

ROCKHAMPTON REGIONAL COUNCIL Budget 2021 - 2022





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2021/2022 BUDGET REPORT

Council and the Region continues to feel the effects of the COVID-19 Global Pandemic, as does Queensland and the rest of the country. Council acknowledges that although there is improvement in certain sectors of the economy, it is very aware that many continue to do it tough financially. Further, the Rockhampton region did not benefit from a great deal of summer rain and the Council area continues to be fully drought declared.

The 2020/2021 budget was the first time in seven years that Rockhampton Regional Council had adopted a deficit budget. Although Council has achieved an improved position as forecast in 2021/2022 budget, due to a number of new financial pressures, a deficit budget position of \$2.131 million will be adopted.

These new financial pressures include increased insurance costs, increased maintenance and depreciation costs on newly developed assets, increased costs of contracts and funding the costs of carting potable water to Mount Morgan, due to the ongoing drought conditions.

The impacts of the pandemic continue to be felt at the Rockhampton Airport, where there has been an increase in passenger numbers but not to pre-pandemic levels. It is not expected that passenger numbers will return to full activity levels until 2022/2023.

Council continues to invest in economic development and events, with the beginning of 2021 seeing the region play host to a number of successful events including RockyNats, Beef Australia and the Rocky River Run. There has been significant activity in the construction industry and the property market is buoyant, with the rental market experiencing record-low vacancy rates. All these factors are providing a boost to confidence in the region.

The 2021/2022 budget is very much about what Council must do in preparing our region for the future, by encouraging and supporting the opportunity to grow. Council's 2021/2022 Capital Works Program is focussed on these "must do" projects, with Council investing heavily in water and sewerage trunk infrastructure projects over the next several years, to ensure growth and sustainability of the region.

Early in 2021, Council adopted a number of Advocacy Priorities which captured both Council and Non-Council Projects. These Advocacy Priorities lay the platform for Council's long term planning and future budgets.

Council Projects

- Northern Suburbs Boundary Realignment
- South Rockhampton Flood Levee
- North Rockhampton Sewage Treatment Plant Augmentation
- Parkhurst Development Infrastructure
- Bulk Water Supply Infrastructure
- Airport Developments
- Pilbeam Theatre Redevelopment Design and Business Case
- Zoo and Botanic Gardens Redevelopment
- Glenroy Bridge Design and Business Cases
- North Rockhampton Multi-Sports Precinct
- Mount Morgan and Gracemere Pathways

Non-Council Projects

- Future Water Infrastructure Development
- State Development Area (or alternate support for industrial development)
- Tourism Facilities Developments
- Energy Precinct Development
- Defence Presence and Activities
- Health and Education Developments
- Capricorn Highway Upgrades and Rockhampton Ring Road
- Community Advocacy

2021/2022 Budget Key Points

- An operating deficit of \$2.131 million
- Typical Residential Ratepayer will experience a rate rise of 3.34%
- Continuation of Community Assistance Program with budget returned to pre-pandemic amount
- Concessions to pensioners, community groups and sporting clubs continued
- Council has commenced a program to achieve operational efficiencies, with some savings incorporated into the 2021/2022 budget. The aim is to achieve operational efficiencies over future years without the loss of existing services.
- Overtime and travel budgets have not returned to pre-pandemic levels
- Council's spend on Capital Projects continues to remain at a high level as per the past couple of years with a particular focus this year on trunk infrastructure projects for water and sewage assets
- Total Capital Expenditure of \$151.1 million with \$67.1 million funded by Capital Grants and Income
- Capital Budget key highlights:
 - Completion of Airport Terminal Refurbishment - \$3 million (\$2.359 million grant funds)
 - Airport – Alliance Hangar Works - \$26 million (\$25 million Federal grant)
 - Completion of Rockhampton Museum of Art (\$2.8 million) and finalisation of grant funding (\$6.76 million)
 - Continuation of North Rockhampton Sewage Treatment Plant augmentation with a budget of \$15 million out of a total budget of \$47.35 million project (\$5.1 million in grant funding)
 - Continuation of Glenmore Water Treatment Plant Electrical Upgrade \$9.5 million of a total \$17.13 million project
 - Commencement of Gracemere Sewage Treatment Plant \$0.4 million of a total \$14.8 million project
 - Completion of CBD Cultural Precinct Project \$2.027 million
 - Completion of design development for South Rockhampton Flood Levee \$0.4 million
 - Continuation of Solar Energy installation at Glenmore Water Treatment Plant \$3.36 million of an expanded \$3.985 million project (\$1.36 million in grant funding)
 - Rectification works to Riverside Boardwalk \$1.6 million (fully supported by \$1.6 million grant funding)
 - Parks New Works and Renewals \$2.335 million
 - Commencement of Pilbeam Theatre Business Case and Design for Redevelopment \$0.5 million of \$3 million project (subject to grant funding of \$2 million)
 - Continuation of Botanic Gardens and Zoo Redevelopment \$3.075 million (\$1.6 million grant funding) – project commitment of \$2 million per year on average for next 10 years
 - Initial commitment of \$0.5 million for Mount Morgan Pool refurbishment (subject to 50% grant funding) – overall project estimated at \$5 million
 - \$16.78 million on road renewal program, offset by \$3.93 million in grant funding
 - \$4.136 million on traffic facilities improvements

- Mount Morgan Water Security Business Case \$1 million (\$0.5 million in grant funding)
- Continuation of Life Extension to Lakes Creek Road Landfill \$2.632 million
- Commencement of Gracemere Waste Transfer Station Design & Construct \$1.07 million of a \$2.167 million project

Key Financial Information

Council's Operational Budget

The final budgeted position for the 2021/2022 is a deficit of \$2.131 million. Although this result is an improvement on last year's budgeted deficit of \$5.4 million, the expected turnaround from the impacts of COVID-19 and other impediments has not allowed Council to achieve the forecast surplus position as was predicted during last year's budget cycle.

It has been difficult to reach this budgeted position due to the various financial pressures Council has faced in the last 12 months. Council's Wider Leadership Team has worked collaboratively with Mayor and Councillors to review operational demands and reduce expenditure where possible, without the loss of services. It has resulted in the need to introduce some new fees and charges, such as Green Waste, and increase other fees and charges to offset unexpected cost increases.

The worsening crisis of the severe drought conditions impacting on the Mount Morgan water supply has required Council to take the action to cart water daily to supply the township. This has resulted in an unexpected additional cost to Council of over \$3.2 million if the water was required to be carted for the whole of 2021/2022. Council is pursuing financial assistance from the State Government, however as this funding is not yet guaranteed, the impact of this cost is significant on Council's operational result.

Operational Revenue

Rating

Rates and charges represent 73% of Council's total Operating Income. Council has tried to minimise an increase to rates and charges this year, however the additional financial pressures that Council is facing has required Council to impose an increase. There has been no valuation change to properties in the Rockhampton region, which has simplified the application of a rate increase across the region.

The overall average residential ratepayer has been impacted by a 3.34% increase to the total rates levied. This is made up of the following increases per line item on the rate notice:

Rate or Charge	Amount
General Rates	3.35%
Water Access	3.45%
Waste	3.39%
Sewerage	3.35%
Road Levy	2.22%
Environment Levy	10.0%
Overall typical Residential Ratepayer Increase	3.34%

The percentage increase to total rates paid will vary from property to property (particularly for non-residential properties) depending on the proportion of each of the charges.

It should be noted that increases have been applied to the Road Levy and Environment Levy, which have not changed since the 2016/2017 budget period.

	2020/2021		2021/2022		Var \$	Var %
Valuation	\$ 109,755.00		\$ 109,755.00		\$ -	0
RID	0.01163647		0.01202581		\$ 0.00038934	3.35%
General Rate	\$ 1,277.16		\$ 1,319.89		\$ 42.73	3.35%
Charges						
Water Access	\$ 406.00		\$ 420.00		\$ 14.00	3.45%
Water Charges 300 kL	\$ 246.00		\$ 255.00		\$ 9.00	3.66%
Domestic Waste	\$ 443.00		\$ 458.00		\$ 15.00	3.39%
Sewerage	\$ 656.00		\$ 678.00		\$ 22.00	3.35%
Road Levy	\$ 450.00		\$ 460.00		\$ 10.00	2.22%
Env Levy	\$ 50.00		\$ 55.00		\$ 5.00	10.00%
Total Charges	\$ 2,251.00		\$ 2,326.00		\$ 75.00	3.33%
Total Levy	\$ 3,528.16		\$ 3,645.89		\$ 117.73	3.34%

Fees and Charges

Fees and Charges make up 13% of Council's total operational revenue. The fees and charges are reviewed annually as part of the budget process. The schedule of fees and charges was adopted by Council on 8 June 2021.

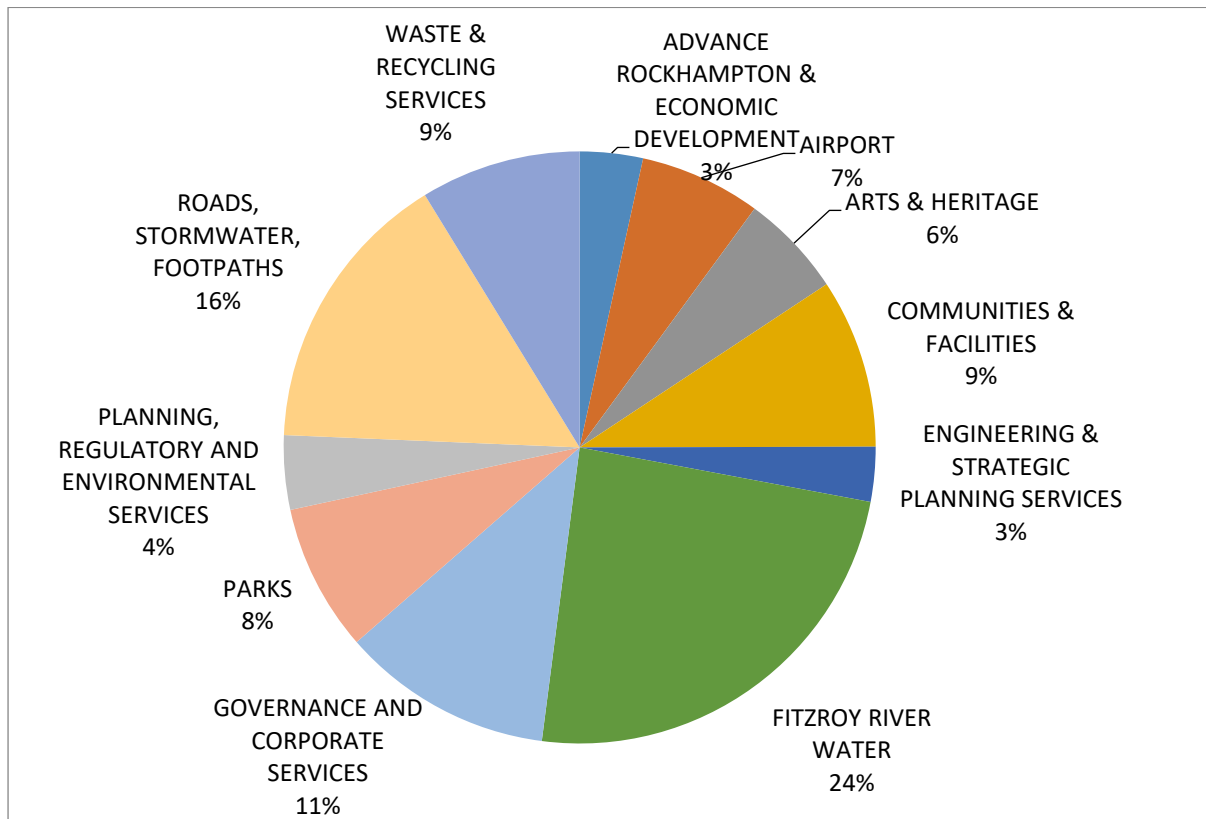
Operational Expenses

Council's operational expenses have been scrutinised closely through the budget process and as identified previously operational efficiency targets have been set to achieve savings in this budget year and future years.

Total operational expenditure for the year is budgeted at \$222 million, which is an increase of 5.4% on the previous year. These increases have aligned with increased costs to some Council services as operations return to pre-pandemic levels, together with the additional financial pressures that Council is faced with such as increased insurance costs and the unexpected cost of carting water to Mount Morgan.

The expenditure is allocated across Council functions as shown below:

2021/2022 Operational Expenditure by key area

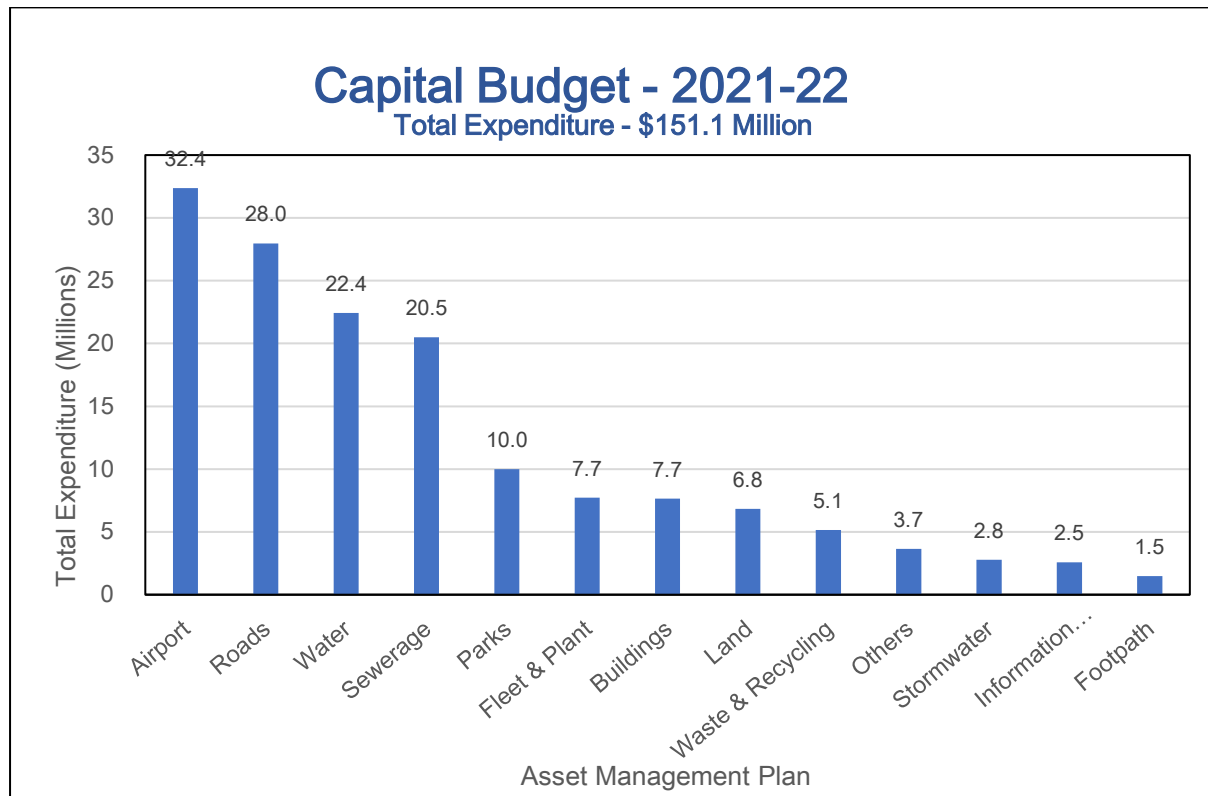


Capital Expenditure and associated funding

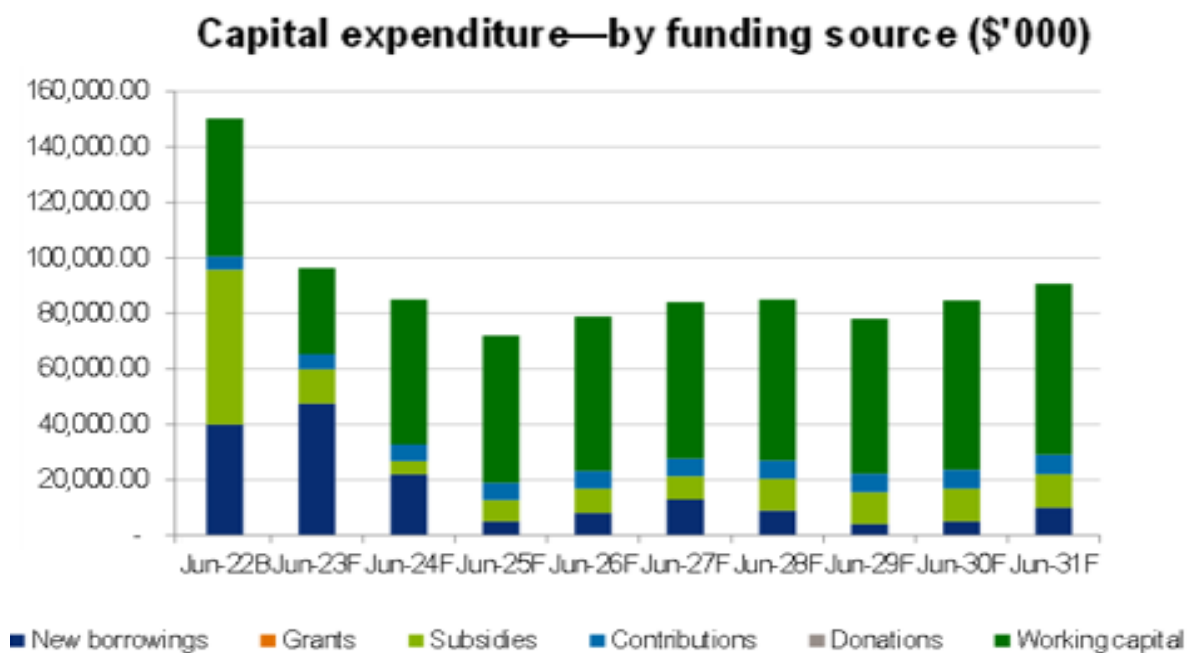
As has been the case in the past couple of years, the Capital Program remains at a high level of expenditure, with an estimated forecast spend for 2021/2022 of \$151.1 million, which will be offset by subsidies and other income in the amount of \$67.1 million.

As stated above in the Capital Budget key highlights, Council is embarking on some major infrastructure upgrades and augmentation which will help to support the future growth and improve the sustainability of our region. Other major transformational projects, such as the Rockhampton Museum of Art and the Airport, will be completed in 2021/2022. During the construction period, these projects have provided a much needed economic stimulus to the region and the positive impacts flowing from these projects will continue long into the future.

The Capital Expenditure program across the asset classes is represented below:



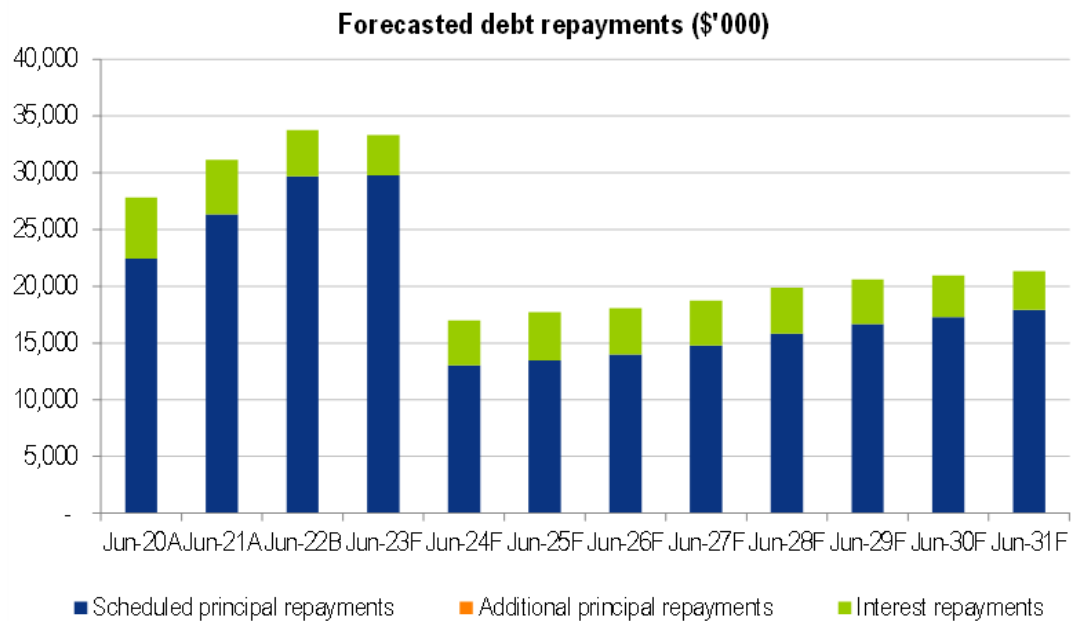
As identified above, the funding for the 2021/2022 capital program is a mix of subsidies (\$60.6 million), loan borrowings (\$40 million), capital income (\$6.5 million) and Council's cash (\$44 million).



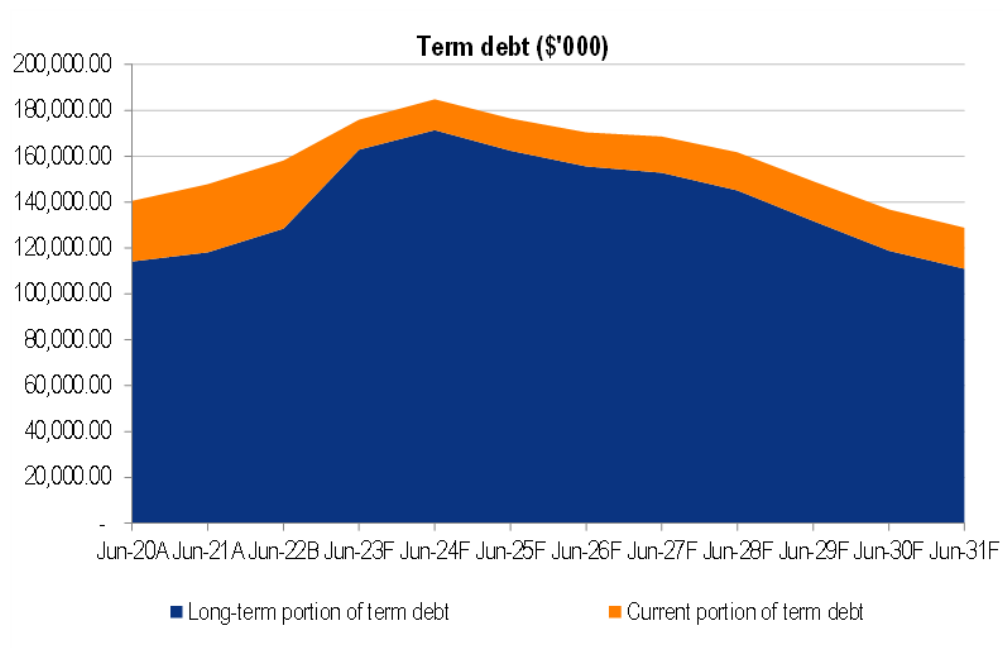
Strategy for Debt

In 2016, Council made a commitment to a faster repayment plan of its existing debt with a view to making savings in interest expense. The weighted average interest rate on Council's existing debt at that stage was 5.75% when compared with new loans that were less than 4%. It was estimated that by reducing the loan term from 20 years to 8 years, the saving in interest was \$8.4 million over the term of the loan. Shortening the term resulted in a higher short term commitment to loan repayments and a reduced debt service cover ratio. This accelerated debt program is due to complete by the end of the 2023 calendar year.

The following graph show how the repayment of debt drops substantially from 2022/2023.



The following graph shows the proportion of loan principal that is being repaid each year. As the current portion of term debt becomes higher, the debt service ratio becomes less.



Council's future borrowings are formally adopted within the Debt (Borrowings) Policy.

Movement in Debt

The following table show historic debt levels as well as the debt forecast for the 2021/2022 Budget year. The future debt levels are shown in the graph above.

Year Ended	Total Loans Outstanding \$'000	Comments
30 June 2013	160,603	
30 June 2014	157,903	A reduction of \$2.7 million
30 June 2015	156,180	A reduction of \$1.7 million
30 June 2016	154,032	A reduction of \$2.1 million
30 June 2017	143,180	A reduction of \$10.85 million.
30 June 2018	123,959	A reduction of \$19.12 million.
30 June 2019	119,041	A reduction of \$4.92 million Original budget planned to borrow \$54.6 million in 2018/19, however this has been revised down to \$15.45 million, the majority has been deferred to the 2019/20 year
30 June 2020	140,521	An increase of \$21.5 million. The full amount that was budgeted to be borrowed was drawn. Even though Capital Budgets were not fully spent by 30 June 2020, the full amount was borrowed to ensure that Council has significant cash holdings at the commencement of the Financial Year as significant capital projects were in progress. By drawing down the full amount, Council also took advantage of the low interest rate environment at the time.
30 June 2021	147,929	An increase of \$7.4 million. Original budget planned to borrow \$55.65 million in 2020/2021, however this has been revised down to \$33.65 million, with a significant portion of the original capital program of \$170.6 million being deferred to the 2021/2022 financial year.
30 June 2022	158,254	An increase of \$10.3 million. Council is continuing to deliver a very large adopted capital program of \$151.1 million. Planned borrowings for the year are budgeted at \$40 million. Any shift forward in the timing of the capital program will mean that loans are shifted forward also.

Each year Council sets its Capital Expenditure targets in budget. Throughout the year, there are many impacts such as scope, timing, other funding available and design changes which can alter the delivery of the capital program. When projects are deferred, the loan funds are deferred also.

Long Term Financial Forecast

With each Budget adoption and revision, Council adopts a Long Term Financial Forecast (LTFF). Council uses this future forecast when planning capital projects and making decisions around operations.

Council's future financial position is reported in the Financial Statements, however this summary provides some commentary on the forecast for the next 10 year period as well as key assumptions made.

The LTFF is built within the custom model provided by the Queensland Treasury Corporation. This model is submitted annually to the Department of Local Government, Racing and Multicultural Affairs and receives scrutiny as part of Council's future loan applications.

The LTFF provides for natural price increases such as the Consumer Price Index, however for Council operations most costs move at an index referred to as the Council Cost Index. Council has assumed that costs will increase by 2% each year into the future.

A large part of Council operations depends upon population growth and property growth. The Queensland Government Statisticians office projects that the Rockhampton Region will grow by approximately 1% each year in population. It is assumed therefore that rateable properties will grow by 0.5% for 2021/2022 and then 1% from 2022/2023 onwards. It is assumed that our organisation will match the same growth.

Council's enterprise agreement is provided for in the forecast within employee costs. For the 2021/2022 year, the projected increase is between 2.20 % and 2.55%, with future increases currently forecast at 2%. Council has commenced negotiations around the establishment of a new enterprise agreement, which will need to commence from 1 July 2022, so there may need to be an adjustment to this growth assumption next year.

Capital Projects are individually listed and itemised in detail for the immediate 3 years. Beyond year 3, the Capital program is largely formed from allocations within the Asset Management Plans and Local Government Infrastructure Plan and associated projects. Beyond the immediate three year period, the level of Capital Grants budgeted drops as there is no certainty around the receipt of future grants.

Known extra costs over and above inflation are also provided for, such as future costs of elections which are held every four years.

The LTFF model provides estimates for Interest Revenue and Interest Expense based upon current interest rates and also provides full Financial Key Performance Indicators to ensure that Council is budgeting to be financially sustainable.

Council's Forward Operating Position

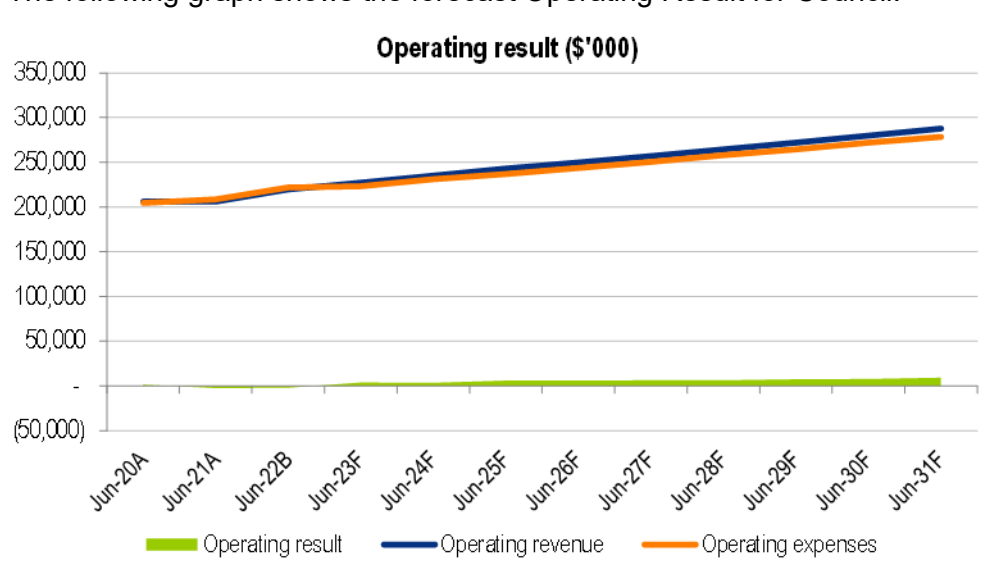
The Statement of Comprehensive Income provides forecast Revenue and Expenditure. The key performance aspect of this statement is that expenses do not exceed forecast revenue. In 2021/2022 Council has budgeted for an operating deficit, for a second consecutive year. The deficit of \$2.131 million is an improvement on the 2020/2021 deficit of \$5.4 million, however when Council adopted the 2020/2021 budget, it was forecast that Council would return to surplus in 2021/2022. The impacts of COVID-19 have been far-reaching on Council's financial position and coupled with new financial pressures, reaching a surplus position has been delayed by a year.

Where losses occur, it is an indicator that the current generation of ratepayers are not meeting full operating costs. There has been no decision by Council to cut services, however management has been tasked with identifying and achieving future operational efficiencies. In the event that further operational efficiencies cannot be achieved, there may need to be consideration given to rationalising services in certain areas.

It is currently modelled that Council's forecast operating surplus for 2022/2023 will grow over time. By increasing surplus amounts, these funds accumulated can be directed to debt reduction or to provide a buffer against future unexpected financial shocks, for instance insurance increases or the costs associated with carting water for Mount Morgan, which was not anticipated as a future expense for Council.

Council's total income also includes the capital grants that are expected to be received. In the short term (2021/2022 and 2022/2023), Council expects to receive \$78.4 million in capital grants and contributions. These grants are attributable to carry overs of capital grants for the Rockhampton Museum of Art and the Airport, together with some new approved grants, such as Works for Queensland. Post 2022/2023, the capital grants and contributions reduce considerably. Council continues to advocate with other levels of Government for access to capital funding programs which will assist the region.

The following graph shows the forecast Operating Result for Council.



Council's Balance Sheet – Statement of Financial Position

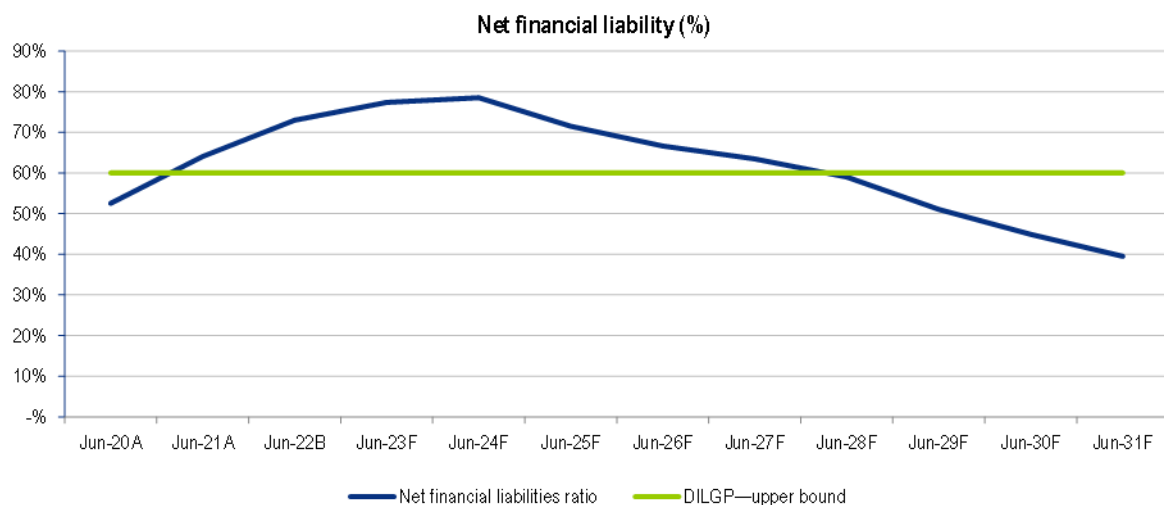
The Statement of Financial Position shows Council's Assets and Liabilities over the forecast period as well as Community Equity. Ideally Council's Community Equity improves year on year. If the Statement of Comprehensive is showing a surplus, it follows that Community Equity will increase.

The model allocates a level of short term debtors, depending on the level of Revenue as well as any amount for Trade and Other Payables. This allows Council to manage its forward cash holdings. Any temporary surplus in Cash Holdings is managed in line with Council's Investment Policy which minimises Council's financial exposure.

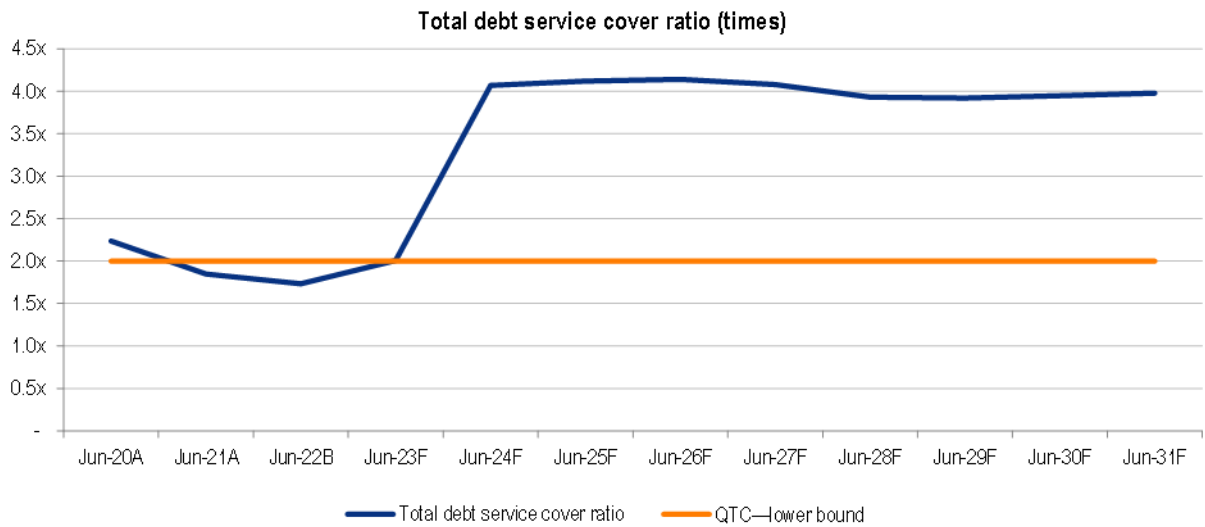
Any Capital Expenditure that is forecast, results in an improvement in Property, Plant and Equipment values and will then flow into annual depreciation. There is also an allowance for price increases in Non-Current Asset Valuations.

The provisions shown on Council's Statement of Financial Position relate to: (1) employee leave entitlements; and (2) Council's obligation for remediation of landfills and quarries. These represent Council's obligation if we had to 'pay up' on the reporting date. It is, however, Council's position that it plans for longevity and that the actual payment of employee leave entitlements will happen with natural turnover. Similarly, the remediation obligations will occur when the need for remediation arises, not all in a single financial year.

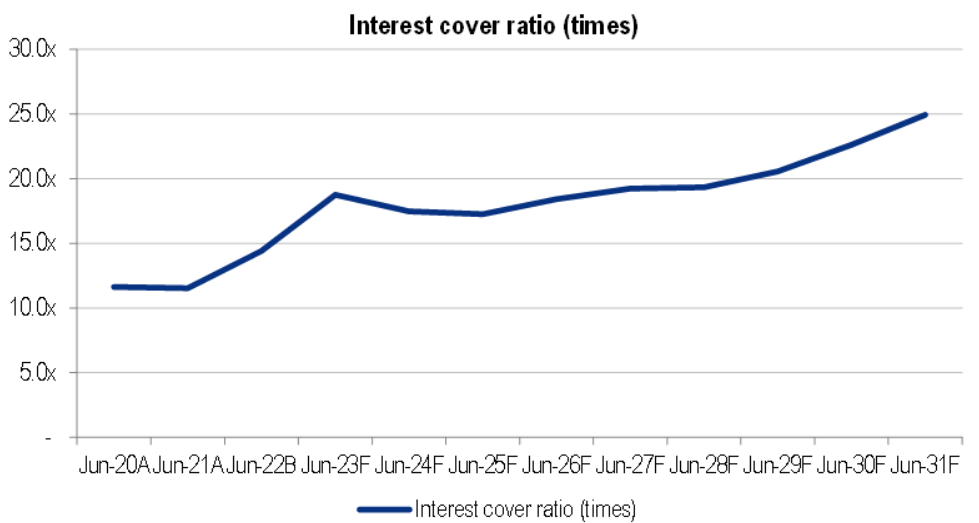
The Net Financial Liabilities Ratio is equal to total liabilities less current assets as a percentage of Operating Revenue. In budget, Council has periods where the indicator is above the upper bound set by the Department of Local Government, Racing and Multicultural Affairs. In recent years, the actual results have always been better than budget as a result of conservative budgeting.



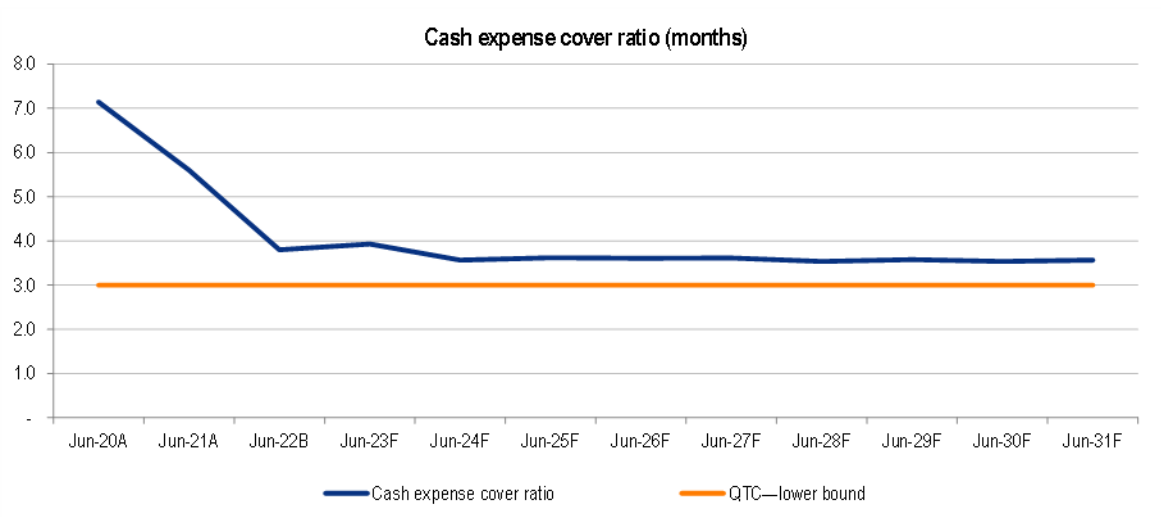
The Total Debt Service Cover Ratio shows interest expense and loan repayments as a percentage of Operating Result before Depreciation and Interest. Debt Service Cover is one of the Key Financial Ratios that monitors Council's required loan repayments as a portion of Cash Flows. As the repayments increase, the ratio decreases. As a guide, the Debt Service Ratio should be not less than two times. The Queensland Treasury Corporation benchmark is two and Council's forecast is close to being within the appropriate range. Further commentary is provided in the section titled "Strategy for Debt".



Council does not meet the benchmark indicator in the short term until 2023/2024 as a direct result of the accelerated loan repayment strategy. This indicator should be read in conjunction with the Interest Coverage Ratio, which is improving in the forecast period. The Interest Coverage Ratio indicates the ability of Council to pay interest costs on loans from its operating revenues. Queensland Treasury Corporation has a target of four and Council is well above this target.



The Cash Expense Cover Ratio shows the number of months of operating expenditure (excluding depreciation and finance costs) covered by Council's cash holdings. Council's cash holdings runs close to the benchmark due to limiting debt-financing wherever possible over the forecast term.

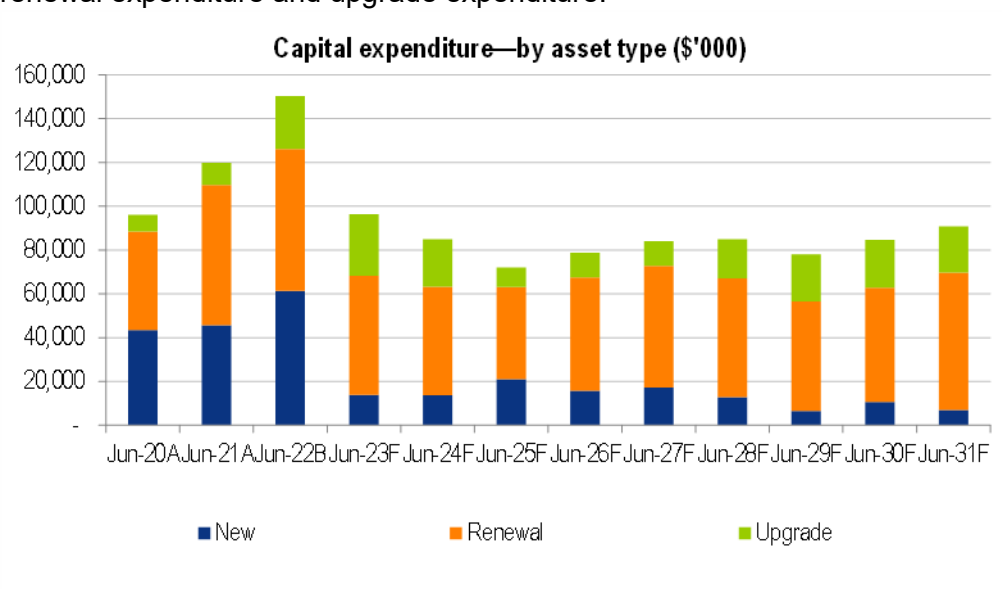


Asset Sustainability

With close to \$2.8 billion worth of assets deployed in the provision of services to our community, much of what Council does rests with the maintenance and replacement of these assets. Each year as part of the Annual Budget process, there are critical reviews of the highest needs across the asset classes. Renewals are not always the same amount each year depending on the asset renewal that is due.

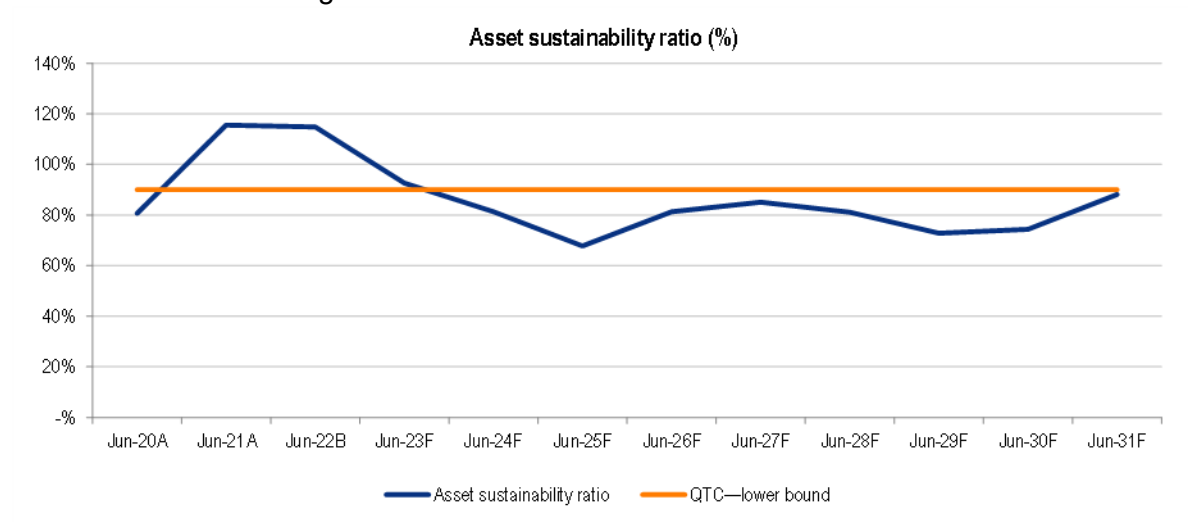
Overall, Council is aiming to maintain the condition of its assets and ensure the risk of any asset in poor condition is managed adequately. Council has Asset Management Plans for infrastructure assets that provide more detail around the renewal requirements and condition of assets.

The following graph shows Council's Capital Expenditure broken up into new expenditure, renewal expenditure and upgrade expenditure.



The following graph shows Council's renewal expenditure compared to depreciation expense (a measure of the consumption or using up of assets). The Department of Local Government, Racing and Multicultural Affairs sets a benchmark that renewal expenditure should meet 90% of depreciation expense. Council's average renewal expenditure across

the forecast period is slightly below this benchmark at 84%, however the overall spending on assets is well above these levels. In other words, Council has deemed that new infrastructure has the higher need at that time.



2021/2022 Budget Impact on Longer Term Financial Forecast

Compared to the 2020/2021 Budget, the graphs and indicators shown in this document have not altered substantially, with marginal improvements in some areas and worsening outcomes in other areas, such as the Net Financial Liability Ratio. This would be the case for many government bodies and commercial businesses, particularly considering the impacts the economy has sustained from the COVID-19 pandemic.

Key Performance Indicators

With each budget and any budget amendment, the following key Financial Ratios are reported. In summary of the information provided in the graphs above, an explanation of what is impacting on the indicators is provided also:

Ratio	Definition	Benchmark	2021/22 Draft Budget 2021/22 Year	2021/22 Draft Budget - Forecast Period
Operating margin	Operating results / operating revenue	Between 0% and 10%	-1.0%	2.1% Average
<i>An small operating deficit is forecast for 2021/22 in part due to the continuing financial impacts of COVID-19. Small but increasing operating surpluses are forecast for the remainder of the 10 year forecast period.</i>				
Own source operating revenue	(Net rates, levies and charges + total fees and charges) / total operating revenue	Greater than 60%	85.7%	86.5% Average
<i>Council continues to utilise rate revenue as its main source of income. If economic growth improves, this percentage will decline slightly as Fees and Charges revenue is expected to increase with economic activity.</i>				
EBITDA interest cover	Operating results before interest and depreciation (EBITDA) / interest expense	Greater than 4 times	14.4 times	Average 19.3 times
<i>A strong result on this indicator as Interest Expense is forecast to decrease over the ten year forecast period.</i>				
Total debt service cover	(Net operating result + depreciation & amortisation + interest expense) / (interest expense + prior year current interest bearing liabilities)	Greater than 2 times	1.7 times	Average 3.6 times
<i>See commentary provided under heading of 'Strategy for Debt'.</i>				
Cash expense cover	Current year's cash and cash equivalents balance / (total recurrent expenses – depreciation and amortisation – finance costs charged by QTC – interest paid on overdraft) *12	Greater than 3 months	3.8 months	Average 3.6 months
<i>Council is aiming to keep its cash holdings slightly above the required benchmark over the forecast period.</i>				
Current ratio	Current year's total current assets / current year's total current liabilities (Department of Local Government guidelines are between 1 and 4 times)	Greater than 1 times	1.1 times	Average 1.4 times
<i>This ratio is monitored and maintained above the target.</i>				
Capital expenditure ratio	Annual capital expenditure / annual depreciation	Greater than 1.1 times	2.6 times	Average 1.4 times
<i>A healthy position that is the result of a large Capital program in Years 1 to 3.</i>				
Net Financial Assets/Liabilities ratio	(Total Liabilities - Current Assets) / Total Operating Revenue (%)	Less than 60%	73.0%	62.5% Average
<i>This ratio is above the benchmark threshold in early years. In the outer years, the ratio substantially improves as a number of loans are repaid and operating revenue increases.</i>				
Asset Sustainability Ratio	Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense (%)	Greater than 90%	114.8%	83.9% Average
<i>The average of this ratio over the ten year forecast period is slightly below the benchmark, due to the spend on new or upgraded major assets to provide for the region's future growth.</i>				

Credit Review Process

The Department of Local Government, Racing and Multicultural Affairs will from time to time request that the Queensland Treasury Corporation perform a Credit Review of Council to evaluate Council's:

- Current financial position
- Ongoing financial viability
- Borrowing capacity for individual projects and overall businesses
- Debt funding requirements
- Financial targets and strategies to achieve those targets.

Council is considered a "Tier 2" Council as it has borrowings of between \$20 million and \$200 million and as a result, it is subject to a Credit Review every two years, with a review conducted during 2020/2021. Council's previous Credit Review was undertaken during the 2018/2019 financial year and the rating of Moderate with a Neutral Outlook has remained unchanged from the previous review.

A Moderate rating means that the Local Government's capacity to meet its financial commitments is moderate in the short to medium term but is at an acceptable level 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 existing financial performance is consistent with the assigned rating. There are no known foreseeable events that would have a direct impact on the Local Government's capacity to meet its financial commitments. There is a low likelihood of a rating change over a one to two year period.

Conclusion

This report has provided the major budget highlights as well as key financial information to support the Financial Statements being adopted and the background and results of the Long Term Financial Forecast.

The 2021/2022 budget focuses on the commencement of big infrastructure projects and those projects that Council "must do" to ensure growth and sustainability of the region in the future. Expenditure on capital works remains at a high level to deliver essential asset upgrades and renewals. A significant amount of effort has gone into finding operational efficiencies in the budget, but there is a considerable way to go and this year's budget is laying the platform for the journey that is ahead. Our region has the opportunity to prosper and grow and this budget will provide the building blocks to support the forecast economic improvement in future years.

ROCKHAMPTON REGIONAL COUNCIL

Statement of Income and Expenditure

	2020-2021 Forecast \$000	2021-2022 \$000	2022-2023 \$000	2023-2024 \$000
Income				
Revenue				
Operating revenue				
Rates and utility charges excluding discounts and rebates	169,380	176,411	183,466	188,969
Less rebates and discounts	(16,604)	(15,716)	(16,344)	(16,835)
Fees and charges	23,253	27,688	28,581	30,717
Rental income	3,011	3,332	3,398	3,466
Interest received	733	744	938	1,080
Sales revenue	6,179	6,293	6,419	6,547
Other income	6,296	7,197	7,341	7,488
Grants, subsidies, contributions and donations	13,970	13,908	13,337	13,604
Total operating revenue	206,217	219,857	227,136	235,036
Capital revenue				
Government subsidies and grants—capital	40,810	55,787	12,331	4,725
Contributions from developers	1,966	4,838	5,508	6,086
Grants, subsidies, contributions and donations	42,776	60,625	17,839	10,812
Total revenue	248,993	280,482	244,975	245,848
Capital income	-	4,742	-	-
Total income	248,993	285,224	244,975	245,848
Expenses				
Operating expenses				
Employee benefits	83,632	89,495	92,778	95,552
Materials and services	63,398	70,542	66,508	69,271
Finance costs	5,414	4,620	3,930	4,331
Depreciation and amortisation	55,851	56,813	59,437	61,625
Other expenses	494	519	534	551
Total operating expenses	208,789	221,988	223,188	231,330
Capital expenses	-	-	-	-
Total expenses	208,789	221,988	223,188	231,330
Net result	40,204	63,236	21,787	14,518
Operating result				
Operating revenue	206,217	219,857	227,136	235,036
Operating expenses	208,789	221,988	223,188	231,330
Operating result	(2,572)	(2,131)	3,948	3,706

Estimated costs of significant business activities (included in above figures)

Significant business activities carried on using a full cost pricing basis	-	-	-	-
Commercial business units:				
Fitzroy River Water	36,004	37,989	35,307	36,393
Rockhampton Airport	13,608	14,477	15,178	15,467
Waste and Recycling	19,661	20,966	21,475	22,186
Significant business activities	-	-	-	-

Statement of Financial Position

	2020-2021 Forecast \$000	2021-2022 \$000	2022-2023 \$000	2023-2024 \$000
Assets				
Current assets				
Cash and cash equivalents	69,045	50,958	52,451	49,223
Trade and other receivables	16,889	18,009	18,592	19,177
Inventories	1,906	1,906	1,906	1,906
Other current assets	1,549	1,549	1,549	1,549
Non-current assets held for sale	160	160	160	160
Total current assets	89,548	72,581	74,657	72,015
Non-current assets				
Property, plant & equipment	2,648,867	2,790,640	2,882,171	2,962,882
Other non-current assets	2,537	3,393	3,118	2,774
Total non-current assets	2,651,404	2,794,034	2,885,288	2,965,655
Total assets	2,740,953	2,866,615	2,959,945	3,037,670
Liabilities				
Current liabilities				
Trade and other payables	21,536	23,540	23,094	23,867
Borrowings	29,816	29,820	13,077	13,501
Provisions	14,126	13,976	17,352	14,240
Other current liabilities	292	292	292	292
Total current liabilities	65,769	67,628	53,815	51,900
Non-current liabilities				
Trade and other payables	918	918	918	918
Borrowings	118,114	128,434	162,914	171,439
Provisions	25,485	24,781	21,406	21,006
Other non-current liabilities	11,339	11,339	11,339	11,339
Total non-current liabilities	155,855	165,471	196,576	204,701
Total liabilities	221,624	233,099	250,390	256,601
Net community assets	2,519,328	2,633,516	2,709,555	2,781,069
Community equity				
Asset revaluation surplus	1,002,962	1,053,914	1,108,166	1,165,162
Retained surplus	1,516,367	1,579,602	1,601,389	1,615,907
Total community equity	2,519,328	2,633,516	2,709,555	2,781,069

Statement of Cash Flows

	2020-2021 Forecast \$000	2021-2022 \$000	2022-2023 \$000	2023-2024 \$000
Cash flows from operating activities				
Receipts from customers	192,401	200,872	208,839	216,324
Payments to suppliers and employees	(151,650)	(159,094)	(160,627)	(164,969)
Interest received	537	744	938	1,080
Rental income	3,103	3,283	3,393	3,462
Non-capital grants and contributions	14,266	13,838	13,384	13,585
Borrowing costs	(4,803)	(4,078)	(3,569)	(3,963)
Payment of provision	(702)	(854)	-	(3,512)
Net cash inflow from operating activities	53,348	54,712	62,358	62,008
Cash flows from investing activities				
Payments for property, plant and equipment	(119,117)	(148,879)	(96,091)	(84,297)
Payments for intangible assets	(634)	(1,368)	(349)	(699)
Proceeds from sale of property, plant and equipment	-	6,500	-	-
Grants, subsidies, contributions and donations	42,776	60,625	17,839	10,812
Net cash inflow from investing activities	(76,976)	(83,123)	(78,602)	(74,184)
Cash flows from financing activities				
Proceeds from borrowings	33,650	40,000	47,500	22,000
Repayment of borrowings	(26,335)	(29,675)	(29,763)	(13,051)
Net cash inflow from financing activities	7,315	10,325	17,737	8,949
Total cash flows				
Net increase in cash and cash equivalent held	(16,312)	(18,087)	1,493	(3,227)
Opening cash and cash equivalents	85,357	69,045	50,958	52,451
Closing cash and cash equivalents	69,045	50,958	52,451	49,223

Statement of Changes in Equity

	2020-2021 Forecast \$000	2021-2022 \$000	2022-2023 \$000	2023-2024 \$000
Asset revaluation surplus				
Opening balance		1,002,962	1,053,914	1,108,166
Increase in asset revaluation surplus		50,952	54,252	56,996
Closing balance	1,002,962	1,053,914	1,108,166	1,165,162
Retained surplus				
Opening balance		1,516,367	1,579,602	1,601,389
Net result		63,236	21,787	14,518
Closing balance	1,516,367	1,579,602	1,601,389	1,615,907
Total				
Opening balance		2,519,328	2,633,516	2,709,555
Net result		63,236	21,787	14,518
Increase in asset revaluation surplus		50,952	54,252	56,996
Closing balance	2,519,328	2,633,516	2,709,555	2,781,069

**LONG TERM FINANCIAL FORECAST
ROCKHAMPTON REGIONAL COUNCIL**

Statement of Income and Expenditure

	2021-2022 \$000	2022-2023 \$000	2023-2024 \$000	2024-2025 \$000	2025-2026 \$000	2026-2027 \$000	2027-2028 \$000	2028-2029 \$000	2029-2030 \$000	2030-31 \$000
Income										
Revenue										
Operating revenue										
Rates and utility charges excluding discounts and rebates	176,411	183,466	188,969	195,581	201,447	207,490	213,713	220,124	226,726	233,527
Less rebates and discounts	(15,716)	(16,344)	(16,835)	(17,424)	(17,947)	(18,485)	(19,040)	(19,611)	(20,199)	(20,805)
Fees and charges	27,688	28,581	30,717	31,638	32,587	33,565	34,572	35,609	36,677	37,777
Rental income	3,332	3,398	3,466	3,536	3,606	3,678	3,752	3,827	3,904	3,982
Interest received	744	938	1,080	1,482	1,506	1,516	1,585	1,659	1,697	1,710
Sales revenue	6,293	6,419	6,547	6,678	6,812	6,948	7,087	7,228	7,373	7,520
Other income	7,197	7,341	7,488	7,638	7,790	7,946	8,105	8,267	8,433	8,601
Grants, subsidies, contributions and donations	13,908	13,337	13,604	13,876	14,154	14,437	14,726	15,020	15,321	15,627
Total operating revenue	219,857	227,136	235,036	243,005	249,956	257,095	264,500	272,124	279,931	287,939
Capital revenue										
Government subsidies and grants—capital	55,787	12,331	4,725	7,765	8,921	8,299	11,421	11,621	11,883	12,090
Contributions from developers	4,838	5,508	6,086	6,208	6,332	6,459	6,588	6,720	6,854	6,991
Grants, subsidies, contributions and donations	60,625	17,839	10,812	13,973	15,253	14,758	18,009	18,341	18,737	19,082
Total revenue	280,482	244,975	245,848	256,978	265,210	271,853	282,509	290,465	298,668	307,021
Capital income	4,742	-	-	-	-	-	-	-	-	-
Total income	285,224	244,975	245,848	256,978	265,210	271,853	282,509	290,465	298,668	307,021
Expenses										
Operating expenses										
Employee benefits	89,495	92,778	95,552	98,409	101,352	104,382	107,503	110,718	114,029	117,439
Materials and services	70,542	66,508	69,271	70,591	72,725	75,124	77,811	79,524	82,129	84,406
Finance costs	4,620	3,930	4,331	4,609	4,451	4,369	4,442	4,334	4,071	3,831
Depreciation and amortisation	56,813	59,437	61,625	62,754	64,609	66,229	67,686	69,353	71,080	72,144
Other expenses	519	534	551	567	584	602	620	639	658	678
Total operating expenses	221,988	223,188	231,330	236,930	243,721	250,707	258,063	264,567	271,967	278,498
Capital expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	221,988	223,188	231,330	236,930	243,721	250,707	258,063	264,567	271,967	278,498
Net result	63,236	21,787	14,518	20,048	21,489	21,146	24,447	25,897	26,701	28,523
Operating result										
Operating revenue	219,857	227,136	235,036	243,005	249,956	257,095	264,500	272,124	279,931	287,939
Operating expenses	221,988	223,188	231,330	236,930	243,721	250,707	258,063	264,567	271,967	278,498
Operating result	(2,131)	3,948	3,706	6,076	6,235	6,388	6,437	7,556	7,964	9,441

Statement of Financial Position

	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets										
Current assets										
Cash and cash equivalents	50,958	52,451	49,223	51,203	52,619	54,357	54,884	57,051	58,143	60,257
Trade and other receivables	18,009	18,592	19,177	19,851	20,421	21,006	21,550	22,230	22,869	23,526
Inventories	1,906	1,906	1,906	1,906	1,906	1,906	1,906	1,906	1,906	1,906
Other current assets	1,549	1,549	1,549	1,549	1,549	1,549	1,549	1,549	1,549	1,549
Non-current assets held for sale	160	160	160	160	160	160	160	160	160	2,159
Total current assets	72,581	74,657	72,015	74,669	76,654	78,978	80,049	82,896	84,626	89,397
Non-current assets										
Property, plant & equipment	2,790,640	2,882,171	2,962,882	3,031,601	3,107,563	3,189,943	3,274,877	3,353,431	3,439,830	3,531,735
Other non-current assets	3,393	3,118	2,774	2,828	3,086	3,153	2,858	2,945	2,717	2,839
Total non-current assets	2,794,034	2,885,288	2,965,655	3,034,429	3,110,648	3,193,095	3,277,735	3,356,376	3,442,547	3,534,573
Total assets	2,866,615	2,959,945	3,037,670	3,109,098	3,187,302	3,272,074	3,357,784	3,439,272	3,527,173	3,623,970
Liabilities										
Current liabilities										
Trade and other payables	23,540	23,094	23,867	24,503	25,240	26,037	26,826	27,585	28,453	29,269
Borrowings	29,820	13,077	13,501	14,025	14,798	15,844	16,699	17,297	17,958	17,874
Provisions	13,976	17,352	14,240	13,976	13,976	13,976	16,093	13,976	13,976	14,976
Other current liabilities	292	292	292	292	292	292	292	292	292	292
Total current liabilities	67,628	53,815	51,900	52,797	54,305	56,149	59,910	59,151	60,678	62,410
Non-current liabilities										
Trade and other payables	918	918	918	918	918	918	918	918	918	918
Borrowings	128,434	162,914	171,439	162,420	155,633	152,807	145,121	131,829	118,880	111,021
Provisions	24,781	21,406	21,006	20,989	20,989	20,989	18,872	18,558	18,558	17,558
Other non-current liabilities	11,339	11,339	11,339	11,339	11,339	11,339	11,339	11,339	11,339	11,339
Total non-current liabilities	165,471	196,576	204,701	195,666	188,879	186,053	176,249	162,643	149,693	140,835
Total liabilities	233,099	250,390	256,601	248,463	243,184	242,202	236,159	221,794	210,371	203,245
Net community assets	2,633,516	2,709,555	2,781,069	2,860,635	2,944,118	3,029,871	3,121,624	3,217,478	3,316,801	3,420,725
Community equity										
Asset revaluation surplus	1,053,914	1,108,166	1,165,162	1,224,680	1,286,674	1,351,281	1,418,587	1,488,544	1,561,166	1,636,567
Retained surplus	1,579,602	1,601,389	1,615,907	1,635,955	1,657,444	1,678,590	1,703,037	1,728,934	1,755,635	1,784,158
Total community equity	2,633,516	2,709,555	2,781,069	2,860,635	2,944,118	3,029,871	3,121,624	3,217,478	3,316,801	3,420,725

Statement of Cash Flows

	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities										

Receipts from customers	200,872	208,839	216,324	223,468	230,149	236,907	243,919	250,972	258,402	265,995
Payments to suppliers and employees	(159,094)	(160,627)	(164,969)	(169,306)	(174,308)	(179,702)	(185,544)	(190,528)	(196,363)	(202,130)
Interest received	744	938	1,080	1,482	1,506	1,516	1,585	1,659	1,697	1,710
Rental income	3,283	3,393	3,462	3,529	3,601	3,673	3,747	3,820	3,897	3,975
Non-capital grants and contributions	13,838	13,384	13,585	13,851	14,131	14,414	14,705	14,993	15,296	15,602
Borrowing costs	(4,078)	(3,569)	(3,963)	(4,233)	(4,068)	(3,979)	(4,044)	(3,928)	(3,657)	(3,408)
Payment of provision	(854)	-	(3,512)	(280)	-	-	-	(2,432)	-	-
Net cash inflow from operating activities	54,712	62,358	62,008	68,511	71,012	72,829	74,368	74,557	79,273	81,744
Cash flows from investing activities										
Payments for property, plant and equipment	(148,879)	(96,091)	(84,297)	(71,424)	(77,882)	(83,269)	(84,636)	(77,256)	(84,164)	(89,984)
Payments for intangible assets	(1,368)	(349)	(699)	(586)	(952)	(800)	(383)	(781)	(465)	(786)
Proceeds from sale of property, plant and equipment	6,500	-	-	-	-	-	-	-	-	-
Grants, subsidies, contributions and donations	60,625	17,839	10,812	13,973	15,253	14,758	18,009	18,341	18,737	19,082
Net cash inflow from investing activities	(83,123)	(78,602)	(74,184)	(58,037)	(63,581)	(69,311)	(67,010)	(59,696)	(65,892)	(71,688)
Cash flows from financing activities										
Proceeds from borrowings	40,000	47,500	22,000	5,000	8,000	13,000	9,000	4,000	5,000	10,000
Repayment of borrowings	(29,675)	(29,763)	(13,051)	(13,495)	(14,015)	(14,779)	(15,832)	(16,693)	(17,290)	(17,942)
Net cash inflow from financing activities	10,325	17,737	8,949	(8,495)	(6,015)	(1,779)	(6,832)	(12,693)	(12,290)	(7,942)
Total cash flows										
Net increase in cash and cash equivalent held	(18,087)	1,493	(3,227)	1,980	1,416	1,739	526	2,167	1,092	2,114
Opening cash and cash equivalents	69,045	50,958	52,451	49,223	51,203	52,619	54,357	54,884	57,051	58,143
Closing cash and cash equivalents	50,958	52,451	49,223	51,203	52,619	54,357	54,884	57,051	58,143	60,257

Statement of Changes in Equity

	2021-2022 \$000	2022-2023 \$000	2023-2024 \$000	2024-2025 \$000	2025-2026 \$000	2026-2027 \$000	2027-2028 \$000	2028-2029 \$000	2029-2030 \$000	2030-31 \$000
Asset revaluation surplus										
Opening balance	1,002,962	1,053,914	1,108,166	1,165,162	1,224,680	1,286,674	1,351,281	1,418,587	1,488,544	1,561,166
Increase in asset revaluation surplus	50,952	54,252	56,996	59,518	61,994	64,608	67,306	69,957	72,622	75,401
Closing balance	1,053,914	1,108,166	1,165,162	1,224,680	1,286,674	1,351,281	1,418,587	1,488,544	1,561,166	1,636,567
Retained surplus										
Opening balance	1,516,367	1,579,602	1,601,389	1,615,907	1,635,955	1,657,444	1,678,590	1,703,037	1,728,934	1,755,635
Net result	63,236	21,787	14,518	20,048	21,489	21,146	24,447	25,897	26,701	28,523
Closing balance	1,579,602	1,601,389	1,615,907	1,635,955	1,657,444	1,678,590	1,703,037	1,728,934	1,755,635	1,784,158
Total										
Opening balance	2,519,328	2,633,516	2,709,555	2,781,069	2,860,635	2,944,118	3,029,871	3,121,624	3,217,478	3,316,801
Net result	63,236	21,787	14,518	20,048	21,489	21,146	24,447	25,897	26,701	28,523
Increase in asset revaluation surplus	50,952	54,252	56,996	59,518	61,994	64,608	67,306	69,957	72,622	75,401
Closing balance	2,633,516	2,709,555	2,781,069	2,860,635	2,944,118	3,029,871	3,121,624	3,217,478	3,316,801	3,420,725

Measures of Financial Sustainability & Required Disclosure

Reported Change in Rates And Utility Charges				
	30/06/2021	30/06/2022	\$ Increase	% Increase*
Budgeted Gross Rate Revenue	\$169,379,582	\$176,411,315	\$7,031,733	4.2%

* The increase in budgeted gross rate revenue from 2020/21 to 2021/22 is inclusive of growth in rateable assessments and / or utility connections. Rates and Utility Charges per rateable assessment for 2021/22 have increased by an average of 3.34% from 2020/21.

	Forecast								
	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030
1 Operating Surplus Ratio - Target Benchmark between 0% and 10%									
(Net Operating Surplus / Total Operating Revenue) (%)	(1.0)%	1.7%	1.6%	2.5%	2.5%	2.5%	2.4%	2.8%	2.8%
2 Net Financial Asset / Liability Ratio - Target Benchmark not greater than 60%									
((Total Liabilities - Current Assets) / Total Operating Revenue) (%)	73.0%	77.4%	78.5%	71.5%	66.6%	63.5%	59.0%	51.0%	44.9%
3 Asset Sustainability Ratio - Target Benchmark greater than 90%									
(Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense) (%)	114.8%	92.6%	81.3%	67.7%	81.3%	85.1%	81.1%	72.8%	74.4%

REVENUE POLICY 2021-2022

STATUTORY POLICY



1 Scope

This policy is Rockhampton Regional Council's strategic Revenue Policy which applies for the financial year 1 July 2021 to 30 June 2022.

2 Purpose

The purpose of this policy is to provide Council with a contemporary Revenue Policy to:

- (a) Comply with legislative requirements; and
- (b) Set principles used by Council in 2021-2022 for:
 - (i) The making and levying of rates and charges;
 - (ii) Exercising its powers to grant rebates and concessions for rates and charges;
 - (iii) Recovery of overdue rates and charges; and
 - (iv) Cost-recovery methods.

3 Related Documents

3.1 Primary

Local Government Act 2009

Local Government Regulation 2012

3.2 Secondary

Planning Act 2016

Debt Recovery Policy

Development Incentives Policy – 1 January 2021 to 31 December 2021

Development Incentives Policy - 15 May 2018 to 31 December 2020

Development Incentives Policy – 1 August 2017 to 14 May 2018

Development Incentives Policy – 1 December 2013 to 31 July 2017

Fees and Charges Schedule

Infrastructure Charges Collection Policy

Rates Concession Policy

Reconfiguration of a Lot Incentives Policy

Revenue Statement

Rockhampton Region Planning Scheme

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Adopted/Approved:	DRAFT	Department:	Corporate Services
Version:	1	Section:	Finance
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4 Definitions

To assist in interpretation, the following definitions apply:

CEO	Chief Executive Officer A person who holds an appointment under section 194 of the <i>Local Government Act 2009</i> . This includes a person acting in this position.
Council	Rockhampton Regional Council
Region	Rockhampton Regional Area defined by the Local Government Areas of Queensland.

5 Policy Statement

In accordance with the *Local Government Act 2009*, this Revenue Policy is used in developing the revenue budget for 2021-2022.

Where appropriate Council is guided by the principles of equity and "user pays" in the making of rates and charges to minimise the impact of rating on the efficiency of the local economy.

5.1 Making and Levying of Rates and Charges

In making rates and charges, Council is required to comply with legislative requirements.

Council will also have regard to the principles of:

- (a) Equity by taking into account the actual and potential demands placed on Council, location and use of land, unimproved and site value of land, and land's capacity to earn revenue;
- (b) Transparency in the making of rates and charges;
- (c) Having in place a rating regime that is simple and efficient to administer;
- (d) National competition principles where applicable (user pays);
- (e) Clarity in terms of responsibilities (Council's and ratepayers) in regard to the rating process; and
- (f) Timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist the smooth running of the local economy.

5.2 Granting Concessions for Rates and Charges

In considering the application of concessions, Council is guided by the principles of:

- (a) Equity by having regard to the different levels of capacity to pay within the local community;
- (b) Transparency by making clear the requirements necessary to receive concessions;
- (c) Flexibility to allow Council to respond to local economic issues;
- (d) The same treatment for ratepayers with similar circumstances; and
- (e) Responsiveness to community expectations of what activities should attract assistance from Council.

Consideration may be given by Council to granting a class concession in the event all or part of the local government area is declared a natural disaster area by the State Government.

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5.3 Recovering Overdue Rates and Charges

Council exercises its 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 ratepayers.

Council is guided by the principles of:

- (a) Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations;
- (b) Clarity and cost effectiveness in the processes used to recover outstanding rates and charges;
- (c) Equity by having regard to capacity to pay in determining appropriate arrangements for different sectors of the community;
- (d) Providing the same treatment for ratepayers with similar circumstances; and
- (e) Flexibility by responding where necessary to changes in the local economy.

5.4 Principles Used for Cost-Recovery Fees

Section 97 of the *Local Government Act 2009* allows Council to set cost-recovery fees.

Council recognises the validity of fully imposing the user pays principle for its cost-recovery fees, unless the imposition of the fee is contrary to its express social, economic, environmental and other corporate goals. This is considered to be the most equitable and effective revenue approach, and is founded on the basis that the Region's rating base cannot subsidise the specific users or clients of Council's regulatory products and services.

In setting its cost-recovery fees, Council is aware of the legislative requirement that such a fee must not be more than the cost to Council of taking the action to which the fee applies.

5.5 Other Matters

5.5.1 Purpose of Concessions

Statutory provision exists for Council to rebate or defer rates in certain circumstances. In considering the application of concessions, Council is guided by the principles set out in paragraph 5.2.

5.5.2 Physical and Social Infrastructure Costs for New Development

Council requires developers to pay reasonable and relevant contributions towards the cost of physical and social infrastructure required to support the development. Specific charges are detailed in Council's town Planning Schemes.

Mechanisms for the planning and funding of infrastructure for urban growth are contained within the *Planning Act 2016*. These schemes are based on normal anticipated growth rates. Where a new development is of sufficient magnitude to accelerate the growth rate of a specific community within the Region, it may be necessary to bring forward physical and social infrastructure projects. Where this occurs, Council expects developers to meet sufficient costs to ensure the availability of facilities is not adversely affected and existing ratepayers are not burdened with the cost of providing the additional infrastructure.

5.5.3 Development Incentives Policies

Council has adopted development incentives policies to stimulate the economic growth of the Region. The development incentives policies can be found on Council's website. The focus of the policies are to provide relief of fees and charges to those applications which:

- (a) Create new jobs and investment;
- (b) Value-add through enhanced service delivery or supply chains;
- (c) Generate growth within identified strategic sectors; and
- (d) Diversify and make the local economy more sustainable.

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5.6 Delegation of Authority

Authority for implementation of the Revenue Policy is delegated by Council to the CEO in accordance with section 257 the *Local Government Act 2009*.

Authority for the day to day management of the Revenue Policy is the responsibility of the Deputy Chief Executive Officer/General Manager Corporate Services and/or the Chief Financial Officer.

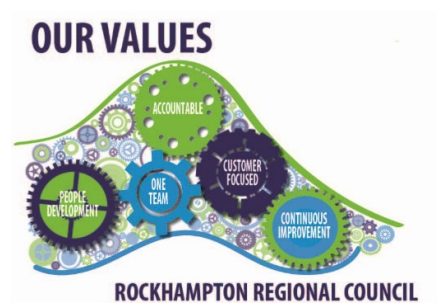
6 Review Timelines

This policy is reviewed when any of the following occur:

- (a) As required by legislation – reviewed each financial year at the beginning of the annual budget process;
- (b) The related information is amended or replaced; or
- (c) Other circumstances as determined from time to time by the Council.

7 Document Management

Sponsor	Chief Executive Officer
Business Owner	Deputy Chief Executive Officer
Policy Owner	Chief Financial Officer
Policy Quality Control	Legal and Governance



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REVENUE STATEMENT 2021/2022



SCOPE

The Revenue Statement is produced in accordance with s104 of the *Local Government Act 2009* and s169 and 172 of the *Local Government Regulation 2012*.

OVERVIEW

The purpose of this revenue statement is:

- to provide an explanatory statement outlining and explaining the revenue raising measures adopted in the budget, and
- to comply in all respects with legislative requirements.

REFERENCE

- *Local Government Act 2009*
- *Local Government Regulation 2012*

APPLICABILITY

This revenue statement applies to the financial year from 1 July 2021 to 30 June 2022. It is approved in conjunction with the Budget as presented to Council on 24 June 2021.

It is not intended that this revenue statement reproduce all related policies. Related policies will be referred to where appropriate and will take precedence should clarification be required.

GUIDELINE

Pursuant to the provisions of the *Local Government Act 2009* and the *Local Government Regulation 2012* the following explanation of revenue raising measures adopted in the 2021/2022 Budget are provided.

1. RATES AND CHARGES (LGA s94)

For the financial year beginning 1 July 2021, Rockhampton Regional Council will make and levy rates and charges. Rates and Charges will include:-

- A. Differential General Rates,
- B. Special Rates and Charges,
- C. Separate Charges, and
- D. Utility Charges for Water, Sewerage and Waste Management.

The Statement deals with the principles used by Council in fixing rates and charges and if applicable, how the Council will apply user pays principles to utility and general charges.

2. GENERAL RATES RATIONALE

Council accepts that the basis for levying general rates in Queensland is land valuations. Ideally, the general rate would be determined by dividing the total income needed from general rates by the rateable valuation of lands. However there is considerable diversity in the Region in terms of land use and location (such as between the urban and rural areas), land values, access to, and actual and potential demands for services and facilities.

Council is committed to spreading the general rates burden equitably among broad classes of ratepayer. This does not mean the general rate is levied on a “user pays system”. Instead, Council has designed the general rating system taking into account the following factors:

- the relative rateable value of lands and the general rates that would be payable if only one general rate were levied;
- the use of the land as it relates to actual and potential demand for Council services;
- location of the land as it relates to actual and potential demand for Council services; and
- the impact of rateable valuations on the level of general rates to be paid. Council is of the opinion that a common rating policy and structure should be embraced for the whole region.

3. GENERAL RATES – CATEGORIES AND DESCRIPTIONS (LGR Chapter 4, Part 5 Division 1)

Council adopts differential general rating for the following reasons:

- Council is committed to spreading the general rates burden equitably;
- the use of a single general rate would not result in an equitable distribution of the rates burden among ratepayers;
- certain land uses and locations of lands require and/or impose greater demands on Council services relative to other land uses and locations; and
- valuation relativities between commercial/industrial, rural, urban, productive and residential uses, do not reflect the intensity of land use nor the actual or potential demands on Council services and facilities.

Land rating categories are defined by separating the town and rural locations of the Council area and then differentiating properties based on the use to which the land is being put. Where it is considered appropriate, relative valuations are used to define land rating categories in order to reduce the variation in general rate charges between consecutive years and limit increases to a reasonable level across all land uses.

The Council, for the purpose of making and levying differential general rates, has resolved to categorise all rateable land in its area into twenty three (23) categories and sub categories specified hereunder in the schedule.

GENERAL RATING CATEGORIES 2021-2022

No.	Category	Description	Identifiers (Land Use Codes)
1	Commercial / light industry	Land used, or intended to be used, in whole or in part, for commercial or light industrial purposes, other than land included in categories 2(a), 2(b), 2(c), 3 and 22.	1,4,6,7, 10 to 49 (excl. 31, 35, 37, 40 and lands in any other category).
2 (a)	Major shopping centres with a floor area 0 – 10,000m ²	Land used, or intended to be used, as a shopping centre with a gross floor area up to 10,000m ² and a value greater than \$2,500,001.	12 to 16 inclusive and 23, with a rateable valuation >\$2,500,001
2 (b)	Major shopping centres with a floor area 10,001 - 50,000 m ²	Land used, or intended to be used, as a shopping centre with a gross floor area between 10,001m ² and 50,000m ² and a value greater than \$2,500,001.	12 to 16 inclusive and 23, with a rateable valuation >\$2,500,001
2 (c)	Major shopping centres with a floor area >50,000m ²	Land used, or intended to be used, as a shopping centre with a gross floor area greater than 50,000m ² and a value greater than \$2,500,001.	12 to 16 inclusive and 23, with a rateable valuation >\$2,500,001
3	Heavy and/ or noxious industry	Land used, or intended to be used, for:- (a) a fuel dump; (b) fuel storage; (c) an oil refinery; (d) heavy industry; (e) general industry; (f) noxious industry which emanates noise, odour or dust, including an abattoir.	31, 35, 37
4(a)	Power Generation	Land used or intended to be used for or ancillary to the generation and/or storage of electricity from a facility with an output capacity equal to or less than four hundred (400) Megawatts (excluding transformers/substations).	Land that meets the criteria in the description
4(b)	Power Generation	Land used or intended to be used for or ancillary to the generation and/or storage of electricity from a facility with an output capacity greater than four hundred (400) Megawatts (excluding transformers/substations).	Land that meets the criteria in the description

5	Extractive	Land used, or intended to be used, in whole or in part, for:- (a) the extraction of minerals or other substances from the ground; and (b) any purpose associated or connected with the extraction of minerals and other substances from the ground.	40
6	Agriculture, farming and other rural	Land used, or intended to be used, for non-residential rural, agricultural or farming purposes.	60 to 89 and 93 to 94 (excl. 72 excl. lands in any other category).
8A	Residential Other	Land with a value of less than \$101,001 used, or intended to be used, for:- (a) residential purposes, other than as the owner's principal place of residence; or (b) two or more self-contained dwellings (including flats)	2, 3, 5, 8 & 9
8B	Residential Other	Land with a value of \$101,001 or more used, or intended to be used, for:- (a) residential purposes, other than as the owner's principal place of residence; or (b) two or more self-contained dwellings (including flats)	2, 3, 5, 8 & 9
9	Residential 1	Land used or intended to be used for residential purposes, as the owner's principal place of residence (PPR) with a value of less than \$94,001.	1, 2, 4, 5, 6 and 94 with a rateable valuation <\$94,001 (excl. lands in any other category).
10	Residential 2	Land used or intended to be used for residential purposes, as the owner's principal place of residence (PPR) with a value of between \$94,001 and \$153,000.	1, 2, 4, 5, 6 and 94 with a rateable valuation >\$94,000 but <\$153,001 (excl. lands in any other category).

11	Residential 3	Land used or intended to be used for residential purposes, as the owner's principal place of residence (PPR) with a value of between \$153,001 and \$240,000.	1, 2, 4, 5, 6 and 94 with a rateable valuation >\$153,000 but <\$240,001 (excl. lands in any other category).
12	Residential 4	Land used or intended to be used for residential purposes, as the owner's principal place of residence (PPR) with a value between \$240,001 and \$450,000	1, 2, 4, 5, 6 and 94 with a rateable valuation >\$240,000 but <\$450,001 (excl. lands in any other category).
13	Residential 5	Land used or intended to be used for residential purposes, as the owner's principal place of residence (PPR) with a value more than \$450,000	1, 2, 4, 5, 6 and 94 with a rateable valuation >\$450,000 (excl. lands in any other category).
21	Strata (residential)	Land, which is a lot in a community title scheme or residential group title, used as the owner's principal place of residence (PPR).	8 and 9 (excl. lands in any other category).
22	Strata (commercial/ industrial)	Land, which is a lot in a community title scheme or building unit, which is used, or intended to be used, for commercial or industrial purposes.	8 and 9
24	Vacant urban/rural land >\$430,000	Vacant land intended for use for development purposes with a value of more than \$430,000.	1 and 4 with a rateable valuation >\$430,000
25	Developer concession	Land, which qualifies for a discounted valuation pursuant to section 50 of the <i>Land Valuation Act</i> .	72
26	Special uses	Land, used, or intended to be used, for non-commercial purposes such as social and community welfare, defence or education purposes.	21, 50 – 59, 92, 96 – 100
27 (a)	Other \$0 - \$60,000	Land, with a value of \$60,000 or less, which is not otherwise categorized.	1, 4, 90, 91 and 95 with a rateable valuation <\$60,001
27 (b)	Other - >\$60,000	Land, with a value of more than \$60,000, which is not otherwise categorized.	1, 4, 90, 91 and 95 with a rateable valuation >\$60,000

Department of Resources Land Use Code

Where the Council makes reference to land use code as an identifier along with the description of a rating category, that reference is to the land use codes as given to Council by the Department of Resources. The land use codes referred to as an identifier of a rating category correspond with the description of the category. However, it is the actual use of the land that determines the correct category.

Identification of Land

The Council delegates to the Chief Executive Officer (CEO), pursuant to section 81(4) and (5) of the *Local Government Regulation 2012*, the power to identify the rating category to which each parcel of rateable land belongs.

In undertaking this task the CEO will be guided by the descriptions of each category. The terms 'LV', 'Land Valuation', 'SV' and 'Site Valuation' refer to the Land Valuation and Site Valuation assigned by the Queensland Department of Resources for the applicable year of valuation.

Principal Place of Residence (PPR)

For the sake of clarity, in identifying the rating category to which residential land belongs, the Council will assume that where a ratepayer's postal address is not the same as the property address, the land will not be the ratepayer's Principal Place of Residence (PPR).

The term "principal place of residence" is a single dwelling house or dwelling unit at which one owner of the land must reside permanently for a minimum of 6 months of the year.

In establishing principal place of residence Council will consider as evidence, but not be limited to, the owner's declared address for Queensland driver's licence, or any other form of evidence deemed acceptable to Council.

General Rates and Minimum General Rates

For the 2021/2022 financial year differential general rates and minimum general rates will be levied pursuant to section 94 of the *Local Government Act 2009*, on the differential general rate categories as follows-

Category No.	Category	General Rate (cents in the Dollar of Rateable Value)	Minimum General Rate (\$)
1	Commercial/light Industry	2.3113	1,551
2 (a)	Major shopping centres with a floor area 0 – 10,000 sqm	2.5855	21,318
2 (b)	Major shopping centres with a floor area 10,001 - 50,000 sqm	3.8654	243,453
2 (c)	Major shopping centres with a floor area >50,000 sqm	7.6375	1,839,472
3	Heavy and/ or noxious industry	3.6819	3,236
4 (a)	Power Generation, 0-400 MW	7.0424	3,236
4 (b)	Power Generation, 400+ MW	7.0424	3,236

5	Extractive	8.4878	2,641
6	Agriculture, farming and other rural	1.2085	1,441
8A	Residential Other, \$ 0 - \$101,000	1.5499	1,029
8B	Residential Other, >\$101,000	1.4046	1,566
9	Residential 1, \$ 0 - \$94,000	1.3439	785
10	Residential 2, \$94,001 - \$153,000	1.2026	1,263
11	Residential 3, \$153,001 - \$240,000	1.1469	1,840
12	Residential 4, \$240,001 - \$450,000	1.0498	2,752
13	Residential 5, > \$450,000	0.9461	4,724
21	Strata (residential)	1.5394	785
22	Strata (commercial/industrial)	2.4504	1,551
24	Vacant urban land >\$430,000	2.3596	1,551
25	Developer concession	1.5370	0
26	Special uses	1.6000	2,521
27 (a)	Other \$0 - \$60,000	1.9322	668
27 (b)	Other >\$60,001	2.8503	1,551

4. LIMITATION ON RATE INCREASE – LGR Chapter 4, Part 9, Division 3

For the 2021/2022 financial year Council will not be resolving to limit any increases in rates and charges.

5. SPECIAL RATES/CHARGES (LGA s94)

Rural Fire Services Levies

Council will, pursuant to section 128A of the *Fire and Emergency Services Act 1990* and section 94 of the *Local Government Act 2009*, make and levy special charges for the provision of rural fire fighting services to certain parts of the Region. The charges shall be levied on all land which specifically benefits from the provision of rural fire-fighting services.

For 2021/2022, the Council shall make a special charge, in the following amounts, for each of the following Rural Fire Brigades.

Rural Fire Brigade	Levy 2021/2022	Rural Fire Brigade	Levy 2021/2022
Alton Downs	\$50.00	Garnant	-
Archer Ulam	-	Gogango	\$ 5.00
Aricia	-	Gracemere	\$20.00
Bajool	\$25.00	Kalapa	\$20.00
Bouldercombe	\$50.00	Marmor	\$20.00
Calioran	-	Morinish	-
Calliungal	\$50.00	Stanwell	-
Dalma	\$10.00	South Ulam	-
Faraday	-	Westwood	\$50.00

The rateable land to which each of the special charges will apply is land within the areas separately described on a map titled "ROCKHAMPTON REGIONAL COUNCIL - RURAL FIRE BRIGADES BOUNDARIES". A copy of the Map is attached at Schedule 1.

The discount for the prompt payment of rates and charges, granted in accordance with section 130 of the *Local Government Regulation 2012*, will not apply to these charges. **Overall Plans**

The Overall Plan for each of the special charges is as follows:-

1. The service, facility or activity for which each special charge is levied is to fund the provision of fire prevention and firefighting services, equipment and activities by the rural fire brigades identified in the special charge table in the defined benefit areas.
2. The time for implementing the overall plan is one (1) year ending 30 June 2022. However, provision of fire-fighting services is an ongoing activity, and further special charges are expected to be made in future years.
3. The works and services specified in the overall plan will be carried out or provided during the year ending on 30 June 2022.
4. The estimated cost of implementing the overall plan (being the cost of planned works and activities for 2021/2022) is approximately \$97,145.00.
5. The special charge is intended to raise all funds necessary to carry out the overall plan.

The occupier of the land to be levied with the special charge has specifically benefited, or will specifically benefit, from the implementation of the overall plan, comprising fire-fighting services, because rural fire brigades are charged with fire-fighting and fire prevention under the *Fire & Emergency Services Act 1990* and whose services could not be provided or maintained without the imposition of the special charge.

6. SEPARATE CHARGES (LGA s94)

Council will make and levy separate charges pursuant to section 94 of the *Local Government Act 2009* to defray the expense it incurs in providing identified services or facilities or engaging in identified activities for the benefit of its local governed area. The charges are calculated on the basis of the estimated cost to Council of providing these services. Revenue raised from these charges will only be used to fund either all or part of the costs associated with the activities.

Council considers that the benefit of each service, facility or activity is shared equally by all parcels of rateable land, regardless of their value.

Road Network Separate Charge

Council will make and levy a separate charge to defray part of the cost of maintaining the road network within the region. Council will make and levy the charge equally on all rateable land within the Rockhampton Regional Council area.

The amount of the Road Network Separate Charge will be \$460.00 per annum per rateable assessment throughout the region.

Natural Environment Separate Charge

Council will make and levy a separate charge to defray part of the cost of formulating and implementing initiatives for environmental protection, enhancement and conservation, including the many and varied initiatives that contribute to these outcomes.

Council will make and levy the charge equally on all rateable land within the Rockhampton Regional Council area.

The amount of the Natural Environment Separate Charge will be \$55.00 per annum per rateable assessment throughout the region.

The discount for the prompt payment of rates and charges, granted in accordance with section 130 of the *Local Government Regulation 2012*, will not apply to the Natural Environment Separate Charge.

7. UTILITY CHARGES (LGA s94)

Council will make and levy utility service charges, pursuant to section 94 of the *Local Government Act 2009*, for the financial year beginning 1 July 2021 on the basis of an equitable distribution of the burden on those who utilise, or stand to benefit from, the provision of the utility services.

WATER

Water charges will be set to recover all of the costs associated with the provision of water services by Council in the financial year.

Subject to any express provision to the contrary Council will charge all land connected to its water supply, or capable of connection to the supply, a two-part tariff for the period 1 July 2021 to 30 June 2022, comprising:-

- a graduated single tier access charge for land connected to Council's water supply, or capable of connection to the supply; and
- a multi-tiered consumption charge for residential users and a single tier charge for non-residential users.

There are three (3) water supply areas: Gracemere, Mount Morgan and Rockhampton.

The following additional policy is adopted in relation to access charges:

- (a) The access charge for an individual residential community title lot will be the sum payable for a 20mm water meter connection, regardless of the true size of the connection to the lot itself or to the development of which it forms part.

- (b) The access charge for premises that contain residential flats will be the sum payable for a 20mm water meter connection multiplied by the number of flats upon the premises, regardless of the true size of the connection to the premises.
- (c) To prevent doubt, a management lot in a staged residential community titles scheme is not a residential community title lot.
- (d) The access charge for an individual commercial community title lot will be:
 - i. If the size of the water meter at the boundary of the scheme land (i.e. the meter to which the property services to individual scheme lots connect) is not greater than 50mm, then the access charge per lot shall be the sum payable for a 20mm water meter connection.
 - ii. If the size of the water meter at the boundary of the scheme land is greater than 50mm, the standard non-residential access charges according to the meter size will apply.

The following additional policy is adopted in relation to consumption charges:

- (a) Where water is supplied to premises that comprise a residential flats development, the consumption volume allowed in each tier will be multiplied by the number of flats upon the premises.
- (b) Where water is supplied to a lot which forms part of a community titles scheme, and the supply to each individual lot and the common property is not separately metered, Council will levy the consumption charges for the water supplied to the premises (the scheme) in a manner permitted by section 196 of the *Body Corporate and Community Management Act 1997*, namely:
 - i. Council will levy each lot-owner for a share of the supplied volume recorded by the water meter at the boundary of the scheme land, and that share will be equivalent to the ratio of the contribution schedule lot entitlement of the owner's lot to the aggregate of contribution schedule lot entitlements recorded in the community management statement for the community titles scheme; or
 - ii. For a community titles scheme in which there is only a single schedule of lot entitlements rather than a contributions schedule and an interest schedule (i.e. a scheme that continues to be governed by the *Building Units and Group Titles Act 1980* rather than by the *Body Corporate and Community Management Act 1997*), Council will levy each lot-owner for a share of the supplied volume recorded by the water meter at the boundary of the scheme land, and that share will be equivalent to the ratio of the lot entitlement of the owner's lot to the aggregate of lot entitlements recorded in the building units plan or the group title plan of which the lot is part; or
 - iii. Alternatively to levying the consumption charges on the basis of lot entitlement, Council may exercise its discretion to enter with the body corporate for a community titles scheme to which the *Body Corporate and Community Management Act 1997* applies an arrangement under which the body corporate accepts liability for the full consumption charge payable upon the supplied volume recorded on the water meter at the boundary of the scheme land, in which case Council will levy the body corporate for the full amount of the consumption charge and will make no separate levies against lots in the scheme.

- (c) Where water is supplied to a lot or common property which forms part of a community titles scheme where the supply to each individual lot and the common property is separately metered to the common property of a community titles scheme, Council will levy each lot for its metered consumption and the body corporate for the water supplied to the common property.
- (d) Where more than one dwelling house is situated upon a single parcel of land (that is to say, the land the subject of a single valuation), Council will charge a separate two-part tariff for each dwelling house as if each were located upon a different, individually-valued parcel.
- (e) Where a dwelling house is situated partly upon one parcel of land and partly upon another, Council will charge a single two-part tariff for supply to the building, and will levy the tariff against the parcel upon which the dominant portion of the house is situated. The dominant portion will be the portion of the house that has the greater floor area.
- (f) The following provisions apply to premises serviced by a designated fire service:
 - i. Council will charge a separate two-part tariff for the service, in addition to the tariff/s it charges for any other water service connection/s to the land.
 - ii. The access charge for the service will be determined upon the basis that the service connects to a 20mm water meter.
 - iii. Standard consumption charges will apply unless Council resolves to discount the charge pursuant to this resolution.
 - iv. The consumption charge will be, for a quarter for which the Queensland Fire and Emergency Service reports or verifies, or Council otherwise verifies, use of the service to fight a fire, either the standard consumption charge or that sum discounted by a percentage Council determines as appropriate.
 - v. If the Queensland Fire and Emergency Service reports or verifies, or Council otherwise verifies, that the service was used during a quarter to fight a fire, and Council determines after the end of that quarter that a discounted consumption charge was appropriate for the quarter, Council may credit against the next quarterly consumption charge the difference between the charge paid and the discounted charge determined as appropriate.
 - vi. To prevent doubt, Council may determine that a 100% discount is or was appropriate.
- (g) For non-licensed premises (i.e. premises for which there exists no liquor license) occupied or used by approved sporting bodies, or approved non-profit charitable organisations, Council will provide a concession in accordance with its concession policy for access to Council's water supply, and water consumed from that supply will be charged at Residential rates.
- (h) Council will apply section 102 of the *Local Government Regulation 2012* to the reading of water meters so that if a meter is due to be read on a particular day (e.g. the last day of a quarter) to enable Council to calculate a consumption charge to be levied, the meter will be deemed read on that particular day if it is read within 2 weeks before the day or 2 weeks after the day.
- (i) The commencing water meter reading for a quarterly consumption charge cycle (i.e. a quarter plus or minus 2 weeks at the beginning and the end of the quarter) is the reading last recorded in a quarterly charge cycle, or, in the case of a new meter connection, the reading recorded on the day of connection.

- (j) The minimum value of a debt required to raise a charge will be \$5.00. If the total charge on an Assessment is less than this amount, then the charges will not be raised and consequently a bill will not be issued. This charge is not raised at all and is effectively written off which will prevent the raising of small balances where the cost of administration, printing, postage and collection is greater than the revenue returned.
- (k) For the purposes of making and levying water charges the following definitions apply:-
- i. An approved sporting body is an association of persons, incorporated or not, and whether an individual association or a member of a class of association, that Council accepts or approves by resolution as a body that benefits the community by organising and conducting a sporting activity or sporting activities and whose constitution prevents the distribution of its income and assets to its members.
 - ii. An approved charitable organisation is an organisation incorporated or not, that Council accepts or approves by resolution as a charitable organisation, and whose constitution prevents the distribution of its income and assets to its members.
 - iii. A community title lot is a lot in a community titles scheme.
 - iv. A community titles scheme is a community titles scheme created under the *Body Corporate and Community Management Act 1997*, or is a development similar to such a scheme but that continues to be governed by the *Building Units and Group Titles Act 1980* rather than by the *Body Corporate and Community Management Act 1997* (e.g. a development created under the *Integrated Resort Development Act 1987*).
 - v. A contribution schedule lot entitlement is an entitlement by that name, recorded in the community management statement (or analogous instrument) for a community titles scheme.
 - vi. A designated fire service is a water supply service to premises, specifically dedicated for use in fighting fires.
 - vii. A flat is a self-contained residential unit or module that is not a community title lot; but (to prevent doubt) the expression does not include a bedroom in a boarding house.

Gracemere Water Supply The access charge for all properties located within the boundaries, and approved properties outside the boundaries of the Gracemere Water Supply Area, will be as detailed in the water access charges table below per meter or per lot as appropriate for the period 1 July 2021 to the 30 June 2022 and will generally be levied on a half yearly basis.

<u>Meter Size</u>	<u>Annual Charge</u>
20mm	\$ 446.00
25mm	\$ 697.00
32mm	\$ 1,141.00
40mm	\$ 1,782.00
50mm	\$ 2,784.00
Special 60mm	\$ 4,063.00
65mm	\$ 4,706.00
75mm	\$ 6,264.00
80mm	\$ 7,128.00
100mm	\$ 11,136.00
150mm	\$ 25,056.00
200mm	\$ 44,548.00
Vacant Land	\$ 446.00

The access charge for unoccupied land that is capable of connection to Council's water supply will be the sum payable for a 20mm residential water meter connection.

The consumption charge detailed in the consumption charges table below will apply for all water consumed in the water period (year). This charge will apply to all properties located within the boundaries and approved properties outside the boundaries of the Gracemere Water Supply Area. The water period (year) for the consumption charge will be for a period from the 1 July 2021 to the 30 June 2022 and billing will generally be in arrears on a quarterly basis.

Gracemere Water Supply Scheme – Non Residential Consumption Charges

<u>Tier</u>	<u>Charge per Kilolitre</u>
All consumption	\$1.96/kl

Gracemere Water Supply Scheme – Residential Consumption Charges

<u>Tier (Per Meter)</u>	<u>Charge per Kilolitre</u>
<=75kl per quarter	\$0.85/kl
> 75kl <=150kl per quarter	\$1.33/kl
>150kl per quarter	\$2.62/kl

Mt Morgan Water Supply

The access charge for all properties located within the boundaries, and approved properties outside the boundaries of the Mount Morgan Water Supply Area, will be as detailed in the water access charges table below per meter or per lot as appropriate for the period 1 July 2021 to the 30 June 2022 and will generally be levied on a half yearly basis.

<u>Meter Size</u>	<u>Annual Charge</u>
20mm	\$ 460.00
25mm	\$ 718.00
32mm	\$ 1,177.00
40mm	\$ 1,837.00
50mm	\$ 2,869.00
65mm	\$ 4,850.00
75mm	\$ 6,455.00
80mm	\$ 7,248.00
100mm	\$ 11,476.00
150mm	\$ 25,822.00
200mm	\$ 45,906.00
Vacant Land	\$ 460.00

The access charge for unoccupied land that is capable of connection to Council's water supply, will be the sum payable for a 20mm residential water meter connection.

The consumption charge detailed in the consumption charges table below will apply for all water consumed in the water period (year). This charge will apply to all properties located within the boundaries and approved properties outside the boundaries of the Mount Morgan Water Supply Area. The water period (year) for the consumption charge will be for a period from the 1 July 2021 to the 30 June 2022 and billing will generally be in arrears on a quarterly basis.

Mount Morgan Water Supply Scheme – Non Residential Consumption Charges

<u>Tier</u>	<u>Charge per Kilolitre</u>
All consumption	\$1.96/kl

Mount Morgan Water Supply Scheme – Residential Consumption Charges

<u>Tier (Per Meter)</u>	<u>Charge per Kilolitre</u>
<=75kl per quarter	\$0.85/kl
> 75kl <=150kl per quarter	\$1.33/kl
>150kl per quarter	\$2.62/kl

Rockhampton Water Supply

The access charge for all properties located within the boundaries, and approved properties outside the boundaries of the Rockhampton Water Supply Area, will be as detailed in the water access charges table below per meter or per lot as appropriate for the period 1 July 2021 to the 30 June 2022 and will generally be levied on a half yearly basis.

<u>Meter Size</u>	<u>Annual Charge</u>
20mm	\$ 420.00
25mm	\$ 654.00
32mm	\$ 1,072.00
40mm	\$ 1,673.00
50mm	\$ 2,614.00
65mm	\$ 4,418.00
75mm	\$ 5,884.00
80mm	\$ 6,693.00
100mm	\$ 10,458.00
150mm	\$ 23,527.00
200mm	\$ 41,828.00
Vacant Land	\$ 420.00

The access charge for unoccupied land that is capable of connection to Council's water supply will be the sum payable for a 20mm residential water meter connection.

The consumption charge detailed in the consumption charges table below will apply for all water consumed in the water period (year). This charge will apply to all properties located within the boundaries and approved properties outside the boundaries of the Rockhampton Water Supply Area. The water period (year) for the consumption charge will be for a period from the 1 July 2021 to the 30 June 2022 and billing will generally be in arrears on a quarterly basis.

Rockhampton Water Supply Scheme – Non Residential Water Consumption Charges

<u>Tier</u>	<u>Charge per Kilolitre</u>
All consumption	\$1.96/kl

Rockhampton Water Supply Scheme – Residential Water Consumption Charges

<u>Tier (Per Meter)</u>	<u>Charge per Kilolitre</u>
<=75kl per quarter	\$0.85/kl
> 75kl <=150kl per quarter	\$1.33/kl
>150kl per quarter	\$2.62/kl

SEWERAGE

For the financial year beginning 1 July 2021 Council will make and levy a sewerage charge in respect of land within the Declared Sewerage Areas of Rockhampton Region to which the Council provides or is prepared to provide sewerage services, including areas to which such services are extended from time to time during the course of the financial year.

A sewerage charge will also be levied on non-rateable land where the owner of the land requests that Council provide sewerage services.

In accordance with the Requirement to Connect to Sewerage Infrastructure Policy that was adopted by Council on 7 October 2014, the sewerage access charges in relation to Stage 2 of the Mount Morgan Sewerage Scheme are only charged upon connection to the system.

The sewerage charge will be set to recover all of the costs associated with the provision of sewerage reticulation services provided by Council in the financial year.

For occupied land, charges for 2021/2022 will be made and levied on the following basis:-

- i. Generally, a sewerage charge will be levied in respect of each water closet pedestal or urinal installed.
- ii. However, for a single dwelling, residential unit, Dependent Person Living (granny flat), stables property or a property subject to a residential differential rate, only the first water closet pedestal will attract the normal sewerage pedestal charge.
 - The term single dwelling is to be given its ordinary meaning as a residential property used for ordinary domestic purposes and includes home office situations such as for example, where desk or computer work may be done, phone calls made or answered from within the premises for business purposes but where there are no more than 1 (one) non-resident employee on the premises and no significant external indicia to distinguish the premises from any other domestic residence;
 - The term single dwelling does not include premises where a distinct externally visible business activity has been established.
 - The term Dependent Persons Accommodation (granny flat) is defined as a dwelling, whether attached or detached, that is used in conjunction with, and subordinate to, a dwelling house on the same lot.
- iii. In the case of multiple dwellings on a single title or assessment (e.g. flats), the sewerage charge is calculated by multiplying the number of flats by the charge for the first water closet pedestal.
- iv. In the case of Retirement Villages or Aged/Nursing Homes incorporating independent living accommodation, the sewerage charge will be levied on the first pedestal only in each independent living unit/cottage. Sewerage charges will be levied on a per pedestal/urinal basis for pedestals/urinals installed elsewhere at the Aged/Nursing Homes properties.
- v. For all other premises, the sewerage charge is calculated on the number of pedestals together with the number of urinals multiplied by the charge for the first water closet pedestal. For the purpose of this paragraph, each 1200mm of a continuous style urinal or part thereof will count as one urinal.

- vi. Sewerage Charges do not apply to Public Amenities Blocks on leased Council land that are locked and controlled by the Clubs.

Where there is more than one dwelling house on a land parcel, charges shall apply as if each house were on a separate land parcel. Where there is more than one commercial or industrial building upon a land parcel, charges will apply as if each building were on a separate land parcel.

Where a building is used for more purposes than one, charges will be levied by reference to the dominant use of the building, determined by Council.

For properties within the differential general rating category '6' Agriculture, farming and Other Rural, the sewerage utility charge is levied on the same basis as residential properties, even though to be eligible the properties must be classified as commercial use properties.

For the purpose of these charges:

- (a) a community titles lot is taken to be:
 - I. A single dwelling if it is used wholly or predominantly as a place of residence; or
 - II. A non-dwelling property in any other case.
- (b) A community title lot is a lot in a community titles scheme;
- (c) A community titles scheme is a community titles scheme created under or by virtue of the *Body Corporate and Community Management Act 1997*, or is a development similar to such a scheme but that continues to be governed by the *Building Units and Group Titles Act 1980* rather than by the *Body Corporate and Community Management Act 1997* (e.g. a development created under the *Integrated Resort Development Act 1987*);
- (d) A contribution schedule lot entitlement is an entitlement by that name, recorded in the community management statement (or analogous instrument) for a community titles scheme.

The sewerage charges will be those shown in the following tables:-

<u>Sewered Premises</u>	<u>Basis</u>	<u>Number of Charges</u>
Private Dwelling/Residential Unit/Dependent Persons Accommodation (Granny Flat) (secondary dwelling) or Stables or property subject to rural differential rate.	Each Residence (regardless of number of pedestals)	1 Charge
Flats	Each Flat	1 Charge
Aged/Nursing Home Plus Aged/Nursing other fixtures	Each Unit/Cottage Each Pedestal/Urinal	1 Charge 1 Charge
Other Premises	Each Pedestal / 1200mm of Urinal or part thereof	1 Charge
Vacant Land	Each rateable property	1 Vacant Land Charge

For those properties in the Declared Sewerage Areas, charges as per the above schedule for 2021/2022 will be:

<u>Declared Sewered Area</u>	<u>Amount of Charge</u>	<u>Amount of Vacant Land Charge</u>
Gracemere	\$886.00	\$840.00
Mount Morgan	\$819.00	\$777.00
Rockhampton	\$678.00	\$645.00

WASTE & RECYCLING

For the financial year beginning 1 July 2021, Council will make and levy the following utility charges for:

<u>Schedule of Waste Collection and Recycling Charges</u>	
<u>Service</u>	<u>Annual Charge</u>
Domestic Services	
Combined General Waste/Recycling Service	458.00
Additional General Waste Service – same day service as nominated	\$351.00
Additional Recycling Service – same day service as nominated service day	\$207.00
660L General Waste Service	Annual Utility Charge per Tenement
1100L General Waste Service	Annual Utility Charge per Tenement
Commercial Services	
General Waste Service - 240L	\$455.00
Recycling Service – 240L	\$248.00
Commercial Residential General Waste Service (Eligible Levy	\$376.00
660L General Waste Service (Council Use Only)	\$1,240.00
1100L General Waste Service (Council Use Only)	\$1,860.00

Where Council deems a specialised waste collection service is required for Domestic Service/s bulk waste bins are used in lieu of the standard 240L wheelie bin and Waste and Recycling Collection Charges to the property are based on the annual utility charge per tenement.

“Tenement” includes any premises used as a separate domicile such as, for example -

- a single unit private dwelling; or
- premises containing 2 or more flats, apartments or other dwelling units, each used as a separate domicile; or
- a boarding house, hostel, lodging house, or guest house.

The schedule of commercial premises eligible for utilising 660L or 1100L bulk bins are Council facilities only.

Services to be provided

Domestic Waste and Recycling Services

The service comprises the following services as described:

Combined Domestic General Waste and Recycling Collection Service

This service is on the basis that the combined general waste and recycling collection service provided is available to properties within a Declared Waste Collection Area.

The combined domestic general waste and recycling collection charge, Council levies against a Domestic Premise will be the single sum shown in the Schedule of Waste and Recycling Collection Charges, covering for the full financial year the combined cost of:

- providing a Standard General Waste Container (240L waste container) to hold domestic general waste;
- emptying the waste container once per week and removing the contents from the premises;
- disposal of the waste at an approved facility;
- providing a waste container to hold recyclables;
- emptying the recyclables waste container fortnightly, and removing the contents from the premises; and
- processing of recyclable material at an approved facility.

Domestic Premises – General

Council will levy the charge on each parcel of residential land, including a lot in a community title scheme, whether occupied or not, within the Waste Collection Areas, regardless of whether ratepayers choose to use the domestic general waste collection and/or recycling services Council makes available.

To ensure public health standards are maintained in rural residential areas, waste collection services are offered on an elective basis to owners of rural residential land in proximity to major haul routes and where it is economically and/or responsibly viable to do so.

These properties shall be identified on waste collection area maps by geo-fencing the land parcel and shall be deemed as located within the waste collection area. Once levied the charge will apply and cannot be removed.

Where a service is supplied to a residence on a property within differential rating category 6 – agriculture, farming and other rural, the domestic waste charge shall apply. For newly constructed structures, the charge will apply from the earlier of plumbing or building approval or delivery of waste containers.

Where there is more than one structure on land capable of separate occupation a charge will be made for each structure.

The number of charges levied to a domestic property shall be the number of bins the Chief Executive Officer or his delegate considers necessary; or the number of bins the ratepayer requests, whichever is greater. Additional bin collections from domestic properties will only be made available on the same day as the minimum service.

Commercial Waste and Recycling Services

The service comprises of the following services as described:

Commercial Premises in a Designated Waste Collection Area

This service is on the basis that the general waste and recycling collection service it provides are available to commercial properties within the Designated Waste Collection Areas.

A General Waste Collection and/or Commercial Recycling Collection levy shall be charged per waste container collection (called a Service) as per the Schedule of Waste and Recycling Collection Charges, covering for the full financial year the combined cost of:

- providing the number of waste containers that the Chief Executive Officer or his delegate considers necessary or the number of bins the ratepayer requests, whichever is greater;
- emptying each waste container and removing the contents from the premises on the number of occasions each week that the Chief Executive Officer or his delegate considers necessary; or on the number of occasions the ratepayer requests, whichever is greater;
- disposal of the waste at an approved facility;
- where a waste container is provided to hold recyclables;
- emptying and removing the contents from the premises of that waste container once per fortnight;
- processing of recyclable material at an approved facility; and
- Queensland Government waste levy – as per the *Waste Reduction and Recycling Act 2011*.

Commercial Residential Waste Service.

This service is undertaken on the above premise but excludes the Queensland Government waste levy. Eligible properties are residential properties that Council provides a commercial waste collection service (not recycling). Eligible properties are:

- Nursing Homes, retirement villages and private age care
- Residential, lifestyle or manufactured home parks
- Boarding Houses
- Purpose built Student Accommodations – off campus, rooming accommodations

Commercial Premises - General

Council will levy a waste and recycling collection levy against commercial premises for the removal of commercial waste and recycling, unless the Chief Executive Officer or his delegate is satisfied that an approved private waste collection provider removes commercial waste and recycling from the premises, and will do so, at least once weekly for commercial waste and or once fortnightly for recycling.

Where there is more than one structure on land capable of separate occupation a charge will be made for each structure. Charges for the collection of commercial waste will be based on volume and frequency of collection. Charges will be made for additional collections from commercial properties.

7. COST RECOVERY FEES (LGA s97)

The principles of Full Cost Pricing are applied in calculating all cost recovery fees of the Council where applicable, but the fees will not exceed the cost to Council of providing the service or taking the action for which each fee is charged.

Cost Recovery Fees are listed in Fees and Charges which was last adopted at Council's Meeting held on 8 June 2021.

8. BUSINESS ACTIVITY FEES

Council has the power to conduct business activities and make business activity fees for services and facilities it provides on this basis. Business activity fees are made where Council provides a service and the other party to the transaction can choose whether or not to avail itself of the service. Business activity fees are a class of charge, which are purely commercial in application and are subject to the Commonwealth's Goods and Services Tax.

Business activity fees include but are not confined to the following: rents, plant hire, private works and hire of facilities.

9. TIME FOR PAYMENT (LGR s118)

Rates and utility charges referred to in this policy shall generally be levied half yearly with the exception of water consumption which will be levied at quarterly intervals on a rolling basis. Such rates and utility charges shall be payable by the due date detailed on the rate notice.

All rates and charges will be due and payable on the day that is 30 clear days after the issue of a notice to pay.

As a guide a separate rates notice will be issued in the first six months of the financial year (July – December), and in the second half of the financial year (January – June). These notices will cover the billing periods 1 July 2021 to 31 December 2021 (issued August/September), and 1 January 2022 to 30 June 2022 (issued February/March), respectively. Each notice includes one half of the annual rates and charges levied.

10. INTEREST (LGR s133)

All rates and charges remaining outstanding 30 clear days after the due date will be deemed to be overdue rates and will thereafter bear interest at the rate of 8.00% per annum, compounding on daily rests in accordance with the *Local Government Regulation 2012*, calculated on the balance of overdue rates and charges.

11. DISCOUNT (LGR s130)

Discount at the rate of ten (10) percent will be allowed on gross Council rates and charges, excluding any charge specifically excluded from discount entitlement, provided payment of the full amount outstanding, including any overdue rates and interest to the date of payment, less any discount entitlement, is paid by the due date on original notice of the levy.

The discount shall not apply to special charges, Natural Environment separate charge or water consumption charges.

12. RATE CONCESSIONS (LGR s121)

Council approves concessions each year prior to its budget meeting, in the form of the Rate Concession Policy. This was adopted by Council on the 24 June 2021. The main areas of concessions are as follows:

Pensioner Subsidy

For Pensioner Ratepayers of their principal place of residence Council will offer a subsidy (upon the same terms and conditions as the Queensland Government Pensioner Rate Subsidy Scheme of 20%) (to a maximum of \$260) on all rates levied in respect of the property the person owns and occupies, excluding environment separate charge, special rates/charges, water consumption charges and rural and state fire levies/charges.

For Pensioner Ratepayers of their principal place of residence a person in receipt of a Widow/ers Allowance will be entitled to a subsidy of 20% (to a maximum of \$260) on all rates levied in respect of the property the person owns and occupies, excluding environment separate charge, special rates/charges, water consumption charges and rural and state fire levies/charges.

In both cases, the concession is offered on the basis that the ratepayers are pensioners (as defined by the *Local Government Regulation 2012*). Should a person be entitled to only part of the State subsidy, because of part ownership of the property, or other relevant reason, the Council rebate would be similarly reduced.

Permit to Occupy – Separate Charges

Council will grant a concession of all Separate Charges on those assessments that only contain a permit to occupy for pump sites and where the land area is 25 square metres or less, provided the ratepayer as shown on the assessment is the owner of another property in the Council area on which the Separate Charges have been levied.

The concession is offered on the basis that the payment of the additional separate charge will cause the ratepayer hardship.

Permit to Occupy – General Rates

Council will grant a concession of up to \$600.00 in General Rates for properties on those assessments that only contain a permit to occupy for pump sites and where the land area is 25 square metres or less, provided the ratepayer as shown on the assessment is the owner of another property in the Council area on which General Rates have been levied.

The concession is offered on the basis that the payment of general rates will cause the ratepayer hardship.

Sporting Clubs and Associations

Council will grant varied levels of concessions to charitable and other Non-Profit and Charitable Community Groups, including not-for-profit Sporting Bodies, in accordance with the provisions of the Rates Concession Policy.

The concessions are offered on the basis that the ratepayers are entities whose objects do not include the making of a profit.

CBD Commercial Properties with Mixed Residential Use

The purpose of the concession is to reduce vacancies in the CBD by providing an incentive for commercial property owners within the defined CBD area to utilise unoccupied commercial space for residential purposes. Residential purposes is defined as any space constructed and permitted for residential use and occupied by the owner or tenant as a residence.

The basis for this concession is stimulation of economic development within the defined CBD area.

Council Owned/Trustee Land

Council will grant a concession on General Rates and Separate Charges for vacant land that is owned or held as Trustee by Council if it is leased to another person and the land is not used for any business, commercial or industrial purpose. The level of concession is in accordance with Council's Rates Concession Policy.

The concessions are offered on the basis that the payment of general and separate rates will cause the ratepayer/lessee hardship.

Multi-Residential Unit Developments

Council may grant a concession of 100% of the waste/recycling charge for each multi-residential unit or units for which a community title scheme exists.

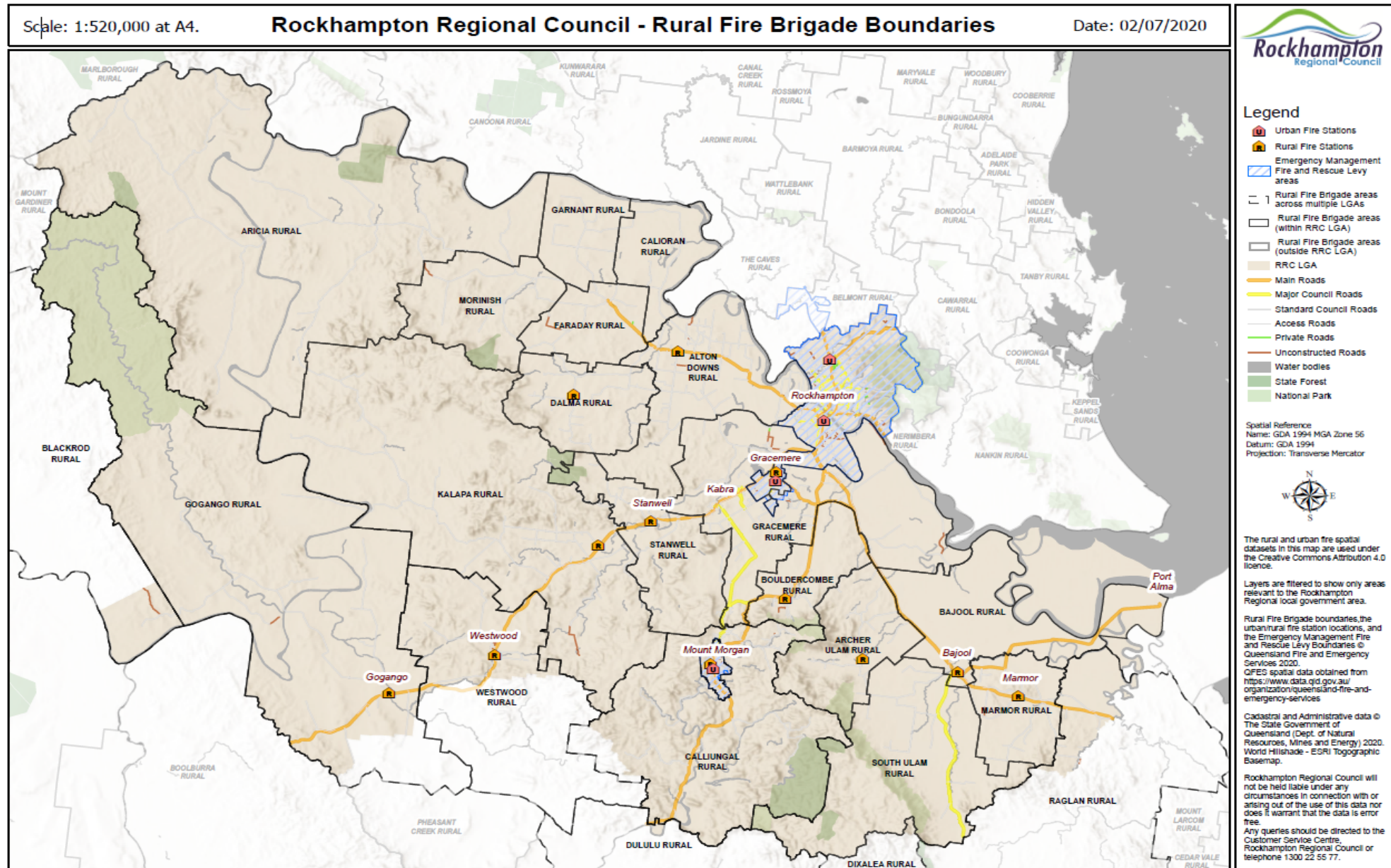
This may apply where it has been deemed impractical for Council to provide services to a multi-residential unit development consisting of six or more units within a plan.

13. AUTHORITY

It is a requirement of the *Local Government Act 2009* that for each financial year Council adopt, by resolution, a Revenue Statement.



SCHEDULE 1 – ROCKHAMPTON REGIONAL COUNCIL – RURAL FIRE BRIGADE BOUNDARIES



DEBT (BORROWINGS) POLICY

STATUTORY POLICY



1 Scope

This policy applies to the use of loan borrowings to fund Rockhampton Regional Council infrastructure and other important capital works projects.

2 Purpose

The purpose of this policy is to provide Council with a contemporary Debt (Borrowings) Policy for responsible financial management on the loan funding of infrastructure and capital works projects by ensuring the level of Council indebtedness is within acceptable limits to Council, its ratepayers and interested external parties.

3 Related Documents

3.1 Primary

Local Government Act 2009

Local Government Regulation 2012

3.2 Secondary

Statutory Bodies Financial Arrangements Act 1982

4 Definitions

To assist in interpretation, the following definitions apply:

Council	Rockhampton Regional Council
QTC	Queensland Treasury Corporation
Ratepayers	As defined in the <i>Local Government Regulation 2012</i> , a person who is liable to pay rates or charges.

5 Policy Statement

As a general principle, Council recognises that loan borrowings for capital works projects are an important funding source for local government and that the full cost of infrastructure should not be borne entirely by present-day ratepayers, but be contributed to by future ratepayers who will also benefit. Whilst recognising the importance of loan borrowings, Council should not place undue reliance upon loans as a source of funding.

Council will restrict all long term borrowings to expenditure on identified capital works projects that are considered by Council to be of the highest priority and which cannot be funded from revenue, as identified by the adopted budget.

Council will not use long term debt to finance operating activities or recurrent expenditure. A working capital facility or overdraft may be utilised to help fund short term cash flow requirements that may arise from time to time.

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The basis for determination of the utilisation of loan funds will be as follows:

- (a) Where a capital works project for a service that is funded by utility or user charges, for example water, sewer, waste, is determined to be funded by way of loans, the user charge should reflect the cost of providing the service including the loan servicing costs.
- (b) Other specific capital works projects, not funded by user charges, should only be considered for loan funding where the project is considered by Council to be of long term benefit to the majority of ratepayers.
- (c) The term of any loan should not exceed the expected life of the asset being funded.

5.1 10 Year Loan Programme Forecast

Council utilises loan borrowings to fund capital and infrastructure works when required. Repayments are usually spread over a period of 15 to 20 years or shorter depending on the life of the asset being created. The Debt (Borrowings) Policy includes the following information:

- (a) New borrowings for the current and the next nine financial years; and
- (b) Repayment schedule for new and existing borrowings.

The following 10 year program is proposed by Council, although allocations are revised on an annual basis in conjunction with the review of its short and long term budgets:

Table 1
10 Year Borrowing and Repayment Schedule

Financial Year	New Borrowing Amount (\$)	Loan Redemption Amount (\$)	Repayment Period (years)
Existing Loans	N/A	N/A	2-14
2021/22	40,000,000	29,675,336	15-20
2022/23	47,500,000	29,762,823	15-20
2023/24	22,000,000	13,050,538	15-20
2024/25	5,000,000	13,494,874	15-20
2025/26	8,000,000	14,014,767	15-20
2026/27	13,000,000	14,779,124	15-20
2027/28	9,000,000	15,831,636	15-20
2028/29	4,000,000	16,693,273	15-20
2029/30	5,000,000	17,289,852	15-20
2030/31	10,000,000	17,942,218	15-20

5.2 Repayment Schedule

The loan portfolio of Council is raised solely with QTC primarily utilising QTC's fixed rate loan product. A fixed rate loan is a loan where the interest rate does not fluctuate for the term of the fixed period. A fixed rate loan provides rate certainty; however, an early repayment adjustment applies for any unscheduled repayments.

The amount required to extinguish a fixed rate loan at any point in time is the market value of the loan. The market value reflects the remaining cash flows required to repay the debt, valued at the current market rates of interest. An early repayment adjustment reflects the difference between the loan balance and the market value of a fixed rate loan. The adjustment can be a loss or a gain depending on whether market rates for the remaining term are lower or higher than the original fixed rate.

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Council intends maintaining principal and interest repayment schedules consistent with the fixed rate terms of individual loans so exposures to early repayment adjustment losses are minimised. However, in circumstances where the early repayment adjustment will result in a gain to Council, consideration will be given to early repayment of the relevant loan facilities, subject to evaluation of Council's financial position at the time.

The budgeted loan portfolio of Council for 2021/22 is as follows:

Table 2
Budget Interest and Redemption by Fund/Function for the Year to 30 June 2022

	A	B	C	D	E (A – C + D = E)
FUNCTION DESCRIPTION	EST BOOK DEBT BALANCE 01/07/2021	QTC ADMIN AND INTEREST	QTC REDEMPTION	NEW ADVANCES	EST BOOK DEBT BALANCE 30/06/2022
Water and Sewerage	16,638,390	677,180	7,452,130	-	9,186,260
Waste and Recycling	11,866,790	351,540	3,011,070	-	8,855,720
Airport	16,903,450	328,750	1,024,810	-	15,878,640
Other/ General Functions	102,520,700	2,720,040	18,187,330	40,000,000	124,333,370
TOTAL ALL FUNDS	147,929,330	4,077,510	29,675,340	40,000,000	158,253,990

6 Review Timelines

This policy is reviewed when any of the following occur:

- (a) As required by legislation – no later than 30 June 2022 in conjunction with the budget;
- (b) The related information is amended or replaced; or
- (c) Other circumstances as determined from time to time by the Council.

7 Document Management

Sponsor	Chief Executive Officer
Business Owner	Deputy Chief Executive Officer
Policy Owner	Chief Financial Officer
Policy Quality Control	Legal and Governance



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SUMMARY OF INCOME, EXPENDITURE AND COMMUNITY SERVICE OBLIGATIONS

Rockhampton Regional Council Statement of Significant Business Activities to Which the Code of Competitive Conduct Applies 2021-2022 Financial Year

Budget Report	Airport \$	Water & Sewerage \$	Refuse Collection \$
Revenues for services provided to the Council	\$0	\$0	\$136,000
Revenues for services provided to external clients	\$16,705,511	\$72,634,417	\$25,649,221
Community Service Obligations	\$318,102	\$560,900	\$795,888
Total Revenue	\$17,023,613	\$73,195,317	\$26,581,109
Less: Expenditure	-\$15,127,721	-\$50,299,009	-\$22,423,848
Less: Return on Equity	-\$1,895,892	-\$11,035,198	-\$597,338
Surplus/(Deficit)	\$0	\$11,861,111	\$3,559,923
List of Community Service Obligations (CSO)			
Royal Flying Doctors Service & Capricorn Rescue Helicopter Service	\$241,235		
Patient Transfer Parking	\$76,867		
Combined Lines and Manholes (Operational and Capital Portions)		\$275,491	
Remissions to Community & Sporting Bodies		\$175,409	
Undetected Leak Rebates		\$110,000	
Old Landfill Maintenance Works			\$123,994
Regulated Waste Disposal			\$137,516
Charity Waste Policy			\$51,033
Green Waste			\$165,178
Waste Education			\$55,000
Assisted Services			\$263,168
Total	\$318,102	\$560,900	\$795,888

The CSO value is determined by Council and represents an activity's costs which would not be incurred if the activity's primary objective was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

SUMMARY OF INCOME, EXPENDITURE AND COMMUNITY SERVICE OBLIGATIONS

Rockhampton Regional Council Statement of Other Business Activities to Which the Code of Competitive Conduct Applies 2021-2022 Financial Year

Budget Report	Building Certification \$
Revenues for services provided to the Council	\$550
Revenues for services provided to external clients	\$302,500
Community Service Obligations	\$0
Total Revenue	\$303,050
Less: Expenditure	-\$200,766
Less: Return on Equity	\$0
Surplus/(Deficit)	\$102,284
<u>List of Community Service Obligations (CSO)</u>	
To assist the business offer services at an affordable price for the customer where a Private Certifiers do not accommodate the market on the basis that any external revenue in this area assists Council to offset its compliance costs that would be greater if the Private Certification services was not offered	\$0
Total	\$0

The CSO value is determined by Council and represents an activity's costs which would not be incurred if the activity's primary objective was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

Rockhampton Regional Council

One Page Budget Summary for 2021/2022
Adopted Budget

	Total 21/22 Adopted Budget	Resourcing 21/22 Adopted Budget	Office of CEO 21/22 Adopted Budget	Advance Rockhampton 21/22 Adopted Budget	Community Services 21/22 Adopted Budget	Corporate Services 21/22 Adopted Budget	Regional Services 21/22 Adopted Budget	Corporate Services		Regional Services		
								Airport 21/22 Adopted Budget	Other Corporate Services 21/22 Adopted Budget	Fitzroy River Water 21/22 Adopted Budget	Waste and Recycling Services 21/22 Adopted Budget	Other Regional Services 21/22 Adopted Budget
OPERATIONS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenue												
Rates and Utility Charges	(176,411,315)	(87,050,420)	0	0	0	0	(89,360,895)	0	0	(71,286,600)	(18,074,295)	0
Less Rebates and Discounts	15,369,213	8,441,994	0	0	0	0	6,927,219	0	0	5,104,914	1,822,305	0
Fees and Charges	(27,688,335)	500,000	0	(1,705,500)	(6,877,774)	(11,722,085)	(7,882,976)	(11,448,560)	(273,525)	(1,317,464)	(6,539,925)	(25,588)
Interest Received	(508,000)	(118,000)	0	0	0	(40,000)	(350,000)	(40,000)	0	(300,000)	(50,000)	0
Grants Subsidies and Contributions	(13,907,572)	(8,643,732)	(250,265)	(167,325)	(3,419,558)	(1,157,606)	(269,086)	(831,606)	(326,000)	(15,225)	(114,991)	(138,869)
Other Revenue	(10,528,856)	(10,000)	(27,847)	(435,000)	(1,587,730)	(5,382,282)	(3,085,997)	(4,385,345)	(996,938)	(333,502)	(2,692,315)	(60,180)
Sales Contract and Recoverable Works	(6,292,810)	0	0	0	0	0	(6,292,810)	0	0	(4,597,269)	0	(1,695,541)
Total Operating Revenue	(219,856,946)	(86,880,158)	(278,112)	(2,307,825)	(11,885,062)	(18,301,973)	(100,203,816)	(16,705,511)	(1,596,463)	(72,634,417)	(25,649,221)	(1,920,177)
Operating Expense												
Finance Costs	4,582,740	2,838,790	0	0	5,800	695,030	1,043,120	385,030	310,000	676,990	366,130	0
Depreciation	56,812,137	0	3,274	0	8,172,085	9,495,950	39,140,828	3,953,164	5,542,786	14,204,756	1,767,410	23,168,661
Employee Costs	89,494,925	(2,000)	8,129,734	3,053,912	33,272,590	18,653,446	26,387,242	2,782,735	15,870,711	7,969,442	3,652,591	14,765,209
Materials and Services	80,268,605	160,000	789,421	4,846,510	23,102,049	23,108,539	28,262,086	6,057,934	17,050,604	9,182,499	11,236,424	7,843,163
Internal Transfers	(5,934,034)	0	237,289	4,121	3,650,000	(16,007,210)	6,181,767	292,335	(16,299,546)	1,162,539	2,391,539	2,627,689
Code of Competitive Conduct Adjustments	0	(26,173,171)	0	0	0	2,108,417	24,064,754	2,108,417	0	22,874,668	1,190,086	0
Corporate Overheads	(3,236,146)	(7,096,121)	0	0	(145,158)	1,125,895	2,879,238	1,125,895	0	4,702,413	1,485,118	(3,308,293)
Total Operating Expense	221,988,227	(30,272,502)	9,159,718	7,904,543	68,057,367	39,180,067	127,959,035	16,705,511	22,474,556	60,773,307	22,089,298	45,096,430
Net Operating (Profit)/Deficit	2,131,281	(117,152,660)	8,881,606	5,596,718	56,172,304	20,878,093	27,755,219	0	20,878,093	(11,861,111)	(3,559,923)	43,176,253
CAPITAL												
Capital Funding												
Existing or Operational Funds (Used) / Banked	(18,971,622)	20,560,389	3,274	(250,000)	(3,948,994)	(6,620,741)	(28,715,550)	(2,093,196)	(4,527,545)	(27,614,525)	(6,478,476)	5,377,451
Grants, Subsidies and Sales/Disposals	(61,779,290)	(879,000)	0	0	(5,731,169)	(33,858,687)	(21,310,434)	(27,358,687)	(6,500,000)	(5,743,251)	0	(15,567,183)
Developer Contributions	(5,345,400)	0	0	0	(74,354)	0	(5,271,046)	0	0	(2,923,104)	0	(2,347,942)
Funded Depreciation	(54,680,856)	2,131,281	(3,274)	0	(8,172,085)	(9,495,950)	(39,140,828)	(3,953,164)	(5,542,786)	(14,204,756)	(1,767,410)	(23,168,661)
New Loans 2021-2022	(40,000,000)	(40,000,000)	0	0	0	0	0	0	0	0	0	0
Total Capital Funding	(180,777,167)	(18,187,330)	0	(250,000)	(17,926,602)	(49,975,378)	(94,437,858)	(33,405,047)	(16,570,331)	(50,485,636)	(8,245,886)	(35,706,336)
Capital Expenditure												
Capital Expenditure	151,101,827	0	0	250,000	17,926,602	48,950,568	83,974,658	32,380,237	16,570,331	43,033,506	5,234,816	35,706,336
Debt Redemption	29,675,340	18,187,330				1,024,810	10,463,200	1,024,810	0	7,452,130	3,011,070	0
Total Capital Expenditure	180,777,167	18,187,330	0	250,000	17,926,602	49,975,378	94,437,858	33,405,047	16,570,331	50,485,636	8,245,886	35,706,336
Net Decrease/(Increase) of Accumulated Budget Funding	18,971,622	(139,844,330)	8,878,332	5,846,718	60,121,298	27,498,834	56,470,769	2,093,196	25,405,638	15,753,414	2,918,553	37,798,802
DEBT												
Opening Balance (1/7/2021)	147,929,330	102,520,700	0	0	0	16,903,450	28,505,180	16,903,450	0	16,638,390	11,866,790	0
New Loans	40,000,000	40,000,000	0	0	0	0	0	0	0	0	0	0
Payments	(29,675,340)	(18,187,330)	0	0	0	(1,024,810)	(10,463,200)	(1,024,810)	0	(7,452,130)	(3,011,070)	0
Closing Balance	158,253,990	124,333,370	0	0	0	15,878,640	18,041,980	15,878,640	0	9,186,260	8,855,720	0

CAPITAL BUDGET SUBMISSION SUMMARY 2021-22 to 2023-24

Net Expenditure	83,977,137	77,060,535	74,679,059	235,716,731
Expense	151,101,827	94,549,390	85,070,814	330,722,031
Revenue	-67,124,690	-17,488,855	-10,391,755	-95,005,300

Line	Category	Description	Year 1 2021-22		Year 2 2022-23		Year 3 2023-24		3 Year Total	
			Expense	Revenue	Expense	Revenue	Expense	Revenue	Expense	Revenue
1	Advance Rockhampton	Rockynats	250,000		250,000		250,000		750,000	
2		Tourism	0	0	195,000	-97,500	0	0	195,000	-97,500
3	Advance Rockhampton Total		250,000	0	445,000	-97,500	250,000	0	945,000	-97,500
4	Airport	Airport - Airside	27,186,337	-25,000,000	0	0	0	0	27,186,337	-25,000,000
5		Airport Facilities	2,193,900		663,100		278,100		3,135,100	
6	Airport Total		29,380,237	-25,000,000	663,100	0	278,100	0	30,321,437	-25,000,000
7	Corporate	Communications & Information Technology	2,265,395		888,100		1,591,700		4,745,195	
8		Fleet	7,456,250		4,800,000		4,900,000		17,156,250	
9		Land	6,571,500	-6,500,000	1,421,500	0	21,500	0	8,014,500	-6,500,000
10		Smart Regional Centre	277,186		263,193		28,539		568,918	
11		Works for QLD		-879,000		0		0		-879,000
12	Corporate Total		16,570,331	-7,379,000	7,372,793	0	6,541,739	0	30,484,863	-7,379,000
13	Communities	Access Roads	63,600		42,000		31,800		137,400	
14		Art Gallery	2,281,608	-25,000	66,500	0	146,500	-25,000	2,494,608	-50,000
15		Botanic Gardens	50,000		50,000		50,000		150,000	
16		Cemetery	1,807,913		776,000		197,900		2,781,813	
17		Child Care	0		0		16,400		16,400	
18		Developer Contributions		-74,354		-83,000		-89,917		-247,271
19		Facilities	2,618,000	-2,375,000	450,000	0	70,000	0	3,138,000	-2,375,000
20		Facilities New	473,800		373,800		300,000		1,147,600	
21		Facilities Renewal	2,059,800	-225,000	2,361,401	0	3,421,000	0	7,842,201	-225,000
22		Facilities Upgrade	275,000		0		0		275,000	
23		Fleet	269,677		515,700		60,000		845,377	
24		Health & Environment	0		27,000		0		27,000	
25		Heritage Village	546,100		0		500,000		1,046,100	
26		Hockey Redevelopment	469,306		0		0		469,306	
27		Kershaw Gardens	200,000		275,000		200,000		675,000	
28		Libraries	77,900		35,000		250,700		363,600	
29		Mount Archer		-556,169		0		0		-556,169
30		Parks new	1,420,000		100,000		1,200,000		2,720,000	
31		Parks Renewal	915,000		2,317,600		949,500		4,182,100	
32		Pilbeam Theatre	600,000	-250,000	1,685,200	-750,000	1,087,300	-1,000,000	3,372,500	-2,000,000
33		Rockhampton Zoo	3,510,000	-1,600,000	2,150,000	-1,300,000	2,100,000	0	7,760,000	-2,900,000
34		Showgrounds	113,200		31,800		102,500		247,500	
35		Swimming Pools	726,000	-250,000	4,620,000	-2,250,000	0	0	5,346,000	-2,500,000
36		Venues & Events	299,697	-700,000	218,800	-775,000	490,400	-575,000	1,008,897	-2,050,000
37	Communities Total		18,776,602	-6,055,523	16,095,801	-5,158,000	11,174,000	-1,689,917	46,046,403	-12,903,440
38	Regional Services	Contingency	1,000,000		1,000,000		1,000,000		3,000,000	
39	Regional Services Total		1,000,000		1,000,000		1,000,000		3,000,000	
40	Civil Infrastructure	Airport Levee	350,000		0		0		350,000	
41		Boat Ramps & Jetties	1,030,000		500,000		0		1,530,000	
42		Carparks	40,000		50,000		0		90,000	
43		Developer Contributions		-1,840,042		-2,054,000		-2,225,167		-6,119,208
44		Disaster Management	150,000		120,000		0		270,000	
45		Equipment	53,730		0		0		53,730	
46		Floodways	2,000,000		410,000		500,000		2,910,000	
47		Footpaths	1,289,200	-3,150,912	427,000	0	427,000	0	2,143,200	-3,150,912
48		Road Reconstruction	7,104,000	0	4,855,000	-744,600	7,113,800	0	19,072,800	-744,600
49		Road Rehabilitation	3,068,400	-2,869,955	4,603,400	-2,869,955	6,769,400	-2,869,955	14,441,200	-8,609,865
50		Road Reseals	3,780,000		4,240,000		3,962,000		11,982,000	
51		Rural Roads Gravel Resheet	2,830,000		2,920,000		2,900,000		8,650,000	
52		Rural Roads Sealing	1,820,600	-1,271,800	4,050,700	-71,800	1,275,600	-71,800	7,146,900	-1,415,400
53		Stormwater	1,735,000		575,000		1,305,000		3,615,000	
54		Traffic Facilities	4,136,000	-728,150	1,693,000	0	2,460,000	0	8,289,000	-728,150
55		Bridges	315,000		205,000		305,000		825,000	
56		Road Rehabilitation		-1,043,625		0		0		-1,043,625
57		Rural Road	140,000		0		0		140,000	
58	Civil Infrastructure Total		29,841,930	-10,904,484	24,649,100	-5,740,355	27,017,800	-5,166,922	81,508,830	-21,811,760

CAPITAL BUDGET SUBMISSION SUMMARY 2021-22 to 2023-24

Net Expenditure	83,977,137	77,060,535	74,679,059	235,716,731
Expense	151,101,827	94,549,390	85,070,814	330,722,031
Revenue	-67,124,690	-17,488,855	-10,391,755	-95,005,300

Line	Category	Description	Year 1 2021-22		Year 2 2022-23		Year 3 2023-24		3 Year Total	
			Expense	Revenue	Expense	Revenue	Expense	Revenue	Expense	Revenue
59	Fitzroy River Water	Developer Contributions		-2,923,104		-3,263,000		-3,534,917		-9,721,021
60		Land	110,000		0		0		110,000	
61		Sewerage Network	1,555,225		392,400		536,100		2,483,725	
62		Water - General		-1,077,376		0		0		-1,077,376
63		Water Network	5,136,800	-500,000	4,000,000	0	5,606,700	0	14,743,500	-500,000
64		Water Treatment	4,434,600	-500,000	3,242,400	0	4,817,300	0	12,494,300	-500,000
65		Sewerage Treatment	3,536,881	-435,875	1,328,100	0	1,886,100	0	6,751,081	-435,875
66	Fitzroy River Water Total		14,773,506	-5,436,355	8,962,900	-3,263,000	12,846,200	-3,534,917	36,582,606	-12,234,272
67	Major Infrastructure Projects	CBD Works	2,027,209		0		0		2,027,209	
68		Gracemere STP Augmentation	400,000		7,000,000		7,300,000		14,700,000	
69		GWTP Electrical	9,500,000		6,130,000		0		15,630,000	
70		New Art Gallery	1,500,000	-6,760,641	0	0	0	0	1,500,000	-6,760,641
71		North STP Augmentation	15,000,000	-1,870,000	17,500,000	-3,230,000	14,500,000	0	47,000,000	-5,100,000
72		South Rockhampton Flood Levee	487,197		0		0		487,197	
73		Terminal Refurbishment	3,000,000	-2,358,687	0	0	0	0	3,000,000	-2,358,687
74		GWTP Solar	3,360,000	-1,360,000	0	0	0	0	3,360,000	-1,360,000
75	Major Infrastructure Projects Total		35,274,406	-12,349,328	30,630,000	-3,230,000	21,800,000	0	87,704,406	-15,579,328
76	Waste & Recycling Services	Equipment	0		131,610		0		131,610	
77		Lakes Creek Landfill	3,507,387		2,952,986		4,162,975		10,623,348	
78		Waste - General	607,429		576,100		0		1,183,529	
79		Waste Transfer Stations	1,120,000		1,070,000		0		2,190,000	
80	Waste & Recycling Services Total		5,234,816		4,730,696		4,162,975		14,128,487	
81	Grand Total		151,101,827	-67,124,690	94,549,390	-17,488,855	85,070,814	-10,391,755	330,722,031	-95,005,300