

Hinchinbrook Shire Council

Budget

2016/2017



HINCHINBROOK
SHIRE COUNCIL

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ADOPTED AT COUNCIL SPECIAL BUDGET MEETING 28 JUNE 2016

Budget presented to Council on 14 June 2016 for adoption on Tuesday 28 June 2016 by the Mayor, Cr. R. Jayo.

Hinchinbrook Shire Council's 2016/2017 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 2019.

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 2015/2016 results will not be completed until September 2016 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.

Key Observations – Income and Expenditure

Overall:

- Income is expected to be around 1% higher than the 2015/2016 final Budget
- Income for 2015/2016 is heavily distorted by the NDRRA Income that was received during the year - approximately 25% of Total Income was attributable to NDRRA
- Operating Expenditure is expected to be around 2.5% lower than the 2015/2016 final Budget

Key Observations – Financial Position

Council is expected to continue to report a strong Financial Position with the following key features:

- Debt free
- Strong cash balances
- Low level of liabilities
- Strong liquidity position
- Significant levels of Property, Plant and Equipment

HINCHINBROOK SHIRE COUNCIL

STATEMENT OF ESTIMATED FINANCIAL POSITION 2015/2016

	Original Budget 2015/2016 \$'000	Final Budget 2015/2016 \$'000	Estimated Result 2015/2016 \$'000
INCOME AND EXPENDITURE			
Recurrent Operating Income			
Gross rates, levies and charges	24,327	24,327	24,327
Discounts and remissions	(381)	(381)	(305)
Nett rates, levies and charges	23,946	23,946	24,022
Fees and charges	1,329	1,325	1,112
Sales contracts and recoverable works	450	692	985
Subsidies, grants and contributions	2,270	2,443	2,422
Interest received	540	540	735
Other	7	205	302
	28,542	29,151	29,578
Capital Income	1,644	3,021	3,021
NDRRA Income	-	11,100	11,121
Total Income	30,186	43,272	43,720

Operating Expenditure			
Employee benefits	13,561	13,694	13,150
Materials and services	8,429	8,938	8,200
Depreciation	9,327	9,327	9,327
NDRRA related	-	390	300
Finance costs	41	41	41
Other provisions	85	85	85
	31,443	32,475	31,103
Capital Expenses (NDRRA)	-	390	390
Net Result	(1,257)	10,408	12,227

FINANCIAL POSITION estimated at 30 June 2016			
	\$'000		\$'000
Assets		Liabilities	
Current assets		Current liabilities	
Cash assets	24,100	Trade and other payables	1,450
Receivables	2,500	Provisions	1,450
Inventories	400		
	<u>27,000</u>		<u>2,900</u>
Non current assets		Non current liabilities	
Receivables	442	Provisions	4,279
Property, plant and equipment	272,871		
	<u>273,313</u>		<u>4,279</u>
TOTAL ASSETS	300,313	TOTAL LIABILITIES	7,179
		Community Equity	
Total assets	300,313	Asset revaluation surplus	115,000
Total liabilities	7,179	Retained surplus	178,134
NET ASSETS	293,134		293,134

BUDGET 2016/2017



2.0 2016/2017 Budget Address

Mayor's Budget Address

Today's Budget clearly indicates Council's acknowledgement of the tough financial conditions our district is facing due to the current economic climate and the need for Council to move on attracting and developing alternate industries that will provide employment and future growth. Like all local governments throughout Australia, Council continues to face challenges due to factors such as freezing of financial assistance grants, increased electricity costs, maintaining and renewing ageing infrastructure and general reduction in funding streams. One such example of known, specific cost increases that Council will incur during 2016/2017 is:

Electricity (12%)	\$135,000
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Statistics such as the ABS Regional Population Growth clearly evidence the downward trend this district faces and the need to arrest same whilst keeping spend and therefore rates as low as possible. Today's Budget provides for an average general rate increase of 1% and increase to utility charges of 2.5% for water and sewerage and 1.5% for waste and waste services. These rating increases will nett Council an increase of \$380,000 over the 2015/2016 budgeted amount. The rate increase has been designed to simply cover the increased cost of external services in meeting and delivering core business activities. Where possible, specific costs have been attributed to the service provided based on movement toward full cost recovery for providing such services.

The water access base charge increases by approximately 2.5%, which equates to an average annual increase of \$8.80. Water consumption usage charges also increase by 2.5% but, as Council expects consumption to decrease by at least this amount in 2016/2017, Council is budgeting zero actual income growth from this source.

A reduction in budgeted Fees and Charges and Operating Subsidies and Grant Income has resulted in overall budgeted Income increasing by just \$160,000, which barely covers the additional costs listed above.

To put the 1% increase in Council's general rates in context:

- the Local Government Cost Price Index is currently 1.9%
- the State Government has recently increased all its fees by 3.9% and Council will need to fund such increases on costs levied by the State including on costs associated with environmental licensing, vehicle registration and other statutory fees.

Council has budgeted to expend an amount of \$12.234m in new capital works. In determining the nature of works to be funded, regard was had to designing, packaging and delivering jobs that can be delivered by local contractors and workforce so as to provide an economic stimulus within the community. Funding of the capital program will include an amount of \$2.904m from reserves to assist with the planned stimulus activities. Key Capital Works Projects to be delivered include:

- \$3.5m in road and bridge network projects
- \$1m in sewerage projects
- \$1m in water projects
- \$1.4m on footpaths, cycle ways and walking areas (thus demonstrating Council's pursuit of improving access to facilities for our elderly and to also improve health and fitness within the district)

This Council is committed to foster and support business growth and diversification, and to that extent \$130,000 has been budgeted as funding to investigate and explore the attraction of alternate business and industry and destination marketing to enhance our tourism and events related visitation. This figure is expected to increase through funding of new initiatives from carry over funds from the 2015/2016 financial year determined as part of the June 2016 Budget Review. These initiatives include:

- securing an international fishing series (\$50,000)
- increased focussed marketing and promotion of our Hinchinbrook Way (using TV, billboards, tourism bodies etc) (\$75,000)
- facilitating business development (\$30,000)

Services provided and the level at which same are provided to the community remain unchanged. The Budget caters for the continuing operations and maintenance of improved services including recreation and sporting facilities, swimming pools, community, cultural, library, welfare services, public halls and environmental health services.

Provision is also made for continuing community support programs including the Hinchinbrook Community Support Centre and community sporting and assistance organisations to a value of \$283,200. Allowance has been made to continue pensioner discounts of 20% to a maximum of \$200 and concessions to not for profit organizations at the levels provided in 2015/2016.

With constantly increasing costs of materials and services and massive increases in electricity pricing, Council continues to be proactive in finding ways to reduce its expenditure. Council's staff have been requested to strive for better efficiencies and to reduce operating expenditure and I am pleased to report that as of today's Budget, the materials and services budget has reduced by over \$600,000, which represents a 7% decrease over last year. This is in response to the request to find better operating efficiencies. Total cash operating costs in comparison to 2015/2016 have been reduced by 0.7% despite the large cost increases mentioned above.

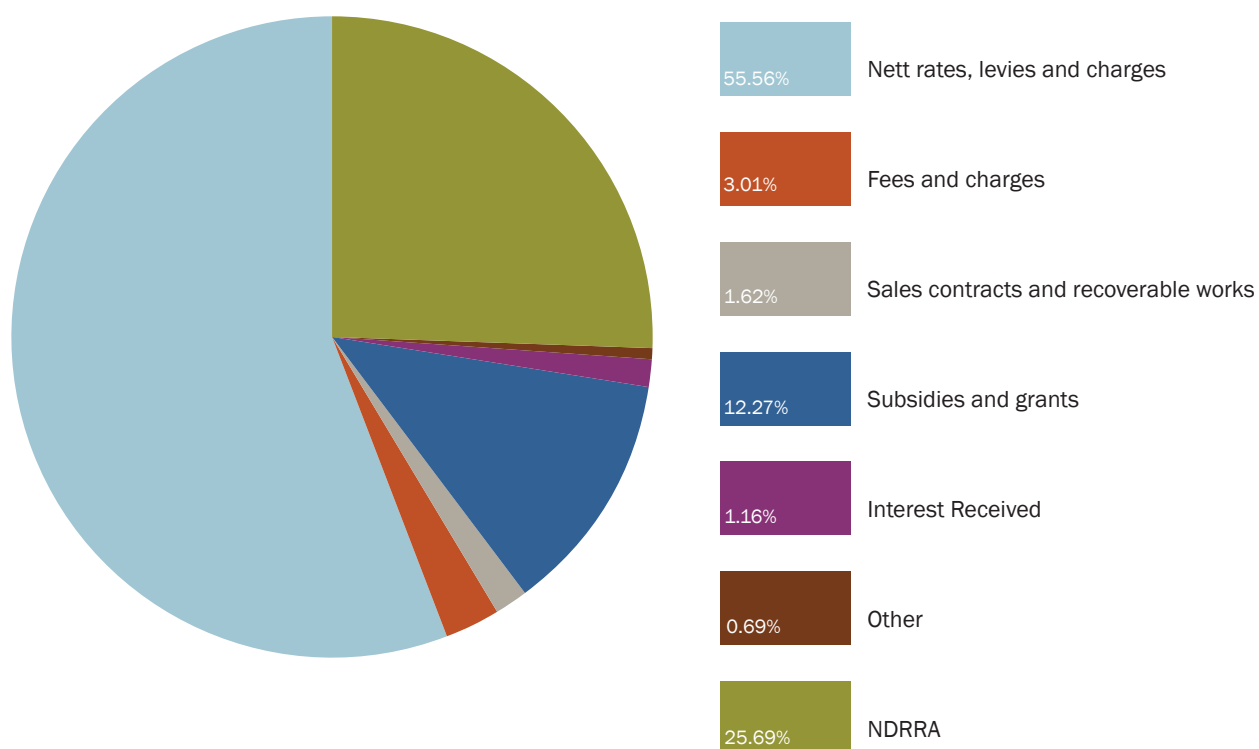
The drive for better efficiencies and cost effectiveness will continue well into the new financial year as my fellow Councillors and I are committed to ensuring we keep pace with community expectation while striving to progress economic growth and job creation across the Hinchinbrook region. Capping of expenditure has created a direct benefit as is represented in the reduced rate rise we will adopt today.

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.

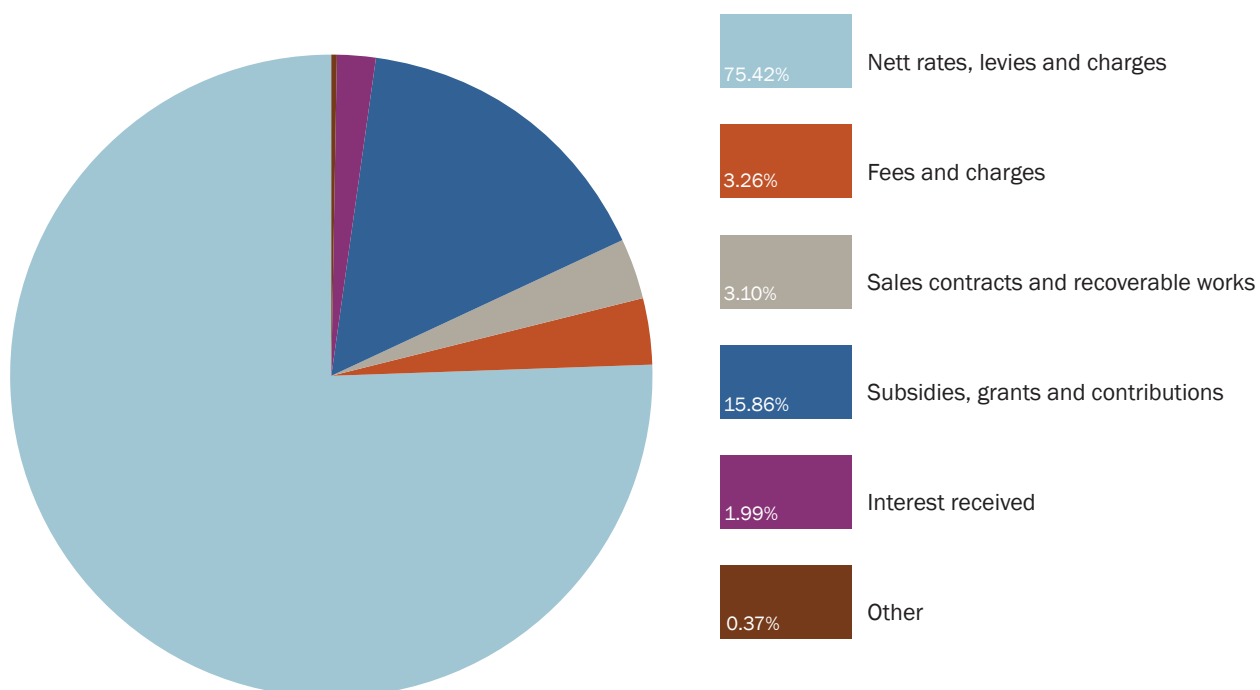
I present the 2016/2017 Hinchinbrook Shire Council Budget to you and formally move for its adoption.

Councillor R Jayo
MAYOR
28 June 2016

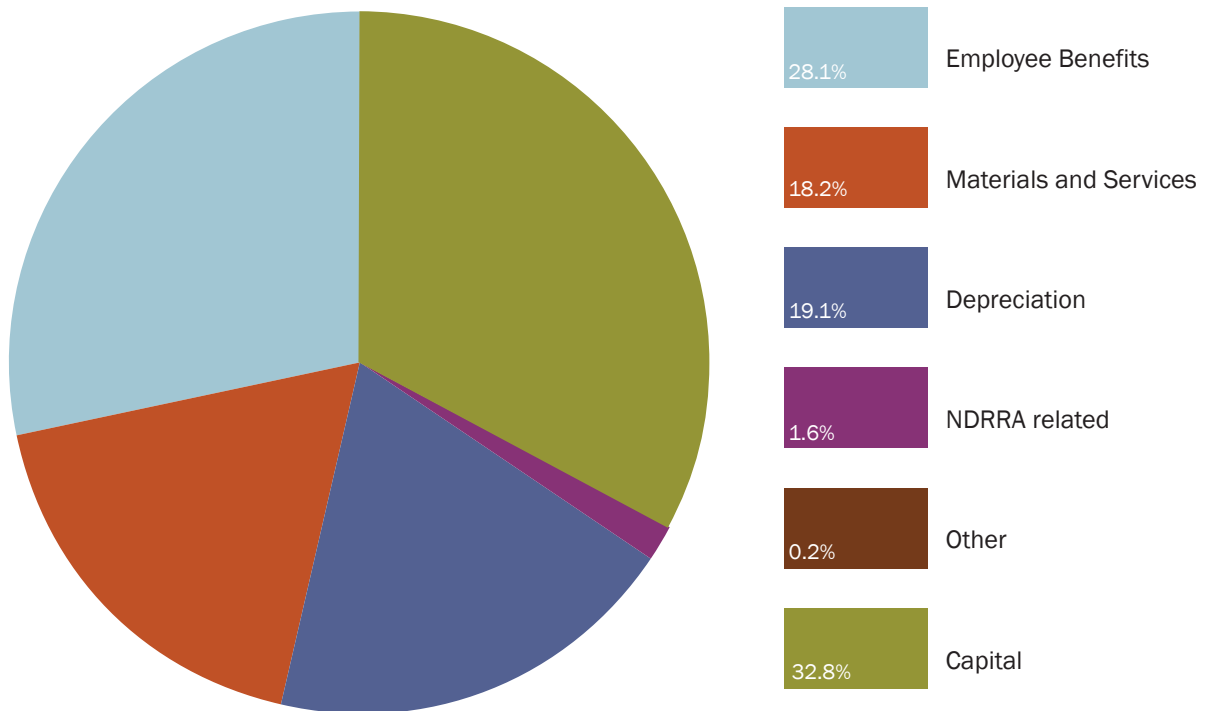
Operating Revenue 2015/2016 Budget - \$43.2 Million



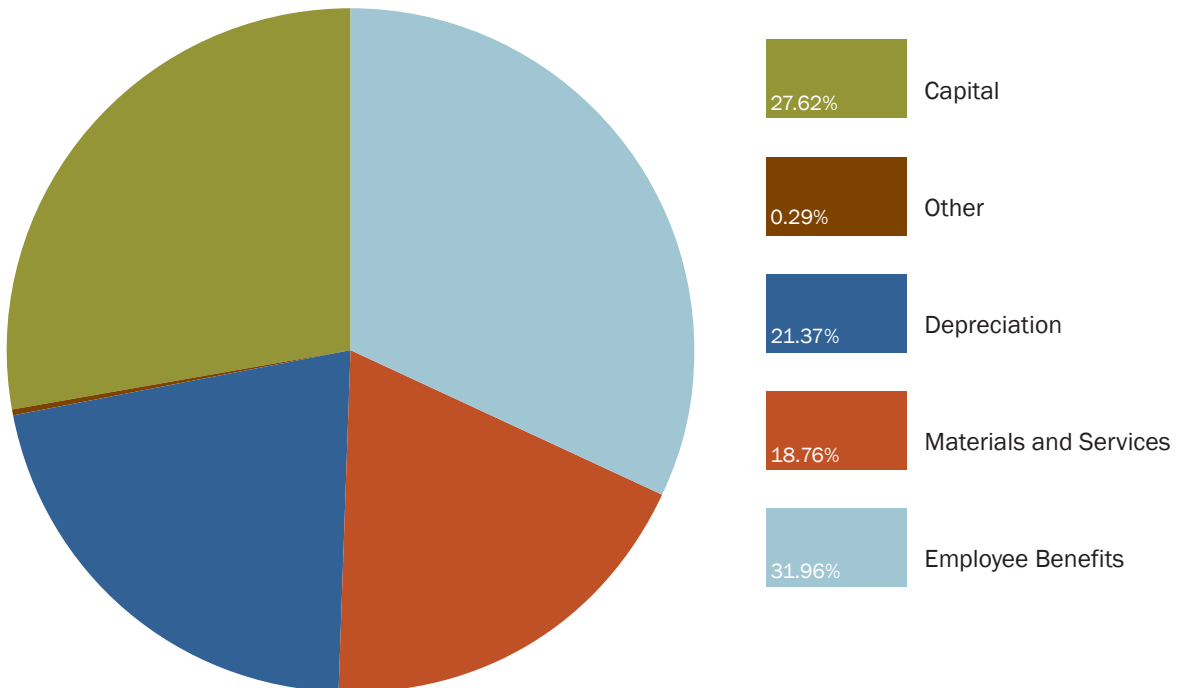
Operating Revenue 2016/2017 Estimated - \$32.2 Million



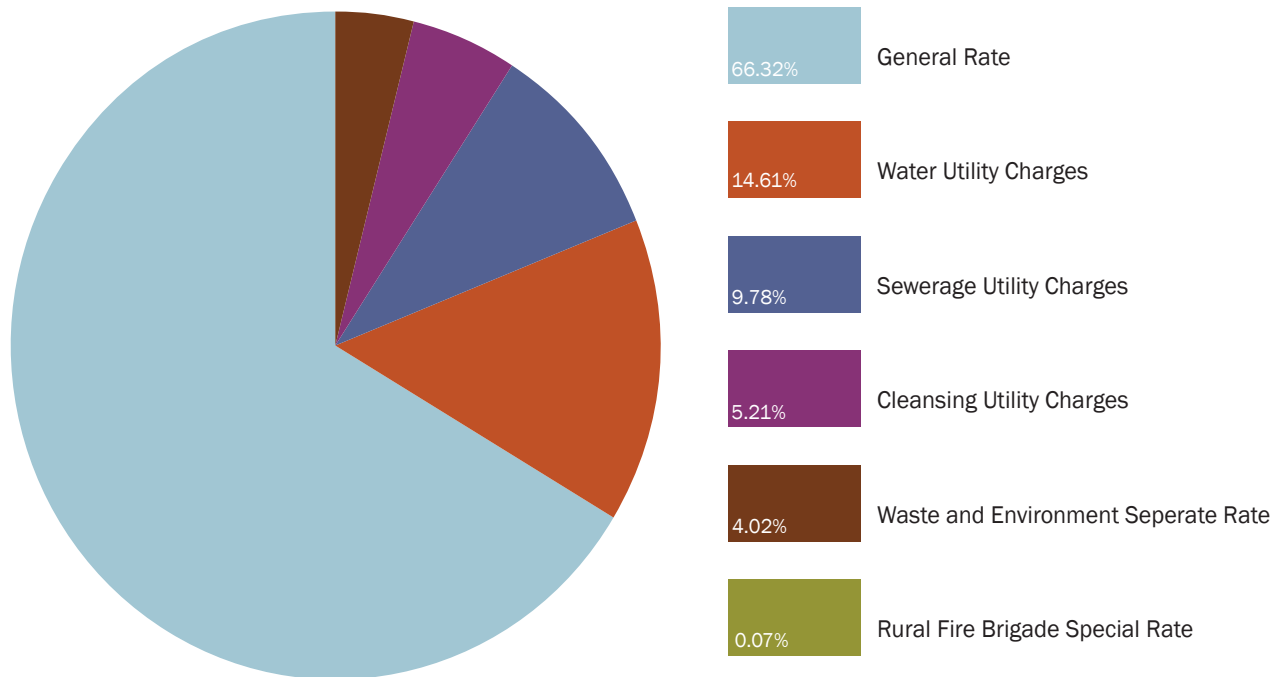
Total Costs 2015/2016 Budget - \$48.8 Million



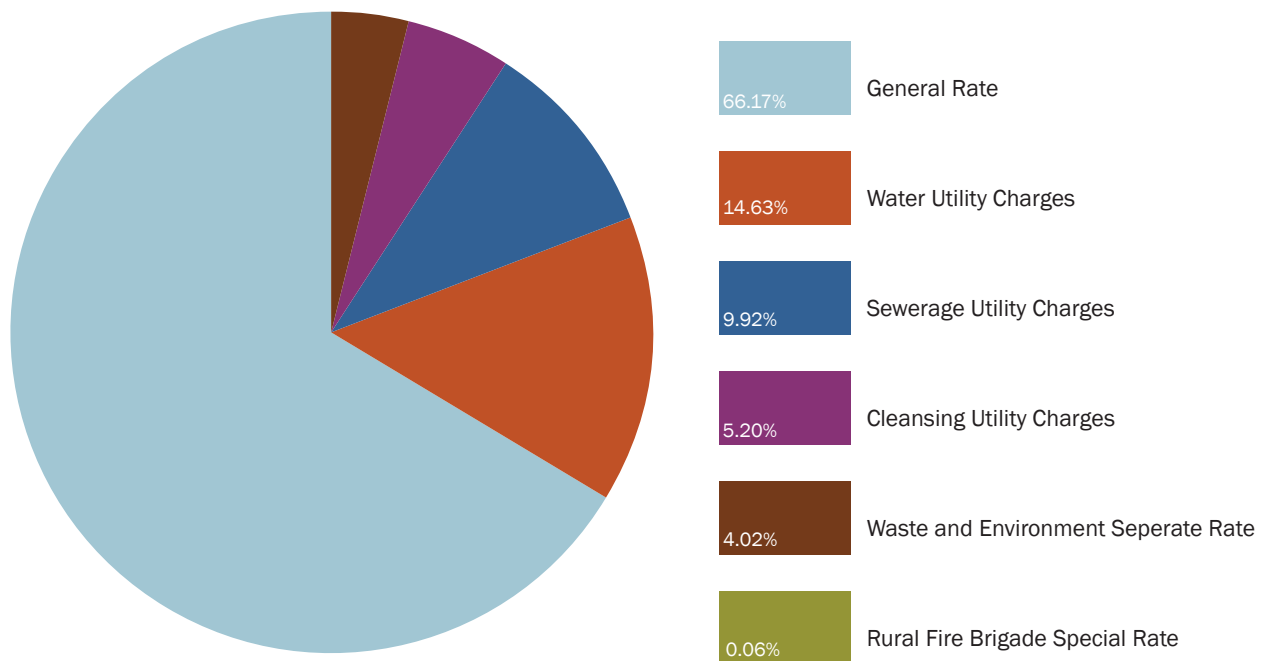
Total Costs 2016/2017 Estimated - \$44.3 Million



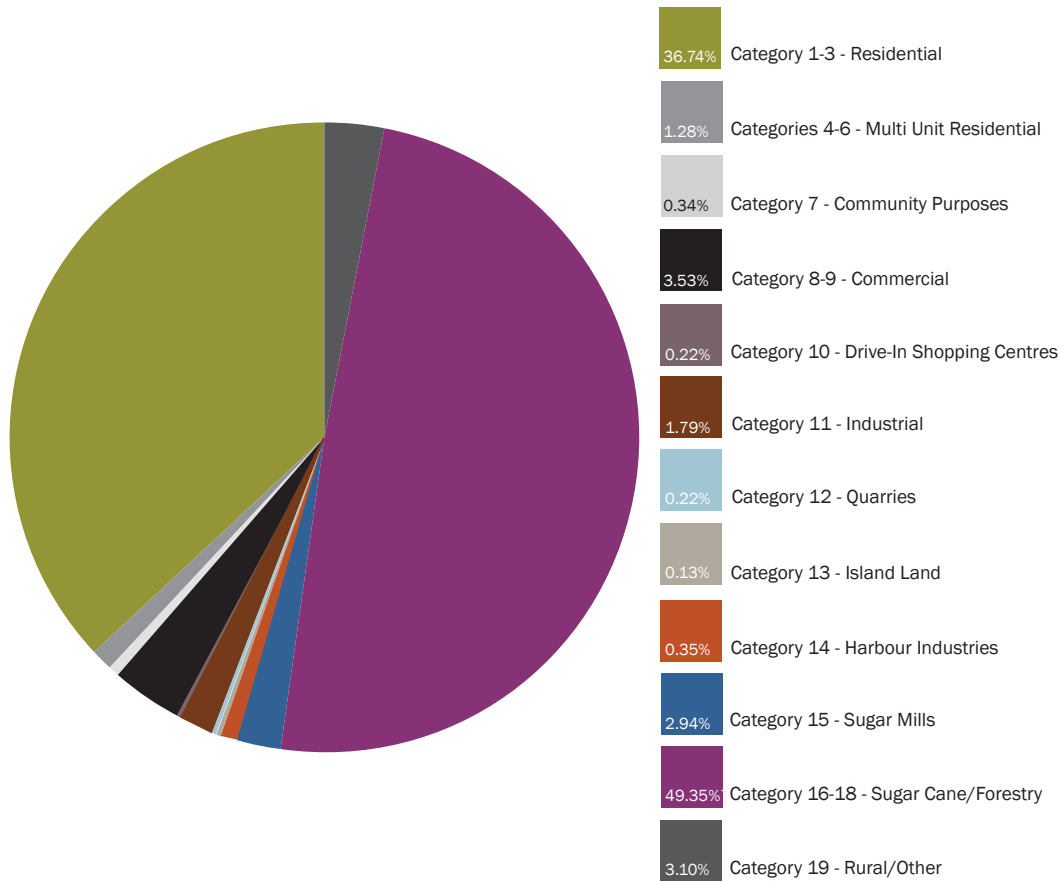
Gross Rate Revenue 2015/2016 Budget - \$24.3 Million



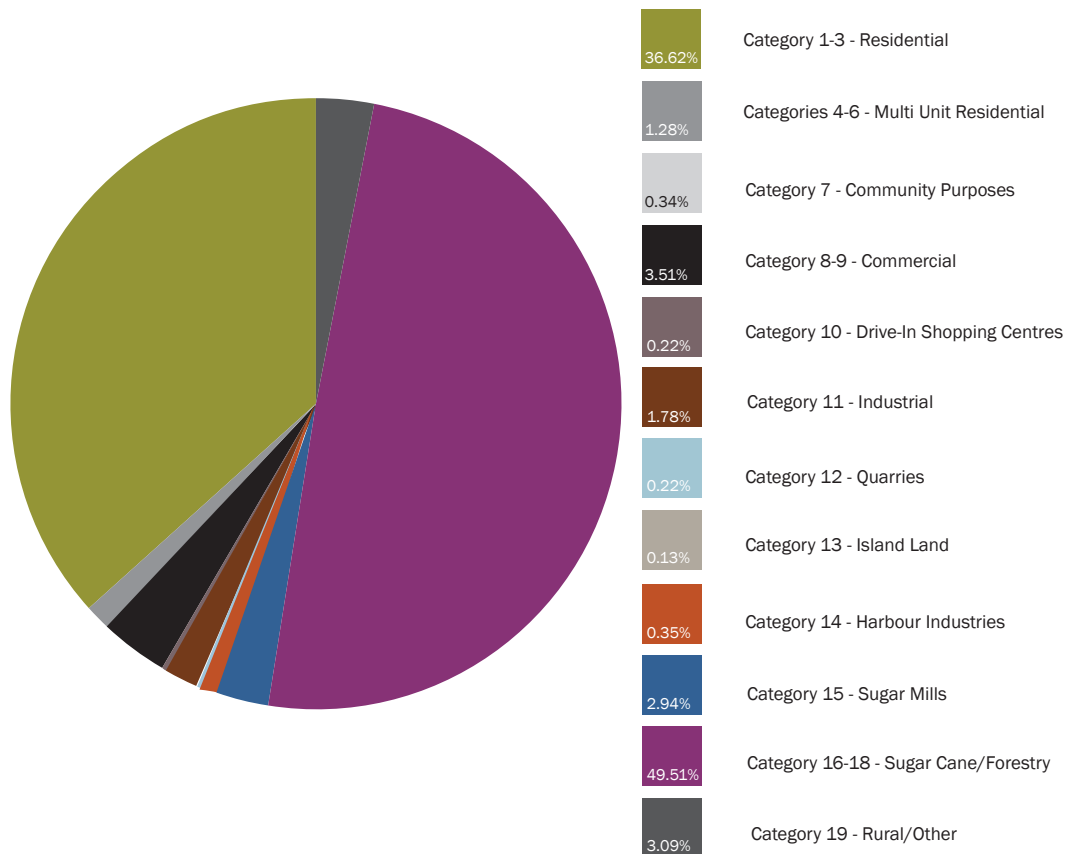
Gross Rate Revenue 2016/2017 Estimated - \$24.6 Million



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



Gross General Rate 2016/2017 Estimated - \$16.4 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 2016/2017 and the following two years. The Revised Budget for 2015/2016 as at May 2016 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. The 2016/2017 Budget incorporates:

- a 1.0% increase in general rates
- a 1.5% increase in garbage collection and waste and environment levies
- a zero increase in the water consumption income (Note: water consumption charges will increase by 2.5% but the level of water consumption is expected to decrease)
- a 2.5% increase in the other categories

Fees and Charges

Revenue from Fees and Charges is budgeted to decrease in 2016/2017 as the 2015/2016 Budget included some items that are non recurrent (eg fees relating to the new Forrest Beach water pipeline).

Sales Contracts and Recoverable Works

This Budget is expected to increase in 2016/2017 as the volume of work conducted for State Government departments is expected to exceed the amount included in the 2015/2016 Budget.

Subsidies and Grants

Overall these budgets are expected to decrease as various government programs under which Council received grants cease.

Other Income

This 2016/2017 Other Income Budget is expected to decrease as the 2015/2016 Budget included a larger level of 'proceeds from disposal of plant and equipment' than is scheduled to occur in 2016/2017.

Employee Benefits

The 2016/2017 Employee Benefits Budget is expected to increase primarily due to enterprise bargaining outcomes.

Materials and Services

Increases in energy prices are expected to increase these costs by approximately \$135,000. Council has identified significant budget savings in many other areas resulting in a \$626,000 decrease (7%) in the budget for these items when compared to the 2015/2016 Budget.

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 2016/2017 expenditure levels to be greater than 2016/2017 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.

The 2016/2017 Budget consciously plans to utilise some of Council's cash reserves to provide local economic stimulus. The longer term plans included in this Budget show that Council intends to continue this practice over the next 4 years.

Carry Forward Activity

Certain items of income and expenditure included in the 2015/2016 Budget will be held over to 2016/2017. These items will not be identified until early in 2016/2017. 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 2015/2016 \$'000	Budget 2016/2017 \$'000	Forecast 2017/2018 \$'000	Forecast 2018/2019 \$'000
INCOME AND EXPENDITURE				
Recurrent Operating Income				
Gross rates, levies and charges	24,327	24,635	25,375	26,135
Discounts and remissions	(381)	(309)	(318)	(328)
Nett rates, levies and charges	23,946	24,326	25,056	25,808
Fees and charges	1,325	1,053	1,074	1,096
Sales contracts and recoverable works	692	996	1,016	1,036
Subsidies and grants	2,339	2,070	2,070	2,070
Contributions	105	108	110	112
Interest received	540	635	603	543
Other	205	123	125	127
	29,151	29,311	30,054	30,792

Recurrent Operating Expenditure				
Employee benefits	13,694	14,157	14,476	14,802
Materials and services (excl provisions)	8,938	8,312	8,051	8,230
Finance costs	41	42	43	44
	22,673	22,511	22,570	23,076

Surplus Cash Generated From Operational Activities	6,478	6,800	7,484	7,716
Other Income and Expenditure				
Capital grants, subsidies, contributions and donations	3,021	2,904	261	961
Capital spend from grants	(3,021)	(2,904)	(261)	(961)
Capital Expenditure/Strategic Projects	(12,978)	(6,800)	(7,484)	(7,716)
Reserves allocated to Capital Projects	-	(2,035)	(666)	(2,000)
Capital carry overs	-	(495)	-	-
NDRRA related income	11,100	-	-	-
NDRRA related expenditure (estimated/notional)	(780)	-	-	-
Total Surplus Cash Generated*	3,820	(2,530)	(666)	(2,000)

* Council considers it appropriate to endorse a budget that uses some Reserves for its capital program as it wishes to provide a local economic stimulus from within its budget. As Council has sufficient Reserves for these deficits, Council considers that such 'planned, stimulus deficit budgets' will generate a direct benefit to the Community.

Net Result: Total Surplus Cash Generated Less Depreciation and Other Provisions				
Surplus operating cash generated	6,478	6,800	7,484	7,716
Plus Capital income	13,341	2,904	261	961
Less Depreciation and amortisation	(9,327)	(9,467)	(9,609)	(9,753)
Other provisions	(85)	(86)	(87)	(88)
Net Result	10,408	152	(1,950)	(1,163)

Carry Forward Activity to/from Next Year	TBD	TBD		
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Notes

- Each year's Budget is expected to be amended by amounts that were included in the prior year's budget but which were unused and carried forward
- Each year's Budget is expected to be amended by amounts that were included in the prior year's budget but which were unused and carried forward

HINCHINBROOK SHIRE COUNCIL

STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES

Key Points

The Statement of Financial Position includes budgets/forecasts for June 2017 and the following two years. The Budget for June 2016 has also been included for reference.

Property, Plant and Equipment ("PPE") is the most significant component of the Statement of Financial Position. The value of Total 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. These budgets/forecasts have assumed that PPE is revalued upwards by \$10m 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, Council plans to start using these in its pursuit of structured, economic stimulus strategies.

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. Council considers 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 2016 \$'000	Budget 30 June 2017 \$'000	Forecast 30 June 2018 \$'000	Forecast 30 June 2019 \$'000
Current Assets				
Cash and cash equivalents	20,801	19,285	18,633	16,647
Trade and other receivables	2,500	2,500	2,500	2,500
Inventories	400	400	400	400
Total Current Assets	23,701	22,185	21,533	19,547
Non-Current Assets				
Trade and other receivables	442	428	414	400
Property, plant and equipment	277,871	289,638	298,439	309,363
Total Non-Current Assets	278,313	290,066	298,853	309,763
TOTAL ASSETS	302,014	312,251	320,387	329,310
Current Liabilities				
Trade and other payables	1,450	1,450	1,450	1,450
Leave provisions	1,450	1,450	1,450	1,450
Total Current Liabilities	2,900	2,900	2,900	2,900
Non-Current Liabilities				
Provisions	4,729	4,365	4,452	4,540
TOTAL LIABILITIES	7,179	7,265	7,352	7,440
NET COMMUNITY ASSETS	294,835	304,986	313,035	321,870
Community Equity				
Asset revaluation surplus	115,000	125,000	135,000	145,000
Retained surplus	179,835	179,986	178,035	176,870
TOTAL COMMUNITY EQUITY	294,835	304,986	313,035	321,870

HINCHINBROOK SHIRE COUNCIL

CASH FLOW STATEMENT - EXPLANATORY NOTES

Key Points

The Cash Flow Statement includes budgets/forecasts for 2016/2017 and the following two years. The Budget for 2015/2016 has also been included for reference.

Cash Flows from Operating Activities

The 2015/2016 figures include over \$11m income associated with NDRRA activity. There are no such amounts in the budgets for 2016/2017 or subsequent years.

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 2016/2017 as Council follows its structured plan to contribute to the economic stimulus of the Shire.

HINCHINBROOK SHIRE COUNCIL CASH FLOW STATEMENT

	Revised Budget 2015/2016 \$'000	Budget 2016/2017 \$'000	Forecast 2017/2018 \$'000	Forecast 2018/2019 \$'000
Cash flows from operating activities:				
Receipts from customers	42,932	31,694	29,826	31,324
Payments to suppliers and employees	(23,453)	(22,511)	(22,570)	(23,076)
Interest received	540	635	603	543
Net cash inflow (outflow) from operating activities	20,019	9,818	7,859	8,791
Cash flows from investing activities:				
Payments for property, plant and equipment	(15,999)	(12,234)	(8,411)	(10,677)
Proceeds from sale of property plant and equipment	(200)	(100)	(100)	(100)
Net cash inflow (outflow) from investing activities	(16,199)	(12,334)	(8,511)	(10,777)
Net increase/(decrease) in cash held	3,820	(2,516)	(652)	(1,986)
Cash at beginning of reporting period	16,981	20,801	19,285	18,633
Nett Adjustment for June 2016 carry overs	-	1,000	-	-
Cash at end of reporting period	20,801	19,285	18,633	16,647

HINCHINBROOK SHIRE COUNCIL

STATEMENT OF CHANGES IN EQUITY - EXPLANATORY NOTES

Key Points

The Statement of Changes in Equity includes budgets/forecasts for 2016/2017 and the following two years. The Budget for 2015/2016 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; these balances are largely the result of the application of accounting standards).

Collectively, the total of these equity accounts equals the net assets position of Council (see the Statement of Financial Position).

HINCHINBROOK SHIRE COUNCIL STATEMENT OF CHANGES IN EQUITY

	Revised Budget 2015/2016 \$'000	Budget 2016/2017 \$'000	Forecast 2017/2018 \$'000	Forecast 2018/2019 \$'000
TOTAL				
Balance at beginning of period	274,427	294,835	304,986	313,035
Net result for the period	10,408	152	(1,950)	(1,163)
Revaluations/transfers	10,000	10,000	10,000	10,000
Rounding	-	(1)	(1)	(1)
Total comprehensive income for the year	20,408	10,151	8,049	8,836
Balance at end of period	294,835	304,986	313,035	321,870
Retained surplus (deficit)				
Balance at beginning of period	169,427	179,835	179,986	178,035
Net result for the period	10,408	152	(1,950)	(1,163)
Rounding	-	(1)	(1)	(1)
Balance at end of period	179,835	179,986	178,035	176,870
Asset revaluation surplus				
Balance at beginning of period	105,000	115,000	125,000	135,000
Revaluations/transfers	10,000	10,000	10,000	10,000
Balance at end of period	115,000	125,000	135,000	145,000

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 the assumptions summarised in the Explanatory Notes, Council expects to:

- reduce its cash reserves in each of the years between 2016/2017 and 2019/2020 (at which time, based on the assumptions used in the Forecast, Council's bank balance will be between \$14m and \$15m)
- return to cash positive position in 2020/2021 when Council will be able to finance an expansion of its current level of operations

HINCHINBROOK SHIRE COUNCIL LONG TERM FINANCIAL FORECAST

	Budget 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	Forecast 2025/2026 \$'000
Operating income	29,311	30,054	30,792	31,560	32,405	33,286	34,192	35,125	36,086	37,074
Operating expenditure	22,511	22,570	23,076	23,712	23,998	24,535	25,102	25,619	26,088	26,587
Capital income	2,904	261	961	1,231	531	531	531	531	531	531
Capital expenditure	12,234	8,411	10,677	11,079	8,881	9,031	9,131	9,281	9,531	10,031
Total income	32,215	30,315	31,753	32,791	32,936	33,817	34,723	35,656	36,617	37,605
Total expenditure	34,745	30,981	33,753	34,791	32,879	33,566	34,233	34,900	35,619	36,618
Bank increase (decrease)	(2,530)	(666)	(2,000)	(2,000)	57	251	491	756	997	987
Other receipts (long term debtor)	14	14	14	14	14	14	14	14	14	14
Bank balance at end of financial year										
Adjustment for June 2016 carry overs	(3,000)									
Adjusted Bank Balance	19,285	18,633	16,647	14,661	14,733	14,998	15,503	16,273	17,284	18,285
Assets	312,251	320,387	329,310	339,139	348,688	358,441	368,391	379,277	390,519	402,110
Liabilities	7,265	7,352	7,440	7,529	7,619	7,710	7,802	7,895	7,989	8,083
Equity	304,986	313,035	321,870	331,610	341,069	350,731	360,589	371,382	382,530	394,027
Depreciation	9,467	9,609	9,753	9,250	9,389	9,530	9,673	9,150	9,287	9,427
Other provisions	86	87	88	89	90	91	92	93	94	94

Note 1 - all amounts exclude GST

Note 2 - adjustment for Carry Overs represents Expenditure included in the 2015/2016 Budget that is likely to be carried over into 2016/2017. Accordingly this amount will increase bank balance at 30 June 2016 and will increase expenditure in 2016/2017. These figures are provisional.

MEASURES OF FINANCIAL SUSTAINABILITY

Asset Sustainability Ratio										
Capital expenditure	15,234	8,411	10,677	11,079	8,881	9,031	9,131	9,281	9,531	10,031
% which is 'replacement' as opposed to 'new'	85%	85%	90%	90%	85%	85%	85%	85%	85%	85%
Capital expenditure on replacement assets	12,949	7,149	9,609	9,971	7,549	7,676	7,761	7,889	8,101	8,526
Depreciation	9,467	9,609	9,753	9,250	9,389	9,530	9,673	9,150	9,287	9,427
Asset Sustainability Ratio (Target > 90%)	137%	74%	99%	108%	80%	81%	80%	86%	87%	90%
Operating Surplus Ratio										
Net result	152	(1,950)	(1,163)	(259)	(539)	(337)	(142)	795	1,148	1,498
Total operating revenue	29,311	30,054	30,792	31,560	32,405	33,286	34,192	35,125	36,086	37,074
Operating Surplus Ratio (Target: 0% to 10%)	1%	-6%	-4%	-1%	-2%	-1%	0%	2%	3%	4%
Net Financial Liabilities Ratio										
Total liabilities	7,265	7,352	7,440	7,529	7,619	7,710	7,802	7,895	7,989	8,083
Current assets	22,185	21,533	19,547	17,561	17,633	17,898	18,403	19,173	20,184	21,185
Nett	(14,920)	(14,181)	(12,107)	(10,032)	(10,014)	(10,188)	(10,601)	(11,278)	(12,195)	(13,102)
Total operating revenue	29,311	30,054	30,792	31,560	32,405	33,286	34,192	35,125	36,086	37,074
Net Financial Liabilities Ratio (Target > 60%)	-51%	-47%	-39%	-32%	-31%	-31%	-31%	-32%	-34%	-35%

4.0 Policy

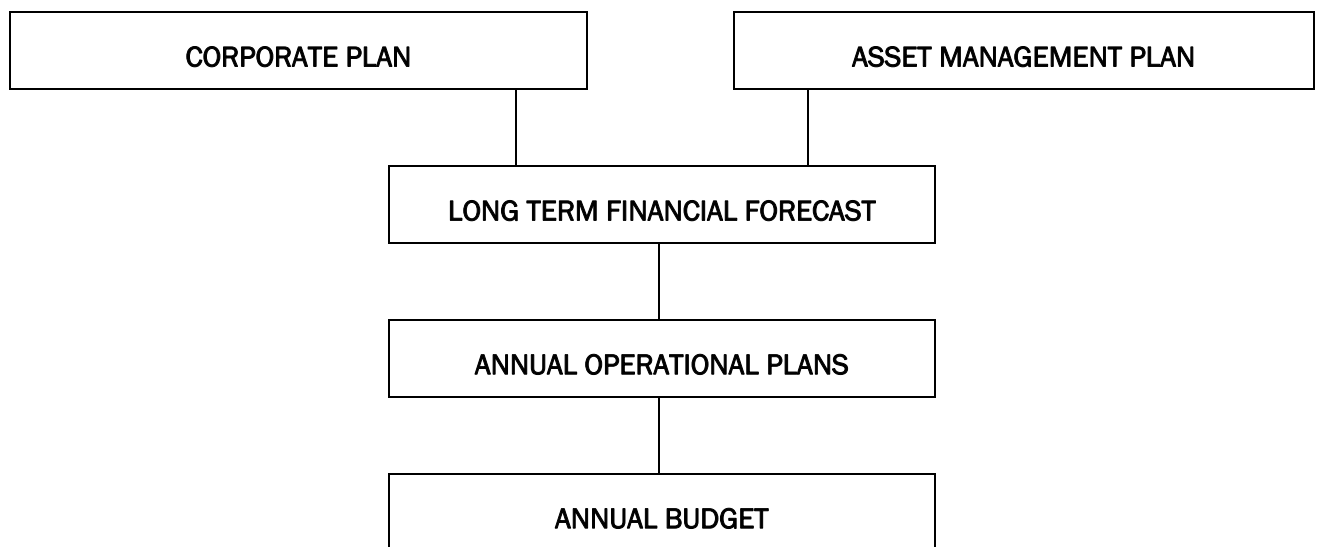
Budget Policy
Investment Policy
Debt Policy
Revenue Statement
Rate Recovery Policy 2016/2017
Rate Rebates and Concessions Policy 2016/2017
Crystal Creek Rural Fire Brigade Overall Plan 2016/2017
Crystal Creek Rural Fire Brigade Area Map
Bambaroo Rural Fire Brigade Overall Plan 2016/2017
Bambaroo Rural Fire Brigade Area Map
Seymour Rural Fire Brigade Overall Plan 2016/2017
Seymour Rural Fire Brigade Area Map
Stone River Rural Fire Brigade Overall Plan 2016/2017
Stone River Rural Fire Brigade Area Map
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.

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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.

Asset Management Plan shall mean a document that outlines the local government's plan for managing its infrastructure and other assets to deliver its planned level of service.

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

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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 current 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. Key Operating Statements (eg 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 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 Key Operating Statements, it should be recognized that:

- the Statement of Income and Expenditure drives the movements in the other 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 Surplus Cash Generated 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 usually 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. **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 quarter 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

1. Policy Statement

To set guidelines and boundaries for the investment of Hinchinbrook Shire Council surplus cash balances which meet the requirements of the *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.

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.

1. Policy Statement

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.

2. Policy

There are no planned borrowings in 2016-2017 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 2017.

1. OVERVIEW

This statement outlines and explains the revenue raising measures adopted by the Hinchinbrook Shire Council in preparation of its budget for the 2016/2017 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.

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Column 1 - Category (section 81)	Column 2 - Description (section 81)	Column 3 - Identification (sections 81(4) and 81(5))	Column 4 - Rate in the \$ (section 80)	Column 5 - Minimum General Rate (\$) (section 77)	Column 6 - Limitation (cap) (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.	1.880	606.00	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.	1.071	984.80	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.	1.050	1,161.50	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.	1.122	1,280.70	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.	1.307	1,620.70	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.	1.326	1,863.70	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.	0.905	1,310.30	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.	1.343	1,285.20	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.	0.810	12,847.70	No Limit

Column 1 - Category (section 81)	Column 2 - Description (section 81)	Column 3 - Identification (sections 81(4) and 81(5))	Column 4 - Rate in the \$ (section 80)	Column 5 - Minimum General Rate (\$) (section 77)	Column 6 - Limitation (cap) (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.	1.747	12,949.70	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.	1.361	1,335.70	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.	3.367	6,467.70	No Limit
13. Island Land	Land located on Pelorus Island or Orpheus Island.		2.054	1,310.30	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.	4.546	50,817.90	No Limit
15. Sugar Mills	Land used for the purposes of sugar milling operations.	Land having the land use code of 35.	13.620	101,635.70	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.	2.287	1,308.00	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.	2.910	1,308.00	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.	3.234	1,308.00	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.	1.029	1,372.10	No Limit
20. Other Land	Land not included in any of the above categories		1.029	1,372.10	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 2016 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 2017, where ownership of any land to which capping previously applied, is transferred on or after 1 July 2016. Land which is sold during 2016/17 is not eligible for capping in 2017/18. The new owner would be eligible from 1 July 2018.
- c) The purchaser of any uncapped land during 2016/17 will not be eligible for capping until 1 July 2018.

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 \$148.20 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 Area Map 2016/4 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 2016/2017 budget is \$3,243 and has requested Council to levy each parcel of rateable land an amount of \$30 per annum. This charge will raise \$2,610 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 Area Map 2016/3 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 2016/2017 budget is approximately \$2,800 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 \$3,750 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 Area Map 2016/2 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 2016/2017 budget is approximately \$2,130.00 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 \$4,920 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 Area Map 206/1 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 2016/2017 budget is approximately \$2,130 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 2016/2017 Financial Year:

A Consumption Charge of 99 cents per kilolitre levied on the metered water consumption for all properties in the supply area for water consumption notices issued October/November 2016 (half year reading) and May/June 2017 (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 \$362.90 gross per annum shall be levied as follows:-

<i>Situation</i>	<i>Applicable Base charge</i>
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

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:-

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 Half 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 six monthly 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 six monthly 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 meter shall be \$5.

(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 \$106.30 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:-

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 2016/17 financial year:

- (i) Rateable land – A charge of \$233.00 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 – 1st service – \$381.20 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 - \$233.00 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 \$184.86 per annum.
An additional fortnightly 240 litre recyclable waste collection service will be provided at a charge of \$48.14 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, 2016; 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 2016/2017 financial year will be issued six monthly.

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 2016 and 31 March 2017.

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. Policy Statement

This Policy seeks 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 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, they 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 not for profit organization 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) exist primarily to undertake community service activities and rely 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

Eligible organisations will be entitled to a concession equal to 50% of their cleansing utility charge. 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

Eligible organisations will be entitled to a concession equal to 100% of their Waste Management Levy. The following is 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.

Organisations that 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 ratepayer's 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. Key Activities

The Crystal Creek Rural Fire Brigade area covers properties in both Hinchinbrook Shire and neighbouring Townsville City Council rural areas. The Brigade's key activities/services include:-

- 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: Old National Parks & Wildlife, Department 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.

2. The rateable land to which the Special Charge applies

The special rate will apply to all rateable land situated within the area identified on the map numbered 2016/4.

3. Cost of implementing this overall plan

The Brigade has advised Council that the cost of implementing the Plan for 2016/17 is likely to cost \$3,243 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 \$2,610 per annum to be contributed to the Crystal Creek Rural Fire Brigade.

4. Estimated time for implementing this overall plan

This Overall Plan covers the 2016-2017 financial year. It is reviewed, and updated as required, on an annual basis.

5. Legal Parameters

Local Government Act 2009
Local Government Regulation 2012
Fire and Emergency Services Act 1990

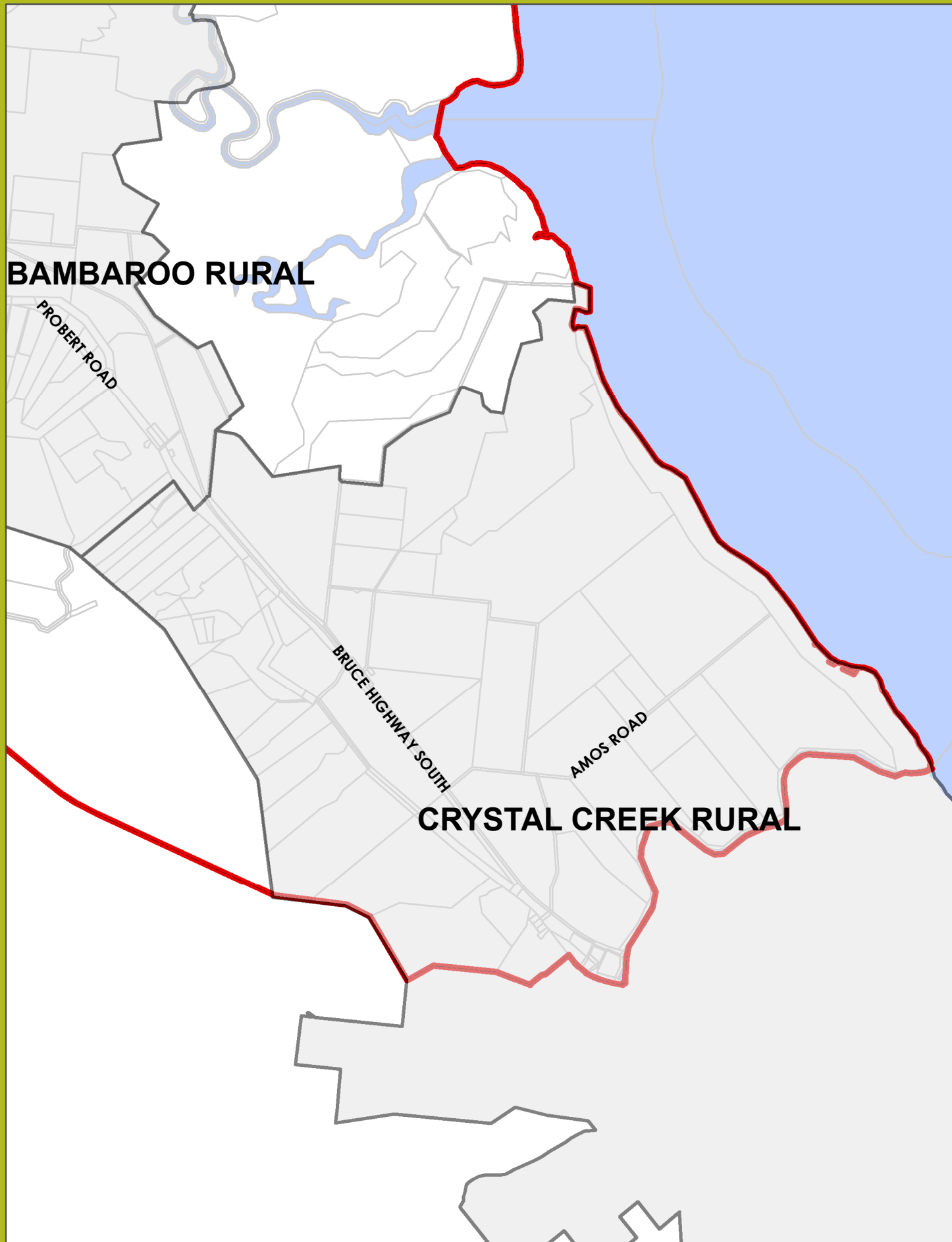
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Authorised By: Executive Manager Corporate Services
Document Maintained By: Corporate Services

Version No: 8.0
Initial Date of Adoption: 10 August 2009
Current Version Adopted: 28 June 2016
Next Review Date: June 2017

6. Associated Documents

2016-2017 Revenue Statement
Crystal Creek Rural Fire Brigade Area Map 2016/4



Data Sources & Acknowledgements

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0 45 90 135 180 225 270 315 360

1. Key Activities

The Bambaroo Rural Fire Brigade area covers properties in the locality of Bambaroo in the Hinchinbrook Shire. The Brigade's key activities/services include:-

- 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.

2. The rateable land to which the Special Charge applies

The special rate will apply to all rateable land situated within the area identified on the map numbered 2016/3.

3. Cost of implementing this overall plan

The Brigade has advised Council that the cost of implementing the Plan for 2016/17 is likely to cost \$2,800 for operational costs. Unused funds will be set aside towards 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 \$3,750 per annum to be contributed to the Bambaroo Rural Fire Brigade.

4. Estimated time for implementing this overall plan

This Overall Plan covers the 2016-2017 financial year. It is reviewed, and updated as required, on an annual basis.

5. Legal Parameters

Local Government Act 2009
Local Government Regulation 2012
Fire and Emergency Services Act 1990

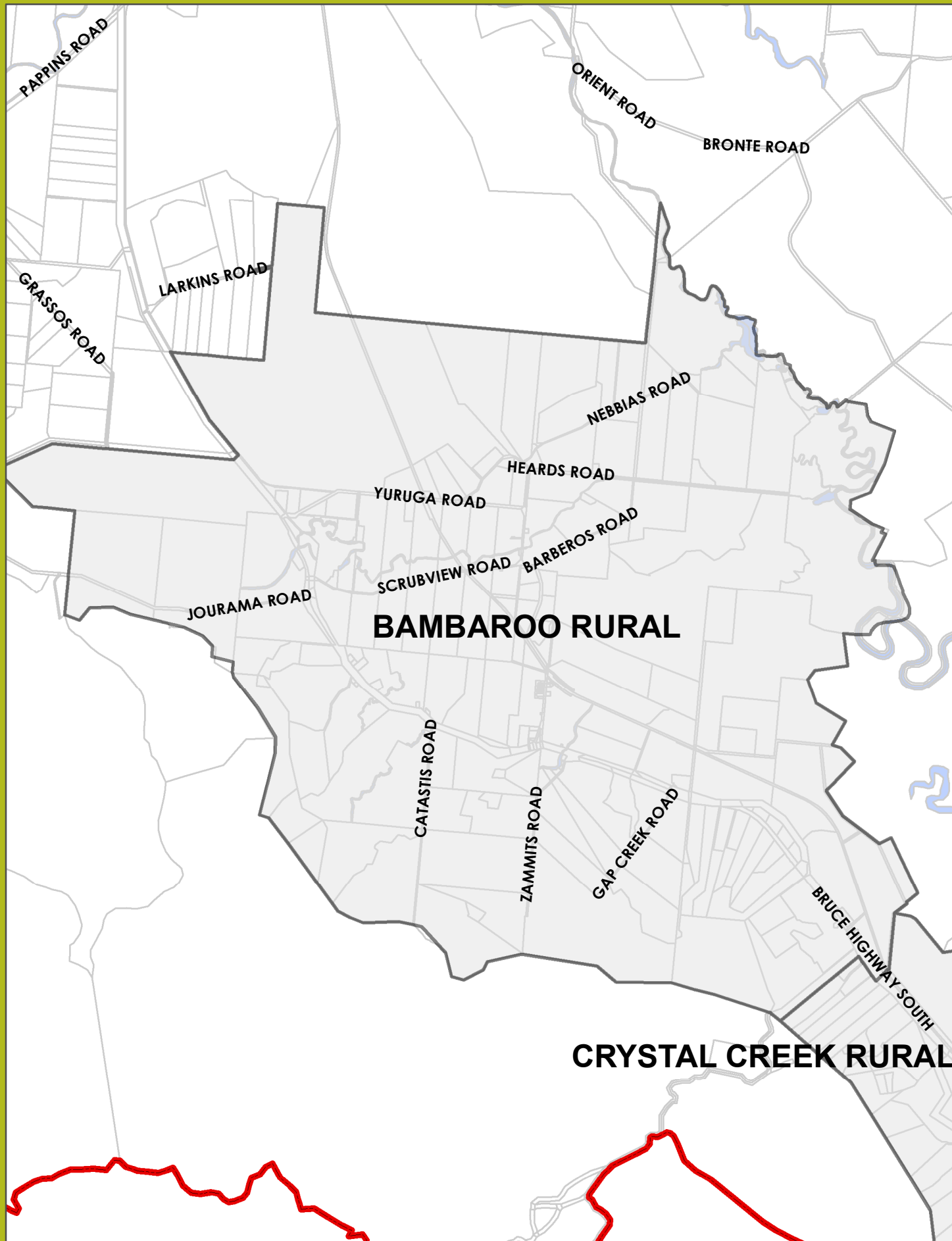
6. Associated Documents

2016-2017 Revenue Statement
Bambaroo Rural Fire Brigade Area Map 2016/3

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1. Key Activities

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's key activities/services include:-

- 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.

2. The rateable land to which the Special Charge applies

The special rate will apply to all rateable land situated within the area identifies on the map numbered 2016/2.

3. Cost of implementing this overall plan

The Brigade has advised Council that the cost of implementing the Plan for 2016/17 is likely to cost \$2,130 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 \$4,920 per annum to be contributed to the Seymour Rural Fire Brigade.

4. Estimated time for implementing this overall plan

This Overall Plan covers the 2016-2017 financial year. It is reviewed, and updated as required, on an annual basis.

5. Legal Parameters

Local Government Act 2009
Local Government Regulation 2012
Fire and Emergency Services Act 1990

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Next Review Date: June 2017

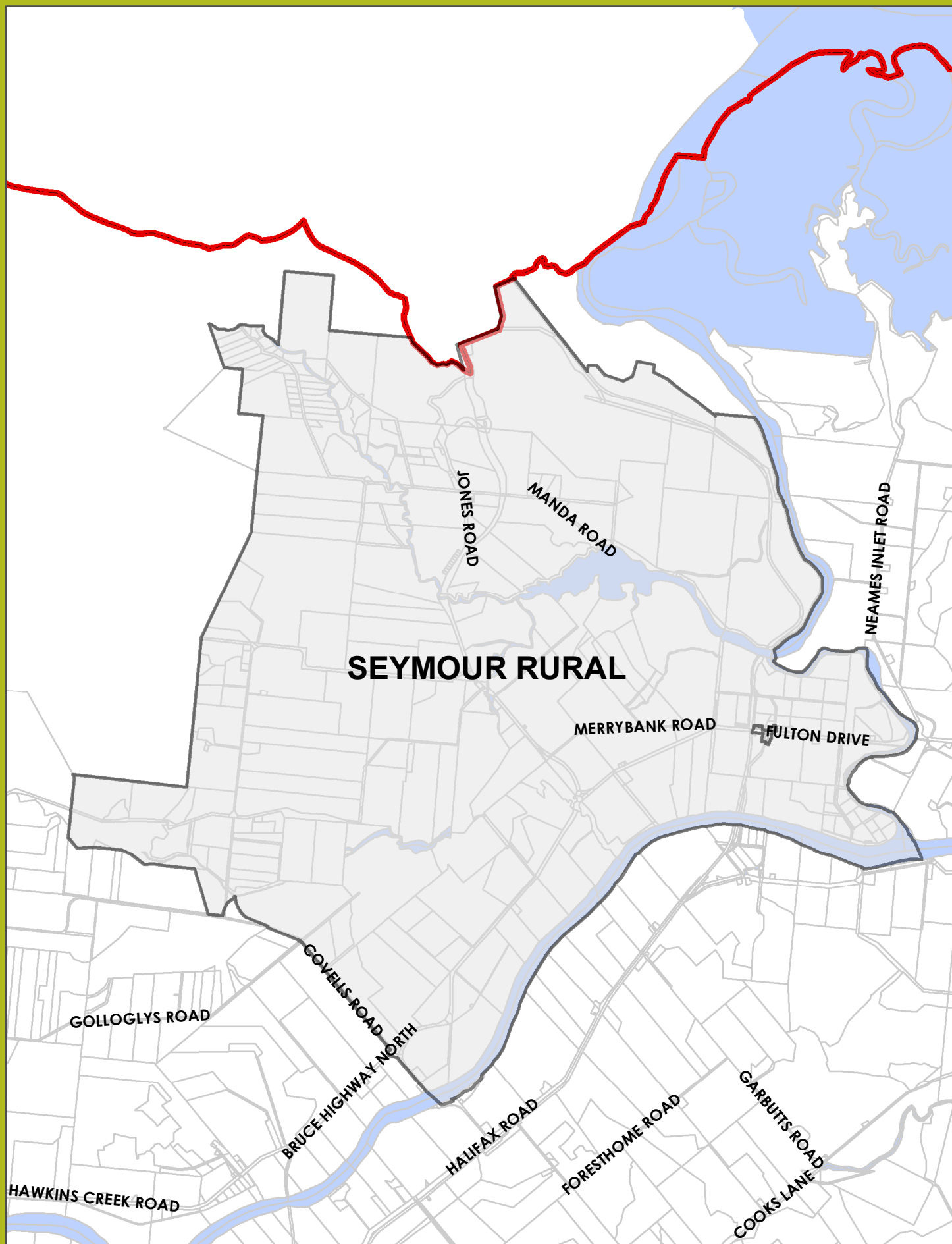
6. Associated Documents

2016-2017 Revenue Statement
Seymour Rural Fire Brigade Area Map 2016/2

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Data Sources & Acknowledgements

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0 400 800 1,200 1,600 2,000

1. Key Activities

The Stone River Rural Fire Brigade area covers properties in the locality of Stone River in the Hinchinbrook Shire. The Brigade's key activities/services include:-

- 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

2. The rateable land to which the Special Charge applies

The special rate will apply to all rateable land situated within the area identifies on the map numbered 2016/1.

3. Cost of implementing this overall plan

The Brigade has advised Council that the cost of implementing the Plan for 2016/17 is likely to cost \$2,130 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 \$5,130 per annum to be contributed to the Stone River Rural Fire Brigade.

4. Estimated time for implementing this overall plan

This Overall Plan covers the 2016-2017 financial year. It is reviewed, and updated as required, on an annual basis.

5. Legal Parameters

Local Government Act 2009
Local Government Regulation 2012
Fire and Emergency Services Act 1990

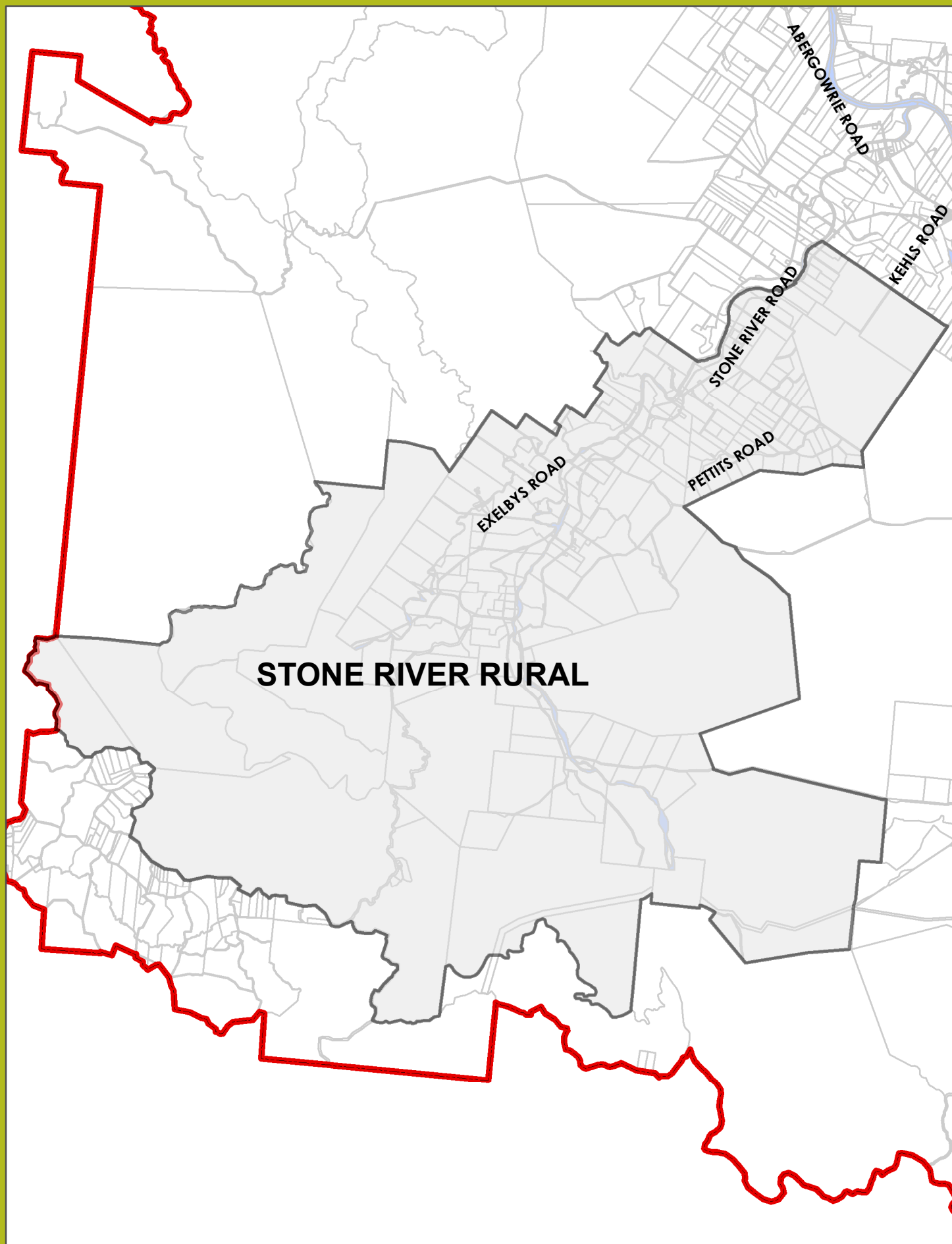
6. Associated Documents

2016-2017 Revenue Statement
Stone River Fire Brigade Area Map 2016/1

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Authorised By: Executive Manager Corporate Services
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0 1200 2400 4800 7200 9600

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 2016/17.

Section 2: Competitive Neutrality Complaints Process

Where business activities have been identified in accordance with Section 1, the Code of Competitive Conduct is applied to those 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.

No business activities were identified by Council during the 2015/16 financial year and no related complaints were received.

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Policy Number:

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