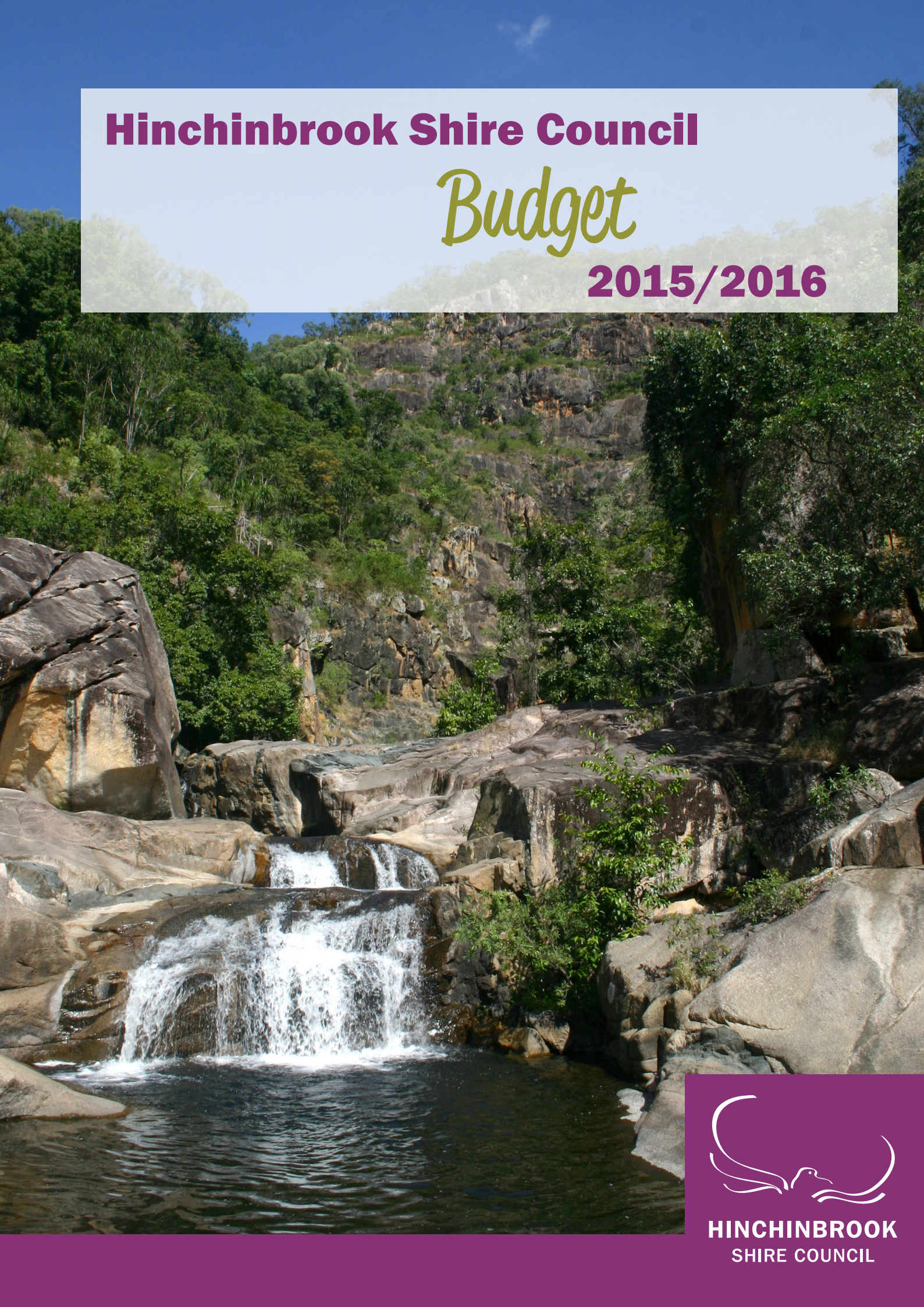


**Hinchinbrook Shire Council**

*Budget*

**2015/2016**



**HINCHINBROOK**  
SHIRE COUNCIL

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## ADOPTED AT COUNCIL SPECIAL BUDGET MEETING 30 JUNE 2015

Budget presented to Council on 16 June 2015 for adoption on Tuesday 30 June 2015 by the Mayor, Cr. R. Bow.

Hinchinbrook Shire Council's 2015/2016 Budget has been prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*. The period covered by the Budget is for the three years ending 30 June 2018.

# BUDGET 2015/2016



# **1.0 Statement of Estimated Financial Position**

## **HINCHINBROOK SHIRE COUNCIL**

### **STATEMENT OF ESTIMATED FINANCIAL POSITION**

In accordance with S205 *Local Government Regulation 2012*, the following statement is provided as part of the annual budget process.

The final 2014/2015 results will not be completed until September 2015 when all financial year end adjustments have been identified and processed. Accordingly, the final audited results that will be included in Council's Annual report may differ to the attached Statement of Estimated Financial Position. For example, a significant, but currently unknown, proportion of the NDRRA Related Expenditure will be capitalised and not shown within Operating Expenditure. Similarly, NDRRA related income that is received post 30 June 2015 will not be recorded as income in the results for 2014/2015.

#### **Key Observations – Income and Expenditure**

The main variances between 'budget' and 'estimated actual' within Recurrent Operating Income are:

Sales Contracts	caused by increase in volume of private works conducted by Council.
Interest	the budget was deliberately conservative due to the uncertainty that existed over certain 2014/2015 cash flows (caused by Council moving from annual rating to six monthly rating and uncertainty over the timing of NDRRA related cash flows).
Capital Income	the budget for NDRRA activity was based on an estimated volume of work that was seen to be in excess of what was actually required.

Excluding the NDRRA related expenditure streams the main variances between 'budget' and 'estimated actual' within Operating Expenditure are:

Employee Benefits	estimated expenditure is forecast to be 97.2% of the budgeted figure.
Materials and Services	Council's ability to take advantage of the dry season and complete a large volume of capital works has resulted in a number of other initiatives being carried over into 2015/2016. These will be reported to Council in early 2015/2016 once the financial year end reconciliations have been completed and budget carry over summaries have been compiled.

#### **Key Observations – Financial Position**

Council is expected to continue to report a strong balance sheet with the following key features:

- Debt free
- Solid cash balances
- Low level of liabilities
- Solid liquidity position
- Significant levels of property, plant and equipment

Note: the cash assets of Council may be lower than the figure shown in the statement of estimated financial position to the extent that NDRRA related income is received post 30 June 2015.

# HINCHINBROOK SHIRE COUNCIL

## STATEMENT OF ESTIMATED FINANCIAL POSITION 2014/2015

	Original Budget 2014/2015 \$'000	Final Budget 2014/2015 \$'000	Estimated Result 2014/2015 \$'000
<b>INCOME AND EXPENDITURE</b>			
<b>Recurrent Operating Income</b>			
Gross rates, levies and charges	23,384	23,384	23,586
Discounts and remissions	(294)	(294)	(366)
Nett rates, levies and charges	23,090	23,090	23,220
Fees and charges	1,280	1,300	1,200
Sales contracts and recoverable works	980	502	750
Subsidies, grants and contributions	2,234	2,221	2,330
Interest received	336	336	600
Other	7	7	87
	<b>27,927</b>	<b>27,456</b>	<b>28,187</b>
<b>Capital Income</b>	<b>38,776</b>	<b>38,776</b>	<b>30,400</b>
<b>Total Income</b>	<b>66,703</b>	<b>66,232</b>	<b>58,587</b>

<b>Operating Expenditure</b>			
Employee benefits	13,358	13,371	13,000
Materials and services	8,178	8,720	8,000
Depreciation	9,737	9,737	9,737
NDRRA related	27,400	27,400	20,355
Finance costs	40	40	40
Other provisions	84	84	84
	<b>58,797</b>	<b>59,352</b>	<b>51,216</b>

<b>Net Result</b>	<b>7,906</b>	<b>6,880</b>	<b>7,371</b>
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<b>FINANCIAL POSITION estimated at 30 June 2015</b>			
	\$'000		\$'000
<b>Assets</b>		<b>Liabilities</b>	
Current assets		Current liabilities	
Cash assets	22,954	Trade and other payables	1,450
Receivables	2,500	Provisions	1,450
Inventories	400		
	<u>25,854</u>		<u>2,900</u>
Non current assets		Non current liabilities	
Receivables	456	Provisions	4,194
Property, plant and equipment	261,084		
	<u>261,540</u>		<u>4,194</u>
<b>TOTAL ASSETS</b>	<b>287,394</b>	<b>TOTAL LIABILITIES</b>	<b>7,094</b>

		<b>Community Equity</b>	
Total assets	287,394	Asset revaluation surplus	105,000
Total liabilities	7,094	Retained surplus	175,300
<b>NET ASSETS</b>	<b>280,300</b>		<b>280,300</b>

# **2.0**

## **2015/2016**

### **Budget Address**

## Mayor's Budget Address

My fellow Councillors, members of the public and officers of Council, as Mayor of Hinchinbrook Shire Council, it is my pleasure today to table for Council's consideration and adoption, the 2015/2016 Hinchinbrook Shire Council Budget.

As Mayor, I am required by the Queensland *Local Government Act 2009* to prepare and present the Budget to Council.

This Budget has been prepared in close consultation with my fellow Councillors, with numerous budget meetings and after much discussion between myself, Councillors and Council officers.

I believe that this proposed Budget provides a good balance between:

- a) the need to maintain our community assets and infrastructure
- b) Council's delivery of services and programs to the community
- c) Council's wider role in the development of the Shire and
- d) the ability of our community to pay for such services, assets and programs.

The challenges Council faces during the next 12 months are not dissimilar to those faced during the last 12 months. These challenges include having a static population base and a local economy that is under a fair degree of stress. Therefore the Budget has a major focus around kickstarting the local economy and making the Shire a more vibrant and sustainable place to live. The Budget is also focused on tightening our belt and finding ongoing operational efficiencies.

How are we going to do this?

- a) By halving the proposed general rate increase from 5% (as per Council's adopted long term financial forecast) to 2.5%. This increase will be close to the LGAQ Council cost index.
- b) Council will employ a number of apprentices and trainees. As Hinchinbrook Shire Council is a major employer in the Shire it is important to demonstrate leadership and to offer a level of employment to apprentices and trainees.
- c) Council will continue to remain debt free.
- d) Operating expenditure will be less than last year's budget. Therefore taking into account CPI increases Council is effectively applying an operating efficiency of over \$500,000.
- e) Council will implement a very significant capital works and strategic project program of \$11.1 million with the aim to reinvigorate the local economy and enhance the liveability of the Shire. \$3 million of new capital works will be funded from Council's cash balances generated from prior surplus largely reserved for this purpose.
- f) The Budget will reflect the implementation of the Hinchinbrook Economic Development Strategy 1-2 year action plan.

In 2014/2015 the Shire avoided large scale natural disasters which has allowed for the successful completion of the last Natural Disaster Relief and Recovery Arrangements work.

Like Councils everywhere, Hinchinbrook Shire is burdened with ever increasing costs and demands. Financially, we are not in a position where we can afford to not increase rates, although the increase has been substantially reduced. I will now highlight some significant aspects of the 2015/2016 income and expenditure.

### Income

In 2015/2016, when compared to 2014/2015 actual amounts, there will be an across the board 3.1% average increase in net rates, with the general rate component increasing on average by 2.5%. The need to maintain services and respond to existing and arising needs and wants, means that it is hard to see how Council can avoid a rates increase in any one year. Please also be aware that individual impacts will vary based on property valuation changes.

The Federal Government has continued to freeze the Federal Assistance Grant to all local governments in Australia. So, in real terms, our income from this source has dropped by about \$52,000. Had the Federal Assistance Grant's not been frozen, we would have been able to restrict the average 3.1% increase to 2.9%.

### Expenditure

The 2015/2016 Budget proposes to spend \$11.1 million on capital and strategic projects during the year. We expect to finance this through around \$7 million of income earned during 2015/2016 and around \$3 million from money we have in the bank. There will also be \$1.3 million from State Government subsidy for the Forrest Beach Water Security Project.

Roads, footpaths and bridges will continue to be a major focus. Through both roads maintenance and capital cost, Council will expend \$5.9 million in the 2015/2016 financial year in these areas.

The second phase of the \$2.6 million Forrest Beach Water Security Project will be completed to improve the drought resilience of the Forrest Beach water scheme.

The recreational fishing environment continues to be one of the major lifestyle and tourism draw cards to this region. Council is investing \$315,000 in the Dungeness boat ramp car park. Available car and boat parking spaces will be extended. Not to forget Taylors Beach boat ramp, Council will be investing \$200,000 to improve accessibility for larger boats wishing to launch from Taylors Beach.

The development of events in the Hinchinbrook Shire is an essential aspect to our lifestyle. With this in mind Council will be allocating \$55,000 for a shade cover over the TYTO Amphitheatre.

In addition, in terms of tourism and economic development, the following projects will occur in 2015/2016:

- \$40,000 Hinchinbrook Way Tourist Drive Signage
- \$15,000 Wallaman Falls Master Plan
- \$12,500 Boutique Farms Project.

Developing the Ingham CBD Revitalisation project commenced in 2014/2015 with works towards a final plan. On-ground work will commence in 2015/2016 with \$300,000 being carried over from the 2014/2015 financial year and an additional \$252,500 being allocated in the 2015/2016 financial year.

Council will continue its commitment to provide efficient and affordable waste management by introducing an on demand waste pickup service for our elderly or disabled residents. \$15,000 has been budgeted for those residents who are not physically able to take waste to the waste transfer stations. The on demand waste pickup will be supplemented with the traditional kerbside pickup occurring every second year.

Council has budgeted \$20,000 extra for Lower Herbert residents to use their four per year virtual waste vouchers at the Halifax Transfer Station as well as at Warrens Hill Waste Transfer Station.

In response to community concern over flying fox proliferation, \$25,000 has been allocated towards managing the Ingham flying fox roost, according to best management principles and advice from flying fox management experts.

In the area of natural resource management (including pest and weed management), Council will continue to allocate an additional \$120,000 to compensate for the shortfall in State and Federal funding and allow this essential activity to continue at the current levels.

Other key projects budgeted for 2015/2016 are:

- \$1.3 million replace Lannercost Extension Road Bridge
- \$400,000 widening and safety improvements of Abergowrie Road through the Abergowrie Cutting
- \$550,000 reconstruct Hawkins Creek culvert
- \$300,000 kerb and channel rehabilitation program
- \$150,000 footpath rehabilitation program.

Council can maintain this level of capital project expenditure in future years only by increasing rates in a modest and sustainable way and by carefully managing our operational expenses.

Opportunities to create new sources of income are limited. We need to get to a position where Council can fund each year's capital expenditure from that year's rates income. Our forward projections show this being achieved by 2021. Current cash reserves are sufficient for this to occur over this period.

Increases in our income need to exceed increases in our expenditure to stay as a viable functioning Council.

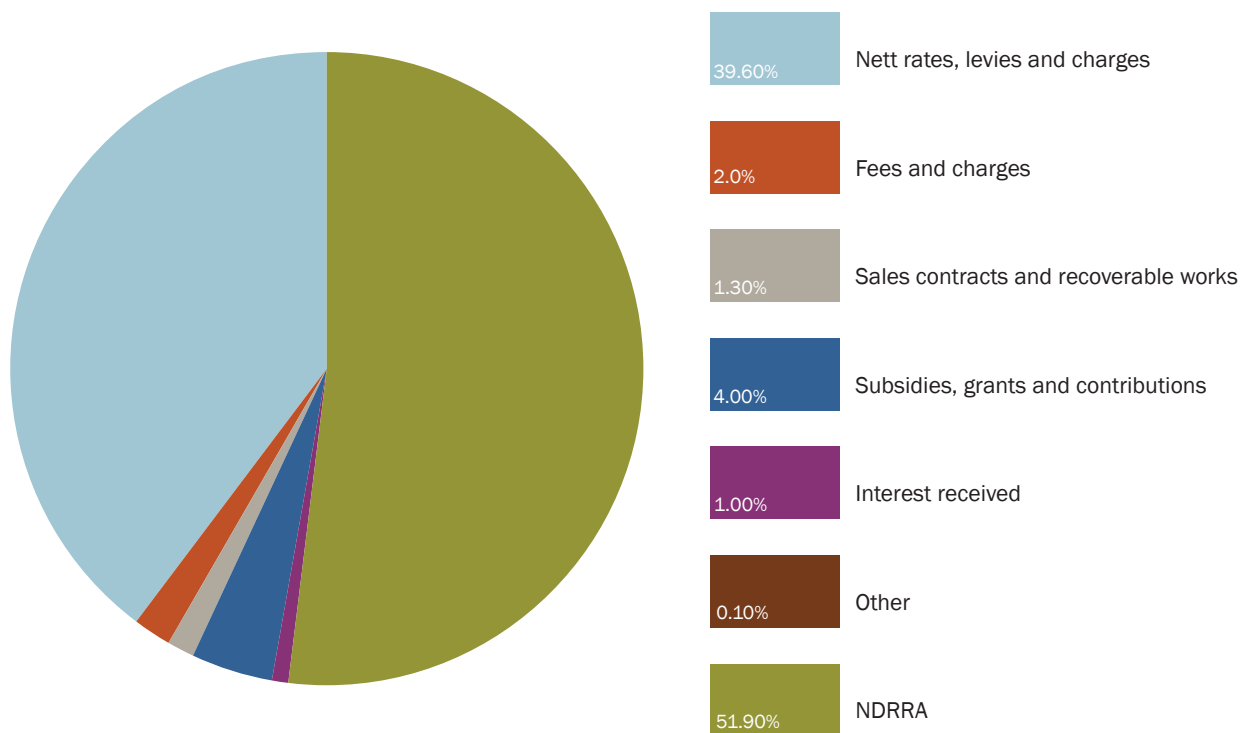
Hinchinbrook is not unique in this respect; all Councils walk a fine line between adequate investment, delivering adequate services to ratepayers and generating income.

A significant amount of work goes into bringing the Budget together. It is a demanding and onerous process. I extend my thanks to the Councillors for their patience and commitment to the task, and to our staff who have spent many hours reviewing, refining and revising aspects of the Budget.

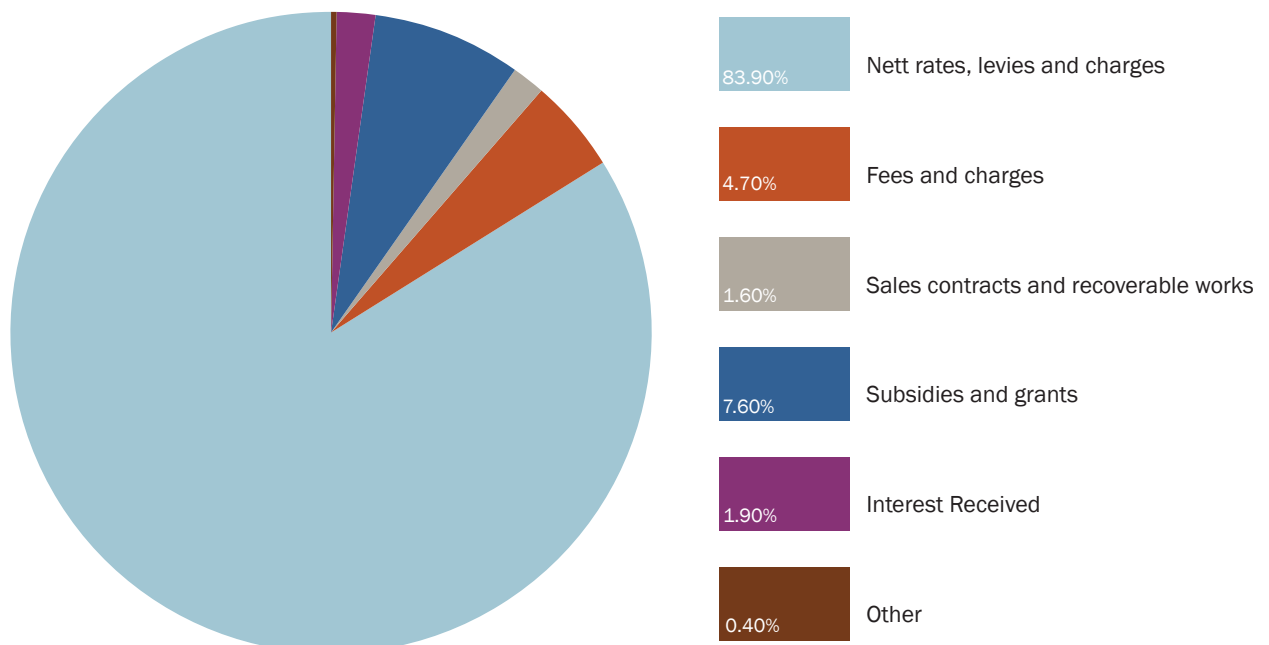
I present the 2015/2016 Hinchinbrook Shire Council Budget to you and formally move for its adoption.

Councillor R Bow  
MAYOR  
30 June 2015

### Operating Revenue 2014/2015 Estimated - \$58.6 Million

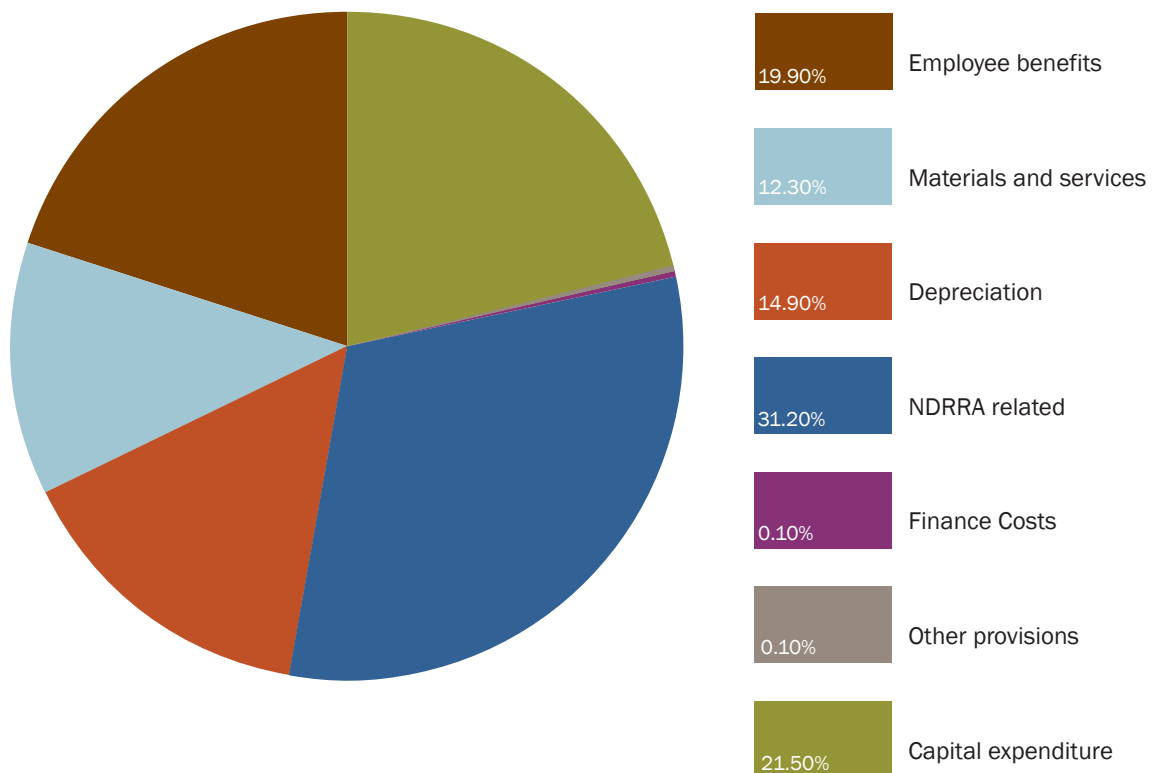


### Operating Revenue 2015/2016 Budget - \$28.5 Million

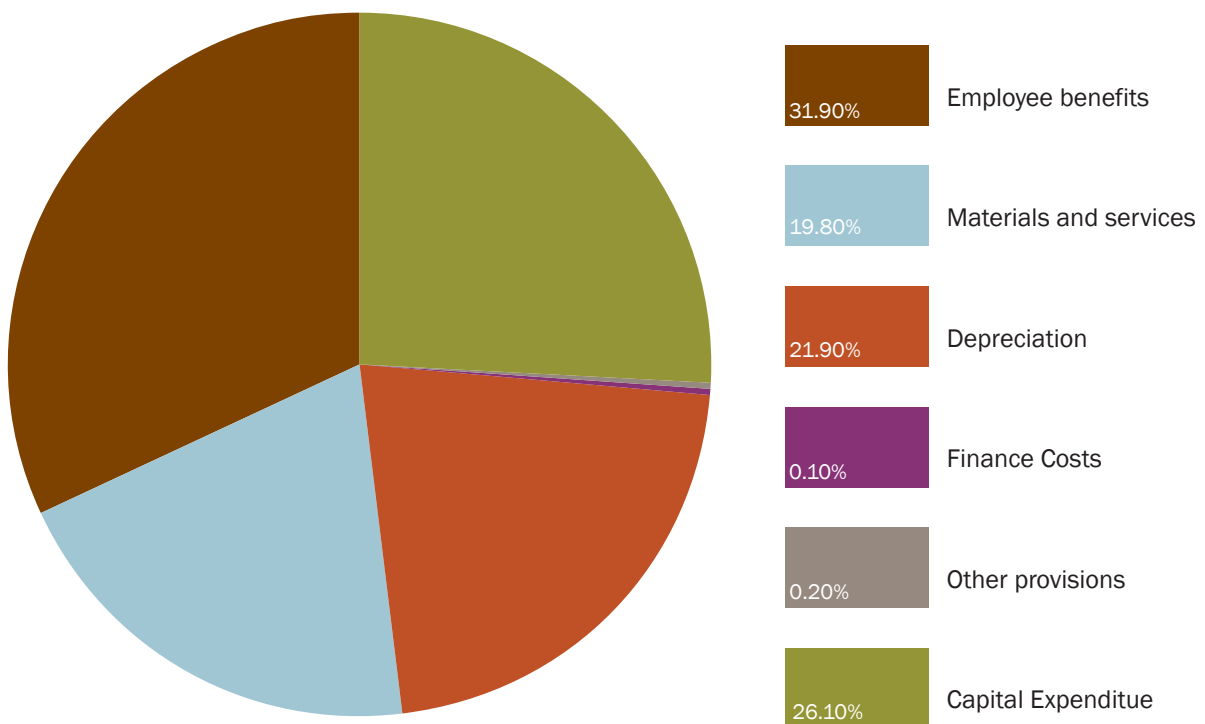


**Note:** The comparisons between both years are significantly impacted by the NDRRA Grants budgeted in the 2014/2015 financial year.

### Total Costs 2014/2015 Estimated - \$65.3 Million

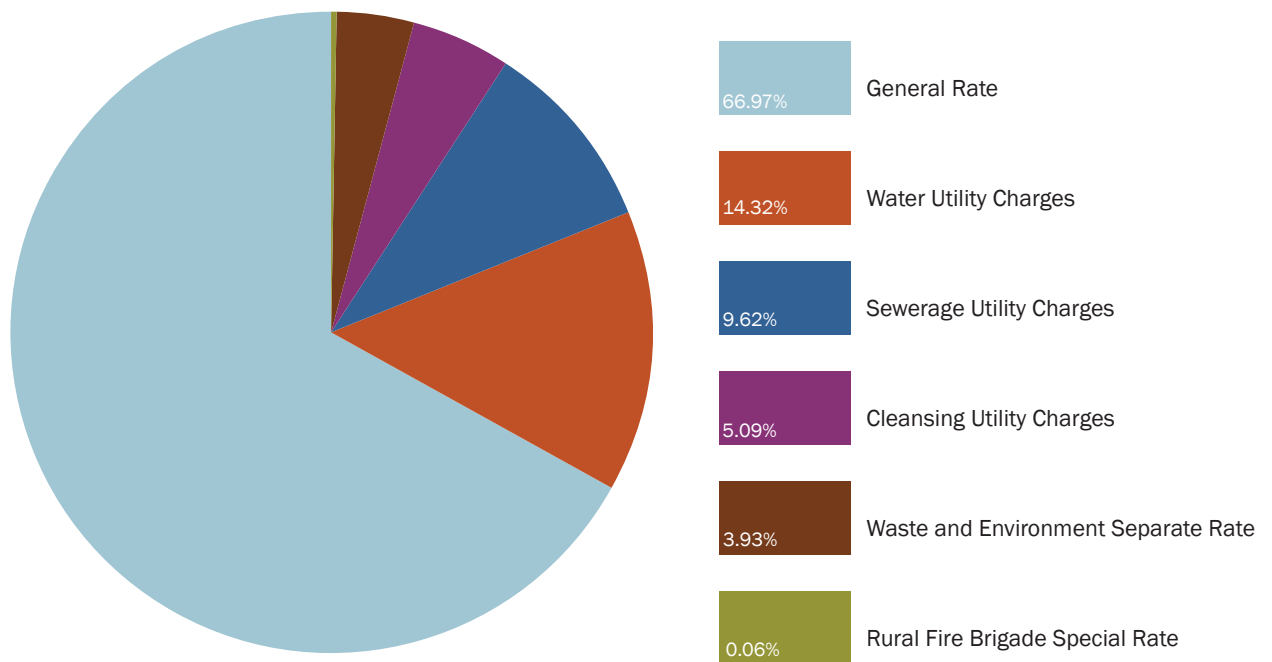


### Total Costs 2015/2016 Budget - \$45.6 Million

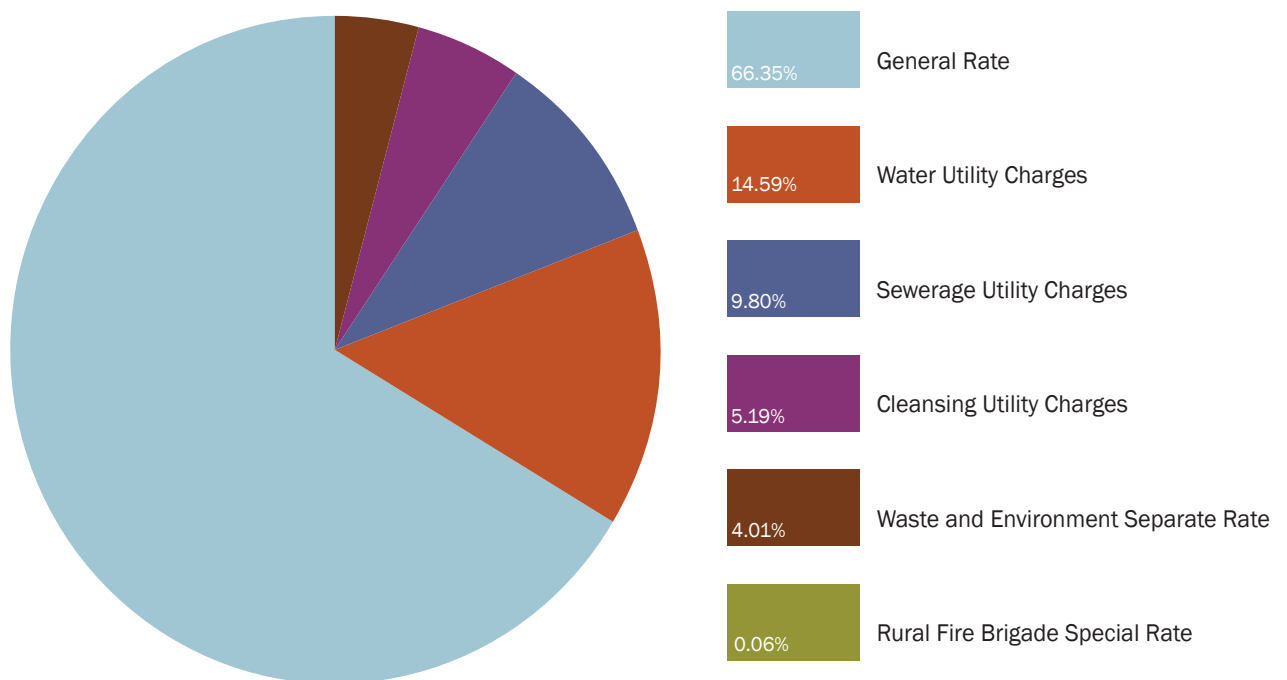


**Note:** The comparisons between both years are significantly impacted by the NDRRA expenditure budgeted in the 2014/2015 financial year.

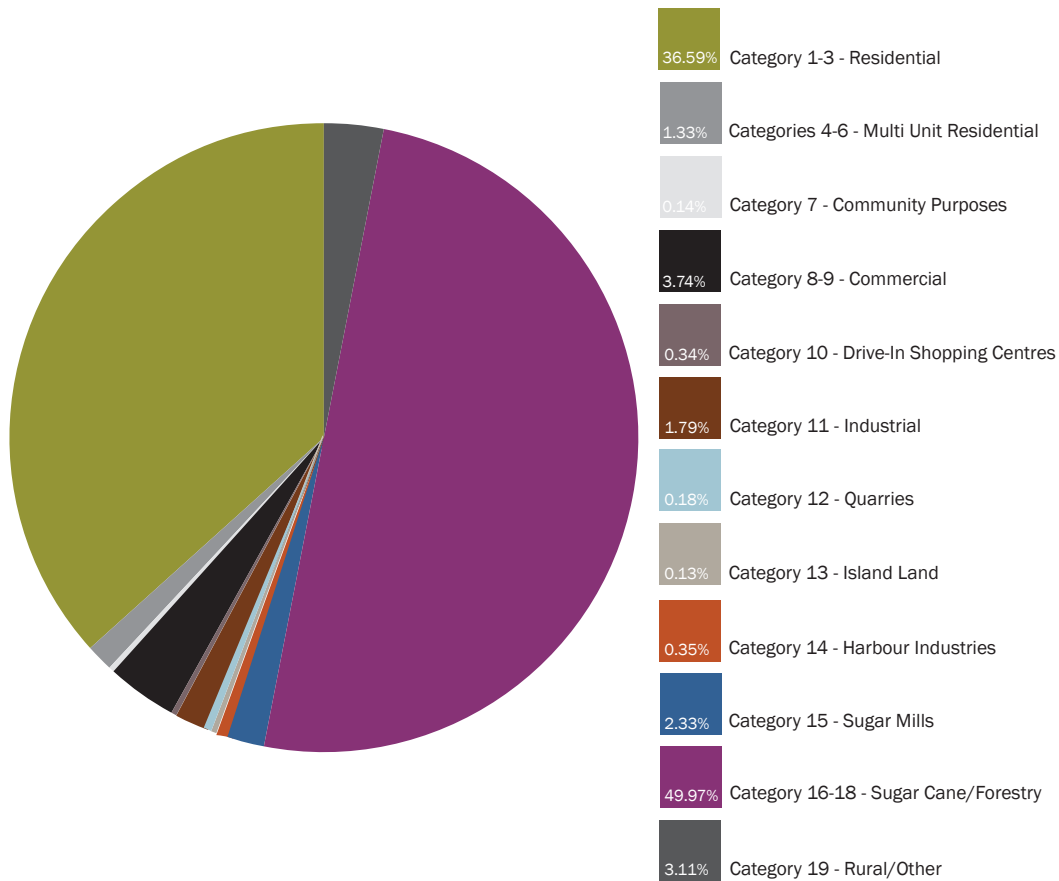
**Gross Rate Revenue 2014/2015 Estimated - \$23.4 Million**



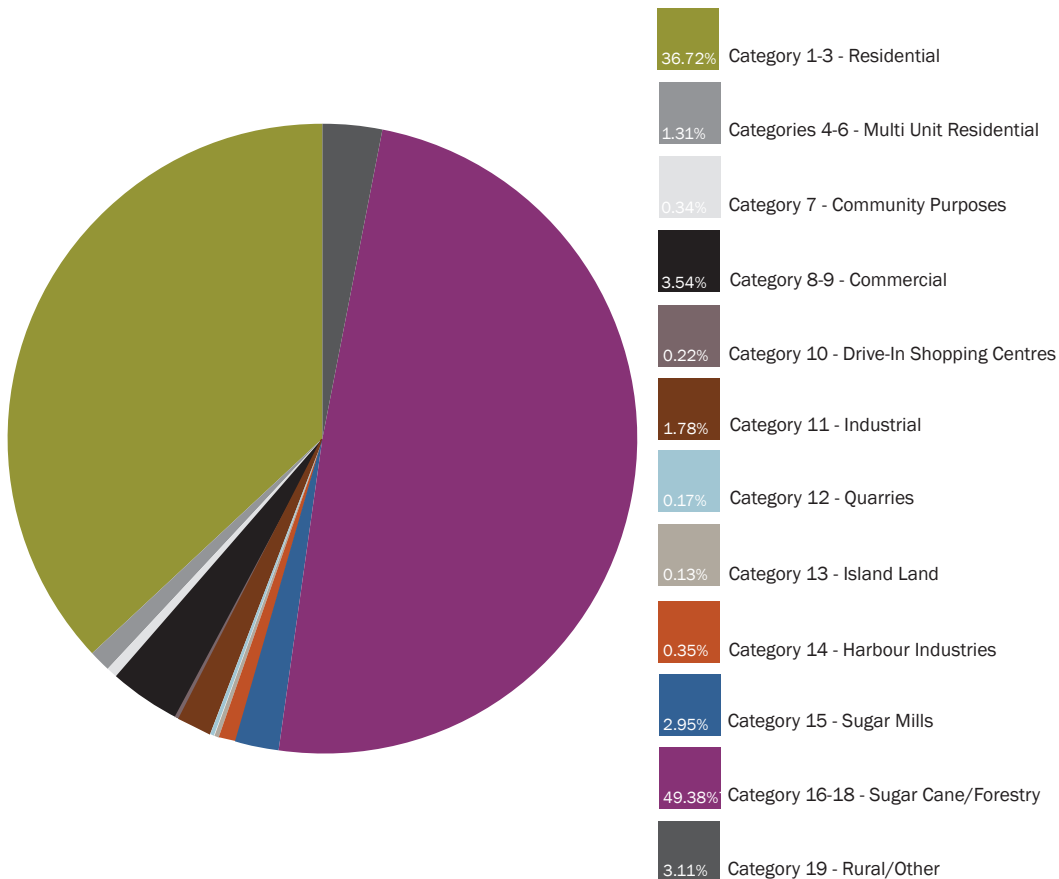
**Gross Rate Revenue 2015/2016 Budget - \$24.3 Million**



### Gross General Rate 2014/2015 Estimated - \$15.7 Million



### Gross General Rate 2015/2016 Budget - \$16.1 Million



## **3.0 Financial Reports**

## **HINCHINBROOK SHIRE COUNCIL**

### **STATEMENT OF INCOME AND EXPENDITURE – EXPLANATORY NOTES**

#### **Key Points**

The Statement of Income and Expenditure includes budgets/forecasts for 2015/2016 and the following two years. The Budget for 2014/2015 has also been included for reference.

The following commentary should assist in reviewing the Statement of Income and Expenditure:

#### **Rates, Levies and Charges**

Rates, levies and charges include amounts invoiced for general rates, sewerage, water, water consumption, waste management and cleansing. Pursuant to the *Local Government Regulation 2012* and based on a comparison of revenue between the 2014/2015 budget and the 2015/2016 budget, the increase in overall gross rates and utility charges revenue before discounts is 4.0%. This reduces to 3.7% once discounts are taken into account. This increase assumes zero growth in the ratepayer base of the Shire.

#### **Sales Contracts and Recoverable Works**

This is expected to decrease in 2015/2016 as the volume of work conducted by Council for River Trust decreases.

#### **Interest Received**

The 2015/2016 budget for interest income has been increased from its 2014/2015 level to reflect the actual levels of interest received by Council (which, in 2014/2015, exceeds budget).

#### **Employee Benefits**

The percentage of Recurrent Operating Income budgeted for Employee Benefits continues to decrease, meaning that there are more funds available for materials to assist with Council's Capital and Maintenance programs.

#### **Materials and Services (Recurrent Operating Expenditure)**

The 2015/2016 budget figure of \$8.429 million will be increased by the non capital elements of the Capital Expenditure/Strategic Projects.

#### **Total Surplus Cash Generated**

The Budget allows Council to use some of its cash resources, under a structured and carefully managed plan, to help provide a stimulus to the local economy. This Budget consciously sets 2015/2016 expenditure levels to be no greater than 2014/2015 income levels as part of a long term strategy to responsibly manage its cash resources and to have a positive economic and social impact on the Shire.

#### **Carry Forward Activity**

Certain items of income and expenditure included in the 2014/2015 Budget will be held over to 2015/2016. These items will not be identified until early in 2015/2016. It is important to recognise that by deferring these projects from one financial year to the next, Council is ultimately 'no worse off' – these are simply 'timing differences'.

# HINCHINBROOK SHIRE COUNCIL

## REVENUE STATEMENT: STATEMENT OF INCOME AND EXPENDITURE

	Revised Budget 2014/2015 \$'000	Budget 2015/2016 \$'000	Forecast 2016/2017 \$'000	Forecast 2017/2018 \$'000
<b>INCOME AND EXPENDITURE</b>				
<b>Recurrent Operating Income</b>				
Gross rates, levies and charges	23,384	24,327	25,422	26,566
Discounts and remissions	(294)	(381)	(398)	(416)
Nett rates, levies and charges	23,090	23,946	25,023	26,149
Fees and charges	1,300	1,329	1,317	1,382
Sales contracts and recoverable works	502	450	420	441
Subsidies and grants	2,121	2,165	2,187	2,209
Contributions	100	105	110	116
Interest received	336	540	527	513
Other	7	7	8	8
	<b>27,456</b>	<b>28,542</b>	<b>29,591</b>	<b>30,818</b>

<b>Recurrent Operating Expenditure</b>				
Employee benefits	13,371	13,561	13,898	14,244
% of recurrent operating income	48.7%	47.5%	47.0%	46.2%
Materials and services (excl provisions)	8,721	8,429	8,597	8,769
NDRRA contingency	500	-	-	-
Finance costs	40	41	42	43
	<b>22,632</b>	<b>22,031</b>	<b>22,537</b>	<b>23,056</b>

<b>Surplus Cash Generated From Operational Activities</b>	<b>4,824</b>	<b>6,511</b>	<b>7,054</b>	<b>7,762</b>
<b>Other Income and Expenditure</b>				
Capital grants, subsidies, contributions and donations	531	331	331	331
R2R project	-	1,313	-	-
NDRRA related income	36,300	-	-	-
NDRRA related expenditure (estimated/notional)	(26,900)	-	-	-
Capital income: specific projects	2,858	-	-	-
Capital expenditure/specific projects	(14,036)	(9,800)	(10,000)	(10,100)
R2R project	-	(1,313)	-	-
<b>Total Surplus Cash Generated*</b>	<b>3,577</b>	<b>(2,958)</b>	<b>(2,615)</b>	<b>(2,007)</b>

\* The shortfall in cash generated is planned and will be funded from prior accumulated surplus. The aim is to implement a level of capital works to reinvigorate the local economy and enhance the liveability of the Shire.

<b>Net Result: Total Surplus Cash Generated Less Depreciation and Other Provisions</b>				
Surplus operating cash generated	4,824	6,511	7,054	7,762
Plus Capital income	531	1,644	331	331
Less Depreciation and amortisation	(9,737)	(9,327)	(9,654)	(9,992)
Other provisions	(84)	(85)	(86)	(87)
<b>Net Result</b>	<b>(4,465)</b>	<b>(1,256)</b>	<b>(2,353)</b>	<b>(1,984)</b>

Carry Forward Activity to Next Year - non NDRRA	TBD			
Carry Forward Activity from Prior Year - non NDRRA		TBD		
Carry Forward Activity to Next Year - NDRRA	TBD			
Carry Forward Activity from Prior Year - NDRRA		TBD		

## **HINCHINBROOK SHIRE COUNCIL**

### **STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES**

#### **Key Points**

The Statement of Financial Position includes budgets/forecasts for 2015/2016 and the following two years. The Budget for 2014/2015 has also been included for reference.

Property, Plant and Equipment (PPE) is the most significant category of the Statement of Financial Position. The value of PPE will change each year for new capital expenditure, depreciation, disposals and revaluations. Capital expenditure and depreciation are included in the Income and Expenditure Statement. For the purposes of this Budget it has been assumed that all PPE that is disposed of has a zero written down value and for zero proceeds. The alternative is to create a schedule of notional PPE disposals, with hypothetical written down values and sales proceeds (and 'costs of disposals') – this level of subjectivity has the potential to significantly distort the underlying 'asset management' practices conducted by Council.

These budgets/forecasts have assumed that PPE is revalued upwards by \$10 million each year.

The second largest figure in Net Community Assets (within the Statement of Financial Position) is cash and cash equivalents. As indicated in the Income and Expenditure Statement, once NDRRA activity ceases, the trend is for these balances to start decreasing as Council pursues its structured, economic stimulus strategies.

The Statement of Financial Position has been prepared on the assumption that all NDRRA related income and expenditure is received/incurred prior to 30 June 2015. To the extent that some of these receipts/payments are made post 30 June, the actual 30 June 2015 cash balance will differ to the amount on the attached statement.

Council can sustain a number of years being 'cash negative' and has indicated a willingness to operate at such levels to help provide stimulus for the local economy. Note – Council monitors its cash reserves every week and has indicated that a component of its current cash reserves can be used for stimulus purposes without exposing Council to undue financial stress.

For these purposes, sundry other balances included on the Statement of Financial Position have been kept relatively constant.

# HINCHINBROOK SHIRE COUNCIL

## STATEMENT OF FINANCIAL POSITION

	Revised Budget 30 June 2015 \$'000	Budget 30 June 2016 \$'000	Forecast 30 June 2017 \$'000	Forecast 30 June 2018 \$'000
<b>Current Assets</b>				
Cash and cash equivalents	22,473	20,010	17,410	15,417
Trade and other receivables	2,500	2,500	2,500	2,500
Inventories	400	400	400	400
<b>Total Current Assets</b>	<b>23,373</b>	<b>22,910</b>	<b>20,310</b>	<b>18,317</b>
<b>Non-Current Assets</b>				
Trade and other receivables	456	442	428	414
Property, plant and equipment	260,887	272,871	283,217	293,325
<b>Total Non-Current Assets</b>	<b>261,343</b>	<b>273,313</b>	<b>283,645</b>	<b>293,739</b>
<b>TOTAL ASSETS</b>	<b>284,716</b>	<b>296,223</b>	<b>303,954</b>	<b>312,056</b>
<b>Current Liabilities</b>				
Trade and other payables	1,450	1,450	1,450	1,450
Leave provisions	1,450	1,450	1,450	1,450
<b>Total Current Liabilities</b>	<b>2,900</b>	<b>2,900</b>	<b>2,900</b>	<b>2,900</b>
<b>Non-Current Liabilities</b>				
Provisions	4,194	4,279	4,365	4,452
<b>Total Non-Current Liabilities</b>	<b>4,194</b>	<b>4,279</b>	<b>4,365</b>	<b>4,452</b>
<b>TOTAL LIABILITIES</b>	<b>7,094</b>	<b>7,179</b>	<b>7,265</b>	<b>7,352</b>
<b>NET COMMUNITY ASSETS</b>	<b>277,622</b>	<b>289,044</b>	<b>296,689</b>	<b>304,704</b>
<b>Community Equity</b>				
Asset revaluation surplus	105,000	115,000	125,000	135,000
Retained surplus	172,622	174,044	171,689	169,704
<b>TOTAL COMMUNITY EQUITY</b>	<b>277,622</b>	<b>289,044</b>	<b>296,689</b>	<b>304,704</b>

## **HINCHINBROOK SHIRE COUNCIL**

### **CASH FLOW STATEMENT - EXPLANATORY NOTES**

#### **Key Points**

The Cash Flow Statement includes budgets/forecasts for 2015/2016 and the following two years. The Budget for 2014/2015 has also been included for reference.

#### **Cash Flows from Operating Activities**

The 2014/2015 figures include amounts associated with NDRRA activity. These figures are significantly higher than the figures for 2015/2016 onwards as these statements have been compiled on the assumption that all NDRRA transactions are completed by 30 June 2015. To the extent that this is not the case the 2015/2016 figures will be amended for 'carry forward' activity.

As stated earlier in this document, for the purposes of this Budget it has been assumed that all Property, Plant and Equipment that is disposed of has a zero written down value and for zero proceeds. The inclusion of any figures to the contrary would be highly subjective and could potentially disguise Council's underlying cash position.

The Cash Flow Statement shows the same trends as the Statement of Income and Expenditure and the Statement of Financial Position: that Council's cash balances should decrease from 2015/2016 as Council follows its structured plan to contribute to the economic stimulus of the Shire.

# **HINCHINBROOK SHIRE COUNCIL**

## **CASH FLOW STATEMENT**

	<b>Revised Budget 2014/2015 \$'000</b>	<b>Budget 2015/2016 \$'000</b>	<b>Forecast 2016/2017 \$'000</b>	<b>Forecast 2017/2018 \$'000</b>
<b>Cash flows from operating activities:</b>				
Receipts from customers	64,964	29,660	29,410	30,650
Payments to suppliers and employees	(22,732)	(22,031)	(22,537)	(23,056)
Interest received	336	540	527	513
<b>Net cash inflow (outflow) from operating activities</b>	<b>42,568</b>	<b>8,169</b>	<b>7,399</b>	<b>8,107</b>
<b>Cash flows from investing activities:</b>				
Payments for property, plant and equipment	(38,794)	(11,113)	(10,000)	(10,100)
Proceeds from sale of property plant and equipment	-	-	-	-
<b>Net cash inflow (outflow) from investing activities</b>	<b>(38,794)</b>	<b>(11,113)</b>	<b>(10,000)</b>	<b>(10,100)</b>
<b>Net increase/(decrease) in cash held</b>	<b>3,774</b>	<b>(2,944)</b>	<b>(2,601)</b>	<b>(1,993)</b>
Cash at beginning of reporting period	16,699	22,954	20,010	17,410
<b>Cash at end of reporting period</b>	<b>20,473</b>	<b>20,010</b>	<b>17,410</b>	<b>15,417</b>

## **HINCHINBROOK SHIRE COUNCIL**

### **STATEMENT OF CHANGES IN EQUITY - EXPLANATORY NOTES**

#### **Key Points**

The Statement of Changes in Equity includes budgets/forecasts for 2015/2016 and the following two years. The Budget for 2014/2015 has also been included for reference.

Council has two different Equity accounts:

1. Retained Surplus  
This records the cumulative level of annual accounting surpluses reported by Council.
2. Asset Revaluation Surplus  
This records the cumulative increase to Council's asset base that result from regular asset valuations (which are required for annual reporting purposes).

Collectively, the total of these equity accounts equals the net assets position of Council (see the Statement of Financial Position). Although there are no 'targets' for what the total of these equity accounts should be, a decrease in the overall equity accounts indicates that the asset base of Council would be diminishing.

However, it must be noted that these equity accounts are largely the result of applying accounting standards to Council's activities, assets and liabilities and anomalies sometimes occur in applying these to Councils, especially in the area of asset valuations.

# HINCHINBROOK SHIRE COUNCIL STATEMENT OF CHANGES IN EQUITY

	Revised Budget 2014/2015 \$'000	Budget 2015/2016 \$'000	Forecast 2016/2017 \$'000	Forecast 2017/2018 \$'000
<b>TOTAL</b>				
Balance at beginning of period	262,567	280,300	289,044	296,689
Net result for the period	5,055	(1,256)	(2,353)	(1,984)
Revaluations/transfers	10,000	10,000	10,000	10,000
Rounding	-	-	(1)	(1)
<b>Total comprehensive income for the year</b>	<b>15,055</b>	<b>8,744</b>	<b>7,646</b>	<b>8,015</b>
<b>Balance at end of period</b>	<b>277,622</b>	<b>289,044</b>	<b>296,689</b>	<b>304,704</b>
<b>Retained surplus (deficit)</b>				
Balance at beginning of period	167,567	175,300	174,044	171,689
Net result for the period	5,055	(1,256)	(2,353)	(1,984)
Assets not previously recognised	-	-	-	-
Rounding	-	-	(1)	(1)
<b>Balance at end of period</b>	<b>172,622</b>	<b>174,044</b>	<b>171,689</b>	<b>169,704</b>
<b>Asset revaluation surplus</b>				
Balance at beginning of period	95,000	105,000	115,000	125,000
Revaluations/transfers	10,000	10,000	10,000	10,000
<b>Balance at end of period</b>	<b>105,000</b>	<b>115,000</b>	<b>125,000</b>	<b>135,000</b>

## **HINCHINBROOK SHIRE COUNCIL LONG TERM FINANCIAL FORECAST AND MEASURES OF FINANCIAL SUSTAINABILITY - EXPLANATORY NOTES**

### **Long Term Financial Forecast - Key Points**

The Long Term Financial Forecast shows that, based on *maintaining its current activity levels*, Council expects to:

- reduce its cash reserves in each of the years between 2015/2016 and 2019/2020 (at which time, based on the assumptions used in the Forecast, Council's bank balance will be around \$13.4 million)
- return to cash positive position in 2020/2021 when Council will be able to finance an expansion of its current level of operations

Between 2017 and 2020, Council's reserves are expected to fluctuate around \$13 million to \$17 million. Council may decide to use some of these reserves during this period to increase the level of activity conducted.

Note – these forecasts are based on future rates increases being around 5%.

### **Measures of Financial Sustainability - Key Points**

#### **Asset Sustainability Ratio- Target is 90%**

As *Accounting Depreciation* is growing at a higher rate than Council's forecast capital expenditure, this ratio will decrease over time.

The Depreciation figure is the result of applying accounting standards to Council's assets. As Council's assets are regularly revalued 'upwards' this figure can grow at a significant rate. We are aware that at least one other large Council in South East Queensland calculates, what they consider to be, a more realistic figure for the purpose of this ratio. Their figure is approximately one third of the figure as determined by the accounting standards.

#### **Operating Surplus Ratio – Target is between 0% and 10%**

Depreciation has a significant impact on this ratio. Council's depreciation has recently grown from \$5.6 million (2010) to \$9.4 million (2014) (68% increase). Over the same period, rates revenue has grown from \$18 million to \$22.4 million (24% increase). This highlights the difficulty Council has in managing this ratio.

#### **Net Financial Liabilities Ratio – Target is not greater than 60%**

This ratio is largely irrelevant for Council as Council's Current Assets exceed its Total Liabilities.

# HINCHINBROOK SHIRE COUNCIL LONG TERM FINANCIAL FORECAST

	Budget 2015/2016 \$'000	Forecast 2016/2017 \$'000	Forecast 2017/2018 \$'000	Forecast 2018/2019 \$'000	Forecast 2019/2020 \$'000	Forecast 2020/2021 \$'000	Forecast 2021/2022 \$'000	Forecast 2022/2023 \$'000	Forecast 2023/2024 \$'000	Forecast 2024/2025 \$'000
Operating income	28,542	29,591	30,818	32,101	33,442	34,844	36,322	37,866	39,479	41,165
Operating expenditure	22,031	22,537	23,056	23,587	24,130	24,686	25,255	25,838	26,433	27,043
Capital income	1,644	331	331	331	331	331	331	331	331	331
Capital expenditure	11,113	10,000	10,100	10,200	10,300	10,400	10,800	11,400	12,100	13,000
Total income	30,186	29,922	31,149	32,432	33,773	35,175	36,653	38,197	39,810	41,496
Total expenditure	33,144	32,537	33,156	33,787	34,430	35,086	36,055	37,238	38,533	40,043
Bank increase (decrease)	(2,958)	(2,615)	(2,007)	(1,355)	(657)	89	598	959	1,277	1,453
Other receipts (long term debtor)	14	14	14	14	14	14	14	14	14	14
<b>Bank balance at end of financial year</b>	<b>20,010</b>	<b>17,410</b>	<b>15,417</b>	<b>14,076</b>	<b>13,433</b>	<b>13,536</b>	<b>14,148</b>	<b>15,121</b>	<b>16,412</b>	<b>17,879</b>
Assets	296,223	303,954	312,056	320,560	329,499	338,910	348,842	359,334	370,428	382,169
Liabilities	7,179	7,265	7,352	7,440	7,529	7,619	7,710	7,802	7,895	7,989
Equity	289,044	296,689	304,704	313,120	321,970	331,291	341,132	351,532	362,533	374,180
Depreciation	9,327	9,654	9,992	10,341	10,703	11,078	11,466	11,867	12,282	12,712
Other provisions	85	86	87	88	89	90	91	92	93	94

## MEASURES OF FINANCIAL SUSTAINABILITY

<b>Asset Sustainability Ratio</b>										
Capital expenditure	11,113	10,000	10,100	10,200	10,300	10,400	10,800	11,400	12,100	13,000
% which is 'replacement' as opposed to 'new'	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Capital expenditure on replacement assets	10,002	9,000	9,090	9,180	9,270	9,360	9,720	10,260	10,890	11,700
Depreciation	9,327	9,654	9,992	10,341	10,703	11,078	11,466	11,867	12,282	12,712
<b>Asset Sustainability Ratio (Target &gt; 90%)</b>	<b>107%</b>	<b>93%</b>	<b>91%</b>	<b>89%</b>	<b>87%</b>	<b>84%</b>	<b>85%</b>	<b>86%</b>	<b>89%</b>	<b>92%</b>
<b>Operating Surplus Ratio</b>										
Net result	(1,256)	(2,353)	(1,984)	(1,583)	(1,149)	(678)	(158)	401	1,002	1,648
Total operating revenue	28,542	29,591	30,818	32,101	33,442	34,844	36,322	37,866	39,479	41,165
<b>Operating Surplus Ratio (Target: 0% to 10%)</b>	<b>-4%</b>	<b>-8%</b>	<b>-6%</b>	<b>-5%</b>	<b>-3%</b>	<b>-2%</b>	<b>0%</b>	<b>1%</b>	<b>3%</b>	<b>4%</b>
<b>Net Financial Liabilities Ratio</b>										
Total liabilities	7,179	7,265	7,352	7,440	7,529	7,619	7,710	7,802	7,895	7,989
Current assets	22,910	20,310	18,317	16,976	16,333	16,436	17,048	18,021	19,312	20,779
Nett	(15,731)	(13,045)	(10,965)	(9,536)	(8,804)	(8,817)	(9,338)	(10,219)	(11,417)	(12,790)
Total operating revenue	28,542	29,591	30,818	32,101	33,442	34,844	36,322	37,866	39,479	41,165
<b>Net Financial Liabilities Ratio (Target &gt; 60%)</b>	<b>-55%</b>	<b>-44%</b>	<b>-36%</b>	<b>-30%</b>	<b>-26%</b>	<b>-25%</b>	<b>-26%</b>	<b>-27%</b>	<b>-29%</b>	<b>-31%</b>

# 4.0 Policy

Budget Policy

Investment Policy

Debt Policy

Revenue Statement

Rate Recovery Policy 2015/2016

Rate Rebates and Concessions Policy

Crystal Creek Rural Fire Brigade Overall Plan

Crystal Creek Rural Fire Brigade Annual  
Implementation Plan

Bambaroo Rural Fire Brigade Overall Plan

Bambaroo Rural Fire Brigade Annual  
Implementation Plan

Seymour Rural Fire Brigade Overall Plan

Seymour Rural Fire Brigade Annual  
Implementation Plan

Stone River Rural Fire Brigade Overall Plan

Stone River Rural Fire Brigade Annual  
Implementation Plan

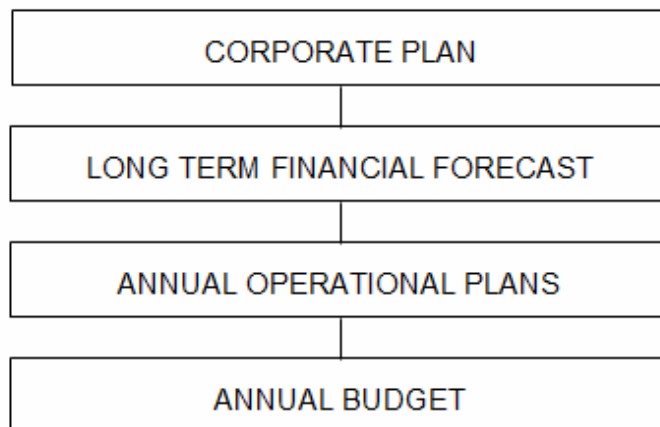
Business Activities Policy

## 1. Policy Statement

Hinchinbrook Shire Council's budget cycle is aimed at addressing the need for:

- effective long term financial management
- detailed annual budgets supporting Council's operating plans and revenue decisions
- reviews to address progress against the annual operating plan and
- reviews to align the budget with actual results.

The overarching policy framework is illustrated as follows:



## 2. Scope

This policy applies to Council's corporate budgeting activities including the annual budget and any subsequent reviews.

## 3. Responsibility

The Executive Manager Corporate Services is responsible for the implementation and maintenance of the requirements of this Policy.

#### 4. Definitions

To assist in interpretation the following definitions shall apply:

**Council** shall mean Hinchinbrook Shire Council.

**Adopted Budget** shall mean the original budget for Hinchinbrook Shire Council for the financial year including any amendments to the budget adopted by the Council under section 170 of the Regulation.

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

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

**Long-Term Financial Forecast** shall mean a document that –

- (a) contains a forecast of income and expenditure and the value of assets, liabilities and equity for each year during the period of the forecast.
- (b) states the relevant measures of financial sustainability for the period of the forecast.
- (c) covers a period of at least 10 years and is reviewed annually.

**Corporate Plan** shall mean a document that outlines the local government's objectives, and the nature and scope of the activities proposed to be carried out.

#### 5. Background

Council is a large enterprise providing a wide range of services, many of them significant, to all parts of the community. It is important that guidelines are established to assist in providing financial rigour to these activities. This includes guidelines to:

- clarify limitations on the release of budgetary information prior to the formal adoption of the budget
- ensure that Council reports are presented in a fiscally responsible manner
- provide guidance in the preparation of the budget reviews
- ensure that required amendments to the budget are made in a timely manner
- ensure consistency with Council's Long Term Financial Forecast and Long Term Asset Management Plans

## 6. Policy

### 6.1 Council Meeting Reports

The following principles are to be applied by officers when compiling official Council meeting reports:-

- (a) Recommendations presented to Council that have the effect of increasing expenditure or reducing income (if adopted) **MUST** indicate where alternative funding is to be sourced from
- (b) no report is to include a recommendation that “funds are to be identified at the next review” or that “the project be included in next year’s budget” (although the item may be **listed for consideration** in either the next review or the following year’s budget).

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

- (c) circumstances may arise that require a ‘reserve pool’ to be established for a specific purpose. Where a recommendation states that funds are to be allocated from a reserve pool, the report **MUST** include the current balance of the relevant reserve. This will enable Councillors to be fully informed prior to approving the allocation.
- (d) where an item that has a financial implication is raised in the General Business section at a Council Meeting, a report is to be presented to a future meeting so that possible funding can be identified before the recommendation is adopted.
- (e) the capital budget is a “project” budget. Each member of the Executive Team is required to include, in their monthly reporting to Council, a summary of the status of each of their capital projects. Each status is to include a comparison of allocated budget, year to date expenditure and full year forecast expenditure. The Executive Team can transfer ‘underspends’ on one capital project to other approved capital projects but they can not use underspends to fund new capital projects.

### 6.2 Annual Budget Consideration

Throughout a financial year Council may consider matters which may result in a referral to future budget considerations. Where this occurs in an open Council meeting it becomes a matter of public knowledge. These matters must be consistent with Council’s Long Term Financial Forecast, when adopted.

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

In the case of commercial activities, the disclosure of detailed pricing and expenditure information may be potentially detrimental to Council’s competitive position. Consequently this information is to be treated as confidential. Commercial activities include those activities defined as significant business activities in accordance with section 19 of the *Local Government Regulation 2012*.

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

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

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

### 6.3 Budget Reviews: Key Statements and Key Principles

#### Overview : Key Statements in the Approved Budget

Three main types of financial report may be included in the Approved Budget report:

1. Long Term Financial Forecast
2. Four Operating Statements (Statement of Income and Expenditure, Statement of Financial Position, Cash Flow Statement and Statement of Changes in Equity)
3. Where appropriate, activities to which the Code of Competitive Conduct apply

For the purposes of this section, these financial reports are collectively referred to as the "Key Budget Financial Reports").

The Budgeted Statement of Income and Expenditure for the new financial year should be very similar to the figures contained (for that particular year) in the prior year's Long Term Financial Forecast. Accordingly, a good starting position for the development of a Budget for any particular year is the previous year's Long Term Financial Forecast.

With regards to the four Operating Statements, it should be recognized that:

- the Statement of Income and Expenditure drives the movements in the other three Operating Statements and
- most officers, in discharging their day to day fiscal responsibilities, are only concerned with the Statement of Income and Expenditure

The Statement of Income and Expenditure generally comprises:

- a list of key recurrent Operating Income categories and their respective Budgets
- Recurrent Operating Expenditure, split between major categories such as Employee Benefits, Materials and Services (excluding Provisions), Finance Costs and, if appropriate any “Other” operating expenditure

(The difference between these two budget categories is the “*Surplus Cash Generated From Operational Activities*”)

- Other Income and Expenditure (usually associated with Capital activity, non recurrent activity and/or NDRRA activity)

(When added/subtracted to/from the *Surplus Cash Generated From Operational Activities*, this determines the budgeted “*Net Income/Expenditure*” for the year – ie movement in cash position for the year)

- Depreciation and other Provisions

#### Budget Reviews

Each Annual Budget is scheduled to be approved before the start of the financial year to which it relates.

During each financial year, after the year’s Budget has been approved, conditions may change that give rise to new budget items being required and/or existing budget items need to be reviewed and amended. Only emergent projects/expenditure items should generally be incorporated into Budget amendments.

**Any budget change that results in a Total or Sub Total on the Statement of Income and Expenditure changing requires Council approval.** Where such change results in the Net Income/Expenditure figure changing by more than 10%, the Report to Council requesting the change must be supported by amended versions of the Key Budget Financial Reports.

At least one mid year Budget Review will be conducted during each year, resulting in a full report to Council. This report may include new budget items and if so, will be accompanied by amended Key Budget Financial Reports. *Note: The overall intention for the Budget Reviews is to review performance and assess financial position.*

#### Opening Balances and Carry Forwards

A key element of each year's Budget is the budgeted *Opening Bank Balance*. As each year's Budget is typically prepared before the end of the preceding financial year, the budgeted Opening Bank Balance is based on several key assumptions and estimates – most notably expenditure on capital projects, payment of certain significant operational activities, the receipt of significant grants and NDRRA related income and expenditure. **It is important to recognize that where the payment and/or receipt of these items is deferred from one financial year to the next, Council is no worse off.** However, in these circumstances the Approved Budget may require amending to incorporate the required 'carry forwards'..

As a result of this, within the first two months of each new financial year, a report will be provided to Council that reconciles the '*actual opening bank balance*' to the '*budgeted opening bank balance*' and summarises the prior year budget items that caused the difference and which need to be carried into the new financial year. This report will be accompanied by an amended Long Term Financial Forecast and Statement of Income and Expenditure.

Budgets that are allocated to operating activities can only be carried forward from one year to the next if they are specifically identified during the budget process. Such budgets are not automatically carried forward.

Similarly, where income is received for a specific project in one year but not fully expended at year end, the officer responsible for the project needs to make sure the unspent income is identified during the budget process as an item required to be carried over to the next financial year. Unspent income is not automatically included in the subsequent year's budget.

## **7. Legal Parameters**

*Local Government Act 2009*

*Local Government Regulation 2012*

## **8. Associated Documents**

Annual Budget

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Document Maintained By: Executive Manager Corporate Services

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## **1. Policy Statement**

To set guidelines and boundaries for the investment of Hinchinbrook Shire Council surplus cash balances which meet the requirements of *Statutory Bodies Financial Arrangements (SBFA) Act 1982* and its regulation, support Council's investment and risk philosophy and provide a sequential process to be followed in undertaking investment activities.

## **2. Scope**

This policy applies to the investment of all cash holdings of Hinchinbrook Shire Council.

## **3. Responsibility**

Executive Manager Corporate Services is responsible for ensuring that this policy is understood and followed.

## **4. Definitions**

**Surplus Cash Balances** - For the purpose of this policy, surplus cash balances are Council's cash holdings available for investment at any one time after consideration of the amount and timing of Council's cash flow needs. Surplus cash balances do not include Council's trust account balances which are to be invested with Commonwealth Bank Business Online Saver Account.

**Authorised Investments** - Authorised investments are as permitted under the *SBFA Act 1982*, and in accordance with the Category 1 Investment Powers applicable to Hinchinbrook Shire Council under the *SBFA Regulation 2007*.

**Prescribed Investment Arrangements** - Investments listed at Schedule 6 of the *SBFA Regulation 2007*.

## **5. Policy**

### **Investment Risk Philosophy**

Council maintains a conservative and risk averse investment philosophy for its surplus cash investments. As the custodian of public monies Council chooses to secure its capital base but take the opportunity to produce revenue from cash assets as far as possible within established risk averse constraints.

### **Objective**

- To maximise earnings with funds not immediately required for financial commitments.
- To invest funds at the most advantageous rate of interest available to it at the time, for that investment type, and in a way that it considers the most appropriate given the circumstances.
- To preserve capital.

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### **Prudent Person Standard**

Officers responsible for investing local government funds must act with a duty of care, skill, prudence and diligence that a prudent person would exercise when investing and managing their own funds. Conflicts of interest must be recorded and disclosed to the Chief Executive Officer.

### **Range of Investments**

Hinchinbrook Shire Council has Category 1 investment power under the *SBFA Act 1982*.

A Category 1 investor is permitted to invest at call or for a fixed period of no more than one year in the following ways:

- ❖ Deposits with a financial institution;
- ❖ Investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
- ❖ Other investment arrangements secured by investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a State or a financial institution;
- ❖ Investment arrangements, managed or offered by QIC or QTC, prescribed under a regulation of the *SBFA Act 1982*;
- ❖ An investment arrangement with a rating prescribed under a regulation of the *SBFA Act 1982*;
- ❖ Other investment arrangements prescribed under a regulation of the *SBFA Act 1982*.

All investments must be denominated in Australian Dollars and undertaken in Australia.

The QIC Cash Fund, QTC Capital Guaranteed Cash Fund, QTC Debt Offset Facility, QTC Fixed Rate Deposit (up to 12 months) and the QTC Working Capital Facility are prescribed investment arrangements. Standard and Poor's (Australia) Pty Ltd ratings of A-1+, A-1, Aam or AAAm are prescribed ratings.

### **Assessment of Surplus Cash Balance**

Surplus cash balances must be determined in accordance with the Investment procedure.

## Credit Risk Guidelines

The minimum and maximum invested surplus cash with any line of credit risk must conform with the following:

**Table A:**

Long-term credit rating# or financial institution	Short-term credit rating#	Minimum % of total investments or minimum value	Maximum % of total investments or maximum value	Maximum Term
QTC Capital Guaranteed Cash Fund		20%	100%	(At Call)
Commonwealth Bank of Australia Business Online Saver		\$500,000	55%	(At Call)
AAA	A-1+	0	50%	1 year
AA to AA-	A-1+	0	40%	1 year
A+ to A-	A-1	0	30%	6 months
BBB+ to BBB	A-2	0	20%	6 months
BBB-	A-3	0	5%	3 months
Unrated **	Unrated**	0	\$500,000	30 days

# Most recently available credit ratings from Standard & Poor's.

\*\*Most building societies and credit unions are unrated financial institutions.

## **Table A: Credit Risk Guidelines**

- ❖ QTC recommends that caution should be exercised with respect to investing funds with unrated institutions. Hinchinbrook Shire Council may choose to invest with an unrated facility to encourage that facility to remain in the Hinchinbrook Shire. The decision to invest in an unrated facility must be balanced off against the credit worthiness of the institution.
- ❖ The credit worthiness of an unrated financial institution should be assessed with regard to the most recent audited financial statements and Capital Adequacy Disclosure of that institution;
- ❖ Before rollover of existing investments or undertaking new investments the credit rating of the investment institutions used or intended to be used by Council should be assessed.
- ❖ In the event of published economic downturn or instability the credit rating of the investment institutions used by Council should be reassessed and remedial action taken if necessary.
- ❖ Queensland Treasury Corporation may be used to assist with financial institution credit ratings. This information should be available from the relevant financial institution web site.

### **Quotations and Fair Value**

At least three (3) verbal quotations must be obtained and noted from authorised institutions when investing surplus cash however this requirement does not apply to investing within the prescribed investment arrangements.

In general, financial institutions with lower credit ratings have a higher credit risk and therefore, the interest rate received on the investment should be higher reflecting the higher level of risk.

The quotes received should be considered relative to the assessed risk of the financial institution. The fair value calculation provided by QTC may be used to assist with the evaluation.

### **Terms to maturity**

The term to maturity of the surplus cash investment must be determined taking into consideration Council's future cash flow needs, credit risk guidelines and the prevailing outlook regarding interest rates.

The term cannot exceed one (1) year for any investment.

### **Reporting requirements**

Reporting procedures must be established to ensure the investments are being reviewed and overseen regularly.

**6. Legal Parameters**

Statutory Bodies Financial Arrangements (SBFA) Act 1982.

Statutory Bodies Financial Arrangements (SBFA) Regulation 2007.

Local Government Regulation 2012.

**7. Associated Documents**

Investment Procedure.

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## Purpose

The objective of this policy is to ensure that Council complies with Section 192 of the *Local Government Regulation 2012*, with regards to the development of a Debt Policy.

## Background

Legislation requires the policy to include;

- (a) New borrowings planned for the current financial year and the next 9 financial years; and
- (b) The purposes of the new borrowings; and
- (c) The time over which it is planned to repay existing and proposed borrowings.

## Policy

There are no planned borrowings in 2015-2016 or during the next nine (9) financial years.

## Short Term Finance

Council has Treasury approval to operate an overdraft facility to the value of \$150,000 for short-term finance for operational cash-flow purposes. Council operates a consolidated account with Commonwealth Bank of Australia that facilitates this overdraft facility.

Council also has Treasury approval for a working capital facility to the value of \$5,000,000 with approval of an additional \$10,000,000 to a maximum of \$15,000,000 subject to approval at each \$5,000,000 step. The purpose of this approval is to minimise risk to Council's cash flow with the significant restoration of asset resulting natural disaster events that have occurred since 2012. The approval of this facility expires 31 March 2016.

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## **1. OVERVIEW**

This statement outlines and explains the revenue raising measures adopted by the Hinchinbrook Shire Council in preparation of its budget for the 2015/2016 financial year.

This statement has been prepared in accordance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

## **2. RESPONSIBILITY**

Executive Manager Corporate Services

## **3. GENERAL RATING**

Council is required to raise sufficient revenue it considers appropriate to maintain general assets and provide services to the community including the costs of governance and administration of the Council.

Pursuant to chapter 4, sections 80 and 81 of the *Local Government Regulation 2012*, Council will adopt a differential general rating scheme.

Differential rating provides equity through recognising:

- (a) Significant variation in valuations and level of rating in the same classes of land resulting from the revaluation of the Shire for local government area;
- (b) The level of services provided to that land and the cost of providing the services compared to the rate burden that would apply under a single general rate;
- (c) The use of land in so far as it relates to the extent of utilisation of Council's services; and
- (d) Relative valuations as between different types of land.

In relation to the table below:-

- 1. The categories into which rateable land is categorised are detailed in column 1;
- 2. The descriptions of those categories are detailed in Column 2;
- 3. The method by which land is to be identified and included in its appropriate category is detailed in Column 3;
- 4. The differential general rates in the dollar for each category are detailed in Column 4;
- 5. The minimum general rates for each category are detailed in Column 5; and
- 6. The limitation on increases for each category are detailed in Column 6.

**Electronic version current. Uncontrolled Copy current only at time of printing**

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<b>Column 1 - Category</b> (section 81)	<b>Column 2 - Description</b> (section 81)	<b>Column 3 - Identification</b> (sections 81(4) and 81(5))	<b>Column 4 - Rate in the \$</b> (section 80)	<b>Column 5 - Minimum General Rate (\$)</b> (section 77)	<b>Column 6 - Limitation (cap)</b> (section 116)
1. Residential A	Land used, or capable of being used for purpose of a single residential dwelling, which has a rating valuation between \$0 and \$40,000.	Land having the land use codes of 01, 02, 04, 05, 06, 08, 09 or 72.	1.861	600.00	No Limit
2. Residential B	Land used, or capable of being used for purpose of a single residential dwelling, which has a rating valuation between \$40,001 and \$100,000.	Land having the land use codes of 01, 02, 04, 05, 06, 08, 09 or 72.	1.060	975.00	No Limit
3. Residential C	Land used, or capable of being used for purpose of a single residential dwelling, which has a rating valuation greater than \$100,000.	Land having the land use codes of 01, 02, 04, 05, 06, 08, 09 or 72.	1.040	1,150.00	No Limit
4. Multi Unit Residential - A	Land used, or capable of being used, for the purpose of multiple residential units (2 or 3 flats).	Land having the land use code of 3.	1.111	1,268.00	No Limit
5. Multi Unit Residential - B	Land used, or capable of being used, for the purpose of multiple residential units (4 or 5 flats).	Land having the land use code of 3.	1.294	1,604.60	No Limit
6. Multi Unit Residential - C	Land used, or capable of being used, for the purpose of multiple residential units (6 or more flats).	Land having the land use code of 3.	1.313	1,845.20	No Limit
7. Community Purposes	Land used for community purposes, including as a sports club or facility, cemetery, library, educational facility, religious institution, showground, racecourse, airfield, park, garden or for Commonwealth, State or local government purposes.	Land having the land use codes of 48, 50-59.	0.896	1,297.30	No Limit
8. Commercial A	Land used for commercial purposes, which has a rating valuation of less than \$1,250,000 other than land included in category 10.	Land having the land use codes of 01, 04, 07, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 30, 41, 42, 43, 44, 45, 46, 47, 49, 91, 92, 96, 97 or 99.	1.330	1,272.50	No Limit
9. Commercial B	Land used for commercial purposes, which has a rating valuation greater than or equal to \$1,250,000 other than land included in category 10.	Land having the land use codes of 01, 04, 07, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 30, 41, 42, 43, 44, 45, 46, 47, 49, 91, 92, 96, 97 or 99.	0.802	12,720.50	No Limit

<b>Column 1 - Category</b> (section 81)	<b>Column 2 - Description</b> (section 81)	<b>Column 3 - Identification</b> (sections 81(4) and 81(5))	<b>Column 4 - Rate in the \$</b> (section 80)	<b>Column 5 - Minimum General Rate (\$)</b> (section 77)	<b>Column 6 - Limitation (cap)</b> (section 116)
10. Drive-In Shopping Centre	Land used for the purposes of a shopping centre with a gross floor area greater than 3,500 sq. metres.	Land having the land use code of 16.	1.730	12,821.50	No Limit
11. Industrial	Land used for industrial purposes other than land included in category 12, 14 and 15.	Land having the land use codes of 01, 04, 28, 29, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40.	1.348	1,322.50	No Limit
12. Quarries	Land used for the purpose of extractive industries or quarrying licensed for more than 5,000 tonnes of material other than land included in category 11.	Land having the land use code of 40.	3.334	6,403.70	No Limit
13. Island Land	Land located on Pelorus Island or Orpheus Island.		2.034	1,297.30	No Limit
14. Harbour Industries	Land used for the purpose of harbour industries including a bulk sugar terminal with a land area greater than 5 hectares.	Land having the land use code of 39.	4.501	50,314.70	No Limit
15. Sugar Mills	Land used for the purposes of sugar milling operations.	Land having the land use code of 35.	13.485	100,629.40	No Limit
16. Sugar Cane and Forestry A	Land used for the purposes of growing sugar cane, or for forestry or logging, where the valuation per hectare of the land is less than \$1,400.	Land having the land use code of 75 or 88.	2.264	1,295.00	10%
17. Sugar Cane and Forestry B	Land used for the purposes of growing sugar cane, or for forestry or logging, where the valuation per hectare of the land is between \$1,400 and \$2,130.	Land having the land use code of 75 or 88.	2.881	1,295.00	10%
18. Sugar Cane and Forestry C	Land used for the purposes of growing sugar cane, or for forestry or logging, where the valuation per hectare of the land is greater than \$2,130.	Land having the land use code of 75 or 88.	3.202	1,295.00	10%
19. Other Rural Land	Land used for rural purposes, other than land included in category 16, 17, or 18.	Land having the land use codes of 60, 61, 64, 65, 66, 67, 68, 69, 70, 71, 73, 74, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 89, 90, 93, 94, 95.	1.019	1,358.50	No Limit
20. Other Land	Land not included in any of the above categories		1.019	1,358.50	No Limit

For avoidance of doubt:-

- (a) Council delegated to the Chief Executive Officer the power (contained in section 81 (4) and (5) of the *Local Government Regulation 2012*) of identifying the rating category to which each parcel of rateable land belongs. In carrying out this task, the Chief Executive Officer may have regard to the guidance provided by the Column 3 of the table above.
- (b) The reference to “land use codes” in Column 3 of the table above is a reference to the land use codes produced from time to time, by the Department of Natural Resources and Mines.

#### **4 LIMITATION ON INCREASES IN RATES & CHARGES**

As identified in Column 6 of the table above, Council has decided to apply capping to all Cane/Forestry lands which ensures that lands categorised as Category 16, Category 17 and Category 18 as at 1 July 2015 will not exceed the amount of general rates levied for the property for the previous year plus a percentage increase resolved by Council. This is subject to a minimum rate for each category and the provisions set out below.

##### Provisions for capping of general rates

- a) Capping will apply to any land categorised as Cane/Forestry Category 16, Category 17 and Category 18. The concession is not available retrospectively and will only apply from the beginning of a financial year.
- b) Capping will cease to apply on or before 1 July 2016, where ownership of any land to which capping previously applied, is transferred on or after 1 July 2015. Land which is sold during 2015/16 is not eligible for capping in 2016/17. The new owner would be eligible from 1 July 2017.
- c) The purchaser of any uncapped land during 2015/16 will not be eligible for capping until 1 July 2017.

#### **5 SEPARATE CHARGES**

##### **Waste Management Levy**

Council considers that the costs associated with the delivery of Waste Management Services should, in part, be funded by all ratepayers in the local government area through a waste management separate charge.

The amount of the charge will be calculated on the basis of the estimated cost to Council to manage and operate refuse tips including remediation costs, refuse transfer stations, green waste processing and the attendant environmental considerations implemented to meet environmental licensing and control standards.

When determining the pricing level for the Waste Management Levy consideration is given to a full cost pricing model to recover the cost of the service including overheads and an appropriate return.

The terms of the resolution are as follows:

*That in accordance with section 103 of the Local Government Regulation 2012, a separate charge, to be known as a Waste Management Levy, of \$146.00 gross per annum be levied equally on all rateable land.*

It is considered to be more appropriate to raise funds by a separate charge rather than from general funds to ensure the community is aware of the Council's commitment to providing a waste management service that meets a high standard of environmental duty and care and best practice now required. The Council also considers that the benefit is shared by all parcels of land, regardless of their value.

## **6 SPECIAL CHARGES**

### **Crystal Creek Rural Fire Brigade – Special Charge**

Council considers that each parcel of rateable land identified on Crystal Creek Rural Fire Brigade Map ref R12-512 ID. 0435 (produced 09/08/2012 by the Queensland Rural Fire Services) will specially benefit to the same extent from the purchase and maintenance of equipment by the Crystal Creek Rural Fire Brigade.

The Brigade has advised Council that the total cost of implementing the Plan for 2015/2016 budget is \$3,243.00 and has requested Council to levy each parcel of rateable land an amount of \$30 per annum. This charge will raise \$2,520 per annum to be contributed to the Crystal Creek Rural Fire Brigade.

### **Bambaroo Rural Fire Brigade – Special Charge**

Council considers that each parcel of rateable land identified on Bambaroo Rural Fire Brigade Map ref R09-313 ID. 0712 (produced 13/05/2009 by the Queensland Fire & Rescue Services – GIS Unit) will specially benefit to the same extent from the purchase and maintenance of equipment by the Bambaroo Rural Fire Brigade.

The Brigade has advised Council that the cost of implementing the Plan for 2015/2016 budget is approximately \$2,600 for operational expenses with the plan that unused funds be used to connect power to the new brigade shed. The Brigade has requested Council to levy each parcel of rateable land an amount of \$30 per annum. This charge will raise \$3,300 per annum to be contributed to the Bambaroo Rural Fire Brigade.

### **Seymour Rural Fire Brigade – Special Charge**

Council considers that each parcel of rateable land identified on Seymour Rural Fire Brigade Map ref R12-512 ID. 1671 (produced 09/08/2012 by the Queensland Rural Fire Services) will specially benefit to the same extent from the purchase and maintenance of equipment by the Seymour Rural Fire Brigade.

The Brigade has advised Council that the cost of implementing the Plan for 2015/2016 budget is approximately \$3,215.00 for operational costs and with the plan that unused funds be set aside for future building and maintenance repairs. The Brigade has requested Council to levy each parcel of rateable land an amount of \$30 per annum. This charge will raise \$4,800 per annum to be contributed to the Seymour Rural Fire Brigade.

## **Stone River Rural Fire Brigade – Special Charge**

Council considers that each parcel of rateable land identified on Seymour Rural Fire Brigade Map ref R12-512 ID. 2079 (produced 26/06/2012 by the Queensland Rural Fire Services) will specially benefit to the same extent from the purchase and maintenance of equipment by the Stone River Rural Fire Brigade.

The Brigade has advised Council that the cost of implementing the Plan for 2015/2016 budget is approximately \$3,255 for operational costs and a longer term plan to build a shed. The Brigade has requested Council to levy each parcel of rateable land an amount of \$30 per annum. This charge will raise \$5,130 per annum to be contributed to the Stone River Rural Fire Brigade.

## **7 UTILITY CHARGES**

### **Water Charge**

Hinchinbrook Shire Council aims to:-

- Encourage water conservation
- Provide ability for consumers to control costs of service
- Reduce the need for restrictions
- Provide an equitable system of pricing
- Reduce the cost of supplying water
- Defer future costs of supplying water
- Assess charges on a user pays basis.

In order to achieve these objectives Council will, pursuant to section 99(2) of the *Local Government Regulation 2012* make and levy a two-part water charge. The charge for water service is based on full cost pricing model to recover the cost of the service including overheads and an appropriate return.

The charge consists of two components: a consumption charge based upon the ratepayer's usage of water on a per kilolitre basis, and a base charge which varies depending on the use of the particular land.

### Consumption Readings and Charge

Water meters are read twice per year in October/November (half year reading) and May/June (end of year reading).

### Consumption Charges for Water Consumed in the 2015/2016 Financial Year:

A Consumption Charge of 97 cents per kilolitre levied on the metered water consumption for all properties in the supply area for water consumption notices issued October/November 2015 (half year reading) and May/June 2016 (year end reading).

Council reserves the right to negotiate the consumption charge for a major consumer who uses in excess of 500,000 kilolitres per annum.

### Base Charge

A Base Charge Component of \$354.10 gross per annum for which the adopted discount for early payment of rates shall apply, shall be levied as follows:-

<b><i>Situation</i></b>	<b><i>Applicable Base charge</i></b>
Each Separate Parcel of Land without a water connection in the Supply Area	One Base Charge for each separate parcel of land

Each water meter connection according to the following sizes:-

20 mm Meter	=	One Base Charge
25 mm Meter	=	1.5 x Base Charge
32 mm Meter	=	2.5 x Base Charge
40 mm Meter	=	4.0 x Base Charge
50 mm Meter	=	6.5 x Base Charge
80 mm Meter	=	17.0 x Base Charge
100 mm Meter	=	26.0 x Base Charge
150 mm Meter	=	59.0 x Base Charge

Multiple residential uses within one parcel of land for which there are not separately metered connections:-

Each separate residential use	=	One Base Charge per use
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The same charging structure shall be levied and be payable whether any structure or building is actually in occupation or not.

### Base Charge for land being used for specific purposes

The following specific base charges will be levied where land is used for the following purposes:-

#### *(a) Recreation/Sporting /Charitable Consumer*

Public sportsgrounds, Golf Club and Bowling Clubs, Band Centre, QCWA, St Vincent De Paul, Salvation Army, Scouts, Girl Guides, Ingham Potters, Blue Haven Aged Persons Complex, Canossa Aged Persons Complex, Apex, Lower Herbert Lions Pensioner Units or like uses approved by Council are to be charged the equivalent of one 20 mm connection base charge irrespective of the meter size and number of connections to the premises, except where Council deems that the organisation obtains substantial income from Licensed Premises on those grounds or premises.

#### *(b) Schools*

Schools to be charged on the basis of the number of connections to the school, but for meters sized above 25 mm the charge shall be equivalent to a 25 mm connection base charge.

(c) *Domestic Properties*

Properties used for domestic purposes which due to special circumstances require the installation of a larger than normal water meter (eg., 25mm service required due to distance of property from main) are to be charged the equivalent of a 20 mm connection base charge.

Where an additional 20mm base charge is applied for residential uses not separately metered and the meter size may exist due to the number of shared services, the meter size base charge shall be assessed taking into consideration the meter size that would apply if the residential uses were separately metered.

(d) *Fire Fighting Services*

Premises that are required by law to install larger services for Fire Fighting purposes will be charged on the calculated service size required to operate those premises. (For example, premises may be required to install a 150 mm Fire Main and have a 50 mm domestic take off, will only be charged on the basis of a 50 mm connection.)

(e) *Cane Farms*

Land, whether occupied or unoccupied, which is used for sugar cane growing as a cane farm shall be assessed as one separate parcel of land for the purposes of calculating the Base Charge Component where the separate parcels of land contained within the farm are on one rate assessment. Provided further that each separate connection to the said land or additional residence shall be charged a Separate Base Charge component.

(f) *Separate Parcels of land with no access*

Rateable assessment that include multiple parcels of land for which there is no legal access to the additional parcel of land will be rated on the basis of one single parcel of land. This does not affect the assessment of rates and charges based on connections or residential uses on the land.

### Special Agreements or Arrangements

Nothing contained herein shall prejudice the right or power of the Council to make a separate and different charge for a specified reason or purpose under any special agreement and on such reasonable terms and conditions as may be arranged between the Council and the customer and as specified in the agreement.

Council has entered into the following special agreements:-

L1-2 RP745005 Parish of Cordelia

2 parcels of land

- No charge for this land while the Land remains with the current Ownership details. The Owners previously donated land to Council in the vicinity of the Memorial Gardens.

L7 RP804431 Parish of Cordelia

1 parcel of land

- Council negotiations to acquire a Grazing Land Drainage Easement within this land resulted in no water charges to this land.

Valuation 363/0 Farm

10 parcels of land

- Property No. 107354
- Council negotiations to acquire a Lease over the Mona Road Boatramp resulted in a 50mm water connection being installed with no base charge being charged. Charges would have been based on 20mm due to larger service required for distance to supply.(consumption is charged).

### Accounts

#### *(a) Meter Reading and Billing Frequency*

Each Yearly Rate Notice shall include the Base Charge Component.

The Council at its option shall render accounts for the supply of water to a consumer bi-annually or at such other intervals as appropriate as circumstances warrant. A meter reading program shall be maintained throughout the water area with readings occurring in as consistent a cycle as possible to facilitate the issue of water consumption accounts on at least a bi-annual basis to all consumers.

In relation to the reading of water meters, Council will apply section 102 of the *Local Government Regulation 2012*, the terms of the resolution for which are as follows: -

*That in accordance with section 102 of the Local Government Regulation 2012, a water meter is taken to be read during the period that starts two weeks before, and ends two weeks after, the day on which the meter is actually read.*

(b) *Minimum Account Billing*

Where the consumption of water recorded for each meter at any premises in any meter reading period is of such amount that when calculated at the consumption charge equates to less than \$5 the minimum charge for that water consumption notice shall be \$5. When a property has more than one water meter and the locations of the water meters requires the meters to be read in separate routes, the minimum \$5 will apply to each separate reading route and separate notices will issue.

(c) *Meter Unable to be Read or Registering Inaccurately etc*

Where the meter to any property ceases to register, or registers inaccurately or through damage an accurate reading is unable to be obtained, then Council may estimate the charge for the water supplied to such premises during the period the meter was not in working order by "averaging" of the quantity of water consumed during a corresponding period for the previous year, or upon the consumption over an appropriate period registered by the meter after being adjusted as the Chief Executive Officer deems fit.

Council further adopts the principle of "averaging" where access is denied to the meter by reasons beyond Council's control. For the purposes of benchmarking, an average domestic quantity of water consumed shall be fixed unless otherwise altered at one (1) kilolitre per day.

(d) *Water Usage through leaks or damaged infrastructure*

Where water is consumed and/or registered through a water meter, and all or part of that water consumption/reading is a consequence of leakage, wastage or other usage through defective water installations, pipework or apparatus which is private ownership, and through negligence or otherwise the consumption or wastage has registered, the property owner can apply to Council for water leak relief on the prescribed application form submitted with an account or letter from a registered Plumber, providing details of the water leak that was repaired.

The Water Leak Relief concessions offered by Council is detailed in Council's Policy, "Water Leak Relief Policy".

Separate Meter Installations

To establish and maintain a more identifiable and practical service to separate consumers, and to facilitate current and future water supply management, all new Class 1a and 2 buildings will be required to provide a separate water connection to each tenement unit.

## Sewerage Charge

The sewerage charge is levied on a unit basis and is priced to recover the costs of constructing, operating, maintaining and managing the sewerage areas of the Shire. The charge for sewerage service is based on full cost pricing model to recover the cost of the service including overheads and an appropriate return.

The sewerage charge, unit basis of charging and the various principles and classification of uses adopted for the Ingham Sewerage Scheme shall also apply to the several properties connected to the Lucinda Sewerage Treatment Plant. The list of land uses and the applicable number of units is detailed below.

Charges shall be due and payable whether the land, structure or building is connected to a sewer or not, but in respect of which the Council is prepared to accept sewage.

The amount of the charge referred to in the preceding paragraph shall be \$103.70 per unit, per annum if the particular premises are provided with sewerage or the Council is agreeable to accept sewage from such premises.

The same charge shall be levied and be payable whether the structure or building is actually in occupation or not.

Where any land, structure or building is in the separate occupation of several persons each part so separately occupied shall be assessed the same charges as each part would have been liable to be assessed had each such part been a separate parcel of land or a separate building or structure.

Notwithstanding anything hereinbefore contained, where the use of any new or altered structure or building on land within the sewerage area does not in the opinion of the Council, properly accord with a use listed in Schedule 1 hereunder, the Council shall by resolution determine the units of sewerage charge applicable thereto as in its discretion it thinks fair and reasonable according to the circumstances of use.

### Special Agreements

Nothing contained herein shall prejudice the right or power of the Council to make a separate and different charge for a specified reason or purpose under any special agreement and on any such reasonable terms and conditions as may be arranged between the Council and the person concerned and specified in such agreement.

Council has entered into the following special agreements:-

L1-2 RP745005 Parish of Cordelia

2 vacant parcels of land

- No charge for this land while the land remains with the current ownership details. The owners previously donated land to Council in the vicinity of the Memorial Gardens.

L10 I22459 Parish of Trebonne

1 vacant parcel of land

- Council agreed as part of the Negotiation of sewerage extension to Dickson St, Ingham to not charge sewerage charges to this property as it cannot be sold separately and is physical access to L2 RP717328.

## Land Uses & applicable number of units

<u>Use to Which Land is Put Whether Occupied or Not</u>	<u>Number of Units</u>
Aged Persons Complex - per bed	2
Caravan Park	22
Child Day Care Centre/Kindergarten/Respite Centre	14
Church/Hall or Welfare Club	6
Court House	15
Closed Processing Plant	20
Canossa Home	168
Dwelling House	7
Flats each	7
Forestry Administration Centre	14
Hall (AAFC Cadets)	10
Hospital	128
Hotel	60
Hotel Accommodation/Backpackers per room	0.5
Ingham TAFE/Library Complex	55
Licensed Social Club	32
Licensed Sporting Club	22
Licensed Nightclub	32
Lucinda Wanderers Holiday Park	74
Medical Centre	28
Motel - small (Rooms < 10)	20
Motel - medium (Rooms 10 - 25)	60
Motel - large (Rooms >25)	70
Multi-tenancy premises - per shop or office	7
Nurses Quarters Complex	47
Police Station Complex	15
Processing/Packaging Plant	50
Rooming House	9
Railway	22
Recreation/Sporting Club	10
Restaurant	14
Racecourse	13
Sawmill - small	22
Sawmill - Large	44
School	
Under 30 pupils	10
30 but under 100 pupils	50
100 but under 400 pupils	60
400 or greater than pupils	90
Self Contained Single Bed-Room Accommodation Unit	5
Shop or Office	7
Service Station	10
Supermarket - medium	20
Supermarket - large	60
Theatre	22
Use not otherwise listed	7
Vacant lot of land	5

## Charging methodology applicable to specific land uses

### *Cane Farms*

Land, whether occupied or unoccupied, which is used for sugar cane growing as a cane farm shall be assessed as one separate parcel of land for the purposes of calculating sewerage charges where the separate parcels of land contained within the farm are on one rate assessment. Provided further that each separate connection to the said land or additional residence shall be charged based on the additional applicable sewerage units

### *Separate Parcels of land with no access*

Rateable assessment that include multiple parcels of land for which there is no legal access to the additional parcel of land will be rated on the basis of one single parcel of land. This does not affect the assessment of rates and charges based on connections or residential uses on the land.

## **Cleansing Utility Charge**

Pursuant to section 99(1) of the *Local Government Regulation 2012*, Council will make and levy a utility charge for the provision of a domestic refuse service.

A kerbside refuse collection of the equivalent of one 240 litre garbage bin per week and one 240 litre recycling bin per fortnight is provided to all parts of the declared waste area for occupied land used for residential purposes. The services of Council's contractor, Mams Plant Hire Pty Ltd will be used to undertake storage, collection, conveyance of domestic waste and the disposal thereof.

The cost of performing the function of cleansing by the removal of garbage will be funded by the cleansing utility charge. When determining the pricing level for the garbage collection service consideration is given to a full cost pricing model to recover the cost of the service including overheads and an appropriate return.

In the defined waste collection area, the following domestic waste collection charges shall apply for the 2015/16 financial year:

- (i) Rateable land – A charge of \$229.50 per annum for the provision of a 240 litre “Mobile Garbage Bin” of a domestic waste collection service per week and a 240 litre “Mobile Garbage Bin” recyclable waste collection service per fortnight;
- (ii) Non-Rateable land – 1<sup>st</sup> service – \$375.50 per annum for the provision of a 240 litre “Mobile Garbage Bin” of a domestic waste collection service per week and a 240 litre “Mobile Garbage Bin” recyclable waste collection service per fortnight;

Additional services - \$229.50 per annum for the provision of a 240 litre “Mobile Garbage Bin” domestic waste collection service per week and a 240 litre “Mobile Garbage Bin” recyclable waste collection service per fortnight;

- (iii) Additional Services  
An additional weekly 240 litre domestic waste collection service only will be provided at a charge of \$181.72 per annum.  
An additional fortnightly 240 litre recyclable waste collection service will be provided at a charge of \$47.78 per annum.

For the purpose of making and levying a cleansing charge under section 99 of the *Local Government Regulation 2012*, and without limiting the meaning of the words “land in actual occupation”, land in the declared waste area shall be deemed to be in actual occupation if:-

- A regular cleansing service was being provided to that land at 1 July, 2015; or
- A regular cleansing service is ordered by the Council or the Authorised Officer to be provided to that land; or
- The Council is requested to provide a regular cleansing service to that land by the owner or occupier; or
- There is a building on such land being rateable land, which in the opinion of the Council or Authorised Officer is adapted for use or occupation.

No reduction or refund of any charge in respect of a regular cleansing service duly made and levied in respect of a year or part of a year shall be made or given by the Council for reason only that the premises are unoccupied for a time.

Where the charge is in connection with any structure, building or place on land which is not rateable under section 73 of the *Local Government Regulation 2012*, the charge shall be levied on the person or body or Commonwealth or State Department which is the beneficiary of the service. Where multiple residential uses exist on one rateable assessment, a single cleansing service shall be rendered in respect of each use.

In the case of a property located within the Declared Waste Area Map not being able to be provided with a service the charge will not be levied on that land. The property owner will be required to dispose of their domestic waste at the Warrens Hill landfill, Halifax Transfer Station or Mt Fox Transfer Station. Such determination will be made by Council.

## **8 COST-RECOVERY AND OTHER FEES AND CHARGES**

It is the intention of Council that, where possible, services provided by Council are fully cost recovered; however, consideration may be given where appropriate to the broad community impact certain fees and charges may have.

In setting cost-recovery and other fees and charges, council will apply the following criteria to be used in deciding the amount of any fee:

- Fees associated with cost-recovery (regulatory) services will be set at no more than the full cost of providing the service taking the action for which the fee is charged. Council may choose to subsidise the fee from other sources (eg; general rate revenue)
- Charges for commercial services will be set to recover the full cost of providing the services and, if provided by a Business of Council, may include a component for return on capital.

## **9 ISSUE OF NOTICES**

Notices for the 2015/2016 financial year will be issued biannually.

## **10 TIME WITHIN WHICH RATES MUST BE PAID**

Rates and charges must be paid by the Due Date, with the Due Date being 30 September 2015 and 31 March 2016.

## **11 PERIODIC PAYMENTS**

### **In arrears**

Council will allow landowners who are unable to pay their rates by the due date to enter into an arrangement to make periodic payments in arrears following the levy of the rates and charges. Such arrangements are to be approved by the Chief Executive Officer by way of delegated powers from the Council, with no recovery action being taken while the arrangement is being maintained.

### **In advance**

Council further states that there is no reason landowners cannot make periodic payments in advance of the levy of the rates and charges.

## **12 INTEREST ON OVERDUE RATES AND CHARGES**

It is Council's policy to ensure that the interest of ratepayers are protected by discouraging the avoidance of responsibility for payment of rates and charges when due. To this end, Council will impose interest on rates and charges from the day they become overdue.

The rate of interest to be charged on overdue rates and charges shall be 11% compound interest charged at daily rests. The interest rate will be the maximum rate prescribed in the *Local Government Regulation 2012*.

## **13 RATING CONCESSIONS/REMISSIONS**

The rating concessions offered by Council are in more detail, in Council Policy, "Rate Rebates & Concessions Policy" and Council Policy, "Water Leak Relief Policy".

## **14 RECOVERY OF OVERDUE RATES AND CHARGES**

Council's policy on the recovery of overdue rates and charges is in more detail, in Council Policy, "Rate Recovery Policy".

**1. Policy Statement**

The objective of this policy is to maximise rate recovery within the rating period and to instigate appropriate and timely recovery processes to recover overdue rates and charges.

**2. Scope**

This policy applies to all ratepayers with overdue rates and charges levied by Council

**3. Responsibility**

Executive Manager Corporate Services, Financial Accountant and Revenue Supervisor are responsible for ensuring that this policy is understood and followed.

**4. Definitions**

The definitions for the terms rates and charges and overdue rates and charges used in this policy can be found in the *Local Government Regulation 2012*.

**5. Policy**

Council requires payment of rates and charges within the specified period (i.e. by the due date of payment) and will pursue the collection of overdue rates and charges diligently but with due concern for any financial hardship faced by ratepayers. Action will be taken through solicitors, debt collectors or the magistrate court as appropriate.

Any default on an accepted repayment proposal for overdue rates will result in action commencing to recover the debt through solicitors, debt collectors or the magistrate court as appropriate.

Where Judgement has been obtained on Commercial properties, legislation allows recovery of outstanding rates by Sale of Land proceedings. Council will allow a period of 6 months from date of Judgement to allow the owner to pay their overdue rates in full before considering to proceed with Sale of Land proceedings for recovery of the outstanding rates and charges.

Council also retains the right to deal with special circumstances at their discretion.

## **1. PURPOSE**

To identify target groups and establish guidelines to assess requests for rating and utility charge remissions in order to alleviate the impact of local government rates and charges, particularly in relation to not for profit / community organisations and ratepayers who are in receipt of an approved Government pension.

## **2. SCOPE**

This Policy is made pursuant to Chapter 4, Part 10 of the *Local Government Regulation 2012* and sets out the criteria that Council will apply in granting concessions to ratepayers for rates and charges.

## **3. RESPONSIBILITIES**

The Chief Executive Officer is delegated authority to approve or refuse an application in accordance with the criteria set out in this Policy.

## **4. POLICY**

### **A. Pensioner Concession**

#### **Scope**

This concession is made pursuant to section 122(1)(b) of the *Local Government Regulation 2012* and is directed to elderly, invalid or otherwise disadvantaged citizens of in the Shire whose principal or sole source of income is a pension or allowance paid by Centrelink or the Department of Veterans' Affairs and who are the owners of property in which they reside and have responsibility for payment of Council rates and charges thereon.

#### **Conditions of Eligibility**

In order for a ratepayer to be eligible for the pensioner concession, he or she must:-

- (a) hold a pensioner concession card issued by Centrelink or the Department of Veterans' Affairs;
- (b) be in receipt of a pension from Centrelink or the Department of Veterans' Affairs, including a Widow's Allowance;
- (c) be the owner or life tenant (either solely or jointly) of the property which is his or her principal place of residence.

### **Calculation of Concession**

An eligible pensioner will be entitled to a concession of 20% of the gross annual rates and charges payable, up to a maximum concession of \$200.00.

The pensioner concession is not payable on water consumption accounts or on special rates for rural fire purposes.

### **Application process**

The eligibility of all applicants will be verified prior to rates and charges being levied each year (usually in June or July).

Pensioners who are not automatically provided with a concession, and who believe that they meet the relevant criteria, may apply for approval at any time.

## **B. Not for Profit / Charitable Organisations Concessions**

### **Scope**

This concession is made pursuant to section 122(1)(b) of the *Local Government Regulation 2012* and is available to eligible organisations whose objects do not include the making of profit and who provide services to their membership and the community at large.

### **Conditions of Eligibility**

In order for a ratepayer, whose objects do not include the making of a profit, to be eligible for the concession, it must:-

- (a) be located within the Hinchinbrook Shire area;
- (b) have most of its members resident within Hinchinbrook Shire area;
- (c) be an organisations which exists primarily to undertake community service activities and relies mainly on volunteer labour, or alternatively, have a high level of paid labour and a low level of volunteer labour and provide a substantial community benefit;
- (d) have a clause in its constitution which clearly prohibits any member of the organization making a private profit or gain either from the ongoing operations of the organisation or as a result of the distribution of assets of the organisation upon it being wound up;

(e) not be an organisation which:-

- i. receives income from gaming machines and/or from sale of alcohol in an organised manner (e.g. bar with regular hours of operation with permanent liquor licence);
- ii. provides low cost rental accommodation except where the accommodation is provided solely for the aged, short-term respite services, short-term crisis or emergency accommodation or for disabled persons requiring ongoing support;
- iii. is a religious body or entity or educational institution recognised under State or Federal legislation; and
- iv. is a Rural Fire Brigade in receipt of a Rural Fire Levy.

### **Calculation of concession**

#### **General Rate**

An eligible organisation shall be entitled to a concession equal to 100% of the general rates payable by that organisation.

#### **Cleansing Utility Charge**

The eligible organisations shall be entitled to a concession equal to 50% of the cleansing utility charge payable by the organisation. The following are the eligible organisations entitled to 50% concession upon receipt of the application:

<u>Property No.</u>	<u>Owner/Lessee</u>	<u>Improvements</u>
100986	Lower Herbert/Halifax Lions Club	Pensioner Units
106226	Forest Glen Retirement Units	Units
100210	Res Health–Pensioner Home Purp	Units 22

#### **Waste Management Levy**

The eligible organisation shall be entitled to a concession equal to 100% of the Waste Management Levy payable by the organisation. The following are the eligible organisation entitled to 100% concession upon receipt of the application:

<u>Property No.</u>	<u>Owner/Lessee</u>	<u>Improvements</u>
102099	Boy Scouts Association	Vacant Land

#### **Application process**

The eligibility of all applicants will be verified prior to rates and charges being levied each year (usually in June or July).

Organisations which are not automatically provided with a concession, and who believe that they meet the relevant criteria, may apply for approval at any time.

### **C. Application for Rate Relief**

Council will give consideration to a ratepayers request for concession in accordance with section 120 (1) *Local Government Regulation 2012* on the basis of complying with the following criteria:

- (a) The payment of the rates or charges will cause hardship to the land owners; or
- (b) The concession will encourage the economic development of all or part of the local government area; or
- (c) The concession will encourage land that is of cultural, environmental, historic heritage or scientific significance to the local government area to be preserved, restored or maintained; or
- (d) The land is used exclusively for the purpose of a single dwelling house or farming and could be used for another purpose, including, for example, a commercial or industrial purpose; or
- (e) The land is subject to a GHG tenure, mining tenement or petroleum tenure; or
- (f) The land is part of a parcel of land (a parcel) that has been subdivided and –
  - a. The person who subdivide the parcel is the owner of the land; and
  - b. The land is not developed land.

## **1. Policy Statement**

To identify the rateable land to which the Crystal Creek Rural Fire Brigade Special Charge applies. To describe the Crystal Creek Rural Fire Brigade Service and to state the cost and estimated time in implementing the overall plan.

## **2. Scope**

This policy applies to each parcel of rateable land identified on the Crystal Creek Rural Fire Brigade Map ref R12-512 (produced 09/08/2012 by the Queensland Rural Fire Services) that will specially benefit to the same extent from the purchase and maintenance of equipment by the Crystal Creek Rural Fire Brigade.

## **3. Responsibility**

Executive Manager Corporate Services

## **4. Definitions**

**Rateable Land Identification:** Each parcel of rateable land identified on the Crystal Creek Rural Fire Brigade Map R12-512 ID. 0435 (produced 09/08/2012 by the Queensland Rural Fire Services)

## **5. Policy**

### ***Crystal Creek Fire Brigade Service***

The Crystal Creek Rural Fire Brigade area covers properties in both Hinchinbrook Shire and neighbouring Townsville City Council rural areas. The Brigade has a 3 year activity plan which identifies activities such as:-

- ❖ To present "Fire Ed" (primary school package) to educate children at Mutarnee State Primary School.
- ❖ To evaluate fire hazards before the fire season for the implementation of effective hazard reduction schemes.
- ❖ Enhance liaison with/and local hazard reductions plans with the following agencies: Qld National Parks & Wildlife, Dept of Forestry, Q Rail, Department of Transport, Hinchinbrook Shire Council & Townsville City Council.
- ❖ Train all members in level 1 fire fighting on a yearly basis.
- ❖ Have an annual community meeting to discuss the collection of public monies and their use for such items as: Fuel, Tyres, Batteries, Safety equipment and Equipment maintenance etc.

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***Cost of implementing this overall plan***

The Brigade has advised Council that the cost of implementing the Plan for 2015/2016 budget is \$3,243.00 and has requested Council to levy each parcel of rateable land an amount of \$30 per annum. This charge will raise \$2,520 per annum to be contributed to the Crystal Creek Rural Fire Brigade.

***Estimated time for implementing this overall plan***

The Council will review the necessity and the level of the charge on an annual basis upon receipt of a projected budget from the Crystal Creek Rural Fire Brigade.

**6. Legal Parameters**

Local Government Regulation 2012  
Management of Rural Fire Brigades in Queensland

**7. Associated Documents**

Crystal Creek Rural Fire Annual Plan  
2015-2016 Revenue Statement

**1. Policy Statement**

The annual implementation plan recognises that the Crystal Creek Rural Fire Brigade Services are an ongoing service that will not be implemented in one financial year; and states the cost of implementing this plan in 2015/2016.

**2. Scope**

This policy is designed to recognise the cost involved in the Crystal Creek Rural Fire Brigade 12 Month Operational Plan.

**3. Responsibility**

Executive Manager Corporate Services

**4. Definitions**

**Rateable Land Identification:** Each parcel of rateable land identified on the Crystal Creek Rural Fire Brigade Map R12-512 ID. 0435 (produced 09/08/2012 by the Queensland Rural Fire Services)

**5. Policy**

***Overall Plan Connection***

Council has by resolution on 30 June 2015 adopted an overall plan for the implementation of Rural Fire Brigade Services by the Crystal Creek Rural Fire Brigade. Implementation of the overall plan is an ongoing process and in accordance with the provisions of Section 94 Part 6 of the Local Government Regulation 2012 Council must adopt an annual implementation plan where the proposed service will not be implemented in one year.

***Cost of implementing this annual plan***

The Brigade has advised Council that the cost of implementing the Plan for 2015/2016 budget is \$3,243.00 and has requested Council to levy each parcel of rateable land an amount of \$30 per annum. This charge will raise \$2,520 per annum from Hinchinbrook Shire properties to be contributed to the Crystal Creek Rural Fire Brigade.

**6. Legal Parameters**

Local Government Regulation 2012  
Management of Rural Fire Brigades in Queensland

**7. Associated Documents**

Crystal Creek Rural Fire Overall Plan  
2015-2016 Revenue Statement

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## **1. Policy Statement**

To identify the rateable land to which the Bambaroo Rural Fire Brigade Special Charge applies.  
To describe the Bambaroo Rural Fire Brigade Service and to state the cost and estimated time in implementing the overall plan.

## **2. Scope**

This policy applies to each parcel of rateable land identified on the Bambaroo Rural Fire Brigade Map ref RFB2 (produced 13/05/2009 by the Queensland Fire & Rescue Services – GIS Unit) that will specially benefit to the same extent from the purchase and maintenance of equipment by the Bambaroo Rural Fire Brigade.

## **3. Responsibility**

Executive Manager Corporate Services

## **4. Definitions**

**Rateable Land Identification:** Each parcel of rateable land identified on the Bamabroo Rural Fire Brigade Map ref R09-313 ID. 0712 (produced 13/05/2009 by the Queensland Fire & Rescue Services – GIS Unit).

## **5. Policy**

### ***Bambaroo Fire Brigade Service***

The Bambaroo Rural Fire Brigade area covers properties in the locality of Bambaroo in the Hinchinbrook Shire. The Brigade has a 3 year activity plan which identifies activities such as:-

- ❖ To have a brigade meeting before the start to our fire season.
- ❖ To keep in touch with fellow brigade members throughout the year.
- ❖ To discuss fire hazards before the season so the hazard reduction scheme is effective.
- ❖ To connect electricity to the new Brigade shed on land at 11 Bambaroo Rd, Bambaroo Bambaroo.

***Cost of implementing this overall plan***

The Brigade has advised Council that the cost of implementing the Plan for the next year is likely to cost \$2,600 for operational costs and the longer term plan to connect power to the new shed. The Brigade has requested Council to levy each parcel of rateable land an amount of \$30 per annum for at least the next year. This charge will raise \$3,300 per annum to be contributed to the Bambaroo Rural Fire Brigade.

***Estimated time for implementing this overall plan***

The Council will review the necessity and the level of the charge on an annual basis upon receipt of a projected budget from the Bambaroo Rural Fire Brigade.

**6. Legal Parameters**

Local Government Regulation 2012  
Management of Rural Fire Brigades in Queensland

**7. Associated Documents**

Bambaroo Rural Fire Annual Plan  
2015-2016 Revenue Statement

**1. Policy Statement**

The annual implementation plan recognises that the Bambaroo Rural Fire Brigade Services are an ongoing service that will not be implemented in one financial year; and states the cost of implementing this plan in 2015/2016.

**2. Scope**

This policy is designed to recognise the cost involved in the Bambaroo Rural Fire Brigade 12 Month Operational Plan.

**3. Responsibility**

Executive Manager Corporate Services

**4. Definitions**

**Rateable Land Identification:** Each parcel of rateable land identified on the Bambaroo Rural Fire Brigade Map ref R09-313 ID. 0712 (produced 13/05/2009 by the Queensland Fire & Rescue Services – GIS Unit).

**5. Policy**

***Overall Plan Connection***

Council has by resolution on 30 June 2015 adopted an overall plan for the implementation of Rural Fire Brigade Services by the Bambaroo Rural Fire Brigade. Implementation of the overall plan is an ongoing process and in accordance with the provisions of Section 94 Part 6 of the Local Government Regulation 2012 Council must adopt an annual implementation plan where the proposed service will not be implemented in one year.

**6. *Cost of implementing this annual plan***

The Brigade has advised Council that the cost of implementing the Plan for the next year is likely to cost \$2,600 for operational costs with a longer term plan to connect power to the new shed. The Brigade has requested Council to levy each parcel of rateable land an amount of \$30 per annum for at least the next year. This charge will raise \$3,300 per annum to be contributed to the Bambaroo Rural Fire Brigade.

**7. Legal Parameters**

Local Government Regulation 2012  
Management of Rural Fire Brigades in Queensland

**8. Associated Documents**

Bambaroo Rural Fire Overall Plan  
2015-2016 Revenue Statement

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## **1. Policy Statement**

To identify the rateable land to which the Seymour Rural Fire Brigade Special Charge applies. To describe the Seymour Rural Fire Brigade Service and to state the cost and estimated time in implementing the overall plan.

## **2. Scope**

This policy applies to each parcel of rateable land identified on the Seymour Rural Fire Brigade Map ref R12-512 (produced 09/08/2012 by the Queensland Rural Fire Services) that will specially benefit to the same extent from the purchase and maintenance of equipment by the Seymour Rural Fire Brigade.

## **3. Responsibility**

Executive Manager Corporate Services

## **4. Definitions**

**Rateable Land Identification:** Each parcel of rateable land identified on the Seymour Rural Fire Brigade Map ref R12-512 ID. 1671 (produced 09/08/2012 by the Queensland Rural Fire Services).

## **5. Policy**

### ***Seymour Fire Brigade Service***

The Seymour Rural Fire Brigade area is located at the northern end of the Hinchinbrook Shire and is boarded by Girringun National Park to the northwest, the Seymour River to the east and the Herbert River to the south. The Brigade has a 3 year activity plan which identifies activities such as:-

- ❖ Identify, map and monitor fuel load in the Seymour RFB Area. Identified risk areas will have plans developed to reduce risk of uncontrolled wild fires.
- ❖ Brigade Training – Training will be ongoing as is available from Division. Also the Brigade will take part in cross training with the Urban Fire Fighters, including training them in our methods. This is part of the QFRS goal of a better understanding between the two divisions.
- ❖ Ongoing costs to maintain and repair and upgrade equipment.
- ❖ Response to Wildfires.
- ❖ Ongoing maintenance plan for the rural fire vehicle, replacing tyres and batteries as part of ongoing wear and tear. Modification to carry additional equipment is also ongoing.
- ❖ Upgrade Communication Equipment – Purchase hand held radios.
- ❖ Any unused funds will be put into account for future requirements of the Brigade.

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***Cost of implementing this overall plan***

The Brigade has advised Council that the cost of implementing the Plan for the next year is likely to cost \$3,215 for operational costs, unused funds will be set aside towards future building and maintenance repairs. The Brigade has requested Council to levy each parcel of rateable land an amount of \$30 per annum for at least the next year. This charge will raise \$4,800 per annum to be contributed to the Seymour Rural Fire Brigade.

***Estimated time for implementing this overall plan***

The Council will review the necessity and the level of the charge on an annual basis upon receipt of a projected budget from the Seymour Rural Fire Brigade.

**6. Legal Parameters**

Local Government Regulation 2012  
Management of Rural Fire Brigades in Queensland

**7. Associated Documents**

Seymour Rural Fire Annual Plan  
2015-2016 Revenue Statement

**1. Policy Statement**

The annual implementation plan recognises that the Seymour Rural Fire Brigade Services are an ongoing service that will not be implemented in one financial year; and states the cost of implementing this plan in 2015/2016.

**2. Scope**

This policy is designed to recognise the cost involved in the Seymour Rural Fire Brigade 12 Month Operational Plan.

**3. Responsibility**

Executive Manager Corporate Services

**4. Definitions**

**Rateable Land Identification:** Each parcel of rateable land identified on the Seymour Rural Fire Brigade Map ref R12-512 ID. 1671 (produced 09/08/2012 by the Queensland Rural Fire Services).

**5. Policy**

***Overall Plan Connection***

Council has by resolution on 30 June 2015 adopted an overall plan for the implementation of Rural Fire Brigade Services by the Seymour Rural Fire Brigade. Implementation of the overall plan is an ongoing process and in accordance with the provisions of Section 94 Part 6 of the Local Government Regulation 2012 Council must adopt an annual implementation plan where the proposed service will not be implemented in one year.

***Cost of implementing this annual plan***

The Brigade has advised Council that the cost of implementing the Plan for 2015/2016 budget is approximately \$3,215 for operational expenses and has requested Council to levy each parcel of rateable land an amount of \$30 per annum. This charge will raise \$4,800 per annum to be contributed to the Seymour Rural Fire Brigade.

**6. Legal Parameters**

Local Government Regulation 2012  
Management of Rural Fire Brigades in Queensland

**7. Associated Documents**

Seymour Rural Fire Overall Plan  
2015-2016 Revenue Statement

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## **1. Policy Statement**

To identify the rateable land to which the Stone River Rural Fire Brigade Special Charge applies. To describe the Stone River Rural Fire Brigade and to state the cost and estimated time in implementing the overall plan.

## **2. Scope**

This policy is designed to recognise the cost involved in the Stone River Rural Fire Brigade 12 Month Operational Plan.

## **3. Responsibility**

Executive Manager Corporate Services

## **4. Definitions**

**Rateable Land Identification:** Each parcel of rateable land identified on the Stone River Rural Fire Brigade Map ref R12-512 ID. 2079 (produced 26/06/2012 by the Queensland Rural Fire Services)

## **5. Policy**

### ***Stone River Fire Brigade Service***

The Stone River Rural Fire Brigade area covers properties in the locality of Stone River in the Hinchinbrook Shire. The Brigade has a 3 year activity plan which identifies activities such as:-

- ❖ Put in place procedures for future shed maintenance
- ❖ Carry out all necessary training to ensure all active members are up to speed on the use of all equipment
- ❖ Ensure all Brigade equipment is secure
- ❖ Continue to advise new residences of the functions of Brigade
- ❖ First Officer to liaise with Fire Wardens on areas that need attention

### ***Cost of implementing this overall plan***

The Brigade has advised Council that the cost of implementing the Plan for the next year is likely to cost \$3,255 for operational costs. The Brigade has requested Council to levy each parcel of rateable land an amount of \$30 per annum for at least the next year. This charge will raise \$5,130 per annum to be contributed to the Stone River Rural Fire Brigade.

*Estimated time for implementing this overall plan*

The Council will review the necessity and the level of the charge on an annual basis upon receipt of a projected budget from the Stone River Rural Fire Brigade.

**6. Legal Parameters**

Local Government Regulation 2012  
Management of Rural Fire Brigades in Queensland

**7. Associated Documents**

Stone River Rural Fire Annual Plan  
2015-2016 Revenue Statement

## **1. Policy Statement**

The annual implementation plan recognises that the Stone River Rural Fire Brigade Services are an ongoing service that will not be implemented in one financial year; and states the cost of implementing this plan in 2015/2016.

## **2. Scope**

This policy is designed to recognise the cost involved in the Stone River Rural Fire Brigade 12 Month Operational Plan.

## **3. Responsibility**

Executive Manager Corporate Services

## **4. Definitions**

**Rateable Land Identification:** Each parcel of rateable land identified on the Stone River Rural Fire Brigade Map ref R12-512 ID. 2079 (produced 26/06/2012 by the Queensland Rural Fire Services

## **5. Policy**

### ***Overall Plan Connection***

Council has by resolution on 30 June 2015 adopted an overall plan for the implementation of Rural Fire Brigade Services by the Stone River Rural Fire Brigade. Implementation of the overall plan is an ongoing process and in accordance with the provisions of Section 94 Part 6 of the Local Government Regulation 2012 Council must adopt an annual implementation plan where the proposed service will not be implemented in one year.

### ***Cost of implementing this annual plan***

The Brigade has advised Council that the cost of implementing the Plan for 2015/2016 budget is approximately \$3,255 for operational expenses. The Brigade has requested Council to levy each parcel of rateable land an amount of \$30 per annum. This charge will raise \$5,130 per annum to be contributed to the Stone River Rural Fire Brigade.

## **6. Legal Parameters**

Local Government Regulation 2012  
Management of Rural Fire Brigades in Queensland

## **7. Associated Documents**

Stone River Rural Fire Overall Plan  
2015-2016 Revenue Statement

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### **Section 1: Policy for Identifying Business Activities**

Activities of Council will be identified as business activities if:

- they trade in goods and services to clients that could potentially be delivered by a private sector firm for the purposes of earning profits in the absence of Council's involvement; and
- the activities are deemed to be significant under the relevant legislation and/or regulations

They do not include the non-business, non-profit activities of Council nor activities that are 'not significant'.

Each year, Council is required to identify those activities that are business activities and determine whether competition reform needs to be applied to assist in removing anti-competitive conduct, encourage greater transparency in the operation of such activities and improve the allocation of Council's limited resources.

No business activities have been identified for 2015/16.

### **Section 2: Competitive Neutrality Complaints Process**

The Code of Competitive Conduct is ordinarily applied to Council's Business Activities. Where the Code of Competitive Conduct is applied to a business activity, the *Local Government Act 2009* requires Council to establish a complaints mechanism to deal with any complaints about whether the activity is being run in accordance with the requirements of the Code. The complaints mechanism is intended to provide both Council and complainants with some degree of certainty about the status and treatment of complaints over competitive neutrality.

A competitive neutrality complaints process exists for all of Council's nominated business activities. No complaints were received in 2014/15.

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**HINCHINBROOK**  
**SHIRE COUNCIL**

**25 Lannercost Street Ingham Queensland 4850**

**07 4776 4600**

**[council@hinchinbrook.qld.gov.au](mailto:council@hinchinbrook.qld.gov.au)**

**[www.hinchinbrook.qld.gov.au](http://www.hinchinbrook.qld.gov.au)**