

Agenda



SPECIAL MEETING OF COUNCIL (BUDGET ADOPTION)

AGENDA

21 JULY 2021

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

No Leave Of Absence.

3. DECLARATION OF ANY PRESCRIBED CONFLICT OF INTERESTS/DECLARABLE CONFLICTS OF INTEREST BY COUNCILLORS**3.1 Declaration of Prescribed Conflict of Interest on any Item of Business**

Pursuant to Chapter 5B, Part 2 of the *Local Government Act 2009*, a councillor who has a prescribed conflict of 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 prescribed conflict of interest in the matter, including the following about the interest –
 - i. if it arises because of a gift, loan or contract, the value of the gift, loan or contract
 - ii. if it arises because of an application or submission, the subject of the application or submission
 - iii. the name of any entity other than the councillor that has an interest in the matter
 - iv. the nature of the councillor's relationship with the entity that has an interest in a matter
 - v. details of the councillor's and any other entity's interest in the matter; 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 unless the subject councillor has written notice from the Minister to participate in the matter.

3.2 Declaration of Declarable Conflict of Interest on any Item of Business

Pursuant to Chapter 5B, Part 3 of the *Local Government Act 2009*, a councillor who has a declarable 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 it arises because of the councillor's relationship with a related party:
 - i. the name of the related party to the councillor
 - ii. the nature of the relationship of the related party to the councillor
 - iii. the nature of the related party's interest in the matter
- (c) if it arises because of a gift or loan from another person to the councillor or a related party:
 - i. the name of the other person
 - ii. the nature of the relationship of the other person to the councillor or related party
 - iii. the nature of the other person's interest in the matter
 - iv. the value of the gift or loan and the date the gift or loan was made.
- (d) how the councillor 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 2021-2022 Financial Policies

Author: 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 2021-2022 Budget.

Officer's Recommendation:

THAT Council adopt the following policies as attached to this report:

- **2021-2022 Investment Policy;**
- **2021-2022 Debt Policy;**
- **2021-2022 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 2021-2022 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.

Proposal

Overview

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 remains unchanged from the previous version.

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.

Rates and Charges Debt Collection and Recovery Policy

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*.

This report remains unchanged from the previous year, excluding the reduction in the interest on overdue rates and charges from 8.53% per annum compounding daily, to 8.03% per annum compounding daily. 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.

Sundry Debt Collection and Recovery Policy

The Sundry Debt Collection and Recovery Policy sets out Council's debt management principles for the recovery of outstanding sundry debt.

This report remains unchanged from the previous year, excluding the reduction in the interest on overdue rates and charges from 8.53% per annum compounding daily, to 8.03% per annum compounding daily. 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 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 remains unchanged from the previous year.

Options

Option One: That Council adopt the policies as attached to this report.

Previous Council Resolutions

Special Meeting of Council 15 July 2020 (20-24/0070)

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

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.

Strategic ImplicationsCorporate Plan

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

Finance and Resource

These Policies underpin elements of the 2021-2022 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 \$220,000 and \$290,000 per annum.

Legislation and Policy

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.

The adoption of the 2021-2022 financial policies by Councillors supersedes the 2020-2021 financial policies.

Risk Management

Key Corporate Risk Code and Category: FE2

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

Consultation*Portfolio Councillor Consultation*

The policies were workshopped with Councillors in June 2021.

Internal Consultation

The implications of these policies will be incorporated into extensive communications associated with the 2021-2022 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 these policies will be incorporated into extensive communication associated with the 2021-2022 Budget and uploaded to Council's website.

Attachments

1	<u>Investment Policy</u>	3 Pages
2	<u>Debt Policy</u>	3 Pages
3	<u>Procurement Policy</u>	2 Pages
4	<u>Rates & Charges Debt Collection & Recovery Policy</u>	5 Pages
5	<u>Sundry Debt Collectio & Recovery Policy</u>	4 Pages
6	<u>Hardship Policy</u>	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: XX-XX/XXXX)
Date Approved: xx/07/2021
ECM: 4144149

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Review Date: 30/06/2022

Superseded/Revoked: Investment Policy ECM: 3938343

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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 within 24 hours and be rectified as soon as reasonably possible 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.

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Branch: Finance
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Related Documents

Lockyer Valley Regional Council – 2021-2022 Budget and Long Term Financial Forecast

DRAFT

Group: Executive Office
Branch: Finance
Approved: Special Council Meeting (Resolution Number: XX-
XX/XXXX
Date Approved: xx/07/2021
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Superseded/Revoked: Investment Policy ECM: 3938343

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Policy document



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
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Superseded/Revoked: Debt Policy 2020/2021 ECM: 3796714
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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 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
2021/2022	-
2022/2023	-
2023/2024	-
2024/2025	-
2025/2026	-
2026/2027	-
2027/2028	-
2028/2029	-
2029/2030	-
2030/2031	-

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
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Superseded/Revoked: Debt Policy 2020/2021 ECM: 3796714
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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 – 2021-2022 Budget and Long-Term Financial Forecast

DRAFT

Group: Executive Office
Branch: Finance
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Policy document



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

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Branch: Finance
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Superseded/Revoked: ECM: 3890630
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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
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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 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 Office
Unit: Financial Services
Approved: Ordinary Council Meeting
(Resolution Number:20-24/XXXX)
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Review Date: 30/06/2022

Superseded/Revoked: Rates and Charges Debt Collection and Recovery Policy ECM: 3796718

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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 owner.

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

- Transparency by making clear the obligations of the property owner 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 8.03%. 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 8.03%.</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
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

Group: Executive Office
Unit: Financial Services
Approved: Ordinary Council Meeting
(Resolution Number:20-24/XXXX)
Date Approved: XX/07/2021

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STAGE	TIMING	ACTION TYPE	AUTHORITY LEVEL
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 • 3years - for all other land, overdue rates and charges 	Chief Financial Officer
5.	Potential Sale of Land Letter	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)	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> <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
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:

Group: Executive Office
Unit: Financial Services
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Superseded/Revoked: Rates and Charges Debt Collection and Recovery Policy ECM: 3796718

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- 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 Letter1

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:

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.

Group: Executive Office
Unit: Financial Services
Approved: Ordinary Council Meeting
(Resolution Number:20-24/XXXX)
Date Approved: XX/07/2021

ECM: 4144150

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Review Date: 30/06/2022

Superseded/Revoked: Rates and Charges Debt Collection and
Recovery Policy ECM: 3796718

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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, Council 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 8.03%, compounding on daily rests.

Related Documents

Hardship Policy

Group: Executive Office
Unit: Financial Services
Approved: Ordinary Council Meeting
(Resolution Number:20-24/XXXX)
Date Approved: XX/07/2021

ECM: 4144150

Effective Date: 21/07/2021
Version: 4.0 Last updated 19/06/2020
Review Date: 30/06/2022

Superseded/Revoked: Rates and Charges Debt Collection and
Recovery Policy ECM: 3796718

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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
Unit: Financial Services
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
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Version: 6.0 Last updated 15/07/2020
Review Date: 30/06/2022

Superseded/Revoked: Sundry Debt Collection and Recovery
Policy ECM: 3796719

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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 8.03% 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 an 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

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Unit: Financial Services
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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 8.03% 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.	Chief Financial Officer

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

Debtor invoices which remain outstanding for greater than 30 days, shall bear interest at the rate of 8.03%, compounding on daily rests.

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Unit: Financial Services
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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 greater than \$1,000.00 can only be written off by Council resolution.

Related Documents

Nil

Group: Executive Office
Unit: Financial Services
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
Date Approved: xx/07/2021

ECM: 4144152

Effective Date: XX/07/2021
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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
Unit: Financial Services
Approved: Special Meeting (Resolution Number XX-XX/XXXX)

Date Approved: xx/x7/2021
ECM: 4144156

Effective Date: 21/07/2021
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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 owner's 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
Unit: Financial Services
Approved: Special Meeting (Resolution Number XX-XX/XXXX)

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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, health pandemic or other declared natural disaster
- Loss of income/employment due to drought, flood, fire, health pandemic 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, health pandemic or other declared natural disaster
- Loss of income/employment due to drought, flood, fire, health pandemic 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:


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- 
- 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

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 owner's/customer's circumstances.

Failure to comply

If the property owner/customer:

- 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
Unit: Financial Services
Approved: Special Meeting (Resolution Number XX-XX/XXXX)

Date Approved: xx/x7/2021
ECM: 4144156

Effective Date: 21/07/2021
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Review Date: 30/06/2022

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5.2 2021-2022 Revenue Policy

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 2021-2022 Budget.

Officer's Recommendation:

THAT Council resolve to adopt, pursuant to Section 193 of the *Local Government Regulation* 2012, the 2021-2022 Revenue Policy (Attachment 1) for inclusion in the 2021-2022 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 2021-2022 Revenue Policy has been reviewed and no significant changes are recommended.

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 2021-2022 Budget process and as noted above, no significant changes have been made from the previous year.

Options

Option One: THAT Council adopt the Revenue Policy 2021-2022, as attached, with an effective date of 1 July 2021.

Previous Council Resolutions

Special Meeting of Council 15 July 2020 (Resolution 20-24/0071)

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.

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.

Strategic Implications

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.
- 5.2 Excellence in customer service to our community
- 5.7 Compliance with relevant legislation

Finance and Resource

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 2021-2022 Revenue Policy and 2021-2022 Revenue Statement ensures that Council can rate in accordance with the proposed 2021-2022 Budget.

Legislation and Policy

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.

The adoption of the 2021-2022 Revenue Policy by Councillors supersedes Council's 2020-2021 Revenue Policy.

Risk Management

Key Corporate Risk Code and Category: FE2

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

Consultation

Portfolio Councillor Consultation

Councillors were consulted through the development of the 2021-2022 Council budget at Councillor Workshops held between December 2020 to June 2021.

Internal Consultation

The implications of this policy will be incorporated into extensive communications associated with the 2021-2022 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 this policy, there has been no external consultation.

Community Engagement

As above.

Attachments

1 [📄](#) Revenue Policy 5 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 2021/2022 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
Unit: Finance
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
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Review Date: 30/06/2022

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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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- *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
- *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 owner's) 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

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Unit: Finance
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
Date Approved: xx/07/2021
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Version: 7 Last Updated: 15/07/2021
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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 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 19 May 2021 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.

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Unit: Finance
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Related Documents

Local Government Act 2009

Local Government Regulation 2012

Rates and Charges Debt Collection and Recovery Policy

2021/2022 Revenue Statement

DRAFT

Group: Executive Office
Unit: Finance
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
Date Approved: xx/07/2021
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Effective Date: XX/07/2021
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5.3

2021-2022 Revenue Statement

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 2021-2022 Revenue Statement as part of the 2021-2022 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 Number	Category Name	Description
101a	Rural Residential <= \$250,000	Land, with a rateable value of less than or equal to \$250,000, located within the Rural Fire Service Boundaries, which is: (a) used for residential purposes as the Principal Place of Residence of at least one of the owners, other than land in categories 105 and 110; and (b) not otherwise categorised.
101b	Rural Residential > \$250,000	Land, with a rateable value of greater than \$250,000, located within the Rural Fire Service Boundaries, which is: (a) used for residential purposes as the Principal Place of Residence of at least one of the owners, other than land in categories 105 and 110; and (b) not otherwise categorised.
102a	Urban Residential <= \$200,000	Land, with a rateable value less than or equal to \$200,00, not located within the Rural Fire Service Boundaries, which is: (a) used for residential purposes as the Principal Place of Residence of at least one of the owners, other than land in categories 105 and 110; and (b) not otherwise categorised.
102b	Urban Residential > \$200,000	Land, with a rateable value of greater than \$200,00, not located within the Rural Fire Service Boundaries, which is: (a) used for residential purposes as the Principal Place of Residence of at least one of the owners, other than land in categories 105 and 110; and (b) not otherwise categorised.
103a	Non-Principal Place of Residence Urban Residential <= \$200,000	Land, with a rateable value of less than or equal to \$200,00, not located within the Rural Fire Services Boundaries, which is:

		<p>(a) used for residential purposes other than as the Principal Place of Residence of at least one of the owners, other than land in categories 101a, 101b, 102a, 102b, 105, 110 or 121; and</p> <p>(b) not otherwise categorised.</p>
103b	Non-Principal Place of Residence Urban Residential > \$200,000	<p>Land, with a rateable value of greater than \$200,000, not located within the Rural Fire Services Boundaries, which is:</p> <p>(a) used for residential purposes other than as the Principal Place of Residence of at least one of the owners, other than land in categories 101a, 101b, 102a, 102b, 105, 110 and 121; and</p> <p>(b) not otherwise categorised.</p>
103c	Non-Principal Place of Residence Rural Residential <= \$250,000	<p>Land, with a rateable value of less than or equal to \$250,00, located within the Rural Fire Services Boundaries, which is:</p> <p>(a) used for residential purposes other than as the Principal Place of Residence of at least one of the owners, other than land in categories 101a, 101b, 102a, 102b, 105, 110 and 121; and</p> <p>(b) not otherwise categorised.</p>
103d	Non-Principal Place of Residence Rural Residential > \$250,000	<p>Land, with a rateable value of greater than \$250,000, located within the Rural Fire Services Boundaries, which is:</p> <p>(a) used for residential purposes other than as the Principal Place of Residence of at least one of the owners, other than land in categories 101a, 101b, 102a, 102b, 105, 110 and 121; and</p> <p>(b) not otherwise categorised.</p>
104a	Urban Vacant <= \$200,000	<p>Land, with a rateable value of less than or equal to \$200,000, not located within the Rural Fire Services Boundaries, which is:</p> <p>(a) Vacant Land; and</p> <p>(b) not included in Category 121 or otherwise categorised.</p>
104b	Urban Vacant > \$200,000	<p>Land, with a rateable value of greater than \$200,000, not located within the Rural Fire Services Boundaries, which is:</p> <p>(a) Vacant Land; and</p> <p>(b) not included in Category 121 or otherwise categorised.</p>
104c	Rural Vacant <= \$250,000	<p>Land, with a rateable value of less than or equal to \$250,000, located within the Rural Fire Services Boundaries, which is:</p> <p>(a) Vacant Land; and</p> <p>(b) not included in Category 121 or otherwise categorised.</p>
104d	Rural Vacant > \$250,000	<p>Land, with a rateable value of greater than \$250,000, located within the Rural Fire Services Boundaries, which is:</p> <p>(a) Vacant Land; and</p> <p>(b) not included in Category 121 or otherwise categorised.</p>

105	Multiple Dwellings	Land used for residential purposes on which there is 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.
106a	Commercial \leq \$1.5M	Land, with a rateable value of less than or equal to \$1.5M, which is: (a) used or intended to be used, in whole or in part for commercial purposes, other than Primary Production; and (b) not included in category 104a, 104b, 104c, 104d, 107a, 107b, 107c, 108a, 108b, 109a, 109b, 110, 115a, 115b, 115c, 116a, 116b, 116c, 117 or 118.
106b	Commercial $>$ \$1.5M	Land, with a rateable value of greater than \$1.5M, which is: (a) used or intended to be used, in whole or in part for commercial purposes, other than Primary Production; and (b) not included in category 104a, 104b, 104c, 104d, 107a, 107b, 107c, 108a, 108b, 109a, 109b, 110, 115a, 115b, 115c, 116a, 116b, 116c, 117 or 118.
107a	Supermarkets and Retail Warehouses \leq \$375,000	Land used or intended to be used, in whole or in part for a Supermarket or Retail Warehouse, with a rateable value of less than or equal to \$375,000.
107b	Supermarkets and Retail Warehouses $>$ \$375,001 & \leq \$1M	Land used or intended to be used, in whole or in part for a Supermarket or Retail Warehouse, with a rateable value of equal to or greater than \$375,001 and less than or equal to \$1M
107c	Supermarkets and Retail Warehouses $>$ \$1M	Land used or intended to be used, in whole or in part for a Supermarket or Retail Warehouse, with a rateable value greater than \$1million.
108a	Shopping Centres \leq 7000sqm	Land used or intended to be used, in whole or in part for a Shopping Centre, which has: (a) a property land area of less than or equal to 7000 square metres; or (b) less than or equal to 120 onsite car parking spaces.
108b	Shopping Centres $>$ 7000 sqm	Land used or intended to be used, in whole or in part for a Shopping Centre which has: (a) a property land area of greater than 7000 square metres, or (b) greater than 120 onsite car parking spaces.
109a	Service Stations/Garages \leq \$500,000	Land used or intended to be used, in whole or in part for fuel retailing, with a rateable value of less than or equal to \$500,000.
109b	Service Stations/Garages $>$ \$500,000	Land used or intended to be used, in whole or in part for fuel retailing, with a rateable value of greater than \$500,000.
110	Accommodation	Land used or intended to be used, in whole or in part for accommodation purposes such as motel, caravan park, workers accommodation, aged care nursing or as a retirement village.

111a	Animal Farming <=\$200,000	Land used or intended to be used, in whole or in part for animal farming purposes with a rateable value less than or equal to \$200,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.
111b	Animal Farming >=\$200,001 & <=\$380,000	Land used or intended to be used, in whole or in part for animal farming purposes with a rateable value of equal to or greater than \$200,001 and less than or equal to \$380,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.
111c	Animal Farming >=\$380,001 & <=\$610,000	Land used or intended to be used, in whole or in part for animal farming purposes with a rateable value of equal to or greater than \$380,001 and less than or equal to \$610,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.
111d	Animal Farming >= \$610,001	Land used or intended to be used, in whole or in part for animal farming purposes with a rateable value of equal to or greater than \$610,001, except land included in categories 113a, 113b, 113c, 114d and 114. Properties in this category receive a concessional value for primary production.
112a	Crop Farming <=\$200,000	Land used or intended to be used, in whole or in part for crop farming purposes with a rateable value less than or equal to \$200,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.
112b	Crop Farming >=\$200,001 & <=\$380,000	Land used or intended to be used, in whole or in part for crop farming purposes with a rateable value equal to or greater than \$200,001 and less than or equal to \$380,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.
112c	Crop Farming >=\$380,001 & <=\$610,000	Land used or intended to be used, in whole or in part for crop farming purposes with a rateable value equal to or greater than \$380,001 and less than or equal to \$610,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.
112d	Crop Farming > \$610,000	Land used or intended to be used, in whole or in part for crop farming purposes with a rateable value of greater than \$610,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.

113a	Intensive Agriculture Poultry <=200,000 Birds	Land used or intended to be used, in whole or in part for intensive poultry farming requiring approval by Council or requiring licensing as an Environmentally Relevant Activity with a capacity of less than or equal to 200,000 birds.
113b	Intensive Agriculture Poultry >=200,001 Birds	Land used or intended to be used, in whole or in part for intensive poultry farming requiring approval by Council or requiring licensing as an Environmentally Relevant Activity with a capacity of equal to or greater than 200,001 birds.
113c	Intensive Agriculture Piggeries >=3001 SPU	Land used or intended to be used, in whole or in part for intensive pig farming requiring approval by Council or requiring licensing as an Environmentally Relevant Activity with a capacity of equal to and greater than 3,001 SPU.
113d	Intensive Agriculture Piggeries <=3000 SPU	Land used or intended to be used, in whole or in part for intensive pig farming requiring approval by Council or requiring licensing as an Environmentally Relevant Activity with a capacity of less than or equal to 3,000 SPU.
114	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.
115a	Extractive & Mining >100,000 tonne	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 tonne of material is removed per annum.
115b	Extractive & Mining >=5,001 & <=100,000 tonne	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 tonne of material is removed per annum.
115c	Extractive & Mining up to 5,000 tonne	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 tonne of material is removed per annum.
116a	Noxious/Offensive Industry - Explosive Factory	Land used or intended to be used, in whole or in part for the manufacture of explosives.
116b	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 rateable value of greater than \$500,000.
116c	Noxious/Offensive Industry - Other	Land used or intended to be used, in whole or in part for the purpose of a sawmill, tannery, storage of explosives or any other industrial purpose or any use associated or connected with an industrial purpose, other than land included in categories 116a or 116b.
117	Power Stations	Land used or intended to be used, in whole or in part for: (a) the generation of electricity from a coal and/or gas fired power station; or (b) any other purpose ancillary to, associated with, or connected with (a).
118	Transmission & Gas Compressor Sites	Land used or intended to be used, in whole or in part for:

		(a) the transmission or distribution of electricity from a coal and/or gas fired power station/plant, including, but not limited to, a substation; or (b) the transportation of gas under compression; or (c) any other purpose ancillary to, associated with, or connected with (a) or (b).
119a	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 119b.
119b	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.
120	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.
121	Land which is subject to Chapter 2 Part 2	Land which is subject to Chapter 2, Part 2, Division 5, Subdivision 3 of the <i>Land Valuation Act 2010</i> .

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 Number	Category Name	Rate in \$ 2021-2022	Minimum General Rate 2021-2022
101a	Rural Residential <= \$250,000	0.010755	\$1,108.00
101b	Rural Residential > \$250,000	0.007694	\$2,685.00
102a	Urban Residential <= \$200,000	0.012013	\$1,115.00
102b	Urban Residential > \$200,000	0.0081	\$2,406.00
103a	Non-Principal Place of Residence Urban Residential <= \$200,000	0.014025	\$1,339.00
103b	Non-Principal Place of Residence Urban Residential > \$200,000	0.012389	\$2,805.00
103c	Non-Principal Place of Residence Rural Residential <= \$250,000	0.013499	\$1,336.00
103d	Non-Principal Place of Residence Rural Residential > \$250,000	0.012219	\$3,375.00
104a	Urban Vacant <= \$200,000	0.011988	\$1,150.00
104b	Urban Vacant > \$200,000	0.010488	\$2,398.00

104c	Rural Vacant <=\$250,000	0.011318	\$1,128.00
104d	Rural Vacant > \$250,000	0.010198	\$2,830.00
105	Multiple Dwellings	0.014772	\$1,395.00
106a	Commercial <=\$1.5M	0.011123	\$2,084.00
106b	Commercial >\$1.5M	0.006451	\$16,350.00
107a	Supermarkets and Retail Warehouses <=\$375,000	0.013993	\$3,500.00
107b	Supermarkets and Retail Warehouses >=\$375,001 & <=\$1M	0.01473	\$9,000.00
107c	Supermarkets and Retail Warehouses >\$1M	0.017199	\$17,200.00
108a	Shopping Centres <=7000sqm	0.040911	\$56,961.00
108b	Shopping Centres >7000 sqm	0.025827	\$170,882.00
109a	Service Stations/Garages <=\$500,000	0.022397	\$5,612.00
109b	Service Stations/Garages > \$500.000	0.028013	\$15,000.00
110	Accommodation	0.024711	\$2,063.00
111a	Animal Farming <=\$200,000	0.00796	\$1,439.00
111b	Animal Farming >=\$200,001 & <=\$380,000	0.008594	\$1,719.00
111c	Animal Farming >=\$380,001 & <=\$610,000	0.008735	\$3,266.00
111d	Animal Farming >= \$610,001	0.009899	\$6,039.00
112a	Crop Farming <=\$200,000	0.007998	\$1,453.00
112b	Crop Farming >=\$200,001 & <=\$380,000	0.008678	\$1,736.00
112c	Crop Farming >=\$380,001 & <=\$610,000	0.00882	\$3,352.00
112d	Crop Farming > \$610,000	0.009996	\$6,098.00
113a	Intensive Agriculture Poultry <=200,000 Birds	0.017407	\$6,172.00
113b	Intensive Agriculture Poultry >=200,001 Birds	0.033633	\$7,408.00
113c	Intensive Agriculture Piggeries >=3001 SPU	0.059493	\$7,408.00
113d	Intensive Agriculture Piggeries <=3000 SPU	0.058626	\$7,300.00
114	Farming/Agriculture On Farm Packing Operation	0.011003	\$9,494.00
115a	Extractive & Mining >100,000 tonne	0.083276	\$43,894.00
115b	Extractive & Mining >=5,001 & <=100,000 tonne	0.0298	\$22,574.00
115c	Extractive & Mining up to 5,000 tonne	0.025232	\$9,783.00
116a	Noxious/Offensive Industry - Explosive Factory	0.020673	\$32,320.00
116b	Noxious/Offensive Industry - Abattoirs	0.031927	\$32,320.00
116c	Noxious/Offensive Industry - Other	0.024086	\$5,540.00
117	Power Stations	0.02571	\$53,467.00
118	Transmission & Gas Compressor Sites	0.025934	\$11,374.00
119a	Sporting Clubs & Facilities	0.008728	\$1,226.00
119b	Licensed Clubs & Sporting Clubs	0.010165	\$3,615.00
120	Sundry Purposes	0.016344	\$234.00
121	Land which is subject to Chapter 2 Part 2	0.012889	NA

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 \$29.00 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 \$274,630.
 - 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	\$289.00
Residential	Additional Dual Bins	\$289.00
Residential	Additional Waste Bin	\$180.00
Residential	Additional Recycling Bin	\$108.00
Commercial	First Service - Dual Bins	\$493.00
Commercial	Additional Waste Bin	\$335.00
Commercial	Additional Recycle Bin	\$156.00

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 \$149.00 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 31 days of the date of issue of the rate notice provided that:

1. all of the aforementioned rates and charges are paid within 31 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 31 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 31 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 zero three percent (8.03%) 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 2021 to 31 December 2021 in August 2021; and
2. For the half year 1 January 2022 to 30 June 2022 in February 2022.

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 31 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 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
5. 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.
6. 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.
7. 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 2021-2022 Revenue Statement (Attachment 1) for inclusion in the 2021-2022 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 2021-2022 Budget as well as other key measures that Council will use to generate its rating revenue.

The 2021-2022 Revenue Statement will achieve an initial yield of \$42.99 million in rates and utility charges with \$1.84 million allowed for discounts and remissions. Budget parameters include a conservative growth rate of approximately 1.00%.

Proposal

Overview

The Revenue Statement is a key statutory document of Council detailing the revenue measures adopted in Council's 2021/2022 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 2021/2022.

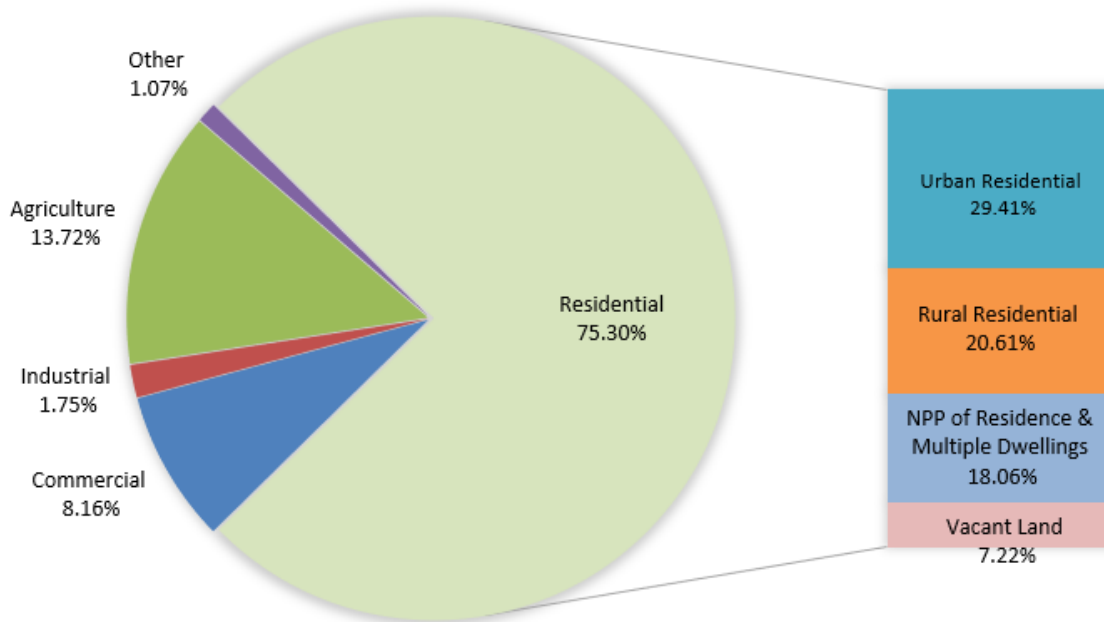
Following a series of budget workshops, Council is now in a position to formalise its Revenue Statement for the 2021/2022 financial year. In 2021/2022, general rates revenue will continue to be levied using a system of differential rating. The system includes forty-eight (48) differential categories.

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 2021/2022 budget Council has introduced banding into the Non-Principal place of Residence and vacant land categories to ensure consistency with Rural and Urban Residential categories. This will mean that some properties within each category will see a reduction in their general rates, while other properties will remain the same or have a slight increase. The amount of change is dependent on the valuation of the property and new bandings within categories 103a – 103d and 104a – 104d. Redefining the banding for the Farming Agriculture sector has also taken place by introducing banding based on land use codes as well as valuations.

The key items in the attached Revenue Statement include:



- A \$56,909 increase in the yield from the general rates due to the banding in the Non-Principal Place of Residence and Vacant land categories, along with the 1.5% increase for Multi-dwelling and Urban and Rural Residential categories;
- Amalgamation of valuation banding for general commercial categories seen a yield increase of \$37,866 or 3%;
- Retail Warehouse land use code properties removed from general commercial categories into Supermarkets and Retail Warehouse categories with a yield increase of \$78,203;
- Farming Agriculture categories have expanded from 4 categories based on valuation to 8 based on land use codes and valuation. Animal Farming and Crop Farming categories see an increase in yield of \$110,600;
- A reduction of \$15,963 is seen in the accommodation sector due to the amalgamation of all accommodation type categories;
- A reduction of \$101,139 has been seen for the service stations categories as a result of changing the category banding;
- Intensive Farming and agriculture seen an increase of 3%;
- Domestic and Commercial Waste Recycling and Collection Charges to increase 2%;
- The Waste Management Charge increase at 2% from \$147.00 to \$149.00 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 increased from \$27.00 to \$29.00 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;
- Elimination of the subtracting the Council's pensioner concession if the assessment is in arrears; and
- Reduction in the compound interest charged on overdue rates and charges from 8.53% per annum to 8.03% per annum in order to conform to the new maximum allowed under legislation.

Options

Option One: THAT Council adopt the 2021/2022 Revenue Statement, as attached with an effective date of 1 July 2021.

Option Two: THAT Council does not adopt the 2021/2022 Revenue Statement, as attached.

Previous Council Resolutions

Special Meeting of Council 15 July 2021 (Resolution 20-24/0072)

THAT Council Resolve: The 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.

Strategic ImplicationsCorporate Plan

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

Finance and Resource

Rates and charges are the largest source of revenue for Council. The adoption of the 2021/2022 Revenue Statement ensures that Council can rate in accordance with the proposed 2021/2022 Budget.

The 2021/2022 Revenue Statement will achieve an initial yield of \$42.99 million in rates and utility charges with \$1.84 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 2021/2022 Budget.

Council's Long Term Financial Plan assumes annual rate increases on top of natural growth at an average of 1.50% 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.

Legislation and Policy

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 2021/2022 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.

As changes were made to the structure of the Revenue Statement when compared to the previous year, legal advice has been sought.

The 2021/2022 Revenue Statement is consistent with Council's 2021/2022 Revenue Policy.

Risk Management

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

Consultation

Portfolio Councillor Consultation

Councillors were consulted through the development of the 2021-2022 Council budget at Councillor Workshops held between December 2020 to June 2021.

Internal Consultation

The implications of this policy will be incorporated into extensive communications associated with the 2021/2022 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 this policy, there has been no external consultation.

Community Engagement

The implications of the 2021/2022 Revenue Statement will be incorporated into extensive communications associated with the 2021/2022 Budget and uploaded to Council's website.

Attachments

1 [1](#) Revenue Statement 20 Pages



2021-2022 REVENUE STATEMENT

1. INTRODUCTION

1.1 Revenue Statement adoption

Sections 169 and 170 of the *Local Government Regulation 2012* require a local government to prepare and adopt a Revenue Statement each financial year as part of its budget.

Section 172 of the *Local Government Regulation 2012* specifies what a Revenue Statement must state.

Pursuant to sections 169, 170 and 172 of the *Local Government Regulation 2012*, Council resolves to adopt the following Revenue Statement for the 2021/2022 financial year, which provides details of the following:

- Administration:
 - Issue of rate notices;
 - Time within which rates and charges must be paid;
 - Early payment discount on rates and charges;
 - Allowance of early payment discount for late payments;
 - Interest on overdue rates and charges;
 - Council's pensioner rate concession/rebate;
 - Queensland State Government Pensioner Rate Subsidy Scheme;
 - Other concessions on rates and charges;
 - The recovery of overdue rates and charges; and
 - The criteria used by Council to decide the amount of cost-recovery fees and the amount of the charges for goods and services of each business activity the Council conducts on a commercial basis.
- General rates (made and levied on all rateable land).
- Utility charges:
 - Waste and Recycling Collection Charge
 - Waste Management Charge.
- Special charge (a charge made and levied on some, but not all, rateable land):
 - Rural Fire Levy.
- Separate charges (each a charge made and levied equally on all rateable land):
 - Emergency Preparedness Levy;
 - Environmental Levy; and
 - Resilient Rivers Initiative Levy.
- Whether Council has made any resolution limiting an increase of rates and charges.
- Definitions.

1.2 Brief explanation of the measures adopted for raising revenue

Council has developed this Revenue Statement in accordance with its Revenue Policy, which aims to raise sufficient revenue to enable it to maintain assets and the provide services to the community at a level that the Council considers appropriate for both current and future community requirements.

Council applies the following criteria to structuring its adopted revenue raising measures:

- 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 owner's) in regard to the rating process; and
- National Competition Policy legislation where applicable.

In levying rates and charges, Council will have regard to:

- *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, caused by circumstances beyond their control, 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.
- *Clarity* by providing meaningful information on rate notices to enable property owners to clearly understand their responsibilities.

1.3 Interpretation

Section 7 of this Revenue Statement sets out definitions specific to this Revenue Statement. Other words within this Revenue Statement shall be as defined under the *Local Government Act 2009* and 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 2021/2022

2. ADMINISTRATION

2.1 Issue of rate notices

Pursuant to section 104(1) of the *Local Government Regulation 2012*, a local government may levy rates or charges only by a rate notice. Section 104(2) of the *Local Government Regulation 2012* provides as follows:

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.

Council will issue rate notices in the first six months of the financial year (July to December 2021) for the rating period 1 July 2021 to 31 December 2021; and in the second six months of the financial year (January to June 2022) for the rating period 1 January 2022 to 30 June 2022.

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 rate notice, may be given electronically to a person who has provided written consent to Council. Where a ratepayer gives written consent to the receipt of rate notices and the accompanying rating category statements electronically, they forgo receiving the rate notices and the accompanying rating category statements via post.

2.2 Time within which rates and charges must be paid

Pursuant to section 118 of the *Local Government Regulation 2012*, Council resolves that Council's rates and charges, and the State Government's Emergency Management, Fire and Rescue Levy, must be paid within thirty one (31) days of the date of the issue of the rates notice.

The property owner will be liable to pay the amount of the rates and charges levied by a rate notice even if the owner properly objects to the rating category for the property and/or makes any enquiries to Council relating to or not relating to the property.

Notwithstanding any such objection or enquiries, the rate notice remains due and payable by the due date stated in the rate notice.

2.3 Early payment discount on rates and charges

Pursuant to section 130 of the *Local Government Regulation 2012*, Council resolves that Differential General Rates (Section 3.1 below) and Waste Collection and Recycling Utility Charges (Section 4.1 below) made and levied in the twelve months ending 30 June 2022, shall be subject to a discount 5% if paid within the discount period of 31 days of the date of issue of the rate notice, provided that:

- all of the aforementioned rates and charges are paid within 30 days of the date of issue of the rate notice;
- 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
- all other overdue rates and charges relating to the rateable assessment are paid within 30 days of the date of issue of the rate notice.

Payments must be made at a Council Customer Service Centre, an approved agency, or by electronic funds transfer.

Where payments are made by electronic funds transfer, to be eligible for the discount, the payments must all be received by Council within three (3) business days of the due date stated in the rate notice.

No discount is allowable on the following rates or charges which may appear on any rate notice issued for a property in respect of the period of twelve months ending 30 June 2022:

- Special rates and charges.
- Separate rates and charges not listed above.
- Utility charges other than Waste Collection and Recycling Charges.
- 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.

2.4 Allowance of early payment discount for late payments

Pursuant to section 130(10) of the *Local Government Regulation 2012*, if the Council is satisfied that a ratepayer has been prevented, by circumstances beyond their control, from paying the rates or charges in time to get a discount, the Council may still allow the discount.

Events, the proof of which, may satisfy Council that a ratepayer has been prevented, by circumstances beyond their control, from paying the rates or charges in time to get a discount, include:

- illness involving hospitalisation and/or incapacitation of the property owner at or around the time of the rates being due for payment;
- 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.).

All applications for an early payment discount for late payments must be made in writing accompanied by all material relied upon by the ratepayer to satisfy Council that they were prevented, by circumstances beyond their control, from paying the rates or charges in time to get an early payment discount.

Payment of all rates and charges levied on the property (including any overdue rates) must be paid in full before Council will consider any allowance of the early payment discount for late payments.

The property owner's prior rates and charges payment history may be taken into account when considering whether to allow the early payment discount for late payments. The property owner will be notified of the outcome in writing and Council's decision will be final.

The early payment discount for late payments will **NOT** be allowed by Council due to the following events:

- 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; or
- 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.

2.5 Interest on overdue rates and charges

Pursuant to Section 133 of the *Local Government Regulation 2012*, Council resolves that compound interest on daily rests at the rate of eight point zero three percent (8.03%) per annum is to be charged on all overdue rates or charges from the day the rates or charges become overdue.

2.6 Council's pensioner rate concession/ rebate – Lockyer Valley Regional Council Pension Subsidy

The aim of the Council's pensioner rate concession/rebate – Lockyer Valley Regional Council Pension Subsidy, is to help eligible pensioner property owners to remain in their own homes by reducing the financial impact of rates and charges levied.

Council's pensioner rate concession/rebate – Lockyer Valley Regional Council Pension Subsidy, will be allowed by way of a rebate to eligible pensioners under Chapter 4, Part 10 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.

2.6.1 Eligibility criteria

To be eligible the ratepayer **must** meet **all** of the following eligibility criteria:

- Complete and submit a written application form to Council (Pensioner Application- Rates Remission).
- Be a pensioner as defined in the *Local Government Regulation 2012*.
- Possess a current, valid, qualifying concession card, namely:
 - Queensland 'Pensioner Concession Card' issued by Centrelink; or
 - Veterans' Affairs Gold card; or
 - Veterans' Affairs Pensioner Concession card; or
 - Repatriation Health card for all conditions.
- Be the owner (either solely or jointly), or be an eligible life tenant, in accordance with the guidelines for the Queensland State Government Rate Subsidy Scheme, of a property within the Council's local government area, which is their Principal Place of Residence, and must have (either solely or jointly with a co-owner/s), the legal responsibility for payment of rates and charges which are levied in respect of the property; and

In the case of life tenancy, to be eligible the applicant ratepayer must meet the above criteria and in addition 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.

The following cards do not satisfy the concession eligibility criteria:

- Seniors Cards;
- Health Care Cards; or
- Health Benefit Cards.

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/property per half year.

2.6.2 Method of calculation – per assessment/ property

A pensioner may be eligible for a **full** concession by way of a rebate on the rates and charges 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.

A pensioner may be eligible for a **partial** concession by way of rebate on the rates and charges payable if the pensioner receives the **part 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 partial or no Income Support Supplement; or
- Veterans' Affairs' Disability/TPI pension.

Pension Rate	Maximum Council Pensioner Concession/Rebate, per property
Maximum level of the pension (full pension entitlement)	\$60.00 p.a. \$30.00 per half year
Not maximum level of the pension (partial pension entitlement)	\$30.00 p.a. \$15.00 per half year

2.7 Queensland State Government Pensioner Rate Subsidy Scheme

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.

2.8 Other concessions for rates and charges

2.8.1 Concession for Non-Profit or Arts /Cultural Development Entities

Council may grant a differential general rates concession to a stated ratepayer where it is satisfied in terms of section 120(1)(b) of the *Local Government Regulation 2012*, that land is owned by:

- an entity whose objects do not include making a profit; or
- an entity that provides assistance or encouragement for arts or cultural development.

The purpose of these concessions is to encourage and support non-profit or arts/cultural development entities as they contribute to the health and well-being of the community and to the social cohesion of the region.

In exercising its power to grant such a concession 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

To be eligible the ratepayer **must** meet **all** of the following eligibility criteria:

- Complete and submit a written application form to Council.
- Satisfy Council that the Council in terms of section 120(1)(b) of the *Local Government Regulation 2012*, that the relevant land is owned by an entity whose objects do not include making a profit; or that provides assistance or encouragement for arts or cultural development.
- 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.
- A Liquor Licence (allowing trading on more than three days per week) must not be held by the owner or occupier organisation or any affiliate relating to the land subject to the application.

Where differential 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 differential general rates rebate of 100% for a property to approved applicants.

Council will not approve requests for financial contributions to reimburse rate payments unless proof of hardship in terms of section 120(1)(b) of the *Local Government Regulation 2012* can be demonstrated in writing to the satisfaction of Council.

Applications for such a concession to a stated ratepayer will be for assessment and resolution by elected members at a Council meeting pursuant to section 122(1)(a) of the *Local Government Regulation 2012*.

2.8.2 Concession for land that is subject to mining tenures

Council may grant a concession to a stated ratepayer where it is satisfied in terms of section 120(1)(g) of the *Local Government Regulation 2012*, that the land is subject to a GHG tenure, mining tenement or petroleum lease.

Council may grant such concession in respect of any (or all) of the following particular rates and charges:

- Rural Fire Levy;
- Waste Management Charge;
- Environmental Levy;
- Resilient Rivers Initiative Levy; and/or
- Emergency Preparedness Levy.

In considering whether to grant any such concession to an eligible applicant Council may have regard to the extent to which the land over which the GHG tenure, mining tenement or petroleum lease is granted is already subject to these particular rates and charges.

Applications for such a concession to a stated ratepayer will be for assessment and resolution by elected members at a Council meeting pursuant to section 122(1)(a) of the *Local Government Regulation 2012*.

2.8.3 Concession for hardship

Council may grant a concession to a stated ratepayer for land used for a permit to occupy, water storage or as a pump site, where it is satisfied in terms of section 120(1)(c) of the *Local Government Regulation 2012*, that 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/or
- Emergency Preparedness Levy.

Applications for such a concession to a stated ratepayer will be for assessment and resolution by elected members at a Council meeting pursuant to section 122(1)(a) of the *Local Government Regulation 2012*.

2.9 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 Rates and Charges Debt Collection and Recovery Policy for the recovery of overdue 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 overdue 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 that policy is to set out Council guidelines for the assessment of applications for rates and charges relief due to financial hardship in terms of section 120(1)(c) of the *Local Government Regulation 2012*.

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.

Council will have regard to the following principles in management of and recovery of overdue rates and charges:

- *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.

2.9.1 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:

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.

2.10 Criteria used to decide cost-recovery fees and commercial business activity charges

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. GENERAL RATES

Section 92(2) of the *Local Government Act 2009* provides that general rates are for services, facilities and activities that are supplied or undertaken for the benefit of the community in general (rather than a particular person).

Pursuant to section 94(1) of the *Local Government Act 2009*, Council must levy general rates on all rateable land within its local government area.

Pursuant to section 74 of the *Local Government Regulation 2012*, Council must calculate the rates for the land by using the rateable value of the land.

3.1 Differential general rates

Pursuant to chapter 4, part 5 of the *Local Government Regulation 2012*, Council will use a system of differential rating for the 2021/2022 financial year.

3.2 Categorisation of land and minimum general rates for land

Pursuant to section 81 of the *Local Government Regulation 2012*, the Council has decided that for the 2021/2022 financial year the rating categories into which rateable land is to be categorised and the description of each of those rating categories, shall be as set out in **Table 1**.

Pursuant to section 94 of the *Local Government Act 2009* and section 80 of the *Local Government Regulation 2012*, Council has decided that for the 2021/2022 financial year, 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*, the minimum general rate to be made and levied for each different rating category, shall be as set out in **Table 1**.

For sections 81(4) and 81(5) of the *Local Government Regulation 2012*, Council has decided to delegate to the Chief Executive Officer, the power to identify the rating category to which each parcel of rateable land in the Region belongs. For section 82(2) of the *Local Government Regulation 2012*, Council has decided to delegate to the Chief Executive Officer power to decide what rating category any land as referred to in Section 82(1) should be in.

The Council has made a Rating Category Identification Policy as a guide only to the identification the rating category to which each parcel of rateable land in the Region should belong.

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.

Table 1 - Differential General Rates Table

Category Number	Category Name	Description	RID	Min
101a	Rural Residential </= \$250,000	Land, with a rateable value of less than or equal to \$250,000, located within the Rural Fire Service Boundaries, which is: (a) used for residential purposes as the Principal Place of Residence of at least one of the owners, other than land in categories 105 and 110; and (b) not otherwise categorised.	0.010755	\$1,108.00
101b	Rural Residential > \$250,000	Land, with a rateable value of greater than \$250,000, located within the Rural Fire Service Boundaries, which is: (a) used for residential purposes as the Principal Place of Residence of at least one of the owners, other than land in categories 105 and 110; and (b) not otherwise categorised.	0.007694	\$2,685.00
102a	Urban Residential </= \$200,000	Land, with a rateable value less than or equal to \$200,00, not located within the Rural Fire Service Boundaries, which is: (a) used for residential purposes as the Principal Place of Residence of at least one of the owners, other than land in categories 105 and 110; and (b) not otherwise categorised.	0.012013	\$1,115.00
102b	Urban Residential > \$200,000	Land, with a rateable value of greater than \$200,00, not located within the Rural Fire Service Boundaries, which is: (a) used for residential purposes as the Principal Place of Residence of at least one of the owners, other than land in categories 105 and 110; and (b) not otherwise categorised.	0.008100	\$2,406.00
103a	Non-Principal Place of Residence Urban Residential </= \$200,000	Land, with a rateable value of less than or equal to \$200,00, not located within the Rural Fire Services Boundaries, which is: (a) used for residential purposes other than as the Principal Place of Residence of at least one of the owners, other than land in categories 101a, 101b, 102a, 102b, 105, 110 or 121; and (b) not otherwise categorised.	0.014025	\$1,339.00
103b	Non-Principal Place of Residence Urban Residential > \$200,000	Land, with a rateable value of greater than \$200,000, not located within the Rural Fire Services Boundaries, which is: (a) used for residential purposes other than as the Principal Place of Residence of at least one of the owners, other than land in categories 101a, 101b, 102a, 102b, 105, 110 and 121; and (b) not otherwise categorised.	0.012389	\$2,805.00
103c	Non-Principal Place of Residence Rural Residential </= \$250,000	Land, with a rateable value of less than or equal to \$250,00, located within the Rural Fire Services Boundaries, which is: (a) used for residential purposes other than as the Principal Place of Residence of at least one of the owners, other than land in categories 101a, 101b, 102a, 102b, 105, 110 and 121; and	0.013499	\$1,336.00

		(b) not otherwise categorised.		
103d	Non-Principal Place of Residence Rural Residential > \$250,000	Land, with a rateable value of greater than \$250,000, located within the Rural Fire Services Boundaries, which is: (a) used for residential purposes other than as the Principal Place of Residence of at least one of the owners, other than land in categories 101a, 101b, 102a, 102b, 105, 110 and 121; and (b) not otherwise categorised.	0.0112219	\$3,375.00
104a	Urban Vacant </\$200,000	Land, with a rateable value of less than or equal to \$200,000, not located within the Rural Fire Services Boundaries, which is: (a) Vacant Land; and (b) not included in Category 121 or otherwise categorised.	0.011988	\$1,150.00
104b	Urban Vacant >\$200,000	Land, with a rateable value of greater than \$200,000, not located within the Rural Fire Services Boundaries, which is: (a) Vacant Land; and (b) not included in Category 121 or otherwise categorised.	0.010488	\$2,398.00
104c	Rural Vacant </\$250,000	Land, with a rateable value of less than or equal to \$250,000, located within the Rural Fire Services Boundaries, which is: (a) Vacant Land; and (b) not included in Category 121 or otherwise categorised.	0.011318	\$1,128.00
104d	Rural Vacant > \$250,000	Land, with a rateable value of greater than \$250,000, located within the Rural Fire Services Boundaries, which is: (a) Vacant Land; and (b) not included in Category 121 or otherwise categorised.	0.010198	\$2,830.00
105	Multiple Dwellings	Land used for residential purposes on which there is 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.	0.014772	\$1,395.00
106a	Commercial </\$1.5M	Land, with a rateable value of less than or equal to \$1.5M, which is: (a) used or intended to be used, in whole or in part for commercial purposes, other than Primary Production; and (b) not included in category 104a, 104b, 104c, 104d, 107a, 107b, 107c, 108a, 108b, 109a, 109b, 110, 115a, 115b, 115c, 116a, 116b, 116c, 117 or 118.	0.011123	\$2,084.00

106b	Commercial >\$1.5M	Land, with a rateable value of greater than \$1.5M, which is: (a) used or intended to be used, in whole or in part for commercial purposes, other than Primary Production; and (b) not included in category 104a, 104b, 104c, 104d, 107a, 107b, 107c, 108a, 108b, 109a, 109b, 110, 115a, 115b, 115c, 116a, 116b, 116c, 117 or 118.	0.006451	\$16,350.00
107a	Supermarkets and Retail Warehouses <=\$375,000	Land used or intended to be used, in whole or in part for a Supermarket or Retail Warehouse, with a rateable value of less than or equal to \$375,000.	0.013993	\$3,500.00
107b	Supermarkets and Retail Warehouses >=\$375,001 & <=\$1M	Land used or intended to be used, in whole or in part for a Supermarket or Retail Warehouse, with a rateable value of equal to or greater than \$375,001 and less than or equal to \$1M	0.014730	\$9,000.00
107c	Supermarkets and Retail Warehouses >\$1M	Land used or intended to be used, in whole or in part for a Supermarket or Retail Warehouse, with a rateable value greater than \$1million.	0.017199	\$17,200.00
108a	Shopping Centres <=7000sqm	Land used or intended to be used, in whole or in part for a Shopping Centre, which has: (a) a property land area of less than or equal to 7000 square metres; or (b) less than or equal to 120 onsite car parking spaces.	0.040911	\$56,961.00
108b	Shopping Centres >7000 sqm	Land used or intended to be used, in whole or in part for a Shopping Centre which has: (a) a property land area of greater than 7000 square metres, or (b) greater than 120 onsite car parking spaces.	0.025827	\$170,882.00
109a	Service Stations/Garages <=\$500,000	Land used or intended to be used, in whole or in part for fuel retailing, with a rateable value of less than or equal to \$500,000.	0.022397	\$5,612.00
109b	Service Stations/Garages > \$500,000	Land used or intended to be used, in whole or in part for fuel retailing, with a rateable value of greater than \$500,000.	0.028013	\$15,000.00
110	Accommodation	Land used or intended to be used, in whole or in part for accommodation purposes such as motel, caravan park, workers accommodation, aged care nursing or as a retirement village.	0.024711	\$2,063.00
111a	Animal Farming <=\$200,000	Land used or intended to be used, in whole or in part for animal farming purposes with a rateable value less than or equal to \$200,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.	0.007960	\$1,439.00
111b	Animal Farming >=\$200,001 & <=\$380,000	Land used or intended to be used, in whole or in part for animal farming purposes with a rateable value of equal to or greater than \$200,001 and less than or equal to \$380,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.	0.008594	\$1,719.00

111c	Animal Farming >/\$380,001 & </\$610,000	Land used or intended to be used, in whole or in part for animal farming purposes with a rateable value of equal to or greater than \$380,001 and less than or equal to \$610,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.	0.008735	\$3,266.00
111d	Animal Farming >/\$610,001	Land used or intended to be used, in whole or in part for animal farming purposes with a rateable value of equal to or greater than \$610,001, except land included in categories 113a, 113b, 113c, 114d and 114. Properties in this category receive a concessional value for primary production.	0.009899	\$6,039.00
112a	Crop Farming </\$200,000	Land used or intended to be used, in whole or in part for crop farming purposes with a rateable value less than or equal to \$200,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.	0.007998	\$1,453.00
112b	Crop Farming >/\$200,001 & </\$380,000	Land used or intended to be used, in whole or in part for crop farming purposes with a rateable value equal to or greater than \$200,001 and less than or equal to \$380,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.	0.008678	\$1,736.00
112c	Crop Farming >/\$380,001 & </\$610,000	Land used or intended to be used, in whole or in part for crop farming purposes with a rateable value equal to or greater than \$380,001 and less than or equal to \$610,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.	0.008820	\$3,352.00
112d	Crop Farming > \$610,000	Land used or intended to be used, in whole or in part for crop farming purposes with a rateable value of greater than \$610,000, except land included in categories 113a, 113b, 113c, 113d and 114. Properties in this category receive a concessional value for primary production.	0.009996	\$6,098.00
113a	Intensive Agriculture Poultry </\$200,000 Birds	Land used or intended to be used, in whole or in part for intensive poultry farming requiring approval by Council or requiring licensing as an Environmentally Relevant Activity with a capacity of less than or equal to 200,000 birds.	0.017407	\$6,172.00
113b	Intensive Agriculture Poultry >/\$200,001 Birds	Land used or intended to be used, in whole or in part for intensive poultry farming requiring approval by Council or requiring licensing as an Environmentally Relevant Activity with a capacity of equal to or greater than 200,001 birds.	0.033633	\$7,408.00
113c	Intensive Agriculture Piggeries >/\$3001 SPU	Land used or intended to be used, in whole or in part for intensive pig farming requiring approval by Council or requiring licensing as an Environmentally Relevant Activity with a capacity of equal to and greater than 3,001 SPU.	0.059493	\$7,408.00
113d	Intensive Agriculture Piggeries </\$3000 SPU	Land used or intended to be used, in whole or in part for intensive pig farming requiring approval by Council or requiring licensing as an Environmentally Relevant Activity with a capacity of less than or equal to 3,000 SPU.	0.058626	\$7,300.00
114	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.	0.011003	\$9,494.00
115a	Extractive & Mining >100,000 tonne	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 tonne of material is removed per annum.	0.083276	\$43,894.00

115b	Extractive & Mining >=5,001 & <=100,000 tonne	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 tonne of material is removed per annum.	0.029800	\$22,574.00
115c	Extractive & Mining up to 5,000 tonne	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 tonne of material is removed per annum.	0.025232	\$9,783.00
116a	Noxious/Offensive Industry - Explosive Factory	Land used or intended to be used, in whole or in part for the manufacture of explosives.	0.020673	\$32,320.00
116b	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 rateable value of greater than \$500,000.	0.031927	\$32,320.00
116c	Noxious/Offensive Industry - Other	Land used or intended to be used, in whole or in part for the purpose of a sawmill, tannery, storage of explosives or any other industrial purpose or any use associated or connected with an industrial purpose, other than land included in categories 116a or 116b.	0.024086	\$5,540.00
117	Power Stations	Land used or intended to be used, in whole or in part for: (a) the generation of electricity from a coal and/or gas fired power station; or (b) any other purpose ancillary to, associated with, or connected with (a).	0.025710	\$53,467.00
118	Transmission & Gas Compressor Sites	Land used or intended to be used, in whole or in part for: (a) the transmission or distribution of electricity from a coal and/or gas fired power station/plant, including, but not limited to, a substation; or (b) the transportation of gas under compression; or (c) any other purpose ancillary to, associated with, or connected with (a) or (b).	0.025934	\$11,374.00
119a	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 119b.	0.008728	\$1,226.00
119b	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.	0.010165	\$3,615.00
120	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.	0.016344	\$234.00
121	Land which is subject to Chapter 2 Part 2	Land which is subject to Chapter 2, Part 2, Division 5, Subdivision 3 of the <i>Land Valuation Act 2010</i> .	0.012889	NA

4. UTILITY CHARGES

4.1 WASTE RECYCLING AND COLLECTION UTILITY CHARGE

Pursuant to section 94(1)(b)(ii) of the *Local Government Act 2009* and section 99 of the *Local Government Regulation 2012*, Council has decided for the 2021/2022 financial year, to make and levy waste recycling and collection utility charges for the supply of waste management services by Council, as set out below.

Waste recycling and collection utility charges shall apply to all rateable lands and/or premises within Council's Serviced Area (where waste services are made available) and all non-rateable land where the owner or occupier has requested that a waste collection service be provided.

Waste recycling and collection utility charges 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: \$289.00 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 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: \$289.00 per annum.
- Additional Waste Bin collected weekly: \$180.00 per annum.
- Additional Recycling Bin collected fortnightly: \$108.00 per annum.

4.1.2 Commercial:

First service: Waste Commercial Service (240L) Dual - \$493.00 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.

4.1.3 Additional services

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 - \$335.00 per annum.
- Waste Commercial Service (240L) Recycle only - \$156.00 per annum.

4.1.4 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:

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- For non-rateable land the service has not been requested or
- 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* and section 99 of the *Local Government Regulation 2012*, Council has decided for the 2021/2022 financial year, to make and levy a waste management utility charge of \$149.00 per annum per assessment 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 where the owner or occupier has requested that a waste collection service be provided and to which Council's waste collection service is provided.

The waste management utility charge shall be applied to defray the cost of operating, maintaining and managing 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* and section 94 of the *Local Government Regulation 2012*, Council has decided for the 2021/2022 financial year, to make and levy a special charge (to be known as the **Rural Fire Levy**) of \$29.00 per assessment on all rateable land to which the overall plan applies, to contribute to the maintenance of rural fire trails and the operational costs of fire-fighting and the ongoing provision and maintenance of rural fire-fighting equipment for rural fire brigades operating in the area to which the overall plan applies.

5.1.1 Rateable land to which the special charge applies

The rateable land to which the Rural Fire Levy applies is all land within the Rural Fire Service Boundaries of the Council's local government area.

5.1.2 Overall plan

The overall plan for the Rural Fire Levy is as follows:

- The service, facility or activity for which the plan is made is funding the costs of the maintenance of rural fire trails and the operational costs of fire-fighting and the ongoing provision and maintenance of rural fire-fighting equipment for rural fire brigades operating in the area to which the overall plan applies (the benefited area). The properties within the benefited area are specially benefited by the maintenance of rural

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fire trails and maintenance of rural fire fighting services provided by rural fire brigades as they are not serviced by urban firefighting services.

- The rateable land to which the Rural Fire Levy applies is all land within the Rural Fire Service Boundaries of the Council's local government area as shown, as shown on the map available from Queensland Fire and Emergency Services:

<https://publicsafetyqld.maps.arcgis.com/apps/PanelsLegend/index.html?appid=c50813e4c4f9421d99ebfedf3c447123>

- The estimated cost of the overall plan is \$274,630.
- The estimated time for implementing the overall plan is one year ending on 30 June 2022.

For each property levied the Rural Fire Levy, Council will retain an administration charge of \$1.50 per assessment to cover administration of the plan.

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

6. SEPARATE CHARGES

Section 94(1)(b)(iii) of the *Local Government Act 2009* permits the levy of separate rates and charges. A separate rate or charge must be, and will be, levied equally upon all rateable land in the Council's local government area.

6.1 Emergency Preparedness Levy

Pursuant to Section 94(1)(b)(iii) of the *Local Government Act 2009* and section 103 of the *Local Government Regulation 2012*, Council has decided for the 2021/2022 financial year to make and levy a separate charge (to be known as the Emergency Preparedness Levy), in the sum of \$104.00 per rateable assessment, equally on all rateable land within the Council's local government area.

The Emergency Preparedness Levy is levied to fund infrastructure restoration projects (such as bridges, roads) funding shortfalls, interest and redemption payments on loans associated with 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* and section 103 of the *Local Government Regulation 2012*, Council has decided for the 2021/2022 financial year, to make and levy a separate charge (to be known as the Environmental Levy) in the sum of \$16.00 per rateable assessment, equally on all rateable land within the region.

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The Environmental Levy 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* and section 103 of the *Local Government Regulation 2012*, Council has decided for the 2021/2022 financial year, to make and levy a separate charge (to be known as the Resilient Rivers Initiative Levy) in the sum of \$2.00 per assessment, equally on all rateable land within the region.

The Resilient Rivers Initiative Levy 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.

7. DEFINITIONS

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

Due Date: is the due date for payment of the rates or charges stated in a 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

Extractive Industry: includes the dredging, excavating, quarrying, sluicing or winning of materials from the ground.

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.

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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, 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: a facility 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:
(<https://publicsafetyqld.maps.arcgis.com/apps/PanelsLegend/index.html?appid=c50813e4c4f9421d99ebfedf3c447123>)

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).


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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 for or used for human habitation or occupation. Excluded is land that is used for car parking or in conjunction with any commercial activity, e.g. heavy vehicle or machinery parking, outdoor storage, assembly, or rural activities such as cultivation, grazing or agistment.

Retail warehouses: land which is used or intended to be used, in whole or in part for retail activities operating from large showrooms, sheds, or warehouse used for retail purposes.

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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5.4 Rating Category Identification Policy for Financial Year 2021/2022

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 2021/2022 as part of the 2021/2022 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 2021/2022, as attached to this agenda.

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 including it in a new policy.

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.

Options

Option One: THAT Council adopt the Rating Category Identification Policy for the Financial Year 2021/2022, as attached to this agenda.

Previous Council Resolutions

Special Meeting of Council 15 July 2020 (20-24/0073)

THAT Council adopt the Rating Category Identification Policy for the Financial Year 2020/2021.

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.

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
- 5.2 Excellence in customer service to our community
- 5.7 Compliance with relevant legislation

Finance and Resource

This policy assists with the generation of revenue in accordance with Council's 2021/2022 Budget and Revenue Statement.

Legislation and Policy

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.

Risk Management

Key Corporate Risk Code and Category: FE2

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

Consultation*Portfolio Councillor Consultation*

Portfolio Consultation was conducted throughout February 2021 to June 2021

Internal Consultation

Councillors were consulted through the development of the 2021/2022 Council budget at Councillor Workshops held between February 2021 to June 2021.

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

As above.

Attachments

[1](#) Rating Category Policy 6 Pages



RATING CATEGORY IDENTIFICATION POLICY FOR FINANCIAL YEAR 2021/2022

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)

Lockyer Leadership and Council - To be financially sustainable"

Definitions

Reference in this policy to the term '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 the financial year 2021/2022.

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 2021/2022 (Revenue Statement).

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.

Group: Executive Office
Unit: Financial Services
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
Date Approved: xx/07/2021

ECM: 4144155

Effective Date: XX/07/2021
Version: 7.0 Last Updated: 15/07/2020
Review Date: 30/06/2022

Superseded/Revoked: Rating Category Identification Policy
2020/2021 ECM: 3796720

Page 1 of 6

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 the financial year 2021/2022 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 2021/2022.

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 the financial year 2021/2022.

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

Group: Executive Office
Unit: Financial Services
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
Date Approved: xx/07/2021

ECM: XXXXXXXX

Effective Date: XX/07/2021
Version: 7.0 Last Updated: 15/07/2020
Review Date: 30/06/2022

Superseded/Revoked: Rating Category Identification Policy
2020/2021 ECM: 3796720

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Number of Rating Category for FY2021/2022 in the Revenue Statement	Name of Rating Category for FY2021/2022 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 FY2021/2022
101a	Rural Residential <= \$250,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 2, 3, 5, 8 and 9.
101b	Rural Residential > \$250,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 2, 3, 5, 8 and 9.
102a	Urban Residential <= \$200,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 2, 3, 5, 8 and 9.
102b	Urban Residential > \$200,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 2, 3, 5, 8 and 9.
103a	Non-Principal Place of Residence Urban Residential <= \$200,000	The Description for this category in the Revenue Statement.
103b	Non-Principal Place of Residence Urban Residential > \$200,000	The Description for this category in the Revenue Statement.
103c	Non-Principal Place of Residence Rural Residential <= \$250,000	The Description for this category in the Revenue Statement.
103d	Non-Principal Place of Residence Rural Residential > \$250,000	The Description for this category in the Revenue Statement.
104a	Urban Vacant land <= \$200,000	(a) The Description for this category in Revenue Statement. (b) Land with Land Use Code 1, 3, 4, 6, 8, 9, or 94.
104b	Urban Vacant land > \$200,000	(a) The Description for this category in Revenue Statement. (b) Land with Land Use Code 1, 3, 4, 6, 8, 9, or 94.
104c	Rural Vacant Land <= \$250,000	(a) The Description for this category in Revenue Statement. (b) Land with Land Use Code 1, 3, 4, 6, 8, 9, or 94.
104d	Rural Vacant Land > \$250,000	(a) The Description for this category in Revenue Statement. (b) Land with Land Use Code 1, 3, 4, 6, 8, 9, or 94.
105	Multiple Dwelling	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 2, 3, 5, 8 and 9.

Group: Executive Office
Unit: Financial Services
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
Date Approved: xx/07/2021

ECM: XXXXXXXX

Effective Date: XX/07/2021
Version: 7.0 Last Updated: 15/07/2020
Review Date: 30/06/2022

Superseded/Revoked: Rating Category Identification Policy
2020/2021 ECM: 3796720

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106a	Commercial \$0.00 <or= \$1.5Million	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 46.
106b	Commercial > \$1.5Million	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 46.
107a	Supermarkets and Retail Warehouses <=\$375,000	(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.
107b	Supermarkets and Retail Warehouses \$375,001-\$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.
107c	Supermarkets and Retail Warehouses > \$1 Million	(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.
108a	Shopping Centres </= 7000 sq m	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 16.
108b	Shopping Centres >7000 sq m	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 16.
109a	Service Stations/Garages </= \$500,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 30 and 31.
109b	Service Stations/Garages > \$500,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 30 and 31.
110	Accommodation	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 27, 43 and 49.
111a	Animal Farming <=\$200,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to 70, 85-87 and 89
111b	Animal Farming \$200,001-\$380,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to 70, 85-87 and 89
111c	Animal Farming \$380,001-\$610,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to 70, 85-87 and 89
111d	Animal Farming >/= \$610,001	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60 to 70, 85-87 and 89
112a	Crop Farming <=\$200,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 71, 73 to 84, 88, 90 and 93.
112b	Crop Farming \$200,001-\$380,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 71, 73 to 84, 88, 90 and 93.
112c	Crop Farming \$380,001-\$610,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 71, 73 to 84, 88, 90 and 93.

Group: Executive Office
Unit: Financial Services
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
Date Approved: xx/07/2021

ECM: XXXXXXXX

Effective Date: XX/07/2021
Version: 7.0 Last Updated: 15/07/2020
Review Date: 30/06/2022

Superseded/Revoked: Rating Category Identification Policy
2020/2021 ECM: 3796720

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112d	Crop Farming ≥ \$610,001	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 71, 73 to 84, 88, 90 and 93.
113a	Intensive Agriculture Poultry ≤ 200,000 birds	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 87
113b	Intensive Agriculture Poultry 200,001 birds and over	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 87
113c	Intensive Agriculture Piggeries ≤ 3,000 SPU	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 85
113d	Intensive Agriculture Piggeries 3,001 SPU and over	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 85
114	Farming/Agriculture On Farm Packing Operation	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 71-84
115a	Extractive & Mining Lease > 100,000 tonnes.	The Description for this category in the Revenue Statement.
115b	Extractive & Mining Lease 5,001 tonnes – 100,000 tonnes.	The Description for this category in the Revenue Statement.
115c	Extractive & Mining Lease up to 5,000 tonnes.	The Description for this category in the Revenue Statement.
116a	Noxious/Offensive Industry – Explosive Factories	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 35 to 40.
116b	Noxious/offensive Industry - Abattoirs	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 35 to 40.
116c	Noxious/offensive Industry - other	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 35 to 40.
117	Power Stations	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 91.
118	Transmission and Gas Compressor Sites	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 10 to 27 and 91.
119a	Sporting Clubs & Facilities	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 48 and 50.
119b	Licensed Clubs & Sporting Clubs	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 47 and 48.
120	Sundry Purposes	The Description for this category in the Revenue Statement.

Group: Executive Office
Unit: Financial Services
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
Date Approved: xx/07/2021

ECM: XXXXXXXX

Effective Date: XX/07/2021
Version: 7.0 Last Updated: 15/07/2020
Review Date: 30/06/2022

Superseded/Revoked: Rating Category Identification Policy
2020/2021 ECM: 3796720

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121	Land which is Subject to Chapter 2, Part 2, Subdivision 3 of the Land Valuation Act 2010	<p>(a) The Description for this category in the Revenue Statement.</p> <p>(b) Land with Land Use Code 72.</p>
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Related Documents

Local Government Act 2009
Local Government Regulation 2012
2021-2022 Revenue Statement

Group: Executive Office
Unit: Financial Services
Approved: Special Council Meeting
(Resolution Number: XX-XX/XXXX)
Date Approved: xx/07/2021

ECM: XXXXXXXX

Effective Date: XX/07/2021
Version: 7.0 Last Updated: 15/07/2020
Review Date: 30/06/2022

Superseded/Revoked: Rating Category Identification Policy
2020/2021 ECM: 3796720

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5.5 2021/2022 Annual Budget and Long Term Financial Forecast 2021/2022 - 2030/2031

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 2021/2022 Annual Budget and Long-Term Financial Forecast 2021/2022 – 2030/2031 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 2021/2022 and the Long Term Financial Forecast for the financial years 2021/2022 to 2030/2031, as contained in the document entitled 2021/2022 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 2021/2022 to 2023/2024.**
 - b. **Business Unit – Waste Management 2021/2022 to 2023/2024.**
- vii. **Percentage Change in Rates Levied from 2020/2021.**

Further;

THAT Council note the Statement of Estimated Financial Position at 30 June 2021 (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 or Waste Management 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.

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 2021/2022 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 2021/2022 to 2023/2024.
 - Business Unit – Waste Management 2021/2022 to 2023/2024.
- Percentage Change in Rates Levied from 2020/2021

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 2021/2022, the next two financial years and Council's long-term financial forecast. The opening balances for the budget and forecast are based on the annual budget shown in the Statement of Estimated Financial Position 2020/2021 (Attachment 2).

A listing of the proposed capital works for 2021/2022 is included for information.

The 2021/2022 Budget presents the overall position of a surplus of \$12.56 million, with expenditure on Council operations of \$58.22 million and a capital works program of \$22.28 million. Total budgeted revenues for the year are \$70.78 million which includes capital revenue of \$10.49 million. Excluding capital revenues, the budget forecasts a \$2.07 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 \$42.99 million with estimated discounts of \$1.84 million. The budgeted amount includes the rates to be levied, plus an estimated growth in property assessments of approximately 1.00%.

The increase in the yield from general rates for 2021/2022 compared to the previous year is 1.49%. When the changes to the levies, charges and other rates are considered the overall increase in yield is 1.85%. The increase in yield from 2020/2021 is the result of Council conducting a rating strategy review and also

considering the long-term financial sustainability following a rates freeze in the prior year. This review was undertaken with the key objective of applying the rating principles of fairness, equity and objectivity to the rating categories and re-aligning the distribution of the rates “burden” in a more appropriate way. The review was also a means to simplify the previous rating structure. Some categories have increased by more than 1.5%, while others have seen decreases. Residential owner-occupied properties have seen an increase of 1.5%.

Fees & Charges

Budgeted fees and charges are \$4.82 million which is around \$0.80 million or 14% less than the amended budget for the previous financial year. Whilst a better than forecast result occurred for this revenue stream in 2020/2021, forecast revenues for future years remain conservative due to the unknown impacts of COVID-19 on the economy. 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.

Operating Grants and Subsidies

Grants and subsidies have remained consistent with the previous year. The majority of the remaining grant funding relates to the Commonwealth Government’s financial assistance grant estimated at \$4.72 million, \$0.93 million for Roads to Recovery, \$0.70 million for local halls upgrades, \$0.65 million contribution from COMSEQ for resilient rivers with other minor grants received for libraries, child care, food organics and garden organics, disaster management, SES, QGAP, traineeships and RADF.

Interest Received

Interest from investments will be less than the previous financial year due to interest rates continuing to fall mostly as a result of the COVID-19 pandemic and its impact on the global economy. The estimated interest rate on investments is 0.50% per annum for the 2021/2022 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 Urban Utilities (UU), rental income, reimbursements and other miscellaneous revenue items. Council’s share of UU returns is approximately \$2.68 million including dividend and tax equivalent payments. There will be a decline in the UU dividend payment over the next five years as UU factors in a glide path to reduce the overall floor participation return from \$159 million in 20/21 to \$100 million in 24/25.

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 as well as Councillor remuneration.

Operational employee costs have increased by \$1.2 million or 4.86% to \$25.83 million in the 2021/2022 Budget compared to the amended budget for the previous financial year. It is important to note that the amended budget for the prior year has been reduced throughout the year based on savings made from vacancies and that the current year budget assumes a full complement of staff based on the organisational structure. When compared to the original budget adopted in 2020/2021, employee costs have only increased \$0.48 million or 1.89%. Council will be focusing on reviewing services, service levels and efficiencies during the year with a view to reducing overall employee costs.

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 increased by \$0.7 million or 3.88% to \$18.87 million in the 2021/2022 Budget compared to the amended budget for the previous financial year. There are increases and decreases in the material and services budget across Council. The increase is mostly due an increase in the expenditure associated with the local halls upgrade which is a funded project totalling \$0.80 million. 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 \$18.32 million in 2022 to \$0.23 million at the end of 2031. 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 \$12.39 million are included in the 2021/2022 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 \$13.20 million, and grants and subsidies of \$10.74 million. These funding sources will be used for the construction or acquisition of assets worth \$22.28 million and loan principal repayments of \$1.66 million.

Financial Sustainability

The 2021/2022 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	127.1%	greater than 90%
Net Financial Liabilities Ratio	52.60%	not greater than 60%
Operating Surplus Ratio (excluding capital revenue)	3.40%	between 0% and 10%

The Asset Sustainability Ratio is higher than the recommended target. This is due to a focus on renewal projects in the capital works budget.

The Net Financial Liabilities Ratio is within the recommended target.

The Operating Surplus Ratio is within with recommended targets and remains on target for the forecast period.

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 2021/2022 year are as follows:

Unit	Income	Expenditure	Operating Surplus / (Deficit)
Child Care Centre	905 000	951 407	(46 407)
Waste Management	9 728 987	6 238 844	3 490 143
Total	10 633 987	7 190 251	3 443 736

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 2021/2022 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 2021/2022.

Statement of Estimated Financial Position 2020/2021

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 2021.

The result is an overall estimated surplus for 2020/2021 of \$14.51 million, while the estimated result excluding capital revenue and expenses is a surplus of \$6.48 million which is \$2.15 million higher than the current budgeted operating surplus of \$4.33 million. The main reason for this is higher than anticipated income from fees and charges of \$0.92 million which includes development assessment fees and charges, plumbing and building fees and charges, animal fees and waste fees. Materials and services are expected to fall below budget by \$1.06 million due to the deferment of waste crushing and grinding \$0.35 million, saving on fleet

materials and services \$0.2 million, funded projects deferred until 2021/22 \$0.33 million, operational projects deferred to next financial year \$0.18 million.

The forecast cash balance is \$34.35 million.

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.

Options

THAT Council adopt the Budget for the financial year 2021/2022 and the Long-Term Financial Forecast for the financial years 2021/2022 to 2030/2031.

Previous Council Resolutions

Special Meeting of Council 15 July 2020 (20-24/0074)

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.

Strategic Implications

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

Finance and Resource

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 2021/2022 Budget and forward estimates, Council is forecasted to maintain operating surpluses for the life of the long-term financial forecast. Based on the estimated requirements in the current Asset Management Plans, the forecast provides sufficient funding to adequately maintain Council's asset base.

The Federal Government has announced that 50% of the 2021/2022 Financial Assistance Grants (FAGs) will be paid in June 2021. This is consistent with the previous financial year; however, the present schedule included

in the Federal Budget Papers has no indication that there will be an advance payment of the 2022/2023 grant in June 2022. Based on history, Council's budget assumes that the advance payments continue; however, if this doesn't occur then the actual surplus for 2021/2022 will be reduced by approximately \$2.30 million as a timing difference.

The COVID-19 pandemic has presented significant economic challenges for the Lockyer Valley community. The Federal and State government continue to provide significant funding with COVID stimulus packages and Council will need to regularly review and amend the budget as the funding is granted. The extent of the funding for the 21/22 financial year is unknown and can have a significant impact on Council's capital and operational budget.

Legislation and Policy

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 Management

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.

Consultation

Portfolio Councillor Consultation

Councillors were consulted through the development of the 2021/2022 Council budget at Councillor Workshops held between January 2021 and June 2021.

Internal Consultation

Internal consultation has occurred with all Branch's across the business.

Community Engagement

The implications of the financial statements will be incorporated into extensive communications associated with the 2021/2022 Budget. Following its adoption, the various components of the budget will be consolidated into one document and be made available on the internet.

Attachments

- 1 [↓](#) 2021-22 Budget and Long Term Financial Forecast 20 Pages
- 2 [↓](#) Statement of Estimated Financial Position 2021

BUDGET 2021-22

Lockyer Valley Regional Council

2021-22 BUDGET AND LONG-TERM FINANCIAL FORECAST



REGIONAL COUNCIL

2021-22 *Budget*

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Budget

2021-22



MAYOR'S MESSAGE

Council is pleased to hand down the 2021-2022 Budget, which we believe is a responsible and sustainable Budget with a strong emphasis on financial sustainability and investing in what we already have.

Council has maintained a strong focus on strengthening its foundations for the sustainability of our region. We are committed to delivering our core business and a balanced approach between Council's financial sustainability and community expectations. This Budget continues our trend of sound financial management, which this year enabled us to achieve a credit rating upgrade from the Queensland Treasury Corporation (QTC). We are proud to have no forecast borrowings in the 10-year forward forecast. Like our previous Budget, a focus is on sustainable management of the region's current assets and ensuring they are maintained and upgraded when necessary.

We completed a rating review in order to better align categories. This year, we have been able to keep the general rate increase to only 1.5 per cent for residential owner-occupied properties, which for 99.8 per cent of those residents is an increase of less than \$50. This is while still delivering on and improving our core services. In a snapshot, the 2021-2022 Budget provides an operating revenue of \$60.29M and \$58.22M in operating expenditure, giving Council a predicted operating surplus of \$2.07M for

the year – its fifth consecutive surplus. We'll also be paying down another \$1.66M in debt, reducing the outstanding debt to \$18.3M. This year's Capital Program totals \$22.29M, which continues to be achievable thanks to funding assistance from the Australian Government.

We've earmarked \$19.3M for infrastructure projects across the region, including more than \$8.6M that will target the region's blackspots and fund the ongoing maintenance and upgrades of our road network, making it safer for you, our community. We're also putting the spotlight on community safety and fostering our region's disaster preparedness and resilience, with \$450,000 to see the implementation of digital warning signs across the Lockyer Valley, making communication easier in times of disaster.

Council has also secured \$320,000 in Queensland Government funding to launch the Food and Garden Organics (FOGO) Trial, which will include almost 1000 homes. Alarming, there is less than six years' capacity remaining in the Gatton Landfill and, when that site is full, waste will need to be transported some distance, at greater cost, to external landfills. Organic waste currently makes up half of the waste buried in landfill in Lockyer Valley.

Managing waste effectively is both a global and local issue and comes at

considerable cost to communities, which is why everyone needs to share the responsibility. Council will introduce programs over the coming years to help our residents better manage their waste, including improved options for resource recovery at our waste facilities. We look forward to working with residents in the FOGO trial areas to see how much waste can be diverted from landfill over the twelve months of the trial. We all need to work together on this to provide a better environment for the generations to come.

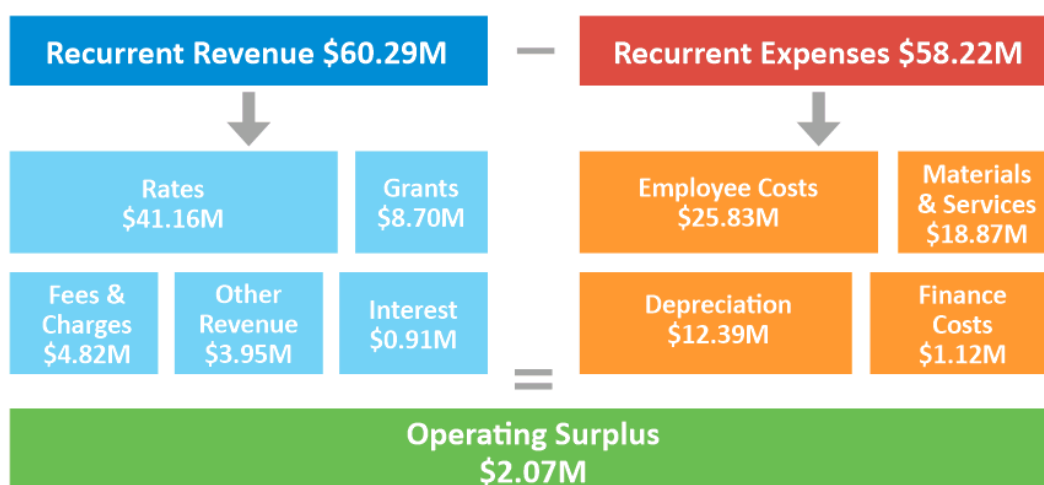
Council has retained its rating concessions for pensioners and for ratepayers who pay their General Rates and Waste and Recycling Charges in full by the due date. The Emergency Preparedness Levy has remained the same, as has the Resilient Rivers Levy and Environment Levy. Waste Collection Charges and Waste Management Charges have increased by 2 per cent.

I extend my thanks to my fellow Councillors, the Executive Leadership Team and Council staff for their part in this balanced Budget that sets the foundations for the long-term future of our region.



Cr Tanya Milligan

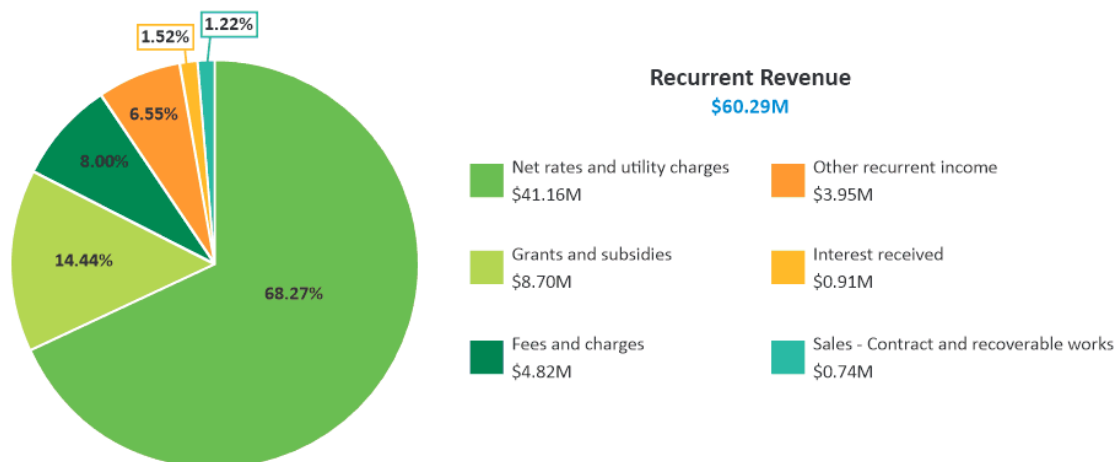
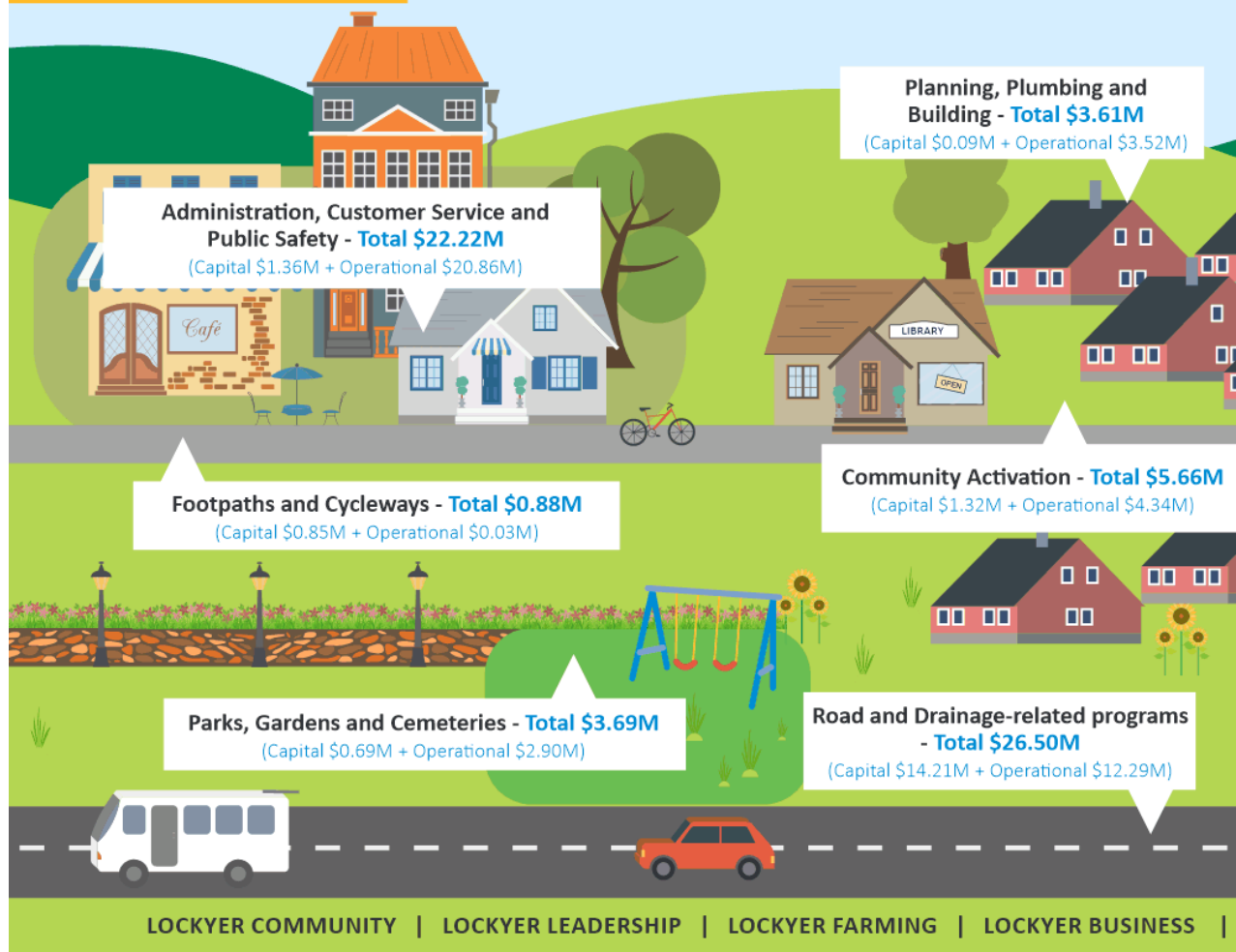
MAYOR,
LOCKYER VALLEY
REGIONAL COUNCIL

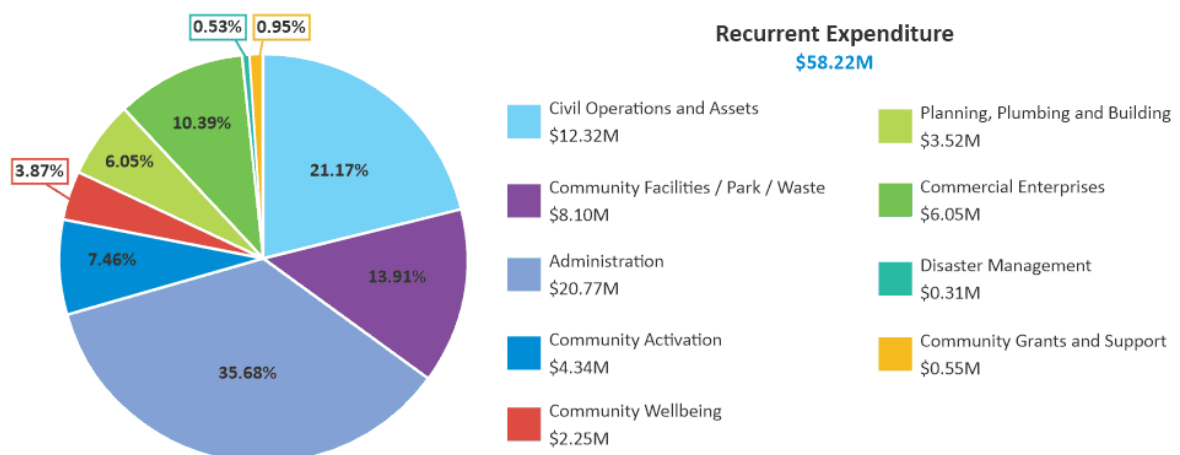
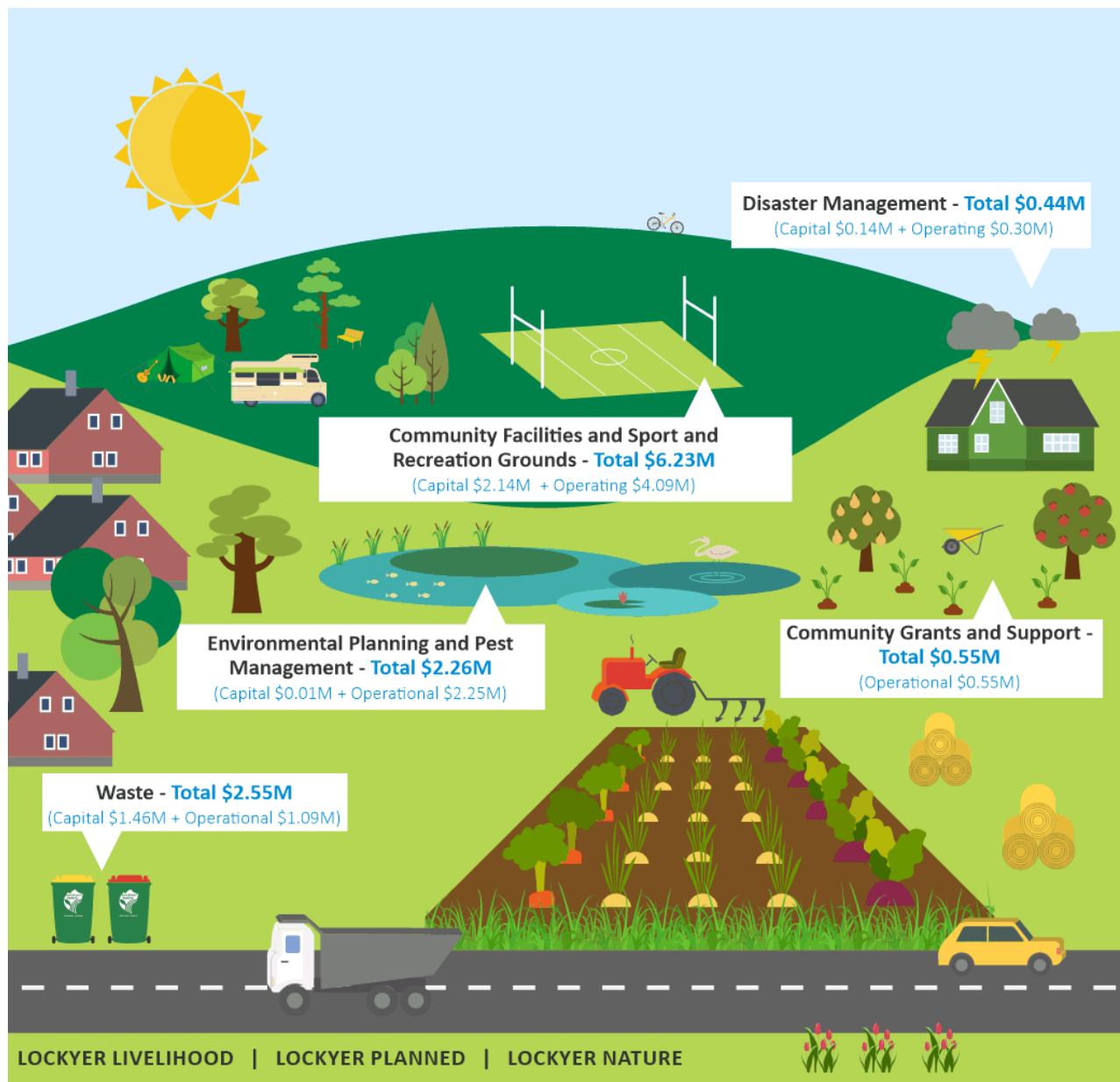


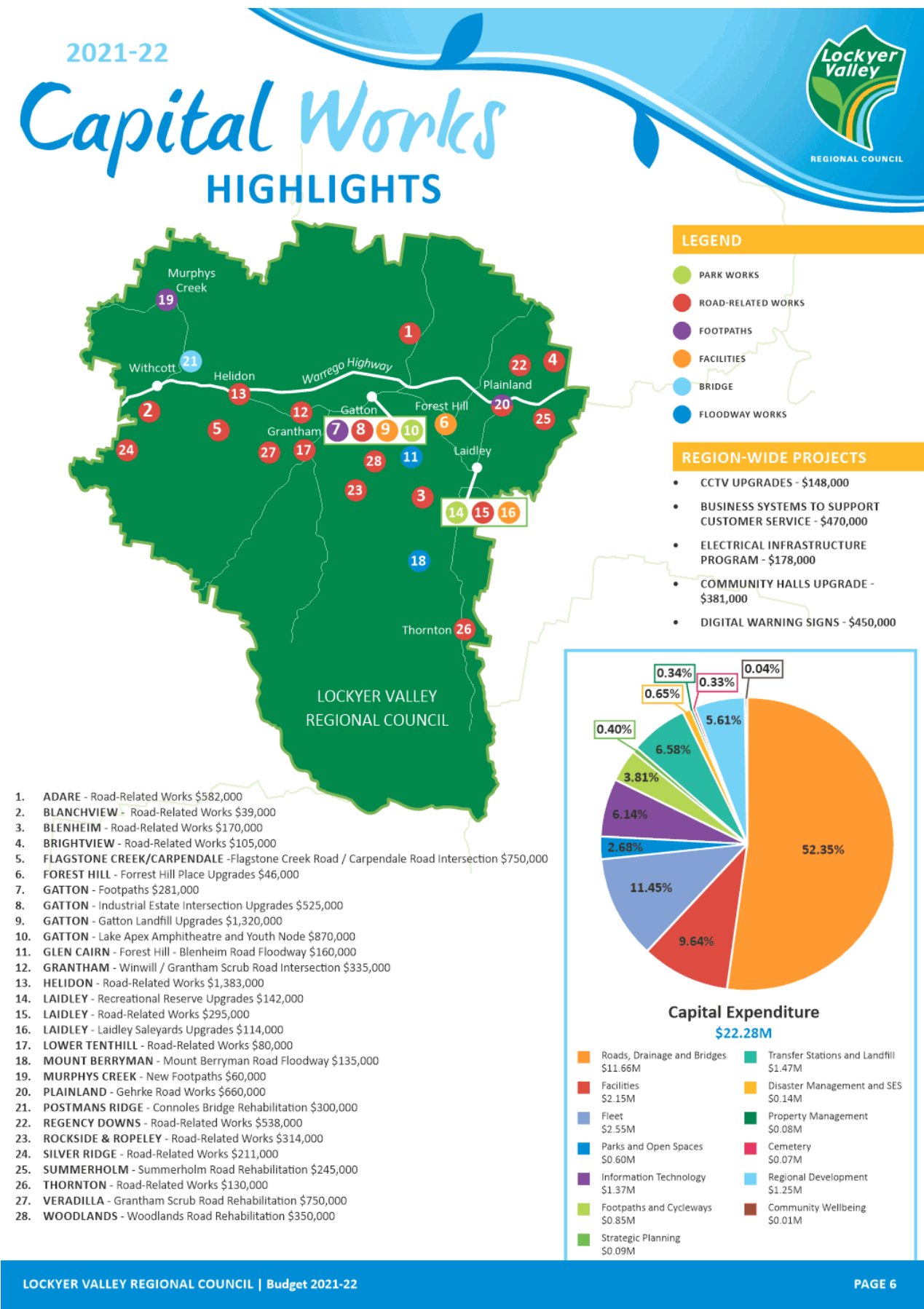
DELIVERING ON THE COMMUNITY PLAN 2017-2027 AND THE CORPORATE PLAN 2017 - 2022

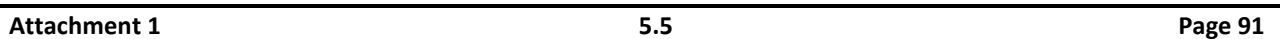
These plans describe the type of region the community aspires to live in and the priority actions required to move towards those aspirations.

LVRC BUDGET AT A GLANCE









Lockyer Valley Regional Council

2021/2022 Budget and Long Term Financial Forecast 2022 to 2031

Statement of Income and Expenditure

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Recurrent Revenue										
Rates & Utility Charges	43.00M	43.99M	44.86M	46.21M	47.61M	49.05M	50.53M	52.06M	53.63M	55.25M
Less Discounts	(1.84M)	(1.90M)	(1.95M)	(2.01M)	(2.07M)	(2.14M)	(2.20M)	(2.27M)	(2.34M)	(2.41M)
Net rates and utility charges	41.16M	42.10M	42.90M	44.20M	45.54M	46.91M	48.33M	49.79M	51.30M	52.85M
Fees and charges	4.82M	5.28M	5.41M	5.52M	5.63M	5.74M	5.85M	5.97M	6.09M	6.21M
Sales, contract and recoverable works	0.74M	0.75M	0.77M	0.78M	0.80M	0.81M	0.83M	0.85M	0.86M	0.88M
Operational Grants & subsidies	8.70M	8.13M	8.29M	8.46M	8.64M	8.83M	9.02M	9.22M	9.43M	9.66M
Interest received	0.91M	0.97M	1.10M	1.11M	1.12M	1.14M	1.18M	1.36M	1.37M	1.39M
Other recurrent income	3.95M	3.83M	3.79M	3.67M	3.72M	3.78M	3.84M	3.91M	3.97M	4.03M
Total Recurrent Revenue	60.29M	61.05M	62.26M	63.74M	65.45M	67.22M	69.07M	71.10M	73.03M	75.03M
Capital revenue:										
Capital Grants	10.74M	2.16M	2.20M	2.25M	2.29M	2.34M	2.38M	2.43M	2.48M	2.53M
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	(0.25M)	0.14M	0.19M	0.47M	0.24M	0.22M	0.20M	0.22M	0.09M	0.20M
Total capital revenue	10.49M	2.80M	2.90M	3.22M	3.03M	3.05M	3.09M	3.15M	3.07M	3.23M
Total Revenue	70.78M	63.84M	65.16M	66.95M	68.48M	70.27M	72.15M	74.25M	76.10M	78.25M
Expenses										
Recurrent Expenses										
Employee costs	25.83M	26.58M	27.47M	28.23M	29.01M	29.81M	30.64M	31.50M	32.37M	33.28M
Materials and services	18.87M	18.25M	19.15M	19.10M	19.53M	19.97M	20.53M	21.02M	21.54M	22.08M
Depreciation and amortisation	12.39M	13.13M	14.09M	14.55M	15.21M	16.18M	15.91M	15.90M	16.87M	16.30M
Finance costs	1.12M	1.05M	0.97M	0.88M	0.80M	0.70M	0.61M	0.50M	0.40M	0.28M
Total Recurrent Expenses	58.22M	59.00M	61.67M	62.76M	64.54M	66.67M	67.69M	68.93M	71.17M	71.94M
Net Result adjusted for Capital Items	12.56M	4.84M	3.49M	4.19M	3.94M	3.60M	4.46M	5.33M	4.92M	6.32M
Net Recurrent Result/Operating Surplus/(Deficit)	2.069M	2.045M	0.591M	0.974M	0.907M	0.543M	1.373M	2.179M	1.851M	3.090M

Lockyer Valley Regional Council
2021/2022 Budget and Long Term Financial Forecast 2022 to 2031
Statement of Financial Position

2021-22
Budget

	2022 Proposed Budget	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
Current Assets										
Cash assets and cash equivalents	26.83M	23.05M	23.10M	15.31M	14.40M	16.34M	19.28M	22.53M	19.38M	23.69M
Other inventory	0.30M	0.30M	0.30M	0.30M	0.30M	0.30M	0.30M	0.30M	0.30M	0.30M
Receivables	3.14M	3.19M	3.25M	3.35M	3.44M	3.54M	3.62M	3.74M	3.84M	3.95M
Prepayments	0.62M	0.62M	0.62M	0.62M	0.62M	0.62M	0.62M	0.62M	0.62M	0.62M
Total Current Assets	30.89M	27.16M	27.26M	19.58M	18.76M	20.79M	23.82M	27.18M	24.14M	28.55M
Non Current Assets										
Land held for development or sale	2.11M	2.11M	2.11M	2.11M	2.11M	2.11M	2.11M	2.11M	2.11M	2.11M
Joint Ventures & Associates	34.10M	34.73M	35.37M	36.01M	36.65M	37.32M	37.98M	38.65M	39.33M	40.02M
Property, plant and equipment	555.89M	596.39M	598.38M	603.33M	639.94M	640.22M	639.61M	678.52M	682.73M	682.26M
Intangible assets	6.78M	6.35M	5.62M	7.31M	6.96M	5.81M	5.32M	5.33M	6.32M	6.05M
Capital works in progress	2.44M	2.44M	2.44M	2.44M	2.44M	2.44M	2.44M	-	-	-
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	626.06M	656.75M	658.65M	665.93M	702.85M	702.64M	702.21M	739.35M	745.23M	745.17M
TOTAL ASSETS	656.96M	683.91M	685.92M	685.51M	721.61M	723.44M	726.03M	766.53M	769.37M	773.73M
Current Liabilities										
Trade and other payables	1.72M	1.72M	1.78M	1.81M	1.86M	1.91M	1.95M	2.01M	2.07M	2.12M
Borrowings	1.66M	1.74M	1.83M	1.92M	2.02M	2.12M	2.22M	2.33M	2.21M	1.69M
Employee payables/provisions	8.11M	8.16M	8.35M	8.55M	8.74M	8.93M	9.13M	9.32M	9.51M	9.71M
Other provisions	0.56M	0.53M	0.53M	0.47M	0.45M	0.45M	0.45M	0.45M	0.45M	0.45M
Other current liabilities	2.02M	2.02M	2.02M	2.02M	2.02M	2.02M	2.02M	2.02M	2.02M	2.02M
Total Current Liabilities	14.07M	14.17M	14.51M	14.77M	15.08M	15.42M	15.77M	16.13M	16.26M	15.98M
Non Current Liabilities										
Borrowings	18.32M	16.58M	14.75M	12.82M	10.81M	8.69M	6.47M	4.13M	1.92M	0.23M
Employee payables/provisions	0.73M	0.73M	0.74M	0.75M	0.75M	0.76M	0.77M	0.77M	0.78M	0.79M
Other provisions	29.49M	27.52M	27.52M	24.58M	23.60M	23.60M	23.60M	23.60M	23.60M	23.60M
Total Non Current Liabilities	48.54M	44.83M	43.01M	38.15M	35.16M	33.05M	30.83M	28.50M	26.30M	24.62M
TOTAL LIABILITIES	62.61M	59.00M	57.52M	52.92M	50.24M	48.47M	46.60M	44.64M	42.56M	40.60M
Net community assets	594.35M	624.91M	628.40M	632.59M	671.37M	674.96M	679.42M	721.89M	726.81M	733.13M
Community Equity										
Asset revaluation reserve	176.99M	202.72M	202.72M	202.72M	237.55M	237.55M	237.55M	274.69M	274.69M	274.69M
Retained surplus (deficiency)	417.36M	422.20M	425.68M	429.88M	433.81M	437.41M	441.87M	447.20M	452.12M	458.43M
TOTAL COMMUNITY EQUITY	594.35M	624.91M	628.40M	632.59M	671.37M	674.96M	679.42M	721.89M	726.81M	733.13M

Lockyer Valley Regional Council
2021/2022 Budget and Long Term Financial Forecast 2022 to 2031

Statement of Cash Flows

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Proposed Budget										
Cash flows from operating activities:										
Receipts from customers	57.40M	58.23M	59.39M	60.98M	62.68M	64.42M	66.22M	68.05M	69.97M	71.94M
Payment to suppliers and employees	(45.49M)	(44.89M)	(46.47M)	(47.22M)	(48.41M)	(49.67M)	(51.06M)	(52.40M)	(53.79M)	(55.24M)
Interest received	0.91M	0.97M	1.10M	1.11M	1.12M	1.14M	1.18M	1.36M	1.37M	1.39M
Finance costs	(1.01M)	(0.93M)	(0.85M)	(0.76M)	(0.67M)	(0.58M)	(0.48M)	(0.37M)	(0.26M)	(0.15M)
Other	-	(2.00M)	-	(3.00M)	(1.00M)	-	-	-	-	-
Net cash inflow (outflow) from operating activities	11.81M	11.37M	13.16M	11.11M	13.72M	15.32M	15.88M	16.65M	17.28M	17.95M
Cash flows from investing activities:										
Payments for property, plant and equipment	(22.28M)	(17.17M)	(15.19M)	(20.83M)	(16.28M)	(14.96M)	(14.45M)	(14.87M)	(21.72M)	(15.20M)
Subsidies, donations and contributions for new capital expenditure	10.74M	2.16M	2.20M	2.25M	2.29M	2.34M	2.38M	2.43M	2.48M	2.53M
Proceeds from sale of property, plant and equipment	0.48M	0.34M	0.54M	0.61M	0.38M	0.36M	0.34M	0.36M	0.23M	0.34M
Net transfer (to) from cash investments	1.35M	1.17M	1.08M	0.90M	0.90M	0.90M	0.90M	0.90M	0.90M	0.90M
Net cash inflow (outflow) from investing activities	(9.70M)	(13.49M)	(11.37M)	(17.06M)	(12.71M)	(11.36M)	(10.82M)	(11.18M)	(18.10M)	(11.43M)
Cash flows from financing activities:										
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(1.58M)	(1.66M)	(1.74M)	(1.83M)	(1.92M)	(2.02M)	(2.12M)	(2.22M)	(2.33M)	(2.21M)
Net cash inflow (outflow) from financing activities	(1.58M)	(1.66M)	(1.74M)	(1.83M)	(1.92M)	(2.02M)	(2.12M)	(2.22M)	(2.33M)	(2.21M)
Net increase (decrease) in cash and cash equivalents held	0.53M	(3.78M)	0.05M	(7.79M)	(0.91M)	1.94M	2.94M	3.25M	(3.15M)	4.31M
Cash at beginning of reporting period	26.31M	26.83M	23.05M	23.10M	15.31M	14.40M	16.34M	19.28M	22.53M	19.38M
Cash and cash equivalents at end of the financial year	26.83M	23.05M	23.10M	15.31M	14.40M	16.34M	19.28M	22.53M	19.38M	23.69M



Lockyer Valley Regional Council

2021/2022 Budget and Long Term Financial Forecast 2022 to 2031

Statement of Changes in Equity

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Proposed Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Asset revaluation surplus										
Opening balance	176.99M	176.99M	202.72M	202.72M	202.72M	202.72M	237.55M	237.55M	237.55M	274.69M
Increase in asset revaluation surplus	-	25.72M	-	-	34.84M	-	-	37.14M	-	-
Closing balance	176.99M	202.72M	202.72M	202.72M	237.55M	237.55M	237.55M	274.69M	274.69M	274.69M
Retained surplus										
Opening balance	404.79M	417.36M	422.20M	425.68M	429.88M	433.81M	437.41M	441.87M	447.20M	452.12M
Net result	12.56M	4.84M	3.49M	4.19M	3.94M	3.60M	4.46M	5.33M	4.92M	6.32M
Closing balance	417.36M	422.20M	425.68M	429.88M	433.81M	437.41M	441.87M	447.20M	452.12M	458.43M
Total										
Opening balance	581.79M	594.35M	624.91M	628.40M	632.59M	671.37M	674.96M	679.42M	721.89M	726.81M
Net result	12.56M	4.84M	3.49M	4.19M	3.94M	3.60M	4.46M	5.33M	4.92M	6.32M
Increase in asset revaluation surplus	-	25.72M	-	-	34.84M	-	-	37.14M	-	-
Closing balance	594.35M	624.91M	628.40M	632.59M	671.37M	674.96M	679.42M	721.89M	726.81M	733.13M



Lockyer Valley Regional Council 2021/2022 Budget and Long Term Financial Forecast 2022 to 2031 Relevant Measures of Financial Sustainability

	Target	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Average
Operating Surplus Ratio	Between 0% and 10%	3.4%	3.4%	0.9%	1.5%	1.4%	0.8%	2.0%	3.1%	2.5%	4.1%	2.3%
(Net Operating Surplus / Total Operating Revenue) (%)												
Net Financial Asset / Liability Ratio	≤ 60%	52.6%	52.2%	48.6%	52.3%	48.1%	41.2%	33.0%	24.5%	25.2%	16.1%	39.4%
((Total Liabilities - Current Assets) / Total Operating Revenue)												
Asset Sustainability Ratio	>90%	127.1%	131.3%	100.6%	130.2%	105.9%	95.0%	89.4%	91.0%	90.8%	90.0%	105.1%
(Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense)												
Cash Expense Cover Ratio	Target >3	7.2	6.2	5.9	3.9	3.6	3.9	4.5	5.1	4.3	5.1	5.0
Number of months of operations supported by cash balance												

2021-22 *Budget*

Percentage Change in Rates Levied from 2020/2021

General Rates Summary Category	2021 Levy	2022 Levy	\$ Change	% Change
Urban Residential	6,605,469	6,704,221	98,753	1.50%
Rural Residential	9,428,356	9,569,653	141,297	1.50%
Vacant Land	2,335,409	2,350,423	15,014	0.64%
Non-Principal Place of Residence	5,833,015	5,874,912	41,897	0.72%
Commercial	1,299,060	1,336,926	37,866	2.91%
Supermarkets	121,058	199,261	78,204	64.60%
Shopping Centres	392,833	398,725	5,892	1.50%
Service Station	542,776	441,637	- 101,139	-18.63%
Intensive Farming	197,745	203,677	5,931	3.00%
Compressors & Transformers	123,266	125,114	1,848	1.50%
Extractive Industries	322,563	327,410	4,847	1.50%
Noxious & Offensive	113,930	117,347	3,417	3.00%
Accommodation	205,000	189,037	- 15,964	-7.79%
Farming	4,148,061	4,258,651	110,591	2.67%
Multi Dwelling	379,530	385,233	5,703	1.50%
Other	301,787	348,649	46,862	15.53%
TOTAL	32,349,859	32,830,876	481,017	1.49%

Special & Separate Charges	2021 Levy	2022 Levy	\$ Change	% Change
Rural Fire Levy ¹	250,965	274,891	23,926	9.53%
Emergency Preparedness Levy	1,767,584	1,798,264	30,680	1.74%
Environmental Levy	271,936	276,656	4,720	1.74%
Resilient Rivers Initiative	33,992	34,582	590	1.74%
TOTAL	2,324,477	2,384,393	59,916	2.58%

Waste Collection and Recycling Charges	2021 Levy	2022 Levy	\$ Change	% Change
Waste Collection Commercial Dual Bins	277,725	278,472	747	0.27%
Waste Commercial Bins Waste Only	17,108	17,420	312	1.82%
Waste Collection Domestic Dual Bins	4,359,332	4,547,704	188,372	4.32%
Waste Domestic Dual Service UNI ONLY	10,188	10,404	216	2.12%
Extra Waste Bin Commercial	31,913	31,062	- 851	-2.67%
Extra Waste Bin Domestic	17,523	26,100	8,577	48.95%
Extra Waste Recycling Bin Commercial	3,519	5,024	1,505	42.77%
Extra Waste Recycling Bin Domestic	2,756	3,456	700	25.40%
Waste Management Charge ²	2,531,487	2,565,929	34,442	1.36%
TOTAL	7,251,551	7,485,571	234,020	3.23%

TOTAL RATES & CHARGES LEVIED	41,925,887	42,700,840	774,953	1.85%
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2021-22 *Budget*

Detailed Schedules

2021-22 *Budget*

Business Unit - Child Care

Statement of Comprehensive Income - Three (3) Year Forecast

	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
Income			
Revenue			
Recurrent Revenue			
Rates and Utility Charges (Gross)	-	-	-
Discount	-	-	-
Charges and Fees	285,000	300,000	306,000
Interest	-	-	-
Operating Grants and Subsidies	620,000	631,780	644,416
Operating Contributions and Donations	-	-	-
Revenue - Contract/Recoverable Works	-	-	-
Other Revenue	-	-	-
Profit from Investments	-	-	-
Total Recurrent Revenue	905,000	931,780	950,416
Capital Revenue			
Capital Grants, Subsidies and Contributions	-	-	-
Total Revenue	905,000	931,780	950,416
Capital Income	-	-	-
Total Income	905,000	931,780	950,416
Expenses			
Recurrent Expenses			
Employee Costs	848,423	870,733	895,070
Goods and Services	76,426	77,955	79,631
Finance costs	18	611	1,482
Depreciation	26,540	27,790	27,830
Total Recurrent Expenses	951,407	977,089	1,004,013
Capital Expenses			
Capital Expenses	-	-	-
Total Expenses	951,407	977,089	1,004,013
Net Recurrent Result/Operating Surplus/(Deficit)	(46,407)	(45,309)	(53,597)
NET RESULT AFTER CAPITAL ITEMS	(46,407)	(45,309)	(53,597)

2021-22 *Budget*

Business Unit - Waste Management
Statement of Comprehensive Income - Three (3) Year Forecast

	Budget 2021-2022	Budget 2022-2023	Budget 2023-2024
Income			
Revenue			
Recurrent Revenue			
Rates and Utility Charges (Gross)	7,461,364	7,686,884	7,919,220
Discount	(244,377)	(251,763)	(259,373)
Charges and Fees	534,000	544,680	555,574
Interest	43,000	43,645	44,300
Operating Grants and Subsidies	299,000	304,681	310,775
Operating Contributions and Donations	50,000	50,950	51,969
Revenue - Contract/Recoverable Works	-	-	-
Other Revenue	266,000	272,470	279,098
Profit from Investments	-	-	-
Total Recurrent Revenue	8,408,987	8,651,546	8,901,562
Capital Revenue			
Capital Grants, Subsidies and Contributions	1,320,000	-	-
Total Revenue	9,728,987	8,651,546	8,901,562
Capital Income	-	-	-
Total Income	9,728,987	8,651,546	8,901,562
Expenses			
Recurrent Expenses			
Employee Costs	623,063	639,447	657,320
Goods and Services	5,070,528	4,993,020	5,100,370
Finance costs	21,253	13,729	20,296
Depreciation	524,000	541,095	561,889
Total Recurrent Expenses	6,238,844	6,187,291	6,339,874
Capital Expenses			
Capital Expenses	-	-	-
Total Expenses	6,238,844	6,187,291	6,339,874
Net Recurrent Result/Operating Surplus/(Deficit)	2,170,143	2,464,256	2,561,688
NET RESULT AFTER CAPITAL ITEMS	3,490,143	2,464,256	2,561,688

2021-22 *Budget*

Listing of Proposed Capital Works

Proposed Capital Works Listing 2021-2022

2021-22 *Budget*

Proposed Budget 21-22					
Cost Centre	Project Title	Capital Work Type	Funding	Total Project Costs	Net Cost to Council
INFRASTRUCTURE			10,597,988	19,344,891	8,746,903
Capital Program Delivery	2021/2022 Safe Schools Program	Capital New	30,000	60,000	30,000
Capital Program Delivery	2021/2022 Footpath Missing Link Program	Capital New	178,000	189,903	11,903
Capital Program Delivery	2021/2022 Footpath Renewal Program	Capital Renewal	210,000	210,000	-
Capital Program Delivery	2021/2022 Seal Upgrade Program	Capital Upgrade	230,000	230,000	-
Capital Program Delivery	2021/2022 Future Design	Capital New	-	250,000	250,000
Capital Program Delivery	2021/2022 Kerb and Channel Renewal Program	Capital Renewal	300,000	300,000	-
Capital Program Delivery	2021/2022 Bridge Renewal Program	Capital Renewal	300,000	300,000	-
Capital Program Delivery	2021/2022 Culvert Renewal Program	Capital Renewal	380,000	380,000	-
Capital Program Delivery	2021/2022 Floodway Renewal Program	Capital Renewal	383,000	383,000	-
Capital Program Delivery	Principal Cycle Network Project	Capital New	225,000	450,000	225,000
Capital Program Delivery	2021/2022 Stormwater Renewal Program	Capital Renewal	628,000	628,000	-
Capital Program Delivery	2021/2022 Asphalt Resheet Program	Capital Renewal	685,029	685,029	-
Capital Program Delivery	2021/2022 Gravel Resheet Program	Capital Renewal	-	900,000	900,000
Capital Program Delivery	2021/2022 Pavement Widening Program	Capital Renewal	657,789	1,365,898	708,109
Capital Program Delivery	2021/2022 Bitumen Reseal Program	Capital Renewal	-	1,700,000	1,700,000
Capital Program Delivery	2021/2022 Pavement Renewal Program	Capital Renewal	1,567,220	3,129,539	1,562,319
Capital Program Delivery	2021/2022 Blackspot Program	Capital Upgrade	902,000	901,322	678
Cemetery	Gatton Cemetery Bollard Renewal	Capital Renewal	6,600	6,600	-
Cemetery	Laidley Cemetery Seam Strip Renewal	Capital Renewal	33,000	33,000	-
Cemetery	Gatton Cemetery Seam Strip installation	Capital New	33,000	33,000	-
Facilities	Solar to Gatton Depot Workshop	Capital Upgrade	-	25,000	25,000
Facilities	GS&AC Replacement Chlorine Tanks	Capital Renewal	-	30,000	30,000
Facilities	Gatton Depot Action Plan	Capital Renewal	-	36,000	36,000
Facilities	Murphy Creek Old Hall & Toilet Demolition	Capital Renewal	-	41,000	41,000
Facilities	Community Facilities Work Packages	Capital Upgrade	-	57,000	57,000
Facilities	Hydraulic Renewal Program	Capital Renewal	-	105,000	105,000
Facilities	Bore Infrastructure Improvements	Capital Upgrade	112,600	112,600	-
Facilities	Laidley Saleyards Program	Capital Renewal	114,000	114,000	-
Facilities	Laidley Rec Grounds Program	Capital Renewal	-	116,000	116,000
Facilities	Cahill Park Machinery Shed Renewal	Capital Renewal	117,000	117,000	-
Facilities	Gatton Showgrounds Program	Capital Renewal	-	125,000	125,000
Facilities	Electrical Infrastructure Program	Capital Renewal	-	178,000	178,000
Facilities	Pool Heating Program	Capital Renewal	-	185,000	185,000
Facilities	Lake Apex Amphitheatre Stage Design	Capital New	400,000	400,000	-
Facilities	Sport and Aquatic Centres Revitalisation	Capital Renewal	406,000	506,000	100,000
Fleet	Mower Hattonvale Fairways Park	Capital New	-	30,000	30,000
Fleet	Light Commercial Vehicles	Capital Renewal	11,250	45,000	33,750
Fleet	Tractors	Capital Renewal	16,000	80,000	64,000
Fleet	Passenger Vehicles	Capital Renewal	9,000	85,000	76,000
Fleet	Mowers	Capital Renewal	30,000	175,000	145,000
Fleet	Trailers	Capital Renewal	46,500	275,000	228,500
Fleet	Trucks	Capital Renewal	138,000	690,000	552,000
Fleet	Earthmoving equipment	Capital Renewal	234,000	1,170,000	936,000
Parks & Open Spaces	Laidley Recreation Reserve Shelter and table setting renewal	Capital Renewal	-	26,000	26,000
Parks & Open Spaces	Forest Hill Place Upgrades	Capital Renewal	-	46,000	46,000
Parks & Open Spaces	Jean Biggs Park Playground Improvements	Capital New	-	55,000	55,000
Parks & Open Spaces	Lake Apex Youth Node Upgrade	Capital New	470,000	470,000	-
Technical Services	Digital Signage	Capital New	425,000	450,000	25,000
Transfer Stations	Transfer Station Signage Renewal	Capital Renewal	-	22,000	22,000
Transfer Stations	Old Gatton Landfill Capping Design	Capital New	-	30,000	30,000

2021-22 *Budget*

Proposed Budget 21-22					
Cost Centre	Project Title	Capital Work Type	Funding	Total Project Costs	Net Cost to Council
Transfer Stations	Laidley Landfill Capping Design	Capital New	-	30,000	30,000
Transfer Stations	Garbage Truck Turnarounds	Capital Upgrade	-	30,000	30,000
Transfer Stations	Eastern Waste Facility Site Feasibility Study	Capital New	-	33,000	33,000
Transfer Stations	Gatton Landfill Cell 5 first stage construction	Capital New	1,320,000	1,320,000	-
COMMUNITY AND REGIONAL PROPERTY			-	1,423,300	1,423,300
Gatton Child Care Centre	Refurbishment of childcare centre	Capital Renewal	-	75,000	75,000
Community Wellbeing	Sound level meter (Rion NL-42EX Class 1 <\$5k) includes an Octave package \$3.3k	Capital New	-	8,300	8,300
Growth & Policy	Infrastructure Planning Stormwater management - scoping project	Capital New	-	45,000	45,000
Growth & Policy	Infrastructure Planning Transport planning - scoping project	Capital New	-	45,000	45,000
Regional Development	Strategic Land Acquisition	Capital New	-	1,250,000	1,250,000
PEOPLE AND BUSINESS PERFORMANCE			144,800	1,511,800	1,367,000
Disaster Management	Flood Cameras	Capital New	144,800	144,800	-
Information Communication Technology	Intranet Renewal	Capital Renewal	-	15,000	15,000
Information Communication Technology	UPS Renewal	Capital Renewal	-	16,000	16,000
Information Communication Technology	GIS GDA2020	Capital Renewal	-	20,000	20,000
Information Communication Technology	Upgrade MS Office	Capital Renewal	-	50,000	50,000
Information Communication Technology	Network Perimeter Security (Firewalls)	Capital Renewal	-	100,000	100,000
Information Communication Technology	Building Security Systems	Capital Renewal	-	128,000	128,000
Information Communication Technology	Cyber Security	Capital New	-	170,000	170,000
Information Communication Technology	ePlanning	Capital New	-	175,000	175,000
Information Communication Technology	Technology One (P&R, CES, ECM, IntraMaps)	Capital Renewal	-	470,000	470,000
Public Order & Safety	CCTV Cyber Security Improvements	Capital Upgrade	-	75,000	75,000
Public Order & Safety	LVRC CCTV	Capital Renewal	-	148,000	148,000
GRAND TOTAL			10,742,788	22,279,991	11,537,203



Lockyer Valley Regional Council
Estimated Statement of Comprehensive Income
For the Period Ending June 2021

	2020-2021 Full Year Budget	2020-2021 Forecast Actuals	2020-2021 Forecast Variance	2019-2020 Forecast Variance %
Income				
Revenue				
Recurrent Revenue				
Rates and Utility Charges (Gross)	41,662,744	42,024,974	(362,230)	-0.87%
Discount	(1,680,000)	(1,805,761)	125,761	-7.49%
Charges and Fees	5,617,757	6,537,573	(919,816)	-16.37%
Interest	1,021,614	1,206,534	(184,920)	-18.10%
Operating Grants and Subsidies	8,497,218	8,136,106	361,112	4.25%
Operating Contributions and Donations	205,700	292,612	(86,912)	-42.25%
Revenue - Contract/Recoverable Works	1,153,949	1,031,278	122,671	10.63%
Other Revenue	2,149,525	2,414,833	(265,308)	-12.34%
Profit from Investments	2,200,000	1,900,000	300,000	13.64%
Total Recurrent Revenue	60,828,508	61,738,148	(909,640)	-1.50%
Capital Revenue				
Capital Grants, Subsidies and Contributions	12,541,014	13,401,549	(860,535)	-6.86%
Total Revenue	73,369,521	75,139,697	(1,770,176)	-2.41%
Capital Income	-	-	-	0.00%
Total Income	73,369,521	75,139,697	(1,770,176)	-2.41%
Expenses				
Recurrent Expenses				
Employee Costs	24,632,764	24,641,688	(8,924)	-0.04%
Goods and Services	18,166,270	17,105,947	1,060,323	5.84%
Finance costs	1,208,650	1,230,510	(21,860)	-1.81%
Depreciation	12,488,211	12,280,977	207,234	1.66%
Total Recurrent Expenses	56,495,896	55,259,122	1,236,774	2.19%
Capital Expenses	224,000	5,370,020	(5,146,020)	-2297.33%
Total Expenses	56,719,896	60,629,142	(3,909,246)	-6.89%
Net Recurrent Result/Operating Surplus/(Deficit)	4,332,612	6,479,026	(2,146,414)	-49.54%
NET RESULT AFTER CAPITAL ITEMS	16,649,625	14,510,555	2,139,070	12.85%

LOCKYER VALLEY REGIONAL COUNCIL
Estimated Statement of Cash Flows
For the Period Ending 30 June, 2021

	2020-2021 Full Year Budget	2020-2021 Forecast Actuals
Cash flows from operating activities:		
Receipts		
Receipts from customers	60,060,000	61,194,495
Dividend received	-	-
Interest received	1,030,000	1,206,534
Payments		
Payments to suppliers and employees	(47,390,000)	(44,890,694)
Interest expense	(1,090,000)	(954,124)
Net cash inflow (outflow) from operating activities	12,610,000	16,556,212
Cash flows from investing activities:		
Capital grants, subsidies and contributions	12,500,000	9,522,035
Payments for property, plant and equipment	(24,750,000)	(16,986,475)
Payments for investment property	-	-
Net transfer (to) from cash investments	790,000	-
Proceeds from sale of property plant and equipment	370,000	469,339
Net cash inflow (outflow) from investing activities	(11,100,000)	(6,995,101)
Cash flows from financing activities:		
Repayment of borrowings	(1,510,000)	(1,520,297)
Proceeds from borrowings	-	-
Net cash inflow (outflow) from financing activities	(1,510,000)	(1,520,297)
Net increase (decrease) in cash and cash equivalents held	-	8,040,813
Cash and cash equivalents at beginning of the financial year	26,310,000	26,310,015
Cash and cash equivalents at end of the financial year	26,310,000	34,350,828

Lockyer Valley Regional Council
Estimated Statement of Financial Position
As at 30 June, 2021

	2020-2021 Annual Budget	2020-2021 Forecast Actual
<u>Current Assets</u>		
Cash assets and cash equivalents	26,310,000	26,350,828
Cash investments	-	8,000,000
Trade and other receivables	3,770,000	6,173,719
Inventories	300,000	380,160
Contract Receivable	-	2,640,835
Non-current assets classified as held for sale	-	359,625
Total Current Assets	30,370,000	43,905,167
<u>Non Current Assets</u>		
Trade and other receivables	14,740,000	14,734,969
Equity investments	33,470,000	33,237,620
Investment properties	2,110,000	1,605,000
Property, plant and equipment	559,740,000	531,036,494
Intangible assets	6,220,000	4,136,409
Total Non Current Assets	616,290,000	584,750,492
TOTAL ASSETS	646,660,000	628,655,659
<u>Current Liabilities</u>		
Trade and other payables	4,480,000	7,730,451
Provisions	8,620,000	8,101,118
Borrowings	1,580,000	1,580,000
Contract Liability Grants	-	3,189,359
Total Current Liabilities	14,670,000	20,600,928
<u>Non Current Liabilities</u>		
Provisions	30,220,000	29,852,338
Borrowings	19,980,000	19,980,000
Total Non Current Liabilities	50,200,000	49,832,338
TOTAL LIABILITIES	64,870,000	70,433,266
NET COMMUNITY ASSETS	581,790,000	558,222,393
<u>Community Equity</u>		
Retained surplus (deficiency)	400,457,000	394,701,924
Asset revaluation surplus	176,990,000	155,735,459
Reserves	-	1,305,984
Current Surplus/(Deficit)	4,333,000	6,479,026
TOTAL COMMUNITY EQUITY	581,790,000	558,222,393

5.6 Financial Sustainability Policy and the Long Term Financial Plan 2021/2022 to 2030/2031

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 Sustainability Policy and Long-Term Financial Plan as part of the 2021/2022 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 2021/2022 to 2030/2031 (Attachment 2).

Executive Summary

As part of the development of the 2021/2022 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 2021/2022 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 2021/2022 Budget and Long-Term Financial Forecast and will be used as a reference when explaining Council's expected financial results.

ProposalOverview

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 several 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 an ongoing focus on financial sustainability, Council recognises 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.'

Council's Long-Term Financial Plan provides detailed information on the parameters that have been used in developing its 2021/2022 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.

Options

Option 1: THAT Council adopt the Financial Sustainability Policy (Attachment 1) and the Long-Term Financial Plan 2021/2022 to 2030/2031 (Attachment 2).

Option 2: THAT Council do not adopt the Financial Sustainability Policy (Attachment 1) and the Long-Term Financial Plan 2021/2022 to 2030/2031 (Attachment 2).

Previous Council Resolutions

Special Meeting of Council 15 July 2020 (20-24/0075)

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

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.

Strategic Implications

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.

Finance and Resource

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 are continuously reviewed and updated with current data and information.

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.

Legislation and Policy

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.

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 five years and in developing the 2021/2022 budget. The adoption of the 2021/2022 Financial Sustainability Policy by Council supersedes Council's 2020/2021 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 Management

Key Corporate Risk Code and Category: FE2

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

Consultation

Portfolio Councillor Consultation

Councillors were consulted through the development of the 2021/2022 Council budget at Councillor Workshops held between January 2021 to June 2021.

Internal Consultation

Internal consultation has occurred with Branch's across Council as required.

External Consultation

Nil.

Community Engagement

The implications of the Long-Term Financial Plan and Financial Sustainability Policy will be incorporated into extensive communications associated with Council's 2021/2022 Budget.

Attachments

-
- | | | |
|---|---|----------|
| 1 | Financial Sustainability Policy | 3 Pages |
| 2 | Long Term Financial Plan 2021/2022 to 2030/2031 | 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).

Group: Executive Office
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:xx-xx/XXXX)
Date Approved: xx/07/2021

ECM: 4144151

Effective Date: 21/07/2021
Version: 7 Last Updated: 15/07/2020
Review Date: 30/06/2022

Superseded/Revoked: Financial Sustainability Policy ECM:
3796712
Page 1 of 3

- Infrastructure and assets are maintained to required service levels.
- 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.

Group: Executive Office
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:xx-xx/XXXX)
Date Approved: xx/07/2021

ECM: 4144151

Effective Date: 21/07/2021
Version: 7 Last Updated: 15/07/2020
Review Date: 30/06/2022

Superseded/Revoked: Financial Sustainability Policy ECM:
3796712
Page 2 of 3

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.

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 – 2021/2022 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 – Asset Management Strategy (2018-2021)

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

Group: Executive Office
Branch: Finance
Approved: Special Council Meeting
(Resolution Number:xx-xx/XXXX)
Date Approved: xx/07/2021

ECM: 4144151

Effective Date: 21/07/2021
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Lockyer Valley Regional Council

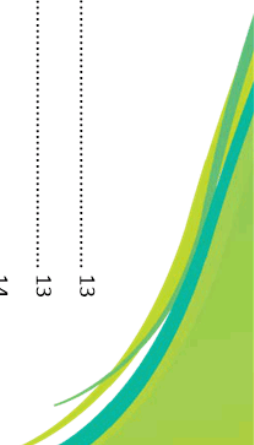
Long Term Financial Plan

2021/2022 – 2030/2031



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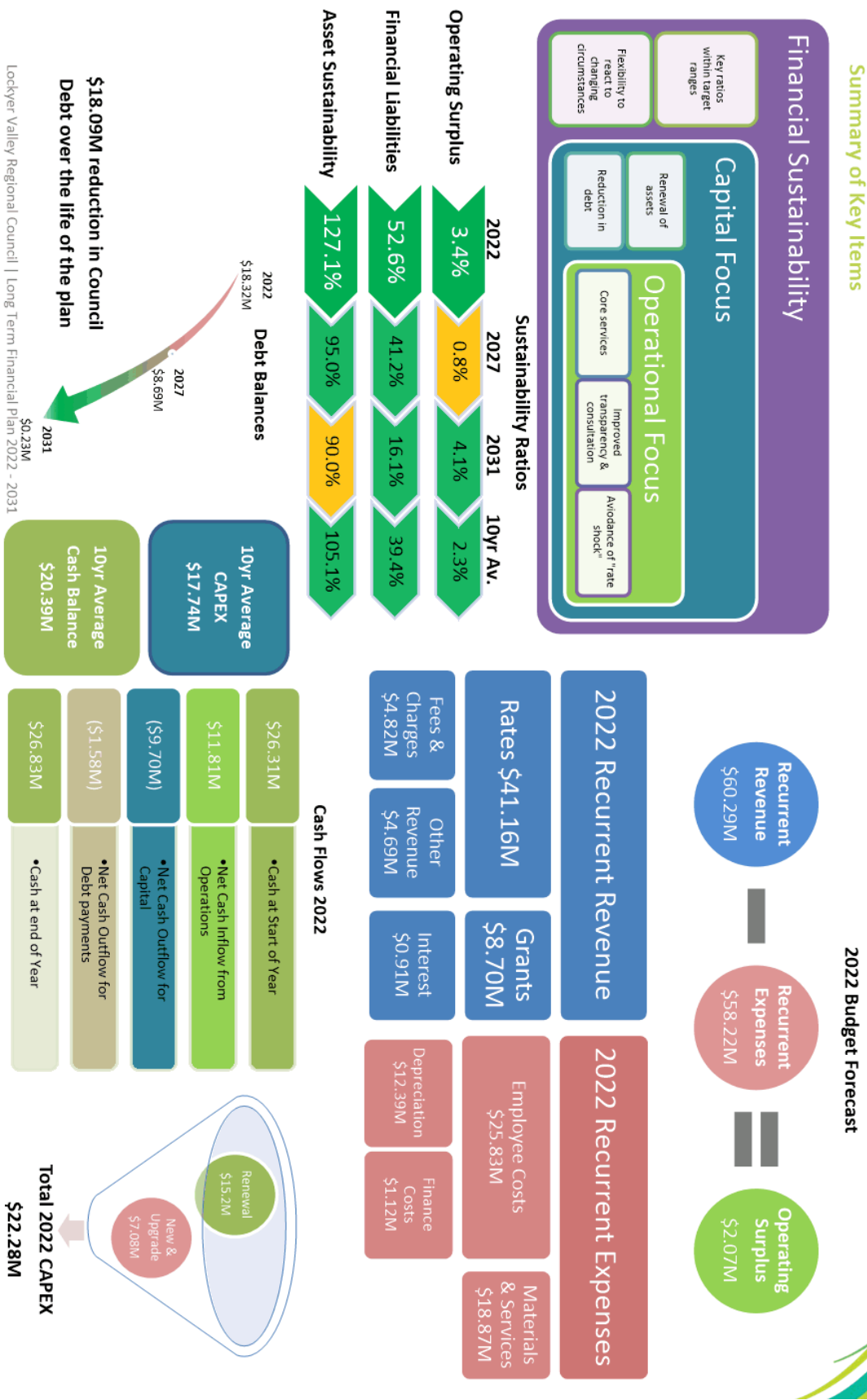
Introduction

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 2021/2022 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

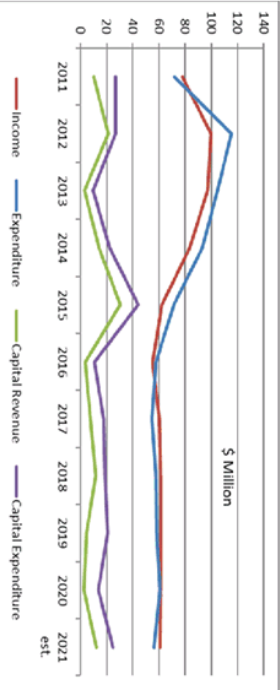
Council's Financial History

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 wastewater services were incorporated into Queensland Urban Utilities with a consequent reduction in revenues and expenditures.

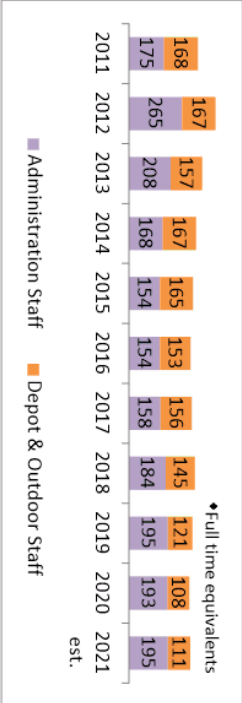
In January 2011 the region was subjected to serious flooding which stretched Council's resources beyond capacity. In terms of Council's physical assets, damage was sustained to 77% of our road infrastructure, 83% of our bridges, 58% of our floodways and 20% of our culverts. The cost of the damage was 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 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 ended. The following graphs show a snapshot of the income, expenditure and full-time equivalent employee numbers for those years.



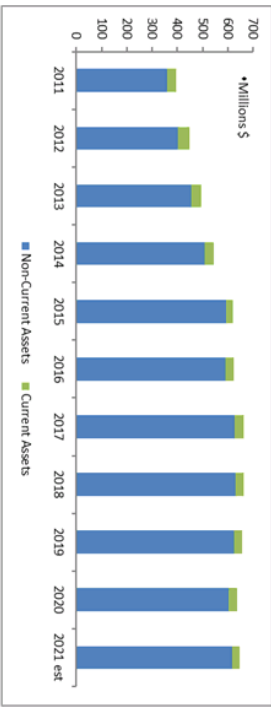
As can be seen from the graphs Council income and expenditures have reduced since its peak in 2012 when the flood recovery effort was in full swing. The second disaster event in 2013 did not have as large an impact on Council's finances as they were already at a heightened level. In the 2014 financial year, the flood recovery effort moved from operational type works to capital works with the restoration of damaged assets. An increase in capital works in 2021 has also been experienced through additional funding provided by State and Federal Government in response to the COVID19 pandemic in an effort to stimulate the economy.

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. Ongoing review of staff levels through the OER continue and ensure appropriate management of staff levels for Council.



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. 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 \$27.32M.

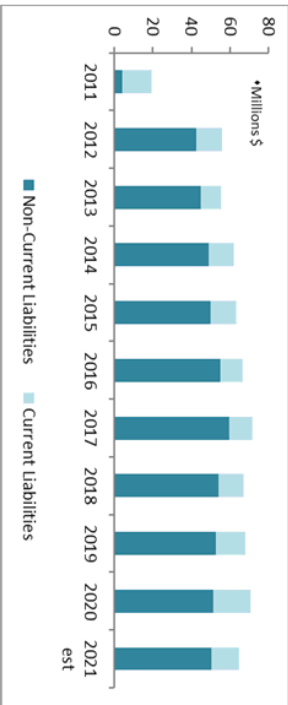
Council's trade receivable debtor balances have reduced from \$9.60M in 2011 to an estimated \$3.65M in 2020. This has been the result of an improved debt collection process which has been consistently applied. This debt collection process remains in place and collections continue to improve on previous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

As compensation for the transfer of Council's water and wastewater business to QUU Council received a 0.903% stake in the business. In 2021 this was worth an estimated \$33.47M which has generated an average return of \$2.20M per year. Council also has a \$14.75M interest only shareholder loan arrangement with QUU which contributes around \$0.46M to Council's annual interest earnings.

Infrastructure, property plant and equipment have increased by \$242.1M 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 2021, the value of the assets has increased an estimated \$130.4M 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 Lockyer Valley Aquatic Centre (\$10.25M), Laidley Multisport 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 2021, Council's total debt represents just 3.34% 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 2021 the provision represents 46.3% 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 to 2020 was delivered despite Council's financial situation taking a hit in 2019/2020 due to the impacts of COVID-19. Although still subject to finalisation and audit confirmation, it is expected that there will be an operating surplus in 2021 of between \$4M - \$6M.

The Net Financial Asset/Liability ratio has moved below the threshold as a result of increased cash assets and reducing total liabilities.

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 asset 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	2021	Average
Operating Surplus Ratio	Between 0% and 10%	7.87%	0.230%	0.777%	0.880%	0.880%	4.47%	8.79%	5.20%	4.74%	1.80%	7.10%	11.87%
(Net Operating Surplus / Total Operating Revenue) (%)													
Net Financial Asset / Liability Ratio	or 60%	(21.88)%	9.47%	15.23%	29.60%	60.15%	64.07%	60.15%	52.80%	58.85%	61.80%	56.70%	46.5%
(Total Liabilities - Current Assets) / Total Operating Revenue													
Asset Sustainability Ratio	≥90%	N/A	N/A	76.2%	89.5%	255.2%	47.6%	89.5%	97.5%	113.7%	102.2%	76.0%	108.0%
(Capital Expenditure on the Replacement of Assets (Forecast) / 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 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	Moderate	Neutral

The current recent review rated Council as "Moderate with a Neutral outlook" which had changed from the 2016 review. As per QTC's definitions, a rating of moderate means:

"A local government with a capacity to meet its financial commitments is moderate in the short to medium-term but is at an acceptable limit in the long-term. This capacity may be weakened by adverse changes in general business and economic conditions including unforeseen financial shocks. It may also be weakened by adverse changes to its business and operational environment. The capacity to manage core business risks is moderate."

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:

- Historical and forecast operating surpluses,
- Adequate debt servicing, leverage and liquidity metrics, and
- Potential challenges in the medium term due to COVID-19.

According to the report, "While COVID-19 is affecting Council's financial position, it appears to have a reasonable level of flexibility to respond and maintain the assigned rating."

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 five years and the 2021/2022 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.

With a slight increase in rates and other revenue increases and a conservative increase in expenditure, the 2021/2022 budget plans for an operating surplus of just over \$2M as well as a \$22.28M 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 2021/2022 budget included assessing the essential nature and priority for all capital and operational projects as well as core business. Ongoing review of service levels will continue 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 asset 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 \$2.07M to \$0.91M over the first five years of the LTFP, building some financial capacity in the following five years with results ranging from \$0.54M to \$3.09M. This can be attributed to Council forecasting an increase to general rates by 1.5% for the life of the Plan in recognition of their commitment to financial sustainability and maintaining low rates increases.



Over the life of the LTFP, rate revenue continues to represent circa 69% of Council's operating revenue. During the forecast period rate revenue is projected to increase by 1.5% per annum for the life of the plan. 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 \$156.0M
- Asset new \$21.4M

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 \$18.32M at the end of 2021/2022 to \$0.23M by the end of 2030/2031.

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 2021/2022 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.

Asset Management Planning

As part of its asset management planning process, Council has developed Asset Management Plans (AMP) 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 asset's 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.

Transport

This AMP 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 \$6.91M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$8.38M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$2.45M per year over the life of the plan.

Buildings & Facilities

This AMP 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 \$3.44M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$0.97M 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.

Information Communication Technology

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 AMP 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 \$2.40M per year over the life of the plan.
- Renewals & New/upgrade works - Estimated at an annual average of \$1.45M per year over the life of the plan.

Fleet & Plant

This AMP 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.

The maintenance of fire trails throughout the Lockyer Valley are managed by the Infrastructure team. 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 \$0.45M has been identified for over the next 5 years to expand and upgrade the infrastructure in key areas.

Parks, Gardens

This AMP 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 \$1.61M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$0.42M per year over the life of the plan.

- New/upgrade works - Estimated at an annual average of \$0.23M 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 based on poor condition but also due to service obsolescence. Park assets may be renewed with modern day equivalents purely based on aesthetics or utilisation and this needs to be factored into the assets remaining useful life.

A major regional park is under construction for the Hatton Vale area with construction forecast to be completed early 2021/2022. The costs to maintain and operate this new facility are yet to be finalised.

Cemeteries

This AMP 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 \$0.24M 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 \$0.08M per year over the life of the plan.

Waste

This AMP 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 \$4.27M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$0.03M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$2.01M per year over the life of the plan.

Though Council has made no final decision on its position for long-term waste management, the existing facility has less than six years estimated remaining landfill capacity. In order to adequately plan for ongoing waste service delivery and associated expenditure, the current AMP includes estimates for construction of a Long-Haul Transfer Station, as this is considered to be the most likely outcome for the future. When Council formally adopts a plan for future waste service delivery, any required updates will be made to the AMP.

Stormwater

This (AMP) summarises the stormwater asset base and services provided to the community, outlining the considerations necessary to ensure sustainable provision of these assets and services into the future.

- Operations and maintenance - Estimated at an annual average of \$0.12M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$0.62M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$0.06M per year over the life of the plan.

An in-depth analysis of the Gatton catchment/s has identified the need for significant upgrades to improve capacity and drainage, however the implication of this for future budgets has yet to be determined. These

additional works have not been included in the New/Upgrade works figure above.



Assumptions & Risks

The LTFF 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 LTFF may be impacted by future changes such as new legislation that could materially affect the projected outcomes and results of the LTFF. Changes in Government Policy may also impact on Council's financial position and performance.

At the time of preparing this Plan our community is still 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.

To ensure that this Plan is timely and relevant to Council forecasts, the LTFF 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 2022.
- No change in council structure or boundaries.
- No significant change in legislative requirements.
- No natural disasters impacting the region.

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 \$0.35M.	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 increase	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 \$1.66M. 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.

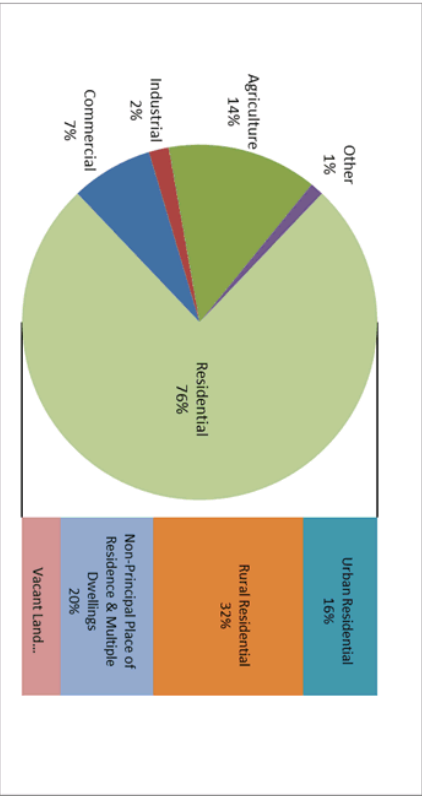
Each year the rating categories are reviewed to ensure that the level and type of rates are in line with Council's revenue requirements. Council undertakes detailed rates modelling to determine the impact of proposed

changes on the various rating categories. A rating review has been undertaken as part of the 2021/2022 budget and looked at options to improve the relativity between residential, commercial, agricultural and industrial rates.

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.

There are 48 separate rating categories proposed for 2021/2022, 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. These increases are forecast to raise sufficient revenue to maintain desired services and servicing of its proposed debt.

General rates are forecast to increase from \$33.16M in 2022 to \$42.39M in 2031. The key drivers for general rates are increases in yield (as decided by Council) 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 impacts.

The parameters used in developing this plan are:

%	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Yield	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Growth	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

Waste Charges

Council provides a dual bin service to the majority of residential properties in the region. This service is contracted out until 2023 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 \$4.89M to \$6.39M 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 \$2.57M in revenue (forecast 2031 \$3.36M).

At present, the percentage increase in yield is based on the full cost price model forecasts and future years are amended as required. The natural growth increase is in line with the general rates increase.

%	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Yield	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Growth	1.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

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 2021/2022 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.

Special and separate rates are reviewed on an 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 \$4.82M in 2022 to \$6.21M in 2031.

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.

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.

%	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Increase	2.00	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 6% on the cost of the work completed.

The parameters applied to Sales Revenue in developing this plan are:

%	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Increase	2.00	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.

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 2021 will be 8.03%.

The shareholding in QUU provided a return that averages \$2.2M per year. Some of this is in cash and the balance is an increase in the value of the shareholding. Due to a change in the Participation Return Agreement it is expected the cash component of this return will reduce over the next five years.



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 13.3% 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:

%	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
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:

%	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
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 \$25.83M to \$33.28M 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 emphasised through the COVID-19 pandemic and impact to the organisation.

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. Council is budgeting for around 307 Full Time Equivalent employees (FTE), increasing to 334 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. This will be updated once negotiations are completed.

%	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
EB Inc.	2.00	2.00	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Growth	0.00	0.62	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98
Total	2.00	2.62	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 \$18.87M to \$22.08M over the ten years.

%	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
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 1.73% of operating costs to 0.21% 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.

%	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
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 \$12.39M to \$16.30M. It should be noted that with Council holding its fleet assets for longer, there is a reduction in depreciation between 2028 and 2029 due to most of the Council's current plant and equipment being fully depreciated at that time.

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. The increases have been applied every three years as this was the cycle that the assets were generally revalued under, although Council is currently 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.

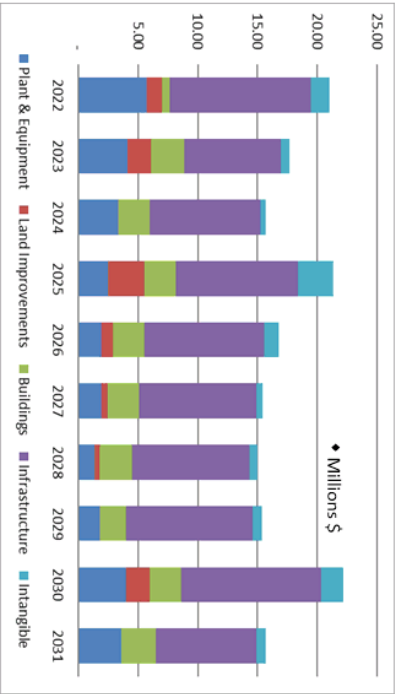
Grant funding for capital works is often tied to a particular funding program objective of the government. Once approved, the grant will be for a specific project. There is a risk that where a project exceeds the funded component, Council will be required to pick up the shortfall.

The 2021/2022 budget forecasts higher than normal capital grant funding continuing from impacts of the COVID-19 health pandemic 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 (LGGSP), 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 Asset 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 \$17.74M.

As the Asset 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 \$12.82M 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 \$20.39M. The years 2025 to 2027 have the lowest cash balances although the ratio remains above three months

which is within the recommended parameters. The ten-year average coverage is five 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 fifteen 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 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 (2022 est. \$34.10M), and the shareholder loan to QUU (2022 \$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 currently. 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 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 2021	Qtrly Payment P&I
Other Council Capital Works	4.71%	15/06/2032	\$14.15M	\$0.42M
General	4.96%	15/03/2031	\$6.45M	\$0.21M
Gatton Landfill 2016	3.11%	15/03/2036	\$0.71M	\$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. 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 2021/2022 budget and long-term financial forecast with the parameters as outlined above:

	Target	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Average
Operating Surplus Ratio (Net Operating Surplus / Total Operating Revenue) (%)	Between 0% and 10%	3.4%	3.4%	0.9%	1.5%	1.4%	0.8%	2.0%	3.1%	2.5%	4.1%	2.3%
Net Financial Asset / Liability Ratio ((Total Liabilities - Current Assets) / Total Operating Revenue)	<= 60%	52.6%	52.2%	48.6%	52.3%	48.1%	41.2%	33.0%	24.5%	25.2%	16.1%	39.4%
Asset Sustainability Ratio (Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense)	>90%	127.1%	131.3%	100.6%	130.2%	105.9%	95.0%	89.4%	91.0%	90.8%	90.0%	105.1%

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 adequate although the actual results will need to be carefully monitored in order to maintain the planned result. Financial years 2024 and 2027 see a reduction in surplus as a direct result of rates forecast to increase at a lesser amount than expenditure, the forecast reduction in profit from investments from QUU, increased depreciation cost from significant capital works forecast and additional expenditure incurred for re-election of Councillors. 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.

This ratio averages 39.4% over the ten years and is within the threshold for the entirety of the forecast. This ratio has been at a 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 2028 where it falls marginally below the line. The level of forecast spending has been based on the current Asset 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	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Average
Cash Expense Cover Ratio	>3	7.2	6.2	5.9	3.9	3.6	3.9	4.5	5.1	4.3	5.1	5.0
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 5.0 months.



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:

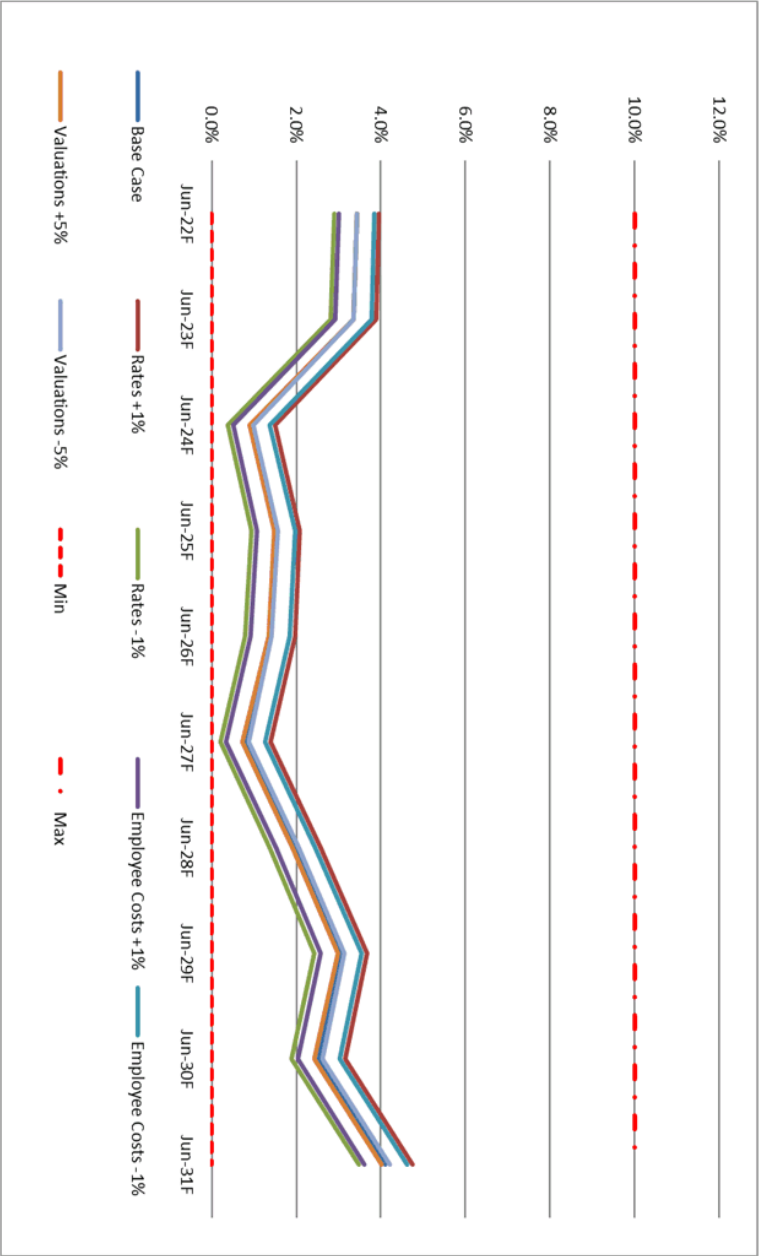
1. General Rates Revenues +/- 1%.
2. Employee costs +/- 1% on EB increase.
3. Depreciation – tri annual valuation +/- 5% of estimated asset base 2021.
4. CAPEX – renewals -\$1.00M.

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:

	Base Case	Rates		Employee Costs		Valuations		Renewals
		+1.00%	-1.00%	+1.00%	-1.00%	+5.00% of Base	-5.00% of Base	
Operating Surplus	2.3%	2.9%	1.7%	1.9%	2.8%	2.3%	2.4%	N/A
Net Financial Asset/Liability	39.4%	36.2%	42.6%	41.7%	37.1%	N/A	N/A	N/A
Asset Sustainability	105.1%	N/A	N/A	N/A	N/A	104.9%	105.4%	97.8%
Cash Coverage	4.97	5.45	4.49	4.58	5.37	N/A	N/A	6.37

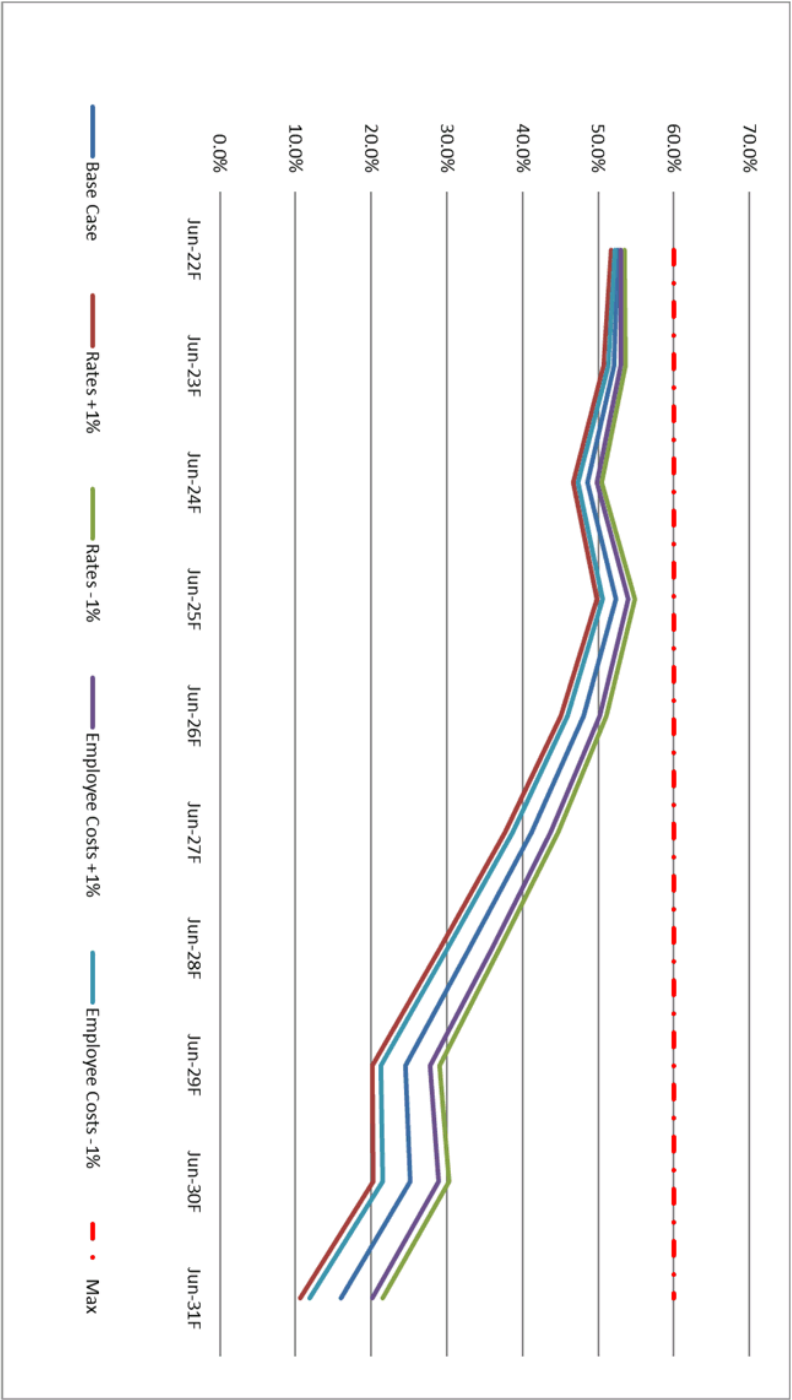
Over the ten-year average it is apparent that all the ratios are within the recommended targets however on a year by year basis some ratios go above or below the thresholds depending on the scenario.

Sensitivity Analysis - Operating Surplus Ratio



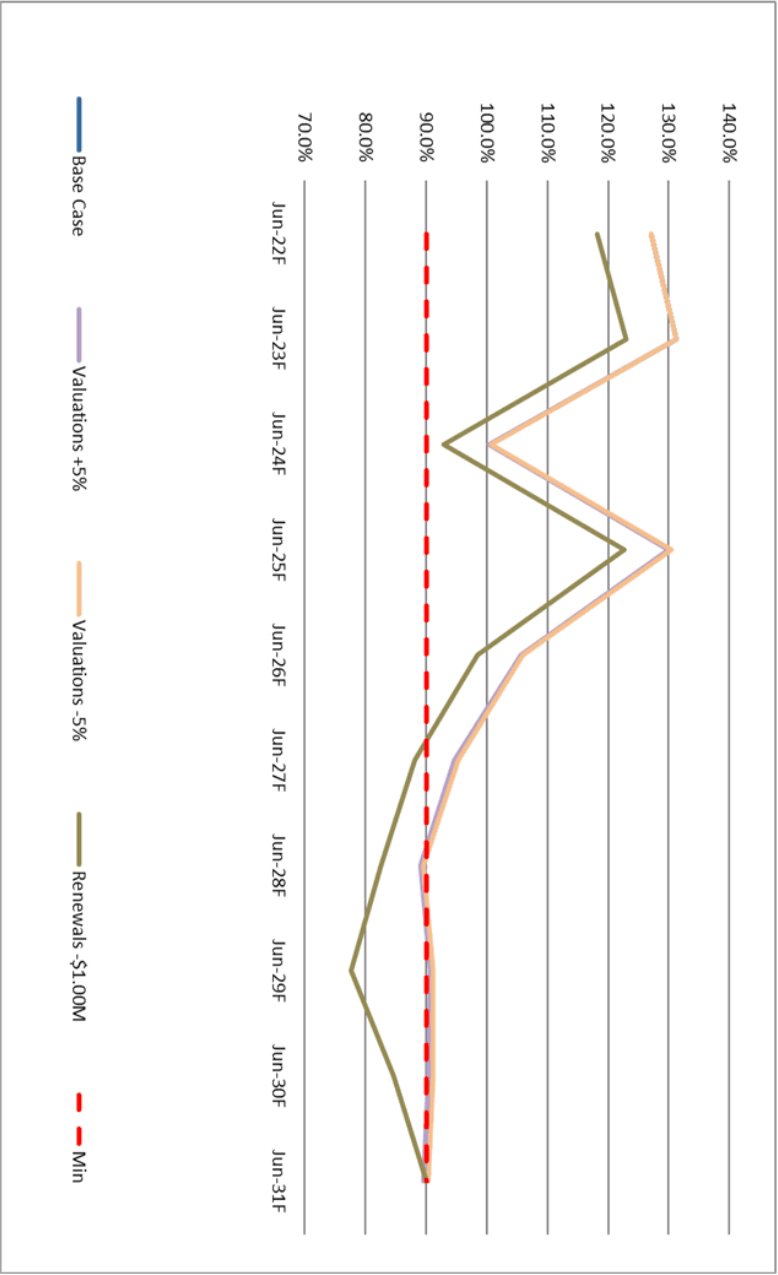
- Of the sensitivities modelled, rates changes have the biggest impact on the operating surplus ratio through the impact on the amount of revenue being raised.
- All the sensitivities modelled keep the ratio within the lower thresholds.

Sensitivity Analysis – Net Financial Liabilities Ratio



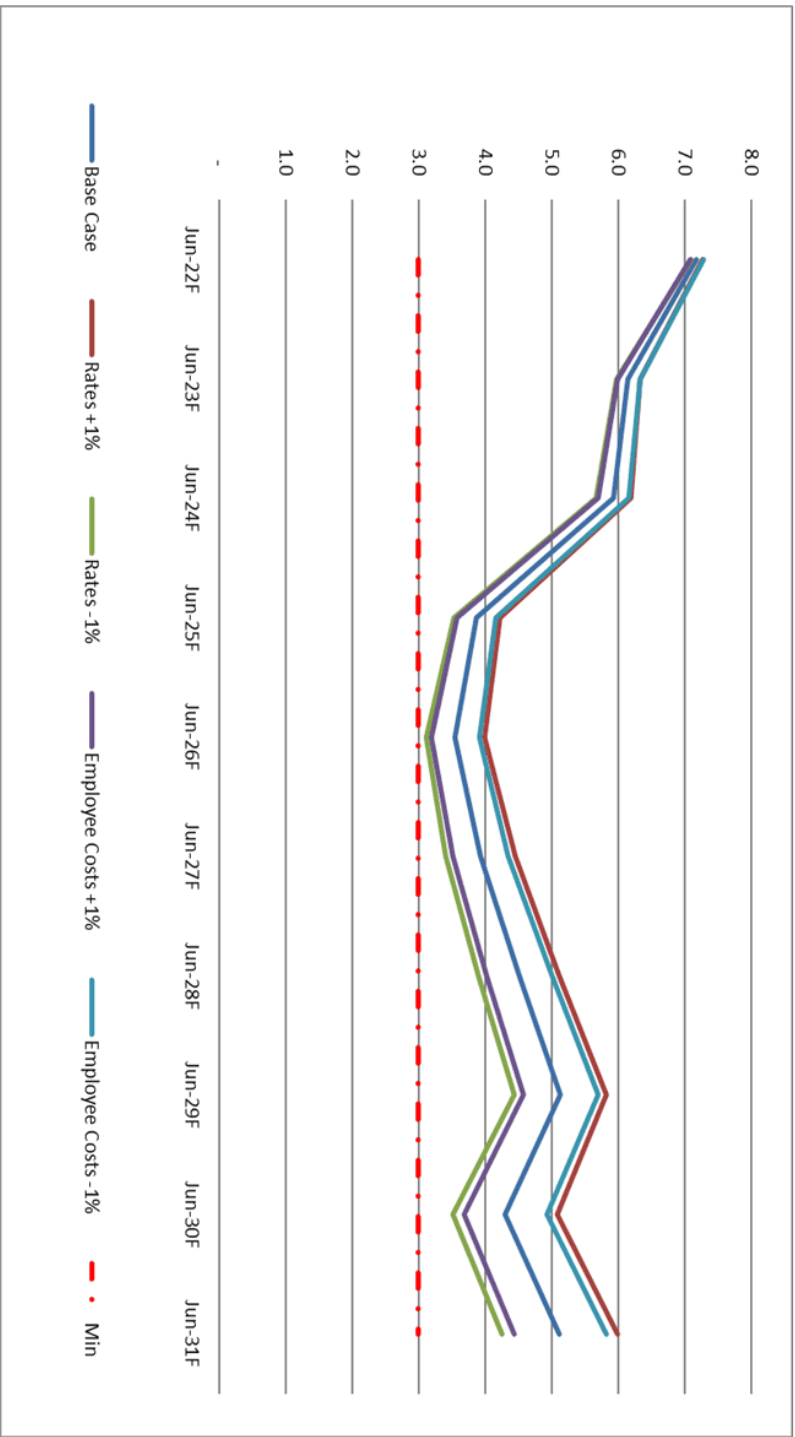
- Although the changes are relatively minor, the sensitivity which has the most impact is the change in rates revenue.
- All the sensitivities modelled shows that the ratio is below the maximum threshold threshold.

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 2027 to 2031.
- As has been noted previously, the actual spend will be determined through the ongoing improvement of the Asset 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 close the minimum in 2026.
- A 1.00% increase in employee costs causes the ratio to bring the level of cash below close threshold in 2026.
- All the sensitivities modelled shows that the ratio is above the minimum threshold.

Financial Statements 2022 - 2031

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 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 2021/2022 Budget and Long Term Financial Forecast 2022 to 2031 Statement of Income and Expenditure

	2022 Proposed Budget	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
Revenue										
Recurrent Revenue	43.00M	43.99M	44.86M	46.21M	47.61M	49.05M	50.53M	52.06M	53.63M	55.25M
Rates & Utility Charges	(1.84M)	(1.90M)	(1.95M)	(2.01M)	(2.07M)	(2.14M)	(2.20M)	(2.27M)	(2.34M)	(2.41M)
Less Discounts	41.16M	42.10M	42.90M	44.20M	45.54M	46.91M	48.33M	49.79M	51.30M	52.85M
Net rates and utility charges	4.82M	5.28M	5.41M	5.52M	5.63M	5.74M	5.85M	5.97M	6.09M	6.21M
Fees and charges	0.74M	0.75M	0.77M	0.78M	0.80M	0.81M	0.83M	0.85M	0.86M	0.88M
Sales, contract and recoverable works	8.70M	8.13M	8.29M	8.46M	8.64M	8.83M	9.02M	9.22M	9.43M	9.65M
Operational Grants & subsidies	0.91M	0.97M	1.10M	1.11M	1.12M	1.14M	1.18M	1.36M	1.37M	1.39M
Interest received	3.95M	3.83M	3.79M	3.67M	3.72M	3.78M	3.84M	3.91M	3.97M	4.03M
Other recurrent income	60.29M	61.05M	62.26M	63.74M	65.45M	67.22M	69.07M	71.10M	73.03M	75.03M
Total Recurrent Revenue										
Capital revenue:										
Capital Grants	10.74M	2.16M	2.20M	2.25M	2.29M	2.34M	2.38M	2.43M	2.48M	2.53M
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	(0.25M)	0.14M	0.19M	0.47M	0.24M	0.22M	0.20M	0.22M	0.09M	0.20M
Total capital revenue	10.49M	2.80M	2.90M	3.22M	3.03M	3.05M	3.09M	3.15M	3.07M	3.23M
Total Revenue	70.78M	63.84M	65.16M	66.95M	68.48M	70.27M	72.15M	74.25M	76.10M	78.25M
Expenses										
Recurrent Expenses										
Employee costs	25.83M	26.58M	27.47M	28.23M	29.01M	29.81M	30.64M	31.50M	32.37M	33.28M
Materials and services	18.87M	18.25M	19.15M	19.10M	19.53M	19.97M	20.53M	21.02M	21.54M	22.08M
Depreciation and amortisation	12.39M	13.13M	14.09M	14.59M	15.21M	16.18M	16.91M	17.90M	18.87M	19.90M
Finance costs	1.12M	1.05M	0.97M	0.88M	0.80M	0.70M	0.61M	0.50M	0.40M	0.28M
Total Recurrent Expenses	58.22M	59.00M	61.67M	62.76M	64.54M	66.67M	67.89M	68.93M	71.17M	71.94M
Net Result adjusted for Capital Items	12.56M	4.84M	3.49M	4.19M	3.94M	3.60M	4.46M	5.33M	4.92M	6.32M
Net Recurrent Result/Operating Surplus/(Deficit)	2.069M	2.045M	0.591M	0.974M	0.907M	0.543M	1.373M	2.179M	1.851M	3.090M



Statement of Financial Position

Lockyer Valley Regional Council 2021/2022 Budget and Long Term Financial Forecast 2022 to 2031 Statement of Financial Position

	2022 Proposed Budget	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
Current Assets										
Cash assets and cash equivalents	26.83M	23.05M	23.10M	15.31M	14.40M	16.34M	19.28M	22.53M	19.98M	23.69M
Other inventory	0.30M	0.30M	0.30M	0.30M	0.30M	0.30M	0.30M	0.30M	0.30M	0.30M
Receivables	3.14M	3.19M	3.25M	3.35M	3.44M	3.54M	3.62M	3.74M	3.84M	3.95M
Prepayments	0.62M	0.62M	0.62M	0.62M	0.62M	0.62M	0.62M	0.62M	0.62M	0.62M
Total Current Assets	30.89M	27.16M	27.26M	19.58M	18.76M	20.79M	23.82M	27.18M	24.14M	28.55M
Non Current Assets										
Land held for development or sale	2.11M	2.11M	2.11M	2.11M	2.11M	2.11M	2.11M	2.11M	2.11M	2.11M
Joint Ventures & Associates	34.10M	34.73M	35.37M	36.01M	36.65M	37.32M	37.98M	38.65M	39.33M	40.02M
Property, plant and equipment	565.89M	596.39M	598.38M	603.33M	639.94M	640.22M	639.61M	678.52M	682.73M	682.28M
Intangible assets	6.78M	6.35M	5.62M	7.31M	6.96M	5.81M	5.32M	5.33M	6.32M	6.05M
Capital works in progress	2.44M	2.44M	2.44M	2.44M	2.44M	2.44M	2.44M	2.44M	-	-
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	626.06M	656.75M	658.65M	665.93M	702.85M	702.64M	702.21M	739.35M	745.23M	745.17M
TOTAL ASSETS	656.96M	683.91M	685.92M	685.51M	721.61M	723.44M	726.03M	766.53M	769.37M	773.73M
Current Liabilities										
Trade and other payables	1.72M	1.72M	1.78M	1.81M	1.86M	1.91M	1.95M	2.01M	2.07M	2.12M
Borrowings	1.66M	1.74M	1.83M	1.92M	2.02M	2.12M	2.22M	2.33M	2.43M	2.53M
Employee payables/provisions	8.11M	8.16M	8.35M	8.55M	8.74M	8.93M	9.13M	9.32M	9.51M	9.71M
Other provisions	0.58M	0.53M	0.53M	0.47M	0.45M	0.45M	0.45M	0.45M	0.45M	0.45M
Other current liabilities	2.02M	2.02M	2.02M	2.02M	2.02M	2.02M	2.02M	2.02M	2.02M	2.02M
Total Current Liabilities	14.07M	14.17M	14.51M	14.77M	15.08M	15.42M	15.77M	16.13M	16.26M	15.98M
Non Current Liabilities										
Borrowings	18.32M	16.58M	14.75M	12.82M	10.81M	8.69M	6.47M	4.13M	1.92M	0.23M
Employee payables/provisions	0.73M	0.73M	0.74M	0.75M	0.75M	0.76M	0.77M	0.77M	0.78M	0.79M
Other provisions	29.49M	27.52M	27.52M	24.58M	23.60M	23.60M	23.60M	23.60M	23.60M	23.60M
Total Non Current Liabilities	48.54M	44.83M	43.01M	38.15M	35.16M	33.05M	30.83M	28.50M	26.30M	24.62M
TOTAL LIABILITIES	62.61M	59.00M	57.52M	52.92M	50.24M	48.47M	46.60M	44.64M	42.56M	40.60M
Net community assets	594.35M	624.91M	628.40M	632.59M	671.37M	674.96M	679.42M	721.89M	726.81M	733.13M
Community Equity										
Asset revaluation reserve	176.99M	202.72M	202.72M	202.72M	237.55M	237.55M	237.55M	274.69M	274.69M	274.69M
Retained surplus (deficiency)	417.36M	422.20M	425.68M	429.87M	433.81M	437.41M	441.87M	447.20M	452.12M	458.43M
TOTAL COMMUNITY EQUITY	594.35M	624.91M	628.40M	632.59M	671.37M	674.96M	679.42M	721.89M	726.81M	733.13M



Statement of Changes in Equity

Lockyer Valley Regional Council 2021/2022 Budget and Long Term Financial Forecast 2022 to 2031 Statement of Changes in Equity

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Proposed										
Budget										
Asset revaluation surplus										
Opening balance	176.99M	176.99M	202.72M	202.72M	202.72M	202.72M	237.55M	237.55M	237.55M	274.69M
Increase in asset revaluation surplus	-	25.72M	-	-	34.84M	-	-	37.14M	-	-
Closing balance	176.99M	202.72M	202.72M	202.72M	237.55M	237.55M	237.55M	274.69M	274.69M	274.69M
Retained surplus										
Opening balance	404.79M	417.36M	422.20M	425.68M	429.88M	433.81M	437.41M	441.87M	447.20M	452.12M
Net result	12.56M	4.84M	3.49M	4.19M	3.94M	3.60M	4.46M	5.33M	4.92M	6.32M
Closing balance	417.36M	422.20M	425.68M	429.88M	433.81M	437.41M	441.87M	447.20M	452.12M	458.43M
Total										
Opening balance	581.79M	594.35M	624.91M	628.40M	632.59M	671.37M	674.96M	679.42M	721.89M	726.81M
Net result	12.56M	4.84M	3.49M	4.19M	3.94M	3.60M	4.46M	5.33M	4.92M	6.32M
Increase in asset revaluation surplus	-	25.72M	-	-	34.84M	-	-	37.14M	-	-
Closing balance	594.35M	624.91M	628.40M	632.59M	671.37M	674.96M	679.42M	721.89M	726.81M	733.13M



Statement of Cash Flows

Lockyer Valley Regional Council 2021/2022 Budget and Long Term Financial Forecast 2022 to 2031 Statement of Cash Flows

	2022 Proposed Budget	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
Cash flows from operating activities:										
Receipts from customers	57.40M	58.23M	59.39M	60.98M	62.68M	64.42M	66.22M	68.05M	69.97M	71.94M
Payment to suppliers and employees	(45.49M)	(44.89M)	(46.47M)	(47.22M)	(48.41M)	(49.67M)	(51.06M)	(52.40M)	(53.79M)	(55.24M)
Interest received	0.91M	0.97M	1.10M	1.11M	1.12M	1.14M	1.18M	1.36M	1.37M	1.39M
Finance costs	(1.01M)	(0.93M)	(0.85M)	(0.76M)	(0.67M)	(0.58M)	(0.48M)	(0.37M)	(0.26M)	(0.15M)
Other	-	(2.00M)	-	(3.00M)	(1.00M)	-	-	-	-	-
Net cash inflow (outflow) from operating activities	11.81M	11.37M	13.16M	11.11M	13.72M	15.32M	15.88M	16.65M	17.28M	17.95M
Cash flows from investing activities:										
Payments for property, plant and equipment	(22.28M)	(17.17M)	(15.19M)	(20.83M)	(16.28M)	(14.96M)	(14.45M)	(14.87M)	(21.72M)	(15.20M)
Subsidies, donations and contributions for new capital expenditure	10.74M	2.16M	2.20M	2.25M	2.29M	2.34M	2.38M	2.43M	2.48M	2.53M
Proceeds from sale of property, plant and equipment	0.48M	0.34M	0.54M	0.61M	0.38M	0.36M	0.34M	0.36M	0.23M	0.34M
Net transfer (to) from cash investments	1.35M	1.17M	1.08M	0.90M	0.90M	0.90M	0.90M	0.90M	0.90M	0.90M
Net cash inflow (outflow) from investing activities	(9.70M)	(13.49M)	(11.37M)	(17.06M)	(12.71M)	(11.36M)	(10.82M)	(11.18M)	(18.10M)	(11.43M)
Cash flows from financing activities:										
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(1.58M)	(1.66M)	(1.74M)	(1.83M)	(1.92M)	(2.02M)	(2.12M)	(2.22M)	(2.33M)	(2.41M)
Net cash inflow (outflow) from financing activities	(1.58M)	(1.66M)	(1.74M)	(1.83M)	(1.92M)	(2.02M)	(2.12M)	(2.22M)	(2.33M)	(2.41M)
Net increase (decrease) in cash and cash equivalents held	0.53M	(3.78M)	0.05M	(7.79M)	(0.91M)	1.94M	2.94M	3.25M	(3.15M)	4.31M
Cash at beginning of reporting period	26.31M	26.83M	23.05M	23.10M	15.31M	14.40M	16.34M	16.34M	19.28M	22.53M
Cash and cash equivalents at end of the financial year	26.83M	23.05M	23.10M	15.31M	14.40M	16.34M	19.28M	22.53M	19.38M	23.69M





6. PEOPLE & BUSINESS PERFORMANCE REPORTS

6.1 Operational Plan 2021-2022

Author: Madonna Brennan, Risk, Audit and Corporate Planning Advisor

Responsible Officer: Craig Drew, Acting Group Manager People & Business Performance

Purpose:

The purpose of this report is to seek Council's adoption of the annual Operational Plan for the 2021-2022 financial year, with the adoption of the annual Budget.

Officer's Recommendation:

THAT Council adopt the Operational Plan 2021-2022, 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 operational plan identifies planned activities for the organisation, consistent with the Corporate Plan 2017-2022 and the annual Budget.

Proposal

The annual Operational Plan 2021-2022 (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 2021-2022 Budget.

The Operational Plan 2021-2022 is the final annual plan developed to achieve the outcomes of the 2017-2022 Corporate Plan with a total of 45 deliverables identified to be completed. A breakdown of the deliverables for each Corporate Plan theme is as follows:

Theme	Total Action Items for 2021-2022
Lockyer Community	6
Lockyer Business, Farming and Livelihood	5
Lockyer Nature	7
Lockyer Planned	10
Lockyer Leadership & Council	17

Previous Council Resolutions

Special Meeting 15 July 2021 (20-24/0076).

THAT Council adopt the Operational Plan 2020-2021, as attached to these Minutes, with the amendment of the completion date on Item 5.3.1 - 'Develop a Corporate Communication Strategy to clearly define the role and Council's approach to internal and external communication and a communication plan to put the strategy into actions' to December 2020 and; the inclusion of an additional item under the Lockyer Community theme, 1.5.3 - 'Develop a Community Activation Strategy with a quarterly action plan to guide delivery of outcomes'.

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.

Strategic Implications

Corporate Plan

Lockyer Leadership and Council 5.7- Compliant with legislation.

Finance and Resource

The financial allocations in the 2021-2022 Budget reflect the deliverables in the Operational Plan.

Legislation and Policy

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.

Risk Management

Key Corporate Risk Code and Category: LCL1

Key Corporate Risk Descriptor: Legal Compliance and Liability

Compliance management – regulatory or contract compliance, litigation, liability and prosecution.

Consultation

Portfolio Councillor Consultation

Consultation Portfolio Councillor, Councillor Wilson will be briefed on this report as part of the monthly portfolio update.

Internal Consultation

Progress reporting on the annual operational plan is completed by Branch Managers responsible for delivering the action items. Completed progress reporting is referred to the Executive Leadership Team to review prior to finalising the detailed performance report.

Community Engagement

Due to the internal administrative nature of this report, there has been no external consultation. However, the fourth quarter performance report will be made available for public viewing on the Publications page on Council’s website.

Attachments

1 [🔗](#) Draft 2021-2022 Operational Plan 32 Pages



Lockyer Valley Regional Council

Operational Plan 2021–2022







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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 2021-2022 financial year to ensure Council deliver the outcomes and commitments of the Corporate Plan 2017-2022.

The Operational Plan 2021-2022 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)(v) of the *Local Government Act 2009* requires that Council must under its system of financial management establish as annual Operational Plan. Sections 174 and 175 of the *Local Government Regulation 2012* determines the preparation, adoption and the content requirements of the annual Operational Plan.

BUILDING OUR OPERATIONAL PLAN

The Operational Plan 2021-2022 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 2021-2022 Operational Plan was undertaken in conjunction with the 2021-2022 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 21 July 2021.



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

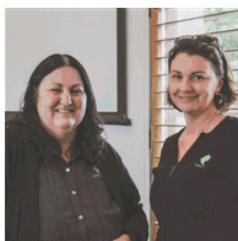
We strive to engage and communicate with our internal and external customers to meet agreed outcomes. We identify and aim to meet the needs of all customers in a responsive and equitable manner.



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.





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.



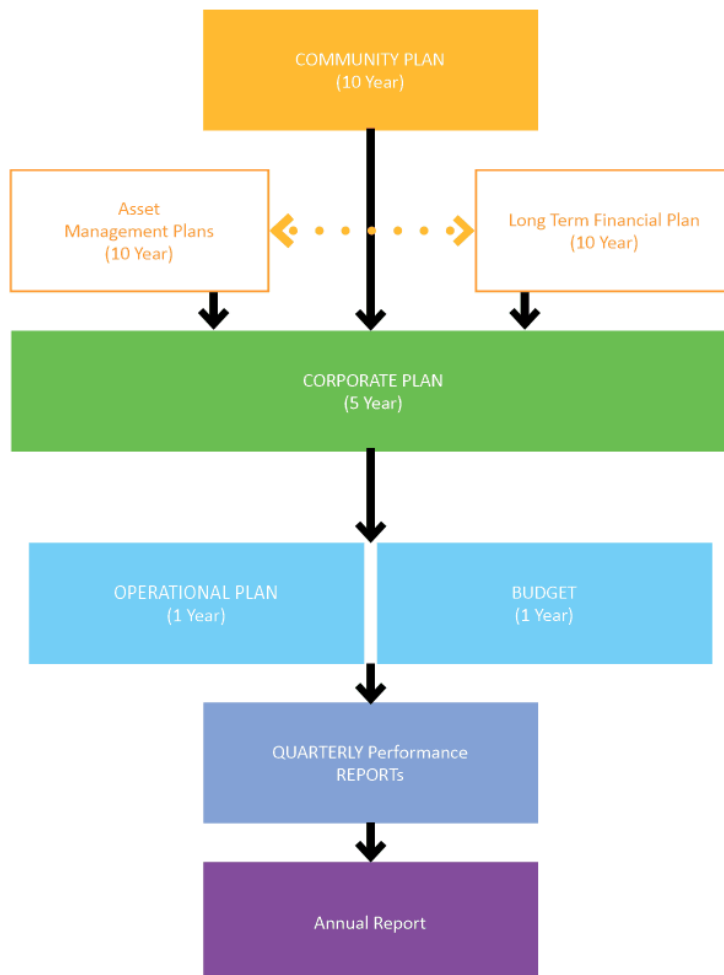
THESE ROLES INCLUDE:

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:

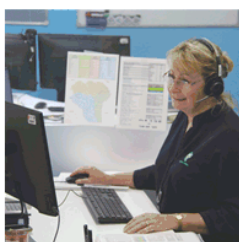




MONITORING OUR PROGRESS

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 2021-2022 Budget against the themes of the Corporate Plan 2017-2022.

Theme	Operating Revenue	Operating Expense	Capital Revenue	Capital Expense
Lockyer Community	2,303,168	5,268,137		231,300
Lockyer Business, Farming and Livelihood	1,055,250	2,393,807		700,000
Lockyer Nature	650,000	600,000		
Lockyer Planned	14,897,930	18,578,324	9,338,438	17,387,091
Lockyer Leadership and Council	41,388,068	31,379,582	1,149,600	3,961,600
Total	60,294,416	58,219,850	10,488,038	22,279,991



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 (LCL1)** – Compliance management – regulatory or contract compliance, litigation, liability and prosecution
- **Political (P1)** - Intergovernmental 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

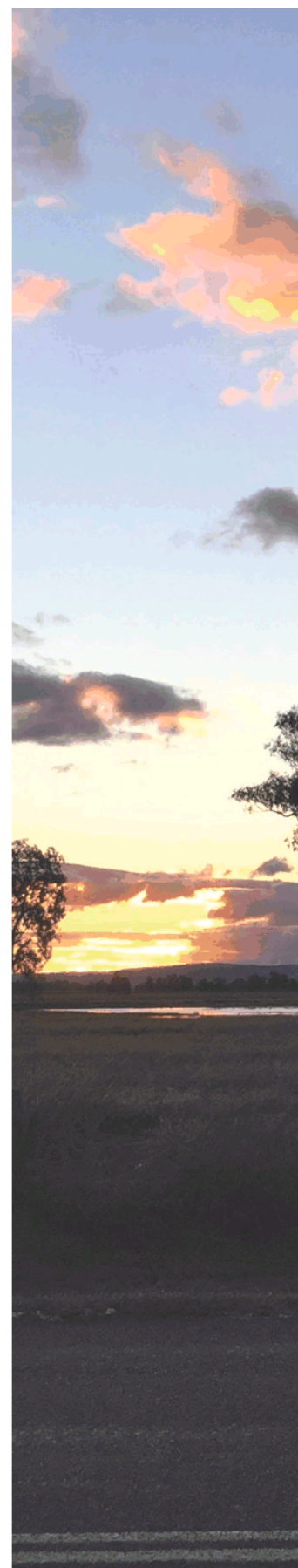


1 LOCKYER COMMUNITY

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



1.1 A COMMUNITY WITH FAIR AND REASONABLE ACCESS TO SERVICES

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
1.1.1	Undertake 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.	50% of the project completed	30-Jun-23	Chief Executive Officer	FE1 - Financial Sustainability

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	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
1.2.1	Deliver the Community Facilities capital works program.	Community Facilities capital works program completed.	90% of the program completed.	30-Jun-22	Infrastructure	IA1 - Planning, managing and maintaining assets for the future
1.2.2	Review Council's public parks strategy to identify additional opportunities to rationalise Council's network of parks and reserves.	Review of Council's public park strategy completed and implementation of identified opportunities commenced.	100% of the review completed.	30-Jun-22	Infrastructure	FE1 - Financial Sustainability

1.3 ENHANCED WELLBEING AND SAFETY OF THE COMMUNITY.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
No operational plan item identified for 2021-22 - corporate plan outcome has been achieved through previous operational plans and reported in previous years annual reports.						

1.4 COUNCIL SEEK TO UNDERSTAND COMMUNITY NEEDS, RESULTING IN PARTNERSHIPS THAT REALISE LONG-TERM BENEFITS FOR THE COMMUNITY IN A TIMELY MANNER.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
No operational plan item identified for 2021-22 - corporate plan outcome has been achieved through previous operational plans and reported in previous years annual reports.						

1.5 EVENTS AND ACTIVITIES THAT BRING TOGETHER AND SUPPORT GREATER CONNECTIVITY IN THE COMMUNITY.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
1.5.1	Develop a yearly action plan outlining projects and initiatives that deliver on the strategic priorities of the Community Activation Strategy.	Yearly action plan identifying projects and initiatives to be completed within the financial year.	100% of the project completed.	30-Sep-21	Community and Regional Prosperity	R1 - Reputation and goodwill

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	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
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.	100% of the deliverable completed.	30-Jun-22	People and Business Performance	EC1 - Environmental and Community
1.6.2	Undertake an annual assessment of the Lockyer Valley Local Disaster Management Plan and report findings to Inspector General Emergency Management.	Annual assessment completed and findings reported.	100% of the project completed.	30-Jun-22	People and Business Performance	EC1 - Environmental and Community



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

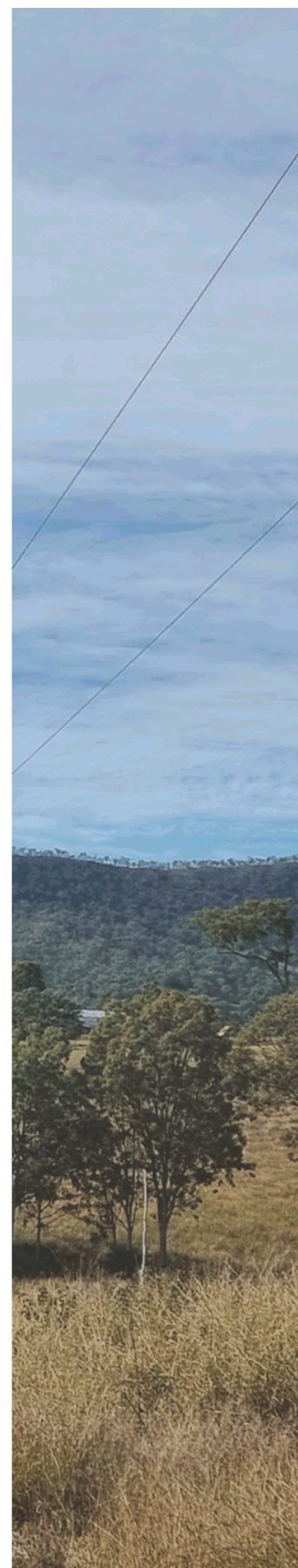
As custodians we manage our water and land assets to ensure our farming future. We pride ourselves on our innovation and clean, green reputation. We work together to support our farmers of current and future generations.

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.



2.1 ENCOURAGE OPPORTUNITIES FOR THE LOCKYER VALLEY TO DRIVE ECONOMIC AND COMMUNITY OUTCOMES.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
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 by: <ul style="list-style-type: none"> - making a submission to the Coordinator General on the Gowrie to Helidon Environment Impact Statement (EIS). - providing responses to the three proponent led designs. - seeking improved and connected infrastructure for the region. - completing the required legal documentation. - making a re-submission on any recommendations made by the Coordinator General on the Helidon to Calvert Environmental Impact Statement (EIS). 	Environmental Impact Statement (EIS) responses are provided to the Co-ordinator General. Employment opportunities and community benefits for the region are maximised from the inland rail project, including improved and connected infrastructure in the region.	100% of the project completed.	30-Jun-22	Chief Executive Officer	P1 - Stakeholder (Political)
2.1.2	Advocate for opportunities to build a strong, resilient and sustainable economy to improve liveability in the region, including advocating for regional health services and passenger rail.	Advocacy opportunities to improve the region's liveability are maximised.	100% of opportunities maximised.	30-Jun-22	Chief Executive Officer	P1 - Stakeholder (Political)

2.2 MAXIMISE OPPORTUNITIES THROUGH ENGAGEMENT AND PARTNERSHIP WITH STAKEHOLDERS TO ACHIEVE A STRONG RESILIENT ECONOMY.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
2.2.1	Advocate for improved water security and supply for the region through the Lockyer Valley and Somerset Water Collaborative by: <ul style="list-style-type: none"> - formally establishing the Local Management Entity (LME). - delivering the adopted advocacy plan, including prioritising the recommissioning of the Water Corridor Recycled Water Scheme. - making a submission to the National Water Authority to fund the Water4Lockyer project. 	Local Management Entity is established, advocacy plan delivered and all necessary steps are completed to enable funding to be obtained from the National Water Authority.	100% of the project completed.	30-Jun-22	Chief Executive Officer	P1 - Stakeholder (Political)

2.3 PROMOTE AND MARKET THE LOCKYER VALLEY AS A DESTINATION FOR COMMERCE, TOURISM AND LIFESTYLE.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
2.3.1	Develop a yearly action plan outlining projects and initiatives that deliver on the strategic priorities of the Tourism Strategy.	Yearly action plan identifying projects and initiatives to be completed within the financial year.	100% of the project completed.	30-Sep-21	Community and Regional Prosperity	R1 - Reputation and goodwill

2.4 ATTRACT AND SUPPORT EDUCATION AND EMPLOYMENT OPPORTUNITIES FOR THE COMMUNITY.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
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No operational plan item identified for 2021-22 - corporate plan outcome has been achieved through previous operational plans and reported in previous years annual reports.

2.5 FOSTER A FLEXIBLE, SUPPORTIVE AND INCLUSIVE BUSINESS ENVIRONMENT.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
2.5.1	Develop a yearly action plan outlining projects and initiatives that deliver on the strategic priorities of the Economic Development Strategy.	Yearly action plan identifying projects and initiatives to be completed within the financial year.	100% of the project completed.	30-Sep-21	Community and Regional Prosperity	EC1 - Environmental and Community



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.



3.1 LOCKYER VALLEY'S NATURAL ASSETS ARE MANAGED, MAINTAINED AND PROTECTED.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
3.1.1	Develop a yearly action plan outlining projects and initiatives that deliver on the strategic priorities of the Environment Strategy.	Yearly action plan identifying projects and initiatives to be completed within the financial year.	100% of the project completed.	30-Sep-21	Community and Regional Prosperity	EC1 - Environmental and Community
3.1.2	Develop a yearly action plan outlining projects and initiatives that deliver on the strategic priorities of the Biosecurity Plan .	Yearly action plan identifying projects and initiatives to be completed within the financial year.	100% of the project completed.	30-Sep-21	Community and Regional Prosperity	EC1 - Environmental and Community

3.2 COUNCIL'S POLICIES AND PLANS SUPPORT ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
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No operational plan Item identified for 2021-22 - corporate plan outcome has been achieved through previous operational plans and reported in previous years annual reports.

3.3 COMMUNITY AND PRIVATE LANDHOLDERS' STEWARDSHIP OF NATURAL ASSETS INCREASES.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
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No operational plan item identified for 2021-22 - corporate plan outcome has been achieved through previous operational plans and reported in previous years annual reports.

3.4 LOCALS AND VISITORS EXPERIENCE OUR NATURAL ASSETS.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
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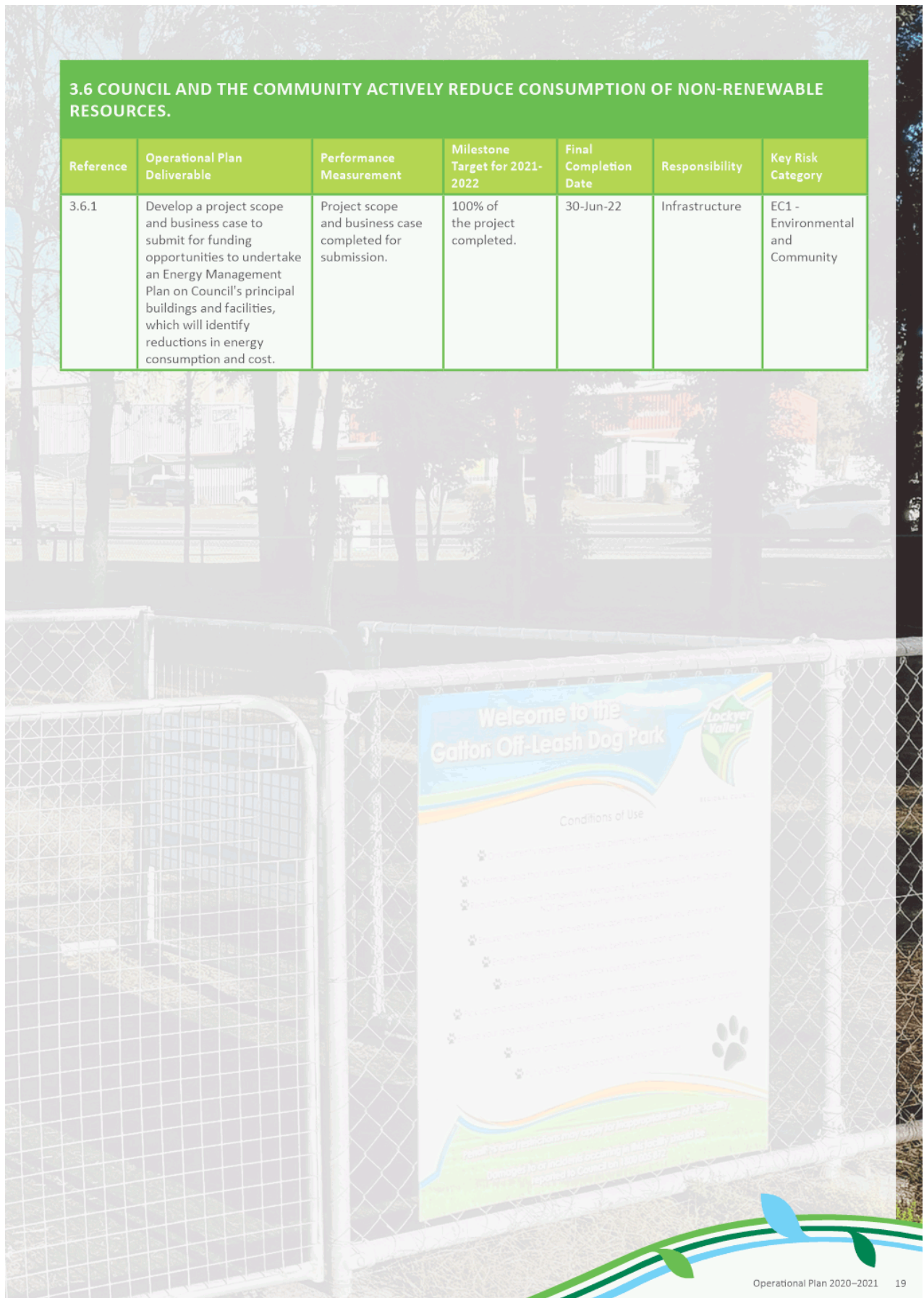
No operational plan item identified for 2021-22 - corporate plan outcome has been achieved through previous operational plans and reported in previous years annual reports.

3.5 COUNCIL AND THE COMMUNITY ACTIVELY REDUCE WASTE, RECYCLE AND REUSE MORE.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
3.5.1	Implement "Food Organics Green Organics" (FOGO) trial to reduce waste going to landfill by: - undertaking community engagement activities to promote trial. - distributing required resources (bins and caddies) to identified households in Gatton and Laidley areas participating in the trial. - commencing the collection schedule for participating households. - conducting surveys on identified milestone points of the collection schedule. - finalising trial and undertake evaluation. - completion of a final report and present to Council.	Food Organics Green Organics (FOGO) trial completed, and key findings reported to Council.	75% of the program completed.	31-Dec-22	Infrastructure	IA2 - Delivering major projects
3.5.2	Undertake arrangements to determine a contract for the delivery of kerbside waste and recycle collection services and bulk haulage of waste for the region	Contract determined and adopted by Council.	50% of the project completed.	30-Jun-23	Infrastructure	EC1 - Environmental and Community
3.5.3	Increase the capacity of the Gatton Waste Management Facility by undertaking an expansion of the landfill.	Construction of waste cell 5 completed.	75% of the project completed.	31-Dec-22	Infrastructure	IA1 - Planning, managing and maintaining assets for the future
3.5.4	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 (WRRP).	Study completed with suitable sites identified for an eastern resource recovery centre for waste.	100% of the project completed.	30-Jun-22	Infrastructure	IA1 - Planning, managing and maintaining assets for the future

3.6 COUNCIL AND THE COMMUNITY ACTIVELY REDUCE CONSUMPTION OF NON-RENEWABLE RESOURCES.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
3.6.1	Develop a project scope and business case to submit for funding opportunities to undertake an Energy Management Plan on Council's principal buildings and facilities, which will identify reductions in energy consumption and cost.	Project scope and business case completed for submission.	100% of the project completed.	30-Jun-22	Infrastructure	EC1 - Environmental and Community



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.



20 Lockyer Valley Regional Council



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	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
4.1.1	Finalise the Lockyer Valley Planning Scheme for adoption by the Minister.	Planning Scheme is approved by the Minister for adoption by Council.	100% of the project completed.	30-Jun-22	Community and Regional Prosperity	R1 - Reputation and goodwill

4.2 PROVISION OF FIT-FOR-PURPOSE INFRASTRUCTURE WHICH MEETS THE CURRENT AND FUTURE NEEDS OF THE REGION.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
4.2.1	Develop and implement a capital works design process which will determine a forward schedule of works across the Infrastructure Group.	Future capital works design process and a forward schedule of works developed and implemented.	20% of the project completed/6 month schedule of works identified.	30-Jun-24	Infrastructure	IA1 - Planning, managing and maintaining assets for the future
4.2.2	Deliver the Roads and Drainage capital works program.	Roads and Drainage capital works program completed.	90% of the program completed.	30-Jun-22	Infrastructure	IA2 - Delivering major projects
4.2.3	Undertake a review of Council's asset management framework to enable a coordinated approach to managing Council's assets.	Asset management framework reviewed and updated.	100% of the project completed.	30-Jun-22	Infrastructure	IA1 - Planning, managing and maintaining assets for the future
4.2.4	Undertake a review of the conditional assessment data captured on building and facility assets to verify accuracy of data.	Review of conditional assessment data completed and data adjustments made where identified.	100% of the project completed.	30-Jun-22	Infrastructure	IA1 - Planning, managing and maintaining assets for the future
4.2.5	Develop a Growth Management Strategy to guide the strategic growth management of the region.	Growth and Development Strategy is completed and yearly action plan identifying projects and initiatives to be completed within the financial year are completed.	100% of the project completed.	30-Jun-22	Community and Regional Prosperity	EC1 - Environmental and Community

4.2.6	Develop a plan to guide the delivery of Council's strategic land use infrastructure program including: - the required amendments to the Local Government Infrastructure Plan (LGIP) and the infrastructure charges framework; and - the development of strategic land use infrastructure program of works to support the orderly and sequential growth of the region. - A review of the Laidley Town Flood Protection Scheme - Ultimate Strategy and recommendations in relation to options for flood mitigation in Laidley.	Review of Council's strategic infrastructure planning and infrastructure charges framework is completed. A strategic land use forward program of projects is developed. A review of the Laidley Town Flood Protection Scheme is completed and options for flood protection for Laidley presented to Council.	100% of the project completed.	30-Jun-22	Community and Regional Prosperity	R1 - Reputation and goodwill
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4.3 A DEVELOPMENT ASSESSMENT PROCESS THAT DELIVERS QUALITY DEVELOPMENT THAT IS CONSISTENT WITH LEGISLATION, BEST PRACTICE AND COMMUNITY EXPECTATIONS.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
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.	Deliverables for the 2021-2022 financial year completed and further improvements identified.	100% of the project completed.	30-Jun-22	Community and Regional Prosperity	R1 - Reputation and goodwill

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	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
4.4.1	Provide technical support to review the inland rail project designs impacting on Council's infrastructure.	Project designs reviewed and feedback provided to Australian Rail Track Corporation or project proponent.	100% of project designs reviewed and feedback provided.	30-Jun-22	Infrastructure	IA1 - Planning, managing and maintaining assets for the future

4.5 AN INTEGRATED APPROACH TO THE PLANNING OF ALL COMMUNITIES THAT STRENGTHENS LOCAL IDENTITY AND LIFESTYLE.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
4.5.1	Advocate to key stakeholders to seek amendments to the South East Queensland Regional Plan and Urban Utilities NetServ Plan to enable the strategic growth and development of the region.	Advocacy opportunities to enable strategic growth and development of the region are maximised through quarterly meetings with Urban Utilities and bi-monthly meetings with the Department State Development Infrastructure Planning (DSDIP).	100% of the project completed.	30-Jun-22	Community and Regional Prosperity	IA1 - Planning, managing and maintaining assets for the future

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.



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	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
5.1.1	Implement the risk-based plan developed to deliver the recommendations of the independent review conducted on Council's procurement function.	Procurement recommendations implemented as outlined in the risk-based plan.	100% of the project completed.	30-Jun-22	People and Business Performance	FE1 - Financial Sustainability
5.1.2	Complete a rationalisation of Council's land assets and undertake the disposal of any identified land.	Rationalisation of land assets completed and identified land disposed of.	100% of the project completed.	30-Jun-22	People and Business Performance	FE1 - Financial Sustainability
5.1.3	Undertake a review of Council's Corporate Plan to identify commitments and outcomes for 2022-2027.	Review of Corporate Plan completed and adopted by Council.	100% of the project completed.	31-Dec-21	People and Business Performance	FE2 - Decision making governance, due diligence, accountability and sustainability
5.1.4	Improve and streamline Council's records processes by embedding disposal and digitisation mechanisms which align with legislation and business requirements.	Records digitisation and disposal projects completed.	25% of the project completed.	30-Jun-24	People and Business Performance	IA3 - Information and technology capacity and management

5.2 EXCELLENCE IN CUSTOMER SERVICE TO OUR COMMUNITY.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
5.2.1	Develop and implement continuous improvement plans to drive continuous improvement initiatives within the Planning, Policy and Community Wellbeing Branch.	Continuous Improvement Plan is developed and the identified deliverables for the 2021-2022 financial year are completed and further improvements identified.	100% of the project completed.	30-Jun-22	Community and Regional Prosperity	R1 - Reputation and goodwill
5.2.2	Develop and implement continuous improvement plans to drive continuous improvement initiatives within the Community Activation Branch.	Continuous Improvement Plan is developed and the identified deliverables for the 2021-2022 financial year are completed and further improvements identified.	100% of the project completed.	30-Jun-22	Community and Regional Prosperity	R1 - Reputation and goodwill

5.2.3	Improve the customer service standards within Council by undertaking the following initiatives: - embedding the service standards outlined in the Customer Service Charter. - undertaking phone for surveys. - identify and implement opportunities to improve utilisation of Council's customer service resources.	Identified customer service improvement initiatives delivered.	100% of the project completed.	30-Jun-22	People and Business Performance	R1 - Reputation and goodwill
5.2.4	Provide an innovative booking program for use of Council facilities.	Implement the Bookable system including training for regular users and community.	100% of the project completed.	30-Dec-21	People and Business Performance	IA3 - Information and technology capacity and management

5.3 ACTIVELY ENGAGE WITH THE COMMUNITY TO INFORM COUNCIL DECISION MAKING PROCESSES.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
5.3.1	Develop a corporate communication strategy to clearly define the role and Council's approach to internal and external communication and a communication plan to put the strategy into actions.	Strategy developed and action plan for the delivery of external and internal communications developed and implemented.	50% of the project completed.	30-Jun-23	People and Business Performance	R1 - Reputation and goodwill

5.4 COMMIT TO OPEN AND ACCOUNTABLE GOVERNANCE TO ENSURE COMMUNITY CONFIDENCE AND TRUST IN COUNCIL AND OUR DEMOCRATIC VALUES.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
5.4.1	Prioritise and review Council's Local Laws to achieve a modern suit of legislative documents which are easy to understand, practical and relevant to the region.	Council's Local Laws prioritised and review commenced.	100% of the project completed.	30-Jun-22	People and Business Performance	FE2 - Decision making governance, due diligence, accountability and sustainability

5.5 PROMOTE A VALUES BASED CULTURE THAT APPRECIATES AND EMPOWERS ITS WORKFORCE.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
5.5.1	Develop and negotiate new Enterprise Bargaining Agreement for field and office based employees.	Agreements certified by the Queensland Industrial Relations Commission.	100% of the deliverable completed.	28-Feb-22	People and Business Performance	S1 - Strategic Workforce Planning and Management of Staff
5.5.2	Implement the recommendations of the organisational effectiveness review.	The recommendations of the organisational effectiveness review implemented on a priority basis.	50% of the project completed.	30-Jun-23	People and Business Performance	S1 - Strategic Workforce Planning and Management of Staff
5.5.3	Develop a Workforce Strategy to identify the strategic resource priorities and requirements of Council.	Workforce strategy developed.	100% of the project completed.	30-Jun-22	People and Business Performance	S1 - Strategic Workforce Planning and Management of Staff

5.6 PROVIDE LEADERSHIP AND CONTEMPORARY MANAGEMENT SYSTEMS THAT DRIVE A COORDINATED AND CONNECTED ORGANISATION.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
5.6.1	Undertake a restructure of the Infrastructure Group to a structure which enables a streamline process between design, delivery and construction.	Restructure of the Infrastructure Group completed and implemented.	100% of the project completed.	30-Jun-22	Infrastructure	S1 - Strategic Workforce Planning and Management of Staff

5.7 COMPLIANT WITH RELEVANT LEGISLATION.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
5.7.1	Ensure Council's SafePlan meets the five obligations identified by the LGW Mutual Self-Insurance Scheme and the international standard by: - undertaking a surveillance audit. - completing an annual report on the audit action plan.	Surveillance audit and annual report completed.	100% of the project completed.	30-Jun-22	People and Business Performance	WHS1 - Workplace Health and Safety

5.8 DELIVER RELIABLE INTERNAL SUPPORT SERVICES.

Reference	Operational Plan Deliverable	Performance Measurement	Milestone Target for 2021-2022	Final Completion Date	Responsibility	Key Risk Category
5.8.1	Implementation of web based customer request management system, enabling mobilisation and self-service.	The implementation of TechnologyOne CIA Customer Request Management module completed.	100% of the project completed.	30-Jun-22	People and Business Performance	IA3 - Information and technology capacity and management
5.8.2	Deliver the 2021 specific goals of the Information Communication and Technology (ICT) Strategy, including: - Implement Information Security Management System (ISMS).	Information, Communication and Technology Strategy goals completed.	100% of the project completed.	31-Dec-21	People and Business Performance	BC1 - Business Continuity and Systems





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7. MEETING CLOSED