



GLADSTONE
REGIONAL COUNCIL

SPECIAL BUDGET MEETING AGENDA

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

On Tuesday 15 June 2021

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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S/1. 2021/22 BUDGET

S/1.1. 2021/2022 BUDGET OVERVIEW

Responsible Officer: Chief Executive Officer

Special Budget Meeting Date: 15 June 2021

File Ref: FM6.1

Purpose:

The Mayor presenting an Overview Report on Council's 2021/22 Budget and associated Operational Plan.

Officer's Recommendation:

That Council receive the 2021/22 Budget Overview Report.

Background:

It is my privilege to present Gladstone Regional Council's 2021/22 Budget and associated Operational Plan, the second of this Council's term.

The challenges presented to our region, and indeed the country as a whole throughout the COVID-19 pandemic, has required an unprecedented response. My Council stood up to the challenge in the striking of its maiden budget and made the strong decision to freeze rates last financial year while continuing to invest in capital projects and services to support our local economy. I am pleased to say that we delivered, not only on our commitment to freeze rates, but also to deliver our \$65 million capital works program in full. As we look ahead to the 2021/22 budget, I know this Council will again, deliver on our commitments.

The theme of this year's budget is Collective Delivery.

It focuses on getting us back on track and providing the services our communities need. It focuses on building community capacity and supporting the economic development and growth of the Gladstone Region.

Our recovery from the COVID-19 pandemic has been ongoing and has been spearheaded by a capital spend in necessary community infrastructure to make sure our community is supported by the infrastructure that it needs. This budget looks to continue this with a projected capital spend of \$73.4m.

As we get back on track, we will focus on planning and advocating for the future. To do this, we will fund key strategic activities that will:

- Fund the co-investment in a Support the Front-End Engineering Design (FEED) for the Gladstone Region Hydrogen Ecosystem, in order to contribute to the development of a world-class hydrogen production and export hub, ensuring that Gladstone remains the energy capital of Australia;
- Develop a Regional Transition Plan to secure a more diversified economy; and
- Deliver a strategy for our regional road network (including freight, active transport and safety) to ensure strategic network development and connectivity.

This will position our region to capitalise on the emerging energy sectors, and make sure we continue to leverage our connection to the world through our port. Holistic planning of our road networks will help connect our beef producers to the world and assist with advocating and planning to link Council's Road network to support other transport enhancement such as the Melbourne to Gladstone Inland Rail.

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, and that the burden on our ratepayers in terms of funding these projects is minimised in the process.

The capital works delivery program of \$73.4m has been supported by both State and Federal Governments to the value of \$16.7m. This demonstrates the effectiveness of Council's strategy to seek specific funding for our capital project expenditure, so we can continue to improve our region's infrastructure through external funding, not ratepayer dollars. More than \$10m in funding is being provided for projects in addition to the general funding offered through Works for Queensland (State) and Roads to Recovery (Federal). The continued investment by the other tiers of government in our region this financial year will contribute to the planned delivery of key capital projects including (but not limited to):

- \$2.0m - Sewerage Mains replacement to Gladstone Wastewater Treatment Plant
- \$1.4m - Bridge Replacements – Gorge Road and John Clifford Way
- \$1.12m - Benaraby Landfill Cell Capping
- \$1.0m - Toolooa Street Pavement and Footpath Renewal
- \$0.9m - Coast Road, Baffle Creek

Local Roads and Community Infrastructure Projects (\$3.1m funded) to be delivered in 2021/22 include:

- Gladstone Aquatic Centre Upgrade (including amenities);
- Asphalt overlays and bitumen reseals across the region.

Works for Queensland projects (\$2.8m funded) to be delivered in 2021/22 will focus on sewerage mains and manhole renewals.

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.

Council has allocated close to \$482,000 to continue planning for the Boyne Tannum Aquatic Recreation Centre. This project continues to design stage, following the selection of a preferred site at Coronation Drive, Tannum Sands. 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 \$300,000 has been allocated to continue with the development of a Master Plan for the Gladstone Coal Exporters Sports Complex (Marley Brown Oval), off Harvey Road in 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 and with the capacity and facilities to host national, state and local sporting matches.

Funds have been allocated to progress the design of the Boyne Burnett Inland Rail Trail, funded through the Department of Transport and Main Roads and will enable further consideration of the project in the Boyne Valley.

Our focus on the economic development of our region has never been more important and is supported by dedicated in-house focused resources that are driving our Economic Recovery Group with key partners from throughout the region to ensure that all initiatives to support economic recovery are targeted to achieve maximum return. 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 costs. We are already starting to see the benefits of improved asset management, as we move to more proactive maintenance in the water and waste-water fields. For every maintenance activity that we can shift from reactive to planned, we will reduce overall maintenance costs.

The 2021/22 capital expenditure of \$73.4m includes:

- \$17.3m on upgrades to wastewater (sewerage) infrastructure
- \$14.0m on capital roads projects
- \$10.8m on upgrades to water supply infrastructure
- \$4.2m on capital parks and environment projects
- \$7.4m on bridge upgrades, renewals and replacements
- \$1.6m on footpath and cycle upgrades.

Borrowings

Council is proud to declare that for the ninth consecutive year we will have no new borrowings.

We have taken the opportunity to refinance our debt last financial year as part of one of the COVID-19 recovery measures offered to Local Government by the State. Based on the current record low interest rates, reducing our ongoing interest costs and extending the terms of our loans, this sees the net annual financing costs reduce to \$0.7m compared to \$4.3m at the time of adopting our budget 12 months ago.

Our focus on reducing existing debt, with no new borrowings, will see interest bearing debt decline to \$102.7m by June 2022.

Council's approach currently sees no borrowings planned in the Long Term Financial Forecast.

The resultant debt ratio equivalent reduces to 4.16 per cent (4.65 per cent previous budget) of physical assets, by the end of June 2022.

Concessions and remissions

Council continues to support the unique needs of pensioners. 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, with the maximum assistance increasing to \$310 per annum up from \$300. This amounts to a total benefit of \$1m for 3265 pensioners (a 6.5 per cent increase in pensioners currently receiving a remission during the year).

The State Government pensioner concession provides for a maximum of \$200.

Rates and Utility Charges

When looking at the average residential ratepayer in the Gladstone Region, general rates have risen in line with the current Consumer Price Index (CPI) (Brisbane) of 1.7 per cent per annum.

To ensure the continued delivery of reliable services to the community it is necessary to increase service charges by 4.9 per cent per annum in total.

The overall rate increase for the average residential ratepayer is 3.3 per cent, and is explained below:

	21/22	20/21	Movement
Average Valuation	\$100,640	\$112,077	-10.2%
General Rate	\$1,616.83	\$1,589.68	1.7%
Water Access	\$515.00	\$490.00	5.1%
Sewerage	\$765.00	\$750.00	2.0%
Waste	\$382.90	\$345.50	10.8%
Gross Rates	\$3,279.73	\$3,175.18	3.3%
Discount	-\$327.97	-\$317.52	
Net Rates	\$2,951.76	\$2857.66	3.3%

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

General Rates

As our region rebounds, bigger and stronger, from the measures taken to protect our community during the COVID-19 pandemic, Council has made a conscious decision to increase the general rate at the rate of CPI of 1.7 per cent.

While the total general rate revenue for all categories will increase in line with CPI, as will the average general residential rate, the impact on each ratepayer will be different depending on their valuation movement.

The revaluation of properties this financial year saw an overall decrease of 10.8 per cent for residential properties across the region as a whole, and a decrease in all properties of an average of 7.8 per cent. With valuation pockets varying between suburbs and towns, the impacts of the valuation movement will continue to be buffered by the rate increase cap of 10 per cent for residential purposes.

While there will be an increase of varying magnitudes up to the 10 per cent rate cap for most properties, more than 6300 properties will receive a general rate decrease.

Refuse Charges

Council's underlying waste service costs, excluding recycling, increased in line with CPI. The associated costs of waste disposal, transfer station operations and recycling component have had significant cost pressures applied during the past financial years which have been exacerbated by the destruction of the Rockhampton regional recycling facility which required alternative measures to be put in place to ensure our recycling is appropriately treated.

While Council adopted a three year price path in its 2019/20 budget for the recovery of waste costs, the second year of this price path implementation was deferred as part of our commitment to freezing rates. This year, it has been necessary to continue to implement the price path to ensure that our region's waste needs are appropriately catered for.

The refuse charges across the region will increase to \$382.90 (\$345.50 per annum in 2020/21), 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 increase by 2 per cent in 2021/22 to ensure that the needs to maintain and improve our sewerage network are met and are represented by the sewerage scheme charges below:

Sewer area	2021/2022	2020/2021
Boyne Island, Tannum Sands and Calliope	788.00	773.00
Gladstone	765.00	750.00
Agnes Water/Seventeen Seventy	937.00	919.00

Water availability and consumption charges

Water network costs have come under increasing pressure from all sides inclusive of network operation but also the input costs for water as determined by Gladstone Area Water Board (GAWB).

Council's network costs have increased, primarily due to escalating replacement costs of current infrastructure, and as such, it is necessary to increase the network access costs for water by 5 per cent this financial year.

The input cost of water from GAWB increased by 16 per cent effective 1 July 2020. As a result, Council made separate decisions to amend its 2020/21 budget resolutions to reflect this. The expected increase in 2021/22 is in line with CPI and will see Lake Awoonga water scheme users pay \$2.17 per kilolitre for all water consumed.

Scheme	2021/2022	2020/2021
Lake Awoonga	515.00	490.00
Miriam Vale and Bororen*	565.00	538.00
Agnes Water/Seventeen Seventy*	565.00	538.00

Scheme	Consumption Charge
Lake Awoonga	2.17
Miriam Vale and Bororen	3.79
Agnes Water/Seventeen Seventy	3.87

Conclusion

Our overall focus for the 2021/22 Budget and Operational Plan is on ensuring the continuing recovery of our region from the disruption resulting from the ongoing COVID-19 pandemic. This budget is focused on resetting our baseline and ensuring that we are delivering the services and infrastructure our community needs to renew, rebuild and maintain our community assets, roads, water and waste infrastructure in a responsible and cost effective manner.

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: 15 June 2021

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 2021/2022 Budget.

Officer's Recommendation:

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

1. Repeal P-2020-10 Revenue Statement Policy; and
2. Adopt P-2021-10 Revenue Statement Policy provided as Attachment 1.

Background:

Under Section 169 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 the current policy, including:

- Updating the General Principles to reflect the recently adopted General Principles in the Revenue Policy
- An expansion to the definition of Defined Cleansing Service Area to include the circumstances where the area is expanded to include adjacent rural properties on request
- The addition of a Property Owner definition
- The commentary to the Minimum General Rate be amended to reflect the words of the *Local Government Regulation 2012* in relation to the basis for setting the minimum General Rate
- The addition of a new Special Charge for the Gladstone City Plaza Forecourt Redevelopment now that the works are complete
- An update of the amounts to be raised and charged under the Special Charge for Curtis Island Sewerage Infrastructure
- The removal of the COVID-19 Pandemic provisions
- More clearly defined conditions attached to the Domestic Waste Service, including a definition for 'domestic' in the cleansing service section of the policy

- Making provision for owners of land where a home straddles the boundary of two allotments to request that only one availability charge for sewerage and water apply given that there is only one home on the two allotments
- More accurately describe that the availability charge for water is calculated on the flow rate available to the connection for properties other than domestic services
- An update to Table 3 for the Water Availability Charge to reflect the potential for smaller than 20mm water meter sizes
- Allowing ratepayers to include their six-monthly water consumption notice issued in February to be added to a rates instalment plan
- Removing the example from Cost Recovery Fees as it is not required
- Amending the interest rate to 8.03%, in line with legislative requirements
- Updating the financial year references and minor refinements to wording mainly associated with legal review throughout the policy.

Legal Environmental and Policy Implications:

The Revenue Statement has been prepared in accordance with the requirements of Section 172 of the *Local Government Regulation 2012*. A legal review has been undertaken by Council's Legal Team.

Attachments:

1. Proposed P-2021-10 Revenue Statement Policy
2. Existing P-2020-10 Revenue Statement Policy

Tabled Items:

Nil.

Report Prepared by: Governance Advisor / Manager Revenue Services

S/1.3. LONG-TERM FINANCIAL FORECAST

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 15 June 2021

File Ref: FM6.1

Purpose:

This report seeks the adoption of the Long-Term Financial Forecast, for the 10 years through to 30 June 2031, 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 Regional Council Corporate Plan, but also the latest information available at the time of preparation with respect to:

- master planning documents;
- 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 is reviewed more frequently to ensure currency.

Several 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, will be at the prerogative of Council.

Communication and Consultation (Internal/External):

The Long-Term Financial Forecast has been prepared based on a number of individual master plans and asset 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 2021-22

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: 15 June 2021

File Ref: FM6.1, CM28.2

Purpose:

The purpose of this report is to seek Council's endorsement of the Debt Policy for the 2021/2022 financial year.

Officer's Recommendation:

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

1. Repeal P-2021-03 Debt Policy; and
2. Adopt P-2021-17 Debt Policy provided as Attachment 1.

Background:

In accordance with section 192 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 will be refinanced prior to the end of 2020/2021. The majority of loans will have 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 access 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 Queensland Treasury Corporation and Department of State Development, Infrastructure, 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 to the policy which have been incorporated in the proposed policy.

Legal Environmental and Policy Implications:

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

Attachments:

1. Proposed P-2021-17 Debt Policy
2. Existing P-2021-03 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 2022

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 15 June 2021

File Ref: FM6.1

Purpose:

This report seeks the adoption of the projected financial statements for year ending 30 June 2022.

Officer's Recommendation:

That Council adopt the projected financial statements attached for the year ending 30 June 2022 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 2020/2021 financial year in accordance with section 205 of the *Local Government Regulation 2012*.

Attachments:

1. Projected Financial Statements for year end 30 June 2022

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: 15 June 2021

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 and wastewater 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/October and January/February/March for:
 - water consumption charges under section 41(4)(b) of the *Local Government Regulation 2012*; and
 - trade waste volumetric consumption 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 and wastewater charges;
 - water charges (availability (fixed cost component) and water consumption); 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:
 - trade waste volumetric consumption charges.

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 (excluding the Yarwun and Curtis Island Industrial schemes);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;
 - trade waste volumetric charges;
 - The sewerage, trade waste and wastewater charges for the Yarwun and Curtis Island Industrial sewerage, trade waste and wastewater facilities;
 - 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;
 - ratepayers may make application to include six-monthly Water Consumption Notices in the payment plan within sixty (60) days from the date of issue of the notice and the payment plan will be amended accordingly;
 - 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 8.03% 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:** 15 June 2021**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 2021/2022 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 (the residential use of premises involving 2 or more dwellings, for separate households) such 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 or approved for development, 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 general 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 2021/2022 financial year is as follows:
 - (a) For properties within Category 1: 1.612 cents in the dollar, with a minimum rate of \$1,050.00 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 2020/2021 financial year;

 - (b) For properties within Category 2: 0.549 cent in the dollar, with a minimum rate of \$7,373.00 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 2020/2021 financial year;

 - (c) For properties within Category 3: 0.994 cent in the dollar, with a minimum rate of \$1,050.00 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 2020/2021 financial year;

 - (d) For properties within Category 4: 1.612 cents in the dollar;

 - (e) For properties within Category 5: 1.307 cents in the dollar, with a minimum rate of \$1,050.00;

 - (f) For properties within Category 6: 4.242 cents in the dollar, with a minimum rate of \$1,050.00 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 2020/2021 financial year;

 - (g) For properties within Category 7: 5.466 cents in the dollar, with a minimum rate of \$1,269.00 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 2020/2021 financial year;

- (h) For properties within Category 8: 1.606 cents in the dollar, with a minimum rate of \$1,623.00; 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 2020/2021 financial year;
- (i) For properties within Category 9: 3.780 cents in the dollar, with a minimum rate of \$1,131.00; 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 2020/2021 financial year;
- (j) For properties within Category 10: 2.163 cents in the dollar, with a minimum rate of \$31,120.00;
- (k) For properties within Category 11: 3.469 cents in the dollar, with a minimum rate of \$107,727.00;
- (l) For properties within Category 12: 4.070 cents in the dollar, with a minimum rate of \$113,093.00;
- (m) For properties within Category 13: 7.864 cents in the dollar, with a minimum rate of \$311,202.00;
- (n) For properties within Category 14: 15.291 cents in the dollar, with a minimum rate of \$97,020.00;
- (o) For properties within Category 15: 95.889 cents in the dollar, with a minimum rate of \$371,057.00;
- (p) For properties within Category 16: 5.682 cents in the dollar, with a minimum rate of \$1,131.00; 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 2020/2021 financial year;
- (q) For properties within Category 17: 14.290 cents in the dollar, with a minimum rate of \$2,611.00; 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 2020/2021 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 2020/2021 financial year;
- (s) For properties within Category 19: 11.536 cents in the dollar, with a minimum rate of \$1,131.00; 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 2020/2021 financial year;
- (t) for properties within Category 20: 12.180 cents in the dollar, with a minimum rate of \$2,611.00; 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 2020/2021 financial year;

- (u) For properties within Category 21: 17.676 cents in the dollar, with a minimum rate of \$1,131.00;
- (v) For properties within Category 22: 6.319 cents in the dollar, with a minimum rate of \$70,225.00;
- (w) For properties within Category 23: 2.463 cents in the dollar, with a minimum rate of \$1,131.00; 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 2020/2021 financial year; and
- (x) For properties within Category 24: 72.778 cents in the dollar, with a minimum rate of \$3,897,494.00.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.8. PENSIONER CONCESSION

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 15 June 2021

File Ref: FM6.1, CM28.2

Purpose:

This report seeks the adoption of a revised Pensioner Concession Policy applying to the 2021/2022 financial year.

Officer's Recommendation:

That Council:

1. Repeal P-2020-06 Pensioner Remission Policy;
2. Adopt P-2021-15 Pensioner Concession Policy provided as Attachment 1 and apply to the 2021/2022 financial year; and
3. In accordance with sections 119-122 of the *Local Government Regulation 2012* and the requirements of Council's Pensioner Concession Policy, a concession of the differential general rate of 50% up to a maximum \$310 per annum be granted to all ratepayers who are pensioners and who are eligible for the Queensland 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 3274 assessments with pensioners who are accessing the pensioner concession.

Consideration:

It is proposed that the annual pensioner concession of \$300 offered to eligible pensioners in the 2020/2021 financial year be increased to \$310 in the 2021/2022 financial year.

Under the proposed Pensioner Concession Policy, eligible pensioners will receive 50% of the differential general rate up to a maximum of \$310. This is in addition to the 20% of the gross rates and charges up to a maximum of \$200 available under the Queensland Government Pensioner Rate Subsidy Scheme.

The State Government Scheme is available to those persons who hold a Queensland 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 are proposing a rename of the policy to Pensioner Concession Policy (currently Pensioner Remission Policy). This change seeks to bring terminology used in the policy in line with that of the *Local Government Regulation 2012*.

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 2020 to 30 June 2021:

Total Council concession granted:	\$ 929,797.81
Reversals of Council concession due to sale of properties:	\$ 28,085.57
Total cost to Council 01 July 2020 to 30 June 2021:	\$ 901,712.24

It is anticipated that the proposed increase of concession from \$300 to \$310 will increase to the total cost to Council for the financial year by approximately \$32,740.

Attachments:

1. Proposed P-2021-15 Pensioner Concession Policy
2. Existing P-2020-06 Pensioner Remission Policy

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.9. EXEMPTIONS AND CONCESSIONS FROM GENERAL AND DIFFERENTIAL RATES

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 15 June 2021

File Ref: CM28.2, FM6.1

Purpose:

This report seeks the adoption of a General and Differential Rates Exemptions and Concessions Policy, applying to the 2021/2022 financial year.

Officer's Recommendation:

That Council:

1. Repeal P-2020-07 Properties Exempt from General and Differential Rates Policy.
2. Adopt P-2021-16 General and Differential Rates Exemptions and Concessions Policy provided as Attachment 1 and apply to the 2021/2022 financial year.
3. In accordance with section 93(3)(i) of the *Local Government Act 2009* and Council's General and Differential Rates Exemptions and Concessions Policy, an exemption from general rates (including differential general rates) will be granted where Council considers land is used for a charitable purpose.
4. In accordance with section 93(3)(h)(ii) and Council's General and Differential Rates Exemptions and Concessions Policy, an exemption from general rates (including differential general rates) will be granted where the land is primarily used for showgrounds or horseracing.
5. In accordance with section 120(1)(b)(i) of the *Local Government Regulation 2012* and Council's General and Differential Rates Exemptions and Concessions Policy, a concession from general rates (including differential general rates) will be granted where Council considers land is owned by an entity whose objects do not include making a profit.

Background:

Section 93 of the *Local Government Act 2009* (Act) and section 73 of the *Local Government Regulation 2012* (Regulation) provides for certain types of properties which are used for the 'general public good' to be exempt from general and differential rates i.e. public hospitals, education, and religious purposes.

Under the Act, Council may exercise its discretion, by resolution, to make further exemptions where Council considers that such land is used for charitable purposes, showgrounds, or horseracing.

Further, section 120(1)(b) of the Regulation provides Council with the power to grant a concession for rates where it is satisfied that the land is owned by an entity whose objects do not include making a profit.

Consideration:

It is proposed that exemptions consistent with the 2020/2021 financial year be offered again in 2021/2022.

Following a review of the current policy, officers have identified that sporting clubs and other not-for-profit organisations that own or occupy freehold land should be receiving a concession in lieu of an exemption.

The intent of the policy remains unchanged and seeks to recognise the important role that our charitable organisations, sporting clubs, and other not-for-profit organisations play in the community.

Legal Environmental and Policy Implications:

Exemptions from general and differential rates are available to some organisations under section 93(3)(h)(ii) and 93(3)(i) of the *Local Government Act 2009* and section 73 of the *Local Government Regulation 2012*.

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

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. Proposed P-2021-16 General and Differential Rates Exemptions and Concessions Policy;
2. Existing P-2020-07 Properties Exempt from General and Differential Rates Policy.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.10. RATING FINANCIAL HARDSHIP CONCESSION

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 15 June 2021

File Ref: FM6.1, CM28.2

Purpose:

This report seeks the adoption of a revised Rating Financial Hardship Concession Policy applying to the 2021/2022 financial year.

Officer's Recommendation:

That Council:

1. Repeal P-2020-05 Rating Financial Hardship Policy; and
2. Adopt P-2021-11 Rating Financial Hardship Concession Policy provided as Attachment 1 to this report and apply it to the 2021/2022 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 landowners 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 landowner".

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:

Officers propose amendments to the current policy as summarised below:

- The removal of the Covid-19 Pandemic provisions which extended to business, commercial or other purposes – the Policy will revert to just a ratepayer's principal place of residence as it has been in past years
- Inclusion of the Water Consumption Notices in Payment Plans in line with the proposed changes to the Revenue Statement
- Updated Flowchart that removes the reference to business, commercial or other purposes premises
- Minor wording amendments.

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 landowner.

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. Proposed P-2021-11 Rating Financial Hardship Concession Policy
2. Existing P-2020-05 Rating Financial Hardship Concession Policy.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.11. WASTE CLEANSING CHARGES

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 15 June 2021

File Ref: FM6.1

Purpose:

This report seeks the adoption of waste cleansing charges for 2021/2022.

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 2021/2022 financial year:

1. Domestic Refuse - Wheeled Bin Collection Normal Collection Day:
 - (a) an annual charge of \$382.90 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 \$411.60;
 - (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 \$360.00;
 - (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 \$360.00;
 - (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 \$382.90;
 - (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 \$251.00;
 - (g) additional 2nd 240 litre wheeled cart of recyclables collected and processed fortnightly in conjunction with the 1st domestic service shall be \$131.90;
 - (h) additional 2nd 340 litre wheeled cart of recyclables collected and processed fortnightly in conjunction with the 1st domestic service shall be \$207.60.
2. Commercial Refuse - Wheeled Bin Collection Normal Collection Day:
 - (a) an annual charge will be levied for each premises in the defined cleansing service area, which charge will be \$625.00 per Commercial Bin Service included in the Nominated Bin Unit, for the purpose of providing for the removal from the premises a weekly Commercial Refuse and a fortnightly Commercial Recycling based on 240 litre wheeled cart of recyclables;
 - (b) optional annual charge will be levied for each premises in the defined cleansing service area, which charge will be \$703.30 per Commercial Bin Service 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 \$463.80;
 - (d) additional 2nd 240 litre wheeled cart of recyclables collected and processed fortnightly in conjunction with the 1st commercial service shall be \$230.40;
 - (e) additional 2nd 340 litre wheeled cart of recyclables collected and processed fortnightly in conjunction with the 1st commercial service shall be \$335.60.
3. Bulk Refuse:
In cases where an owner of commercial premises or an owner 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 2021 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 \$382.90 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/1.12. WATER CHARGES**Responsible Officer:** General Manager Finance Governance and Risk**Special Budget Meeting Date:** 15 June 2021**File Ref:** FM6.1**Purpose:**

This report seeks the adoption of water charges for 2021/2022.

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 2021/2022 financial year:

1. Water Availability (Fixed Cost Component):

Water Service Size	Lake Awoonga Treated Water Scheme	Miriam Vale Treated Water Schemes	Bororen Treated Water Schemes	Agnes Water / Seventeen Seventy Treated Water Scheme
Vacant	\$ 515	\$ 565	\$ 565	\$ 565
20mm	\$ 515	\$ 565	\$ 565	\$ 565
20mm add	\$ 515	\$ 565	\$ 565	\$ 565
20mm (sub-meter)	\$ 386	\$ 424	\$ 424	\$ 424
25mm (domestic)	\$ 515	\$ 565	\$ 565	\$ 565
25mm (sub-meter domestic)	\$ 515	\$ 565	\$ 565	\$ 565
25mm (all other users)	\$ 803	\$ 881	\$ 881	\$ 881
25mm (sub-meter, all other users)	\$ 803	\$ 881	\$ 881	\$ 881
32mm	\$ 1,318	\$ 1,446	\$ 1,446	\$ 1,446
32mm (sub-meter)	\$ 1,318	\$ 1,446	\$ 1,446	\$ 1,446
40mm	\$ 2,060	\$ 2,260	\$ 2,260	\$ 2,260
40mm (sub-meter)	\$ 2,060	\$ 2,260	\$ 2,260	\$ 2,260
50mm	\$ 3,219	\$ 3,531	\$ 3,531	\$ 3,531
50mm (sub-meter)	\$ 3,219	\$ 3,531	\$ 3,531	\$ 3,531
80mm	\$ 8,240	\$ 9,040	\$ 9,040	\$ 9,040
80mm (sub-meter)	\$ 8,240	\$ 9,040	\$ 9,040	\$ 9,040
100mm	\$ 12,875	\$ 14,125	\$ 14,125	\$ 14,125
100mm (sub-meter)	\$ 12,875	\$ 14,125	\$ 14,125	\$ 14,125
150mm	\$ 28,969	\$ 31,781	\$ 31,781	\$ 31,781
150mm (sub-meter)	\$ 28,969	\$ 31,781	\$ 31,781	\$ 31,781
150mm (Rail Corridor Land)	\$ 58,350	\$ 64,015	\$ 64,015	\$ 64,015
200mm	\$ 51,500	\$ 56,500	\$ 56,500	\$ 56,500
250mm	\$ 80,469	\$ 88,281	\$ 88,281	\$ 88,281
300mm	\$ 115,875	\$ 127,125	\$ 127,125	\$ 127,125
375mm	\$ 181,055			

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

Scheme	\$ per Kilolitre
Lake Awoonga Treated Water Scheme	2.17
Miriam Vale & Bororen Treated Water Schemes	3.79
Agnes Water / Seventeen Seventy Treated Water Scheme	3.87

- e. 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 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 charge in Council's rating resolution for the 2020/2021 financial year; and
 - regardless of whether the meter reading for the second half of the 2021/2022 financial year occurs before the end of that financial year or after the beginning of the 2022/2023 financial year, the consumption charge for that half year is calculated in accordance with the relevant basis of consumption charge for the 2021/2022 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 \$515.00 per connection
- Consumption Charge \$2.39 per kilolitre

Constant Flow Water System	Beecher, Burua & Tuckers Road
Constant Flow - Access	\$ 515
Constant Flow - 211kl	\$ 1,019
Constant Flow - 368kl	\$ 1,395
Constant Flow - 526kl	\$ 1,772
Constant Flow - 684kl	\$ 2,150

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.13. SEWERAGE AND WASTEWATER CHARGES**Responsible Officer:** General Manager Finance Governance and Risk**Special Budget Meeting Date:** 15 June 2021**File Ref:** FM6.1**Purpose:**

This report seeks the adoption of sewerage charges for 2021/2022.

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 2021/2022 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	\$76.50 per unit
Urban Sewerage Scheme - Boyne Island, Tannum Sands, and Calliope	\$78.80 per unit
Urban Sewerage Scheme - Agnes Water / Seventeen Seventy	\$93.70 per unit

- The sewerage charge levied in respect of the Boyne Aluminium Smelter be \$122,928.00 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 \$6,885.00 being 20 units at a rate of \$344.25.

3. Yarwun Industrial Area:

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

Sewerage Charge:

a.	ORICA Chemical Plant	\$134,397
b.	Transpacific Plant	\$36,141
c.	Comalco Refinery	\$742,820

Trade Waste Charge:

a.	ORICA Chemical Plant	\$596,775
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4. Curtis Island Sewerage Scheme:

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

a.	Australia Pacific LNG	113.443 cents per kilolitre of wastewater discharged from the LNG facility.
b.	Queensland Curtis LNG	113.443 cents per kilolitre of wastewater discharged from the LNG facility.
c.	GLNG	113.443 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/1.14. CONCEALED WATER LEAK CONCESSION

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 15 June 2021

File Ref: FM6.1

Purpose:

This report seeks the adoption of a revised Concealed Water Leak Concession Policy, applying to the 2021/2022 financial year.

Officer's Recommendation:

That Council:

1. Repeal P-2020-09 Concealed Water Leak Concession Policy;
2. Adopt P-2021-12 Concealed Water Leak Concession Policy provided as Attachment 1 and apply to the 2021/2022 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 landowner.

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 landowner".

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

Consideration:

Officers recommend that the value of the concession be consistent with the 2020/2021 financial year, however, propose that the eligibility conditions be returned to the pre-COVID-19 pandemic position which only allows for residential properties to be eligible for the concession. During the COVID-19 pandemic the policy was expanded beyond residential properties to assist in limiting unexpected costs for the commercial and business sector during that period of economic downturn.

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 billing periods.

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 landowner.

Financial and Resource Implications:

It is difficult to predict the financial impact of the policy for the coming financial year as the concessions are dependent upon the number of concealed leaks detected and the number of and value of concessions granted. However, the table below provides some historical information:

Financial Year	Concession Granted
*2020/2021	\$69,118.94**
2019/2020	\$140,490.12
2018/2019	\$32,349.28
2017/2018	\$30,841.57

*The 2020/2021 financial year includes both residential and non-residential concessions. Non-residential properties were granted concessions during the COVID-19 pandemic.

**Figure current until early May – not full financial year.

Attachments:

1. Proposed P-2021-12 Concealed Water Leak Concession Policy
2. Existing P-2020-09 Concealed Water Leak Concession Policy.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.15. SPECIAL CHARGES

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 15 June 2021

File Ref: FM6.1

Purpose:

This report seeks the adoption of special charges for 2021/2022.

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 between Council and each of the following parties:
 - Australia Pacific LNG (Shared Facilities) Pty Limited (*APLNG*), dated 16 October 2012, which is required to be assigned and novated to any successors in title;
 - QCLNG Land Pty Ltd (*QCLNG*), dated 3 December 2012, which is required to be assigned and novated to any successors in title, and
 - GLNG Operations Pty Ltd (*GLNG*), dated 1 December 2014, which is required to be assigned and novated to any successors in title,Council will levy a special charge upon 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, TL 234259: Pt (zz) 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 Wastewater Infrastructure Special Charges for 2021/2022 as:

• APLNG land	-	\$2,113,736.93 per annum;
• QCLNG land	-	\$4,911,663.32 per annum;
• GLNG land	-	\$995,790.42 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 \$8,021,190.67, against the operating cost it incurs.
7. In accordance with section 94 of the *Local Government Act 2009* and section 94 of the *Local Government Regulation 2012*, and pursuant to a Special Charge Agreement between Council and the Gladstone City Plaza Body Corporate dated 19 January 2017, which is required to be assigned and novated to any successors in title, Council will levy a special charge upon Lot 0 on BUP60138 (the Gladstone City Plaza Forecourt Land).
8. The Gladstone City Plaza Forecourt Redevelopment land to be levied with the special charge specifically benefits from the forecourt redevelopment as the owner and tenants of the Gladstone City Plaza use the improvements constructed on the land to attract business to the precinct.
9. The Special Charge will be levied over a 10-year period commencing in the 2021/2022 financial year following the completion of the redevelopment works.
10. The Overall Plan for the facility to which the special charge applies, is as follows:
- a) Gladstone Regional Council led a redevelopment of the Gladstone City Plaza Forecourt, which has now been completed;
 - b) The purpose of the special charge is to reimburse Council the costs incurred in undertaking the redevelopment of the Gladstone City Plaza Forecourt within the Gladstone City Plaza Forecourt Land;
 - c) The costs of carrying out the Overall Plan are estimated to be \$1,958,059.08 (which includes principal and interest) over a ten year period;
11. The Annual Implementation Plan for the 2021/2022 financial year is that, as the redevelopment works are now completed to the satisfaction of both parties, the Gladstone City Plaza Body Corporate will make an annual payment in 2021/22 of \$249,572.52.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.16. FEES AND CHARGES FOR THE 2021/2022 FINANCIAL YEAR

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 15 June 2021

File Ref: FM6.1

Purpose:

This report seeks the adoption of fees and charges for the 2021/2022 financial year.

Officer's Recommendation:

That Council adopt the 2021/2022 Schedule of Fees and Charges provided as Attachment 1, to be effective from 1 July 2021.

Background:

The fees and charges have been reviewed and collated as part of the budget development process for the 2021/2022 financial year.

Fees and Charges have been determined in line with the principles documented in Council's Revenue Policy (P-2021-08), 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 2021/2022 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. 2021 - 2022 Fees and Charges Register

Tabled Items:

Nil.

Report Prepared by: General Manager Finance Governance and Risk

S/1.17. OPERATIONAL PLAN AND BUDGET ADOPTION

Responsible Officer: General Manager Finance Governance and Risk

Special Budget Meeting Date: 15 June 2021

File Ref: FM6.1

Purpose:

This report recommends the adoption of Gladstone Regional Council Operational Plan and Budget 2021-22.

Officer's Recommendation:

That Council adopt the Gladstone Regional Council Operational Plan and Budget 2021-22.

Background:

Council will develop five annual Operational Plans and Budgets for the duration of the Corporate Plan 2021-2026 adopted on 18 May 2021.

The Operational Plan and Budget identifies initiatives and provides budget that enables the incremental delivery of the goals, outcomes and objectives contained in Corporate Plan 2021-26.

This is the first Operational Plan to come out of Council's refreshed Corporate Plan. The Operational plan was prepared alongside our annual budget to ensure both core services and new initiatives are appropriately funded.

In accordance with s107A of the *Local Government Act 2009 (Qld)* and ss169 -170 of the *Local Government Regulation 2012*, the formulation of the Budget for the 2021-22 financial year 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 18 May 2021 (G/21/4511))
- (h) The relevant measures of financial sustainability
- (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.

Council's focus for 2021-22 will be on 'Collective Delivery'. We will focus on a pragmatic approach using the combined efforts of our community, business, industry and different levels of government to efficiently deliver our services and initiatives.

Consideration:

The attached Operational Plan and Budget provides for the delivery of services in 2021-2022 and identifies:

- what initiatives will be delivered
- how these initiatives link with the Corporate Plan 2021-26
- how progress of each of the initiatives 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):

The Operational Plan and Budget 2021-22 were prepared in consultation with GRC employees, the Executive Leadership Team and Elected Members using our theme of collective delivery.

Legal Environmental and Policy Implications:

Section 104(5)(a) of the *Local Government Act 2009*, identifies the annual Operational Plan as one of the key financial planning documents of Council.

The Operational Plan is required to be prepared under Section 174(1) of the *Local Government Regulation 2012* and must be consistent with the annual Budget, showing how Council will progress the implementation of the five (5) year Corporate Plan and state how Council will manage its operational risks.

Section 174(5) of the *Local Government Regulation 2012* requires Council to discharge its responsibilities in a way that is consistent with its annual Operational Plan.

Financial and Resource Implications:

In accordance with section 169(8)(b) the budget must be consistent with its annual operational plan. The proposed operational plan and budget meet this requirement.

Attachments:

1. Operational Plan and Budget 2021-22

Tabled Items:

Nil.

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

S/2. CONFIDENTIAL ITEMS

ATTACHMENTS