing for the removal from the premises weekly Commercial Refuse and fortnightly Commercial Recycling;
 - (b) optional annual charge will be levied for each premises in the defined cleansing service area, which charge will be \$691.50 per Commercial Bin Unit included in the Nominated Bin Unit, for the purpose of providing for the removal from the premises weekly Commercial Refuse and fortnightly Commercial Recycling based on a 340 litre wheeled cart of recyclables;
 - (c) additional 2nd 240 litre wheeled cart of refuse collected and disposed of weekly carried out in conjunction with the 1st commercial service shall be \$456.00;

- (d) additional 2nd 240 litre wheeled cart of recyclables collected and processed fortnightly in conjunction with the 1st commercial service shall be \$226.50;
 - (e) additional 2nd 340 litre wheeled cart of recyclables collected and processed fortnightly in conjunction with the 1st commercial service shall be \$330.00.
3. Bulk Refuse:
In cases where the Owner/Occupier of any multi residential (over 6 units) premises has entered into a contract with a Waste Service Provider for a Bulk Bin service for the whole of the period from 1 July 2020 to the next succeeding June 30, which has sufficient capacity to contain all refuse likely to be generated in or on such premises then the charges specified in clause 2 shall be waived.
4. Waste Service Contribution for Facing Island and Curtis Island (Waste Transfer Service):
An annual charge of \$345.50 for each premises situated on Facing Island or Curtis Island, for the purpose of providing the Facing Island (including Gatcombe Head) or Curtis Island Waste Transfer Service.
5. New / Additional Service:
The commencement date for application of charges with respect to new and / or additional services will be the earliest of either the plumbing approval or delivery of refuse bins.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.13. WATER CHARGES**Responsible Officer: General Manager Finance Governance and Risk****Special Budget Meeting Date: 7 July 2020****File Ref: FM6.1****Purpose:**

This report seeks the adoption of water charges for 2020/2021.

Officer's Recommendation:

That in accordance with section 94 of the *Local Government Act 2009* and Chapter 4, Part 7 of the *Local Government Regulation 2012*, Council make and levy the following utility charges for the 2020/2021 financial year:

1. Water Availability (Fixed Cost Component):

Water Meter Service Size	Lake Awoonga Treated Water Scheme	Miriam Vale & Bororen Treated Water Schemes	Agnes Water / Seventeen Seventy Treated Water Scheme
Vacant	\$ 490	\$ 538	\$ 538
20mm	\$ 490	\$ 538	\$ 538
20mm (sub-meter)	\$ 368	\$ 404	\$ 404
25mm (domestic)	\$ 490	\$ 538	\$ 538
25mm (all other users)	\$ 764	\$ 839	\$ 839
25mm (sub meter) (domestic)	\$ 490	\$ 538	\$ 538
25mm (sub meter) (all other users)	\$ 764	\$ 839	\$ 839
32mm	\$ 1,254	\$ 1,377	\$ 1,377
32mm (sub meter)	\$ 1,254	\$ 1,377	\$ 1,377
40mm	\$ 1,960	\$ 2,152	\$ 2,152
40mm (sub meter)	\$ 1,960	\$ 2,152	\$ 2,152
50mm	\$ 3,063	\$ 3,363	\$ 3,363
50mm (sub meter)	\$ 3,063	\$ 3,363	\$ 3,363
80mm	\$ 7,840	\$ 8,608	\$ 8,608
80mm (sub meter)	\$ 7,840	\$ 8,608	\$ 8,608
100mm	\$ 12,250	\$ 13,450	\$ 13,450
100mm (sub meter)	\$ 12,250	\$ 13,450	\$ 13,450
150mm	\$ 27,563	\$ 30,263	\$ 30,263
150mm (sub meter)	\$ 27,563	\$ 30,263	\$ 30,263
150mm (Rail Corridor Land)	\$ 55,517	\$ 60,955	\$ 60,955
200mm	\$ 49,000	\$ 53,800	\$ 53,800
250mm	\$ 76,563	\$ 84,063	\$ 84,063
300mm	\$ 110,250	\$ 121,050	\$ 121,050
375mm	\$ 172,264		

2. Consumption Charge per Kilolitre by Supply Type and Water Scheme:

Scheme	\$ per Kilotre
Lake Awoonga Treated Water Scheme	1.83
Miriam Vale & Bororen Treated Water Schemes	3.73
Agnes Water / Seventeen Seventy Treated Water Scheme	3.81

- a. In determining water consumption charges, based on the above unit rates, Council will apply section 102 of the *Local Government Regulation 2012* to calculating water consumption charges against land or premises for which consumption charges were made and levied, so that:
- regardless of whether the meter reading for the second half of the 2019/2020 financial year occurs before the end of that financial year or after the beginning of the 2020/2021 financial year, the consumption charge for that half year is calculated in accordance with the relevant basis of charge in Council's rating resolution for the 2019/2020 financial year; and
 - regardless of whether the meter reading for the second half of the 2020/2021 financial year occurs before the end of that financial year or after the beginning of the 2021/2022 financial year, the consumption charge for that half year is calculated in accordance with the relevant basis of consumption charge for the 2020/2021 financial year.
- b. Council will apply section 102(2) of the *Local Government Regulation 2012* to the reading of water meters so that if a meter is due to be read on a particular day (e.g. the last day of a half year) to enable Council to calculate a consumption charge to be levied, the meter will be deemed read on that particular day if it is read within 2 weeks before the day or 2 weeks after the day.
- c. The commencing water meter reading for a consumption charge cycle is the reading last recorded in a biannual charge cycle, or, in the case of a new meter connection, the reading recorded on the day of connection.
3. The Beecher/Burua and Tuckers Road Constant Flow Water System:
For those properties connected to the constant flow water scheme, the rate is determined based on the charges below and the flow rate permitted by the valve installed on each connection. This will determine the amount of kilolitres charged for those unmetered services.
- Fixed or Access Charge \$490.00 per connection
 - Consumption Charge \$2.01 per kilolitre

Constant Flow Water System	Beecher, Burua & Tuckers Road
Constant Flow - Access	\$ 490
Constant Flow - 211kl	\$ 914
Constant Flow - 368kl	\$ 1,230
Constant Flow - 526kl	\$ 1,547
Constant Flow - 684kl	\$ 1,865

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.14. SEWERAGE CHARGES**Responsible Officer: General Manager Finance Governance and Risk****Special Budget Meeting Date: 7 July 2020****File Ref: FM6.1**

Purpose:

This report seeks the adoption of sewerage charges for 2020/2021.

Officer's Recommendation:

That in accordance with section 94 of the *Local Government Act 2009* and section 99 of the *Local Government Regulation 2012*, the following utility charges be made and levied for the 2020/2021 financial year:

1. Sewerage Unit Classifications:

Sewerage charges in the urban areas of Gladstone, Boyne Island, Tannum Sands, Calliope, Agnes Water, and Seventeen Seventy are levied on a "per unit" basis with the number of units allocated to particular land uses, dependent on expected demand:

No.	Category	Unit
1	Each parcel of unconnected land located within the defined sewerage service area.	7
2	Each single unit dwelling constructed on an allotment and located within the defined sewerage service area.	10
3	First Connection - each non-residential premises connected to the scheme including accommodation units and caravan parks.	10
4	Additional Connections - each non-residential premises connected to the scheme including accommodation units and caravan parks, for each additional pedestal or metre of urinal, as assessed by Council's Plumbing Inspectors.	7

2. Unit Charge:

Urban Sewerage Scheme - Gladstone	\$75.00 per unit
Urban Sewerage Scheme - Boyne Island, Tannum Sands, and Calliope	\$77.30 per unit
Urban Sewerage Scheme - Agnes Water / Seventeen Seventy	\$91.90 per unit

- The sewerage charge levied in respect of the Boyne Aluminium Smelter be \$120,588.00 being the equivalent of 156 standard dwellings which has been assessed on actual usage.
- The sewerage charge levied in respect of the NRG Power Station, located at Lot 1 CP 818823 Parish Auckland be \$6,750.00 being 20 units at a rate of \$337.50.

3. Yarwun Industrial Area:

The following charges be imposed in respect of the Yarwun Industrial Area:

Sewerage Charge:

a.	ORICA Chemical Plant	\$132,150
b.	Transpacific Plant	\$35,537
c.	Comalco Refinery	\$730,403

Trade Waste Charge:

a.	ORICA Chemical Plant	\$297,721
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4. Curtis Island Sewerage Scheme:

The following volumetric (consumption) charges be imposed in respect of the Curtis Island Sewerage Scheme, in accordance with the principles identified in the respective Service and Special Charge Agreements:

a.	Australia Pacific LNG	111.548 cents per kilolitre of wastewater discharged from the LNG facility.
b.	Queensland Curtis LNG	111.548 cents per kilolitre of wastewater discharged from the LNG facility.
c.	GLNG	111.548 cents per kilolitre of wastewater discharged from the LNG facility.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.15. WATER ALLOCATIONS AND SEWERAGE CONNECTION CONCESSION

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 07 July 2020

File Ref: CM28.2, FM6.1

Purpose:

This report seeks the adoption of P-2020-08 Water Allocations and Sewerage Connection Concessions Policy, applying to the 2020/2021 financial year.

Officer's Recommendation:

That Council:

1. Repeal P-2019-14 Water Allocations and Sewerage Connection Concessions for Sporting Bodies and Other Not-for-Profit Organisations Policy;
2. Adopt P-2020-08 Water Allocations and Sewerage Connection Concessions Policy provided as Attachment 1 and apply to the 2020/2021 financial year; and
3. In accordance with section 119, 120, 121 and 122 of the *Local Government Regulation 2012* (Regulation) and the requirements of Council's Water Allocations and Sewerage Connection Concessions Policy, a concession for water availability, water consumption, and sewerage charges be granted to local sporting bodies and other not-for-profit community organisations who fit within the criteria requirements of section 120(1)(b) of the Regulation.

Background:

Under section 120(1)(b) of the *Local Government Regulation 2012*, Council may grant a concession if it is satisfied that the land is owned by an entity whose objects do not include making a profit or an entity that provides assistance or encouragement for arts and culture development.

This policy recognises and provides assistance with the operational costs incurred by non-for-profit sporting clubs and other not-for-profit organisations whilst also encouraging the development and maintenance of publicly accessible sporting fields.

Consideration:

Under the current policy, eligible sporting clubs and community organisations receive a concession on water availability (fixed cost component), water consumption, and sewerage charges.

It is the officer's recommendation that additional concessions be provided in the 2020/2021 financial year under this policy.

Officers propose that the policy be extended to include a concession for standpipe charges. It is proposed that the standpipe charge concession be accumulative towards the water consumption charge concession of 5,000 kilolitres per hectare of playing fields per annum.

The proposed amendments are reflected in Attachment 2.

Legal Environmental and Policy Implications:

Section 120(1)(b) of the *Local Government Regulation 2012* provides Council with the ability to grant a concession for rates and charges if it is satisfied that the land is owned by an entity whose objects do not include making a profit or an entity that provides assistance or encouragement for arts and culture development.

Financial and Resource Implications:

There are currently 48 rate assessments accessing a concession under the current policy, at a total concessional cost of \$358,736.30 for the 2019/2020 financial year. It is anticipated that a slight increase may be experienced in 2020/2021 with the expansion of the policy to include standpipes.

Attachments:

1. Draft P-2020-08 Water Allocations and Sewerage Connection Concessions Policy;
2. Draft P-2020-08 Water Allocations and Sewerage Connection Concession Policy (Tracked Changes version);
3. Current P-2019-14 Water Allocations and Sewerage Connection Concessions for Sporting Bodies and Other Not-for-Profit Organisations Policy.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.16. CONCEALED WATER LEAK CONCESSION

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 07 July 2020

File Ref: FM6.1

Purpose:

This report seeks the adoption of P-2020-09 Concealed Water Leak Concession Policy, applying to the 2020/2021 financial year.

Officer's Recommendation:

That Council:

1. Repeal P-2019-09 Concealed Water Leak Concession Policy;
2. Adopt P-2020-09 Concealed Water Leak Concession Policy provided as Attachment 1 and apply to the 2020/2021 financial year; and
3. In accordance with section 119, 120, 121 and 122 of the *Local Government Regulation 2012* and Council's Concealed Water Leak Concession Policy, a concession of 50% of the difference, up to 600 kilolitres, between the levied water consumption and the estimated average daily water consumption where the difference is greater than 40% of the average daily water consumption be granted on the basis that the payment of water consumption charges will result in financial hardship to the land owner.

Background:

Under section 120(1)(c) of the *Local Government Regulation 2012*, Council may grant a concession if it is satisfied that "the payment of rates and charges will cause hardship to the land owner".

A concealed water leak where a land owner incurs an increase of 40% or more for water consumption charges could cause financial hardship to the land owner and accordingly, Council may grant a concession under section 120.

Consideration:

Officers recommend that the value of the concession be consistent with the 2019/2020 financial year, however, propose that the eligibility conditions for the concession be expanded beyond properties whose primary purpose is residential.

In response to the economic impacts associated with the Coronavirus (COVID-19) pandemic, officers propose that the scope of the policy be expanded for 2020/2021 to provide support to non-residential property owners.

Under the proposed policy, all property owners can receive a maximum concession of an amount equivalent to 600 kilolitres calculated on 50% of the difference between the levied water consumption and the estimated average daily water consumption, where the difference is greater than 40% of the average daily water consumption of the previous four (4) billing periods.

The amendments proposed to the current policy are reflected in Attachment 2.

Legal Environmental and Policy Implications:

Section 120 of the *Local Government Regulation 2012* provides Council with the ability to grant a concession for rates and charges if it is satisfied that the payment of rates and charges will cause hardship to the land owner.

Financial and Resource Implications:

There is no amount budgeted for in the 2020/2021 financial year as the financial implications of this concession are dependent upon the number of concealed leaks detected and the number of and value of concessions granted. However, the below table provides some historical information:

Financial Year	Concession Granted
2019/2020	\$140,490.12
2018/2019	\$32,349.28
2017/2018	\$30,841.57

During the 2019/2020 financial year, a number of outside of policy concessions were granted via resolution of Council including commercial properties. Of this figure 51% were residential properties and 49% were non-residential properties.

Attachments:

1. Draft P-2020-09 Concealed Water Leak Concession Policy;
2. Draft P-2020-09 Concealed Water Leak Concession Policy (Tracked Changes version);
3. Current P-2019-09 Concealed Water Leak Policy.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.17. SPECIAL CHARGES

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 07 July 2020

File Ref: FM6.1

Purpose:

This report seeks the adoption of special charges for 2020/2021.

Officer's Recommendation:

That:

1. In accordance with section 94 of the *Local Government Act 2009* and section 94 of the *Local Government Regulation 2012*, and pursuant to a service and special charge agreement made with each of Australia Pacific LNG (Shared Facilities) Pty Limited (APLNG); QCLNG Land Pty Ltd (QCLNG), and GLNG Operations Pty Ltd (GLNG), Council will levy a special charge "Curtis Island Sewerage Infrastructure Special Charge" on the following rateable land parcels at Curtis Island:
 - a) Lot 3 SP 228454, Lot 5 SP 283963, Lease A SP 252872, and Lease B SP 252872, (APLNG Land);
 - b) Lot 2 SP 228454, and Lot 2 SP 228185, Lease A SP 252874, and Lease B SP 252874 (QCLNG Land); and
 - c) Lot 1 SP 235007 and Lease A SP 271500 (GLNG Land).
2. In accordance with section 94 of the *Local Government Act 2009* and section 94 of the *Local Government Regulation 2012*, Council levy the Curtis Island Sewerage Infrastructure Special Charges for 2020/2021 as:
 - APLNG land - \$1,981,176.63 per annum;
 - QCLNG land - \$5,012,865.06 per annum;
 - GLNG land - \$983,771.98 per annum.
3. The purpose of the special charge is to reimburse Council the cost it incurs in operating its Curtis Island wastewater collection and reticulation infrastructure (the Wastewater Infrastructure) to provide a wastewater disposal and processing service (the Wastewater Service) for the special benefit of those land parcels, each of which is used for operations that especially contribute to the need for the service activity. Council created the collection and reticulation infrastructure pursuant to common use infrastructure agreement, dated 24 August 2011 with Gladstone Area Water Board and APLNG.
4. The LNG Facilities land to be levied with the special charge especially benefits from the Wastewater Service because:
 - a) operations upon each LNG Facility consume significant volumes of water and produce significant volumes of wastewater;
 - b) it was necessary for Council to construct and commission the Wastewater Infrastructure (pursuant to the common use infrastructure agreement) to enable APLNG, QCLNG and GLNG to construct and operate the LNG Facilities; and
 - c) the LNG Facilities cannot operate without the Wastewater Service.

5. The Overall Plan for the service to which the special charge applies, is as follows:
 - a) Council will operate the Wastewater Infrastructure to service the liquefied natural gas (LNG) production, storage, and distribution facilities (the LNG Facilities) that APLNG, QCLNG, and GLNG operate upon the land parcels.
 - b) Council will recoup, pursuant to the service and special charge agreements, its operating and capital costs associated with operating the Wastewater Infrastructure.
 - c) The estimated cost of operating the Wastewater Infrastructure over a 25-year period and recovering capital costs in accordance with the service and special charge agreements is \$129.887 million in current terms.
 - d) The estimated time for implementing the overall plan is 25 years, expiring on 30 June 2039.

6. The Annual Implementation Plan for the 2020/2021 financial year is that Council will operate the Wastewater Infrastructure to service the LNG Facilities, and will apply the special charge revenue, which it estimates at \$7,977,813.67, against the operating cost it incurs.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.18. FEES AND CHARGES FOR THE 2020/2021 FINANCIAL YEAR

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 07 July 2020

File Ref: FM6.1

Purpose:

This report seeks the adoption of fees and charges for the 2020/2021 financial year.

Officer's Recommendation:

That Council adopt the 2020/2021 Schedule of Fees and Charges provided as Attachment 1, to be effective from 7 July 2020.

Background:

The fees and charges have been reviewed and collated as part of the budget development process for the 2020/2021 financial year.

Fees and Charges have been determined in line with the principles documented in Council's Revenue Policy (P-2020-04), and dependent on the type of goods or services provided, are a mixture of both:

- commercial and cost recovery fees; and
- subsidised fees that are reflective of the inherent community service value of the goods and services provided so that charging a cost reflective fee would discourage such use or service.

Communication and Consultation (Internal/External):

All Council departments and Councillors have been consulted in the development of the fees and charges for the 2020/2021 financial year.

Financial and Resource Implications:

Levying fees and charges in line with Council's Revenue Policy will enable Council to maintain financial viability and ensure that there is an appropriate recognition of the cost provision of Council services, and recovery through relevant fees and charges where appropriate.

Attachments:

1. 2020/2021 Schedule of Fees and Charges

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.19. OPERATIONAL PLAN AND BUDGET ADOPTION

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 7 July 2020

File Ref: FM6.1

Purpose:

This report recommends the adoption of Council's Operational Plan and Gladstone Regional Council budget for 2020/2021.

Officer's Recommendation:

That:

1. In accordance with s174 of the *Local Government Regulation 2012 (Qld)*, Council adopts its annual Operational Plan for the 2020/2021 financial year; and
2. In accordance with s107A of the *Local Government Act 2009 (Qld)* and ss169 -170 of the *Local Government Regulation 2012*, Council adopts Council's Budget for the 2020/2021 financial year **as attached**, noting its formulation has incorporated:
 - (a) The statement of financial position;
 - (b) The statements of cash flow;
 - (c) The statements of income and expenditure;
 - (d) The statements of changes in equity;
 - (e) The long-term financial forecast;
 - (f) The revenue statement;
 - (g) The revenue policy (adopted by Council resolution on 19 May 2020 (G/20/4194);
 - (h) The relevant measures of financial sustainability; and
 - (i) The total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget.

Background:

Council is required to develop an Operational Plan that provides the "doing link" between the strategic direction of the Corporate Plan 2018-2023 and the provision of budgetary amounts in Council's budget for the delivery of services.

The Operational Plan identifies what services are necessary to be provided to deliver on the vision and objectives contained in the Gladstone Regional Council Corporate Plan 2018-2023 adopted on 3 July 2018.

Consideration:

The attached Operational Plan provides for the delivery of services in 2020/2021 and identifies:

- what services will be delivered;
- how these programs link with the Corporate Plan 2018-2023; and
- how progress of each of the services is to be measured, with respect to the delivery of that service in line with the objectives of the Corporate Plan.

Communication and Consultation (Internal/External):

This is the third annual operational plan outworked from our five-year Corporate Plan, outlining the work we are going to deliver and how our performance will be measured. The plan was developed in conjunction with our annual budget to ensure that both our recurrent services and new activities are appropriately funded.

We are operating in a unique time, dealing with a world-wide pandemic and a response like no other in history. It is important we continue the essential work needed to set a path for the future, and our theme, 'Our Community, Our Future', reflects this. Next year's plan is focused on our community, manageable within the context of the year, and recognises our recurrent services, along with a consolidated suite of new initiatives.

Legal Environmental and Policy Implications:

The operational plan forms a fundamental driver for policy to ensure that Council policies are aligned with the organisational strategic direction.

Financial and Resource Implications:

In accordance with Section 169(8)(b) "*the budget must be consistent with...its annual operational plan.*" This proposed operational plan is consistent with the proposed budget to be adopted.

Attachments:

1. Operational Plan / Budget 2020/2021

Tabled Items:

Nil.

Report Prepared by: General Manager Finance, Governance & Risk / General Manager Strategy and Transformation

S/2. CONFIDENTIAL ITEMS

ATTACHMENTS