

Agenda



SPECIAL MEETING OF COUNCIL (BUDGET ADOPTION)

AGENDA

15 JULY 2020

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1. MEETING OPENED**2. LEAVE OF ABSENCE**

No Leave Of Absence at time of print run

3. DECLARATION OF ANY MATERIAL PERSONAL INTERESTS/CONFLICTS OF INTEREST BY COUNCILLORS AND SENIOR COUNCIL OFFICERS**3.1 Declaration of Material Personal Interest on any Item of Business**

Pursuant to section 175C of the *Local Government Act 2009*, a councillor or senior council officer who has a material personal interest in an issue to be considered at a meeting of a local government, or any of its committees must:

- (a) inform the meeting of the material personal interest in the matter, including the following particulars about the interest –
 - i. the name of the person or other entity who stands to gain a benefit, or suffer a loss, depending on the outcome of the consideration of the matter at the meeting
 - ii. how the person or other entity stands to gain the benefit or suffer the loss
 - iii. if the person or other entity who stands to gain the benefit or suffer the loss if the person or other entity is not the councillor or senior council officer—the nature of the relationship to the person or entity; and
- (b) leave the meeting room, including any area set aside for the public, and stay out of the meeting room while the matter is being discussed and voted on.

3.2 Declaration of Conflict of Interest on any Item of Business

Pursuant to section 175E of the *Local Government Act 2009*, a councillor or senior council officer who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government or any of its committees must inform the meeting about the personal interest in the matter, including the following particulars about the interests:

- a) the nature of the interests
- b) if the personal interests arise because of the relationship with, or receipt of a gift from, another person:
 - i. the name of the other person; and
 - ii. the nature of the relationship or value and date of receipt of the gift; and
 - iii. the nature of the other person's interests in the matter.
- c) how the councillor or senior council officer intends to handle the matter i.e. leave the meeting or proposes to stay in a meeting.

4. MAYOR'S BUDGET ADDRESS AND PRESENTATION

5. EXECUTIVE OFFICE REPORTS**5.1 2020/2021 Financial Policies****Date:** 26 June 2020**Author:** Jodi Marchant, Chief Financial Officer; Kirsty Johnson, Coordinator Revenue Services**Responsible Officer:** Ian Church, Chief Executive Officer

Purpose:

The purpose of this report is to seek Council's adoption of the financial policies as part of the 2020/2021 Budget.

Officer's Recommendation:**THAT Council adopt the following policies:**

- **2020/2021 Investment Policy;**
- **2020/2021 Debt Policy;**
- **2020/2021 Procurement Policy**
- **Rates and Charges Debt Collection and Recovery Policy**
- **Sundry Debt Collection and Recovery Policy**
- **Hardship Policy**

Executive Summary

The attached financial policies have been reviewed and amended as part of the 2020/2021 Budget process. The main change has been to align the amount of overdue interest charged with the maximum amount allowed by legislation.

The Investment Policy, Debt Policy and Procurement Policy are key Statutory policies of Council. The adoption of these policies satisfies Council's legislative obligations and provides clear guidance to staff to ensure ongoing understanding and compliance. The Debt Policy is required to be adopted each financial year with the Investment Policy and Procurement Policy reviewed on an annual basis.

The Rates and Charges Debt Collection and Recovery Policy, Sundry Debt Collection and Recovery Policy and Hardship Policy have also been reviewed and updated for inclusion in the Policy register as per the *Local Government Act 2009*.

The adoption of these Policies satisfies Council's legislative obligations and provides clear guidance to staff to ensure ongoing understanding and compliance.

Finance and Resource Implications

These Policies underpin elements of the 2020/2021 budget.

The reduction in the interest rate charged will reduce Council's revenue however the amount cannot be determined as it is dependent on the amount of outstanding debt and the length of time it has been outstanding. Total revenue from interest on outstanding debts is usually between \$250,000 and \$290,000 per annum.

Corporate PlanCorporate Plan Theme

Lockyer Leadership and Council

Outcome

- 5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.
- 5.7 Compliance with relevant legislation

ConsultationPortfolio Councillor Consultation

The policies were workshopped with Councillors in June 2020.

Internal Consultation

The implications of these policies will be incorporated into extensive communications associated with the 2020/2021 Budget. The updated policies will be included in Council's policy register and uploaded to Council's website.

External Consultation

Due to the internal administrative nature of these policies, there has been no external consultation.

Community Engagement

The implications of the 2020/2021 Revenue Statement will be incorporated into extensive communications associated with the 2020/2021 Budget and uploaded to Council's website.

ProposalOverview

Council regularly reviews its policies to ensure that they are current and compliant with the *Local Government Act 2009* and *Local Government Regulation 2012*.

Investment Policy

Under Section 191 of the *Local Government Regulation 2012*, Council must prepare and adopt an Investment Policy that outlines Council's investment objectives and overall risk philosophy together with the procedures for achieving the goals outlined in the Policy.

The attached Investment Policy provides Council's finance officers with an investment framework within which to place Council investments to achieve competitive returns whilst adequately managing risk exposure and ensuring cash funds are available to meet Council's short-term cash requirements. The priority order of investment activities is preservation of capital, liquidity and return.

The Investment Policy was recently reviewed in response to the impacts of COVID-19 and was updated 22 April 20. No changes are proposed at this stage due to the volatile climate, with the Policy to reviewed again in January 2021.

Debt Policy

Under Section 192 of the *Local Government Regulation 2012*, Council must prepare and adopt a Debt Policy each financial year. The Debt Policy must state new borrowings for the current financial year and the next nine years and the time over which Council plans to repay existing and new borrowings.

The attached Debt Policy forecasts no borrowings for the life of the long term financial plan.

Under Council's Debt Policy, Council will not utilise loan funds to finance operating activities and where capital assets are funded through borrowings, Council will repay the loans within the shortest term possible with the maximum term not exceeding the life of the asset. Current loans are planned to be repaid within their existing loan terms, however, additional repayments will be made where sufficient funds are available, and it is advantageous to do so.

Procurement Policy

The Procurement Policy covers the principles of procurement applicable under the *Local Government Regulation 2012* and remains unchanged from the previous year pending the upcoming review of Council's procurement function and processes.

Rates and Charges Debt Collection and Recovery Policy

This policy has been in place for seven years. The Rates and Charges Debt Collection and Recovery Policy provides a process which is consistent and ethical for the recovery of outstanding rates and charges in accordance with the *Local Government Regulation 2012*.

The reduction in the interest on overdue rates and charges from 9.83% per annum compounding daily, to 8.53% per annum compounding daily has been changed in the 2020/2021 policy. This is to conform with changes to the *Local Government Regulation 2012* which has reduced the maximum amount of interest Councils can charge on overdue rates and charges.

Setting the level of interest at the maximum amount is a powerful incentive for property owners to pay their rates and charges within the shortest possible time.

The recovery action timing has also changed. Stage 1 has changed from 14 days to 21 days, stage 2 has changed from 28 days to 21 days and stages 3 and 4 have changed from 21 days to 14 days.

The following statement has been added to the policy:

Council does not verbally contact property owners who are in arrears via telephone. If Council has a current mobile number of a property owner, Council will contact via text message, utilising a bulk distribution method. Council will not use the text message contact if the property owners opts out to receiving the text message reminders.

Reference to the Hardship Policy has also been added to this Policy along with noting the Sundry debt transfer to the Rates Account.

Sundry Debt Collection and Recovery Policy

This policy has been in place for six years. The Sundry Debt Collection and Recovery Policy sets out Council's debt management principles for the recovery of outstanding sundry debt.

The reduction in the interest on overdue rates and charges from 9.83% per annum compounding daily, to 8.53% per annum compounding daily has been changed in the 2020/2021 policy. This is to maintain consistency with the amount of interest charged on outstanding rates and charges and reduce the administration of managing multiple overdue interest rates.

The action types within the Sundry Debt Collection and Recovery Policy have also been updated ensuring a more streamlined process.

The following statement has been added to the policy:

Council does not guarantee a phone call for outstanding debt. It is the responsibility of the debtor to make contact and ensure their contact details are current with Council to avoid interest penalties or further debt collection.

Reference to the unpaid debts being transferred to the rates account has also been included in the 2020/2021 Sundry Debt Collection and Recovery Policy.

The Rates and Charges Debt Collection and Recovery Policy and the Sundry Debt Collection and Recovery Policy are key policies of Council and provide guidance to officers when dealing with monies owed to Council.

Hardship Policy

The Hardship Policy was recently introduced during the 2020 Pandemic. This Policy will be included as part of the Annual Budget Adoption for review.

Some minor wording changes were required including removal of the Infrastructure Charges and Development Application Fees as these are handled under different legislation and policy.

Legal Implications

The *Local Government Regulation 2012* Sections 191, 192 and 198 require Council to prepare an Investment Policy, Debt Policy and Procurement Policy.

The *Local Government Act 2009* section 95 and Part 12 of the *Local Government Regulation 2012* govern the process contained within the Rates and Charges Debt Collection and Recovery Policy.

Policy Implications

The adoption of the 2020/2021 financial policies by Councillors supersedes the 2019/2020 financial policies.

Risk Considerations

Key Corporate Risk Code and Category: FE2

Key Corporate Risk Descriptor: Finance and Economic
Decision making governance, due diligence, accountability and sustainability.

Previous Council Resolutions

Special Meeting of Council 14 June 2019 (16-20/1397)

THAT Council adopt the 2019/2020 Investment Policy, 2019/2020 Debt Policy and 2019/2020 Procurement Policy.

Ordinary Council Meeting of 26 June 2019 (16-20/1415)

THAT Council adopt the Rates and Charges Debt Collection and Recovery Policy and Sundry Debt Collection and Recovery Policy.

Special Council Meeting of 17 April 2020

THAT Council adopt the Hardship Policy, as attached, effective from 17 April 2020.

Related Documentation

- 2020/2021 Investment Policy
- 2020/2021 Debt Policy
- 2020/2021 Procurement Policy
- Rates and Charges Debt Collection and Recovery Policy
- Sundry Debt Collection and Recovery Policy
- Hardship Policy

Critical Dates

Under the *Local Government Act 2009* Chapter 4 Finances and Accountability, Part 3 Financial planning and accountability Section 107(a) Approval of the Budget the local government must adopt a budget before 1 August in the financial year to which the budget relates.

Implementation

The approved policies will be updated in Council's policy register and published as appropriate on Council's website.

Attachments

1	Investment Policy	3 Pages
2	Debt Policy	3 Pages
3	Procurement Policy	2 Pages
4	Rates and Charges Debt Collection and Recovery Policy	5 Pages
5	Sundry Debt Collection and Recovery Policy	4 Pages
6	Hardship Policy	4 Pages



STATUTORY

INVESTMENT

Head of Power

Section 191 of the *Local Government Regulation 2012* states a Local Government must prepare an investment policy each financial year. Council must also consider the *Statutory Bodies Financial Arrangements (SBFA) Act 1982* and *Statutory Bodies Financial Arrangements Regulation 2007*.

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan (2017-2022)
Lockyer Leadership and Council

- 5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.

Definitions

N/A

Policy Objective

To provide Council's finance officers with an investment framework within which to place Council investments to achieve competitive returns whilst adequately managing risk exposure and ensuring cash funds are available to meet Council's short-term cash requirements.

Policy Statement

This policy is applicable to the investment of Lockyer Valley Regional Council's cash balances as they occur throughout the year. It specifically does not apply to the long-term loan arrangement with Queensland Urban Utilities.

Council's overall objective is to invest its funds at the most advantageous interest rate available to it at the time, for that type of investment and in a way that it considers most appropriate.

Group: Executive Office
Branch: Finance
Approved: Special Council Meeting (Resolution Number: 20-24/XXXX)
Date Approved: 15/07/2020
ECM: XXXXXXX

Effective Date: 15/07/2020
Version: 1.8 Last Updated: XX/04/2020
Review Date: XX/03/202X

Superseded/Revoked: Investment Policy ECM: 3796713

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Without specific approval from Council or the treasurer, investments are limited to those prescribed by Part 6 of the *Statutory Bodies Financial Arrangements Act 1982* for local governments with Category 1 investment power.

In order of priority, the order of investment activities will be preservation of capital, liquidity and return.

This policy prohibits any investments carried out for speculative purposes.

Council's bank balances and short-term cash flows will be reviewed daily.

Investments will be placed to minimise the cash held in low/no interest operating bank accounts whilst ensuring sufficient cash is available to meet Council's financial obligations on a day to day basis.

Funds will be invested for a term not exceeding 12 months.

To mitigate risk and protect the Capital value of Investments, funds will only be placed with recognised financial institutions with a Standard and Poor's Long Term Rating of BBB- or better and operating in Australia. Investments will be placed with various financial institutions such that the maximum percentage of the total investment portfolio does not exceed:

Standard and Poor's Long Term Rating	Maximum % Investment in any one Institution	Maximum % Investment all institutions in this category
QTC (currently AA+)	100%	100%
AAA to A+ (excluding QTC)	35%	85%
A to BBB+	25%	45%
BBB to BBB-	20%	30%

The Chief Financial Officer is to ensure an appropriate system is maintained at all times to ensure all investments are accounted for and the portfolio managed appropriately.

The Chief Financial Officer will ensure that effective internal controls are established to ensure that investment objectives are met and that investments are protected from loss, theft or inappropriate use. These controls will address control of collusion, separation of transaction activity from accounting and record keeping, safekeeping, physical delivery of securities, delegation to investment officers, requirements for the settlement of securities, compliance and oversight of investment parameters and compliance reporting.

Investments and associated internal controls will be subject to periodic reviews by Council's Internal Audit function to verify compliance with this policy and legislation.

Any breach of this policy must be reported to the Chief Executive Officer and be rectified within 24 hours of the breach occurring.

Quarterly reports detailing compliance with the policy and earning performance compared to the benchmark are to be prepared by the Chief Financial Officer and provided to Council.

Earning Performance will be benchmarked against the Bank Bill Swap Rate and the Bloomberg AUSBOND Index which includes the 90-day bank bills from a number of Australian institutions.

Group: Executive Office
Branch: Finance
Approved: Special Council Meeting (Resolution Number: 20-24/XXXX
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Review Date: XX/03/202X

Superseded/Revoked: Investment Policy ECM: 3796713

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Related Documents

Lockyer Valley Regional Council – 2020/2021 Budget and Long Term Financial Forecast

DRAFT

Group: Executive Office
Branch: Finance
Approved: Special Council Meeting (Resolution Number: 20-24/XXXX)
Date Approved: 15/07/2020
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Version: 1.8 Last Updated: XX/04/2020
Review Date: XX/03/202X

Superseded/Revoked: Investment Policy ECM: 3796713

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STATUTORY

DEBT

Head of Power

Section 192 of the *Local Government Regulation 2012* requires a Local Government to annually prepare a Debt Policy. Council's borrowing activities continue to be governed by the *Statutory Bodies Financial Arrangements Act 1982* and the *Statutory Bodies Financial Arrangements Regulation 2007*.

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan (2017-2022)

- 5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.

Definitions

N/A

Policy Objective

To establish a responsible debt management framework for the management of Council's existing and future debt.

Policy Statement

This policy provides clear guidance for staff in the management of Council's debt portfolio and the maintenance of appropriate debt and debt servicing levels.

External Loans

Council will not utilise loan funds to finance operating activities.

Group: Executive Office
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:20-24/xxxxxx)
Date Approved: 15/07/2020
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Superseded/Revoked: Debt Policy 2019/2020
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Council recognises that the infrastructure requirements placed upon it in many instances can only be funded through borrowings but is mindful of the additional cost incurred by property owners when assets are acquired through borrowings.

Council will endeavour to fund all capital renewal projects from operating cash flows and borrow only for new or upgrade projects having regard to sound financial management principles and considering inter-generation equity for the funding of long term assets.

Borrowings for infrastructure that provide a return on assets will take priority over borrowings for other assets.

Where capital assets are funded through borrowings, Council will repay the loans within the shortest term possible with the maximum term not exceeding the life of the asset. Current loans are planned to be repaid within their existing loan terms.

Consideration will be given to renegotiating loans where it is in Council's long-term interests to do so.

If surplus funds become available and where it is advantageous to do so, one-off loan repayments will be made to reduce the balance of existing loans.

Council will maintain close scrutiny of debt levels to try and ensure that sustainability indicators do not exceed the target parameters recommended by the Queensland Treasury Corporation and the *Local Government Regulation 2012*.

Council will raise all external borrowings at the most competitive rates available from sources defined by legislation. Loans will be drawn down annually subject to cash flow requirements to minimise interest expenses.

Pursuant to Section 192 of the *Local Government Regulation 2012*, proposed borrowings for capital works projects as outlined in the adopted budget for the current financial year and subsequent financial years are as follows:

Financial Year	\$'000
2020/2021	-
2021/2022	-
2022/2023	-
2023/2024	-
2024/2025	-
2025/2026	-
2026/2027	-
2027/2028	-
2028/2029	-
2029/2030	-

Internal Loans

The provision of internal loans will depend upon the availability of excess Council funds and the capacity of the internal business unit to repay the loan.

The term of the internal loan will not exceed the life of the asset being financed.

Group: Executive Office
Branch: Finance
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Review Date: 30/06/2021
Superseded/Revoked: Debt Policy 2019/2020
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The interest rate of the internal loan will be the sum of the equivalent Queensland Treasury Corporation borrowing rate, the Queensland Treasury Corporation administrative charge for the loan and an addition risk margin of no less than 1%. The provision for the interest and redemption payments of internal loans will be included in the annual budget for the business unit.

Related Documents

Lockyer Valley Regional Council – 2020/2021 Budget and Long Term Financial Forecast

DRAFT

Group: Executive Office
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:20-24/xxxxxx)
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Version: 1.8 Last Updated: 30/06/2020
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Superseded/Revoked: Debt Policy 2019/2020
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STRATEGIC

PROCUREMENT

Head of Power

Section 198 of the *Local Government Regulation 2012*.

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan 2017-2022

- 5.1 *Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.*

Definitions

N/A

Policy Objective

This policy establishes the procurement principles to be used by Lockyer Valley Regional Council in undertaking all procurement activities for the organisation.

Policy Statement

Lockyer Valley Regional Council will carry out all procurement activities in accordance with the prescribed legislative framework and its Procurement Procedures Handbook.

To do so, Council will apply the sound contracting principles of:

- Value for money
- Open and effective competition
- The development of competitive local business and industry
- Environmental protection and

Group: Executive Services
Branch: Finance
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(Resolution Number:20-24/XXXX)
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Review Date: 30/06/2021

Superseded/Revoked: Procurement Policy 2019/2020
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- Ethical behaviour and fair dealing

Council will apply the ethics principles of integrity and impartiality, promoting the public good, commitment to the system of government, and accountability and transparency in undertaking its procurement activities.

Council will apply sound contracting practices when making its contracts to carry out work, supply goods or services, or dispose of non-current assets.

Council will also provide a framework for the development and implementation of systems, practices and controls for efficient, effective and economic financial and performance management in its procurement activities.

Related Documents

Lockyer Valley Regional Council – *Procurement Procedures Handbook*

Group: Executive Services
Branch: Finance
Approved: Special Council Meeting
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ECM:

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Review Date: 30/06/2021

Superseded/Revoked: Procurement Policy 2019/2020
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STRATEGIC

RATES AND CHARGES DEBT COLLECTION AND RECOVERY

Head of Power

Local Government Regulation 2012 - sections 132 - 134

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan 2017-2022

- 5.4 Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values
- 5.7 Compliant with relevant legislation

Definitions

Rates and charges are defined in the *Local Government Regulation 2012* as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances.

In addition, as defined in Section 132 of the *Local Government Regulation 2012*, *overdue rates or charges are made up of:*

- if the local government takes the property owner to court to recover rates or charges and the court orders the property owner to pay the council's costs—the costs; and
- the interest, if interest is payable, on the rates or charges, or costs.

Policy Objective

The objective of this policy is to set out Council's principles regarding the management of debt, and to provide a process which is consistent and ethical for the recovery of outstanding rates and charges across the organisation in accordance with the parameters and requirements of the *Local Government Regulation 2012*.

Group: Executive Services
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:20-24/XXXX)

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Review Date: 30/06/2021
Superseded/Revoked: Rates and Charges Debt Collection and Recovery Policy

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Policy Statement

The management and recovery of outstanding revenue is an important aspect of Council's financial management function. It is Council's policy to pursue the collection of outstanding revenue diligently but with due concern for any financial hardship faced by property owners.

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

- Transparency by making clear the obligations of property owners and the processes used by Council in assisting them meet their financial obligations.
- Making the processes used to recover overdue rates and charges simple to administer and cost effective.
- Equity by having regard to providing the same treatment for property owners with similar circumstances.
- Flexibility by responding where necessary to changes in the local economy.

Recovery Actions – Overdue Rates & Charges

STAGE	TIMING	ACTION TYPE	AUTHORITY LEVEL
1.	21 days after expiration of the discount period	Notice informing property owner that they have missed the discount and that they should make payment in full by the due date to avoid interest and further action.	Coordinator Financial Operations
2.	21 days after expiration of the discount period	<p>Reminder Letter 1 - Notice advising rates are overdue and interest charges are continuing to accrue at 8.53%. Legal action may be initiated unless the debt is paid in full or approved repayment arrangements are entered into.</p> <p>Separate Reminder Notice to Property owners who are already with a Debt Recovery Agent – Notice advising of the balance outstanding with the debt recovery agent and the balance that remains with Council and interest charges are continuing to accrue at 8.53%.</p> <p>Further action suspended if:</p> <ul style="list-style-type: none"> • payment is made in full or • property owner enters into and maintains an approved repayment arrangement. 	Coordinator Financial Operations

Group: Executive Services
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:16-20/1415)

Date Approved: 15/07/2020
ECM: 3796718

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Version: 4.0 Last updated 19/06/2019
Review Date: 30/06/2021
Superseded/Revoked: Rates and Charges Debt Collection and Recovery Policy

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STAGE	TIMING	ACTION TYPE	AUTHORITY LEVEL
3.	14 days after issue date of Reminder Letter 1	<p>Notice of Proposed Legal Action – Notice advising Property owner and Mortgagee (if any) that legal action may be initiated unless the debt is paid in full or approved repayment arrangements are entered into within fourteen (14) days of the issue date of Notice of Proposed Legal Action.</p> <p>Further action suspended if:</p> <ul style="list-style-type: none"> • payment is made in full or • Property owner enters into and maintains an approved repayment arrangement. 	Chief Financial Officer
4.	14 days after issue date of Notice of Proposed Legal Action	<p>Council shall proceed with legal recovery action against any Property Owner who has not satisfactorily responded to any Notices previously sent.</p> <p>Council will advise the Property Owner that the debt has been referred to Council's appointed Legal Representative or Debt Recovery Agent, if applicable.</p> <p>Council or Council's appointed Legal Representative or Debt Recovery Agent will issue a letter of final demand to advise that if payment in full or an agreed payment arrangement is not entered into within fourteen (14) days, legal recovery action may commence. Council will seek full payment of outstanding rates & charges. It will also advise that action may involve the Sale of Land should rates and charges be in arrears for:</p> <ul style="list-style-type: none"> • 1 year - vacant land and • 3 years - for all other land, overdue rates and charges 	Chief Financial Officer
5.	Potential Sale of Land Letter	<p>Notice informing owners their property will be considered for the Sale of Land process if the outstanding rates and charges are not paid in full or an approved payment commitment is not entered into and honoured with the outstanding balance being reduced to under the three years in arrears within the time frame stated on the Potential Sale of Land Notice (1 Month from the date of notice)</p>	Council
6.	Notice of Sale of Land	<p>Notice in accordance with legislation informing owner of Council's intention to make a resolution to sell the land for recovery of outstanding rates and charges in arrears for:</p>	Council

Group: Executive Services
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:16-20/1415)

Date Approved: 15/07/2020
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Version: 4.0 Last updated 19/06/2019
Review Date: 30/06/2021
Superseded/Revoked: Rates and Charges Debt Collection and Recovery Policy

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STAGE	TIMING	ACTION TYPE	AUTHORITY LEVEL
		<ul style="list-style-type: none"> 1 year - vacant land and 3 years - for all other land, <p>Full payment including costs will be required to cease action.</p>	
7.	Sale of land within legislative timeframes	<p>Sale of Land should rates and charges be in arrears for:</p> <ul style="list-style-type: none"> 1 year - vacant land and 3 years - for all other land, <p>Full payment including costs will be required to cease action.</p>	Council

Reminder Letter 1 will not be issued to:

- Property Owners with an outstanding balance of less than \$100.
- Property Owners who are maintaining an approved payment commitment.
- Property Owners who have lodged a formal notice of Objection or have advised Council of a formal dispute with their most recent notice of rates and charges.
- Property Owners in receipt of a Missed Discount Letter as this serves as Reminder 1.

Council does not verbally contact property owners who are in arrears via telephone. If Council has a current mobile number of a property owner, Council will contact via text message, utilising a bulk distribution method. Council will not use the text message contact if the property owners opts out to receiving the text message reminders.

Payment Arrangements

Council will consider any reasonable offer for periodic payments. To avoid recovery action these requests are to be made to Council **in writing** at which time the Chief Financial Officer or Council delegate will consider the offer on a case by case basis. If approved, the Chief Financial Officer or Council delegate will document the arrangement to be brought into effect and a copy will be provided in writing to the property owner.

An agreed periodic payment commitment should ensure all current rates and charges are paid as issued, to ensure the account does not fall further into arrears. An appropriate periodic payment commitment will generally result in all overdue rates and charges being paid in full, by the end of the half year period in which the payment commitment is made.

Council reserves the right to renegotiate or cancel a payment commitment should circumstances change where the debt will not be paid within Council's current policy time frame. In these circumstances, Council will not initiate further recovery action without reference to the property owner concerned.

Council will not pursue further recovery action against a property owner who has an agreed written periodic payment commitment, while the commitment is current, and the property owner adheres to the agreed repayment schedule.

In the event that a payment commitment is not maintained within the agreed terms, the following action will occur:

Group: Executive Services
Branch: Finance
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(Resolution Number:16-20/1415)

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Version: 4.0 Last updated 19/06/2019
Review Date: 30/06/2021
Superseded/Revoked: Rates and Charges Debt Collection and
Recovery Policy

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The first payment default - A Payment Commitment First Notice of Default letter will be issued to the property owner, advising that the commitment has been dishonoured, the overdue amount and the next payment commitment due date.

The second and final payment default - The payment commitment will be removed from Council's rate assessment and the debt forwarded to Council's external debt recovery agency. The Chief Financial Officer will formally advise the property owner that the debt has been referred to Council's appointed Legal Representative or Debt Recovery Agent.

Hardship Application

Hardship Application can be completed if property owners are unable to meet financial obligations due to unexpected events or unforeseen changes resulting in their ability to meet basic requirements including food, clothing, medicine, housing and other necessities due to family tragedy, financial misfortune, serious illness, natural disaster, and other serious or difficult circumstances.

The objective of the hardship policy is to set out Council guidelines for the assessment of requests for rates and charges or other financial obligation relief due to financial hardship.

The hardship policy applies to property owners and/or customers experiencing financial hardship. They are recognised as those who intend to pay but do not have the financial capacity to make payment in full by the end of the current rating period or by a payment commitment applicable under the current Rates and Charges Debt Collection and Recovery Policy or Sundry Debt Collection and Recovery Policy process.

Sundry Debt transferred to Rates

Unpaid sundry debts for administration and slashing charges on properties are transferred to the land as unpaid rates under the provisions of section 152 of the *Local Government Act 2009* which states that if the debt is not paid within 30 days after the date of the notice, the local government may recover the debt as if the debt were overdue rates.

Interest

In accordance with Section 133 of the *Local Government Regulation 2012*, rates and charges which remain outstanding for greater than 30 days, shall bear interest at the rate of 8.53%, compounding on daily rests.

Related Documents

Hardship Policy

Group: Executive Services
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:16-20/1415)

Date Approved: 15/07/2020
ECM: 3796718

Effective Date: 15/07/2020
Version: 4.0 Last updated 19/06/2019
Review Date: 30/06/2021
Superseded/Revoked: Rates and Charges Debt Collection and
Recovery Policy

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STATUTORY

SUNDRY DEBT COLLECTION AND RECOVERY

Head of Power

Local Government Act 2009

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan (2017-2022):

- 5.4 Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values
- 5.7 Compliant with relevant legislation

Definitions

Sundry debt refers to any debt owed to Council that is not a rate, special charge, separate charge, or utility charge which is levied on a property in accordance with Council's Revenue Statement.

Policy Objective

The objective of this policy is to set out Council's principles with regard to the management of sundry debt, and a consistent and ethical process for the recovery of outstanding sundry debt without fear or favour across the organisation.

Policy Statement

Council recognises that in order to achieve its strategic objectives it is vital to manage and recover outstanding sundry debts. It is Council's policy to pursue the collection of outstanding revenue diligently but with due concern for any financial hardship faced by debtors.

The principles that apply in the management and recovery of debt are as follows:

- Transparency by making clear the obligations of debtors and the processes used by Council in assisting them meet their financial obligations.
- Making the processes used to recover overdue accounts receivable simple to administer and cost effective.

Group: Executive Office
Branch: Financial Services
Approved: Ordinary Council Meeting
(Resolution Number:xx-xx/1xxxx)

Date Approved: 15/07/2020
ECM: 3796719

Effective Date: 15/07/2020
Version: 4.0 Last updated 19/06/2019
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Superseded/Revoked: Sundry Debt Collection and Recovery Policy

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- Capacity to pay in determining appropriate payment arrangements (in exceptional circumstances only).
- Equity by having regard to providing the same treatment for debtors with similar circumstances.
- Flexibility by responding where necessary to changes in the local economy.

Recovery Actions – Overdue Sundry Debtors

All debtors other than Rental agreements & Lockyer Valley Cultural Centre invoices

ACTION	TIMING	ACTION TYPE	AUTHORITY LEVEL
1.	30 days from Invoice date	Statement issued to debtor with copy of outstanding Tax Invoice.	Accounts Receivable Officer
2.	60 days from Invoice date	Reminder Notice – Letter attaching copy of outstanding Tax Invoice advising debtor that payment is overdue and interest charges are accruing at 8.53% compounding on daily rests.	Coordinator Financial Operations
3.	90 days from Invoice date	<p>Notice of Proposed Legal Action – Notice advising debtor that legal action may be initiated unless the debt is paid in full or approved repayment arrangement has been entered into within 30 days from the issued date of Reminder Notice.</p> <p>Further action suspended if:</p> <ul style="list-style-type: none"> • Payment is made in full or • Debtor enters into and maintains and approved repayment arrangement. 	Coordinator Financial Operations
4.0	120 days from Invoice date	Legal action without further advice to Debtor.	Chief Financial Officer

Recovery Actions – Rental agreements & Lockyer Valley Cultural Centre invoices


ACTION	TIMING	ACTION TYPE	AUTHORITY LEVEL
1.	15 days from Invoice date	Statement issued to debtor with copy of outstanding Tax Invoice.	Accounts Receivable Officer

Group: Executive Services
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:xx-xx/xxxx)

Date Approved: 15/07/2020
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2.	45 days from Invoice date	Reminder Notice – Letter attaching copy of outstanding Tax Invoice advising debtor that payment is overdue and interest charges are accruing at 8.53% compounding on daily rests.	Coordinator Financial Operations
3.	75 days from Invoice date	<p>Notice of Proposed Legal Action – Notice advising debtor that legal action may be initiated unless the debt is paid in full or approved repayment arrangement has been entered into within 30 days from the issued date of Reminder Notice.</p> <p>Further action suspended if:</p> <ul style="list-style-type: none"> • Payment is made in full or • Debtor enters into and maintains an approved repayment arrangement. 	Chief Financial Officer
4.	105 days from Invoice date	Legal action without further advice to debtor.	

Council does not guarantee a phone call for outstanding debt. It is the responsibility of the debtor to make contact and ensure their contact details are current with Council to avoid interest penalties or further debt collection.

Payment Arrangements

As a general guide Council will not accept any requests for periodic payments except in exceptional circumstances. All offers are referred to the Chief Financial Officer for determination on a case by case basis.

If a payment commitment has been entered into by the debtor, Council will take no further recovery action whilst the commitment is current and the committed payments honoured. Interest will continue to accrue until the debt is paid in full.

In the event that the agreed commitment is not honoured, legal action will commence without further notice to the debtor.

Interest

Group: Executive Services
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:xx-xx/xxxx)

Date Approved: 15/07/2020
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Debtor invoices which remain outstanding for greater than 30 days, shall bear interest at the rate of 8.53%, compounding on daily rests.

Unpaid Debts transferred to Rates

Unpaid debts for administration and slashing charges on properties are transferred to the land as unpaid rates under the provisions of section 142 of the Local Government Act 2009, which states that if the debt is not paid within 30 days after the date of the notice, the local government may recover the debt as if the debt were overdue rates.

Debt Write Off

Amounts deemed unrecoverable up to \$25.00 may be written off by delegated authority granted to the Coordinator Financial Operations.

Amounts deemed unrecoverable up to \$500.00 may be written off by delegated authority granted to the Chief Financial Officer.

Amounts deemed unrecoverable up to \$1,000.00 may be written off by delegated authority granted to the Chief Executive Officer.

Amounts deemed unrecoverable of \$1,000.00 or greater will only be written off by Council resolution.

Related Documents

Nil

Group: Executive Services
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:xx-xx/xxxx)

Date Approved: 15/07/2020
ECM: 3796719

Effective Date: 15/07/2020
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STRATEGIC

HARDSHIP

Head of Power

Local Government Act 2009
Local Government Regulation 2012

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan 2017-2022:

- 5.4 Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values.

Definitions

Financial hardship

Unable to meet financial obligations due to unexpected events or unforeseen changes resulting in their inability to meet basic requirements including food, clothing, medicine, housing and other necessities due to family tragedy, financial misfortune, serious illness, natural disaster, and other serious or difficult circumstances.

Policy Objective

The objective of this policy is to set out Council guidelines for the assessment of requests for rates and charges or other financial obligation relief due to financial hardship.

It is to provide assistance and options to property owners experiencing difficulties in paying council rates and charges and other related fees and charges due to financial hardship under the following categories:

- Category One – Rates and Charges Serious Financial Hardship - Rates and Charges (residential)
- Category Two – Financial Hardship due to Declared Natural Disaster (drought, flood, fire, health pandemic - Rates and Charges (Short Term)).

Group: Executive Office
Branch: Financial Services
Approved: Special Council Meeting
(Resolution Number 20-xx/0xxxx)
Date Approved: 15/07/20020
ECM: 3938342

Effective Date: 15/07/2020
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- Category Three - Other Financial Hardship Applications due to Financial hardship (drought, flood, fire, health pandemic and other declared natural disasters – Other financial obligations (Short Term).

Policy Statement

This policy applies to property owners and/or customers experiencing financial hardship. They are recognised as those who intend to pay but do not have the financial capacity to make payment in full by the end of the current rating period or by a payment commitment applicable under the current Rates and Charges Debt Collection and Recovery Policy or Sundry Debt Collection and Recovery Policy process.

Category 1 – Rates and Charges Serious Financial Hardship (Residential)

Eligibility

- The property owner is experiencing serious financial hardship and the hardship has arisen from unexpected or unforeseen events (Death of a family member, serious illness, sudden loss of job)
- It is the property owners principal place of residence
- The property owner does not own multiple properties
- The property is not vacant land
- Property is not in a company or business name
- Usually the unforeseen change should have occurred within the last 12 months
- The property owner is unable to maintain a realistic payment commitment

Types of Assistance

- Agreed payment commitment outside the current debt recovery action
- Freezing of interest charges up to a maximum of 2 half yearly rating periods
- Short term payment extension for the current half year rates only – deferment to a maximum period of 6 months to pay the current rates and charges with no loss of discount. * Must be applied for within 60 days from the date of issue of the current rate notice
- A rebate of all or part of the rates and charges
- An agreement to accept a transfer of unencumbered land in full or part payment of the rates and charges

Requirements for assessments

1. Statutory Declaration detailing:
 - a. Estimated income and expenditure from all sources for the current financial year
 - b. The current balances of bank accounts and, if applicable, investment accounts
 - c. Details of any real property owned and estimated value, including information on the listing of any property for sale
 - d. Details of any other assets (i.e. boats, cars, livestock etc.) and estimated value
 - e. Description, interest rate and balance of other debts such as personal loans, mortgages, credit cards etc., and if repayments are up to date or in arrears
 - f. Details of any refusal of loans or credit that have been sought to assist in paying the debts
 - g. Details of superannuation fund balances and if an early release has been sought to assist in paying the debts and
 - h. Any other information that is relevant to your current financial situation

Group: Executive Office
Branch: Financial Services
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*Category 2 – Rates and Charges Drought, Flood, Fire, Health Pandemic and other Declared Natural Disasters. (Short Term)**Eligibility*

- The property owner is experiencing financial hardship due to drought, flood, fire, COVID19 or other declared natural disaster Loss of income/employment due to drought, flood, fire, COVID19 or other declared natural disaster
- The property is not vacant land
- Usually the unforeseen change should have occurred within the last 6 months
- The property owner is unable to maintain a realistic payment commitment

Types of Assistance

- Agreed payment commitment outside the current debt recovery action
- Freezing of interest charges up to a maximum of 6 months
- Short term payment extension for the current half year rates only – deferment to a maximum period of 6 months to pay the current rates and charges with no loss of discount* Must be applied for within 60 days from the date of issue of the current rate notice

Requirements for assessments

1. Statutory Declaration detailing:
 - a. Evidence of employment or income loss
 - b. Evidence of situation if not a declared natural disaster or pandemic
 - c. Any other information that is relevant to your current short-term financial situation

*Category 3 – Other Financial Hardship Applications – Due to Financial Hardship, Drought, Flood, Fire, Health Pandemic and other Declared Natural Disasters – Other financial obligations (Short Term)**Eligibility*

- The customer is experiencing financial hardship and the hardship has arisen from unexpected or unforeseen events. (Death of a family member, serious illness, sudden loss of job)
- Usually the unforeseen change should have occurred within the last 6 months
- The customer is unable to maintain a realistic payment commitment
- The customer is experiencing financial hardship due to drought, flood, fire, COVID19 or other declared natural disaster
- Loss of income/employment due to drought, flood, fire, COVID19 or other declared natural disaster
- The customer has a balance due with Council in relation to Waste and Animal Control Fees (those not included on a rate notice)

Types of Assistance

- Freezing of interest charges up to a maximum of 6 months
- Short term payment extension for the current outstanding fees or charges for a period of up to 6 months
- Agreed payment commitment outside the current debt recovery action process
- Waiving of fees, charges and billed reimbursements

Requirements for assessments

1. Statutory Declaration detailing:
 - a. Evidence of employment or income loss
 - b. Evidence of situation if not a declared natural disaster or pandemic

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- c. Any other information that is relevant to your current short-term financial situation

Review of the Application

A review of the hardship will be completed regularly and may be renegotiated by the property owner/customer and the responsible officer to take into consideration changes in the property owners'/customers' circumstances.

Failure to comply

If the property owner'/customer's:

- Fails to commit to the agreed payment commitment
- Fails to comply to the Council's offer of relief
- Does not reply to Council's offer

If the agreed decision is forfeited Council will continue with normal debt recovery action and charging of interest. Interest will be back dated to the date it ceased. The property owner/customer will be contacted prior to commencement of debt recovery action. No further hardship application from the property owner/customer will be accepted for the following 12 months.

Related Documents

[Lockyer Valley Regional Council Rates and Charges Debt Collection and Recovery](#)
[Lockyer Valley Regional Council Sundry Debt Collection and Recovery Policy](#)

Group: Executive Office
Branch: Financial Services
Approved: Special Council Meeting
(Resolution Number 20-xx/0xxxx)
Date Approved: 15/07/20020
ECM: 3938342

Effective Date: 15/07/2020
Version: 2
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5.2 2020/2021 Revenue Policy**Date:** 25 June 2020**Author:** Kirsty Johnson, Coordinator Revenue Services; Jodi Marchant, Chief Financial Officer**Responsible Officer:** Ian Church, Chief Executive Officer

Purpose:

The purpose of this report is to seek Council's adoption of the Revenue Policy as part of the 2020/2021 Budget.

Officer's Recommendation:

THAT Council resolve to adopt, pursuant to Section 193 of the *Local Government Regulation 2012*, the 2020/2021 Revenue Policy (Attachment 1) for inclusion in the 2020/2021 Budget.

Executive Summary

Section 169 (2) (c) of the *Local Government Regulation 2012* requires Council to include a Revenue Policy in its annual budget.

Section 193 (3) of the *Local Government Regulation 2012* requires Council to review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

The 2020/2021 Revenue Policy has been reviewed and no significant changes are recommended, with minor adjustments to grammar and the inclusion of reference to the Hardship Policy the only changes.

Finance and Resource Implications

The Revenue Policy is a key statutory document of Council and is required to be adopted as part of the annual budget. The Revenue Policy is reviewed every year as part of the budget development process. Changes made to the document reflect the wishes of Council in making and levying rates for the coming financial year.

The adoption of the 2020/2021 Revenue Policy and 2020/2021 Revenue Statement ensures that Council can rate in accordance with the proposed 2020/2021 Budget.

Corporate PlanCorporate Plan Theme

Lockyer Leadership and Council

Outcome

- 5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.
- 5.2 Excellence in customer service to our community
- 5.7 Compliance with relevant legislation

Consultation

Internal Consultation

Councillors were consulted through the development of the 2020/2021 Council budget at Councillor Workshops held between February 2020 to June 2020.

External Consultation

Due to the internal administrative nature of this report, there has been no external consultation.

Community Engagement

The implications of the 2020/2021 Revenue Policy will be incorporated into extensive communications associated with the 2020/2021 Budget.

Proposal

Overview

Section 193 (3) of the *Local Government Regulation 2012* requires Council to review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

The purpose of the Revenue Policy is to set out the principles used by Lockyer Valley Regional Council for:

- The making and levying of rates and charges;
- Determining the purpose of and the granting of concessions for rates and charges;
- Recovering overdue rates and charges;
- Methods for setting cost recovery fees; and
- The extent to which physical and social infrastructure costs for new developments are to be funded by charges for the development.

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and future community requirements. Council also provides concessions to pensioners to assist property owners to remain in their own homes, and concessions to non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region.

The Revenue Policy also sets out the principles that will apply in the management of and recovery of debt. These principles are as follows:

- Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations;
- Efficiency by ensuring the processes used to recover overdue rates and charges are simple to administer and cost effective;
- Equity by having regard to providing the same treatment for ratepayers with similar circumstances; and
- Flexibility by responding where necessary to changes in the local economy.

The Revenue Policy has been reviewed as part of the 2020/2021 Budget process and as noted above, only minor changes were required to be made.

Legal Implications

The adoption of the Revenue Policy ensures Council's compliance with the requirements of the Local Government Regulation 2012. Section 169 (2) (c) of the *Local Government Regulation 2012* requires Council to include a Revenue Policy in its annual budget.

Policy Implications

The adoption of the 2020/2021 Revenue Policy by Councillors supersedes Council's 2019/2020 Revenue Policy.

Risk Considerations

Key Corporate Risk Code and Category: FE2

Key Corporate Risk Descriptor: Finance and Economic
Decision making governance, due diligence, accountability and sustainability.

Previous Council Resolutions

Special Meeting of Council 14 June 2019 (16-20/1398)

THAT Council resolve to adopt, pursuant to Section 193 of the *Local Government Regulation 2012*, the 2019/2020 Revenue Policy (Attachment 1) for inclusion in the 2019/2020 Budget.

Related Documentation

2020/2021 Revenue Policy

Critical Dates

Under the *Local Government Act 2009* Chapter 4 Finances and Accountability, Part 3 Financial planning and accountability Section 107(a) Approval of the Budget the local government must adopt a budget before 1 August in the financial year to which the budget relates.

Implementation

The 2020/2021 Revenue Policy is to be used as the basis for the preparation of the 2020/2021 annual budget.

Attachments

1 [1](#) 2020/2021 Revenue Policy 4 Pages



STATUTORY

REVENUE

Head of Power

Local Government Act 2009

Section 193 Local Government Regulation 2012

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan (2017-2022):

Lockyer Leadership and Council –

- 5.1: Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.

Definitions

All terms within this policy have the meaning assigned under the Dictionary from the schedule contained within the *Local Government Regulation 2012*.

Policy Objective

The purpose of the 2020/2021 Revenue Policy is to set out the principles used by Lockyer Valley Regional Council for:

- The making & levying of rates and charges;
- Determining the purpose of and the granting of concessions for rates and charges;
- Recovering overdue rates and charges;
- Methods for setting cost recovery fees;
- The extent to which physical and social infrastructure costs for new development are to be funded by development application charges.

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:XX-20-24/XXXX)
Date Approved: 15/07/2020
ECM:

Effective Date: 15/07/2020
Version: 1.4 Last Updated: 30/06/2020
Review Date: 30/06/2021

Superseded/Revoked: Revenue Policy 2019/2020

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Policy Statement

The Levying of Rates and Charges

Rates and charges are defined in the *Local Government Regulation 2012* as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances.

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget, Council will set rates and charges at a level that will provide for both current and future community requirements. Council will apply the principle of transparency in making rates and charges.

General Rates

General Rates revenue provides essential whole of community services not funded through trading income, subsidies, grants, contributions or donations received from other entities or not provided for by other levies or charges. Council will consider all full cost recovery options before calculating the general rate.

Council is required to raise an amount of revenue it sees as being appropriate to maintain assets and provide services to the region as a whole. In deciding how that revenue is raised, Council has formed the opinion that a differential general rating scheme, based primarily on land use, provides the most equitable basis for the distribution of the general rate burden.

The rateable value for each property is the basis for determining the amount of the general rate levied. The value of land for a financial year, is its value under the *Land Valuation Act 2010* when a liability for payment of rates or charges for the land arises for the financial year.

The *Local Government Regulation 2012* allows Council in accordance with Section 77 (1) to fix a minimum amount of general rates. Under Section 80, Council may levy differential general rates.

Special and Separate Rates and Charges

Where appropriate, Council will fund certain services, facilities or activities by means of separate or special rates or charges.

Special rates:

In accordance with Section 94 of the *Local Government Regulation 2012* Council will levy special rates and charges on certain properties that are considered to be specially benefited by the provision of a specific service, facility or activity.

Special rates are charged on the rateable value of the land and special charges are a flat charge per assessment, other than specifically identified exclusions, as this is considered to provide a more equitable basis for the sharing of the cost.

Separate rates:

In accordance with Section 103 of the *Local Government Regulation 2012* Council will levy a separate rate or charge on all rateable land, subject to stated exceptions, in the region to fund a particular service, facility or activity.

The Levying of Rates and Charges

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

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Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:XX-20-24/XXXX)
Date Approved: 15/07/2020
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- *consistency* in timing the levy of rates in a predictable way to enable property owners to plan for their rating obligations by the issue of rate notices on a half yearly basis;
- *flexibility* by providing short-term payment commitment plans to property owners in financial difficulty, along with a wide array of payment options;
- *communication* by clearly setting out the Council's and each property owners obligations in relation to rates and charges by advising property owners about rate notice issue dates and discount dates;
- *clarity* by providing meaningful information on rate notices to enable property owners to clearly understand their responsibilities.

In the making and levying of rates and charges, Council will be guided by the principles of:

- efficiency through having a rating regime that is efficient to administer;
- full cost pricing and user pays where appropriate;
- equitable distribution of the general rates burden as broadly as possible;
- transparency in the making and levying of rates;
- flexibility, to take into account changes in the local economy;
- clarity in terms of responsibilities (Council's and property owners') in regard to the rating process;
- National Competition Policy legislation where applicable.

The Purpose of and Granting of Concessions for Rates and Charges

Council Pension Subsidy:

Council has determined that pensioners as defined by the *Local Government Regulation 2012* are entitled to receive concessions on rates and charges levied by Council. Council may grant a concession for land that is owned by a pensioner under Section 120(1)(a) of the *Local Government Regulation 2012*.

The Lockyer Valley Regional Council Pension Subsidy aims to help pensioner property owners to remain in their own homes by reducing the financial impact of rates and charges levied.

Council Remissions – Non Profit Community, Cultural and Sporting Groups:

In accordance with section 120(1)(b) of the *Local Government Regulation 2012* non-profit community, sporting and cultural groups may be entitled to concessions.

The purpose of these concessions is to encourage and support non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region.

Upon written application, Council will consider applications for concessions on rates and charges received from property owners who are qualifying pensioners or non-profit community, cultural and sporting organisations.

In exercising these concession powers, Council will be guided by the principles of:

- transparency by making clear the requirements necessary to receive concessions; and
- equity by ensuring that all applicants of the same type receive the same concession.

The Recovery of Overdue Rates and Charges

Council will exercise its rate recovery powers pursuant to the provisions of Chapter 4 Part 12 of the *Local Government Regulation 2012* in order to reduce the overall rate burden on property owners.

Council has adopted a policy for the recovery of outstanding rates and charges. The objective of this policy is to set out Council's principles in regard to the management of debt, and to provide consistent and ethical recovery

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
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of outstanding rates and charges across the organisation in accordance with the parameters and requirements of the *Local Government Regulation 2012*.

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

- transparency by making clear the obligations of property owners and the processes used by Council in assisting them to meet their financial obligations;
- efficiency by ensuring the processes used to recover overdue rates and charges are simple to administer and cost effective;
- equity by having regard to providing the same treatment for property owners with similar circumstances;
- flexibility by responding where necessary to changes in the local economy.

Fees and Charges

In general, Council will be guided by the principle of user pays in making all other charges. All fees and charges will be set with reference to full cost pricing.

When determining Commercial Charges, Council takes into account “user pays” principles and market conditions when determining commercial charges for Council services and facilities.

When determining Regulatory Fees, Council takes into account “user pays” principles and sets regulatory fees at a level sufficient to recover no more than the full cost of providing the service or taking the action for which, the fee is charged.

All fees set by Council are included in a Register of Fees and Charges as adopted by Council at the meeting held on 20 May 2020 and amended from time to time.

New Development Costs

Developer contributions for infrastructure are determined each year in accordance with the philosophy that a developer should pay reasonable and relevant contributions towards the capital cost of the provision of infrastructure to meet past and future augmentation costs associated with this new development. Council assesses the level of contribution towards physical and social infrastructure in respect of new developments during the development application approval process to ensure an equitable contribution is made by developments which increase the demand on Council infrastructure. Infrastructure agreements are negotiated outcomes between Council and the developer.

Guiding Principles

The principles contained within the Revenue Policy are applied in the determination of Council's revenue statement, rates, fees and charges, rating concessions and recovery of overdue rates and charges.

Roles and Responsibilities

All Council staff are bound by the principles outlined in this policy in determining the level of rates, fees and charges, and in the application of rebates and concessions relating to those fees.

Related Documents

Local Government Act 2009

Local Government Regulation 2012

Rates and Charges Debt Collection and Recovery Policy

2020/2021 Revenue Statement

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:XX-20-24/XXXX)
Date Approved: 15/07/2020
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5.3 2020/2021 Revenue Statement**Date:** 25 June 2020**Author:** Kirsty Johnson, Coordinator Revenue Services; Jodi Marchant, Chief Financial Officer**Responsible Officer:** Ian Church, Chief Executive Officer**Purpose:**

The purpose of this report is to seek Council's adoption of the 2020/2021 Revenue Statement as part of the 2020/2021 Budget process.

Officer's Recommendation:**THAT Council:**

- a) Pursuant to Section 81 of the *Local Government Regulation 2012*, adopt the categories into which rateable land is categorised, and the description of those categories, as follows:

Category No.	Category Name	Description
1	Commercial <= \$600,000	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value less than or equal to \$600,000, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.
2	Commercial \$600,001 & <=\$800,000	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$600,001 and up to or equal to \$800,000, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.
3	Commercial > \$800,001 & <=\$1.5Million	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$800,001 and less than or equal to \$1.5M, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.
4	Commercial > \$1.5Million	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$1.5M, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.
5	Supermarkets <= \$1Million	Land used or intended to be used, in whole or in part for a Supermarket, with a rateable value of less than or equal to \$1 million.
6	Supermarkets > \$1Million	Land used or intended to be used, in whole or in part for a Supermarket, with a rateable value greater than \$1million.

7	Shopping Centres <= 7000 sq m	Land used or intended to be used, in whole or in part for a Shopping Centre that has a property land area of up to or equal to 7000 sq metres, or less than or equal to 120 onsite carparking spaces.
8	Shopping Centres >7000 sq m	Land used or intended to be used, in whole or in part for a Shopping Centre that has a property land area greater than 7000 sq metres, or more than 120 onsite carparking spaces.
9	Motels <= 25 Rooms	Land used or intended to be used, in whole or in part for a motel with no more than 25 rooms.
10	Motels 26 - 50 Rooms	Land used or intended to be used, in whole or in part for a motel with 26 to 50 rooms.
11	Motels >= 51 Rooms	Land used or intended to be used, in whole or in part as a motel with 51 or more rooms.
12	Farming/Agriculture <=\$200,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value of less than or equal to \$200,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.
13	Farming/Agriculture \$200,001-\$380,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value between \$200,001 and \$380,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.
14	Farming/Agriculture \$380,001-\$610,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value between \$380,001 and \$610,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.
15	Farming/Agriculture >= \$610,001	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value of \$610,001 or greater, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.
16	Rural Residential – Owner Occupied <= \$250,000	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person that is within the Rural Fire Service boundaries with a rateable value or less than or equal to \$250,000.
16a	Rural Residential – Owner Occupied > /=\$250,001	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person that is within the Rural Fire Service boundaries with a rateable value above \$250,001.

17	Service Stations/Garages <=100,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is or is not an associated shop and/or fuel outlet and approved onsite bulk fuel storage of up to and including 100,000 litres. In addition, the category includes any land used for a fuelling area, fuel storage area, retail shop or parking area associated with land used for fuel retailing.
18	Service Stations/Garages 100,001 to 200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is or is not an associated shop and/or fuel outlet and approved onsite bulk fuel storage of between 100,001 and up to and including 200,000 litres. In addition, the category includes any land used for a fuelling area, fuel storage area, retail shop or parking area associated with land used for fuel retailing.
19	Service Stations/Garages Over 200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is an associated shop and/or fuel outlet and approved onsite bulk fuel storage of more than 200,000 litres. In addition, the category includes any land used for a fuelling area, fuel storage area, retail shop or parking area associated with land used for fuel retailing.
20	Services Stations & Garages without Shops or Food Outlets >200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is not any associated shop and/or fuel outlet and approved onsite bulk fuel storage of more than 200,000 litres. In addition, the category includes any land used for a fuelling area, fuel storage area, or parking area associated with land used for fuel retailing.
21	Transmission Sites	Land used or intended to be used, in whole or in part for the transmission or distribution of electricity from a coal or gas-fired power plant including, but not limited to, a substation.
22	Gas Compressor Sites	Land used or intended to be used, in whole or in part for the transportation of gas under compression and/or any purpose associated or connected with the transportation of gas under compression.

23	Workers Accommodation	Land used or intended to be used, in whole or in part for the provision of intensive accommodation for more than 50 persons (other than the ordinary travelling public) in rooms, suites, dongas, caravan sites, or a combination of these specifically built or provided for this purpose. Land within this category is commonly known as “workers accommodation”, “single person’s quarters”, “work camps”, “accommodation village”, or “barracks”.
24	Urban Residential – Owner Occupied ≤ \$200,000	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person that is not within the Rural Fire Service boundaries with a rateable value of less than or equal to \$200,000.
24a	Urban Residential – Owner Occupied > \$200,001	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person that is not within the Rural Fire Service boundaries with a rateable value above \$200,001.
25	Farming/Agriculture On Farm Packing Operation	Land used or intended to be used, in whole or in part for farming or agricultural purposes containing an on farm packing operation.
26	Intensive Agriculture Poultry ≤ 200,000 birds	Land used or intended to be used, in whole or in part for intensive poultry farming with an approved capacity of up to or equal to 200,000 birds.
27	Intensive Agriculture Poultry 200,001 birds and over	Land used or intended to be used, in whole or in part for intensive poultry farming with an approved capacity of over 200,000 birds.
28	Intensive Agriculture Piggeries ≤ 3,000 SPU	Land used or intended to be used, in whole or in part for intensive pig farming with an approved capacity of up to or equal to 3,000 SPU.
29	Intensive Agriculture Piggeries 3,001 SPU and over	Land used or intended to be used, in whole or in part for intensive pig farming with an approved capacity of over 3,000 SPU.
30	Multiple Dwelling	Residential land used for a multi-unit residential building, which does not form part of a community title scheme or residential group title consisting of 2 or more flats or units or a duplex. This also includes properties with 2 or more residential dwellings.
31	Land which is Subject to Chapter 2, Part 2, Subdivision 3 of the Land Valuation Act 2010	Land which is subject to Chapter 2, Part 2 Subdivision 3 of the <i>Land Valuation Act 2010</i> .

32	Nursing Homes/Retirement Villages	Land used or intended to be used, in whole or in part for the provision private medical care, the provision of aged care nursing or as a retirement village.
33	Sporting Clubs & Facilities	Land used or intended to be used, in whole or in part for sporting clubs and facilities associated with a sporting club where the operator does not hold a liquor and/or gaming licence, except land included in category 34.
34	Licensed Clubs & Sporting Clubs	Land used or intended to be used, in whole or in part for the operation of a sporting club and facilities associated with a sporting club where the land is subject to a liquor and/or gaming licence.
35	Non-Principal Place of Residence	Land with a dwelling used or intended to be used, in whole or in part for a residential purpose, including rural residential land, that is not a Principal Place of Residence and not included in Category 16, 24, 30, or 31.
36	Sundry Purposes	Land used or intended to be used, in whole or in part for a permit to occupy, water storage, or a pump site and land which is not otherwise categorized.
37	Extractive & Mining Lease > 100,000 tonnes	Land used or intended to be used, in whole or in part for extractive industry and land which is a mining lease, where more than 100,000 tonnes of material is removed per annum.
38	Extractive & Mining Lease 5,001 tonnes – 100,000 tonnes	Land used or intended to be used, in whole or in part for extractive industry and land which is a mining lease, where between 5,001 and 100,000 tonnes of material is removed per annum.
39	Extractive & Mining Lease up to 5,000 tonnes	Land used or intended to be used, in whole or in part for extractive industry and land which is a mining lease, where no more than 5,000 tonnes of material is removed per annum.
40	Noxious/Offensive Industry – Explosive Factories	Land used or intended to be used, in whole or in part for the manufacture and/or storage of explosives.
41	Noxious/offensive Industry – Abattoirs	Land used or intended to be used, in whole or in part as an abattoir having more than 20 employees and a valuation greater than \$500,000.
42	Noxious/offensive Industry – Other	Land used or intended to be used, in whole or in part for the purpose of a sawmill, tannery or any other industrial purpose or any use associated or connected with an industrial purpose, other than land included in categories 40 or 41.
43	Caravan Parks & Camping Grounds <= \$300,000	Land used or intended to be used, in whole or in part as a caravan park with a rateable value of less than or equal to \$300,000.

44	Caravan Parks and Camping Grounds \$300,001 to \$600,000	Land used or intended to be used, in whole or in part as a caravan park with a rateable value of between \$300,001 up to and including \$600,000.
45	Caravan Parks and Camping Grounds > \$600,000	Land used or intended to be used, in whole or in part as a caravan park with a rateable value of greater than \$600,000.
46	Power Stations <= 50MW	Land used or intended to be used, in whole or in part for ancillary to the generation of electricity from a coal and/or gas fired power station with an output capacity of no more than 50MW.
47	Power Stations >=51MW	Land used or intended to be used, in whole or in part for ancillary to the generation of electricity from a coal and/or gas fired power station with an output capacity of 51MW or more.
48	Residential Vacant Land	Vacant Land used, or capable of being used, for residential purposes not included in Category 31.

- b) Delegate to the Chief Executive Officer the power, pursuant to Sections 81(4) and 81(5) of the *Local Government Regulation 2012*, to identify the rating category to which each parcel of rateable land belongs.
- c) Pursuant to Section 94 of the *Local Government Act 2009* and Section 80 of the *Local Government Regulation 2012*, resolve the differential general rate to be made and levied for each differential general rate category and, pursuant to Section 77 of the *Local Government Regulation 2012*, that the minimum general rate to be made and levied for each differential general rate category, is as follows:

Category No.	Category Name	Rate in \$ 2020/2021	Minimum General Rate 2020/2021
1	Commercial <= \$600,000	\$0.010799	\$2,023.00
2	Commercial \$600,001 & <=\$800,000	\$0.010691	\$6,479.00
3	Commercial > \$800,001 & <=\$1.5Million	\$0.010583	\$8,552.00
4	Commercial > \$1.5Million	\$0.006263	\$15,874.00
5	Supermarkets <= \$1Million	\$0.014512	\$8,867.00
6	Supermarkets > \$1Million	\$0.016945	\$14,512.00
7	Shopping Centres<= 7000 sq m	\$0.040306	\$56,119.00
8	Shopping Centres >7000 sq m	\$0.025445	\$168,357.00
9	Motels <= 25 Rooms	\$0.024466	\$1,965.00
10	Motels 26 - 50 Rooms	\$0.028867	\$8,213.00
11	Motels >= 51 Rooms	\$0.031755	\$27,375.00
12	Farming/Agriculture<=\$200,000	\$0.007765	\$1,411.74
13	Farming/Agriculture \$200,001-\$380,000	\$0.008425	\$1,553.00
14	Farming/Agriculture \$380,001-\$610,000	\$0.008564	\$3,202.00
15	Farming/Agriculture >= \$610,001	\$0.009705	\$5,224.00
16	Rural Residential – Owner Occupied <= \$250,000	\$0.010596	\$1,092.00

16a	Rural Residential – Owner Occupied >= \$250,001	\$0.0075800	\$2,645.00
17	Service Stations/Garages <=100,000 litres	\$0.035437	\$5,612.00
18	Service Stations/Garages 100,001 to 200,000 litres	\$0.031062	\$28,059.00
19	Service Stations/Garages Over 200,000 litres	\$0.025473	\$84,178.00
20	Services Stations & Garages without Shops or Food Outlets >200,000 litres	\$0.023787	\$5,612.00
21	Transmission Sites	\$0.025677	\$11,206.00
22	Gas Compressor Sites	\$0.045421	\$11,206.00
23	Workers Accommodation	\$0.031755	\$27,375.00
24	Urban Residential – Owner Occupied <= \$200,000	\$0.011835	\$1,099.00
24a	Urban Residential – Owner Occupied >= \$200,001	\$0.0079800	\$2,370.00
25	Farming/Agriculture On Farm Packing Operation	\$0.010683	\$9,217.00
26	Intensive Agriculture Poultry <=200,000 birds	\$0.016900	\$5,993.00
27	Intensive Agriculture Poultry 200,001 birds and over	\$0.032653	\$7,193.00
28	Intensive Agriculture Piggeries <=3,000 SPU	\$0.044715	\$5,993.00
29	Intensive Agriculture Piggeries 3,001 SPU and over	\$0.057760	\$7,193.00
30	Multiple Dwelling	\$0.014554	\$1,374.00
31	Land which is Subject to Chapter 2, Part 2, Subdivision 3 of the Land Valuation Act 2010	\$0.010741	N/A
32	Nursing Homes/Retirement Villages	\$0.013663	\$6,319.00
33	Sporting Clubs & Facilities	\$0.008599	\$1,208.00
34	Licensed Clubs & Sporting Clubs	\$0.010015	\$3,562.00
35	Non-Principal Place of Residence	\$0.013603	\$1,319.00
36	Sundry Purposes	\$0.016102	\$231.00
37	Extractive & Mining Lease > 100,000 tonnes	\$0.082045	\$43,245.00
38	Extractive & Mining Lease 5,001 tonnes – 100,000 tonnes	\$0.029360	\$22,240.00
39	Extractive & Mining Lease up to 5,000 tonnes	\$0.024859	\$9,638.00
40	Noxious/Offensive Industry – Explosive Factories	\$0.020071	\$31,379.00
41	Noxious/offensive Industry – Abattoirs	\$0.030997	\$31,379.00
42	Noxious/offensive Industry – Other	\$0.023384	\$5,379.00
43	Caravan Parks & Camping Grounds <= \$300,000	\$0.021566	\$2,807.00
44	Caravan Parks and Camping Grounds \$300,001 to \$600,000	\$0.024416	\$6,469.00
45	Caravan Parks and Camping Grounds > \$600,000	\$0.026857	\$14,649.00
46	Power Stations <= 50MW	\$0.025710	\$53,467.00
47	Power Stations >=51MW	\$0.028280	\$106,934.00

48

Residential Vacant Land

\$0.011157

\$1,092.00

- d) Pursuant to Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, make and levy a separate charge (to be known as the “Emergency Preparedness Levy”), in the sum of \$104.00 per annum per rateable assessment, to be levied equally on all rateable land in the region, and a pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year. The purposes of the levy are:
- 1) Funding infrastructure restoration projects (such as bridges, roads) funding shortfalls, interest and redemption payments on loans associated with recovery work and community resilience recovery through community recovery programs, and
 - 2) Funding expenditure on the disaster management initiatives associated with improving the region’s preparedness for and response to future natural disasters including the implementation of the recommendations of the Queensland Flood Commission of Inquiry, and
 - 3) Funding recurrent and capital expenditure for the Volunteer State Emergency Services Units operating within the Lockyer Valley Regional Council area together with the provision of disaster planning and management support for the units.
- e) Pursuant to Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, make and levy a separate charge (to be known as the “Environmental Levy”), in the sum of \$16.00 per annum per rateable assessment, to be levied equally on all rateable land in the region, for the purposes of funding expenditure on the implementation of physical/biological, cultural, social and economic environmental initiatives throughout the Region. A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.
- f) Pursuant to Section 94 of the *Local Government Act 2009* and Section 103 of the *Local Government Regulation 2012*, make and levy a separate charge (to be known as the “Resilient Rivers Initiative Levy”), in the sum of \$2.00 per annum per rateable assessment, to be levied equally on all rateable land in the region, for the purposes of funding Council’s contribution for the Council of Mayors South East Queensland’s (COMSEQ’s) Resilient Rivers Initiative, which will deliver projects to keep soil on the land, protect water security, promote partnerships and improve climate resilience. A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.
- g) Pursuant to Section 94 of the *Local Government Act 2009* and Section 94 of the *Local Government Regulation 2012*, make and levy a special charge (to be known as the “Rural Fire Levy”) of \$27.00 per annum on all rateable land to which the overall plan applies to fund the maintenance of fire trails within the Lockyer Valley Council Region and to provide for the operations, maintenance and provision of buildings, land and/or equipment for Rural Fire Brigade groups in accordance with agreements between Council and the Lockyer Local Area Finance Committee. A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.
- 1) The overall plan for the Rural Fire Levy is as follows:

- i) To fund a range of fire mitigation activities including the maintenance of fire trails within the Lockyer Valley Council Region and to provide for the operations, maintenance and provision of buildings, land and/or equipment for Rural Fire Brigade groups in accordance with agreements between Council and the Lockyer Local Area Finance Committee.
 - ii) The rateable land to which the plan applies is all land in areas serviced by a Rural Fire Brigade.
 - iii) The estimated cost of carrying out the overall plan is \$250,295.
 - iv) The estimated time for carrying out the overall plan is one year.
- 2) The rateable land or its occupier specially benefits from the service, facility or activity funded by the special charge because of the Rural Fire Brigade Group operating in the area.
- h) Pursuant to Section 94 of the *Local Government Act 2009* and Section 99 of the *Local Government Regulation 2012*, Council make and levy waste management utility charges, for the supply of waste management services by the Council, as follows:

1) Waste Recycling and Collection Charges:

- i) Subject to paragraphs ii) and iii) below, waste recycling and collection charges shall be levied according to the service type and the service description identified in the following table ("Waste Recycling and Collection Charge"):

Service Type	Service Description	Annual Charge Amount
Residential	First Service - Dual Bins	\$283.00
Residential	Additional Dual Bins	\$283.00
Residential	Additional Waste Bin	\$177.00
Residential	Additional Recycling Bin	\$106.00
Commercial	First Service - Dual Bins	\$483.00
Commercial	Additional Waste Bin	\$329.00
Commercial	Additional Recycle Bin	\$153.00

- ii) The Waste Recycling and Collection Charge shall be levied for the First Service on every parcel of land in the Region where waste services are made available except where:
 - (1) there is a demolition of premises, as certified by an approved person; or
 - (2) land is vacant for a full year, as established by a Statutory Declaration.
- iii) Any services required in addition to the first service for a parcel of land shall be levied at the applicable amount stated in paragraph i) above for each additional service provided.
- iv) For new first services or new additional services, the charge will be levied on a pro-rata basis from the date of commencement of the service.

2) Waste Management Charge:

- i) A utility charge of \$147.00 per annum per assessment will be levied on all rateable land in the Region ("Waste Management Charge") to fund recurrent and capital expenditure and the administration costs associated with the provision, improvement and management of Council's waste management facilities throughout the region. Waste management facilities include landfill sites, transfer stations, weighbridge and waste bins located throughout the Region.
 - ii) The Waste Management charge will also be levied to all non-rateable land to which a waste collection service is provided.
 - iii) For new assessments created during the year, the charge will be levied on a pro-rata basis from the effective date of valuation for the assessment.
- i) Pursuant to Section 130 of the *Local Government Regulation 2012*, the differential general rates and waste recycling and collection charges made and levied shall be subject to a discount of five percent (5%) if paid within the discount period of 30 days of the date of issue of the rate notice provided that:
 - 1) all of the aforementioned rates and charges are paid within 30 days of the date of issue of the rate notice; and
 - 2) all other rates and charges appearing on the rate notice (that are not subject to a discount) are paid within 30 days after the date of issue of the rate notice; and
 - 3) all other overdue rates and charges, and interest relating to the rateable assessment are paid within 30 days of the date of issue of the rate notice.
- j) Pursuant to section 133 of the *Local Government Regulation 2012*, compound interest on daily rests at the rate of eight-point five three percent (8.53%) per annum is to be charged on all overdue rates and charges.
- k) Pursuant to Section 107 of the *Local Government Regulation 2012* and Section 114 of the *Fire and Emergency Services Act 1990*, Council's rates and charges, and the State Government's Emergency Management, Fire and Rescue Levy be levied:
 - 1) For the half year 1 July 2020 to 31 December 2020 in August 2020; and
 - 2) For the half year 1 January 2021 to 30 June 2021 in February 2021.
- l) Pursuant to Section 118 of the *Local Government Regulation 2012*, that Council's rates and charges, and the State Government's Emergency Management, Fire and Rescue Levy, be paid within 30 days of the date of the issue of the rate notice.
- m) Pursuant to Sections 120, 121, and 122 of the *Local Government Regulation 2012*, a rebate of the differential general rate to a maximum of \$30.00 per half year per rateable assessment will be granted following an application in the approved form and where the eligibility requirements in paragraphs 1) to 6) below are met:

- 1) The applicant is the sole owner, joint owner, part owner or life tenant of a property; and
- 2) The property is the principal place of residence of the pensioner or life tenant; and
- 3) The applicant has, either solely or jointly with a co-owner, the legal responsibility for the payment of rates and charges as defined herein, which are made and levied by Council in respect of the property; and
- 4) The rate account is not in arrears at any time during the rating period; and
- 5) The applicant must be a current holder of one of the following cards:
 - i) Queensland 'Pensioner Concession Card' issued by Centrelink;
 - ii) a Veterans' Affairs Gold card;
 - iii) a Veterans' Affairs Pensioner Concession card; or
 - iv) Repatriation Health card for all conditions, and
- 6) The applicant receives a full pension entitlement under one of these Government Pensions:
 - i) Age pension;
 - ii) Carer payment;
 - iii) Disability Support pension;
 - iv) Wife pension;
 - v) Widow pension;
 - vi) Parenting Payment Single and Service pension;
 - vii) War Widow/Widower pensions with full Income Support Supplement; or
 - viii) Veterans' Affairs' Disability/TPI pension.
- 7) Where the applicant meets all of the criteria in paragraphs 1) to 5) above, but receives a part pension entitlement for a Government Pension identified in paragraph 6) above, the rebate shall be a maximum of \$15.00 per half year per rateable assessment.
- 8) Where eligibility for the rebate in relation to a rateable assessment is established by more than one applicant, only one rebate (the rebate of the higher value) will be applied to the assessment per half year.
- n) Pursuant to Sections 120, 121, and 122 of the *Local Government Regulation 2012*, a rebate of one hundred percent (100%) of the differential general rate will be granted on a property following an application in the approved form where the following eligibility requirements are met:
 - 1) The applicant organisation must be a non-profit community based organisation; and
 - 2) The applicant organisation must be the owner or lessee of the land and be able to demonstrate that they are required to pay the rates levied; and
 - 3) The land or any part of the land must not be rented or leased to a third party on a commercial basis; and
 - 4) A Liquor Licence (allowing trading on more than three days per week) must not be held by the organisation or any affiliate relating to the property subject to the application.
- o) Pursuant to Sections 120, 121, and 122 of the *Local Government Regulation 2012*, a one

hundred percent (100%) rebate of the Rural Fire Levy, Waste Management Charge, Environmental Levy, Resilient Rivers Initiative Levy and the Emergency Preparedness Levy may be granted for separately rateable mining leases where the land over which the leases are granted are already subject to these charges.

- p) Pursuant to Sections 120, 121, and 122 of the *Local Government Regulation 2012*, a one hundred percent (100%) rebate of the Rural Fire Levy, Waste Management Charge, Environmental Levy, Resilient Rivers Initiative Levy and the Emergency Preparedness Levy may be granted for land used for a permit to occupy, water storage or as a pump site where the payment of the charges would cause hardship to the property owner.
- q) Pursuant to Section 169 (2)(b) of the *Local Government Regulation 2012* to adopt the 2020/2021 Revenue Statement (Attachment 1) for inclusion in the 2020/2021 Budget.

Executive Summary

Council is required under Section 169 (2) (b) of the *Local Government Regulation 2012* to include a revenue statement in its annual budget. This report recommends the adoption of this document as part of the 2020/2021 Budget as well as other key measures that Council will use to generate its rating revenue.

The 2020/2021 Revenue Statement will achieve an initial yield of \$41.66 million in rates and utility charges with \$1.68 million allowed for discounts and remissions. Budget parameters include a conservative growth rate of approximately 1.00%.

The decrease in the yield from general rates for 2020/2021 compared to the previous year is 0.89%. The 2020/2021 levies, charges and other rates have decreased by 0.48%. The decrease in yield from 2019/2020 is the result of the general changes to the banding in the Urban and Rural Residential categories.

Finance and Resource Implications

Rates and charges are the largest source of revenue for Council. The adoption of the 2020/2021 Revenue Statement ensures that Council can rate in accordance with the proposed 2020/2021 Budget.

The 2020/2021 Revenue Statement will achieve an initial yield of \$41.66 million in rates and utility charges with \$1.68 million allowed for discounts and remissions.

The budget assumes a growth rate in assessments of 1.00%. As this is dependent on changes in the number of properties through land development, this growth may not always be achieved. The growth rate will need to be monitored throughout the year with any loss in revenue matched by corresponding expenditure reductions in formal amendments to Council's 2020/2021 Budget.

Council's Long Term Financial Plan assumes annual rate increases on top of natural growth at an average of 1.58% over the next nine years. Natural growth in assessments is estimated at 1.00% over the term of the plan.

Changes in the future rate increases or natural growth estimates will impact on the amount of rates revenue generated and will affect Council's long-term sustainability unless there are corresponding reductions in costs or increases in other revenues.

Corporate Plan

Corporate Plan Theme

Lockyer Leadership and Council

Outcome

- 5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.
- 5.7 Compliance with relevant legislation

Consultation

Internal Consultation

Councillors were consulted through the development of the 2020/2021 Council budget at Councillor Workshops held between February 2020 to June 2020.

External Consultation

Due to the internal administrative nature of this report, there has been no external consultation.

Community Engagement

The implications of the 2020/2021 Revenue Statement will be incorporated into extensive communications associated with the 2020/2021 Budget.

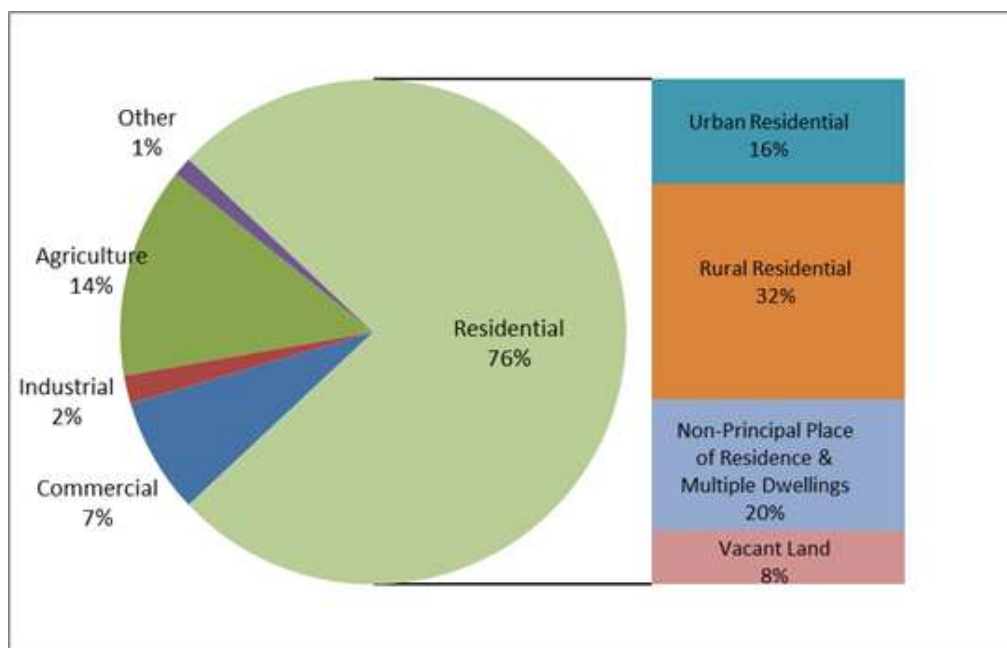
Proposal

Overview

The Revenue Statement is a key statutory document of Council detailing the revenue measures adopted in Council's 2020/2021 Budget and is required to be reviewed and adopted as part of the annual budget. Changes made to the documents reflect the wishes of Council in making and levying rates for the coming financial year and provides the basis for the generation of Council's rates revenue for 2020/2021.

Following a series of budget workshops, Council is now in a position to formalise its Revenue Statement for the 2020/2021 financial year. In 2020/2021, general rates revenue will continue to be levied using a system of differential rating. The system includes fifty (50) differential categories.

The percentage breakdown by summary rating category is as follows:



The valuations issued by The Department of Natural Resources, Mines and Energy remain unchanged.

For the 2020/2021 budget Council has introduced banding into the Urban and Rural Residential Owner-Occupied Categories 16 and 24 to reduce the rates for higher valued properties. This will mean that some properties within each category will see a reduction in their general rates, while other properties will remain the same. The amount of change is dependent on the valuation of the property and new bandings within categories 16 and 24.

The key items in the attached Revenue Statement include:

- A \$549,351 reduction in the yield from the general rates due to the banding in Urban and Rural Residential Owner-Occupied Categories 16 and 24 and reduced growth forecast from 1.50% to 1.00%;
- Inclusion of valuation banding for Rural Residential Owner-Occupied Category 16 and Urban Residential Owner-Occupied Category 24. The average decrease in rates within the new category bands is 16.06%;
- Domestic and Commercial Waste Recycling and Collection Charges to remain the same as 2019/2020
- The Waste Management Charge has remained at \$147.00 per annum;
- The separate charge Emergency Preparedness Levy has remained at \$104.00 per annum;
- The separate charge Environmental Levy has remained at \$16.00 per annum;
- The separate charge Resilient Rivers Initiative Levy has remained at \$2.00 per annum;
- The special charge for Rural Fire Brigades has remained at \$27.00 per assessment;
- Retention of early payment discounts of 5% on general rates and waste recycling and collection charges;
- Retention of the amount for Council's pensioner concessions at \$30.00 per half year for full concessions and \$15.00 per half year for partial concessions; and
- Reduction in the compound interest charged on overdue rates and charges from 9.83% per annum to 8.53% per annum in order to conform to the new maximum allowed under legislation.

Legal Implications

The adoption of the Revenue Statement ensures Council's compliance with the requirements of the *Local Government Regulation 2012* and provides the basis for the levying of rates and charges for the 2020/2021 financial year.

Section 172 of the *Local Government Regulation 2012* details what must be included in the Revenue Statement while Section 193 (2) of the *Local Government Regulation 2012* states that the guidelines for preparing the Revenue Statement may be included in the revenue policy.

The Revenue Statement may only be adopted at the budget meeting for the year and once passed, it cannot be changed until the following year.

As no significant changes were made to the structure of the Revenue Statement when compared to the previous year, legal advice has not been sought.

Policy Implications

The 2020/2021 Revenue Statement is consistent with Council's 2020/2021 Revenue Policy.

Risk Considerations

Key Corporate Risk Code and Category: FE1

Key Corporate Risk Descriptor: Finance and Economic
Financial sustainability to support the achievement of strategy, goals and objectives in the medium to long term.

Previous Council Resolutions

Special Meeting of Council 14 June 2019 (16-20/1399)

THAT Council resolve: The 2019/2020 Revenue Statement.

Related Documentation

2020/2021 Revenue Statement

Critical Dates

Under the Local Government Act 2009 Chapter 4 Finances and accountability, Part 3 Financial planning and accountability section 107a Approval of the budget the local government must adopt a budget before 1 August in the financial year to which the budget relates.

Implementation

1. Update Council's rating system to reflect the rates and charges identified in the Revenue Statement which will be used as the basis for rating properties during the 2020/2021 financial year.
2. Place a copy of the Revenue Statement on Council's Website.

Attachments

1 [1](#) 2020/2021 Revenue Statement 26 Pages



2020-2021 REVENUE STATEMENT

1. INTRODUCTION

Section 169 of the *Local Government Regulation 2012* requires Council to prepare and adopt each financial year a Revenue Statement as part of its Annual Budget. Section 172 of the *Local Government Regulation 2012* specifies the content to be included in the Revenue Statement.

Pursuant to Sections 169 and 172 of the *Local Government Regulation 2012*, Council adopts the following Revenue Statement for the 2020/2021 financial year, which provides details of:

- General Rates
- Separate Charges (a charge made and levied equally on all rateable land, subject to stated exclusions)
 - Emergency Preparedness Levy
 - Environmental Levy
 - Resilient Rivers Initiative Levy
- Special Charges (a charge made and levied on some, but not all, rateable land in the region)
 - Rural Fire Levy
- Utility charges including Waste Management Levy and Waste Collection and Recycling Charges
- Administration which covers Pensioner Concessions, Early Payment Discounts, Payment Commitments, General Rate Concessions and Interest
- The criteria used to decide the amount of cost-recovery fees
- The criteria used to decide the amount of charges for any business activity conducted on a commercial basis
- Any resolution limiting an increase of Rates and Charges and
- Levies Council may charge on behalf of the Queensland State Government

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Guiding Principles

Council is required to prepare and adopt Financial Policies under Chapter 5 Part 4 of the *Local Government Regulation 2012* that comprise of an Investment Policy, a Debt Policy and a Revenue Policy. These Financial Policies must be consistent with Council's five-year corporate plan and annual operational plan.

Accordingly, the principles contained within the Revenue Policy are applied in the determination of the Revenue Statement; rates, fees and charges; rating concessions and recovery of overdue rates and charges.

Roles and Responsibilities

All Council officers are bound by the principles outlined in this statement in determining the level of rates, fees and charges, in the application of rebates and concessions relating to those fees, and in the recovery of overdue rates and charges.

Interpretation

Section 7 of this Revenue Statement sets out definitions specific to this statement. Other words within this statement should be given the meaning assigned, if any, under the *Local Government Regulation 2012*.

Related Policies and Legislation

Local Government Act 2009

Local Government Regulation 2012

Lockyer Valley Regional Council Rates and Charges Debt Collection and Recovery Policy

Rating Category Identification Policy for Financial Year 2020/2021

2. ADMINISTRATION

2.1 Issue of rate notices

Under Section 104 of the *Local Government Regulation 2012* Council may only levy rates and charges by the issue of a rate notice.

A **rate notice** is a document stating—

- (a) the date when the rate notice is issued and
- (b) the due date for payment of the rates or charges and
- (c) if the local government has decided a discount applies to the rates or charges—
 - (i) the terms of the discount and
 - (ii) the last day of the discount period and
- (d) if the local government has decided rates or charges may be paid by instalments—the requirements for paying by instalments and
- (e) the ways in which the rates or charges may be paid

Separate rate notices shall be issued in the first six months of the financial year (July to December) and in the second (January to June) halves of the financial year, for the billing periods 1 July 2020 to 31 December 2020 and

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1 January 2021 to 30 June 2021 respectively. Each notice will include one half of the annual Rates and Charges to be levied.

Supplementary rate notices for variations in rates and charges payable may be issued as required during the year.

A rate notice, including a rating category statement contained in or accompanying the notice, may be given electronically to a person who has provided written consent to Council. Rate Notices and Rating Category Statements issued electronically forgo receiving the notices via post.

2.2 The Levying of Rates and Charges

2.2.1 General

Rates and charges are defined in the *Local Government Regulation 2012* as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances.

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and future community requirements. Council will apply the principle of transparency in making rates and charges.

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

- *consistency* in timing the levy of rates in a predictable way to enable property owners to plan for their rating obligations by the issue of rate notices on a half yearly basis
- *flexibility* by providing short-term payment commitment plans to property owners in financial difficulty, along with a wide array of payment options
- *communication* by clearly setting out the Council's and each property owner's obligations in relation to rates and charges by advising property owners about rate notice issue dates and discount dates and
- *clarity* by providing meaningful information on rate notices to enable property owners to clearly understand their responsibilities

In making and levying rates and charges, Council will be guided by the principles of:

- efficiency through having a rating regime that is efficient to administer
- full cost pricing and user pays where appropriate
- equitable distribution of the general rates burden as broadly as possible
- transparency in the making and levying of rates
- flexibility, to take account of changes in the local economy
- clarity in terms of responsibilities (Council's and property owners') in regard to the rating process and
- National Competition Policy legislation where applicable

2.2.2 Time within which Rates must be paid

For the twelve months ending 30 June 2021, Council resolves under Section 118 of the *Local Government Regulation 2012* that rates and charges are due to be paid within thirty days of the issue date shown on the rates notice.

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The land owner is liable to pay the amount on the rate notice even if the owner lodges a Notice of Objection and/or any enquiries relating to or not relating to the assessment. The rate notice remains due and payable by the due date.

2.2.3 Early payment discount on Rates and Charges

In accordance with Section 130 of the *Local Government Regulation 2012*, Council resolves that a discount shall be allowed where full payment of the current period rates and charges, plus any overdue rates and charges and interest thereon, is received on or before the due date 30 (thirty) days from the date of issue shown on the rate notice at a Council customer service centre, an approved agency, or by electronic means, and this payment is made by the ratepayer on or before the due date and received by Council within three (3) business days of the due date.

For the twelve months ending 30 June 2021, Council will allow an early payment discount of five percent (5%) subject to the terms above on the below listed Rates and Charges:

- Differential General Rates (Section 3.1 below) and
- Waste Collection and Recycling Charges (Section 4.1 below)

No discount is allowable on the following charges which may appear on the rate notice:

- Special Charges
- Separate Charges not listed above
- Utility Charges not listed above
- Any property charge relating to the carrying out of Council works on or in connection with the property
- Any non-rate item included on rate notice
- Legal costs incurred by Council in rate collection
- Interest charges on overdue rates
- Overdue rates or charges
- Any other rate, charge or amount unless a discount is specifically permitted by this Revenue Statement

2.2.4 Allowance of early payment Discount for late payments

There are limited occasions when payment by the due date is not achieved through circumstances beyond the control of the property owner. The *Local Government Act 2009* provides Council with a discretionary power to allow the discount to an individual in such circumstances. All applications must be made in writing for consideration by Council's duly appointed officer.

Payment of rates and charges in full must be paid before Council will consider any allowance of early discount for late payments and the property owner's prior payment history may also be taken into account when considering to allow the discount. The property owner will be notified of the outcome in writing and Council's decision will be final.

A discount may be allowed if the full payment of the overdue rates and charges is made within the period specified by Council AND the applicant provides **proof satisfactory** to Council of any of the following:

- Illness involving hospitalisation and/or incapacitation of the property owner at or around the time of the rates being due for payment

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- The death or major trauma (accident/life threatening illness/emergency operation) of the property owner and/or associated persons (spouse/children/parents) at or around the time of the rates being due for payment or
- The loss of records or failure of mail delivery resulting from factors beyond the property owner's control (fire/flood etc)

and Council is satisfied that the event was the cause of the property owner's failure to make full payment by the due date.

Discount will **NOT** be allowed due to:

- the failure of the property owner to ensure that Council was given correct notification of its postal address prior to the issue of the Rate Notices
- the failure of the property owner to ensure that Council was given the correct notification of the email address for notices prior to the issue of the Rate Notices where the option for delivery by electronic means has been selected or
- a change of ownership, where Council received notification of the change of ownership after the issue of the Rates Notice

Property owners are obliged to notify Council of their change of address in writing. A mail re-direction or verbal communication with Council is not sufficient notice to Council.

2.2.5 Interest on Overdue Rates and Charges

In accordance with Section 133 of the *Local Government Regulation 2012*, Council resolves that for the twelve months ending 30 June 2021, interest will be charged at the rate of eight point five three (8.53%) per annum calculated and compounded on daily balances on all rates and charges which remain unpaid after the expiration of the discount period and on any arrears of rates and charges.

2.3 General Rates

General rates revenue provides essential whole of community services not funded through trading income, subsidies, grants, contributions or donations received from other entities and not provided for by other levies or charges. Council will consider all full cost recovery options before calculating the general rate.

Council is required to raise an amount of revenue it sees as being appropriate to maintain assets and provide services to the region as a whole. In deciding how that revenue is raised, Council has formed the opinion that a differential general rating scheme, as provided for in Section 80 of the *Local Government Regulation 2012*, based primarily on land use categories, provides the most equitable basis for the distribution of the general rate burden.

The rateable value for each property is the basis for determining the amount of the general rate levied. The value of land for a financial year, is its value under the *Land Valuation Act 2010* when a liability for payment of rates or charges for the land arises for the financial year.

The *Local Government Regulation 2012* allows Council, in accordance with Section 77(1), to fix a minimum amount of general rates.

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2.4 Separate and Special Rates and Charges

Where appropriate, Council will fund certain services, facilities or activities by means of separate or special rates or charges.

2.5 Separate Rates

In accordance with Section 103 of the *Local Government Regulation 2012*, Council will levy a separate rate or charge on all rateable land, subject to stated exceptions, in the region to fund a particular service, facility or activity.

2.6 Special Rates

In accordance with Section 94 of the *Local Government Regulation 2012*, Council will levy special rates and charges on properties that are considered to be specially benefited by, or contribute to the need for, the provision of a specific service, facility or activity.

Special rates are charged on the rateable value of the land and special charges are a flat charge per assessment.

2.7 Concessions on Rates and Charges

2.7.1 Council Pension Subsidy

The Lockyer Valley Regional Council Pension Subsidy and the Queensland State Government Pension Subsidy Scheme aim to help pensioner property owners to remain in their own homes by reducing the financial impact of rates and charges levied.

Council has determined that pensioners as defined by the *Local Government Regulation 2012*, are entitled to receive concessions on rates and charges levied by Council. Council may grant a concession for land that is owned by a pensioner under Section 120(1)(a) of the *Local Government Regulation 2012*.

In exercising these concession powers Council will be guided by the principles of:

- *transparency* by making clear the requirements necessary to receive concessions and
- *equity* by ensuring that all applicants of the same type receive the same concession

General Eligibility

Upon written application to Council, a pensioner may be eligible for a pension concession. To be eligible under the Council Pension Subsidy Scheme for a full or part remission of rates, the applicant must be an approved pensioner who meets **all** of the criteria below:

- The applicant is the sole owner, joint owner, part owner or life tenant of a property
- The property is the principal place of residence of the pensioner or life tenant
- The applicant has, either solely or jointly with a co-owner, the legal responsibility for the payment of rates and charges as defined herein, which are levied by Council in respect of the property and
- The applicant must be a current holder of one of the following cards:

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- Queensland 'Pensioner Concession Card' issued by Centrelink
- a Veterans' Affairs Gold card
- a Veterans' Affairs Pensioner Concession card or
- Repatriation Health card for all conditions

The following cards do not satisfy the concession criteria:

- Seniors Cards
- Health Care Cards
- Health Benefit Cards

In the case of life tenancy, the applicant must meet the above criteria and provide:

- a certified copy of the Will, stating the applicant is a life tenant and responsible for paying the rates **OR**
- a Court Order and a duly signed copy of Death Certificate

Where eligibility for the rebate in relation to a property is established by more than one applicant, only one rebate (of the higher amount) will be applied to the rateable assessment per half year.

Accounts in arrears

If a pensioner's rates account goes into arrears at any time for any rate notice issued, Council will cease to apply the Council Pensioner Subsidy concession. When all arrears are paid in full, the concession will be reinstated from the beginning of the following half yearly rating period.

The Queensland State Government component of the Pension Subsidy will continue even if the rates account is in arrears.

Additional Concession eligibility

A pensioner may be eligible for a **full** concession on rates payable if the pensioner receives the **full pension entitlement** under one of these Government pensions:

- Age pension
- Carer payment
- Disability Support pension
- Wife pension
- Widow pension
- Parenting Payment Single and Service pension
- War Widow/Widower pensions with full Income Support Supplement or
- Veterans' Affairs' Disability/TPI pension

Council may grant a concession by way of rebate on rates up to a maximum of \$30 per half year per rateable assessment.

A pensioner may be eligible for a **partial** concession by way of rebate on rates payable if the pensioner receives the **part pension entitlement** under one of these Government pensions:

- Age pension
- Carer payment
- Disability Support pension
- Wife pension

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- Widow pension
- Parenting Payment Single and Service pension
- War Widow/Widower pensions with partial or no Income Support Supplement or
- Veterans' Affairs' Disability/TPI pension

Council may grant a concession by way of rebate on rates up to a maximum of \$15 per half year per rateable assessment.

2.7.2 Queensland State Government Pension Subsidy

Upon written application, a concession by way of rebate on rates will be granted to all pensioners who are eligible in accordance with the Administrative Guidelines of the Queensland State Government Pensioner Rate Subsidy Scheme. The Queensland State Government currently grants a 20% remission on rates up to a maximum of \$100 per half year (\$200 per year).

Council adheres to the Administrative Guidelines of the Queensland State Government Pension Rate and Subsidy Scheme when determining the proportional eligibility of the applicant in terms of ownership.

This Subsidy concession will only be granted for a particular half year where the application is received by Council prior to the commencement of the period. No pro-rata adjustments will be applied.

2.7.3 Non Profit Community, Cultural and Sporting Groups

In accordance with Section 120 of the *Local Government Regulation 2012* non-profit community, sporting and cultural groups may be eligible for rates concessions.

The purpose of these concessions is to encourage and support non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region.

In exercising these concession powers Council will be guided by the principles of:

- *transparency* by making clear the requirements necessary to receive concessions; and
- *equity* by ensuring that all applicants of the same type receive the same concession.

Eligibility Criteria for Community Group Rate Remissions

Under Council's Community Grants and Assistance Policy, Council may consider an application for concession on rates in the following circumstances:

- The organisation must be a non-profit community based organization
- The applicant organisation must be the owner or lessee of the land and be able to demonstrate that they are required to pay the rates levied
- The land or any part of the land must not be rented or leased to a third party on a commercial basis and
- A Liquor Licence (allowing trading on more than three days per week) must not be held by the organisation or any affiliate relating to the property subject to the application

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Where General Rates do not apply to a property by virtue of a condition contained in a lease of a reserve from Council, no further relief will be available.

Council may grant a maximum rebate of 100% of the General Levy to approved applicants.

Council will not approve requests for financial contributions to reimburse rate payments unless hardship under the *Local Government Act 2009* can be demonstrated in writing.

Applications for Community Group Rate Rebates must be made to Council in writing for assessment and resolution by elected members at a Council meeting.

2.7.4 Mining Leases

In accordance with Section 120(1)(g) and Section 122(1)(a) of the *Local Government Regulation 2012*, Council may grant a concession for separately rateable mining leases for the following rates and charges:

- Rural Fire Levy
- Waste Management Charge
- Environmental Levy
- Resilient Rivers Initiative Levy and
- Emergency Preparedness Levy

The concession may be granted because the land over which the mining leases are granted is already subject to these charges, such that Council considers that it would be unfair or inequitable to levy the charges twice over the same area of land.

2.7.5 Other Land

In accordance with Section 120(1)(c) and Section 122(1)(a) of the *Local Government Regulation 2012*, Council may grant a concession for land used for a permit to occupy, water storage or as a pump site where the payment of rates or charges would cause hardship to the property owner for the following rates and charges:

- Rural Fire Levy
- Waste Management Charge
- Environmental Levy
- Resilient Rivers Initiative Levy and
- Emergency Preparedness Lev.

The concession may be granted in circumstances where Council is satisfied that the payment of the aforementioned levies would cause a property owner hardship.

2.8 The Recovery of Overdue Rates and Charges

Council will exercise its rate recovery powers pursuant to the provisions of Chapter 4 Part 12 of the *Local Government Regulation 2012* in order to reduce the overall rate burden on property owners.

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Council has adopted a Rates and Charges Debt Collection and Recovery Policy for the recovery of outstanding rates and charges. The objective of this policy is to set out Council's principles in regard to the management of debt, and to provide consistent and ethical recovery of outstanding rates and charges across the region in accordance with the parameters and requirements of *the Local Government Regulation 2012*.

Council has adopted a Hardship Policy for those property owners experiencing financial hardship. The objective of the hardship policy is to set out Council guidelines for the assessment of requests for rates and charges relief due to financial hardship.

Council does not verbally contact property owners who are in arrears via telephone. If Council has a current mobile number of a property owner, Council will contact via text message, utilising a bulk distribution method. Council will not use the text message contact if the property owner opts out to receiving the text message reminders.

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

- *communication* by making clear the obligations of property owners and the processes used by Council in assisting them meet their financial obligations
- *transparency* by making the processes used to recover overdue rates and charges simple to administer and cost effective
- *equity* by treating all property owners in similar circumstances in the same manner and
- *flexibility* by responding where necessary to changes in the local economy

Payment Commitments

As a general guide a periodic payment commitment may be agreed between Council and the property owner. To avoid recovery action being taken, requests are to be made to Council in writing before the last date on the legal action letter at which time the relevant Council officer or Council delegate will consider the offer on a case by case basis. The property owner must begin payments on the date they have supplied to Council. If approved, the Council officer or Council delegate will document the commitment and a copy will be provided in writing to the property owner. Council's preferred payment method with regards to payment commitments is direct debit.

Regular reviews will be undertaken by Council officers of all payment commitments.

An agreed periodic payment commitment should ensure all current rates and charges are paid as issued so that the account does not fall further into arrears. An appropriate periodic payment commitment will generally result in all overdue rates and charges being paid in full by the end of the half year period in which the payment commitment is made.

Council reserves the right to renegotiate or cancel a payment commitment should circumstances change where the debt will not be paid within Council's current policy time frame. In these circumstances, Council will not initiate further recovery action without reference to the property owner concerned.

Council will not pursue further recovery action against a property owner who has an agreed written periodic payment commitment, while the commitment is current and the property owner adheres to the agreed repayment schedule. In the event that a payment commitment is not maintained within the agreed terms, the following action will occur:

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The first payment default - A payment Commitment First Notice of Default letter will be issued to the property owner advising that the commitment has been dishonoured and stating the overdue amount and the next payment commitment due date.

The second and final default - The payment commitment will be removed from Council's rate assessment and the debt forwarded to Council's external debt recovery agency with written notice to the property owner.

All payment commitments are removed from Council's rating system at the end of the six (6) month rating period. The property owner will be required to enter into a new approved payment commitment once the new rates are issued.

2.9 Fees and Charges (including cost-recovery fees)

In general, Council will be guided by the principle of user pays in making all other charges. This includes cost-recovery fees as defined under Section 97(2) of the *Local Government Act 2009* (Qld). For a significant business activity, all fees and charges will be set with reference to full cost pricing.

When determining Commercial Charges for Council services and facilities that are not defined as a cost-recovery fee but relate to a business activity Council conducts on a commercial basis, Council takes into account "user pays" principles and market conditions.

When determining Regulatory Fees which are defined as cost-recovery fees, Council takes into account as the criteria for deciding the amount of the cost-recovery fee "user pays" principles and sets regulatory fees at a level sufficient to recover no more than the full cost of providing the service or taking the action for which, the fee is charged.

All fees set by Council are included in a Register of Fees and Charges as originally adopted by Council at the meeting held on 20 May 2020 and as amended from time to time.

New Development Costs

Developer contributions for infrastructure are determined each year in accordance with the philosophy that a developer should pay reasonable and relevant contributions towards the capital cost of the provision of infrastructure, to meet past and future augmentation costs associated with this new development. Council assesses the level of contribution towards physical and social infrastructure in respect of new developments during the development application approval process to ensure an equitable contribution is made by developments which increase the demand on Council infrastructure. Infrastructure charges are determined with reference to Council's charges resolution made under the *Planning Act 2016*. Infrastructure agreements are sometimes used to negotiate outcomes between Council and the developer.

3. 2020-2021 RATES AND CHARGES

Pursuant to Section 94 of the *Local Government Act 2009*, Council will make and levy the rates and charges for the twelve months ended 30 June 2020 as set out in this section of the Revenue Statement.

3.1 Differential General Rates

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Pursuant to Section 94(1)(a) of the *Local Government Act 2009* and Section 80 of the *Local Government Regulation 2012*, for the twelve months ending 30 June 2021, Council resolves to levy differential general rates on all rateable land in the Region.

3.2 Categorisation of Land and Minimum General Rates

Pursuant to Section 81 of the *Local Government Regulation 2012*, the different categories of rateable land in the Region, and a description of each of those rating categories, are set out in **Table 1**.

Pursuant to Section 80 of the *Local Government Regulation 2012*, the differential general rate which will be levied for each category of land is set out in **Table 1**.

Pursuant to Section 77 of the *Local Government Regulation 2012*, the minimum general rate for each category of rateable land is set out in **Table 1**.

Council has delegated its power under Section 81(4) of the *Local Government Regulation 2012* to identify the rating category to which each parcel of rateable land in the Region belongs, to the Chief Executive Officer (Resolution Number 4565 on 9 March 2016).

Further, Council has delegated its power under Section 82(2) of the *Local Government Regulation 2012* to decide what rating category the land referred to in Section 82(1) should be in, to the Chief Executive Officer (Resolution Number 4565 on 9 March 2016).

The Council has made the Rating Category Identification Policy as a guide to correct identification.

3.3 Limiting increase in Rates and Charges

Council has not resolved to limit any increase in rates and charges relative to the previous financial year.

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Table 1 - Differential General Rates Table

Category No.	Category Name	Description	Rate in \$ 2020/2021	Minimum General Rate 2020/2021
1	Commercial ≤/= \$600,000	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value less than or equal to \$600,000, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.	\$0.010799	\$2,023.00
2	Commercial \$600,001 & ≤/= \$800,000	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$600,001 and up to or equal to \$800,000, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.	\$0.010691	\$6,479.00
3	Commercial > \$800,001 & ≤/= \$1.5Million	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$800,001 and less than or equal to \$1.5M, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.	\$0.010583	\$8,552.00
4	Commercial > \$1.5Million	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$1.5M, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.	\$0.006263	\$15,874.00
5	Supermarkets ≤/= \$1Million	Land used or intended to be used, in whole or in part for a Supermarket, with a rateable value of less than or equal to \$1 million.	\$0.014512	\$8,867.00
6	Supermarkets > \$1Million	Land used or intended to be used, in whole or in part for a Supermarket, with a rateable value greater than \$1million.	\$0.016945	\$14,512.00
7	Shopping Centres ≤/= 7000 sq m	Land used or intended to be used, in whole or in part for a Shopping Centre that has a property land area of up to or equal to 7000 sq metres, or less than or equal to 120 onsite carparking spaces.	\$0.040306	\$56,119.00
8	Shopping Centres > 7000 sq m	Land used or intended to be used, in whole or in part for a Shopping Centre that has a property land area greater than 7000 sq metres, or more than 120 onsite carparking spaces.	\$0.025445	\$168,357.00
9	Motels ≤/= 25 Rooms	Land used or intended to be used, in whole or in part for a motel with no more than 25 rooms.	\$0.024466	\$1,965.00

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Category No.	Category Name	Description	Rate in \$ 2020/2021	Minimum General Rate 2020/2021
10	Motels 26 - 50 Rooms	Land used or intended to be used, in whole or in part for a motel with 26 to 50 rooms.	\$0.028867	\$8,213.00
11	Motels >= 51 Rooms	Land used or intended to be used, in whole or in part as a motel with 51 or more rooms.	\$0.031755	\$27,375.00
12	Farming/Agriculture <=\$200,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value of less than or equal to \$200,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.	\$0.007765	\$1,411.74
13	Farming/Agriculture \$200,001-\$380,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value between \$200,001 and \$380,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.	\$0.008425	\$1,553.00
14	Farming/Agriculture \$380,001-\$610,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value between \$380,001 and \$610,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.	\$0.008564	\$3,202.00
15	Farming/Agriculture >=\$610,001	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value of \$610,001 or greater, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.	\$0.009705	\$5,224.00
16	Rural Residential – Owner Occupied <=\$250,000	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person that is within the Rural Fire Service boundaries with a rateable value or less than or equal to \$250,000.	\$0.010596	\$1,092.00
16a	Rural Residential – Owner Occupied > \$250,001	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person that is within the Rural Fire Service boundaries with a rateable value above \$250,001.	\$0.0075800	\$2,645.00
17	Service Stations/Garages <=100,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is or is not an associated shop and/or fuel outlet and approved onsite bulk fuel storage of up to and including 100,000 litres. In addition, the category includes any land used for a fuelling area, fuel storage area, retail shop or parking area associated with land used for fuel retailing.	\$0.035437	\$5,612.00

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Category No.	Category Name	Description	Rate in \$ 2020/2021	Minimum General Rate 2020/2021
18	Service Stations/Garages 100,001 to 200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is or is not an associated shop and/or fuel outlet and approved onsite bulk fuel storage of between 100,001 and up to and including 200,000 litres. In addition, the category includes any land used for a fuelling area, fuel storage area, retail shop or parking area associated with land used for fuel retailing.	\$0.031062	\$28,059.00
19	Service Stations/Garages Over 200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is an associated shop and/or fuel outlet and approved onsite bulk fuel storage of more than 200,000 litres. In addition, the category includes any land used for a fuelling area, fuel storage area, retail shop or parking area associated with land used for fuel retailing.	\$0.025473	\$84,178.00
20	Services Stations & Garages without Shops or Food Outlets >200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is not any associated shop and/or fuel outlet and approved onsite bulk fuel storage of more than 200,000 litres. In addition, the category includes any land used for a fuelling area, fuel storage area, or parking area associated with land used for fuel retailing.	\$0.023787	\$5,612.00
21	Transmission Sites	Land used or intended to be used, in whole or in part for the transmission or distribution of electricity from a coal or gas-fired power plant including, but not limited to, a substation.	\$0.025677	\$11,206.00
22	Gas Compressor Sites	Land used or intended to be used, in whole or in part for the transportation of gas under compression and/or any purpose associated or connected with the transportation of gas under compression.	\$0.045421	\$11,206.00
23	Workers Accommodation	Land used or intended to be used, in whole or in part for the provision of intensive accommodation for more than 50 persons (other than the ordinary travelling public) in rooms, suites, dongas, caravan sites, or a combination of these specifically built or provided for this purpose. Land within this category is commonly known as "workers accommodation", "single person's quarters", "work camps", "accommodation village", or "barracks".	\$0.031755	\$27,375.00

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Category No.	Category Name	Description	Rate in \$ 2020/2021	Minimum General Rate 2020/2021
24	Urban Residential – Owner Occupied ≤ \$200,000	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person that is not within the Rural Fire Service boundaries with a rateable value of less than or equal to \$200,000.	\$0.011835	\$1,099.00
24a	Urban Residential – Owner Occupied > \$200,001	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person that is not within the Rural Fire Service boundaries with a rateable value above \$200,001.	\$0.0079800	\$2,370.00
25	Farming/Agriculture On Farm Packing Operation	Land used or intended to be used, in whole or in part for farming or agricultural purposes containing an on farm packing operation.	\$0.010683	\$9,217.00
26	Intensive Agriculture Poultry ≤ 200,000 birds	Land used or intended to be used, in whole or in part for intensive poultry farming with an approved capacity of up to or equal to 200,000 birds.	\$0.016900	\$5,993.00
27	Intensive Agriculture Poultry 200,001 birds and over	Land used or intended to be used, in whole or in part for intensive poultry farming with an approved capacity of over 200,000 birds.	\$0.032653	\$7,193.00
28	Intensive Agriculture Piggeries ≤ 3,000 SPU	Land used or intended to be used, in whole or in part for intensive pig farming with an approved capacity of up to or equal to 3,000 SPU.	\$0.044715	\$5,993.00
29	Intensive Agriculture Piggeries 3,001 SPU and over	Land used or intended to be used, in whole or in part for intensive pig farming with an approved capacity of over 3,000 SPU.	\$0.057760	\$7,193.00
30	Multiple Dwelling	Residential land used for a multi-unit residential building, which does not form part of a community title scheme or residential group title consisting of 2 or more flats or units or a duplex. This also includes properties with 2 or more residential dwellings.	\$0.014554	\$1,374.00

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Category No.	Category Name	Description	Rate in \$ 2020/2021	Minimum General Rate 2020/2021
31	Land which is Subject to Chapter 2, Part 2, Subdivision 3 of the Land Valuation Act 2010	Land which is subject to Chapter 2, Part 2 Subdivision 3 of the <i>Land Valuation Act 2010</i> .	\$0.010741	N/A
32	Nursing Homes/Retirement Villages	Land used or intended to be used, in whole or in part for the provision private medical care, the provision of aged care nursing or as a retirement village.	\$0.013663	\$6,319.00
33	Sporting Clubs & Facilities	Land used or intended to be used, in whole or in part for sporting clubs and facilities associated with a sporting club where the operator does not hold a liquor and/or gaming licence, except land included in category 34.	\$0.008599	\$1,208.00
34	Licensed Clubs & Sporting Clubs	Land used or intended to be used, in whole or in part for the operation of a sporting club and facilities associated with a sporting club where the land is subject to a liquor and/or gaming licence.	\$0.010015	\$3,562.00
35	Non-Principal Place of Residence	Land with a dwelling used or intended to be used, in whole or in part for a residential purpose, including rural residential land, that is not a Principal Place of Residence and not included in Category 16, 24, 30, or 31.	\$0.013603	\$1,319.00
36	Sundry Purposes	Land used or intended to be used, in whole or in part for a permit to occupy, water storage, or a pump site and land which is not otherwise categorized.	\$0.016102	\$231.00
37	Extractive & Mining Lease > 100,000 tonnes	Land used or intended to be used, in whole or in part for extractive industry and land which is a mining lease, where more than 100,000 tonnes of material is removed per annum.	\$0.082045	\$43,245.00
38	Extractive & Mining Lease 5,001 tonnes – 100,000 tonnes	Land used or intended to be used, in whole or in part for extractive industry and land which is a mining lease, where between 5,001 and 100,000 tonnes of material is removed per annum.	\$0.029360	\$22,240.00


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Category No.	Category Name	Description	Rate in \$ 2020/2021	Minimum General Rate 2020/2021
39	Extractive & Mining Lease up to 5,000 tonnes	Land used or intended to be used, in whole or in part for extractive industry and land which is a mining lease, where no more than 5,000 tonnes of material is removed per annum.	\$0.024859	\$9,638.00
40	Noxious/Offensive Industry – Explosive Factories	Land used or intended to be used, in whole or in part for the manufacture and/or storage of explosives.	\$0.020071	\$31,379.00
41	Noxious/offensive Industry – Abattoirs	Land used or intended to be used, in whole or in part as an abattoir having more than 20 employees and a valuation greater than \$500,000.	\$0.030997	\$31,379.00
42	Noxious/offensive Industry – Other	Land used or intended to be used, in whole or in part for the purpose of a sawmill, tannery or any other industrial purpose or any use associated or connected with an industrial purpose, other than land included in categories 40 or 41.	\$0.023384	\$5,379.00
43	Caravan Parks & Camping Grounds <= \$300,000	Land used or intended to be used, in whole or in part as a caravan park with a rateable value of less than or equal to \$300,000.	\$0.021566	\$2,807.00
44	Caravan Parks and Camping Grounds \$300,001 to \$600,000	Land used or intended to be used, in whole or in part as a caravan park with a rateable value of between \$300,001 up to and including \$600,000.	\$0.024416	\$6,469.00
45	Caravan Parks and Camping Grounds > \$600,000	Land used or intended to be used, in whole or in part as a caravan park with a rateable value of greater than \$600,000.	\$0.026857	\$14,649.00
46	Power Stations <= 50MW	Land used or intended to be used, in whole or in part for ancillary to the generation of electricity from a coal and/or gas fired power station with an output capacity of no more than 50MW.	\$0.025710	\$53,467.00

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Category No.	Category Name	Description	Rate in \$ 2020/2021	Minimum General Rate 2020/2021
47	Power Stations >=51MW	Land used or intended to be used, in whole or in part for ancillary to the generation of electricity from a coal and/or gas fired power station with an output capacity of 51MW or more.	\$0.028280	\$106,934.00
48	Residential Vacant Land	Vacant Land used, or capable of being used, for residential purposes not included in Category 31.	\$0.011157	\$1,092.00

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4. WASTE MANAGEMENT

4.1 WASTE RECYCLING AND COLLECTION CHARGES

Pursuant to Section 94(1)(b)(ii) of the *Local Government Act 2009*, for the twelve months ending 30 June 2021, a utility charge for waste and recycling collection charges will be made and levied in accordance with the following provisions.

Charges shall apply to all lands and/or premises within Council's Serviced Area (where waste services are made available).

The charge will be levied on a pro-rata basis from the date of commencement for additional services or new first services.

4.1.1 Residential:

First service: \$283.00 per annum. The First Service consists of one x 240 litre waste bin collected on a weekly basis and one x 240 litre recycle bin collected fortnightly and applies to all Residential properties serviced by Council's waste collection contractor in accordance with their contract with the Lockyer Valley Regional Council.

Additional services: Additional Services may be made available upon application to Council. Additional services consist only of additional bins which will be collected on the normal service day of the property concerned. Council will not provide additional services to the property on any other day.

Charges for additional services:

- Dual bins: \$283.00 per annum
- Additional Waste Bin collected weekly: \$177.00 per annum
- Additional Recycling Bin collected fortnightly: \$106.00 per annum

4.1.2 Commercial:

First service: Waste Commercial Service (240L) Dual - \$483.00 per annum. The First Service consists of one x 240 litre waste bin collected on a weekly basis and one x 240 litre recycle bin collected fortnightly and applies to all commercial properties serviced by Council's waste collection contractor in accordance with their contract with the Lockyer Valley Regional Council.

Additional services: Additional services may be made available on application to Council. Additional services consist only of additional bins which will be collected on the normal service day of the property concerned. Council will not provide additional services to the property on any other day.

Charges for additional services:

- Waste Commercial Service (240L) Waste only - \$329.00 per annum

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- Waste Commercial Service (240L) Recycle only - \$153.00 per annum

4.1.3 Service Cancellations and Suspensions

Council has resolved that the whole of the Lockyer Valley Region is in the 'Serviced Area'.

As such, the waste recycling and collection charge shall be levied for the First Service on every parcel of land in the Region where waste services are made available except where:

- there is a demolition of premises, as certified by an approved person or
- land is vacant for a full year, as established by a Statutory Declaration

Permitted cancellations as above or cancellation of additional services must be made in the form required by Council and a pro rata adjustment from the date of service cancellation or suspension will be allowed.

Bins remain the property of Lockyer Valley Regional Council's waste collection contractor and are provided to be used specifically for the storage of waste and recycling materials only.

4.2 WASTE MANAGEMENT CHARGE

Pursuant to Section 94(1)(b)(ii) of the *Local Government Act 2009*, for the twelve months ending 30 June 2021, a utility charge of \$147.00 per annum per assessment will be levied on all rateable land in the region for the services and activities detailed herein.

This utility charge will also be levied to all non-rateable land to which a waste collection service is provided.

The proceeds from the charge shall be applied to fund recurrent and capital expenditure and the administration costs associated with the provision, improvement and management of Council's waste management facilities throughout the region. Waste management facilities include landfill sites, transfer stations, weighbridge and waste bins located throughout the region.

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

5. SPECIAL CHARGES


5.1 Special Charge – Rural Fire Levy

Pursuant to Section 94(1)(b)(i) of the *Local Government Act 2009*, for the twelve months ending 30 June 2021 a special charge of \$27.00 per annum per assessment will be made and levied on all rateable properties which are in an area serviced by a Rural Fire Brigade.

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All such lands are deemed to benefit from this charge as a result of the Rural Fire Brigade Group operating in the area. This special charge shall continue to apply for the 2020/2021 year regardless of any levies that may be introduced by State or Federal Governments.

The proceeds from the Special Charge collected shall be distributed as follows:

- \$50,000 will be retained by Lockyer Valley Regional Council for a range of fire mitigation activities including but not limited to the maintenance of fire trails within the Lockyer Valley Council Region on Council owned and controlled land and
- The balance will be remitted to the Lockyer Local Area Finance Committee which acts for the rural fire brigade groups within the Lockyer Valley Regional Council area

This Special Charge is levied for the maintenance of fire trails within the Lockyer Valley Council Region and to provide for the operations, maintenance and provision of buildings, land and/or equipment for Rural Fire Brigade groups in accordance with agreements between Council and the Lockyer Local Area Finance Committee.

For each property attracting this Special Charge, Council retains an administration charge of \$1.50 per assessment to cover administration of the plan.

Overall Plan

The overall plan for the Rural Fire special charge is as follows:-

1. The service, facility or activity is described above.
2. The rateable land to which the charge shall be applied is all land in areas serviced by a Rural Fire Brigade.
3. The estimated cost of the overall plan is \$250,295.00.
4. The time for implementing the overall plan is one year ending on 30 June 2021.

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

6. SEPARATE CHARGES

6.1 Emergency Preparedness Levy

Pursuant to Section 94(1)(b)(iii) of the *Local Government Act 2009*, for the twelve months ending 30 June 2021 a separate charge of \$104.00 per assessment will be made and levied on all rateable land within the region.

This separate charge is levied to fund infrastructure restoration projects (such as bridges, roads) funding shortfalls, interest and redemption payments on loans associated with

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recovery work and community resilience recovery through agreed community recovery programs.

The proceeds from the separate charge shall also be applied to fund expenditure on the disaster management initiatives associated with improving the region's preparedness for and response to future natural disasters including the implementation of the recommendations of the Queensland Floods Commission of Inquiry.

Furthermore, the proceeds from the separate charge shall be applied to fund recurrent and capital expenditure for the Volunteer State Emergency Services Units operating within the Lockyer Valley Regional Council area together with the provision of disaster planning and management support for the units

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

6.2 Environmental Levy

Pursuant to Section 94(1)(b)(iii) of the *Local Government Act 2009*, for the twelve months ending 30 June 2021 a separate charge of \$16.00 per assessment will be made and levied on all rateable land within the region.

This separate charge is levied to fund expenditure on the implementation of physical/biological, cultural, social and economic environmental initiatives throughout the region.

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

6.3 Resilient Rivers Initiative Levy

Pursuant to Section 94(1)(b)(iii) of the *Local Government Act 2009*, for the twelve months ending 30 June 2021 a separate charge of \$2.00 per assessment will be made and levied on all rateable land within the region.

This separate charge is levied to fund Council's contribution for the Council of Mayors South East Queensland's (COMSEQ's) Resilient Rivers Initiative, which will deliver projects to keep soil on the land, protect water security, promote partnerships and improve climate resilience.

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

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7. DEFINITIONS

Differential General Rates Table: means Table 1 in this Revenue Statement.

Due Date: is the due date for payment as shown on the rate notice.

Dwelling: a self-contained unit of approved residential accommodation that is not a caravan or mobile home and is internally or externally provided with:

- a) a kitchen sink and facilities for the preparation of food; and
- b) a bath or shower; and
- c) clothes washing facilities, comprising at least one wash-tub and space for a clothes washing machine; and
- d) a toilet; and
- e) a wash basin.

Full Payment: shall be the amount of the most recently issued rates notice less any applicable discount. These payments are also cleared on the transaction date. 'Cleared' payment means money which can be transferred to Council's bank accounts at the time of the transaction or at the end of the day.

Land Parcel: any parcel which is registered with the Titles Office as a separate subdivision, re-subdivision, allotment, lot, section or portion and which is capable of being occupied separately regardless of whether a separate title is held for such parcel.

On Farm Packing Operation: land containing a facility where fruit and/or vegetables are received and/or processed prior to distribution to market. Operations may include but are not limited to sorting, trimming, washing, drying, waxing, curing, chemical treatment, packaging, pre-cooling, storage, and transportation.

Premises: includes –

- (a) the whole or any part of any building, structure, or land, and;
- (b) any construction works whether on private land, Crown land, Council land or any public place.

Primary Production Purposes: land available for the business or industry of grazing, dairying, pig farming, poultry farming, viticulture, orcharding, apiculture, horticulture, aquiculture, vegetable growing, the growing of crops of any kind, forestry; or any other business or industry involving the cultivation of soils, the gathering in of crops or the rearing of livestock; and where a farming concession is granted by the Department of Natural Resources and Mines in accordance with Chapter 2, Part 2, Subdivision 2 of the *Land Valuation Act 2010*.

Principal Place of Residence: a "principal place of residence" is defined as a single approved dwelling house or approved dwelling unit, owned by one or more natural person(s) at least one of whom predominately reside there. In establishing principal place of residence, Council may consider, but not be limited to, the owner's declared address for electoral,

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taxation, government social security or national health registration purposes, driver's licencing or any other form of evidence deemed acceptable by Council.

Residential premises which are owned by a pensioner who is residing in alternative accommodation for health and care reasons may still be considered a principal place of residence if Council is satisfied that the pensioner is still solely responsible for the payment of rates and the property is not occupied on a paid tenancy basis.

Residential premises that have not met these criteria will be deemed a non-principal place of residence.

Other than the exception for pensioners outlined above, premises which are vacant for more than 6 months of the year will not be considered a principal place of residence.

Property: a parcel or parcels of land recorded together within Council's systems for rating and charging purposes.

Retirement Village: is a registered premise where older members of the community or retired persons reside, or are to reside, in independent living units or serviced units in accordance with the *Retirement Villages Act 1999*.

Rural Fire Service Boundaries: means the boundaries of those parts of the local government area within which the Rural Fire Service operates and subject to the State Government Emergency Management Levy Class E, as shown on the map available from Queensland Fire and Emergency Services:
(www.fire.qld.gov.au/about/EmergencyManagementFireandRescue-Levy.asp)

Shopping Centre: land which is used or intended to be used, in whole or in part for retail activities comprising multiple shops or retail warehouses (including a combination of both).

Supermarket: land which is used or intended to be used, in whole or in part for a detached supermarket purpose typically involving a self-service retail store or market selling food and other domestic goods but not forming part of a Shopping Centre.

Vacant Land: land devoid of buildings or structures with the exception of outbuildings or other minor structures not designed or used for human habitation or occupation. It does not apply to land that is used for car parking or in conjunction with any commercial activity, e.g. heavy vehicle or machinery parking, outdoor storage areas, assembly areas or rural activities such as cultivation, grazing or agistment.

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Any terms not defined in this Revenue Statement shall be as defined under the *Local Government Act 2009* and *Local Government Regulation 2012* and if not there defined the term will be given the meaning determined by Council.

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Superseded/Revoked: NA

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5.4 Rating Category Identification Policy for Financial Year 2020/2021**Date:** 25 June 2020**Author:** Kirsty Johnson, Coordinator Revenue Services; Jodi Marchant, Chief Financial Officer**Responsible Officer:** Ian Church, Chief Executive Officer

Purpose:

The purpose of this report is to seek Council's adoption of the Rating Category Identification Policy for Financial Year 2020/2021 as part of the 2020/2021 Budget to assist in the identification of properties for the purposes of rating categorisation.

Officer's Recommendation:**THAT Council adopt the Rating Category Identification Policy for the Financial Year 2020/2021.****Executive Summary**

Prior to 2016/2017 the identification of land for rating categorisation purposes had been included in Council's Revenue Statement. The legal review of the Revenue Statement at that time recommended removing the identification component from the Statement and containing it in a new policy.

Finance and Resource Implications

This policy assists with the generation of revenue in accordance with Council's 2020/2021 Budget and Revenue Statement.

Corporate PlanCorporate Plan Theme

Lockyer Leadership and Council

Outcome

- 5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community
- 5.2 Excellence in customer service to our community
- 5.7 Compliance with relevant legislation

Consultation

Internal Consultation

Councillors were consulted through the development of the 2020/2021 Council budget at Councillor Workshops held between February 2020 to June 2020.

The implications of this policy will be communicated to the staff involved in the categorisation process.

External Consultation

Due to the internal administrative nature of this report, there has been no external consultation.

Community Engagement

The implications of the 2020/2021 Revenue Policy will be incorporated into extensive communications associated with the 2020/2021 Budget.

Proposal

Overview

Section 81 of the *Local Government Regulation 2012* deals with the categorisation of land for differential general rates. Council is required to decide the different categories of rateable land and describe each of the categories. Once the categories have been determined and described, the category to which each parcel of land belongs must be identified. The Regulation allows Council to do this in any way it considers appropriate.

This policy provides guidance to Council in the identification process by referral to the description of the category in Council's Revenue Statement, the actual use of the parcel of land and the land use code attached to the parcel by the Department of Natural Resources, Mines and Energy. The policy makes clear Council's intentions when categorising land for rating purposes.

The policy clarifies the role that land use codes play in the categorisation process and where the land use code conflicts with the actual use of the land, the categorisation will be based on the actual use.

The policy is to be adopted on an annual basis as part of the budget process to reflect changes in the rating categories for the new financial year.

Legal Implications

The adoption of this policy will assist in the categorisation process undertaken in accordance with Section 81(4) and 81(5) of the *Local Government Regulation 2012*. It will provide guidance in identifying the relevant rating category to which each parcel of rateable land belongs.

Policy Implications

The adoption of the 2020/2021 Rating Category Identification Policy by Councillors supersedes Council's 2019/2020 Rating Category Identification Policy.

Risk Considerations

Key Corporate Risk Code and Category: FE2

Key Corporate Risk Descriptor: Finance and Economic
Decision making governance, due diligence, accountability and sustainability.

Previous Council Resolutions

Special Meeting of Council 14 June 2019 (16-20/1400)

THAT Council adopt the Rating Category Identification Policy for the Financial Year 2019/2020.

Related Documentation

Rating Category Identification Policy for Financial year 2020/2021.

Critical Dates

Under the Local Government Act 2009 Chapter 4 Finances and accountability, Part 3 Financial planning and accountability section 107a Approval of the budget the local government must adopt a budget before 1 August in the financial year to which the budget relates.

Implementation

Update Council's Policy Register and upload to the internet.

Attachments

1 [!\[\]\(4b7a79268f6ba26c1471d4232fffa85a_img.jpg\)](#) Rating Category Identification Policy 6 Pages



STRATEGIC/GOVERNANCE

RATING CATEGORY IDENTIFICATION POLICY FOR FINANCIAL YEAR 2020/2021

Head of Power

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan (2017 – 2022);

5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.

Definitions

Land Use Codes means those land use codes as given to Council by the Department of Natural Resources, Mines and Energy and recorded in Council's land record kept under the *Local Government Act 2009 (Qld)*.

Policy Objective

The purpose of this policy is to provide guidance to Lockyer Valley Regional Council (Council) and its delegate in the exercise of identifying the rating category to which each parcel of rateable land in Council's local government area belongs for financial year 2020/2021.

This policy should be read in conjunction with Section 81(4) and (5) of the *Local Government Regulation 2012 (Qld)* and with Council's Revenue Statement for the financial year 2020/2021 (Revenue Statement).

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:16-20/1400)

Date Approved: 14/06/2019
ECM: 3796720

Effective Date: 01/07/2019
Version: 1.2 Last Updated: 30/05/2019
Review Date: 31/05/2020
Superseded/Revoked: Rating Category Identification Policy for
financial year 2018/2019

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This policy does not limit the way in which Council identifies the rating category to which each parcel of rateable land in Council's local government area belongs.

Section 81(5) of the *Local Government Regulation 2012* (Qld) allows Council to undertake the identification exercise specified in section 81(4) of that Regulation in a way Council considers appropriate.

Policy Statement

In undertaking the exercise required under section 81(4) and (5) Local Government Regulation 2012 (Qld), Council will have regard to the Revenue Statement.

In the Revenue Statement, the rating categories and descriptions for rateable land associated with the levying of differential general rates for financial year 2020/2021 have been set out in Table 1 of that document. Council has adopted the categories and descriptions by resolution passed at its budget meeting for 2020/2021.

The matters set out in the table below are intended to provide guidance to Council and its delegate in identifying the rating category to which each parcel of rateable land in Council's local government area belongs for financial year 2020/2021.

The Land Use Codes referred to for each category are those which describe uses which will generally correspond with the description for the category. However, it is the actual use which determines the correct category. If in any case the use described by the assigned Land Use Code is found to not reflect the actual land use, categorisation must be based on the category and description which correspond to the actual use.

Table

No. of Rating Category for FY2020/2021 in the Revenue Statement	Name of Rating Category for FY2020/2021 in the Revenue Statement	Guidance for identifying the rating category to which each parcel of rateable land in Council's local government area belongs for FY2020/2021
1	Commercial \$0.00 <or= \$600,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 46.
2	Commercial \$600,001 & <= \$800,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 46.
3	Commercial > \$800,001 & <= \$1.5Million	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 46.
4	Commercial > \$1.5Million	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 46.
5	Supermarkets <= \$1Million	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 15, 17 to 27 but not Land with Land Use Code 16.

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:xx-xx/xxxx)

Date Approved: 15/07/2020
ECM: 3796720

Effective Date: 15/07/2020
Version: 1.2 last Updated: 30/05/2019
Review Date: 31/06/2021
Superseded/Revoked: Rating Category Identification Policy for financial year 2019/2020

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No. of Rating Category for FY2020/2021 in the Revenue Statement	Name of Rating Category for FY2020/2021 in the Revenue Statement	Guidance for identifying the rating category to which each parcel of rateable land in Council's local government area belongs for FY2020/2021
6	Supermarkets > \$1Million	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 15, 17 to 27 but not Land with Land Use Code 16.
7	Shopping Centres <= 7000 sq m	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 16.
8	Shopping Centres >7000 sq m	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 16.
9	Motels <= 25 Rooms	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 43.
10	Motels 26 -50 Rooms	(c) The Description for this category in the Revenue Statement. (d) Land with Land Use Code 43.
11	Motels >= 51 Rooms	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 43.
12	Farming/Agriculture <=\$200,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to 71 and 73 to 89.
13	Farming/Agriculture \$200,001-\$380,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to 71 and 73 to 89.
14	Farming/Agriculture \$380,001-\$610,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to 71 and 73 to 89.
15	Farming/Agriculture >= \$610,001	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to 71 and 73 to 89.
16	Rural Residential – Owner Occupied <or=\$250,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 2, 3, 5, 8 and 9.
16A	Rural Residential – Owner Occupied > \$250,001	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 2, 3, 5, 8 and 9.
17	Service Stations/Garages <=100,000 litres	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 30 and 31.
18	Service Stations/Garages 100,001 to 200,000 litres	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 30 and 31.

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:xx-xx/xxxx)

Date Approved: 15/07/2020
ECM: 3796720

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Superseded/Revoked: Rating Category Identification Policy for financial year 2019/2020

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No. of Rating Category for FY2020/2021 in the Revenue Statement	Name of Rating Category for FY2020/2021 in the Revenue Statement	Guidance for identifying the rating category to which each parcel of rateable land in Council's local government area belongs for FY2020/2021
19	Service Stations/Garages Over 200,000 litres	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 30 and 31.
20	Services Stations & Garages without Shops or Food Outlets >200,000 litres	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 30 and 31.
21	Transmission Sites	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 91.
22	Gas Compressor Sites	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 27.
23	Workers Accommodation	The Description for this category in the Revenue Statement.
24	Urban Residential – Owner Occupied <or=\$200,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 2, 3, 5, 8 and 9.
24a	Urban Residential – Owner Occupied > \$200,001	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 2, 3, 5, 8 and 9.
25	Farming/Agriculture On Farm Packing Operation	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to71 and 73 to 89.
26	Intensive Agriculture Poultry </=200,000 birds	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to71 and 73 to 89.
27	Intensive Agriculture Poultry 200,001 birds and over	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to71 and 73 to 89.
28	Intensive Agriculture Piggeries </=3,000 SPU	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to71 and 73 to 89.
29	Intensive Agriculture Piggeries 3,001 SPU and over	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to71 and 73 to 89.
30	Multiple Dwelling	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 2,3, 5, 8 and 9.
31	Land which is Subject to Chapter 2, Part 2, Subdivision 3 of the Land Valuation Act 2010	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 72.

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:xx-xx/xxxx)

Date Approved: 15/07/2020
ECM: 3796720

Effective Date: 15/07/2020
Version: 1.2 last Updated: 30/05/2019
Review Date: 31/06/2021
Superseded/Revoked: Rating Category Identification Policy for financial year 2019/2020

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No. of Rating Category for FY2020/2021 in the Revenue Statement	Name of Rating Category for FY2020/2021 in the Revenue Statement	Guidance for identifying the rating category to which each parcel of rateable land in Council's local government area belongs for FY2020/2021
32	Nursing Homes/Retirement Villages	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 27.
33	Sporting Clubs & Facilities	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 48 and 50.
34	Licensed Clubs & Sporting Clubs	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 47 and 48.
35	Non-Principal Place of Residence	The Description for this category in the Revenue Statement.
36	Sundry Purposes	The Description for this category in the Revenue Statement.
37	Extractive & Mining Lease > 100,000 tonnes.	The Description for this category in the Revenue Statement.
38	Extractive & Mining Lease 5,001 tonnes – 100,000 tonnes.	The Description for this category in the Revenue Statement.
39	Extractive & Mining Lease up to 5,000 tonnes.	The Description for this category in the Revenue Statement.
40	Noxious/Offensive Industry – Explosive Factories	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 35 to 40.
41	Noxious/offensive Industry – Abattoirs	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 35 to 40.
42	Noxious/offensive Industry – Other	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 35 to 40.
43	Caravan Parks & Camping Grounds ≤ \$300,000	(a) The Description for this category in the Revenue Statement. (b) Land with a Land Use Code 49.
44	Caravan Parks and Camping Grounds \$300,001 to \$600,000	(a) The Description for this category in the Revenue Statement. (b) Land with a Land Use Code 49.
45	Caravan Parks and Camping Grounds > \$600,000	(a) The Description for this category in the Revenue Statement. (b) Land with a Land Use Code 49.
46	Power Stations ≤ 50MW	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 91.

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:xx-xx/xxxx)

Date Approved: 15/07/2020
ECM: 3796720

Effective Date: 15/07/2020
Version: 1.2 last Updated: 30/05/2019
Review Date: 31/06/2021
Superseded/Revoked: Rating Category Identification Policy for financial year 2019/2020

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No. of Rating Category for FY2020/2021 in the Revenue Statement	Name of Rating Category for FY2020/2021 in the Revenue Statement	Guidance for identifying the rating category to which each parcel of rateable land in Council's local government area belongs for FY2020/2021
47	Power Stations >= 51MW	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 91.
48	Residential Vacant Land	(a) The Description for this category in Revenue Statement. (b) Land with Land Use Code 1, 3, 4, 6, 8, 9, or 94.

Related Documents

Local Government Act 2009
Local Government Regulation 2012
2020 2021 Revenue Statement

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:xx-xx/xxxx)

Date Approved: 15/07/2020
ECM: 3796720

Effective Date: 15/07/2020
Version: 1.2 last Updated: 30/05/2019
Review Date: 31/06/2021
Superseded/Revoked: Rating Category Identification Policy for financial year 2019/2020

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5.5 2020/2021 Annual Budget and Long Term Financial Forecast 2020/2021 - 2029/2030

Date: 08 July 2020
Author: Jodi Marchant, Chief Financial Officer
Responsible Officer: Ian Church, Chief Executive Officer

Purpose:

The purpose of this report is to seek Council's adoption of the 2020/2021 Annual Budget and Long Term Financial Forecast 2020/2021 – 2029/2030 forward estimates for Lockyer Valley Regional Council.

Officer's Recommendation:

THAT Council adopt pursuant to Section 107A of the *Local Government Act 2009* and Sections 169 and 170 of the *Local Government Regulation 2012*, the Budget for the financial year 2020/2021 and the Long Term Financial Forecast for the financial years 2020/2021 to 2029/2030, as contained in the document entitled 2020/2021 Budget and Long Term Financial Forecast (Attachment 1) and set out in the pages contained therein the:

- i. **Statement of Income and Expenditure.**
- ii. **Statement of Financial Position.**
- iii. **Statement of Cash Flows.**
- iv. **Statement of Changes in Equity.**
- v. **Relevant Measures of Financial Sustainability.**
- vi. **Detailed Statements of Income and Expenditure:**
 - a. **Business Unit – Child Care Centres 2020/2021 to 2022/2023.**
 - b. **Business Unit – Waste Management 2020/2021 to 2022/2023.**
- vii. **Percentage Change in Rates Levied from 2019/2020.**

Further;

THAT Council note the Statement of Estimated Financial Position at 30 June 2020 (Attachment 2), as presented by the Chief Executive Officer in accordance with Section 205 of the *Local Government Regulation 2012*.

And Further;

THAT Council resolve not to apply the Code of Competitive Conduct to Council's Child Care, Waste Management, or Staging Post Business Activities as applying the Code would result in unnecessary administrative costs for Council.

Executive Summary

Under the *Local Government Regulation 2012*, Council must prepare an accrual-based budget for each financial year which is consistent with the 5-year Corporate Plan and Annual Operational Plan. To comply with the *Local Government Regulation 2012*, Council must also publish results against a series of measures of financial sustainability for the budget year and the next nine (9) years.

The 2020/2021 Budget presents the overall position of a surplus of \$8.75 million, with expenditure on Council operations of \$56.74 million and a capital works program of \$19.20 million. Total budgeted revenues for the year are \$65.49 million which includes capital revenue of \$6.69 million. Excluding capital revenues, the budget forecasts a \$2.06 million operating surplus.

Finance and Resource Implications

The budgeted operating surplus is largely contingent upon containing costs within the budgeted amount. There is limited scope for new projects and additional funding for services in the short term while maintaining a balanced budget. Should the need arise for additional funds during the year, offset savings and a reprioritisation of resources will be required, and these will be addressed through regular budget reviews.

The use of Council's day labour on capital projects will also need to be maintained and any diversion from capital projects to operational works will impact on the operating result.

If Council can contain its costs and maintain revenue at the levels outlined in the 2020/2021 Budget and forward estimates, Council is forecasted to maintain operating surpluses for the life of the long term financial plan. Based on the estimated requirements in the current Service Management Plans, the forecast provides sufficient funding to adequately maintain Council's asset base.

The Federal Government has announced that 50% of the 2020/2021 Financial Assistance Grants (FAGs) will be paid in June 2019. This is consistent with the 2017/2018 financial year; however, the present schedule included in the Federal Budget Papers has no indication that there will be an advance payment of the 2021/2022 grant in June 2021. Based on history, Council's budget assumes that the advance payments continue; however, if this doesn't occur then the actual surplus for 2020/2021 will be reduced by approximately \$2.00 million as a timing difference.

The COVID-19 pandemic has presented significant economic challenges for the Lockyer Valley community. There remains considerable uncertainty around the potential economic implications of the Coronavirus, however, the economic shock is likely to be significant as it continues to impact on consumer confidence, people's ability to work and business cash flow. The financial forecast for the 2019/2020 year has been impacted due to COVID-19 and the long-term financial sustainability has been impacted, with forecasts updated to reflect the changes identified and financial relief measures provided and proposed. This is still subject to change as the year progresses and a high sense of budget discipline will be required to maintain or improve Council's planned operating surplus.

Corporate Plan

Corporate Plan Theme

Lockyer Leadership and Council

Outcome

- 5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.
- 5.7 Compliant with relevant legislation

Consultation

Portfolio Councillor Consultation

Councillors were consulted through the development of the 2020/2021 Council budget at Councillor Workshops held between February 2020 to June 2020.

Internal Consultation and Community Engagement

The implications of the financial statements will be incorporated into extensive communications associated with the 2020/2021 Budget. Following its adoption, the various components of the budget will be consolidated into one document and be made available on the internet.

Proposal

Overview

Council must prepare an accrual-based budget for each financial year which is consistent with the 5-year Corporate Plan and Annual Operational Plan. Further, Council must also publish results against a series of measures of financial sustainability for the budget year and the next nine (9) years.

To meet the legislative requirements, included in the 2020/2021 Budget (Attachment 1) are the following financial statements:

- Statement of Income and Expenditure.
- Statement of Financial Position.
- Statement of Cash Flows.
- Statement of Changes in Equity.
- Relevant Measures of Financial Sustainability.
- Detailed Statements of Income and Expenditure:
 - Business Unit – Child Care Centres 2020/2021 to 2022/2023.
 - Business Unit – Waste Management 2020/2021 to 2022/2023.
- Percentage Change in Rates Levied from 2019/2020

The budget must also contain Council's Revenue Policy and Revenue Statement which due to the complex nature of the Revenue Statement, will be adopted via separate reports.

The Statement of Income and Expenditure, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Equity have all been prepared on an accrual basis and contain Council's Budget for 2020/2021, the next two financial years and Council's long term financial forecast. The opening balances for the budget and forecast is based on the Statement of Estimated Financial Position 2019/2020 (Attachment 2) which shows the estimated financial results as at 30 June 2020.

A listing of the proposed capital works for 2020/2021 is included for information.

The 2020/2021 Budget presents the overall position of a surplus of \$8.75 million, with expenditure on Council operations of \$56.74 million and a capital works program of \$19.20 million. Total budgeted revenues for the year are \$65.49 million which includes capital revenue of \$6.69 million. Excluding capital revenues, the budget forecasts a \$2.06 million operating surplus.

Brief discussions on each of the major line items of the budget are outlined below.

Revenue

Rates and Utility Charges

Full details of council's rates and utility charges are outlined in Council's Revenue Statement which is the subject of a separate report. Total budgeted rates and utility charges for the year are \$41.66 million with estimated discounts of \$1.68 million. The budgeted amount includes the rates to be levied, plus an estimated growth in property assessments of approximately 1.00%.

The decrease in the yield from general rates for 2020/2021 compared to the previous year is 0.89%. When the changes to the levies, charges and other rates are taken into account the overall decrease in yield is 0.80%. The decrease in yield from 2019/2020 is the result of a zero percent increase to the minimum rates and rates in the dollar and other charges applied by Council. In addition to this, a valuation banding was introduced for Urban and Rural Residential Owner-Occupied categories.

Fees & Charges

Budgeted fees and charges are \$3.75 million which is around \$0.57 million or 13% less than the amended budget for the previous financial year. There has been a decline in expected revenue from fees and charges from the previous financial year due to the impacts of COVID-19 and the closure of services. This impact is expected to continue for the short to medium term with the extent of the impact still unknown and continuously under review.

Sales, Contract and Recoverable Works

General recoverable works have been reduced based on known contracting opportunities and the level of Council's infrastructure workloads. There is a further reduction to this revenue stream due to the closure of the Staging Post and Lake Apex Conference Centre, which also saw a reduction of operating expenditure.

Operating Grants and Subsidies

Grants and subsidies have increased due to the increase in the allocation of the Roads to Recovery Grant for the year in line with the amounts advised over the life of the new program as well as the additional funding received for the Water Collaborative project. The majority of the remaining grant funding relates to the Commonwealth Government's financial assistance grant estimated at \$4.57 million with other minor grants received for libraries, child care, and diesel fuel rebates.

Interest Received

Interest from investments will be less than the previous financial year due to interest rates falling sharply mostly as a result of the COVID-19 pandemic and its impact on the global economy. The estimated interest rate on investments is 1.50% per annum for the 2020/2021 Budget which is reflective of the current average investment rate on Council's term deposits.

Other Recurrent Income

Other recurrent income includes the dividends from Council's investment in Queensland Urban Utilities (QUU), rental income, reimbursements and other miscellaneous revenue items. Council's share of QUU returns is approximately \$3.10 million including dividend and tax equivalent payments.

Expenditure**Employee Costs**

Employee costs represent the operational employee costs of the organisation and include all employee related expenditure including items such as superannuation, fringe benefits tax, training, and workers compensation insurance.

Operational employee costs have decreased by \$2.2 million or 8% to \$25.40 million in the 2020/2021 Budget compared to the amended budget for the previous financial year. Council are continuing with realigning its organisational structure based on the recommendations of the Organisational Effectiveness Review. Council adopted a new high-level structure which provides further realignments to improve information flow, teamwork and cooperation and reduce the influence of silos on our Council, as noted in the OER recommendations. Overall, the staff establishment has been reduced; most notably in the management and senior contract team, as well as the Staging Post and Function Centre.

As with previous years, the capital works program has a significant day labour component and the operating budget assumes that the capital program will be completed as planned.

Goods and Services

The budget for goods and services has been decreased by \$1.9 million or 10% to \$17.86 million in the 2020/2021 Budget compared to the amended budget for the previous financial year. This was achieved through reductions in costs from one-off operational projects and savings made across the organisation in line with the implementation of the Organisational Effectiveness Review and reviewing operations and costs. The budget reflects the anticipated changes in applicable allowances for growth and price.

Finance Costs

This line item is mainly made up of interest on council's loans from Queensland Treasury Corporation. Finance costs have reduced slightly due to the changing mix of interest and principal repayments.

Council's debt is forecast to reduce from \$19.94 million in 2021 to \$1.85 million at the end of 2030. This assumes no further borrowings during the life of the forecast, and Council will continue to review options to further accelerate debt repayments.

Depreciation

Depreciation expenses of \$12.33 million are included in the 2020/2021 Budget. There may be some change in this line item during the year as the ongoing reviews of council service management plans, asset replacement values and useful lives are completed.

Capital

The main sources of capital funding are internal sources of \$11.84 million, grants and subsidies of \$6.92 million, and sale proceeds of \$0.44 million. These funding sources will be used for the construction or acquisition of assets worth \$19.20 million and loan principal repayments of \$1.59 million.

Financial Sustainability

The 2020/2021 Budget results against each relevant measure of financial sustainability are given in the following table.

Relevant Measure of Financial Sustainability	Result	Recommended Target
Asset Sustainability Ratio	87.9%	greater than 90%
Net Financial Liabilities Ratio	62.3%	not greater than 60%
Operating Surplus Ratio (excluding capital revenue)	3.5%	between 0% and 10%

The Asset Sustainability Ratio is slightly lower than the recommended target. This is due to seen an increase in new works driven by grant funding to stimulate the economy which would not otherwise have been affordable.

The Net Financial Liabilities Ratio is slightly higher than the recommended target. This is mainly due to the provisions for landfill and quarry rehabilitation which are reviewed on an annual basis. The ratio is forecast to drop below the upper level of the target by 2023.

The results for the full ten years are included in Attachment 1 and show that on average, all three of the measures are within the indicators over the long term.

Business Units

The estimated costs of Council's business units have been shown in separate schedules in Attachment 1.

The budgeted results of Council's Business Units for the 2020/2021 year are as follows:

Unit	Income	Expenditure	Operating Surplus / (Deficit)
Child Care Centres	\$0.86 million	\$0.91 million	(\$0.05 million)
Waste Management	\$8.29 million	\$5.06 million	\$3.23 million
Total	\$9.14 million	\$5.97 million	\$3.18 million

The budget and forecast assume the continued closure of the Staging Post and Lake Apex Conference Centre, with proposals to be brought forward to Council and a budget amendment to be considered at that time.

Section 39 of the *Local Government Regulation 2012* prescribes the expenditure levels for a business unit to be considered a "prescribed business activity". For the 2020/2021 year the threshold is \$0.34 million. Two of Council's business units meet this threshold requirement currently.

Section 47 of the *Local Government Act 2009* requires Council to decide each financial year whether or not to apply the code of competitive conduct to its business activities. In applying the code of competitive conduct, Council is required to eliminate any advantages and disadvantages wherever possible and appropriate. This can take various forms and the cost of implementing the elements may outweigh the benefits. At present, pricing decisions within the business units are made in line with local market conditions, and the Waste Management business unit is working towards implementing some of the elements of the code, such as full cost pricing, but the process is still underway.

Due to the level of administrative burden, it is recommended that Council does not apply the code of competitive conduct to its business units in 2020/2021.

Statement of Estimated Financial Position 2019/2020

Section 205 of the *Local Government Regulation 2012* requires the CEO to present Council with a Statement of Estimated Financial Position at the annual budget meeting. This Statement, comprising of a Statement of Estimated Income and Expenditure, Estimated Statement of Financial Position and Estimated Statement of Cash Flows, is at Attachment 2 and shows the estimated financial results for the Council as at 30 June 2020.

The result is an overall estimated operating deficit for 2019/2020 of \$0.76 million, while the estimated result excluding capital revenue and expenses is a deficit of \$0.48 million which is \$0.89 million less than the current budgeted operating surplus of \$0.39 million. The main reason for this is the inclusion of a new provision associated with the implementation of the Organisational Effectiveness Review and realignment of the structure which is partially offset through an increase in operating grants above budget.

The forecast cash balance is \$19.88 million, however prepaid grant funding from state and federal governments may be received prior to the end of the year as part of the COVID-19 relief measures which will alter this balance. At that stage, these figures are unknown.

It should be noted that the amounts shown in this report are based on assumptions of transactions undertaken during June and end of year adjustments. The results are still subject to audit adjustments and will change as the end of year process is undertaken until the audit is finalised in early September.

Legal Implications

Section 107A of the *Local Government Act 2009* and Sections 169 and 170 of the *Local Government Regulation 2012* prescribe the requirements for the adoption of council's budget. This report complies with the requirements of the regulation.

Risk Considerations

Key Corporate Risk Code and Category: FE1

Key Corporate Risk Descriptor: Finance and Economic
Financial sustainability to support the achievement of strategy, goals and objectives in the medium to long term.

Related Documentation

2020/2021 Annual Budget and Long Term Financial Forecast

Critical Dates

Under the Local Government Act 2009 Chapter 4 Finances and Accountability, Part 3 Financial planning and accountability section 107a Approval of the budget the local government must adopt a budget before 1 August in the financial year to which the budget relates.

Implementation

1. Publish the 2020/2021 Annual Budget and Long Term Financial Forecast on Council's website.
2. Distribute to internal staff.

Attachments

- | | | |
|---|---|----------|
| 1 | 2020/2021 Annual Budget and Long Term Financial Forecast | 21 Pages |
| 2 | Statement of Estimated Financial Position at 30 June 2020 | 3 Pages |

BUDGET 2020/2021

Lockyer Valley Regional Council

**2020/2021 BUDGET AND LONG-TERM
FINANCIAL FORECAST**





Budget

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Budget

2020/2021



MAYOR'S MESSAGE

The Lockyer Valley is a unique and attractive region and one that appeals to so many, for many reasons. The Lockyer Valley balances the opportunities that arise from our fertile and productive land with the affordable lifestyle that stems from our ideal location between several major urban centres. The Lockyer Valley is a great place to live, work and raise a family.

Council is pleased to present the 2020-2021 Budget which we believe will stand Council and the community in good stead both now and into the future.

Council has maintained a strong focus on financial and operational sustainability over the past four years and this Budget is a continuation of that focus and commitment.

The COVID-19 global pandemic has undoubtedly had a significant impact on local businesses, in all parts of Australia and the world. This year's Budget responds to the impact of COVID-19 and balances community expectations with financial sustainability.

I am proud to say we aimed for a zero-per cent rate rise this year and have delivered on that, while still delivering on and improving our core services.

To achieve this balance, we continue to implement the outcomes of an Organisational Effectiveness Review. This review was based on consultation with staff and identified efficiencies and improvements to be made throughout our organisation.

We will continue to review our operations and costs, because we are committed to ensuring our ratepayers get increasing value for money from Council.

The 2020-2021 Budget includes an Operating Revenue of \$58.80M, of which Rates contribute approximately two-thirds (68 per cent) and an Operating Expenditure of \$56.74M. This is in addition to a \$19.2M Capital Program and a surplus of \$2.057M, which allows for the uncertainty of the COVID-19 pandemic. We'll also be paying down another \$1.59M in debt reducing the outstanding debt to \$19.94M.

This balanced and responsible Budget is clearly focused on providing our 42,000 residents and more than 3000 businesses the foundation on which to plan with confidence while enjoying our present facilities, services and opportunities.

This year, thanks to funding assistance from the Australian Government, we have committed \$1.6M to commence Stage 1 of the much-anticipated Fairways Park in the Hatton Vale-Kensington Grove area. This is the first completely new regional-level park, and the first time we've engaged the community in the design process.

This year we have set aside \$830,000 for the detailed business case and lobbying to bring new water into the Lockyer Valley. The long-term viability of our horticultural sector – and the many direct and indirect jobs it creates – depends on the availability of water.

This Budget is about the whole community. A strong farming sector creates employment and requires suppliers and services to support that, which creates even more jobs.

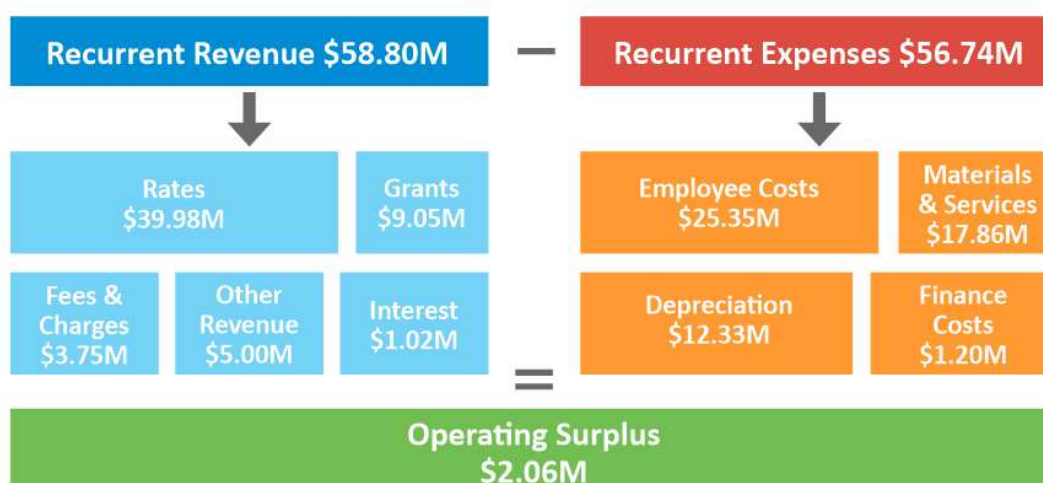
Council has retained its rating concessions for pensioners and for ratepayers who pay their General Rates and Waste and Recycling Charges in full by the due date. We also have a range of hardship measures in place ratepayers can discuss with us.

The Emergency Preparedness Levy has remained the same, as has the Resilient Rivers Levy and Environment Levy. Waste Collection Charges and Waste Management Charges also remain unchanged.

Collectively, each Councillor has worked to ensure the region is set to flourish and prosper, and I am confident this budget allows that to happen. I extend my thanks to my fellow Councillors, the Executive Leadership Team and Council staff for their part in ensuring the Lockyer Valley will continue to flourish. This Budget will improve our ability to take up the right opportunities that present themselves in the coming years.

We haven't arrived at our final destination just yet, but we are well on the way!

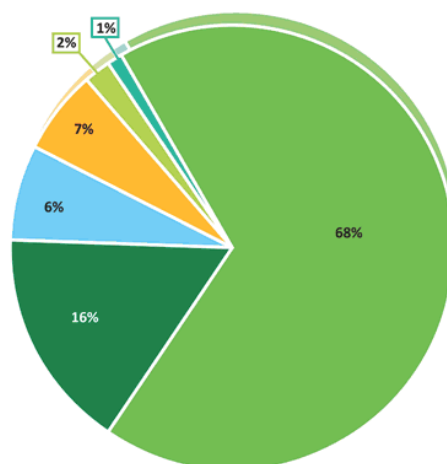
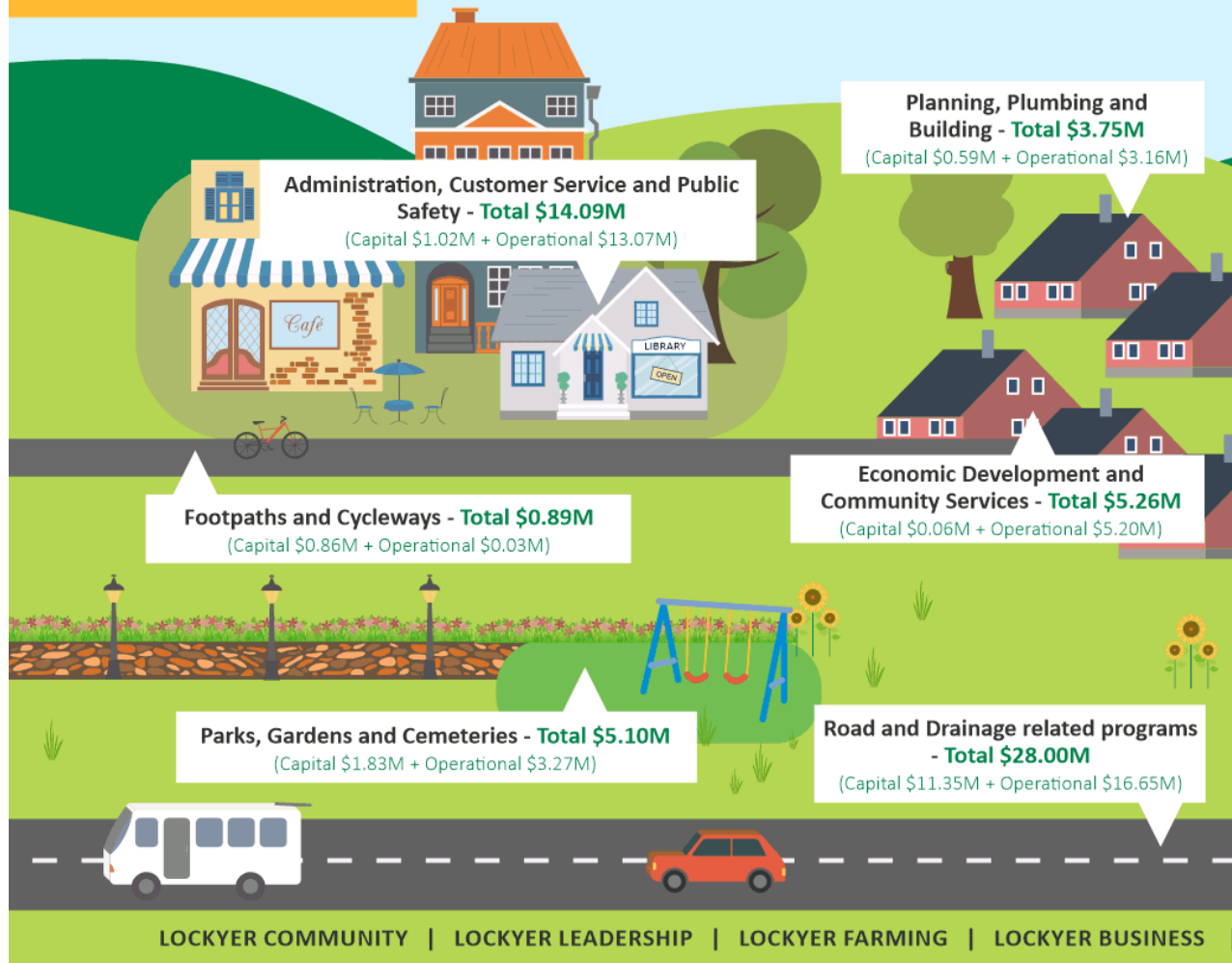
Cr Tanya Milligan
MAYOR,
LOCKYER VALLEY
REGIONAL COUNCIL



DELIVERING ON THE COMMUNITY PLAN 2017-2027 AND THE CORPORATE PLAN 2017 - 2022

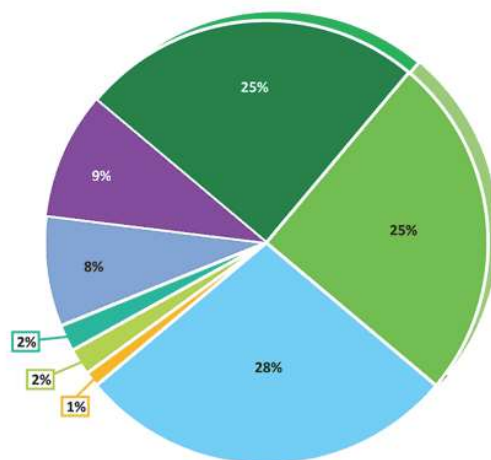
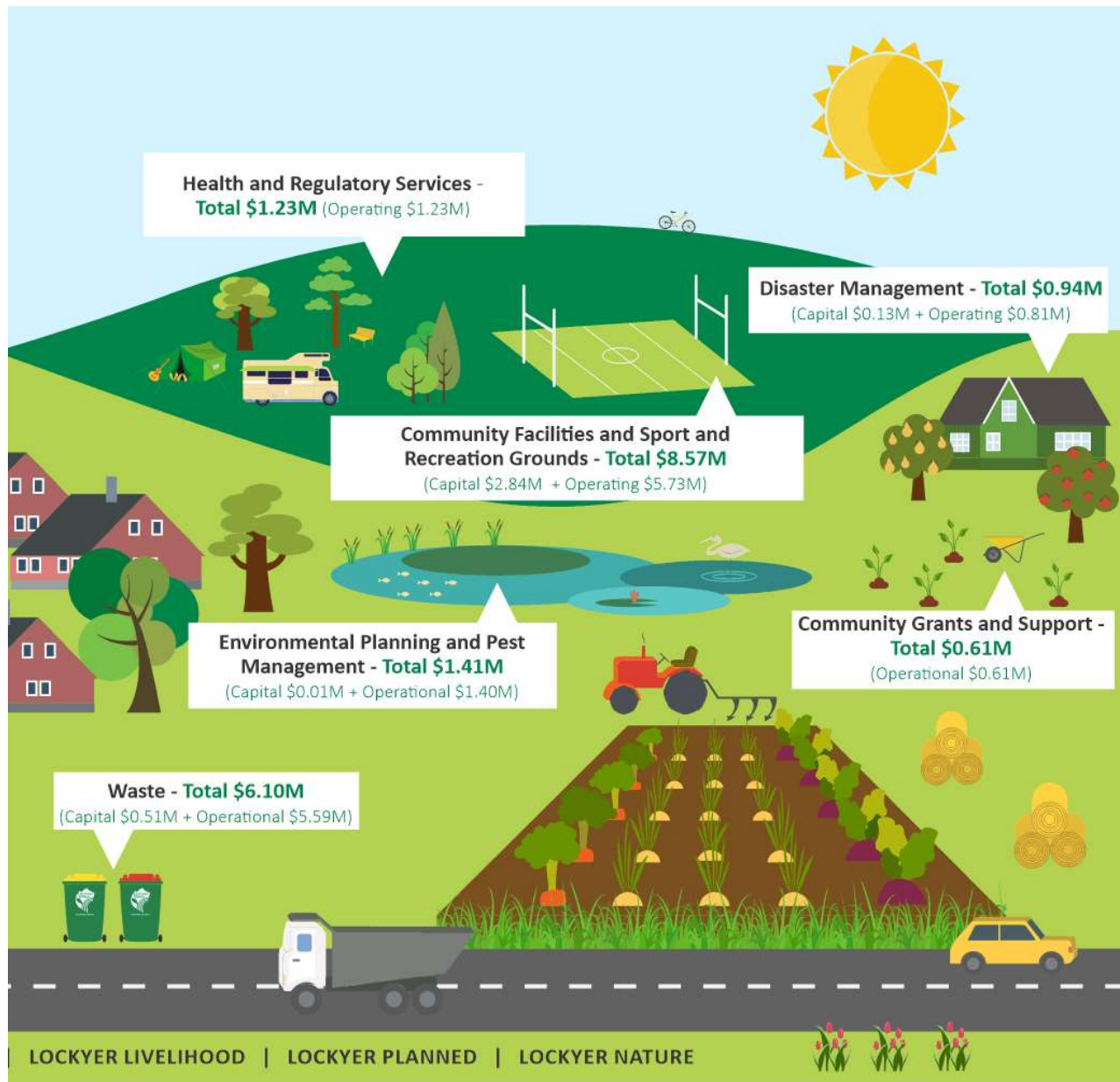
These plans describe the type of region the community aspires to live in and the priority actions required to move towards those aspirations.

LVRC BUDGET AT A GLANCE



Recurrent Revenue
2020/2021 BUDGET

Net Rates and Utility Charges	39.98M	68%
Grants and Subsidies	9.05M	16%
Fees and Charges	3.75M	6%
Other recurrent income	4.20M	7%
Interest received	1.02M	2%
Sales - contract and recoverable works	0.80M	1%

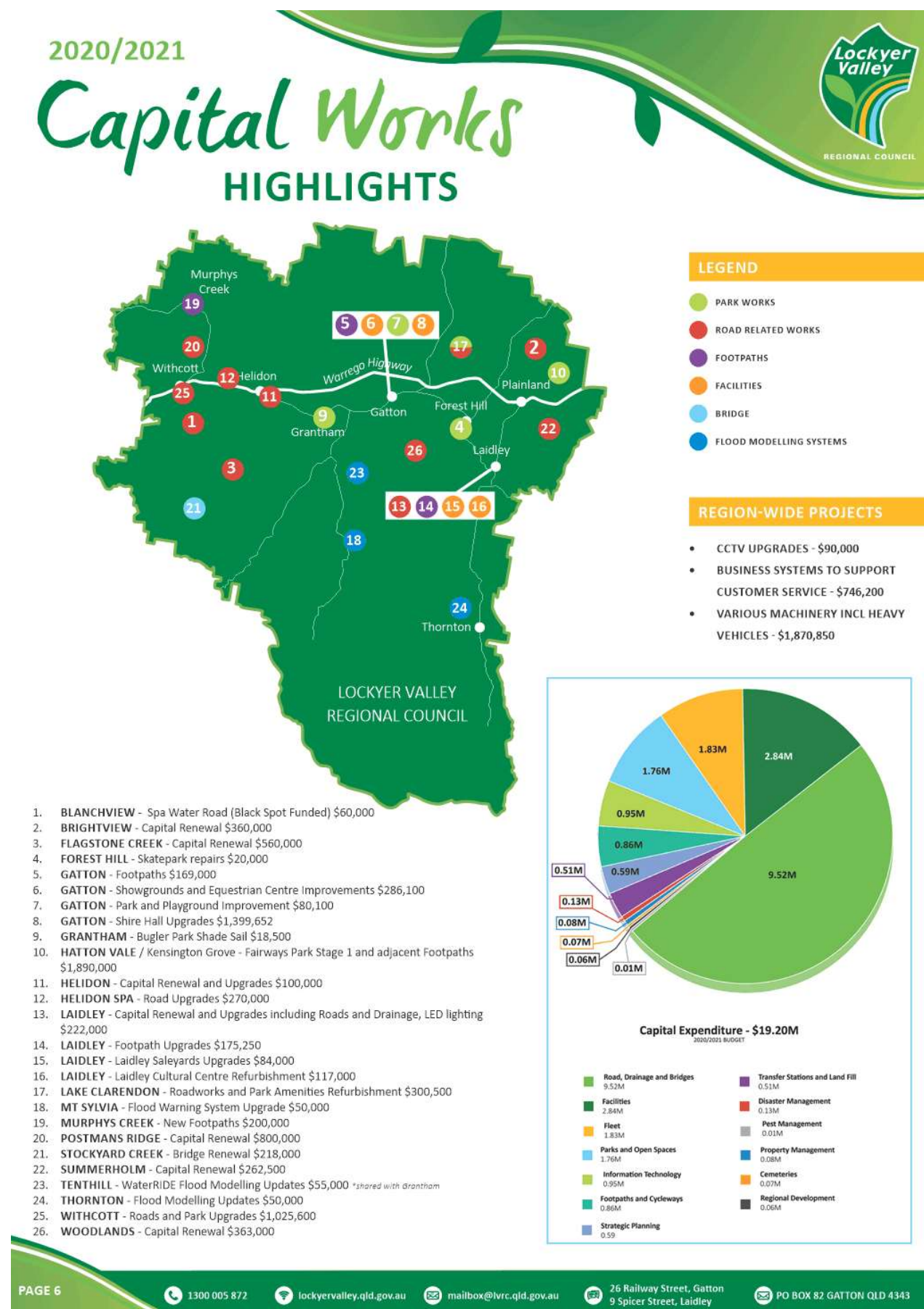


Recurrent Expenditure - \$56.74M
2020/2021 BUDGET

Community Facilities/Parks/Waste	14.51M	25%
Administration	14.08M	25%
Civil Operations and Assets	15.66M	28%
Disaster Management	0.81M	1%
Commercial Enterprises	1.07M	2%
Plumbing and Building	1.16M	2%
Planning, Environment and Regulatory Services	4.46M	8%
Economic Development and Community	4.98M	9%

Council acknowledges and appreciates the funding support of the Commonwealth and Queensland Governments especially to support local economic recovery.

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PAGE 6

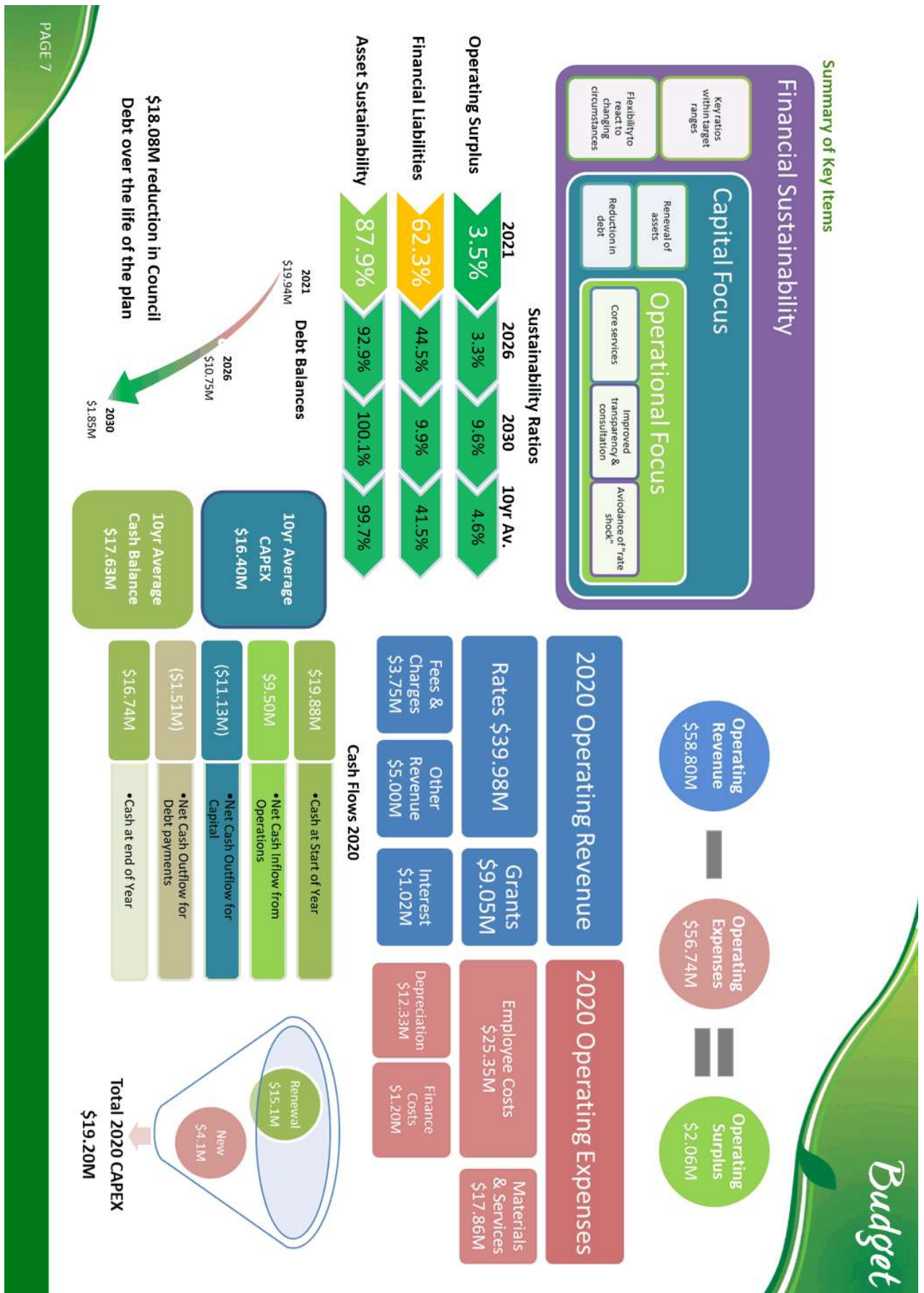
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Lockyer Valley Regional Council
2020/21 Budget and Long-Term Financial Forecast 2021 to 2030
Statement of Income and Expenditure

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue										
Recurrent Revenue										
Rates & Utility Charges	41.66M	42.50M	43.57M	44.66M	46.01M	47.52M	49.20M	50.94M	52.73M	54.60M
Less Discounts	(1.68M)	(1.71M)	(1.76M)	(1.80M)	(1.86M)	(1.92M)	(1.98M)	(2.05M)	(2.13M)	(2.20M)
Net rates and utility charges	39.98M	40.79M	41.81M	42.86M	44.16M	45.61M	47.22M	48.88M	50.61M	52.39M
Fees and charges	3.75M	3.82M	3.90M	3.98M	4.06M	4.14M	4.22M	4.30M	4.39M	4.48M
Sales, contract and recoverable works	0.80M	0.73M	0.75M	0.76M	0.78M	0.79M	0.81M	0.83M	0.84M	0.86M
Operational Grants & subsidies	9.05M	8.07M	8.23M	8.40M	8.58M	8.76M	8.96M	9.16M	9.37M	9.59M
Interest received	1.02M	1.21M	1.22M	1.25M	1.23M	1.23M	1.30M	1.41M	1.56M	1.66M
Other recurrent income	4.20M	3.53M	3.62M	3.71M	3.80M	3.90M	3.99M	4.09M	4.19M	4.29M
Total Recurrent Revenue	58.80M	58.16M	59.54M	60.97M	62.61M	64.42M	66.49M	68.67M	70.96M	73.28M
Capital revenue:										
Capital Grants	6.92M	2.12M	2.16M	2.20M	2.25M	2.29M	2.34M	2.38M	2.43M	2.08M
Developer Contributions	-	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M
Gain/(loss) on sale of property, plant & equipment	(0.22M)	0.14M	0.19M	0.47M	0.24M	0.22M	0.20M	0.22M	0.09M	0.20M
Total capital revenue	6.69M	2.75M	2.85M	3.17M	2.99M	3.01M	3.04M	3.10M	3.02M	2.77M
Total Revenue	65.49M	60.91M	62.39M	64.14M	65.59M	67.43M	69.53M	71.77M	73.99M	76.05M
Expenses										
Recurrent Expenses										
Employee costs	25.35M	24.87M	25.71M	26.42M	27.16M	27.91M	28.69M	29.48M	30.30M	31.15M
Materials and services	17.86M	17.56M	17.94M	18.39M	17.94M	18.35M	18.78M	19.33M	18.78M	19.25M
Depreciation and amortisation	12.33M	12.85M	13.90M	14.37M	14.81M	15.27M	15.58M	14.14M	15.10M	15.48M
Finance costs	1.20M	1.13M	1.05M	0.97M	0.89M	0.80M	0.70M	0.61M	0.51M	0.40M
Total Recurrent Expenses	56.74M	56.41M	58.60M	60.16M	60.79M	62.32M	63.75M	63.56M	64.70M	66.28M
Net Result	8.75M	4.50M	3.79M	3.99M	4.80M	5.11M	5.78M	8.21M	9.29M	9.77M
Net Recurrent Result/Operating Surplus (Deficit)	2.057M	1.749M	0.939M	0.814M	1.818M	2.101M	2.742M	5.107M	6.270M	7.002M

Lockyer Valley Regional Council
2020/21 Budget and Long-Term Financial Forecast 2021 to 2030
Statement of Financial Position

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Current Assets										
Cash assets and cash equivalents	17.03M	16.36M	16.06M	16.31M	11.47M	12.39M	15.48M	19.95M	25.87M	25.70M
Other inventory	2.25M	2.25M	2.25M	2.25M	2.25M	2.25M	2.25M	2.25M	2.25M	2.25M
Receivables	3.04M	3.04M	3.11M	3.18M	3.28M	3.37M	3.48M	3.58M	3.71M	3.83M
Prepayments	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M
Total Current Assets	22.82M	22.14M	21.92M	22.23M	17.49M	18.51M	21.71M	26.28M	32.33M	32.27M
Non Current Assets										
Land held for development or sale	2.01M	2.01M	2.01M	2.01M	2.01M	2.01M	2.01M	2.01M	2.01M	2.01M
Joint Ventures & Associates	34.19M	35.15M	36.13M	37.14M	38.18M	39.24M	40.33M	41.44M	42.58M	43.75M
Property, plant and equipment	541.63M	581.49M	583.60M	585.57M	626.12M	626.07M	626.07M	667.99M	671.10M	676.79M
Intangible assets	5.58M	5.26M	4.77M	3.98M	5.61M	6.04M	5.78M	5.44M	5.44M	6.34M
Capital works in progress	2.94M	2.94M	2.94M	2.94M	2.94M	2.94M	2.94M	2.94M	-	-
Other non-current assets	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M
Total Non Current Assets	601.08M	641.58M	644.18M	646.37M	689.59M	691.03M	691.85M	734.65M	735.87M	743.63M
TOTAL ASSETS	623.90M	663.72M	666.11M	668.61M	707.09M	709.54M	713.56M	760.93M	768.19M	775.90M
Current Liabilities										
Trade and other payables	2.45M	2.41M	2.46M	2.52M	2.52M	2.58M	2.65M	2.72M	2.71M	2.78M
Borrowings	1.59M	1.66M	1.75M	1.83M	1.92M	2.02M	2.12M	2.23M	2.34M	2.41M
Employee payables/provisions	5.36M	5.41M	5.60M	5.79M	5.98M	6.17M	6.37M	6.56M	6.75M	6.94M
Other provisions	0.48M	0.48M	0.48M	0.48M	0.42M	0.40M	0.40M	0.40M	0.40M	0.40M
Total Current Liabilities	9.87M	9.95M	10.28M	10.62M	10.85M	11.18M	11.54M	11.90M	12.20M	12.54M
Non Current Liabilities										
Borrowings	19.94M	18.27M	16.53M	14.69M	12.77M	10.75M	8.63M	6.40M	4.07M	1.85M
Employee payables/provisions	0.24M	0.24M	0.25M	0.25M	0.26M	0.27M	0.28M	0.29M	0.30M	0.30M
Other provisions	29.42M	29.42M	29.42M	29.42M	25.98M	24.99M	24.99M	24.99M	24.99M	24.99M
Total Non Current Liabilities	49.60M	47.93M	46.20M	44.37M	39.01M	36.01M	33.90M	31.68M	29.36M	27.15M
TOTAL LIABILITIES	59.46M	57.89M	56.48M	54.99M	49.85M	47.19M	45.44M	43.59M	41.56M	39.69M
Net community assets	564.44M	605.84M	609.63M	613.62M	657.23M	662.34M	668.12M	717.35M	726.64M	736.41M
Community Equity										
Asset revaluation reserve	169.66M	206.56M	206.56M	206.56M	245.37M	245.37M	245.37M	286.39M	286.39M	286.39M
Retained surplus (deficiency)	394.78M	399.28M	403.07M	407.06M	411.86M	416.97M	422.75M	430.96M	440.25M	450.02M
TOTAL COMMUNITY EQUITY	564.44M	605.84M	609.63M	613.62M	657.23M	662.34M	668.12M	717.35M	726.64M	736.41M

Lockyer Valley Regional Council
2020/21 Budget and Long-Term Financial Forecast 2021 to 2030

Statement of Cash Flow

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities:										
Receipts from customers	55.61M	55.47M	56.72M	58.10M	59.68M	61.47M	63.41M	65.44M	67.52M	69.69M
Payment to suppliers and employees	(45.15M)	(42.54M)	(43.51M)	(44.68M)	(45.02M)	(46.12M)	(47.33M)	(48.68M)	(49.03M)	(50.27M)
Interest received	1.02M	1.21M	1.22M	1.25M	1.23M	1.23M	1.30M	1.41M	1.56M	1.66M
Finance costs	(1.08M)	(1.01M)	(0.93M)	(0.85M)	(0.76M)	(0.67M)	(0.57M)	(0.48M)	(0.37M)	(0.26M)
Other	(0.89M)	-	-	-	(3.50M)	(1.00M)	-	-	-	-
Net cash inflow (outflow) from operating activities	9.50M	13.13M	13.51M	13.82M	11.64M	14.90M	16.80M	17.70M	19.68M	20.83M
Cash flows from investing activities:										
Payments for property, plant and equipment	(19.20M)	(15.20M)	(15.37M)	(15.19M)	(17.83M)	(15.28M)	(14.96M)	(14.45M)	(14.82M)	(21.72M)
Subsidies, donations and contributions for new capital expenditure	6.92M	2.12M	2.16M	2.20M	2.25M	2.29M	2.34M	2.38M	2.43M	2.08M
Proceeds from sale of property, plant and equipment	0.37M	0.34M	0.54M	0.61M	0.38M	0.36M	0.34M	0.36M	0.23M	0.34M
Net transfer (to) from cash investments	0.79M	0.52M	0.53M	0.55M	0.56M	0.57M	0.59M	0.60M	0.62M	0.63M
Net cash inflow (outflow) from investing activities	(11.13M)	(12.22M)	(12.13M)	(11.83M)	(14.64M)	(12.06M)	(11.69M)	(11.11M)	(11.54M)	(18.67M)
Cash flows from financing activities:										
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(1.51M)	(1.59M)	(1.66M)	(1.75M)	(1.83M)	(1.92M)	(2.02M)	(2.12M)	(2.23M)	(2.34M)
Net cash inflow (outflow) from financing activities	(1.51M)	(1.59M)	(1.66M)	(1.75M)	(1.83M)	(1.92M)	(2.02M)	(2.12M)	(2.23M)	(2.34M)
Net increase (decrease) in cash and cash equivalents held	(3.14M)	(0.68M)	(0.29M)	0.25M	(4.84M)	0.92M	3.10M	4.47M	5.92M	(0.17M)
Cash at beginning of reporting period	19.88M	17.03M	16.36M	16.06M	16.31M	11.47M	12.39M	15.48M	19.95M	25.87M
Cash and cash equivalents at end of the financial year	16.74M	16.36M	16.06M	16.31M	11.47M	12.39M	15.48M	19.95M	25.87M	25.70M

Lockyer Valley Regional Council
2020/21 Budget and Long-Term Financial Forecast 2021 to 2030
Statement of Changes in Equity

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset revaluation surplus										
Opening balance	169.66M	169.66M	206.56M	206.56M	206.56M	245.37M	245.37M	245.37M	286.39M	286.39M
Increase in asset revaluation surplus	-	36.90M	-	-	38.81M	-	-	41.02M	-	-
Closing balance	169.66M	206.56M	206.56M	206.56M	245.37M	245.37M	245.37M	286.39M	286.39M	286.39M
Retained surplus										
Opening balance	386.03M	394.78M	399.28M	403.07M	407.06M	411.86M	416.97M	422.75M	430.96M	440.25M
Net result	8.75M	4.50M	3.79M	3.99M	4.80M	5.11M	5.78M	8.21M	9.29M	9.77M
Closing balance	394.78M	399.28M	403.07M	407.06M	411.86M	416.97M	422.75M	430.96M	440.25M	450.02M
Total										
Opening balance	555.69M	564.44M	605.84M	609.63M	613.62M	657.23M	662.34M	668.12M	717.35M	726.64M
Net result	8.75M	4.50M	3.79M	3.99M	4.80M	5.11M	5.78M	8.21M	9.29M	9.77M
Increase in asset revaluation surplus	-	36.90M	-	-	38.81M	-	-	41.02M	-	-
Closing balance	564.44M	605.84M	609.63M	613.62M	657.23M	662.34M	668.12M	717.35M	726.64M	736.41M

Lockyer Valley Regional Council
2020/21 Budget and Long-Term Financial Forecast 2021 to 2030
Relevant Measures of Financial Sustainability

	Target	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Average
Operating Surplus Ratio	Between 0% and 10%	3.5%	3.0%	1.6%	1.3%	2.9%	3.3%	4.1%	7.4%	8.8%	9.6%	4.6%
(Net Operating Surplus / Total Operating Revenue) (%)												
Net Financial Asset / Liability Ratio	<= 60%	62.3%	61.5%	58.0%	53.7%	51.7%	44.5%	35.7%	25.2%	13.0%	9.9%	41.5%
((Total Liabilities - Current Assets) / Total Operating Revenue)												
Asset Sustainability Ratio	>90%	87.9%	111.7%	109.7%	98.8%	106.0%	92.9%	93.2%	99.6%	96.7%	100.1%	99.7%
(Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense)												
Cash Expense Cover Ratio	Target >3	4.7	4.6	4.4	4.4	3.0	3.2	3.9	4.9	6.3	6.1	4.6
Number of months of operations supported by cash balance												

Lockyer Valley Regional Council
2020/21 Budget and Long-Term Financial Forecast 2021 to 2030
Percentage Change in Rates Levied from 2019/2020

General Rates Summary Category	2020 Levy	2021 Levy	\$ Change	% Change
Urban Residential	5,108,619	5,076,307	- 32,312	-0.63%
Rural Residential	10,513,851	10,270,809	- 243,042	-2.31%
Vacant Land	2,627,180	2,620,831	- 6,349	-0.24%
Non-Principal Place of Residence & Multiple Dwellings	6,369,853	6,362,463	- 7,390	-0.12%
Commercial	1,283,404	1,283,404	-	0.00%
Supermarkets	143,964	143,964	-	0.00%
Shopping Centres	433,129	433,129	-	0.00%
Small Petrol Stations	88,667	88,667	-	0.00%
Medium Petrol Stations	119,898	119,898	-	0.00%
Large Petrol Stations	168,356	168,356	-	0.00%
Extractive Industries	354,862	354,862	-	0.00%
Noxious & Offensive	106,797	106,797	-	0.00%
Motels, Caravan Parks & Camping Grounds	161,770	161,770	-	0.00%
Agriculture General	4,184,483	4,184,483	-	0.00%
Intensive Farming	114,053	114,053	-	0.00%
On Farm Packing Operations	83,351	83,351	-	0.00%
Compressors & Transformers	123,266	123,266	-	0.00%
Other	395,306	395,306	-	0.00%
TOTAL	32,380,809	32,091,715	- 289,093	-0.89%

Special & Separate Charges	2020 Levy	2021 Levy	\$ Change	% Change
Rural Fire Levy ¹	273,564	250,965	- 22,599	-8.26%
Emergency Preparedness Levy	1,766,960	1,767,584	624	0.04%
Environmental Levy	271,840	271,936	96	0.04%
Resilient Rivers Initiative	33,980	33,992	12	0.04%
TOTAL	2,346,344	2,324,477	- 21,867	-0.93%

Waste Collection and Recycling Charges	2020 Levy	2021 Levy	\$ Change	% Change
Waste Collection Commercial Dual Bins	298,376	277,725	- 20,651	-6.92%
Waste Commercial Bins Waste Only	17,389	17,108	- 281	-1.62%
Waste Collection Domestic Dual Bins	4,368,270	4,359,332	- 8,938	-0.20%
Waste Domestic Dual Service UNI ONLY	10,455	10,188	- 267	-2.55%
Extra Waste Bin Commercial	30,768	31,913	1,145	3.72%
Extra Waste Bin Domestic	14,444	17,523	3,079	21.32%
Extra Waste Recycling Bin Commercial	3,653	3,519	- 134	-3.68%
Extra Waste Recycling Bin Domestic	2,514	2,756	242	9.62%
Waste Management Charge ²	2,530,017	2,531,487	1,470	0.06%
TOTAL	7,275,886	7,251,551	- 24,335	-0.33%

TOTAL RATES & CHARGES LEVIED	42,003,039	41,667,743	- 335,295	-0.80%
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Budget

Detailed schedules

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Business Unit – Child Care

Business Unit - Child Care

Statement of Comprehensive Income - Three (3) Year Forecast

	Budget 2020-2021	Budget 2021-2022	Budget 2022-2023
Income			
Revenue			
Recurrent Revenue			
Rates and Utility Charges (Gross)	-	-	-
Discount	-	-	-
Charges and Fees	250,000	255,000	260,100
Interest	-	-	-
Operating Grants and Subsidies	610,000	621,590	634,022
Operating Contributions and Donations	-	-	-
Revenue - Contract/Recoverable Works	-	-	-
Other Revenue	-	-	-
Profit from Investments	-	-	-
Total Recurrent Revenue	860,000	876,590	894,122
Capital Revenue			
Capital Grants, Subsidies and Contributions	-	-	-
Total Revenue	860,000	876,590	894,122
Capital Income	-	-	-
Total Income	860,000	876,590	894,122
Expenses			
Recurrent Expenses			
Employee Costs	789,796	795,915	818,158
Goods and Services	93,314	95,180	97,227
Finance costs	273	658	1,039
Depreciation	24,100	22,157	18,400
Total Recurrent Expenses	907,483	913,910	934,824
Capital Expenses			
Capital Expenses	-	-	-
Total Expenses	907,483	913,910	934,824
Net Recurrent Result/Operating Surplus/(Deficit)	(47,483)	(37,320)	(40,702)
NET RESULT AFTER CAPITAL ITEMS	(47,483)	(37,320)	(40,702)

Business Unit – Waste Management

Statement of Comprehensive Income - Three (3) Year Forecast

	Budget 2020-2021	Budget 2021-2022	Budget 2022-2023
Income			
Revenue			
Recurrent Revenue			
Rates and Utility Charges (Gross)	7,251,551	7,397,307	7,583,349
Discount	(180,000)	(183,618)	(188,236)
Charges and Fees	511,500	521,730	532,165
Interest	68,556	119,488	163,156
Operating Grants and Subsidies	-	-	-
Operating Contributions and Donations	46,700	47,587	48,539
Revenue - Contract/Recoverable Works	-	-	-
Other Revenue	185,000	189,450	194,010
Profit from Investments	-	-	-
Total Recurrent Revenue	7,883,307	8,091,944	8,332,983
Capital Revenue			
Capital Grants, Subsidies and Contributions	406,000	-	-
Total Revenue	8,289,307	8,091,944	8,332,983
Capital Income	-	-	-
Total Income	8,289,307	8,091,944	8,332,983
Expenses			
Recurrent Expenses			
Employee Costs	548,387	552,635	568,079
Goods and Services	4,184,704	4,268,398	4,360,168
Finance costs	25,617	24,440	23,226
Depreciation	303,515	312,072	322,219
Total Recurrent Expenses	5,062,222	5,157,545	5,273,692
Capital Expenses			
Capital Expenses	-	-	-
Total Expenses	5,062,222	5,157,545	5,273,692
Net Recurrent Result/Operating Surplus/(Deficit)	2,821,085	2,934,399	3,059,291
NET RESULT AFTER CAPITAL ITEMS	3,227,085	2,934,399	3,059,291

Budget

For information

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Budget

Listing of proposed capital works

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Proposed Capital Works Listing 2020-2021

		Proposed Budget 20-21		
Cost Centre	Project Title	Funding	Total Project Costs	Net Cost to Council
INFRASTRUCTURE		8,655,441	17,429,331	8,773,890
Capital Program Delivery	Asphalt Resheet Program	360,079	360,079	-
Capital Program Delivery	Bridge Renewal Program	-	218,000	218,000
Capital Program Delivery	Culvert Renewal Program	-	225,000	225,000
Capital Program Delivery	Floodway Renewal Program	-	10,000	10,000
Capital Program Delivery	Footpath Renewal Program	110,000	175,250	65,250
Capital Program Delivery	Gravel Resheet Program	-	900,000	900,000
Capital Program Delivery	Kerb and Channel Renewal Program	-	100,000	100,000
Capital Program Delivery	Pavement Renewal Program	551,250	2,162,500	1,611,250
Capital Program Delivery	Pavement Widening Program	124,196	293,000	168,804
Capital Program Delivery	Postmans Ridge Road rehabilitation section 1A	-	250,000	250,000
Capital Program Delivery	Reseal Program	1,390,000	1,500,000	110,000
Capital Program Delivery	Stormwater Renewal Program	-	700,000	700,000
Capital Program Delivery	Traffic Management Renewal Program	-	5,000	5,000
Capital Program Delivery	Woodlands Road Rehabilitation part 3	-	363,000	363,000
Capital Program Delivery	Amos Road, Withcott Upgrade	654,000	822,000	168,000
Capital Program Delivery	Dolleys Rd, Withcott - Stage 1	-	166,000	166,000
Capital Program Delivery	Spa water Road	223,000	291,000	68,000
Capital Program Delivery	Twidale Road, Helidon Spa upgrade	-	20,000	20,000
Capital Program Delivery	Woodlands Road and Range View Drive	138,500	130,500	8,000
Capital Program Delivery	Future Design	-	100,000	100,000
Capital Program Delivery	Cooper Street, Laidley Drainage stage 1	-	200,000	200,000
Capital Program Delivery	Fairway Drive Footpath	290,000	290,000	-
Capital Program Delivery	Missing Link Footpaths Program	169,000	169,000	-
Capital Program Delivery	Murphy's Creek Footpath	200,000	200,000	-
Capital Program Delivery	Cycle Network Gatton (PCNP)	-	25,000	25,000
Capital Program Delivery	Laidley LED Lighting	150,000	210,000	60,000
Capital Program Delivery	Railway Crossing Safety Improvements	-	20,000	20,000
Capital Program Delivery	Safe Schools Project	30,000	60,000	30,000
Capital Program Delivery	Signs and Lines, various locations	-	40,000	40,000
Capital Program Delivery	TSRC Haulage Roads Compensation	-	350,000	350,000
Cemetery	Cemetery Upgrades	70,000	70,000	-
Facilities	Bore Assessments	70,000	90,000	20,000
Facilities	Gatton Showgrounds Equestrian Centre	-	71,100	71,100
Facilities	Gatton Showgrounds Master Plan Improvement Works	176,000	176,000	-
Facilities	Laidley Saleyards Upgrade of Timber Pens	64,000	64,000	-
Facilities	Laidley Saleyards	20,000	20,000	-
Facilities	Lake Clarendon Public Toilet Refurbishment	-	7,500	7,500
Facilities	Lockyer Valley Cultural Centre Rectification Works	505,000	505,000	-
Facilities	Gatton Showgrounds Energy Reduction	-	39,000	39,000
Facilities	Springbrook Park Entry Upgrade	-	20,000	20,000
Facilities	Laidley Recreation Reserve Entry Upgrade	250,000	250,000	-
Facilities	Community Facilities Work Packages	-	27,500	27,500
Facilities	Corrective Electrical Upgrades	-	40,000	40,000
Facilities	Das Neumann Haus Stair Alterations	-	14,000	14,000
Facilities	Gatton Shire Hall Compliance Upgrade	439,350	523,645	84,295
Facilities	Gatton Shire Hall Functional & Economical Improvements	569,666	626,007	56,341
Facilities	Gatton Shire Hall Roof Restoration	250,000	250,000	-
Facilities	Laidley Cultural Centre Refurbishment	117,000	117,000	-
Fleet	Earthmoving equipment	70,000	350,000	280,000
Fleet	Light Commercial Vehicles	140,000	560,000	420,000
Fleet	Passenger Vehicles	20,000	80,000	60,000



Proposed Budget 20-21				
Cost Centre	Project Title	Funding	Total Project Costs	Net Cost to Council
Fleet	State Emergency Service Vehicles and Plant	8,000	40,000	32,000
Fleet	Tractors	-	100,000	100,000
Fleet	Trailers	10,000	100,000	90,000
Fleet	Trucks	120,000	640,850	520,850
Infrastructure Planning	Restoration of access L202 CP817791	-	20,000	20,000
Parks & Open Spaces	Hatton Vale/Fairways Park Stage 1 A & C	800,000	1,600,000	800,000
Parks & Open Spaces	Playground and Park Improvements	60,000	60,000	-
Parks & Open Spaces	Bugler Park Shade Sail	18,500	18,500	-
Parks & Open Spaces	Littleton Park Shade Sail	5,300	5,300	-
Parks & Open Spaces	Springbrook Park Fence Renewal	17,600	17,600	-
Parks & Open Spaces	Forest Hill Skate Park Repairs	44,000	44,000	-
Parks & Open Spaces	Gatton Skate Park Shade	15,000	15,000	-
Transfer Stations	Gatton Waste Facility Upgrade Program	406,000	406,000	-
Transfer Stations	Master Plan - Gatton Long Haul Waste Facility	-	55,000	55,000
Transfer Stations	Oil Buildings	-	25,000	25,000
Transfer Stations	Stormwater Management - Laidley	-	12,000	12,000
Waste Collection	Garbage Truck Turnarounds	-	14,000	14,000
COMMUNITY AND REGIONAL PROPERTY		-	654,364	654,364
Pest Management	Pest Management Compound	-	5,000	5,000
Regional Development	Entry Statements	-	60,000	60,000
Strategic Planning	Catchment Planning and Floodplain Management	-	589,364	589,364
PEOPLE AND BUSINESS PERFORMANCE		95,000	1,119,540	1,024,540
Disaster Management	Flood Warning System Upgrade	-	50,000	50,000
Disaster Management	River Height Gauge Equipment Upgrade	-	34,000	34,000
Disaster Management	River Height Gauge Signage	-	10,000	10,000
Information Communication Technology	Flood Information Advice Portal	20,000	40,000	20,000
Information Communication Technology	Intranet Renewal	-	50,000	50,000
Information Communication Technology	MS Office 365	-	100,000	100,000
Information Communication Technology	Network Perimeter Security (Firewalls)	-	76,500	76,500
Information Communication Technology	Online Bookings	-	22,300	22,300
Information Communication Technology	SES Hardware	-	24,340	24,340
Information Communication Technology	Switches Renewal	-	79,400	79,400
Information Communication Technology	Technology One (P&R, CES, ECM, IntraMaps)	-	400,000	400,000
Information Communication Technology	Unified Communications	-	50,000	50,000
Information Communication Technology	UPS Renewal	-	18,000	18,000
Legal Services	Property Management & Disposal Strategy	75,000	75,000	-
Public Order & Safety	CCTV Cyber Security Improvements	-	75,000	75,000
Public Order & Safety	LVRC CCTV	-	15,000	15,000
GRAND TOTAL		8,750,441	19,203,235	10,452,794

Budget



REGIONAL COUNCIL



Lockyer Valley Regional Council
Estimated Statement of Comprehensive Income
For the Year Ending 30 June 2020

	2019-2020 Full Year Budget	2019-2020 Forecast Actuals	2019-2020 Forecast Variance	2019-2020 Forecast Variance %
Income				
Revenue				
Recurrent Revenue				
Rates and Utility Charges (Gross)	42,264,095	41,956,186	307,909	0.73%
Discount	(1,727,000)	(1,766,922)	39,922	-2.31%
Charges and Fees	4,293,612	4,403,465	(109,853)	-2.56%
Interest	1,410,000	1,292,870	117,130	8.31%
Operating Grants and Subsidies	7,345,895	8,421,302	(1,075,408)	-14.64%
Operating Contributions and Donations	828,700	530,909	297,791	35.93%
Revenue - Contract/Recoverable Works	1,752,379	1,467,930	284,448	16.23%
Other Revenue	2,920,152	2,974,233	(54,081)	-1.85%
Profit from Investments	2,232,500	2,232,500	-	0.00%
Total Recurrent Revenue	61,320,332	61,512,475	(192,142)	-0.31%
Capital Revenue				
Capital Grants, Subsidies and Contributions	2,693,387	2,645,806	47,581	1.77%
Total Revenue	64,013,720	64,158,281	(144,561)	-0.23%
Capital Income	-	(56,419)	56,419	0.00%
Total Income	64,013,720	64,101,862	(88,142)	-0.14%
Expenses				
Recurrent Expenses				
Employee Costs	27,598,414	29,126,211	(1,527,797)	-5.54%
Goods and Services	19,810,230	19,368,076	442,154	2.23%
Finance costs	1,294,488	1,267,778	26,710	2.06%
Depreciation	12,219,974	12,238,792	(18,818)	-0.15%
Total Recurrent Expenses	60,923,107	62,000,858	(1,077,751)	-1.77%
Capital Expenses	90,000	2,862,982	(2,772,982)	-3081.09%
Total Expenses	61,013,107	64,863,840	(3,850,733)	-6.31%
Net Recurrent Result/Operating Surplus/(Deficit)	397,226	(488,383)	885,609	222.95%
NET RESULT AFTER CAPITAL ITEMS	3,000,613	(761,978)	3,762,591	125.39%

LOCKYER VALLEY REGIONAL COUNCIL
Estimated Statement of Cash Flows
For the Year Ending 30 June, 2020

	2019-2020 Full Year Budget	2019-2020 Forecast Actuals
Cash flows from operating activities:		
Receipts		
Receipts from customers	60,470,000	60,474,038
Dividend received	-	-
Interest received	1,410,000	1,409,819
Payments		
Payments to suppliers and employees	(51,390,000)	(51,389,695)
Interest expense	(1,160,000)	(1,158,713)
Net cash inflow (outflow) from operating activities	9,340,000	9,335,449
Cash flows from investing activities:		
Capital grants, subsidies and contributions	2,670,000	2,668,387
Payments for property, plant and equipment	(15,470,000)	(15,465,868)
Payments for investment property	-	-
Net transfer (to) from cash investments	800,000	797,003
Proceeds from sale of property plant and equipment	930,000	925,000
Net cash inflow (outflow) from investing activities	(11,080,000)	(11,075,479)
Cash flows from financing activities:		
Repayment of borrowings	(1,480,000)	(1,480,119)
Proceeds from borrowings	-	-
Net cash inflow (outflow) from financing activities	(1,480,000)	(1,480,119)
Net increase (decrease) in cash and cash equivalents held	(3,220,000)	(3,220,148)
Cash and cash equivalents at beginning of the financial year	23,100,000	23,102,775
Cash and cash equivalents at end of the financial year	19,880,000	19,882,852

Lockyer Valley Regional Council
Estimated Statement of Financial Position
As at 30 June, 2020

	2019-2020 Full Year Budget	2019-2020 Forecast Actual
<u>Current Assets</u>		
Cash assets and cash equivalents	19,880,000	15,282,852
Cash investments	-	4,600,000
Trade and other receivables	3,650,000	3,151,794
Inventories	2,470,000	377,000
Non-current assets classified as held for sale	-	2,091,000
Prepayments		499,000
Total Current Assets	26,000,000	26,001,646
<u>Non Current Assets</u>		
Trade and other receivables	14,740,000	14,735,000
Equity investments	32,780,000	32,775,498
Investment properties	2,010,000	2,010,000
Property, plant and equipment	570,540,000	539,043,794
Intangible assets	6,440,000	4,816,583
Total Non Current Assets	626,500,000	593,380,874
TOTAL ASSETS	652,500,000	619,382,520
<u>Current Liabilities</u>		
Trade and other payables	4,320,000	4,322,339
Provisions	5,790,000	6,681,713
Borrowings	1,560,000	1,556,657
Total Current Liabilities	11,670,000	12,560,709
<u>Non Current Liabilities</u>		
Provisions	29,650,000	29,657,100
Borrowings	21,480,000	21,477,227
Total Non Current Liabilities	51,130,000	51,134,327
TOTAL LIABILITIES	62,800,000	63,695,036
NET COMMUNITY ASSETS	589,700,000	555,687,484
<u>Community Equity</u>		
Retained surplus (deficiency)	386,790,000	380,877,976
Asset revaluation surplus	199,920,000	169,658,096
Current Surplus/(Deficit)	3,000,000	5,151,413
TOTAL COMMUNITY EQUITY	589,700,000	555,687,484

5.6 Financial Sustainability Policy and the Long Term Financial Plan 2020/2021 to 2029/2030

Date: 26 June 2020
Author: Jodi Marchant, Chief Financial Officer
Responsible Officer: Ian Church, Chief Executive Officer

Purpose:

The purpose of this report is to seek Council's adoption of the Financial Sustainability Policy and Long Term Financial Plan as part of the 2020/2021 Budget process. A copy of the Policy is included at Attachment 1, and the Plan is at Attachment 2.

Officer's Recommendation:

THAT Council adopt the Financial Sustainability Policy (Attachment 1) and the Long Term Financial Plan 2020/2021 to 2029/2030 (Attachment 2).

Executive Summary

As part of the development of the 2020/2021 budget, the Financial Sustainability Policy has been reviewed and outlines Council's financial sustainability objectives. The Policy covers the key principles as they relate to operating surpluses, expenditure management, asset management, debt, commercial opportunities and the ratios Council will use to measure financial sustainability.

Additionally, the Long Term Financial Plan has been updated for adoption by Council. The Long Term Financial Plan represents "better practice" in that there is no legislative requirement to adopt a long term financial plan; however, the Queensland Audit Office has recommended that Councils should consider developing one.

In adopting the plan, Council is clearly stating the assumptions and parameters that have been used in the development of its 2020/2021 budget and associated financial forecast.

The adoption of a Financial Sustainability Policy and Long Term Financial Plan demonstrate Council's commitment to improved financial sustainability. The Policy provides guidance on achieving financial sustainability, while the Long Term Financial Plan documents the assumptions and parameters used in developing the 2020/2021 Budget and Long Term Financial Forecast and will be used as a reference when explaining Council's expected financial results.

Finance and Resource Implications

The Long Term Financial Plan documents the assumptions and parameters Council has used to develop its budget. The ability to reference the data that underpins Council's budget will make it easier to understand the implications of changes in circumstances for future forecasts.

The expected expenditures included in Council's Asset Management Plans have been incorporated into the Long Term Financial Plan. The Asset Management Plans have not been brought to Council as part of this year's budget as they have not significantly changed from the previous year. The plans will be reviewed in detail over the next twelve months alongside the planned service level review project and the results will be workshopped with Council as part of the 2021/2022 budget preparations.

Sensitivity analysis has been performed and it has shown that the financial items, which have the largest impact on Council's sustainability, are rate revenues and employee costs. Understanding the impacts of these potential changes assists Council in its decision-making process in the setting of budget parameters.

Corporate Plan

Corporate Plan Theme

Lockyer Leadership and Council

Outcome

- 5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.

Consultation

Portfolio Councillor Consultation

Councillors were consulted through the development of the 2020/2021 Council budget at Councillor Workshops held between February 2020 to June 2020.

Internal Consultation and Community Engagement

The implications of the Long Term Financial Plan and Financial Sustainability Policy will be incorporated into extensive communications associated with Council's 2020/2021 Budget.

Proposal

Overview

In 2012 amendments were made to the legislation that governed what Councils must include in their annual budget. One of the changes was to remove the requirement to prepare and adopt a long term financial plan and this was replaced with the requirement to adopt a long term financial forecast. While the two items sound similar, there is a significant difference between a plan, which provides details on assumptions, risks, and conducts sensitivity analysis, and a forecast, which only sets out the financial results with little additional detail.

In 2017 the Queensland Audit Office (QAO) conducted a performance review into forecasting long term sustainability within the local government sector. In that report a number of recommendations were made including recommending that Councils reinstate the practice of developing a financial plan in addition to the legislative requirements. Whilst not mandatory, Council has accepted that recommendation.

The Financial Sustainability Policy has been developed to provide guidance on the principles used in developing the Long Term Financial Plan, Budget and Financial Forecast.

With a renewed focus on financial sustainability, Council has recognised the importance of good financial planning and this plan has been developed in response to the QAO Performance Audit "Forecasting long-term sustainability of local government (Report 2: 2016–17)" and specifically recommendation 4:

‘We recommend councils improve the quality of their long-term forecasts and financial planning by developing financial plans to explain their financial forecasts and how they intend to financially manage the council and its long-life assets.’

This is Council’s fourth long term financial plan and it provides detailed information on the parameters that have been used in developing its 2020/2021 Budget and Long Term Financial Forecast. Future versions of the plan will continue to include more detailed information on Council’s policy intentions for key items within the plan. The content of this plan is in line with the items identified by the QAO as forming part of a ‘better practice’ long term financial plan.

The plan is updated annually as part of Council’s annual budget development process or in response to major changes in Council’s financial situation as they occur.

Legal Implications

The adoption of a Long Term Financial Plan or Financial Sustainability Policy is not required by legislation and is seen as a “better practice” method to improve financial forecasting and budgeting.

Policy Implications

The Financial Sustainability Policy provides a clear statement of Council’s objectives with regard to Financial Sustainability. The policy is in line with the position taken by Council in the past four years and in developing the 2020/2021 budget. The adoption of the 2020/2021 Financial Sustainability Policy by Council supersedes Council’s 2019/2020 Financial Sustainability Policy.

The Long Term Financial Plan references relevant Council policies and plans, including the Corporate Plan, Service Management Plans and budget related policies.

Risk Considerations

Key Corporate Risk Code and Category: FE2

Key Corporate Risk Descriptor: Finance and Economic
Decision making governance, due diligence, accountability and sustainability.

Previous Council Resolutions

Special Meeting of Council 14 June 2019 (16-20/1402)

THAT Council adopt the Financial Sustainability Policy (Attachment 1) and the Long Term Financial Plan 2019/2020 to 2028/2029 (Attachment 2).

Related Documentation

- Financial Sustainability Policy
- Long Term Financial Plan 2021 – 2030

Critical Dates

Under the *Local Government Act 2009* Chapter 4 Finances and Accountability, Part 3 Financial planning and accountability section 107a Approval of the budget the local government must adopt a budget before 1 August in the financial year to which the budget relates.

Implementation

1. Publish the Long Term Financial Plan 2020/2021 to 2029/2030 on Council’s Website.

2. Update Council's Policy Register and upload to the internet.

Attachments

- 1 [↓](#) Financial Sustainability Policy 3 Pages
2 [↓](#) Long Term Financial Plan 2021-2030 42 Pages



STRATEGIC

FINANCIAL SUSTAINABILITY

Head of Power

Local Government Act 2009 and Local Government Regulation 2012

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan 2017-2022

5.1 *Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.*

Definitions

N/A

Policy Objective

This policy outlines Lockyer Valley Regional Council's commitment to the responsible management of Council's financial resources now and into the future.

Policy Statement

Council has a responsibility to ensure that it has sufficient resources now and into the future to provide levels of service that are both affordable and at a level considered appropriate by the community. This responsibility encompasses how decisions are made regarding the allocation of property owner funds to Council's day to day operations as well as towards the replacement of existing assets and the procurement of new assets.

Responsible ongoing financial management by Council will achieve the following objectives:

- Council operates in an efficient and effective manner, minimising general rate increases.
- Ongoing operating surpluses to ensure Council's equity is not degraded and future financial risk can be adequately mitigated.
- Appropriate collection of cash funds for ongoing infrastructure and asset replacement and renewal.
- Informed decisions are made on discretionary new operating or capital investment proposals (i.e. business cases including whole of life cost analysis).
- Infrastructure and assets are maintained to required service levels.

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:20-24/XXXX)
Date Approved: 15/07/2020
ECM:

Effective Date: 15/07/2020
Version: 1.0 Last Updated: 30/06/2020
Review Date: 30/06/2021
Superseded/Revoked: NA
Page 1 of 3

- Debt levels are minimised and returns on cash holdings maximised.
- Achievement of the financial sustainability benchmarks set by legislation.

The key measurement criteria for whether Council is achieving its financial sustainability objectives over the short and medium term are the three financial sustainability ratios required to be published under legislation, namely the:

- Operating surplus ratio;
- Net financial liabilities ratio; and
- Asset sustainability ratio.

In addition to the above statutory ratios, Council will use the cash coverage ratio to maintain adequate cash for general operations. The cash coverage ratio measures the number of months of operations supported by the cash balance. The target benchmark is three months.

Council's current and expected financial sustainability performance will be measured and reported against the benchmarks for these ratios set by the state government and recommended by the Queensland Treasury Corporation (QTC).

Operating surplus ratio

Council will ensure that it maintains an operating surplus within the required benchmarks each year over the life of the ten-year financial plan. An operating surplus is achieved when operating revenues are greater than operating expenses (including depreciation and interest on debt). The operating surplus ratio is one of the three key measures of financial sustainability required under legislation. It calculates the operating surplus (or deficit) as a percentage of Council operating revenue. The target operating surplus ratio set by the state government is between 0% and 10%.

Council will ensure that expenditure on goods and services to meet established service levels will be undertaken efficiently and effectively. This will be achieved via the development of the annual operating expenditure budget within the guiding parameters contained within the Long Term Financial Plan and the service delivery objectives outlined by the Mayor and Councillors. Expenditure management outcomes will be measured by how Council performs annually against its operating and capital expenditure budget allocations.

Net Financial liabilities ratio and Debt management

New debt will only be incurred for specific capital projects where other funding sources have been exhausted, and where debt will be utilised for intergenerational equity purposes.

The net financial liabilities ratio is one of the three key measures of financial sustainability required under legislation. The net financial liabilities ratio represents Council's net financial liabilities (total liabilities less current assets) expressed as a percentage of total operating revenue. A negative percentage indicates that current assets exceed total liabilities. The target net financial liabilities ratio set by the state government is less than 60%.

Council will adopt a conservative approach to new debt to ensure that the net financial liabilities ratio is below the target over the life of the ten-year financial plan. New debt that may be required to assist with the funding of infrastructure to cater for population growth will be considered on a case by case basis.

Asset sustainability ratio and Asset management

Council will ensure that it maintains its infrastructure and assets on an ongoing basis at defined levels to ensure that services are able to be provided effectively to the community.

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:20-24/XXXX)
Date Approved: 15/07/2020
ECM:

Effective Date: 15/07/2020
Version: 1.0 Last Updated: 30/06/2020
Review Date: 30/06/2021
Superseded/Revoked: NA
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The asset sustainability ratio is one of the three key measures of financial sustainability required under legislation. This ratio is calculated by measuring the annual expenditure on the renewal and rehabilitation of Council's assets against the annual depreciation charge. It is a measure of whether Council is reinvesting appropriately in existing infrastructure assets.

Council will target over the life of the ten-year financial plan to achieve a minimum asset sustainability ratio of 90% (including plant, fleet and office equipment renewals) consistent with the benchmark unless condition-based renewal forecasts demonstrate a percentage lower than 90% in any given year.

Established management plans for Council's asset and infrastructure classes will incorporate annual maintenance financial estimates as well as ten-year renewal / replacement forecasts developed from regular asset condition assessments. Asset management plan financial forecasts will be incorporated into Council's ten-year financial plan and annual budget to ensure financial sustainability implications are appropriately considered.

Annual depreciation forecasts will be developed on an asset by asset basis utilising methodology endorsed by the Queensland Audit Office, with assets regularly revalued in accordance with legislative requirements.

Financial analysis for all new and replacement capital projects will be used to inform Council of whole of life costing implications associated with each project.

Commercial opportunities

Commercial opportunities will only be considered if they provide value for money to the community and have a positive net impact on overall general rate funding requirements of Council.

The QTC project decision framework will be utilised for business case analysis for all new identified commercial opportunities. The outcomes from the analysis will be used to inform Council of whole of life costing implications associated with each commercial proposal.

Related Documents

Lockyer Valley Regional Council – 2020/2021 Budget and Long Term Financial Forecast

Lockyer Valley Regional Council – Long Term Financial Plan

Lockyer Valley Regional Council – Asset Management Policy

Lockyer Valley Regional Council – Service Management Strategy (2018-2021)

Lockyer Valley Regional Council – Asset Management Plans (per asset class)

Group: Executive Office
Branch: Finance
Approved: Ordinary Council Meeting
(Resolution Number:20-24/XXXX)
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Lockyer Valley Regional Council

Long Term Financial Plan

2020/2021 – 2029/2030

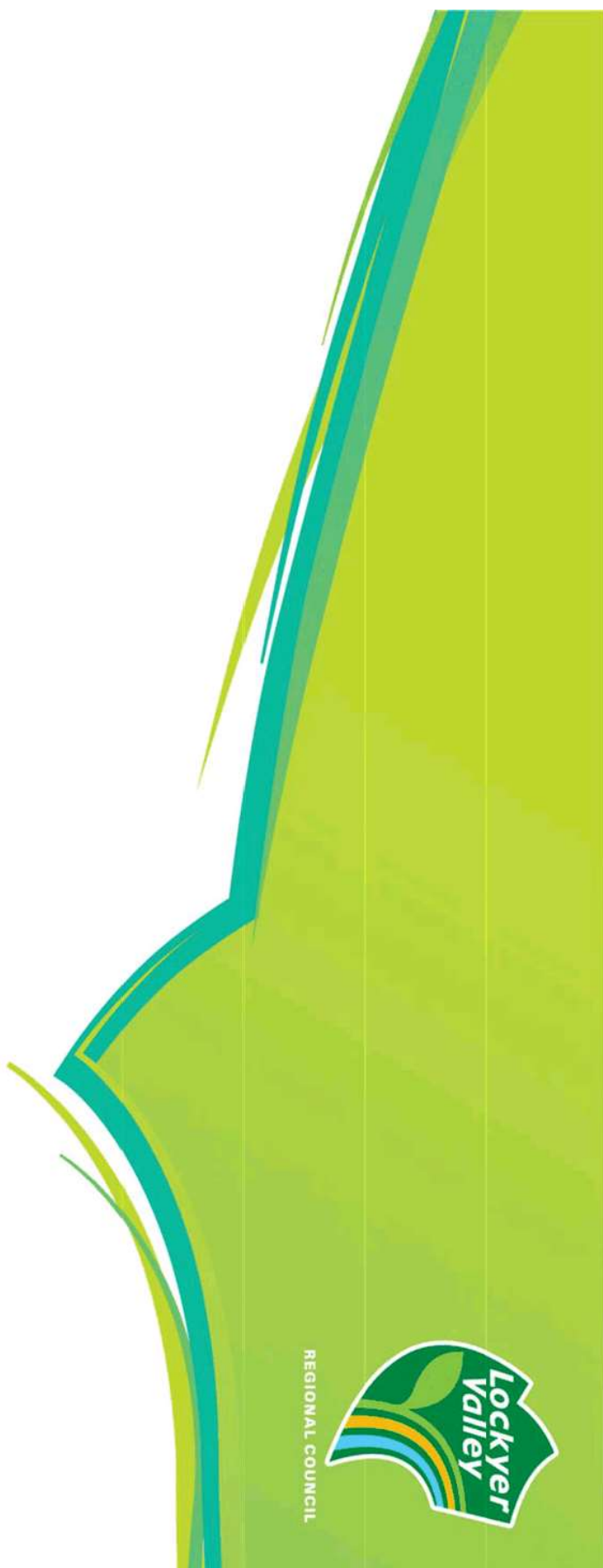
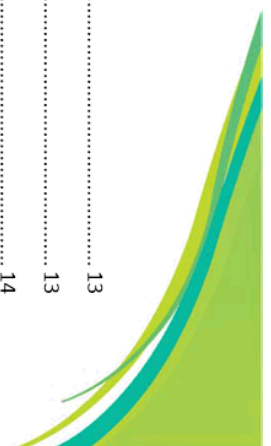


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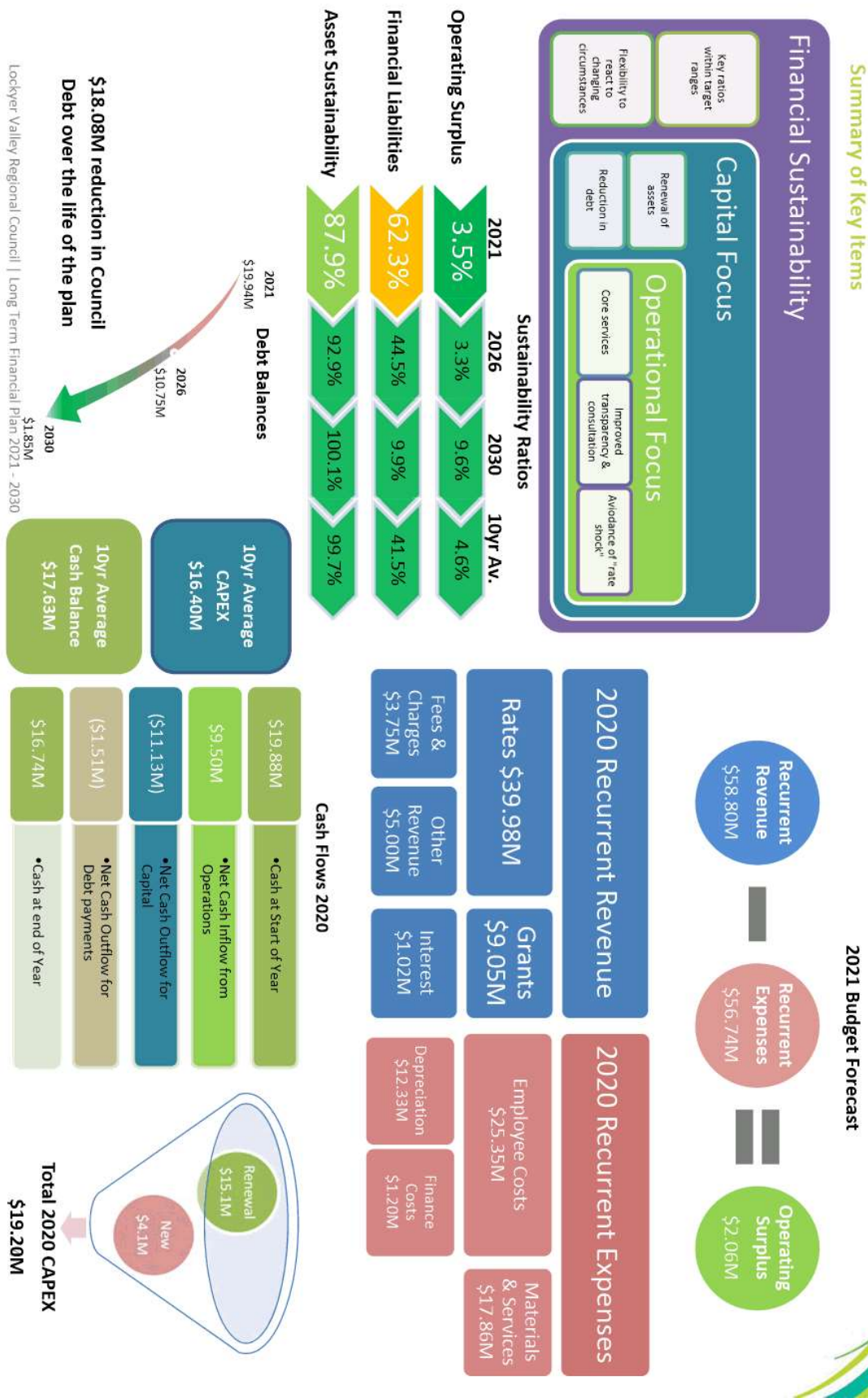
Introduction

With a renewed focus on financial sustainability, in 2017 Council recognised the importance of good financial planning and the first version of this plan was developed in response to the Queensland Audit Office (QAO) performance audit "Forecasting long-term sustainability of local government (Report 2: 2016–17)" and specifically recommendation 4:

'We recommend councils improve the quality of their long-term forecasts and financial planning by developing financial plans to explain their financial forecasts and how they intend to financially manage the council and its long-life assets.'

In this updated long term financial plan Council seeks to provide detailed information on the parameters that have been used in developing the 2020/2021 Budget and Long Term Financial Forecast. The content of this plan is in line with the items identified by QAO as forming part of a 'better practice' long term financial plan.

The plan will be updated at least annually as part of the budget development process or in response to major changes in Council's financial situation as they occur.



Background

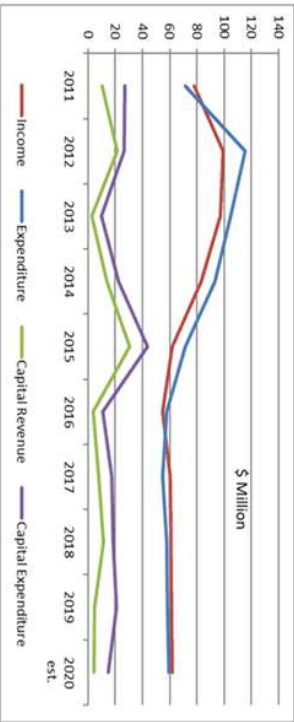
Council's Financial History

Operational & Capital Income and Expenditure

In 2008 the Lockyer Valley Regional Council was created through the amalgamation of the Laidley Shire Council and the Gatton Shire Council. For its first full financial year of operations in 2010 the total revenue was \$45.44M and total expenditure was \$43.27M; while capital revenues were \$23.32M and capital expenditures were \$27.60M. In 2011, Council's water and waste water services were incorporated into Queensland Urban Utilities with a consequent reduction in revenues and expenditures.

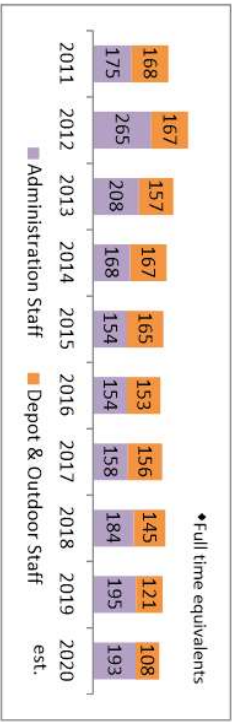
In January 2011 the region was subjected to serious flooding which stretched Council's resources beyond capacity. In terms of Council's physical assets, damage was sustained to 77% of our road infrastructure, 83% of our bridges, 58% of our floodways and 20% of our culverts. The cost of the damage was in the order of \$200M. While the recovery from this disaster was still underway, a further flood event occurred in January 2013 which was on the same magnitude as the previous event but affecting different locations within the region.

In order to recover from these disaster events, Council employed a significant level of additional resources across multiple areas of Council. Funding was provided under the National Disaster Relief and Recovery Arrangements to provide immediate disaster relief and also for the longer-term restoration of public assets. The income and expenditure related to the disaster events spanned the years 2011 to 2015, when the recovery programme came to a close. The following graphs show a snapshot of the income, expenditure and full time equivalent employee numbers for those years.



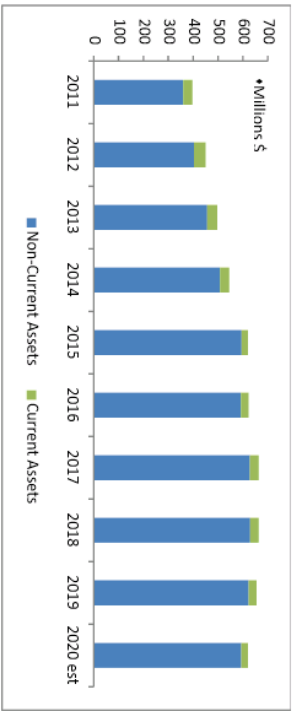
As can be seen from the graphs Council income and expenditures have reduced since its peak in 2012 when the flood recovery effort was in full swing. The second disaster event in 2013 did not have as large an impact on Council's finances as they were already at a heightened level. In the 2014 financial year, the flood recovery effort moved from operational type works to capital works with the restoration of damaged assets. This work was completed prior to June 2015.

The 2015 and 2016 years saw a reduction in the recovery related revenues and expenditures and associated staff levels, with Council looking to make the reductions over a period of two years. The reductions were necessary as additional costs could not be funded through rates or any other own source revenues. These reductions have set the base for the operating surpluses that have been experienced since that time.



Assets

Infrastructure, property, plant and equipment make up the majority of Council's assets. Other assets include cash, trade receivables, the investment in Queensland Urban Utilities (QUU) and the loan to QUU.



Council invests its surplus cash in either a QTC 'at call' account or in term deposits. The amount of cash depends on the completion of the capital works programme, and the timing of income and expenditure. During the year the cash balance will peak in August/September and January/February as this is when the majority of the rates will be paid. The average end of year balance over the past ten years has been \$26.72M.

Council's trade receivable debtor balances have reduced from \$9.60M in 2011 to an estimated \$3.65M in 2020. This has been the result of an improved debt collection process which has been consistently applied. This debt collection process remains in place and collections continue to improve on previous years.

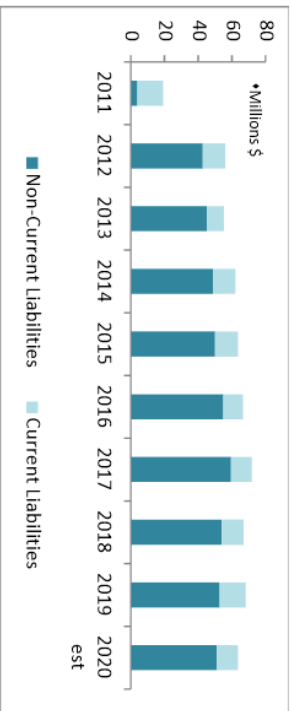
As compensation for the transfer of Council's water and waste water business to QUU Council received a 0.903% stake in the business. In 2020 this was worth an estimated \$32.78M which has generated an average return of \$2.30M per year. Council also has a \$14.75M interest only

shareholder loan arrangement with QUU which contributes around \$0.71M to Council's annual interest earnings.

Infrastructure, property plant and equipment have increased by \$226.21M since 2011 both as a result of additions to the asset base through the upgrade of existing assets, construction of new assets, developer contributions and the revaluation process. In order to comply with accounting standards, Council engages the services of an external professional valuer to provide regular updates on the value of its assets. Over the years 2011 to 2020, the value of the assets has increased an estimated \$123.09M through this process.

Liabilities

Council's liabilities are comprised of trade payables, balances owing to employees for accumulated leave, loan borrowings and provisions. While current liabilities have remained relatively stable over the past seven years, non-current liabilities have grown significantly in that time.



Like most other Local Government Authorities throughout Australia, Lockyer Valley Regional Council utilises loan borrowing to fund the construction of new infrastructure to service the needs of our growing community.

During the financial years 2011/12 to 2014/15, Council borrowed a total of \$38.15M, with the majority of borrowings occurring in the 2011/12 year. These loans were used to fund the construction of the Locker Valley Aquatic Centre (\$10.25M), Laidley MultiSports Centre (\$2.20M), information technology systems (\$4.03M), upgrades to waste facilities (\$3.06M) and the Grantham Land Swap (\$7.50M). The loans have been consolidated and the repayments are funded through general revenues.

Included in the borrowing total was \$11.00M to fund some of the disaster recovery costs that were not eligible under grant arrangements. The repayments on this loan are funded through a levy on all rateable properties in the region.

In 2020, Council's total debt represents just 3.72% of its total assets. The other significant change in Council's liabilities over this period was the recognition of a provision for the estimated future costs of monitoring and rehabilitating Council's landfill and quarry sites. The provision is reviewed annually and is subject to change through the discount rate used to calculate the net present value and the unit rates of costs incurred. The provision may also change due to legislative requirements or technology innovations. In 2020 the provision represents 57.05% of Council's total liabilities.

Relevant Measures of Sustainability

The *Local Government Act 2009* defines financial sustainability as being able to maintain financial capital and infrastructure capital over the long-term. Councils need to generate sufficient finances to continue to operate without eroding their physical asset base.

Due to the fluctuations in operational and capital expenditures caused by the disasters and the uncertain timing of grant funding, Council's sustainability results have been difficult to forecast. Despite forecasting a

return to an operating surplus, each year from 2011 to 2016 resulted in an operational deficit which placed Council outside of the recommended parameters for the sustainability measures used in the *Local Government Regulation 2012*. An operating surplus in 2017, 2018 and 2019 was delivered, and although still subject to finalisation and audit confirmation, it is expected that there will be a small operating surplus in 2020.

Council's financial situation for the 2019/2020 financial year has taken a hit since the impacts of COVID-19 made themselves felt 3 months ago. Declining revenue has caused a reduction to original surplus forecast predictions for this year's operating result to a volatile surplus of around \$400k.

The increase in the Net Financial Asset/Liability ratio is as a result of reduced cash assets and increased total liabilities. While this is not of concern while it remains just outside of the recommended parameters in the short term, it will need to be addressed over the medium to long term.

The Asset Sustainability ratio will fluctuate each year depending on the level and type of capital works completed. These annual fluctuations are not of a concern as long as the long-term average is within the parameter or Council's service management plans can demonstrate that a lower level of expenditure is appropriate. It is also highly dependent on the accuracy of the depreciation estimates and as the asset base is revalued upwards, the amount of depreciation increases. The results for 2011 and 2012 are unable to be calculated as the data was not required to be kept at that time.

	Target	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Average
Operating Surplus Ratio	Between 0% and 10%	7.27%	13.53%	17.77%	11.69%	14.80%	6.50%	8.79%	5.50%	6.78%	0.70%	12.87%
(Net Operating Surplus / Total Operating Revenue) (%)												
Net Financial Asset / Liability Ratio	≤ 60%	124.80%	9.47%	15.23%	20.00%	60.15%	64.67%	60.15%	52.00%	54.05%	60.00%	38.7%
(Total Liabilities - Current Assets) / Total Operating Revenue												
Asset Sustainability Ratio	≥ 90%	N/A	N/A	78.2%	89.5%	255.2%	47.2%	89.5%	97.5%	111.7%	99.3%	108.8%
(Capital Expenditure on the Replacement of Assets (newval) / Depreciation Expense)												



Queensland Treasury Corporation Reviews

The Queensland Treasury Corporation (QTC) undertakes a financial review as part of the Local Government Borrowings Program or as requested by the Department of Local Government, Racing and Multicultural Affairs (the Department) or Council. These reviews are predominately aimed at whether or not Council can repay existing debt and any additional borrowings that have been applied for. The review looks at data drawn from Council's financial forecast model, prior year audited financial results and information gained by interviewing key staff.

While the review is predominately credit related, it provides a rating which assesses Council's financial sustainability in accordance with a scale developed by QTC. The assessed outlook focusses on foreseeable future events which could cause the potential movement in the rating over the short term. Ratings range over seven levels from "Very Strong" to "Distressed" while the outlook can be "Positive", "Negative", "Neutral" or "Developing".

The QTC Review is a useful tool in reviewing Council's financial sustainability as it provides an independent assessment of Council's position at the time of the review.

The following table shows the outcomes of Council's QTC reviews since 2012:

Review Date	Rating	Outlook
2012	Moderate	Neutral
2013	Moderate	Negative
2014 (March)	Moderate	Negative
2014 (December)	Weak	Neutral
2016	Weak	Neutral
2020	Pending	Pending

The current recent review rated Council as "Weak with a Neutral outlook" which was unchanged from the December 2014 review. As per QTC's definitions, a rating of weak means:

"A local government with an acceptable capacity to meet its financial commitments in the short to medium-term and a limited capacity in the long-term. It has a record of reporting moderate to significant operating deficits with a recent operating deficit being significant. It is unlikely to be able to address its operating deficits, manage unforeseen financial shocks, and any adverse changes in its business, without the need for significant revenue and/or expense adjustments. The expense adjustments would result in significant changes to the range of and/or quality of services offered. It may experience difficulty in managing core business risks."

A neutral outlook means:

"There are no known foreseeable events that would have a direct impact on the local government's capacity to meet its financial commitments. It may be possible for a rating upgrade or downgrade to occur from a neutral outlook, if such an event or circumstance warranted as such."

QTC identified the following factors which influenced the rating:

- Large operating deficit in 2015 which was larger than originally budgeted,
- Operating deficits continuing over the forecast period, and
- Asset management plans not being sufficiently developed.

According to the report, "the key financial challenge will be to achieve the forecast rate revenue increases while restricting materials and services expenses and reducing employee expenses so that Council's annual operating deficit is reduced to an acceptable level."

QTC recently undertook a credit rating review, with the outcome still pending. Council would like to see its QTC rating return to "Moderate" over the short-term with a longer-term goal of "Sound". The key differences between the ratings are around the level of operating deficits and surpluses and the Council's ability to handle potential financial shocks without significant changes in service levels, revenues or expenditures. Discussions with QTC have indicated that this long term financial plan are supporting Council's rating goals by continuing to address the challenges identified by QTC and deliver a financially sustainable future.

Current Financial Situation

Council has maintained a strong focus on financial and operational sustainability over the past four years and the 2020/2021 Budget is a continuation of that focus and commitment.

While the coronavirus has had a significant impact on local businesses, in all parts of Australia and the world, this year's Budget is consistent with Council's longer-term strategy to ensure we balance community expectations with financial sustainability and demonstrate the responsibility that is entrusted to us.

There is some uncertainty about the forecast result for 2019/2020 with a small surplus forecast that could quickly turn to a deficit. The immediate business imperatives of ensuring employee safety, ensuring critical business functions and activities continue, and preserving cashflow have been addressed. Council has implemented several immediate and longer-term financial relief and economic stimulus measures to support the community including moving to a zero rates increase for 2020/2021.

Despite the rates freeze and other revenue reductions, the 2020/2021 budget plans for an operating surplus of just over \$2M as well as a \$19M capital works program, largely thanks to the grants received from State

and Federal Governments. There is a focus on continuing to ensure financial sustainability into the future for the Lockyer Valley.

Council continues to consolidate the savings measures adopted in the previous years and implementing the outcomes of an Organisational Effectiveness Review based on consultation with staff which identified efficiencies and improvements. Operations and costs are under ongoing review with a commitment to ensure rate payers are getting increasing value for money from Council.

As with previous budgets, Council wanted to provide a framework for securing its financial sustainability over the life of the forecast period. To achieve this, they aim for:

- Operating surpluses for the forecast period;
- Reduced and smooth increases in rates from year to year to avoid any "rate shock".
- Review of operations and service levels to focus on core services.
- Improved transparency and consultation in developing future budgets.

In the short and medium term, business activities will need to be critically assessed for their financial viability and the allocation of financial resources. Part of the preparation of the 2020/2021 budget included assessing the essential nature and priority for all capital and operational projects as well as core business. A further service level review over the next 12 months will provide further data for decision making when reviewing Council's core services and commercial enterprises.

While economic conditions may improve over time, some things are likely to change permanently. Many aspects of doing business may look different – from managing customer and supplier relationships, to



maintaining adequate levels of liquidity, and even levels and types of service provided to the community.

Asset Management also continues to be a focus, with improved asset data and a planned inspection regime ensuring that Council's understanding of the condition of its assets is better than it has ever been. This will in turn improve the outputs from the service management plans for each class of assets and ensure a more realistic forecast of the required levels of expenditure.

The long term financial forecast plans a modest operating surplus results ranging from \$2.06M to \$1.82M over the first five years of the LTFP, building some financial capacity in the following five years with results ranging from \$2.10M to \$7.00M. This can be attributed to Council proposing to not raise rates in year 1 of the Plan in recognition of the financial difficulties being experienced in the community due to the COVID-19 pandemic.

Over the life of the LTFP, rate revenue continues to represent circa 67% of Council's operating revenue. During the forecast period rate revenue is projected to increase by between 1.00% pa and 2.00% pa. In addition, Council will also attribute growth in its assessment book, growth being represented by an increase in rateable properties and an increase in property valuations over the forecast period. Growth is expected to range from 1.0% to 1.5% during the period.

Over the forecast period a more sustainable level of capital works which is focussed on renewals has been proposed. Total capital expenditure for all asset classes is comprised:

- Asset renewal/upgrade \$148.1M
- Asset new \$20.4M

The Plan forecasts that all capital commitments can be met from existing financial resources without the need to borrow. As a result, total borrowings are forecast to decrease from an estimated \$19.94M in 2020/2021 to \$1.85M in 2029/2030.



Strategic Alignment

Legislative Requirements

The following table outlines the sections of the legislation relating to financial sustainability:

Section	Description
LGA s104(2)	Definition of sustainable local government.
LGA s104(5)	Components of a financial management system.
LGR s167	Requirement for a long-term asset management plan.
LGR s168	Contents of a long-term asset management plan.
LGR s169(2)(a)	Long-term financial forecast must be included in budget process.
LGR s169(5)	Measures of financial sustainability.
LGR s171(1)	Definition of a long-term financial forecast.
LGR s171(2)	Annual review of long-term financial forecast.
LGR s176	Current year financial sustainability statement and long-term financial sustainability statement must be prepared.
LGR s178(1)	Current year financial sustainability statement requirements.
LGR s178(2)	Long-term financial sustainability statement requirements.
LGR 179(2)(c)	Measures of financial sustainability to be included in community financial report.
LGR s183(b) & (c)	Must include current year and long-term financial sustainability statements in the annual report.
LGR s212(1)	Current year financial sustainability statement to be audited.
LGR s212(2)	Long-term financial sustainability to be provided to Auditor General for information.

LGA = Local Government Act 2009, LGR = Local Government Regulation 2012

Council is fully compliant with the requirements of the legislation and the adoption of this Long Term Financial Plan is in addition to these requirements. A Long Term Financial Plan is considered to be an example of a better practice approach to financial sustainability.

Policy Linkages

The long term financial plan is influenced by the following policy documents. The policies are reviewed on an annual basis and adopted as part of the budget process.

Financial Sustainability Policy

For the 2020/2021 and subsequent financial years Council is adopting a policy outlining its objectives to achieve financial sustainability. The policy covers the key principles as they relate to operating surpluses, expenditure management, asset management, debt, commercial opportunities and the ratios Council will use to measure financial sustainability.

Asset Management Policy

At its Ordinary Meeting on 22 March 2019, Council adopted an Asset Management Policy to demonstrate Council's commitment to the effective stewardship of its community assets and infrastructure. The Policy sets out Council's position on the management and acquisition of assets to achieve its service objectives and the methods it will use to efficiently manage them.

Revenue Policy

Section 169 (2) (c) of the *Local Government Regulation 2012* requires Council to include a Revenue Policy in its annual budget.



The purpose of the Revenue Policy is to set out the principles used by Lockyer Valley Regional Council for the making and levying rates and charges, determining the purpose of and the granting of concessions for rates and charges, recovering overdue rates and charges, methods for setting cost recovery fees, and the extent to which physical and social infrastructure costs for a new developments are to be funded by charges for the development.

Revenue Statement

Section 169(2)(b) of the *Local Government Regulation 2012* requires Council to include a Revenue Statement in its annual budget. The Revenue Statement is an explanatory statement, detailing the revenue measures adopted in the current budget. The Statement is reviewed annually, and adjustments are made in line with Council's requirements for revenue generation and changes in the types of rateable properties within the region.

Debt Policy

Under Section 192 of the *Local Government Regulation 2012*, Council must prepare and adopt a debt policy each financial year. The debt policy must state new borrowings for the current financial year and the next nine years and the time over which Council plans to repay existing and new borrowings. The current Debt Policy forecasts no borrowings for the life of the long term financial plan.

Under Council's debt policy, Council will not utilise loan funds to finance operating activities and where capital assets are funded through borrowings, Council will repay the loans within the shortest term possible with the maximum term not exceeding the life of the asset. Current loans are planned to be repaid within their existing loan terms. Additional repayments will be made where sufficient funds are available, and it is advantageous to do so.

Investment Policy

Under Section 191 of the *Local Government Regulation 2012*, Council must prepare and adopt an investment policy that outlines Council's investment objectives and overall risk philosophy together with the procedures for achieving the goals outlined in the policy.

The Policy provides Council's finance officers with an investment framework within which to place Council investments to achieve competitive returns whilst adequately managing risk exposure and ensuring cash funds are available to meet Council's short-term cash requirements. In order of priority, the order of investment activities is preservation of capital, liquidity and return.

Strategic Planning Linkages

Council's Corporate Plan 2017-2022 contains five themes that support the stated vision of *"We will deliver sustainable services to enhance the livability of our community while embracing our economic, cultural and natural diversity"*. The theme that most directly influences this long term financial plan is "Lockyer Leadership and Council". The relevant strategic commitments under that theme are as follows:

- Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.
- Actively engage with the community to inform council decision making processes.
- Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values.
- Compliant with relevant legislation.



The status of these commitments is reported on each year in the Annual Report.

Service Management Planning

As part of its asset management planning process, Council has developed Service Management Plans (SMP) for each of its key asset groups as well as an overarching Service Management Strategy. The service management strategy is to enable Council to show:

- How its asset portfolio will meet the service delivery needs of its community into the future
- Enable Council's asset management policies to be achieved, and
- Ensure the integration of Council's asset management with its long term strategic plan.

Infrastructure assets such as public buildings, roads, drains, and bridges present particular asset management challenges because their condition and longevity can be difficult to accurately determine. Financing needs for these assets can be large, requiring planning for large peaks and troughs in expenditure for asset renewal and replacement. The demand for new and improved services adds to the planning and financing complexity of asset management.

Throughout the plans the following descriptions of expenditure are used:

- Operations and maintenance - day to day costs to keep the assets in a serviceable condition and to slow the rate of deterioration.
- Renewals - replacing assets with like for like to deliver the same level of service, at or near the end of the assets economic life.
- New/upgrade works - replacing assets with a new or improved asset to provide a higher level of service than was

previously provided or a new service, i.e. safer road, reduced travel times, improved drainage, providing a service that did not previously exist in that location etc.

A summary of each plan's key points and focus is shown below. The capital expenditure projections from these plans have been included in the financial forecast for the next ten years. Plans are under development for Stormwater assets.

A major review of all SMP's is underway and will be finalised during the 2020/2021 financial year.

Transport

This SMP describes the road related assets provided to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future.

Expenditure is incurred on transport related assets in three main areas, these being:

- Operations and maintenance - Estimated at an annual average of \$6.93M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$6.76M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$1.18M per year over the life of the plan.

Buildings & Facilities

This SMP describes the building related assets provided to the community and the considerations that need to be made to ensure that provision of these assets is carried out in a sustainable and equitable manner, now and in the future.



The majority of Buildings and Facilities have been inherited from two previous Shires in the amalgamation process. This has created some duplication of facilities and a surplus asset inventory. Lockyer Valley Regional Council is in the process of consolidating the Buildings and Facilities asset inventory. The project growth in population is not expected to create a demand for new facilities in the near future due to the current excess capacity. Demand is anticipated to upgrade existing facilities before major new facilities are provided.

- Operations and maintenance - Estimated at an annual average of \$3.85M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$2.40M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$0.22M per year over the life of the plan.

A major review of the SMP is ongoing and will be finalised during the 2020/2021 financial year.

Information Services

Lockyer Valley Regional Council exists to provide services to its community. Many of these services are underpinned by ICT assets, which include ICT applications/software, endpoints and the underpinning ICT network and infrastructure. Our goal in managing ICT assets is to meet the defined level of service in the most cost-effective manner for consumers, both present and future. The key elements of ICT asset management are:

- Providing a defined level of service and monitoring performance.
- Managing the impact of growth through demand management and ICT investment.

- Taking a life cycle approach to developing cost-effective management strategies for the long term that meet the defined level of service.
- Identifying, assessing and appropriately controlling risks.
- Having a long term financial plan which identifies required, affordable expenditure and how it will be financed.

In previous years the majority of ICT equipment was purchased outright. However, from the 2013-2014 financial year, this approach moved to the lease of ICT equipment where appropriate e.g. where the value is over \$1,000 with a lifetime of 5 years or less that is used in a controlled environment.

For the purposes of this SMP it is assumed that the current approach will continue; however, the use of cloud computing continues to increase in the coming years. This may result in a reduction of some equipment.

- Operations and maintenance - Estimated at an annual average of \$2.52M per year over the life of the plan.
- Renewals & New/upgrade works - Estimated at an annual average of \$1.10M per year over the life of the plan.

Fleet & Plant

This SMP describes the fleet assets provided to the organisation as a means to deliver services to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future.

Due to the limited replacement activities that have been undertaken in the preceding years there is a significant funding requirement to bring the fleet replacement back into line with acceptable industry standards. Failure to address this issue will lead to increasing maintenance expenditure and less reliability of the fleet items in service.



In order to maintain the required Fleet service levels over the next 10 years, Council will need to allow, on average \$1.59M (nett) per year to replace existing assets as they come to the end of their life. A significant portion of this expenditure is required in the first few years of the plan in order to address the backlog issue and obtain the right plant and fleet items to support current operations.

Disaster Management

Council maintains a network of flood warning infrastructure within the LVRC Local Government Area (LGA). This infrastructure includes a range of CCTV cameras and river height and rainfall gauges and is integral to the LVRC Disaster Management intelligence gathering process and forms part of the larger regional oversight of emerging flood situations and catchment conditions. In addition to the CCTV cameras and gauges is a flood warning siren located in Grantham.

Disaster Management also manages the maintenance of fire trails throughout the Lockyer Valley. The fire trails within the maintenance plan are currently restricted to land parcels owned by Council and do not include private or State controlled land.

Disaster Management also manages certain assets allocated to the Lockyer Valley State Emergency Service. SES Fleet and plant assets are not included in the Disaster Management Service Plan.

Operational costs for these assets are approximately \$0.10M per year and approximately \$0.50M has been identified to expand and upgrade the infrastructure in key areas.

Parks, Gardens

This SMP describes the parks and open space assets provided to the community and the considerations that need to be made to ensure that

the provision of these assets is done in a sustainable and equitable manner, now and into the future.

- Operations and maintenance -. Estimated at an annual average of \$2.03M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$0.10M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$0.17M per year over the life of the plan.

It is worth noting that park assets, more so than other asset types, are not only renewed on the basis of poor condition but also due to service obsolescence. Park assets may be renewed with modern day equivalents purely on the basis of aesthetics or utilisation and this needs to be factored into the assets remaining useful life.

A major regional park is being planned for the Hatton Vale area with construction forecast to commence in 2020/2021. The costs to maintain and operate this new facility are yet to be finalised.

Cemeteries

This SMP describes the cemetery assets provided to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future.

- Operations and maintenance -. Estimated at an annual average of \$0.27M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$0.01M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$0.10M per year over the life of the plan.



Waste

This SMP describes the waste assets provided to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future.

- Operations and maintenance - Estimated at an annual average of \$4.28M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$0.05M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$0.43M per year over the life of the plan.

The current SMP does not take into account the future decision by Council on its position of long term waste management (20+ years). The existing facility has approximately 10 to 13 years of remaining life and Council must decide whether to obtain a new site or transport the waste to another approved facility outside of the Region. The plan will be updated to reflect Council's decision when it is made.



Assumptions & Risks

The LTFP has been developed based on the best information and assumptions available at the time of development. However, users of this information should be aware that there are risks associated with using estimated increases to Consumer Price Index (CPI), Council Cost Index (CCI), and predictions in finance costs and interest rates. The LTFP may be impacted by future changes such as new legislation that could materially affect the projected outcomes and results of the LTFP. Changes in Government Policy may also impact on Council's financial position and performance.

At the time of preparing this Plan our community is dealing with the impacts of the global health pandemic COVID-19. This event is having unprecedented impacts on the health, wellbeing, economy and financial capacity of individuals and organisations locally and around the world. Whilst Council is being guided by information and current directives from federal and state governments, peak health agencies and medical experts to inform our decisions the extent and financial impacts on the Council are very difficult to predict.

Whilst the financial impact of some Council decisions in dealing with the pandemic can be estimated over the short term, ie 3 to 6 months, the long term impact is unknown. In order to reduce risk the plan will be reviewed and updated on a regular basis to incorporate the best available information for a given point in time. In addition, the LTFP assumptions are reviewed by Council's Audit Committee.

Further, to ensure that this Plan is timely and relevant to Council forecasts, the LTFP will be reviewed annually prior to the commencement of the Annual Business Plan and Budget process. This will help determine the financial parameters and rate increases for the upcoming financial year.

The key assumptions used in developing this plan include:

- Council will continue to provide the current range and scope of services, with a service level review to be undertaken in 2021.
- No change in council structure or boundaries.
- No significant change in legislative requirements.
- No natural disasters impacting the region.
- The completion of the service management plans will not result in a significant increase in capital expenditure.

Sources of Information

Information from external parties used within this plan has been sourced as follows:

Data Used	Source	Impact
LGAQ CCI (CCI)	LGAQ Circular	Cost driver for goods and services.
		The forecast future rate is 0.08% above CPI.
CPI	Australian Bureau of Statistics (actual) Reserve Bank of Australia (RBA) (forecast) 2020 Federal Budget Papers	Reference for future CCI. Cost driver for Bank fees. The forecast future rate is set between the desired RBA inflation target of 2.00% to 3.00%.

Identified Risks

The following risks have been identified as having a potential impact on the results outlined in this plan:

Item	Potential Impact	Likelihood	Comment
Rates Growth not achieved	Loss of revenue of up to \$0.40M.	Possible	Without reducing services, offset savings would need to be identified or the surplus decreased. The achievement of the growth target is not known until late in each financial year.
Interest revenues less than expected	Increased reliance on other revenue sources.	Likely	A conservative interest rate has been used for investment interest. Given the unknown ongoing impact of COVID-19 rates are unpredictable and remain volatile. There is a strong possibility of rates reducing further in the short to medium term. QUU interest is as advised by QUU and as such Council has no control over the amount.

Item	Potential Impact	Likelihood	Comment
Reduced government grants	Additional revenue from rates would be required to make up the shortfall.	Low	Projects with the reduced grant funding could be cancelled or scaled back. An increase of 2.0% has been estimated.
Uncontrollable materials and services increases	Increased deficit.	Low	Close monitoring of the monthly results will be used to identify any cost increase issues early. Known cost increases for contracted services will be factored into the budget.
Capital works projects not utilising day labour	Excess capacity in the day labour workforce (inc. plant). Increased operational costs.	Possible	The selection of capital works projects needs to consider the use of Council's day labour workforce.
Changes in provisions due to bond rate variations	Increased "finance costs" and reduced operating surplus	Low	Long term bond rates remain fairly stable although a better understanding of the sensitivity to change is required.

Key Plan Outcomes

Rating Revenues

Council's main source of revenue is from rates and they are levied to fund the provision of valuable services to the community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and future community requirements.

Council also provides concessions to pensioners to assist property owners to remain in their own homes, and concessions to non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region. This discount is budgeted at around \$0.18M.

A 5% on time payment discount is offered on the general rate and waste collection rates to encourage property owners to pay by the due date and is currently around \$1.50M. There are no plans at present to remove or further reduce the discount.

The different types of rates levied by Council are:

- General rates – calculated based on property values.
- Waste collection charges – charged per service.
- Separate charges – charged per rateable assessment to fund a particular service, facility or activity.
- Special charges – charged on particular assessments which benefit from, contribute to a need for, a particular service, facility, or activity.

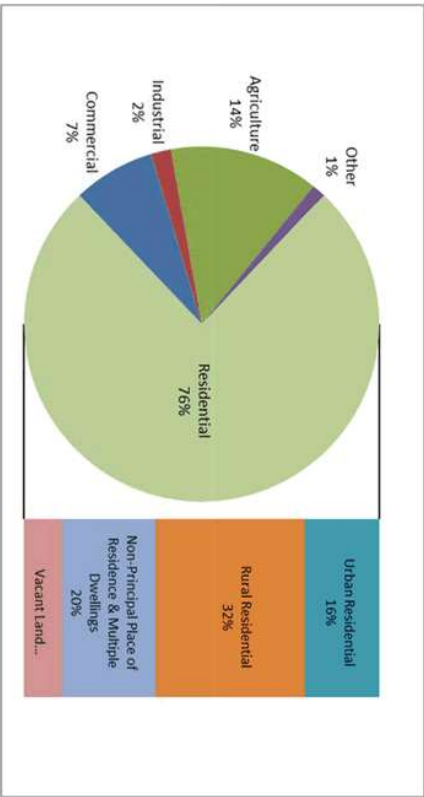
Each year the rating categories are reviewed to ensure that the level and type of rates are in line with Council's revenue requirements. Council undertakes detailed rates modelling to determine the impact of proposed

changes on the various rating categories. Future rating reviews will look at options to improve the relativity between residential, commercial, agricultural and industrial rates. Any significant changes will be brought in following an appropriate period of community engagement.

The equitable distribution of the rating charges is challenging as there are two main population centres with several dispersed smaller centres connected by large lengths of rural roads. Between these centres there is a mixture of agricultural land and rural lifestyle properties. The dispersed nature of the region results in a higher cost base for the provision of services.

At present there are 50 separate rating categories although the majority of Council's rates revenue comes from the residential categories.

The breakdown by major category shown in the following chart:



General Rates

Over the life of this LTFP Council has considered a lesser increase for the period 2022 to 2026 and returning to increase by CPI from 2027. These increases are forecast to raise sufficient revenue to maintain desired services and servicing of its proposed debt. In response to the financial impact of COVID-19 on our community the Council is proposing to not raise rate revenue for the 2020-21 financial year other than accepting the natural revenue increase through growth in the assessment book valuations.

General rates are forecast to increase from \$32.09M in 2021 to \$42.05M in 2030 with the average rates per property moving from \$1,907 to \$2,149 over that time. The key drivers for general rates are increases in yield (as decided by Council from time to time) coupled with the growth in rateable properties (as driven by development activity within the region). The growth factor is conservative as the actual growth is subject to fluctuations due to market forces and the timing of the completion of developments. Historically, growth has been between 0.7% and 1.8% over the past four years, however forecasts for the short to medium term are uncertain due to COVID-19 restriction.

The parameters used in developing this plan are:

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Yield	-1.40	1.00	1.00	1.00	1.50	1.75	2.00	2.00	2.00	2.00
Growth	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	-0.40	2.00	2.00	2.00	2.50	2.75	3.50	3.50	3.50	3.50

Waste Charges

Council provides a dual bin service to the majority of residential properties in the region. This service is contracted out until 2021 (plus a two-year option) with the contract rate subject to an industry standard rise and fall clause. The waste collection charge is only levied on those properties with a collection service and is set to cover the cost of the

collection contract with a small margin for administration. The amount of revenue generated is forecast to move from \$4.66M to \$6.11M over the life of the plan.

A waste management charge is levied on all rateable assessments in the region to cover the costs of the operation of Council's landfill and transfer stations. The waste management charge generates \$2.59M in revenue (forecast 2030 \$3.39M).

At present, the percentage increase in yield is based on historical increases in the contract and future years are amended as required. The natural growth increase is in line with the general rates increase.

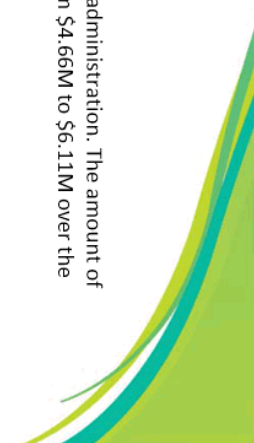
%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Yield	0.00	1.00	1.00	1.00	1.50	1.75	2.00	2.00	2.00	2.00
Growth	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	0.00	2.00	2.00	2.00	2.50	2.75	3.50	3.50	3.50	3.50

Council is looking at moving towards a full cost pricing model to fund its waste operations and provide adequately for future capital and rehabilitation expenditures. It is expected that this model will be finalised in 2020/2021 and implemented over a number of years.

Separate & Special Charges

Council currently levies the following separate and special charges:

- Special Charge – Rural Fire Levy: charged on properties within the rural fire area to assist with funding the Queensland Rural Fire Service Brigades operating in the region with a small amount set aside for maintaining Council's fire trails.
- Separate Charge – Environmental Levy: charged on all properties within the region to partially fund the operations of the environmental and pest management sections.



- Separate Charge – Resilient Rivers Initiative: charged on all properties to fund Council's contribution to the SEQ Mayor's Healthy Waterways project.
 - Separate Charge – Emergency Preparedness Levy: charged on all properties within the region to fund Council's disaster management section and the repayments on the loan associated with the flood recovery works. Part of the levy also funds the State Emergency Services Groups operating in the region.
- Increases in these charges are modelled in line with the general rates parameters.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Yield	0.00	1.00	1.00	1.00	1.50	1.75	2.00	2.00	2.00	2.00
Growth	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	0.00	2.00	2.00	2.00	2.50	2.75	3.50	3.50	3.50	3.50

Special and separate rates are reviewed on annual basis to determine if the charge is still required and is an appropriate method of generating revenue to support Council services.

Other Revenues

Fees & Charges

Revenue generated from fees and charges increases from \$3.75M in 2021 to \$4.48M in 2030. There has been a decline in expected revenue from fees and charges from the 2019-2020 budget due to the impacts of COVID-19 and the closure of services. This impact is expected to continue for the short to medium term with the extent of the impact still unknown and continuously under review.

Council's two types of fees and charges are defined as:

- Cost Recovery – fees are set to recover no more than the essential costs incurred by providing the service. Examples of these are: Animal Management, Health and Regulatory, and Planning and Development Fees. Council intends to review these fees to ensure that costs are being recovered, or if a subsidy is required, then that amount is acknowledged and understood.
- Commercial – fees are set to generate a return to Council over and above the cost of providing the service. Examples of these are: Saleyards, Waste Disposal, Hall and Facility Hire, and Library Services. Council intends to progressively review these fees to ensure that an appropriate margin is being made and that the fees are appropriate for the service provided.

The majority of fees and charges come from planning and development fees including building and plumbing permits. While some of the fees and charges can be estimated with some certainty, fee revenue generated within the Planning and Building areas will fluctuate wildly depending on the economic conditions and level of development within the region. The 2019 financial year saw a downturn in revenues of over \$0.60M and the amounts for these fee types are conservatively estimated in the forecast and reviewed on a regular basis during the budget year.

The base increase in fees and charges are modelled around a combination of CCI and changes in Council's employee costs.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Increase	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00



Sales Revenue

Total sales revenue is estimated to average \$0.80M per year over the life of the plan and is derived from its Private works operations.

- Private works relate to infrastructure works undertaken on behalf of private individuals and business, as well as works under the Road Maintenance Performance Contract (RMPC) with the Department of Transport and Main Roads (TMR). Revenue generated in this way will fluctuate depending on demand and the availability of Council resources to complete the works. At the moment Council does not outwardly seek private works but will provide quotations if requested. Council seeks a margin of 20% on the cost of the work completed.
- The Staging Post Café previously operated out of the Lockyer Valley Cultural Centre and provided a café style lunch menu seven days a week with a buffet breakfast on Sunday and dinner on Friday. There was also function management for events, meetings and weddings held at the Cultural Centre. Operations of the Café and function centre have been temporarily discontinued due to the significant loss being made on the business as well as consideration given to re-opening the café and competing against other struggling businesses in the area following the devastating impact COVID-19 had on them. A report will be presented to Council in the 2020/2021 financial year with options for the venue.

The parameters applied to Sales Revenue in developing this plan are:

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Increase	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Interest & Investment Income

Council receives interest income from three main sources: interest on short to medium term cash investments, interest from QUU on our shareholder loan, and interest from overdue rates. Of these three sources, the interest from the QUU loan is the most stable and can be predicted with accuracy.

Interest from cash investments is dependent on a number of factors including the interest rates on offer, the amount of cash available to invest, and the term of investment. Currently the returns from Council's investments are very low due to the continuing period of low interest rates. In successive years, the forecast interest revenue has been reduced to maintain a conservative position. The future forecast continues this trend with minimal increases in interest rates over the next few years.

Interest on overdue rates has also been reducing as property owners take advantage of the prompt payment discount as well as the ability to make regular payments in advance. It is expected that this will remain steady and with minor increases solely due to the increased quantum of rates being levied each year. The interest rate charged from 1 July 2020 will be 8.53% which is the maximum allowed under legislation.

The shareholding in QUU provides a return that averages \$2.30M per year. Some of this is in cash and the balance is an increase in the value of the shareholding. QUU's current forecast is that these returns will remain steady for the 2020/2021 financial year as they commit to paying the base dividend, however the foreseeable future hold significant uncertainty, with a proposed reduction of 40% from FY22 as a direct result of COVID-19 on their operation.



Grants & Subsidies

Council receives grants and subsidies from both the State and Federal Governments. As a guideline, grant funding should not exceed 40% of operating revenue as the more funding that is not controlled by Council, the greater the risk to sustaining operations should the funding amounts change. Over the period of this plan, Council's reliance on grant funding remains relatively steady averaging 13.73% over this time.

Apart from the Federal Assistance Grant, the funding is provided for specific projects such as libraries, Queensland Government Agency Program (QGAP), multi-cultural services, childcare, and without the grant funding it is unlikely that Council would provide the service to its current standard.

Federal Assistance Grants make up the largest component of grant funding and are distributed based on formulas developed by the Queensland Grants Commission with the funding pool determined by the Federal Government. The formula used is complex and the amount may change from year to year, however significant reductions are minimised through capping arrangements. Annual indexation of the grant was reinstated from 1 July 2017 and is linked to CPI.

It is assumed that funding for the Roads to Recovery Program is as per Council's approved schedule and that the grant program will be ongoing.

The parameters used in developing this plan are:

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Increase	1.80	1.90	2.00	2.05	2.10	2.15	2.20	2.25	2.30	2.35

Other Revenue

Council also derives revenues from the rental of Council properties as well as other miscellaneous items such as commissions on Queensland

Government Agency (QGAP) transactions, sponsorships and insurance recoveries. The main component of Other Revenue is the Income Tax Equivalent (ITE) received from QUU. The ITE is paid to shareholder Councils as part of the requirements for QUU to operate on a commercial basis and the amount paid is dependent on the profit results over the year. The amounts included in the financial plan are based on the forecasted profit figures provided by QUU.

Apart from the QUU ITE, the parameters used in developing this plan are:

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Increase	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Employee Costs

Employee costs are the largest component of Council's costs and include:

- Wages and salaries,
- Leave entitlements,
- Councillor remuneration,
- Superannuation,
- Workers compensation insurance,
- Training and development costs such as travel, accommodation, course or conference fees, and
- Recruitment costs.

Within the model, operational employee costs are forecast to increase from \$25.40M to \$31.15M over the ten years. Council are continuing with realigning its organisational structure based on the recommendations of the Organisational Effectiveness Review. Council adopted a new high-level structure which provides further realignments to improve information flow, teamwork and cooperation and reduce the influence of silos on our Council, as noted in the OER recommendations. As an organisation, Council must be agile, flexible and open to change. This has been recently emphasised through the COVID-19 pandemic and impact to



the organisation. Overall, the staff establishment has been reduced; most notably in the management and senior contract team, as well as the Staging Post and Function Centre.

Council intends to keep employee costs down by using technology to drive efficiency and to carefully review all vacancies before they are filled. While this has been effective in recent years, as the population of the region increases, there will come a time when additional staff will be needed. Understanding the level of resources required to maintain service standards is key and this will be determined through a workforce planning review and organisational efficiency review which is currently underway. Council is budgeting for around 301 Full Time Equivalent employees (FTE), increasing to 322 FTE over the life of the plan.

Employee costs are split between operating and capital depending on the type of work being undertaken in the capital program. Reductions in the capital program, or an increase in work outside of the expertise of the current workforce will impact on this split and pose challenges to maintain the operating surplus position without reductions in the workforce.

The main driver in employee costs is the enterprise bargaining (EB) process. This process provides for an increase to wages generally on an annual basis. The present agreement for an annual 2.50% increase expires in 2021 and the forecast rate has been reduced to reflect the current March Quarter CPI for Brisbane. This will be updated once negotiations are completed.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
EB inc.	2.50	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Growth	-	-1	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98
Total	2.50	0.80	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78

Materials and Services

Council's second largest cost is materials and services. Costs included in this section are:

- Materials,
- Contractor and consultants,
- Insurance,
- Electricity and water,
- Communications,
- Legal costs, and
- Fleet costs.

The materials and services budget are carefully reviewed each year with the responsible officers being required to justify any increases in the budget bids from the previous year. Operational projects are individually approved to ensure that they align with Council's objectives and consultants, advertising, promotions, legal costs, and contractors are all subject to detailed scrutiny by the Executive Leadership Team and the Council.

Improved financial reporting has meant that a better understanding of Council's expenditure is now possible. This has led to more of a risk management approach to funding certain areas where the actual costs are uncertain.

The driver for materials and services is the Council Cost Index (CCI). This index is developed by the Local Government Association of Queensland (LGAQ) as a better estimate than the Consumer Price Index (CPI) as it reflects the difference between the types of goods and services that households typically procure and those that Council procures.

The future CCI estimates are set 0.08% to 0.15% higher than estimated CPI to account for the fact that Council's costs historically increase at a higher rate than households.

The forecasted costs are derived by indexing the base year's budgeted amounts by the CCI. Specific adjustments may be made to future years where they can be identified as having an impact (for example a contract is being discontinued or short-term projects being completed). Materials and services are forecast to increase from \$17.86M to \$19.25M over the ten years.

%	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
CCI	1.88	2.00	2.15	2.20	2.25	2.30	2.35	2.40	2.45	2.50

Finance Costs

Council's finance costs are predominantly the interest charged on its loans. Other items are bank fees and the adjustments in the quarry and landfill rehabilitation due to the change in the present value calculations.

The interest costs are calculated by the QTC Long Term Financial Forecasting model based on the debt balances and the rate applicable to each loan. As the loans are fixed rate loans they are not subject to any market volatility. Over the life of the plan interest expense reduces from 1.91% of operating costs to 0.39% of operating costs. This does not assume any additional repayments are made.

Due to the complexity of the calculations, no allowance is made for the changes in the discount rate for the provisions. The value of the provisions is calculated with reference to long term bond rates and there is an inverse relationship between the bond rates and the calculated value.

Bank fees are indexed by CPI from the base year budget.

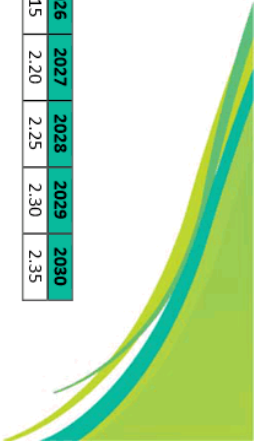
%	2021	2023	2023	2024	2025	2026	2027	2028	2029	2030
CPI	1.80	1.90	2.00	2.05	2.10	2.15	2.20	2.25	2.30	2.35

Depreciation

While depreciation is an estimate of the cost of an asset being used, it is treated as an expense in financial reports. Council is continually reviewing its asset data to ensure that the depreciation figure reflects the consumption of its assets based on their value, condition, and remaining life. Work is needed to identify the appropriate useful lives for local conditions which may assist in clarifying the depreciation costs. Over the life of the plan depreciation is estimated to increase from \$12.33M to \$15.48M. It should be noted that with Council holding its fleet assets for longer, there is a large reduction in depreciation between 2027 and 2028 due to the majority of Council's current plant and equipment being fully depreciated at that time. With the implementation of the Plant and Fleet Service Management Plan, this may change if the backlog of renewals is eliminated.

To comply with the accounting standards, Council conducts regular independent valuations of its assets. Where the value increases, there will be an increase in depreciation costs which has an immediate impact on two of the three sustainability ratios, even though it may not have any operational impact on Council's management of the assets.

Due to the nature of the valuation process, the changes cannot be predicted with any accuracy. In the financial model, the valuation increases for the non-current assets have been based on the average increases in past years and total \$108.40M over the ten years. The increases have been applied every three years as this was the cycle that the assets were generally revalued under, although Council is now implementing an annual revaluation process. Additions to the asset base will also increase the amount of depreciation, although as Council's focus



is moving towards the renewal of existing assets the effect will be minimal.

Capital Revenues

The main source of capital revenues are grants from the State or Federal Government. Council seeks grant funding to assist with the delivery of its planned capital works program and usually most of the funding is accessed through a competitive application process. Where a funding application is unsuccessful, Council will decide whether to proceed with the project using other funds or not.

Grant funding for capital works is often tied to a particular funding program objective of the government. Once approved, the grant will be for a specific project and therefore changes to the scope or type of the project is not permitted. There is a risk that where a project exceeds the funded component, Council will be required to pick up the shortfall.

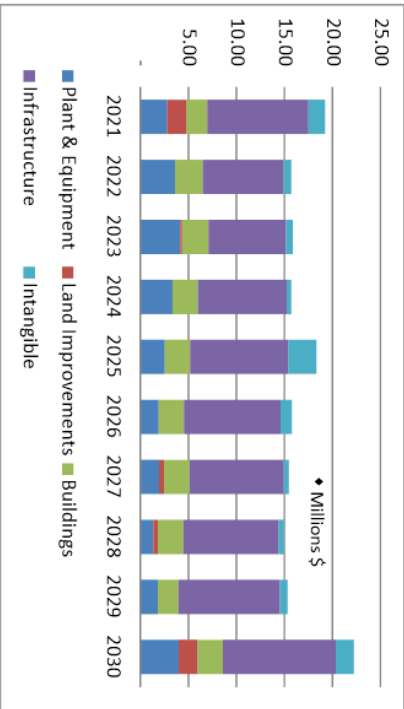
The 2020/2021 budget forecasts a significant increase in capital grant funding as a direct result of COVID-19 and funding packages made available by State and Federal Governments to aid recovery and stimulate the economy. The capital grant funding for future years has been reduced to match historical funding achieved in a usual year. These programs are the Roads Blackspot funding, TIDS and Local Government Grants and Subsidy Program (LGSP), and other specific grant programs as offered by the State and Federal Governments from time to time. Additional grants will be applied for in future years as the details of the funding programs become known.

Capital Expenditure

The amount of capital expenditure is based on the amounts identified in the Service Management Plans for each asset class and includes a proportion for renewal, upgrade and new expenditure. As can be seen

from the following graph, the majority of capital spending is on infrastructure assets. Over the ten years the average spending across all asset classes is \$16.40M.

As the Service Management Plans are reviewed and refined, the forecast will change. The expenditure in each year is reviewed as part of the budget adoption process for that year and therefore some identified projects may be brought forward, delayed or removed as priorities and resources dictate. Additional projects may be added where required.



Cash and Investments

QTC recommends a minimum coverage for cash expenses of three months. This means that Council should retain enough cash on hand at any one time to pay its expenses for three months. The long-term forecasting model indicates that a balance of \$10.79M on average per year over the life of the plan is required.

Council maintains this coverage in each of the years of the plan with the ten-year average balance being \$17.63M. The years 2025 to 2026 have the lowest cash balances although the ratio remains above three months which is within the recommended parameters. The ten-year average coverage is four and a half months.

The biggest impact to Council's cash balances is the timing of the capital works program and particularly the number of projects funded solely by Council. As the capital works program is flexible, the works schedule can be varied to maintain appropriate cash levels. In addition to this, the Council is at risk of reduced cash flow and loss of financial sustainability should another disaster strike or the impacts of the pandemic continue to impact revenue and expenditure as they have over the last six months.

In accordance with the Investment Policy, the cash is invested in term deposits of less than twelve months or at call with QTC. The maturity of the term deposits is spread across the year so as to maintain regular access to funds should they be needed.

Other Assets

The major component of Council's other assets is the equity share in QUU (2021 est. \$34.19M), and the shareholder loan to QUU (2020 \$14.74M). As the loan is an interest only loan, the balance will not change over the life of the plan, with the interest payments being taken up in the interest revenue component of the Income Statement. There is a process for Council to follow if it wishes to call in the loan; however, there is no financial benefit to doing this at this time. The value of the equity investment changes depending on the dividends and operating result of QUU.

Debtors and receivables are forecast to remain in proportion to the revenue. The main debtor balance is rates arrears and as these are secured on the land they relate to, they are not considered bad or

doubtful. Council has a statutory right to recover the arrears through the sale of land and it conducts a sale for this reason at least annually. The extent of the impact of COVID-19 in relation to bad or doubtful debts is still unknown and poses an ongoing risk to Council cash flow and debt recovery.

The final component to other assets is the land held for sale, which comprises of parcels of land that have been identified as surplus to Council's needs and are being marketed for sale. As the sale timeframes are uncertain, and some of the land has been available for sale for some time, the value remains unchanged over the life of the plan.

Liabilities

The main liabilities that Council has are the loans from QTC. At present there are three loans, most of which were taken up during the 2011 and 2012 financial years. The loans are paid on an interest and principal basis and the balances in the plan are forecast on the current loan schedules.

The details of the loans are:

Loan	Interest Rate	Nominal Maturity Date	Balance 30 June 2020	Qtrly Payment P&I
Other Council Capital Works	4.71%	15/06/2032	\$15.26M	\$0.42M
General	4.96%	15/03/2031	\$7.02M	\$0.21M
Gatton Landfill 2016	3.11%	15/03/2036	\$0.75M	\$0.01M

There are no further borrowings forecast for the life of this plan, however Council may change this in future budgets. The current annual total debt redemption payment (principle and interest) is \$2.59M.

Council has also expressed a desire to use surplus cash to make additional repayments and therefore reduce the loan costs with additional





payments being made in 2016/2017, 2017/2018, and 2018/2019. A review will be conducted annually to determine if sufficient surplus cash exists and there is a net benefit to making an additional loan repayment.

The other liabilities of Council are employee provisions, rehabilitation provisions and trade creditors. Due to the complexity of the calculations, the provisions have not been changed in the model and remain at historical values. The trade creditor balances are generated through the model based on historical relationships between expenditures, payment terms and the proportion of creditors at the end of each financial year.

Ratio Analysis

Key Sustainability Ratios

The results for Council's measures of financial sustainability are shown below. The future ratios are based on the 2020/2021 budget and long term financial forecast with the parameters as outlined above:

Lockyer Valley Regional Council

2020/2021 Budget and Long Term Financial Forecast 2021 to 2030

Relevant Measures of Financial Sustainability

	Target	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Average
Operating Surplus Ratio (Net Operating Surplus / Total Operating Revenue) (%)	Between 0% and 10%	3.5%	3.0%	1.6%	1.3%	2.9%	3.3%	4.1%	7.4%	8.8%	9.6%	4.6%
Net Financial Asset / Liability Ratio (Total Liabilities - Current Assets) / Total Operating Revenue	<= 60%	62.3%	61.5%	58.0%	53.7%	51.7%	44.5%	35.7%	25.2%	13.0%	9.9%	41.5%
Asset Sustainability Ratio (Capital Expenditure on the Replacement of Assets (Renewals) / Depreciation Expense)	>90%	87.9%	111.7%	109.7%	98.8%	106.0%	92.9%	93.2%	99.6%	96.7%	100.1%	99.7%

Operating Surplus Ratio

Measures the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes. The operating surplus ratio is calculated as: Operating Surplus (Net result excluding all capital items) divided by total operating revenue (excluding capital items).

This ratio remains relatively steady over the ten years as the cumulative effects of the rate increases and expenditure controls of the years prior to 2020 are realised. The surpluses for the first two years are healthy although the actual results will need to be carefully monitored in order to maintain the planned result. Financial years 2023 and 2024 see a reduction in surplus as a direct result of rates forecast to increase at a lesser rate than expenditure, and also because of the forecast reduction in profit from investments from QUU. In the second half of the plan the surplus increases as depreciation on plant and



equipment reduces due to many items reaching the end of their useful life. With planned service reviews to be undertaken, the level of expenditure may need to be adjusted to meet the needs and expectations of the community.

Net Financial Asset/Liability Ratio

Measures the extent to which net financial liabilities of Council can be repaid from operating revenue. The ratio is calculated as: Total liabilities less current assets divided by total operating revenue.

Although this ratio starts off just outside of the 60% target threshold it averages 41.5% over the ten years. This ratio has been at the higher level due to a reduction in the cash balances following the completion of the flood works, and the significant increase in rehabilitation provisions. The improvement in the ratio in the second half of the plan is linked to the build-up of cash balances which is offsetting the liabilities, as well as the annual debt repayments reducing the loan balances.

Asset Sustainability Ratio

This ratio reflects the extent to which infrastructure assets managed by Council are being replaced as they reach the end of their useful lives. The ratio is calculated as: Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.

Over the life of the plan, the ratio is above the 90% target threshold apart from in the first year which has seen an increase in new works driven by grant funding to stimulate the economy which would not otherwise have been affordable. The level of forecast spending has been based on the current Service Management Plans and as such there will be changes in the outer years as the plans are further refined. If the assets are in good condition, it is possible that Council does not need to spend at the recommended level and therefore the ratio may be below the target of 90%.



Other Sustainability Ratios

There are a number of other sustainability ratios that QTC use when conducting a credit review assessment however Council only uses one of these other ratios when setting its long term financial plan.

Cash Coverage Ratio

	Target	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Average
Cash Expense Cover Ratio	>3	4.7	4.6	4.4	4.4	3.0	3.2	3.9	4.9	6.3	6.1	4.6
Number of months of operations supported by cash balance												

This ratio shows the number of months of operations supported by the cash balance. The recommended threshold is at least three months. Over the life of the plan, the number of months of operations supported by the cash balance averages 4.6 months. The higher balances in 2029 and 2030 may be moderated by additional capital works in the prior years or further reductions in debt. Council has not made any decisions at this stage on how to use the surplus cash and therefore the higher balances remain reflected in this plan.



Sensitivity Analysis

In order to understand the potential impacts of changes to key drivers over the life of the plan, the following sensitivities have been performed:

1. General Rates Revenues +/- 1%.
2. Employee costs +/- 1% on EB increase.
3. Depreciation – tri annual valuation +/- 5% of estimated asset base 2019.
4. CAPEX – renewals -\$1.00M.

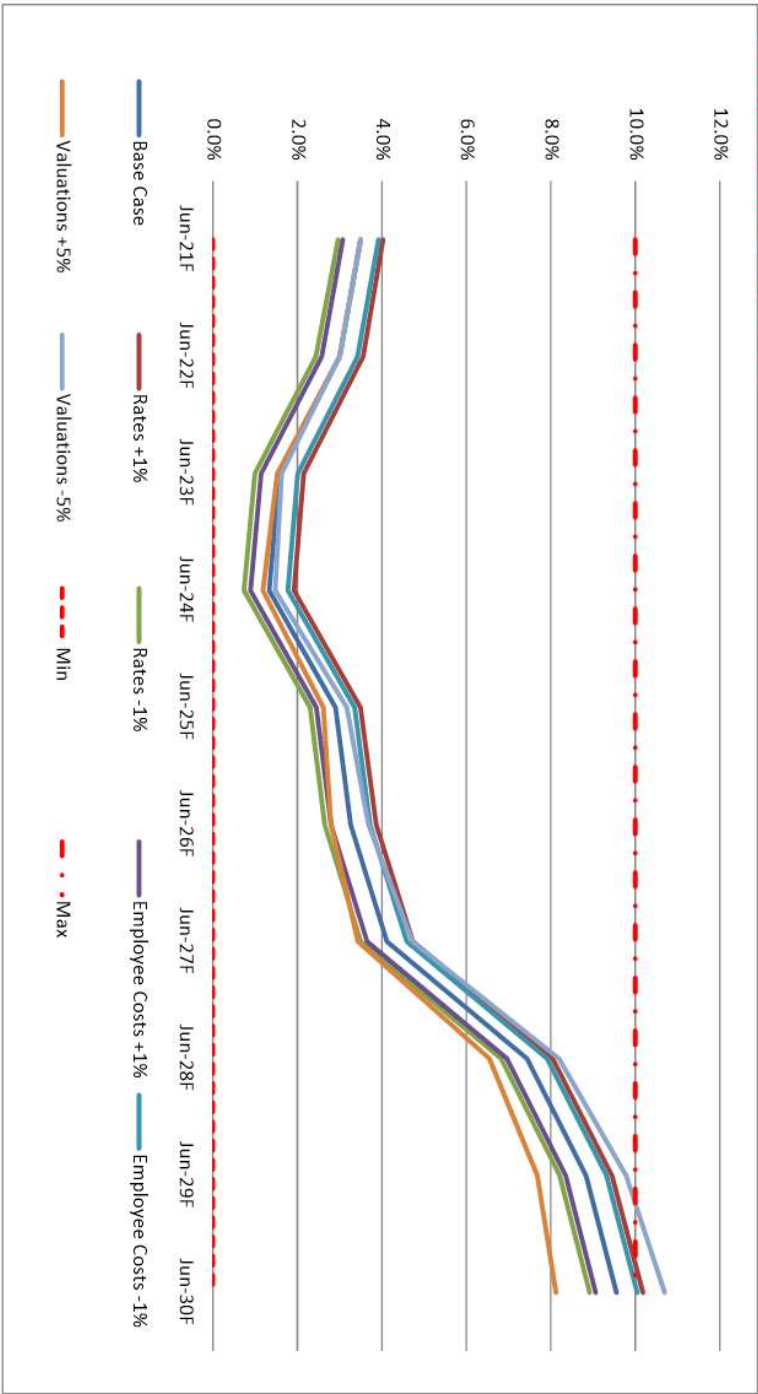
For simplicity, the above changes have been modelled separate to the others. The change has also been applied to each year of the forecast which apart from the reduction in the CAPEX renewals, will result in a cumulative effect. The difference in the 10-year average by applying each sensitivity can be seen in the following table; information on each of the ratios can be found below:

			Rates		Employee Costs		Valuations		Renewals
	Base Case		+1.00%	-1.00%	+1.00%	-1.00%	+ 5.00% of Base	- 5.00% of Base	-\$1.00M
Operating Surplus	4.6%		5.1%	4.0%	4.1%	5.0%	4.0%	5.0%	N/A
Net Financial Asset/Liability	41.5%		38.3%	44.9%	43.8%	39.3%	N/A	N/A	N/A
Asset Sustainability	99.7%		N/A	N/A	N/A	N/A	97.8%	101.3%	92.1%
Cash Coverage	4.55		5.07	4.04	4.15	4.96	N/A	N/A	6.04

Over the ten year average it is apparent that all of the ratios are within the recommended targets however on a year by year basis some ratios go above or below the thresholds depending on the scenario.

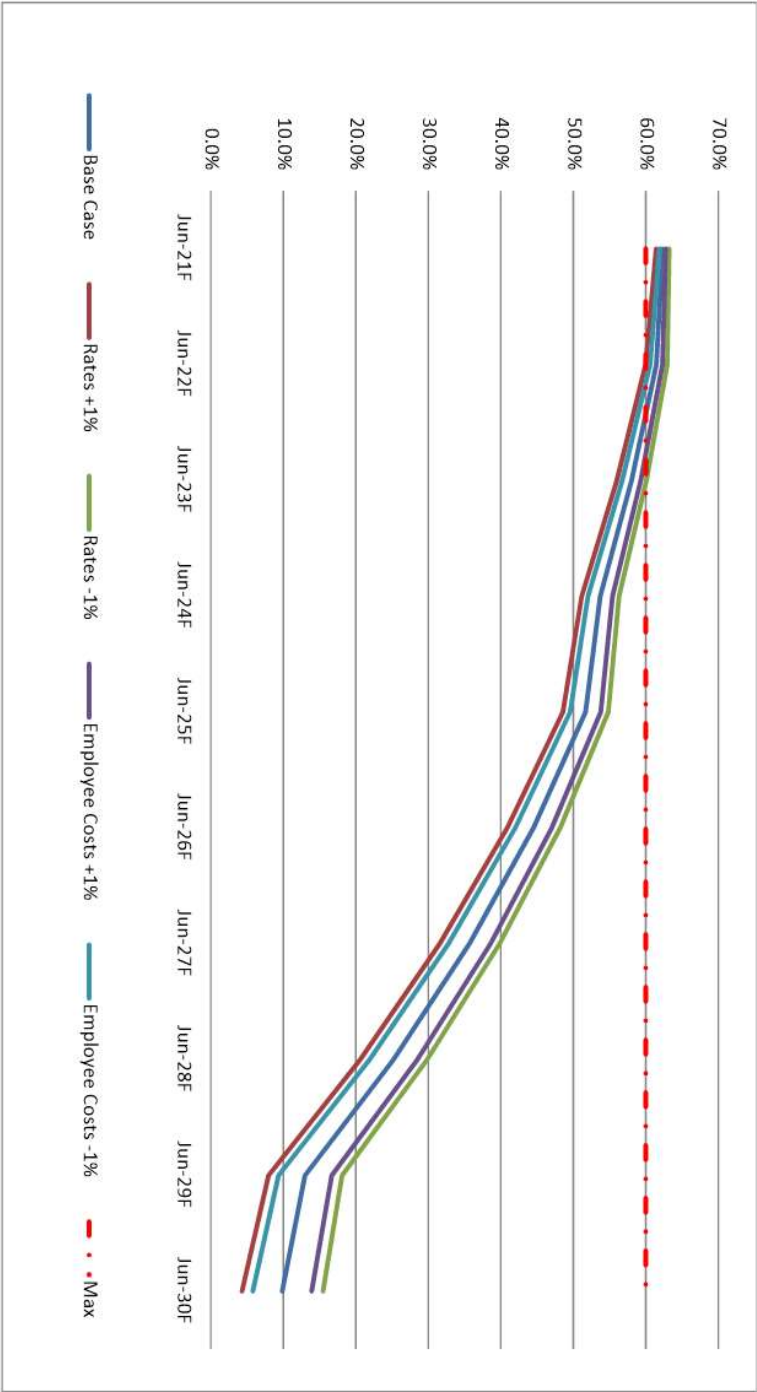


Sensitivity Analysis - Operating Surplus Ratio



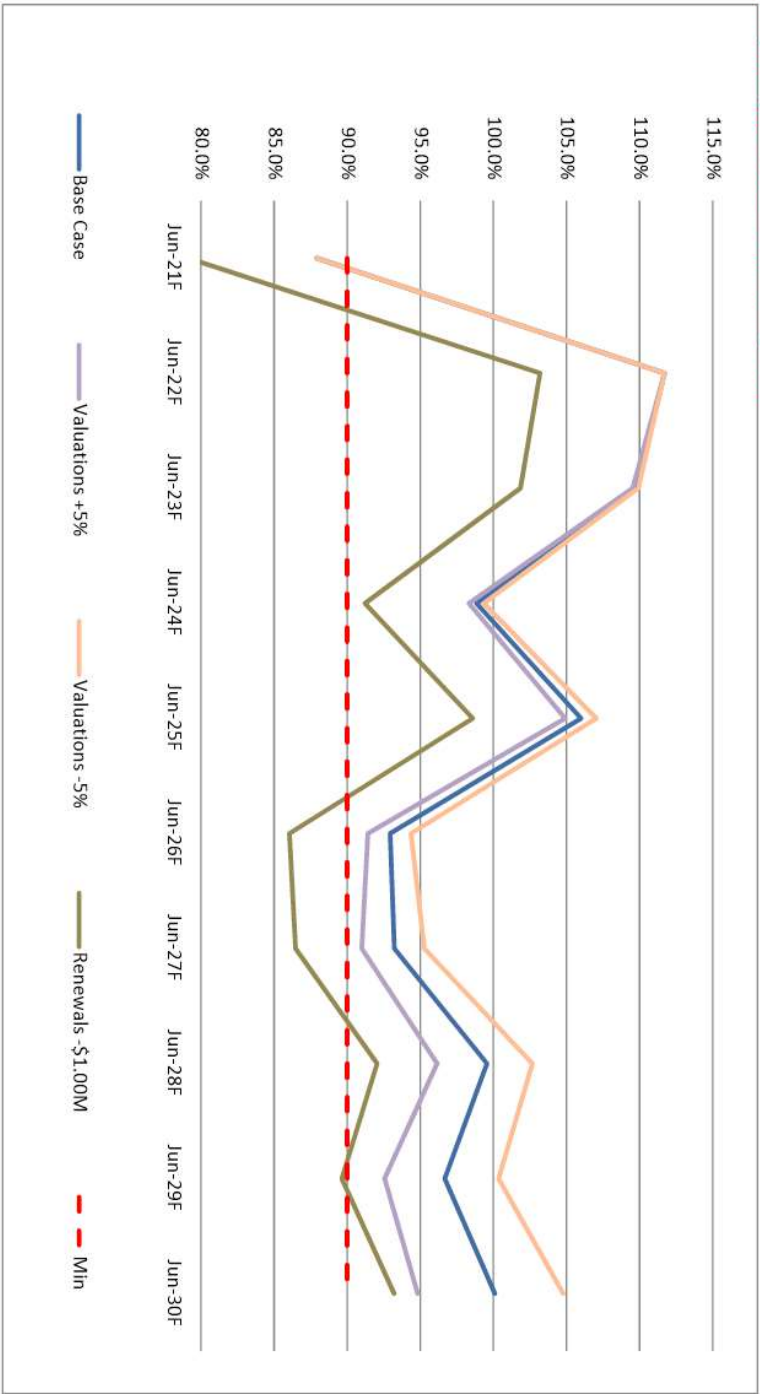
- Of the sensitivities modelled, valuation changes have the biggest impact on the operating surplus ratio through the impact on the amount of depreciation being calculated.
- All of the sensitivities modelled keep the ratio within the lower thresholds, however the upper threshold is breached in 2030 for three scenarios: 1% increase on rates, 1% reduction in employee costs or 5% reduction in valuations.

Sensitivity Analysis – Net Financial Liabilities Ratio



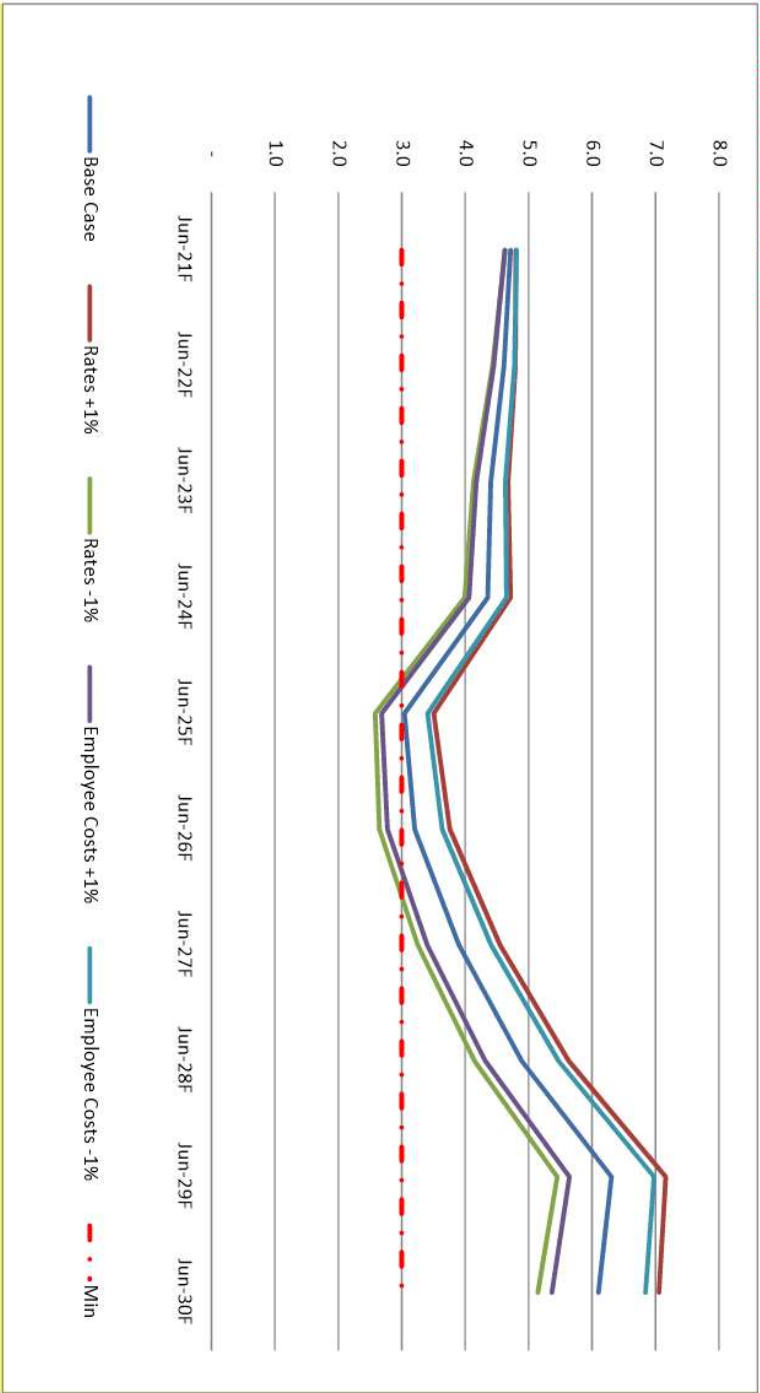
- Although the changes are relatively minor, the sensitivity which has the most impact is the change in rates revenue.
- All of the sensitivities modelled shows that the ratio is below the threshold from 2024.

Sensitivity Analysis – Asset Sustainability Ratio



- The biggest change to the ratio is to reduce expenditure on renewals by \$1.00M per year which brings the ratio below the threshold of 90.00% in 2021, 2026, 2027 and 2029.
- As has been noted previously, the actual spend will be determined through the finalisation of the Service Management Plans and amounts below the threshold may be appropriate.

Sensitivity Analysis – Cash Coverage Ratio



- The biggest impact on the Cash Coverage Ratio is a reduction in rates revenue, which brings the level of cash below the minimum in 2025 and 2026.
- A 1.00% increase in employee costs causes the ratio to bring the level of cash below minimum threshold in 2025 and 2026.

Financial Statements 2021 - 2030

The **Statement of Comprehensive Income** measures how Council performed in relation to income and expenses during the financial year. This statement illustrates how money received from Council operations is spent.

The **Statement of Financial Position** measures what we own (our assets) and what we owe (our liabilities) and our net worth (equity) at the end of the Financial Year.

The **Statement of Changes in Equity** measures the changes in our net wealth and shows the movements in our retained earnings, reserves and asset revaluation surplus.

The **Statement of Cash Flows** outlines how much cash was received and spent throughout the year and whether or not Council is spending more than it is receiving. The closing balance reflects how much cash Council had at year end.



Statement of Comprehensive Income

Lockyer Valley Regional Council

2020/2021 Budget and Long Term Financial Forecast 2021 to 2030

Statement of Income and Expenditure

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue										
Recurrent Revenue										
Rates & Utility Charges	41.65M	42.50M	43.57M	44.66M	46.01M	47.52M	49.20M	50.94M	52.73M	54.60M
Less: Discounts	(1.68M)	(1.71M)	(1.76M)	(1.80M)	(1.86M)	(1.92M)	(1.98M)	(2.05M)	(2.13M)	(2.20M)
Net rates and utility charges	39.98M	40.79M	41.81M	42.86M	44.16M	45.61M	47.22M	48.89M	50.61M	52.39M
Fees and charges	3.75M	3.82M	3.90M	3.98M	4.06M	4.14M	4.22M	4.30M	4.39M	4.48M
Sales, contract and recoverable works	0.80M	0.73M	0.75M	0.76M	0.78M	0.79M	0.81M	0.83M	0.84M	0.86M
Operational Grants & subsidies	9.05M	8.07M	8.23M	8.40M	8.58M	8.76M	8.96M	9.16M	9.37M	9.59M
Interest received	1.02M	1.21M	1.22M	1.25M	1.23M	1.23M	1.30M	1.41M	1.56M	1.66M
Other recurrent income	4.20M	3.53M	3.62M	3.71M	3.80M	3.90M	3.99M	4.09M	4.19M	4.29M
Total Recurrent Revenue	58.80M	58.16M	59.54M	60.97M	62.61M	64.42M	66.49M	68.67M	70.96M	73.28M
Capital revenue:										
Capital Grants	6.92M	2.12M	2.16M	2.20M	2.25M	2.29M	2.34M	2.38M	2.43M	2.08M
Developer Contributions	-	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M
Gain/(loss) on sale of property, plant & equipment	(0.22M)	0.14M	0.19M	0.47M	0.24M	0.22M	0.20M	0.22M	0.09M	0.20M
Total capital revenue	6.69M	2.75M	2.85M	3.17M	2.99M	3.01M	3.04M	3.10M	3.02M	2.77M
Total Revenue	65.49M	60.91M	62.39M	64.14M	65.59M	67.43M	69.53M	71.77M	73.99M	76.05M
Expenses										
Recurrent Expenses										
Employee costs	25.35M	24.87M	25.71M	26.42M	27.16M	27.91M	28.69M	29.48M	30.30M	31.15M
Materials and services	17.86M	17.56M	17.94M	18.39M	17.94M	18.35M	18.78M	19.33M	18.78M	19.25M
Depreciation and amortisation	12.33M	12.85M	13.90M	14.37M	14.81M	15.27M	15.58M	14.14M	15.10M	15.48M
Finance costs	1.20M	1.13M	1.05M	0.97M	0.89M	0.80M	0.70M	0.61M	0.51M	0.40M
Total Recurrent Expenses	56.74M	56.41M	58.60M	60.16M	60.79M	62.32M	63.75M	63.56M	64.70M	66.28M
Net Recurrent Result/Operating Surplus/(Deficit)	8.75M	4.50M	3.79M	3.99M	4.80M	5.11M	5.78M	8.21M	9.29M	9.77M
NET RESULT ADJUSTED FOR CAPITAL ITEMS	2.057M	1.749M	0.939M	0.814M	1.818M	2.101M	2.742M	5.107M	6.270M	7.002M



Statement of Financial Position
Lockyer Valley Regional Council
2020/2021 Budget and Long Term Financial Forecast 2021 to 2030
Statement of Financial Position

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Assets										
Cash assets and cash equivalents	17.03M	16.36M	16.08M	16.31M	11.47M	12.39M	15.48M	19.95M	25.87M	25.70M
Other inventory	2.25M	2.25M	2.25M	2.25M	2.25M	2.25M	2.25M	2.25M	2.25M	2.25M
Receivables	3.04M	3.04M	3.11M	3.11M	3.28M	3.37M	3.48M	3.58M	3.71M	3.83M
Prepayments	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M	0.50M
Total Current Assets	22.82M	22.14M	21.92M	22.23M	17.49M	18.51M	21.71M	26.28M	32.33M	32.27M
Non Current Assets										
Land held for development or sale	2.01M	2.01M	2.01M	2.01M	2.01M	2.01M	2.01M	2.01M	2.01M	2.01M
Joint Ventures & Associates	34.19M	35.15M	36.13M	37.14M	38.18M	39.24M	40.33M	41.44M	42.58M	43.75M
Property, plant and equipment	541.63M	581.49M	583.60M	585.57M	626.12M	626.07M	626.07M	667.99M	671.10M	676.79M
Intangible assets	5.58M	5.26M	4.77M	3.98M	5.61M	6.04M	5.78M	5.54M	5.44M	6.34M
Capital works in progress	2.94M	2.94M	2.94M	2.94M	2.94M	2.94M	2.94M	2.94M	-	-
Other non-current assets	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M
Total Non Current Assets	601.08M	641.58M	644.18M	646.37M	689.59M	691.03M	691.85M	734.65M	735.87M	743.63M
TOTAL ASSETS	623.90M	663.72M	666.11M	668.61M	707.09M	709.54M	713.56M	760.93M	768.19M	775.90M
Current Liabilities										
Trade and other payables	2.45M	2.41M	2.46M	2.52M	2.52M	2.58M	2.65M	2.72M	2.71M	2.78M
Borrowings	1.59M	1.66M	1.75M	1.83M	1.92M	2.02M	2.12M	2.23M	2.34M	2.21M
Employee Payables/provisions	5.36M	5.41M	5.60M	5.79M	5.98M	6.17M	6.37M	6.56M	6.75M	6.94M
Other provisions	0.48M	0.48M	0.48M	0.48M	0.42M	0.40M	0.40M	0.40M	0.40M	0.40M
Total Current Liabilities	9.87M	9.95M	10.28M	10.62M	10.85M	11.18M	11.54M	11.90M	12.20M	12.34M
Non Current Liabilities										
Borrowings	19.94M	18.27M	16.53M	14.69M	12.77M	10.75M	8.63M	6.40M	4.07M	1.85M
Employee Payables/provisions	0.24M	0.24M	0.25M	0.25M	0.26M	0.27M	0.28M	0.29M	0.30M	0.30M
Other provisions	29.42M	29.42M	29.42M	29.42M	25.98M	24.99M	24.99M	24.99M	24.99M	24.99M
Total Non Current Liabilities	49.60M	47.93M	46.20M	44.37M	39.01M	36.01M	33.90M	31.68M	29.36M	27.15M
TOTAL LIABILITIES	59.46M	57.89M	56.48M	54.99M	49.85M	47.19M	45.44M	43.59M	41.56M	39.49M
Net community assets	564.44M	605.84M	609.63M	613.62M	657.23M	662.34M	668.12M	717.35M	726.64M	736.41M
Community Equity										
Asset revaluation reserve	169.66M	206.56M	206.56M	206.56M	245.37M	245.37M	245.37M	286.39M	286.39M	286.39M
Retained surplus (deficiency)	394.78M	399.28M	403.07M	407.06M	411.86M	416.97M	422.75M	430.96M	440.25M	450.02M
TOTAL COMMUNITY EQUITY	564.44M	605.84M	609.63M	613.62M	657.23M	662.34M	668.12M	717.35M	726.64M	736.41M



Statement of Changes in Equity

Lockyer Valley Regional Council

2020/2021 Budget and Long Term Financial Forecast 2021 to 2030

Statement of Changes in Equity

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset revaluation surplus										
Opening balance	169.66M	169.66M	206.56M	206.56M	206.56M	245.37M	245.37M	245.37M	286.39M	286.39M
Increase in asset revaluation surplus	-	36.90M	-	-	38.81M	-	-	41.02M	-	-
Closing balance	169.66M	206.56M	206.56M	206.56M	245.37M	245.37M	245.37M	286.39M	286.39M	286.39M
Retained surplus										
Opening balance	386.03M	394.78M	399.28M	403.07M	407.06M	411.86M	416.97M	422.75M	430.96M	440.25M
Net result	8.75M	4.50M	3.79M	3.99M	4.80M	5.11M	5.78M	8.21M	9.29M	9.77M
Closing balance	394.78M	399.28M	403.07M	407.06M	411.86M	416.97M	422.75M	430.96M	440.25M	450.02M
Total										
Opening balance	555.69M	564.44M	605.84M	609.63M	613.62M	657.23M	662.34M	668.12M	717.35M	726.64M
Net result	8.75M	4.50M	3.79M	3.99M	4.80M	5.11M	5.78M	8.21M	9.29M	9.77M
Increase in asset revaluation surplus	-	36.90M	-	-	38.81M	-	-	41.02M	-	-
Closing balance	564.44M	605.84M	609.63M	613.62M	657.23M	662.34M	668.12M	717.35M	726.64M	736.41M

Statement of Cash Flows

Lockyer Valley Regional Council 2020/2021 Budget and Long Term Financial Forecast 2021 to 2030 Statement of Cash Flows

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities:										
Receipts from customers	55.61M	55.47M	56.72M	58.10M	59.68M	61.47M	63.41M	65.44M	67.52M	69.69M
Payment to suppliers and employees	(45.15M)	(42.54M)	(43.51M)	(44.68M)	(45.02M)	(46.12M)	(47.33M)	(48.68M)	(49.03M)	(50.27M)
Interest received	1.02M	1.21M	1.22M	1.25M	1.33M	1.23M	1.30M	1.41M	1.56M	1.66M
Finance costs	(1.08M)	(1.01M)	(0.93M)	(0.85M)	(0.76M)	(0.67M)	(0.57M)	(0.48M)	(0.37M)	(0.26M)
Other	(0.89M)	-	-	-	(3.50M)	(1.00M)	-	-	-	-
Net cash inflow (outflow) from operating activities	9.50M	13.13M	13.51M	13.82M	11.64M	14.90M	16.80M	17.70M	19.68M	20.83M
Cash flows from investing activities:										
Payments for property, plant and equipment	(19.20M)	(15.20M)	(15.37M)	(15.19M)	(17.83M)	(15.28M)	(14.96M)	(14.45M)	(14.82M)	(21.72M)
Subsidies, donations and contributions for new capital expenditure	6.92M	2.12M	2.16M	2.20M	2.25M	2.29M	2.34M	2.38M	2.43M	2.08M
Proceeds from sale of property, plant and equipment	0.37M	0.34M	0.54M	0.61M	0.38M	0.36M	0.34M	0.36M	0.23M	0.34M
Net transfer (to) from cash investments	0.79M	0.52M	0.53M	0.55M	0.56M	0.57M	0.59M	0.60M	0.62M	0.63M
Net cash inflow (outflow) from investing activities	(11.13M)	(12.22M)	(12.13M)	(11.83M)	(14.64M)	(12.06M)	(11.69M)	(11.11M)	(11.54M)	(18.67M)
Cash flows from financing activities:										
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(1.51M)	(1.59M)	(1.66M)	(1.75M)	(1.83M)	(1.92M)	(2.02M)	(2.12M)	(2.23M)	(2.34M)
Net cash inflow (outflow) from financing activities	(1.51M)	(1.59M)	(1.66M)	(1.75M)	(1.83M)	(1.92M)	(2.02M)	(2.12M)	(2.23M)	(2.34M)
Net increase (decrease) in cash and cash equivalents held	(3.14M)	(0.68M)	(0.29M)	0.25M	(4.84M)	0.92M	3.10M	4.47M	5.92M	(0.17M)
Cash at beginning of reporting period	19.88M	17.03M	16.36M	16.06M	16.31M	11.47M	12.39M	15.48M	19.95M	25.87M
Cash and cash equivalents at end of the financial year	16.74M	16.36M	16.06M	16.31M	11.47M	12.39M	15.48M	19.95M	25.87M	25.70M





6. PEOPLE & BUSINESS PERFORMANCE REPORTS**6.1 Operational Plan 2020-2021****Date:** 03 July 2020**Author:** Madonna Brennan, Governance and Strategy Advisor**Responsible Officer:** Anna Hebron, Group Manager People and Business Performance

Purpose:

The purpose of this report is to seek Council's adoption of the annual Operational Plan for the 2020-2021 financial year, with the adoption of the annual Budget.

Officer's Recommendation:

THAT Council adopt the Operational Plan 2020-2021, as attached to this report.

Executive Summary

The *Local Government Act 2009* and *Local Government Regulation 2012* require Council to prepare and adopt an operational plan for each financial year. The plan identifies planned activities for the organisation, consistent with the Corporate Plan 2017-2022 and the annual Budget.

Finance and Resource Implications

The financial allocations in the 2020-2021 Budget reflect the deliverables in the Operational Plan.

Corporate PlanCorporate Plan Theme

Lockyer Leadership and Council.

Outcome

5.7 Compliant with legislation.

Operational Plan Action Item (as relevant)

This report is the adoption of all operational plan deliverables for the 2020-2021 financial year.

ConsultationPortfolio Councillor Consultation

Portfolio Councillor Chris Wilson has been briefed on the development of the Operational Plan 2020-2021 as part of the monthly portfolio briefing.

Internal Consultation

Executive Leadership Team.

Corporate Leadership Team.

External Consultation

Due to the internal administrative nature of the report, there has been no external consultation.

Community Engagement

On adoption of the annual Operational Plan 2020-2021, the document will be published on the publications page on Council's website.

ProposalOverview

The annual Operational Plan 2020-2021 (as attached) is a key financial planning document for Council and is presented in accordance with the legislative requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012* for adoption at the same time as Council considers and adopts the 2020-2021 Budget.

Council's Executive Leadership Team led the development of the Operational Plan 2020-2021 and determined the deliverables were required to be of strategic significance for Council to achieve the outcomes of the Corporate Plan 2017-2022.

The Operational Plan has direct linkages to the Corporate and Community Plans and directs the key deliverables to be undertaken by Council throughout the financial year.

The Operational Plan 2020-2021 is the fourth plan developed to achieve the outcomes of the 2017-2022 Corporate Plan with a total of 52 deliverables identified to be completed. A breakdown of the deliverables for each Corporate Plan theme is as follows:

Theme	Total Action Items for 2020-2021
Lockyer Community	11
Lockyer Business, Farming and Livelihood	6
Lockyer Nature	7
Lockyer Planned	9
Lockyer Leadership & Council	19

Legal Implications

Section 104 (5)(a) of the *Local Government Act 2009*, identifies the annual Operational Plan as one of the key financial planning documents that must be established by a local government.

Section 174 (1) of the *Local Government Regulation 2012* requires Council to prepare and adopt an annual Operational Plan for each financial year and Section 174 (5) identifies that Council must discharge its responsibilities in a way that is consistent with its annual Operational Plan. Further, Section 175 (1) of the *Local Government Regulation 2012* requires the Operational Plan to be: consistent with Council's annual Budget; state how Council will progress the implementation of the five (5) year Corporate Plan during the period of the annual Operational Plan and manage operational risks.

Policy Implications

There is no policy associated with the presentation of the annual operational plan however it is a key component of Council's Strategic Corporate Planning and Reporting Framework.

Risk Considerations

Key Corporate Risk Code and Category: FE2

Key Corporate Risk Descriptor: Decision making governance, due diligence, accountability and sustainability.

Previous Council Resolutions

Special Meeting 14 June 2020 (16-20/1396).

THAT Council adopt the Operational Plan 2019-2020, as attached to this report.

Ordinary Meeting 24 May 2017(16-20/0488)

THAT Council adopt the Lockyer Valley Regional Council Community Plan 2017 – 2027, “Lockyer – Our Valley, Our Vision” as attached to these minutes.

THAT Council adopt the Lockyer Valley Regional Council Corporate Plan 2017 – 2022, as attached to these minutes.

Related Documentation

Included with this report is the Operational Plan 2020-2021.

Critical Dates

The Operational Plan 2020-2021 sets Council’s strategic direction and identifies the key deliverables for the 2020-21 financial year.

Implementation

1. Publish on Council’s website for the community’s information.
2. Publish on the Big Tin Can Hub for future reference.
3. Record in Council’s information management program and distribute to the Corporate Leadership Team for implementation.
4. Report quarterly to Council to update on the performance and achievements of the Plan.

Attachments

1 [1](#) Draft 2020-21 Operational Plan 17 Pages



Lockyer Valley Regional Council

Operational Plan 2020–2021





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ABOUT THE OPERATIONAL PLAN

The Operational Plan (the Plan) is a strategic document that is developed and adopted annually with the Budget. The Plan captures key deliverables for 2020-2021 financial year to ensure Council deliver the outcomes and commitments of the Corporate Plan 2017-2022.

The Operational Plan 2020-2021 sets the one-year direction for Council. The Plan articulates our deliverables, areas of responsibility, addresses Council's risks and monitors the overall performance of Council.

Section 104 (5)(iv) of the *Local Government Act 2009* requires that Council must under its system of financial management establish as annual Operational Plan. Sections 125 and 126 of the *Local Government Regulation 2012* determine the preparation, adoption and the content requirements of the annual Operational Plan.

BUILDING OUR OPERATIONAL PLAN

The Operational Plan 2020-2021 was prepared in response to achieving the outcomes of the Corporate Plan 2017-2022.

Like the Corporate Plan, the Operational Plan utilises the seven (7) themes of the Community Plan as the framework with the inclusion of an eighth theme, Lockyer Council.

Below are the eight themes, some of which have been combined in the Corporate and Operational Plans where similar outcomes exist:

- Lockyer Community
- Lockyer Business, Farming and Livelihood
- Lockyer Nature
- Lockyer Planned
- Lockyer Leadership and Council

The development of the 2020-2021 Operational Plan was undertaken in conjunction with the 2020-2021 budget process in consultation with key Council staff. The Plan was presented to Council for adoption with the Budget at the Special Meeting of Council 15 July 2020.

VISION, MISSION AND VALUES

VISION

We will deliver sustainable services to enhance the liveability of our community while embracing our economic, cultural and natural diversity.

MISSION

Lead, engage and empower.

OUR VALUES

Values form the basis of our culture. They add meaning to work and they provide a basis for consistent planning and decision making across the organisation. The desired values and behaviours that every employee of Lockyer Valley Regional Council is expected to demonstrate in their daily activities, in the way they behave and in the way they make decisions are:



Leadership

We lead through excellence and partner with the community to achieve Council's vision and mission.



Accountability

We accept ownership of our role and take responsibility for our actions. We are results focused, take pride in our successes and efforts and learn from our mistakes.



Integrity

We strive to be valued and trusted by the Lockyer Valley community. We are respectful, open, transparent and honest in our dealings with the community. At all times we act in the best interests of the community.



Communication

We embrace diversity and communicate openly and honestly. We listen actively, consider and value the views of others. Our communication is clear, concise and consistent.



Customer Focus

We strive to engage and communicate with our internal and external customers to meet agreed outcomes. We identify and aim to meet the needs of all customers in a responsive and equitable manner.



Teamwork and Collaboration

We value creative thinking and look for opportunities to collaborate and connect to deliver a better Lockyer Valley. We work together by recognising and sharing our talents, skills, experience and knowledge.



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4 Lockyer Valley Regional Council

FEDERAL, STATE AND LOCAL GOVERNMENT RESPONSIBILITIES



The priorities raised by the community present challenges which cannot be addressed by Council alone. Many of these priorities are the responsibility of other organisations such as Federal Government, State Government and community organisations. In Lockyer: Our Valley, Our Vision Community Plan 2017-2027 these organisations are identified for the Lockyer Valley region.

Where Council is not responsible for the provision of a particular service we can advocate to the relevant agency to secure support, funding and agreements for the benefit of the Lockyer Valley community.

OUR ROLE

As we work towards our outcomes, we recognise that not all of them can be achieved by Council alone. Council will fulfil a range of roles in working to achieve the outcomes outlined in this plan.

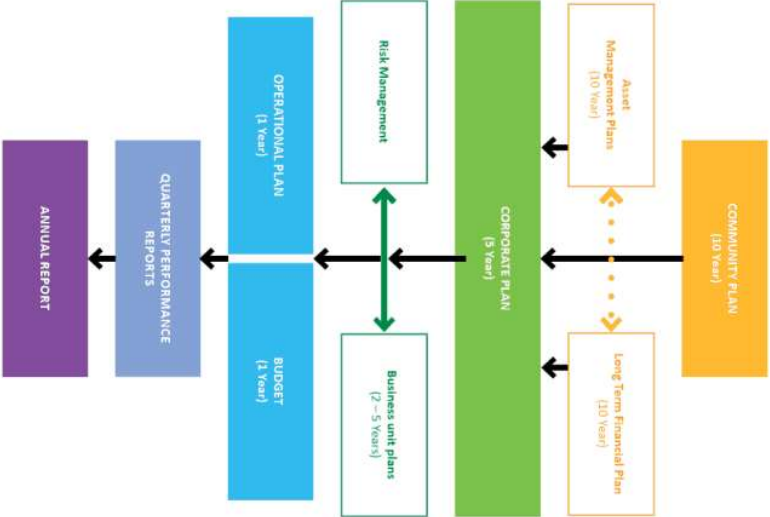
THESE ROLES INCLUDE:

COUNCIL ROLE	DESCRIPTION
Provider	Delivering services
Funder	Funding other parties to deliver services
Regulator	Regulating activities through legislation, local laws or policies
Partner	Forming partnerships and strategic alliances with other parties in the interests of the community
Facilitator	Assisting others to be involved in activities by bringing groups and interested parties together
Advocate	Promoting the interest of the community to other decision makers and influencers



STRATEGIC CORPORATE PLANNING FRAMEWORK

The diagram below represents the strategic planning framework used by Council:



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6 Lockyer Valley Regional Council

MONITORING OUR PROGRESS

QUARTERLY PERFORMANCE REPORT

Every quarter, a performance report is prepared and presented to Council by the Chief Executive Officer. This report outlines performance against the outcomes of the Corporate Plan and deliverables of the Annual Operational Plan.

ANNUAL REPORT

At the end of the financial year, Council produces an Annual Report that reviews the performance achieved. The Annual Report provides the community with operational and financial information about Council's performance against the outcomes and service delivery commitments set out in the Corporate and Operational Plans.

The diagram below represents the strategic planning framework used by Council:

FINANCING OUR OPERATIONS

The following table outlines Council's 2020-21 Budget against the themes of the Corporate Plan 2017-2022.

Theme	Operating Revenue	Operating Expense	Capital Revenue	Capital Expense
Lockyer Community	823,872	3,800,950	0	90,000
Lockyer Business, Farming and Livelihood	1,482,685	2,486,595	0	0
Lockyer Nature	1,093,928	1,227,674	0	5,000
Lockyer Planned	14,758,217	18,369,616	4,436,425	14,977,263
Lockyer Leadership and Council	40,358,598	30,853,411	2,481,016	4,130,974
Total	46,558,598	56,738,246	6,917,441	19,203,237

MANAGING OUR RISKS

To enable a more streamlined and simplified approach to managing risk, a key corporate risk register and framework has been developed for Council. The following key corporate risk categories have been incorporated into the strategic planning process with risk identification included against each initiative of the Operational Plan:

- **Financial and Economic (FE1)** – Financial sustainability to support the achievement of strategy, goals and objectives in the medium to long term.
- **Financial and Economic (FE2)** – Decision making, governance, due diligence, accountability and sustainability
- **Infrastructure and Assets (IA1)** – Planning, managing and maintaining assets for the future
- **Infrastructure and Assets (IA2)** – Deliver major projects (time, cost, scope and quality)
- **Infrastructure and Assets (IA3)** – Information and technology capacity and management
- **Business Continuity and Systems (BC1)** – Provision of core services now and into the future
- **Environment and Community (EC1)** – Environment, and the community, including sustainable development, social and community wellbeing, relationships, public health, recreation, regional profile and identity
- **Legal compliance and liability (LC1)** – Compliance management – regulatory or contract compliance, litigation, liability and prosecution
- **Political (P1)** - Inter-governmental relationships/relationships with other key stakeholders
- **Reputation (R1)** – Reputation and goodwill
- **Staff (S1)** – Strategic workforce planning and management
- **Work Health and Safety (WHS1)** – Health and Safety



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1

LOCKYER
COMMUNITY

Our healthy community welcomes the spirited diversity found within our region. Times of hardship highlight our resilience. Our high standards support our quality of life and vibrancy while providing a dynamic and safe place full of opportunity. We strive to build on who we are and all that our region has to offer by connecting business, the community and government.

OUTCOMES

- 1.1 A community with fair and reasonable access to services.
- 1.2 Council optimises the use of its open spaces and facilities by improving access to and the quality of the facilities for individuals and groups for cultural, recreational and community activities.
- 1.3 Enhanced wellbeing and safety of the community.
- 1.4 Council seek to understand community needs, resulting in partnerships that realise long-term benefits for the community in a timely manner.
- 1.5 Events and activities that bring together and support greater connectivity in the community.
- 1.6 The community's preparedness for disasters is improved through community education, training and strong partnerships between Council and other agencies.



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1.1 A COMMUNITY WITH FAIR AND REASONABLE ACCESS TO SERVICES.						
Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
1.1.1	Understate a review of identified services provided by Council to determine the appropriate level of service provided to the community, including the financial sustainability of providing the service.	Review of identified services completed and recommendations provided to Council.	Chief Executive Officer	Chief Financial Officer	FEL - Financial Sustainability	30-Jun-21
1.2 COUNCIL OPTIMISES THE USE OF ITS OPEN SPACES AND FACILITIES BY IMPROVING ACCESS TO AND THE QUALITY OF THE FACILITIES FOR INDIVIDUALS AND GROUPS FOR CULTURAL, RECREATIONAL AND COMMUNITY ACTIVITIES.						
Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
1.2.1	Deliver stage one of the Parkways Program, including improved recreational opportunities for the greater Hatten Vale community.	Stage one Parkways Program delivered including the construction of park infrastructure and installation of playground equipment.	Group Manager Infrastructure	Manager Community Facilities	IA2 - Delivering major projects	31-Dec-21
1.2.2	Implement stage one of recommendations of the Parkways Program, including opportunities in Council's public parks strategy to rationalise Council's network of parks and reserves.	Stage one rationalisation of park infrastructure to Council's park network delivered.	Group Manager Infrastructure	Manager Community Facilities	FEL - Financial Sustainability	30-Jun-21



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1.3 ENHANCED WELLBEING AND SAFETY OF THE COMMUNITY.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
1.3.1	Conduct an analysis of flood modelling data to determine moderate and major flood classifications for all river height gauge locations.	Project completed	Group Manager, Business Performance	Manager, Business Performance	IA2 - Delivering major projects	30-Jun-21
1.3.2	Upgrade and install flood software and equipment, including: - integration of updated modelling into WaterRIDE system - Upgrade of river height gauge equipment - Installation of signage to identify river height gauge pipework - Flood Warning System Upgrade - Mt Sylvia to Junction View.	Project completed including the identified upgrade of systems and equipment.	Group Manager, People and Business Performance	Manager, Business Performance	IA1 - Planning, managing and maintaining assets for the future	30-Jun-21
1.3.3	Review and update Council's closed Circuit Television (CCTV) policy, procedure and memorandum's of understanding (MDO's).	Review completed, documents updated and approved in accordance with Council's Policy Framework.	Group Manager, People and Business Performance	Manager, Information Communication and Technology	FE2 - Decision making governance, due diligence, accountability and sustainability	31-Dec-20

1.4 COUNCIL SEEK TO UNDERSTAND COMMUNITY NEEDS, RESULTING IN PARTNERSHIPS THAT REAUSE LONG-TERM BENEFITS FOR THE COMMUNITY IN A TIMELY MANNER.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
1.4.1	Undertake a review of current service level arrangements in place with community and sporting groups and event committees to enable the development of service level agreements for ongoing assistance provided to these groups.	Review completed and service level agreements developed for implementation with community and sporting groups and event committees.	Group Manager, Community and Regional Prosperity	Manager, Community Activation	EC1 - Environmental and Community	30-Jun-21

1.5 EVENTS AND ACTIVITIES THAT BRING TOGETHER AND SUPPORT GREATER CONNECTIVITY IN THE COMMUNITY.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
1.5.1	Undertake a review of Council's Events Strategy 2019-2024 and develop a quarterly action plan to guide delivery of outcomes.	Review completed and recommendations adopted by Council.	Group Manager, Community and Regional Prosperity	Manager, Community Activation	RI - Reputation and goodwill	30-Jun-21
1.5.2	Identify opportunities and plan for an iconic signature event for the Lockyer Valley.	Iconic event opportunities for the Lockyer Valley identified and planning commenced.	Group Manager, Community and Regional Prosperity	Manager, Community Activation	RI - Reputation and goodwill	30-Jun-21

1.6 THE COMMUNITY'S PREPAREDNESS FOR DISASTERS IS IMPROVED THROUGH COMMUNITY EDUCATION, TRAINING AND STRONG PARTNERSHIPS BETWEEN COUNCIL AND OTHER AGENCIES.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
1.6.1	Plan and conduct an annual Local Disaster Management Group Exercise involving all relevant stakeholders to improve the regions response to disasters.	Annual Local Disaster Management Group Exercise conducted to identify improvements for disaster preparedness.	Group Manager, People and Business Performance	Manager, Business Performance	EC1 - Environmental and Community	30-Jun-21
1.6.2	Conduct the annual review of the Lockyer Valley Local Disaster Management Plan to identify improvements in response to all disasters.	Review completed, improvements identified and Local Disaster Management Plan adopted by Council.	Group Manager, People and Business Performance	Manager, Business Performance	EC1 - Environmental and Community	30-Jun-21

2

LOCKYER BUSINESS,
FARMING AND
LIVELIHOOD

Lockyer Business

Our business community is a thriving and inclusive network where it is easy to do business. We create opportunities and encourage innovation that inspires business confidence and collaborative partnerships.

Lockyer Farming

As custodians we manage our water and land assets to ensure our farming future. We pride ourselves on our innovation and clean, green reputation.

We work together to support our farmers of current and future generations.

Lockyer Livelihood

We are a community where lifelong learning opportunities exist. Our quality education facilities are highly regarded and provide diverse career pathways. We look to develop skills and generate job opportunities for all.

OUTCOMES

- 2.1 Encourage opportunities for the Lockyer Valley to drive economic and community outcomes.
- 2.2 Maximise opportunities through engagement and partnership with stakeholders to achieve a strong resilient economy.
- 2.3 Promote and market the Lockyer Valley as a destination for commerce, tourism and lifestyle.
- 2.4 Attract and support education and employment opportunities for the community.
- 2.5 Foster a flexible, supportive and inclusive business environment.



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2.1 ENCOURAGE OPPORTUNITIES FOR THE LOCKYER VALLEY TO DRIVE ECONOMIC AND COMMUNITY OUTCOMES.						
Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
2.1.1	Advocate for business opportunities and economic enablers for the region from the Inland Rail Project, and limit the adverse impacts of Inland Rail Project including improved and connected infrastructure for the Region.	Employment opportunities and community benefits for the region are maximised from the Inland Rail Project including improved and connected infrastructure within the region.	Chief Executive Officer	Senior Advisor Advocacy	R1 - Reputation and goodwill	30-Jun-21
2.1.2	Advocate for improved water security and supply for the region through the Lockyer Valley and Somerset Water Collaboration.	Detailed business case completed.	Chief Executive Officer	Senior Advisor Advocacy / Coordinator Special Projects	R1 - Reputation and goodwill	31-Dec-20
2.2 MAXIMISE OPPORTUNITIES THROUGH ENGAGEMENT AND PARTNERSHIP WITH STAKEHOLDERS TO ACHIEVE A STRONG RESILIENT ECONOMY.						
Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
2.2.1	Advocate for opportunities to build a strong resilient sustainable economy for the region, including: - Regional Health Services - COMSEQ and City Deals - Equine Collaborative - Regional Waste Alliance.	Opportunities for advocacy to improve the region's livability are maximised.	Chief Executive Officer	Senior Advisor Advocacy / Coordinator Special Projects	EC1 - Environmental and Community	30-Jun-21



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2.3 PROMOTE AND MARKET THE LOCKYER VALLEY AS A DESTINATION FOR COMMERCE, TOURISM AND LIFESTYLE.

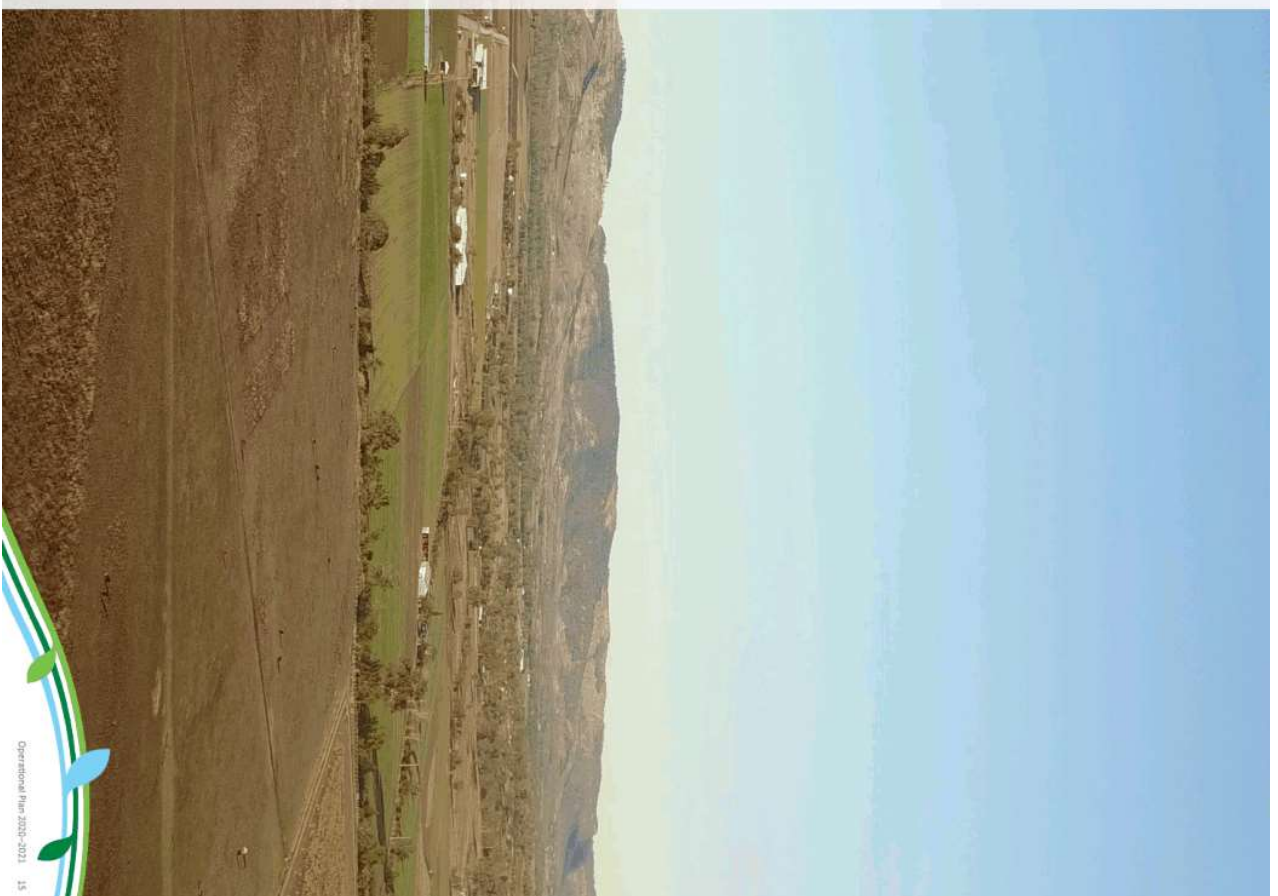
Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
2.3.1	Undertake a review of the Region's Tourism Strategy to identify improved marketing and promotional opportunities for the region and develop quarterly action plans to guide delivery of outcomes in line with identified target markets.	Review of strategy completed with opportunities identified and adopted by Council.	Group Manager Community and Regional Prosperity	Manager Community Activation	EC1 - Environmental and Community	31-Mar-21

2.4 ATTRACT AND SUPPORT EDUCATION AND EMPLOYMENT OPPORTUNITIES FOR THE COMMUNITY.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
2.4.1	Deliver the external funded drought communities programme including: - Appoint a drought support officer to coordinate drought support for the region and deliver the adverse events plan. - Footpath renewal programs. - Floodwater drought funding relief project. - Upgrade of the Forest Hill slalepark.	Drought communities programme delivered.	Group Manager Community and Regional Prosperity/ Group Manager Infrastructure	Manager Planning, Policy and Community Wellbeing, Manager Community Activation, Manager Community and Manager Civil Operations	IA2 - Delivering major projects	31-Dec-20

2.5 FOSTER A FLEXIBLE, SUPPORTIVE AND INCLUSIVE BUSINESS ENVIRONMENT.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
2.5.1	Undertake a review of the Economic Development Strategy to identify improved economic outcomes for the region and develop quarterly action plans to guide delivery of outcomes in line with identified target markets.	Review of strategy completed with opportunities identified and adopted by Council.	Group Manager Community and Regional Prosperity	Manager Planning, Policy and Community Wellbeing	EC1 - Environmental and Community	31-Mar-21



3

LOCKYER NATURE

Our natural assets are valued and protected to sustain our unique rural lifestyle.

OUTCOMES

- 3.1 Lockyer Valley's natural assets are managed, maintained and protected.
- 3.2 Council's policies and plans support environmentally sustainable development.
- 3.3 Community and private landholders' stewardship of natural assets increases.
- 3.4 Locals and visitors experience our natural assets.
- 3.5 Council and the community actively reduce waste, recycle and reuse more.
- 3.6 Council and the community actively reduce consumption of non-renewable resources.



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3.1 LOCKYER VALLEY'S NATURAL ASSETS ARE MANAGED, MAINTAINED AND PROTECTED.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
3.1.1	Deliver the Natural Resource Management Plan to enable a managed approach to managing and enhancing the region's natural resources.	The Natural Resource Management Plan for the Region is completed.	Group Manager Community and Regional Prosperity	Manager Planning, Policy and Community Wellbeing	EC1 - Environmental and Community	31-Dec-20 (Plan) 30-Jun-21 (Action)
	Implement the prioritised actions of the Natural Resource Management Plan for the 2020-21 financial year.	The prioritised actions of the Natural Resource Management Plan for the 2020-21 financial year are completed.				
3.1.2	Deliver the Biosecurity Plan to enable a managed approach to maintaining the region's biosecurity requirements.	The Biosecurity Plan for the Region is completed.	Group Manager Community and Regional Prosperity	Manager Planning, Policy and Community Wellbeing	EC1 - Environmental and Community	31-Dec-20 (Plan) 30-Jun-21 (Action)
	Implement the prioritised actions of the Biosecurity Plan for the 2020-21 financial year.	The prioritised actions of the Biosecurity Plan for the 2020-21 financial year are completed.				

3.2 COUNCIL'S POLICIES AND PLANS SUPPORT ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
3.2.1	Develop an Environment Policy to guide Council's position in relation to the long term protection and enhancement of the region's natural environment.	Policy developed in accordance with Council's Policy Framework.	Group Manager Community and Regional Prosperity	Manager Planning, Policy and Community Wellbeing	EC2 - Decision making, due diligence, accountability and sustainability	30-Jun-21



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3.3 COMMUNITY AND PRIVATE LANDHOLDERS' STEWARDSHIP OF NATURAL ASSETS INCREASES.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
3.3.1	Undertake a review of the Lockyer Catchment Action Plan including the following: - Review the Action Plan to be implemented to enable a managed approach to maintaining the region's catchments. - Deliver the following actions of the Lockyer Catchment and Lake Apex and Freeman Catchment Action Plan and the Lake Apex and Freeman 5 year Water Quality Improvement Plan. - Lockyer Creek sediment stabilisation, revegetation and maintenance. - Fertiliser Catchment Community resilience. - Weed management and revegetation of Lake Apex and Lake Freeman.	Review of the Lockyer Catchment Action Plan is completed. The prioritised actions of the Lockyer Catchment Action Plan and Lake Apex and Freeman Water Quality Improvement Plan for the 2020-21 financial year are completed.	Group Manager Community and Regional Prosperity	Manager Planning, Policy and Community Wellbeing	EC1 - Environmental and Community	31-Dec-20 (weekly) 30-Jun-21 (actions)

3.4 LOCALS AND VISITORS EXPERIENCE OUR NATURAL ASSETS.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
	The outcomes identified from Operational Plan deliverable 2.3.1 "Tourism Strategy" will link to achieve this outcome of the Corporate Plan.					

3.5 COUNCIL AND THE COMMUNITY ACTIVELY REDUCE WASTE, RECYCLE AND REUSE MORE.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
3.5.1	Determine and implement new lease and contract arrangements for the Regional Waste Facility (RWF) at the Caron Waste Facility to enable the region's recycling to be processed in accordance with statutory requirements.	Lease and Contract arrangements completed and commenced of compliance monitoring of the facility.	Group Manager Infrastructure	Manager Community Facilities	LC1 - Legal Compliance and Liability	31-Dec-20 (weekly) 30-Jun-21 (contract monitoring)
3.5.2	Undertake a site study to determine suitable locations for a new Resource Recovery Centre (RRC) to service the eastern area of the region as identified within the Waste Reduction and Recycling Plan (WRPP).	Study completed with suitable sites identified for an eastern resource recovery centre for waste.	Group Manager Infrastructure	Manager Community Facilities	LA1 - Planning, managing and maintaining assets for the future	30-Jun-21

3.6 COUNCIL AND THE COMMUNITY ACTIVELY REDUCE CONSUMPTION OF NON-RENEWABLE RESOURCES.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
3.6.1	Identify and develop an Energy Management Plan for Council's principal buildings and facilities that will reduce energy consumption and cost.	An energy management plan developed that aims to reduce Council's energy consumption.	Group Manager Infrastructure	Manager Community Facilities	FEL - Financial Sustainability	30-Jun-21

4

LOCKYER PLANNED

We have unique, well connected communities. We have places and spaces that bring together people. Local services match the needs of the community. Our built infrastructure is designed and constructed to enable access for all.

OUTCOMES

- 4.1 Growth and development in the region is sustainably managed through the adoption and implementation of the Lockyer Valley Planning Scheme.
- 4.2 Provision of fit-for-purpose infrastructure which meets the current and future needs of the region.
- 4.3 A development assessment process that delivers quality development that is consistent with legislation, best practice and community expectations.
- 4.4 Regional collaboration and targeted advocacy that drives external funding for timely delivery of key infrastructure and enhanced community outcomes.
- 4.5 An integrated approach to the planning of all communities that strengthens local identity and lifestyle.



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4.1 GROWTH AND DEVELOPMENT IN THE REGION IS SUSTAINABLY MANAGED THROUGH THE ADOPTION AND IMPLEMENTATION OF THE LOCKYER VALLEY PLANNING SCHEME.						
Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
4.1.1	Finalise the Lockyer Valley Regional Planning Scheme and the Development Manual for public notification.	Planning Scheme finalised including the Development Manual and adopted by Council for Public Consultation.	Group Manager Community and Regional Property	Manager Planning, Policy and Community Wellbeing	R1 - Reputation and goodwill	30-Jun-21
4.2 PROVISION OF FIT-FOR-PURPOSE INFRASTRUCTURE WHICH MEETS THE CURRENT AND FUTURE NEEDS OF THE REGION.						
Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
4.2.1	Deliver the Council funded infrastructure capital work program.	Council funded program of work completed within allocated budget and timeframe.	Group Manager Infrastructure	Manager Civil Operational/ Manager Community Facilities	R3 - Delivering major projects	30-Jun-21
4.2.2	Deliver the external funded infrastructure program of work including the upgrade of Queensland COVID-19 Projects, Building Better Regions, Building Our Regions, Transport Infrastructure Development Scheme (TIDS), Roads to Recovery (R2R) programme, Black Spot programme.	External funded program of work completed within allocated budget and in accordance with funding timeframe.	Group Manager Infrastructure	Manager Civil Operational/ Manager Community Facilities	R4 - Delivering major projects	30-Jun-21

WITTHCOT SKATE PARK

THINK SAFETY

- You will fail - wear the proper protective equipment.
- You are responsible for your own safety and you use this facility at your own risk.
- Children under 12 years old must be accompanied by an adult.

THINK FUN

- This skate park was built for you to enjoy your time here.

THINK RESPECT

- Respect other users, wait your turn to help others out.
- Respect your skate park - clean up, don't graffiti.

IN AN EMERGENCY CALL 000



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4.2.3	Understate defect identification on Council's website to develop a defect backlog within Council's Technology One software program that will enable the creation of work packages for Council's Facilities.	Defect identification on Council's website to develop a defect backlog within Council's Technology One software program that will enable the creation of work packages for Council's Facilities.	Group Manager Infrastructure	Manager Community Facilities	IA1 - Planning, managing and maintaining assets for the future	30-Jun-21
4.2.4	Develop and implement a future capital works design process to determine a six month schedule of works across the Infrastructure Group.	Future capital works design process and six month schedule of works developed and implemented.	Group Manager Infrastructure	Manager Technical Services	IA1 - Planning, managing and maintaining assets for the future	31-Mar-21
4.2.5	Develop a plan to guide the delivery of Council's strategic infrastructure planning program and undertake a review of Infrastructure Charges to inform: - the required amendments to the Local Government Infrastructure Plan (LGIP) and the Infrastructure Charges Framework. - the development of strategic infrastructure planning forward program of works for the region that informs the long term capital work plan.	Review of Council's strategic infrastructure planning and infrastructure charges completed. Amendments to the Local Government Infrastructure Plan (LGIP) and the Infrastructure Charges Framework completed. And a forward program of planned infrastructure works developed.	Group Manager Community and Regional Prosperity	Manager Planning, Policy and Community Wellbeing	IA1 - Planning, managing and maintaining assets for the future	30-Jun-21

4.3 A DEVELOPMENT ASSESSMENT PROCESS THAT DELIVERS QUALITY DEVELOPMENT THAT IS CONSISTENT WITH LEGISLATION, BEST PRACTICE AND COMMUNITY EXPECTATIONS.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
4.3.1	Implement the continuous improvement initiatives as outlined in the Planning and Development Continuous Improvement Plan to further streamline Council's Development Assessment process.	Identified continuous improvement deliverables for the 2020-21 financial year completed and further improvements identified where necessary.	Group Manager Community and Regional Prosperity	Manager Planning, Policy and Community Wellbeing	RI - Regulation and goodwill	30-Jun-21

4.4 REGIONAL COLLABORATION AND TARGETED ADVOCACY THAT DRIVES EXTERNAL FUNDING, FOR TIMELY DELIVERY OF KEY INFRASTRUCTURE AND ENHANCED COMMUNITY OUTCOMES.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
4.4.1	Provide technical support to review the Inland Rail Project design's impacting on Council's infrastructure	Project designs reviewed and feedback provided to Australian Rail Track Corporation or project proponent.	Group Manager Infrastructure	Manager Technical Services	IA1 - Planning, managing and maintaining assets for the future	30-Jun-21

4.5 AN INTEGRATED APPROACH TO THE PLANNING OF ALL COMMUNITIES THAT STRENGTHENS LOCAL IDENTITY AND LIFESTYLE.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
4.5.1	Advocate to key stakeholders to seek amendments to the South East Queensland Regional Plan and additional augmentation of water and sewerage networks to enable the strategic growth and development of the region.	Advocacy opportunities to enable strategic growth and development for the region are maximised.	Group Manager Community and Regional Prosperity	Manager Planning, Policy and Community Wellbeing	IA1 - Planning, managing and maintaining assets for the future	30-Jun-21

5

LOCKYER
LEADERSHIP
AND COUNCIL

Lockyer Leadership

Our leaders are visionary and seek coordinated outcomes for the benefit of the whole community.

Lockyer Council

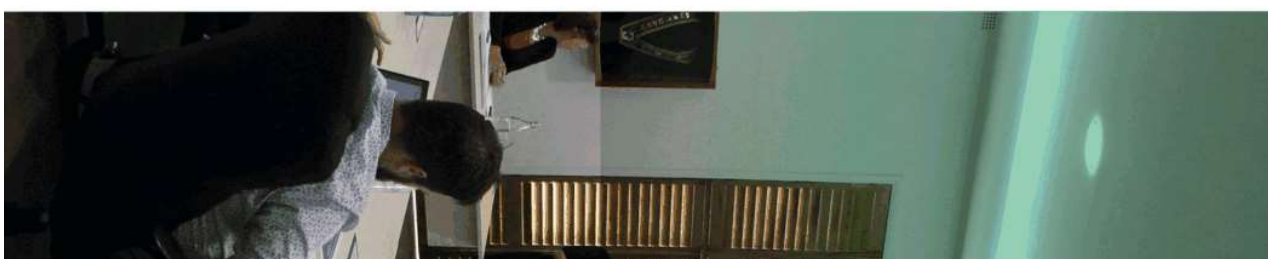
A well-managed, transparent and accountable organisation that gives the community confidence, demonstrates financial sustainability, where customers are satisfied with our services and our employees are proud to work.

OUTCOMES

- 5.1 Undertake robust and accountable financial resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.
- 5.2 Excellence in customer service to our community.
- 5.3 Actively engage with the community to inform council decision making processes.
- 5.4 Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values.
- 5.5 Promote a values based culture that appreciates and empowers its workforce.
- 5.6 Provide leadership and contemporary management systems that drive a coordinated and connected organisation.
- 5.7 Compliant with relevant legislation.
- 5.8 Deliver reliable internal support services.



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5.1 UNDERTAKE ROBUST AND ACCOUNTABLE FINANCIAL, RESOURCE AND INFRASTRUCTURE PLANNING AND MANAGEMENT TO ENSURE AFFORDABLE AND SUSTAINABLE OUTCOMES FOR OUR COMMUNITY.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
5.1.1	Undertake a review of Council's revenue streams to identify opportunities to improve Council's financial sustainability including: <ul style="list-style-type: none"> - the application of rates and levies - the register of fees and charges. 	Review completed and recommendations provided to Council for implementation as part of 2021-22 budget deliberations.	Chief Executive Officer	Chief Financial Officer	FE1 - Financial Sustainability	30-Jun-21
5.1.2	Review and implement recommendations for the operation and management of the Lockyer Valley Function Centre and Staging Post Cafe.	Management and operation of Lockyer Valley Function Centre and Staging Post Cafe determined and implemented.	Group Manager Community and Regional Prosperity	Manager Community Activation	FE1 - Financial Sustainability	30-Jun-21
5.1.3	Develop and implement a risk-based plan to deliver the procurement of the independent review conducted on Council's procurement function.	Plan developed and agreed key findings implemented based on level of risk and an improved procurement function achieved.	Group Manager People and Business Performance	Manager Business Performance	FE1 - Financial Sustainability	30-Jun-21
5.1.4	Implement the identified deliverables in Council's Land Asset Management Plan including the rationalisation of land assets.	Deliverables identified in Council's Land Asset Management Plan for the 2020-21 financial year completed and identified land sold.	Group Manager People and Business Performance	Manager Business Performance	FE1 - Financial Sustainability	30-Jun-21
5.1.5	Finalise the review of plant and fleet across Council to ensure utilisation is maximised and plant and fleet types are reflective of the future needs for programmed works.	Review completed, plant and fleet types to meet the future needs for programmed works identified and rationalisation commenced.	Group Manager Infrastructure	Manager Civil Operations	FE1 - Financial Sustainability	30-Jun-21



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5.2 EXCELLENCE IN CUSTOMER SERVICE TO OUR COMMUNITY.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
S.2.1	Review the existing Customer Service Charter and implement recommendations to improve Council's commitment to customers.	Review completed, recommendations identified and implemented.	Group Manager Business Performance	Manager People and Culture	R1 - Reputation and goodwill	31-Dec-20
S.2.2	Provide an innovative booking program for use of Council Facilities.	Implement the Bookable system including training for regular users and community members.	Group Manager People and Business Performance	Manager People and Culture	R3 - Information capacity and technology management	31-Dec-21

5.3 ACTIVELY ENGAGE WITH THE COMMUNITY TO INFORM COUNCIL DECISION MAKING PROCESSES.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
S.3.1	Develop a corporate strategy to clearly define the role and Council's approach to internal and external communication and a put the strategy into action.	Communications Strategy and Plan developed and agreed actions identified in plan completed.	Group Manager People and Business Performance	Manager People and Culture	R1 - Reputation and goodwill	30-Sep-20 (Strategy and Plan) 30-Jun-21 (agreed actions)

5.4 COMMIT TO OPEN AND ACCOUNTABLE GOVERNANCE TO ENSURE COMMUNITY CONFIDENCE AND TRUST IN COUNCIL AND OUR DEMOCRATIC VALUES.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
S.4.1	Deliver Council's audit and risk management function including: - Conduct of Audit and Risk Management Committee Meetings - Conduct of Internal Audits identified for the 2020-21 financial year - Monitoring and completion of internal audit recommendations.	Council's audit and risk management function delivered.	Group Manager Business Performance	Manager Business Performance	FE2 - Decision making, governance, due diligence, accountability and sustainability	30-Jun-21

5.5 PROMOTE A VALUES BASED CULTURE THAT APPRECIATES AND EMPOWERS ITS WORKFORCE.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
S.5.1	Develop and negotiate new Enterprise Bargaining Agreements for field and office based staff including: - the preparation of an expression of interest for the management and operation of weekend cleaning services required to be conducted by Council. - complete data collection and analysis on the field staff 4 day week.	Enterprise Bargaining Agreements for field and office based staff certified by the Queensland Industrial Relations Commission and new agreements implemented.	Group Manager Business Performance	Manager People and Culture	S1 - Strategic Workforce Planning and Management of Staff	30-Jun-21
S.5.2	Review and implement a performance leadership framework and embed the framework with the corporate leadership team.	Performance leadership framework developed and implemented with the corporate leadership team.	Group Manager Business Performance	Manager People and Culture	S1 - Strategic Workforce Planning and Management of Staff	30-Jun-21
S.5.3	Develop a modernised intranet for Council to enable improved information sharing across the organisation.	A modern intranet delivered on the Microsoft Office 365 SharePoint Online platform and improved information sharing to the organisation achieved.	Group Manager Business Performance	Manager Business Performance & Manager Information Communication and Technology	IA2 - Delivering major projects	30-Jun-21
S.5.4	Identify and implement opportunities to improve integrity awareness and compliance throughout the organisation.	Improvement opportunities on integrity awareness and compliance identified and implemented.	Group Manager Business Performance	Manager People and Culture/ Manager Business Performance.	FE2 - Decision making, governance, due diligence, accountability and sustainability.	30-Jun-21

5.6 PROVIDE LEADERSHIP AND CONTEMPORARY MANAGEMENT SYSTEMS THAT DRIVE A COORDINATED AND CONNECTED ORGANISATION.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
5.6.1	Implement the priority recommendations of the Organisations Review Effectiveness Review identified for the 2020-21 financial year.	The priority recommendations of the Organisations Review Effectiveness Review for the 2020/21 financial year implemented.	Group Manager People and Business Performance	Manager People and Culture	FR1 - Financial Sustainability	30-Jun-21
5.6.2	Identify and implement continuous improvement initiatives throughout Council to improve customer focus and business effectiveness.	Continuous improvement initiatives identified and implemented.	Chief Executive Officer	Group Managers	FR2 - Decision making, governance, due diligence, accountability and sustainability	30-Jun-21
5.7 COMPLIANT WITH RELEVANT LEGISLATION.						
Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
5.7.1	Implement the agreed recommended actions arising from the AS/ NIS 4801 standard for occupational health and safety audit to improve Council's organisational work health and safety.	Agreed recommendations implemented and AS/NIS 4801 Certification achieved and the organisations work health and safety improved.	Group Manager People and Business Performance	Manager People and Culture	WH51 - Workplace Health and Safety	30-Jun-21
5.7.2	Conduct a full review of Council's local laws and subordinate local laws to achieve a modern suite of legislative documents that are easy to understand, practical and relevant to the region.	Stage 1 review completed and modern suite of local laws developed and implemented.	Group Manager People and Business Performance	Manager Business Performance	FR2 - Decision making, governance, due diligence, accountability and sustainability	30-Jun-22

5.8 DELIVER RELIABLE INTERNAL SUPPORT SERVICES.

Reference	Operational Plan Deliverable 2020-21	Performance Indicator	Executive Leadership Responsibility	Action and Reporting Responsibility	Key Risk Category	Completion Date
5.8.1	Implement a suite of Information Communication Technology initiatives to improve Council's resilience to cyber risk including: - Multi Factor Authentication - Application White Listing - Information Security Management System (Cyber Security Framework)	Identified suite of Information Communication Technology initiatives implemented to minimise Council's exposure to cyber risk.	Group Manager People and Business Performance	Manager Information, Communication and Technology	IA3 - Information capacity and technology management	30-Jun-21
5.8.2	Develop a strategic Information Communication and Technology Roadmap to identify opportunities to automate/digitise where possible.	Strategic information communication and technology roadmap developed with opportunities to automate/digitise identified.	Group Manager People and Business Performance	Manager Information, Communication and Technology	IA3 - Information capacity and technology management	30-Jun-21
5.8.3	Identify and implement technology (mobility) to enable field based defect logging and task management to be captured in Council's Technology One software, including: - System configuration for use of functionality by Council's fleet and Civil Operations - Provision of mobile device hardware.	Field based technology identified, fully implemented with defect logging and task management commenced.	Group Manager Infrastructure	Manager Information, Communication and Technology, Manager Civil Operations and Manager Community Facilities	IA3 - Information capacity and technology management	30-Jun-21



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7. MEETING CLOSED