



SOUTH BURNETT
REGIONAL COUNCIL

AGENDA

Budget Committee Meeting Friday, 6 May 2022

I hereby give notice that a Meeting of the Budget Committee will be held on:

Date: Friday, 6 May 2022

Time: 9.00am

**Location: Warren Truss Chamber
45 Glendon Street
Kingaroy**

**Mark Pitt PSM
Chief Executive Officer**

In accordance with the *Local Government Regulation 2012*, please be advised that all discussion held during the meeting is recorded for the purpose of verifying the minutes. This will include any discussion involving a Councillor, staff member or a member of the public.

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- 1 OPENING**
- 2 LEAVE OF ABSENCE / APOLOGIES**
- 3 RECOGNITION OF TRADITIONAL OWNERS**
- 4 DECLARATION OF INTEREST**

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

5.1 MINUTES OF THE BUDGET COMMITTEE MEETING HELD ON 8 APRIL 2022

File Number: 6/5/2022

Author: Executive Assistant

Authoriser: Chief Executive Officer

OFFICER'S RECOMMENDATION

That the Minutes of the Budget Committee Meeting held on 8 April 2022 be received.

ATTACHMENTS

- 1. Minutes of the Budget Committee Meeting held on 8 April 2022**



SOUTH BURNETT
REGIONAL COUNCIL

MINUTES

Budget Committee Meeting
Friday, 8 April 2022

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**MINUTES OF SOUTH BURNETT REGIONAL COUNCIL
BUDGET COMMITTEE MEETING
HELD AT THE WARREN TRUSS CHAMBER, 45 GLENDON STREET, KINGAROY
ON FRIDAY, 8 APRIL 2022 AT 9.06AM**

PRESENT:**Councillors:**

Cr Brett Otto (Mayor), Cr Gavin Jones (Deputy Mayor), Cr Danita Potter, Cr Kirstie Schumacher, Cr Kathy Duff, Cr Scott Henschen

Council Officers:

Mark Pitt (Chief Executive Officer), Ged Brennan (Acting General Manager Infrastructure), Susan Jarvis (General Manager Finance & Corporate), James Darcy (Manager Infrastructure Planning), Kevin Searle (Manager Works), Donna Brown (Coordinator Infrastructure Support), Carolyn Knudsen (Manager Corporate Services), Kerri Anderson (Manager Finance and Sustainability), Craig Patch (Coordinator Finance), Leanne Petersen (Manager Property), Bree Hunt (Executive Assistant)

1 OPENING

The Mayor opened the meeting with the Lords Prayer and welcomed all attendees.

2 LEAVE OF ABSENCE / APOLOGIES

Chief Executive Officer Mark Pitt (9:06am – 10:32am)

General Manager Community Peter O'May

3 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

Cr Duff acknowledged the traditional custodians of the land on which the meeting took place.

4 DECLARATION OF INTEREST

Cr Scott Henschen brought to Chambers attention that item 6.2.2 the Wild Dog Scalp Payment, that he is a member of the Wild Dog Trapping Syndicate but is not on the committee in any position nor does not hold an office holder's position on the Management Committee and under the Legislation, that does not constitute a conflict of interest.

Attendance:

At 9:10am, Coordinator Infrastructure Support Donna Brown entered the meeting.

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

5.1 MINUTES OF THE BUDGET COMMITTEE MEETING HELD ON 1 APRIL 2022

COMMITTEE RESOLUTION 2022/27

Moved: Cr Scott Henschen

Seconded: Cr Gavin Jones

That the Minutes of the Budget Committee Meeting held on 1 April 2022 be received.

In Favour: Crs Brett Otto, Gavin Jones, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 6/0

6 BUSINESS

6.1 DRAFT 22/23 SOUTH BURNETT REGIONAL COUNCIL OPERATIONAL PLAN - INFRASTRUCTURE

COMMITTEE RESOLUTION 2022/28

Moved: Cr Danita Potter

Seconded: Cr Kathy Duff

That the Committee recommends to Council:

That the Draft South Burnett Regional Council Operational Plan 2022/23 – Infrastructure be approved for inclusion in the operational plan development process for 2022/23.

In Favour: Crs Brett Otto, Gavin Jones, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 6/0

Attendance:

At 9:15am, Coordinator Infrastructure Support Donna Brown left the meeting.

At 9:18am, Coordinator Infrastructure Support Donna Brown returned to the meeting.

At 9:33am, Coordinator Finance Craig Patch entered the meeting (online).

At 10:08am, Cr Danita Potter left the meeting.

At 10:10am, Cr Danita Potter returned to the meeting.

At 10:15am, Executive Assistant Bree Hunt left the meeting.

At 10:18am, Executive Assistant Bree Hunt returned to the meeting.

At 10:32am, Chief Executive Officer Mark Pitt entered the meeting.

6.2.1 INTERNAL CONSULTANTS

A report to be brought back that details potentially developing our own employees and their skills and looking at different strategies for internal consulting rather than seeking external consultants.

6.2.2 QUESTION ON NOTICE - WONDAI CBD

Question on Notice from Cr Brett Otto:

What is the breakdown for the \$80,000 for the Wondai CBD? What sort of consultants/specialists are we engaging and what are their qualifications?

Attendance:

At 10:35am, Manager Property Leanne Petersen entered the meeting (online).

At 10:39am, Cr Scott Henschen left the meeting.

At 10:41am, Cr Scott Henschen returned to the meeting.

At 10:59am, Cr Kirstie Schumacher left the meeting.

At 11:02am, Cr Kirstie Schumacher returned to the meeting.

ADJOURN MORNING TEA

COMMITTEE RESOLUTION 2022/29

Moved: Cr Brett Otto

Seconded: Cr Scott Henschen

That the meeting adjourn for morning tea.

In Favour: Crs Brett Otto, Gavin Jones, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 6/0

RESUME MEETING

COMMITTEE RESOLUTION 2022/30

Moved: Cr Brett Otto

Seconded: Cr Scott Henschen

That the meeting resume at 11:42am.

In Favour: Crs Brett Otto, Gavin Jones, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 6/0

Attendance:

At 11:42 am, Cr Danita Potter left the meeting.

At 11:56 am, Cr Gavin Jones left the meeting.

6.2.3 RENEWABLE OPPORTUNITIES

To review street lighting to potentially use renewable sources and to add into the Operational Plan.

6.2.4 DEPRECIATION WORKSHOP

That a workshop to discuss depreciation be scheduled and after the workshop some media around the processes be released to the community for their understanding.

6.2.5 CLAIM LODGEMENT AND PAYMENT SYSTEM

OFFICER'S RECOMMENDATION

A brief report be brought to a future Infrastructure Standing Committee Meeting on the efficiency of our claim lodgement and payment system.

6.2 DRAFT 22/23 BUDGET - INFRASTRUCTURE (EXCL WATER AND WASTEWATER)

COMMITTEE RESOLUTION 2022/31

Moved: Cr Scott Henschen
Seconded: Cr Kathy Duff

That the Committee receive the proposed 2022-2023 draft budget for the Infrastructure Department (excluding Water & Wastewater) and provide guidance for inclusion in the continued preparation of the full South Burnett Regional Council 2022-2023 annual budget as amended.

In Favour: Crs Brett Otto, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 4/0

COMMITTEE RESOLUTION 2022/32

Moved: Cr Kathy Duff
Seconded: Cr Scott Henschen

A report be brought back to the Budget Standing Committee to detail the potential savings as discussed in the salary component of the Infrastructure Departments budget and that this process be extended to all departments in this current budget deliberation cycle.

In Favour: Crs Brett Otto, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 4/0

COMMITTEE RECOMMENDATION

Moved: Cr Kathy Duff
Seconded: Cr Kirstie Schumacher

With the consent of the mover and seconder the motion was withdrawn.

A report be brought back to the Budget Standing Committee to detail the potential savings as discussed in the white fleet component of the Infrastructure Departments budget and that this process be extended to all departments in this current budget deliberation cycle.

COMMITTEE RESOLUTION 2022/33

Moved: Cr Kathy Duff
Seconded: Cr Kirstie Schumacher

As part of budget deliberations for 22/23 the Senior Executive team considers further reduction to the white fleet where able to do so without impacting adversely on services to the community and a report be brought to a future Budget Committee Meeting.

In Favour: Crs Brett Otto, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 4/0

COMMITTEE RESOLUTION 2022/34

Moved: Cr Kirstie Schumacher
Seconded: Cr Kathy Duff

That the Infrastructure and Finance teams strategise and analyse the maintenance program budget, consider the defect projections and scope to introduce asset renewal works with external funding and investigate the flood repair works on our forward projected maintenance program and how these factors may influence our proposed maintenance budget for 22/23 and that a budget workshop be scheduled prior to 13 June.

In Favour: Crs Brett Otto, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 4/0

7 CONFIDENTIAL SECTION

8 CLOSURE OF MEETING

The Meeting closed at 1:44pm.

The minutes of this meeting were confirmed at the Budget Committee Meeting held on 6 May 2022.

.....
CHAIRPERSON

6 BUSINESS**6.1 ADOPTION OF THE SOUTH BURNETT REGIONAL COUNCIL REVENUE POLICY 2022/2023 - STATUTORY005**

File Number: IR2864939
Author: Manager Corporate Services
Authoriser: Chief Executive Officer

PRECIS

Adoption of the South Burnett Regional Revenue Policy 2022/2023 – Statutory005.

SUMMARY

South Burnett Regional Council ('Council') intends to achieve an equitable distribution of the cost of its operations between different groups of ratepayers. In seeking to achieve this equitable distribution, Council's view is that every ratepayer should contribute at least at a basic level to the cost of operations of the Council.

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That the South Burnett Regional Council Revenue Policy 2022/2023 – Statutory005 be adopted as presented.

FINANCIAL AND RESOURCE IMPLICATIONS

No direct financial and resource implications arise from this report which have not already been considered in the development of Council's annual budget.

LINK TO CORPORATE/OPERATIONAL PLAN

Corporate Plan 2021 - 2026	OR2 Achieve community recognition as an ethical Council that values and practices community consultation, accountable governance and open and transparent decision-making.
Operational Plan 2021/2022	Deliver the Council Policy Governance Framework to support strategic planning and compliance with relevant legislation, policies, codes of practice and standards.
	Deliver sound corporate risk management and internal audit functions aligning to policy.

COMMUNICATION/CONSULTATION (INTERNAL/EXTERNAL)

An internal review was undertaken by Manager Finance & Sustainability with assistance from Corporate Services. A marked-up draft policy was prepared and tabled for discussion at the Senior Executive Team meeting held on 26 April 2022.

Feedback received at this Meeting supported the proposed changes identified within the draft policy.

LEGAL IMPLICATIONS (STATUTORY BASIS, LEGAL RISKS)

Local Government Act 2009 (Qld)
Local Government Regulation 2012 (Qld)
Human Rights Act 2019 (Qld)

Section 4(b) of the Human Rights Act 2019 requires public entities to act and make decisions in away compatible with human rights. The Human Rights Act 2019 requires public entities to

only limit human rights in certain circumstances and after careful consideration. The human rights protected under the Act are not absolute. This means that the rights must be balanced against the rights of others and public policy issues of significance.

In the decision-making process, Council is to consider the 23 human rights:

1. Recognition and equality before the law;	13. Cultural rights—generally;
2. Right to life;	14. Cultural rights—Aboriginal peoples and Torres Strait Islander peoples;
3. Protection from torture and cruel, inhuman or degrading treatment;	15. Right to liberty and security of person;
4. Freedom from forced work;	16. Humane treatment when deprived of liberty;
5. Freedom of movement;	17. Fair hearing;
6. Freedom of thought, conscience, religion and belief;	18. Rights in criminal proceedings;
7. Freedom of expression;	19. Children in the criminal process;
8. Peaceful assembly and freedom of association;	20. Right not to be tried or punished more than once;
9. Taking part in public life;	21. Retrospective criminal laws;
10. Property rights;	22. Right to education;
11. Privacy and reputation;	23. Right to health services.
12. Protection of families and children;	

POLICY/LOCAL LAW DELEGATION IMPLICATIONS

No direct local law or delegation implications arise from this report.

ASSET MANAGEMENT IMPLICATIONS

No direct asset management implications arise from this report.

REPORT

This policy applies to all Council representatives. A Revenue Policy forms part of Council's budget each year. The *Local Government Regulation 2012* ('Regulation') identifies the matters that a local government must include in its Revenue Policy.

In essence, a Revenue Policy is a statement outlining the strategic policy position of Council in relation to revenue measures to be adopted in the budget.

ATTACHMENTS

1. **Draft - Revenue Policy 2022-2023 - Statutory005** [↓](#) 



POLICY CATEGORY - NUMBER: Statutory005

POLICY OWNER: Finance & Sustainability

ECM ID: 2864939

ADOPTED:

Revenue Policy 2022/2023

NOTE: Council regularly reviews and updates its policies. The latest controlled version can be obtained from the Policy Register on Council's intranet or by contacting Council's Corporate, Governance & Strategy Branch. **A hard copy of this electronic document is considered uncontrolled when printed.**

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1. POLICY STATEMENT

South Burnett Regional Council ('Council') intends to achieve an equitable distribution of the cost of its operations between different groups of ratepayers. In seeking to achieve this equitable distribution, Council's view is that every ratepayer should contribute at least at a basic level to the cost of operations of the Council.

2. SCOPE

A Revenue Policy forms part of Council's budget each year. The *Local Government Regulation 2012* ('Regulation') identifies the matters that a local government must include in its Revenue Policy.

In essence, a Revenue Policy is a statement outlining the strategic policy position of Council in relation to revenue measures to be adopted in the budget.

Section 104(5)(c) of the *Local Government Act 2009* ('Act') states that the system of financial management established by Council must include, amongst other matters, a revenue policy. Section 193 of the Regulation provides:

1. A local government's revenue policy for a financial year must state—
 - a. the principles that the local government intends to apply in the financial year for—
 - i. levying rates and charges; and
 - ii. granting concessions for rates and charges; and
 - iii. recovering overdue rates and charges; and iv. cost recovery methods; and
 - b. if the local government intends to grant concessions for rates and charges—the purpose for the concessions; and
 - c. the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.
2. The revenue policy may state guidelines that may be used for preparing the local government's revenue statement.
3. A local government must review its revenue policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

This policy applies to all Council representatives. A Revenue Policy forms part of Council's budget each year. The *Local Government Regulation 2012* ('Regulation') identifies the matters that a local government must include in its Revenue Policy.

In essence, a Revenue Policy is a statement outlining the strategic policy position of Council in relation to revenue measures to be adopted in the budget.

3. GENERAL INFORMATION

Council will also have regard to the measures required to stimulate the local and national economy and, particularly where the Council is in competition with private sector providers of goods and services, will price according to generally accepted market principles. These principles ensure the Council does not put private sector providers at a disadvantage because its businesses are publicly owned.

Council will ensure that the rates and charges made are sufficient to cover the cost of its operations and that it is able to continue to provide services to the community at a level consistent with the growth and development of the area.

In general, Council will be guided by the "user-pays" principle in setting rates and charges. In doing so, the intention is to minimise the impact of rating on the local economy, so that the cost of a Council service is incurred by the user of that service wherever possible. It is acknowledged, however, that individual consumers of a commodity or service cannot always be separately identified. For this reason, there is a need for specific user charges to be supplemented by other general revenue sources.

When considering these matters, Council will generally benchmark any variations in charges from year to year against the general movement in prices that occur in other sectors of the community as measured by indexes such as Roadwork Input Cost Index, the Consumer Price Index, Council Cost Index (calculated by the Local Government Association of Queensland) and their components. While taking these movements into consideration Council needs to ensure that the rates and charges made are sufficient to cover the cost of its operations and that it is able to continue to provide services to the community at a level consistent with the growth and development of the area.

For Council Business Units that have adopted the code of competitive conduct, prices will be set according to full cost pricing principles including the achievement of an appropriate return on Council's investment.

3.1. Levying of Rates and Charges

Rates and charges are determined after due consideration of the following:

- Council's legislative obligations;
- the needs and expectations of the general community as determined by formal and informal consultation and survey processes;
- the cost of maintaining existing facilities and necessary services;
- the need for additional facilities and services; and
- equity by ensuring the fair and consistent application of lawful rating and charging principles, without bias, taking account of all relevant considerations, and disregarding irrelevancies such as the perceived personal wealth of individual ratepayers or ratepayer classes.

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

- making clear what is the Council's and each ratepayers responsibility to the rating system;
- making the levying process, granting discount and any refund of rates and charges as simple and efficient to administer as possible;
- timing the levy rate notices to take into account the financial cycle to which the ratepayers are accustomed or may adapt to; and
- flexibility by providing payment arrangements to ratepayers with a demonstrated lower capacity to pay, along with a wide array of payment options.

Council will also have regard to the principles of:

- transparency of process;
- simplicity and efficient administration; and
- flexibility to take account of changes in the local economy, extraordinary circumstances and impacts that different industries may have on Council's infrastructure.

3.1.1. General Rates

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

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

In formulating the differential general rating scheme Council has considered equity by implementing distribution of the general rate based on the land use. Where necessary a particular class of land use is further 'subdivided' on a geographic basis.

The Unimproved Valuation/Site Value for each property is the basis for determining the amount of the general rate levied. Council recognises that significant valuation fluctuations may have an adverse effect on customers. Council considers that this impact should be smoothed so that the impact in any one year is reduced. Council may achieve this by establishing new differential rating categories, averaging the valuation in accordance with *Sections 74 to 76* of the Regulation or by limiting rate increases in accordance with *Section 116* of the Regulation.

3.1.2. Separate or Special Rates

Where appropriate, Council will fund certain services and facilities by means of separate or special rate or charge in accordance with Part 6 and Part 8 of the Regulation. Council will levy special rates and charges on certain properties that are considered to be specially benefited by the provision of specific services, facilities or activities.

Special rates are based on the Unimproved Valuation/Site Value of the land and special charges are a flat charge per property, where this is considered to provide a more equitable basis for the sharing of the cost.

3.1.3. Other Charges

In general, Council will be guided by the principle of user pays where it can easily identify the cost associated with supplying a particular service. In particular Council may use this principle for water supply, sewerage, refuse collection, et cetera. Provided however that where Council considers that moving to full cost recovery for a particular service may cause undue hardship Council will "phase in" the full cost recovery over a period of time.

3.2. Recovery of Rates and Charges

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. It will be guided by the principles of:

- **Transparency** – by making clear the obligations of ratepayers and the processes used by Council in assisting them meet their financial obligations;
- **Simplicity** – by making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective;
- **Capacity to Pay** – by determining appropriate arrangements for different sectors of the community;
- **Equity** – by providing the same treatment for ratepayers with similar circumstances; and
- **Flexibility** – by responding where necessary to changes in the local economy.

3.3. Concessions for Rates and Charges

Statutory provision exists for the Council to rebate or postpone rates in certain circumstances. These provisions are detailed in *Part 10* of the Regulation.

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

- **Equity** – by having regard to the different levels of capacity to pay within the local community;
- **Consistency** – by applying the same treatment for ratepayers with similar circumstances;
- **Transparency** – by making clear the requirements necessary to receive concessions; and
- **Flexibility** – by allowing Council to respond to local economic issues.

The predominant purpose for which Council grants concessions is to:

- assist pensioners (who are on very limited incomes), in meeting their obligations to pay Council's rates and charges;
- assist various Religious Organisations, Community Groups and Sporting Organisations who provide a public service or community benefit throughout the region in meeting their obligations to pay Council's rates and charges;
- assist ratepayers who have experienced high water charges due to undetected water leaks in meeting their obligations to pay Council's rates and charges;
- assist developers that are required to provide reticulated water and wastewater to a subdivision in meeting their obligations to pay Council's rates and charges; and
- assist ratepayers who are receiving home haemodialysis in meeting their obligations to pay Council's rates and charges.

3.4. Cost Recovery Fees

Section 97 of the Act allows Council to set cost recovery fees. The 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, environmental and other corporate goals. This is considered to be the most equitable and effective revenue approach and is founded on the basis the Region's rating base cannot subsidise the specific users or clients of Council's regulatory products and services.

However, in setting its cost recovery fees, Council will be cognizant of the requirement that such a fee must not be more than the cost to Council of providing the service or taking action to which the fee applies.

3.5. Commercial Charges

Sections 9 (Powers of local governments generally) and *262* (Powers in support of responsibilities) of the Act provide the Council, as a legal entity, with powers to charge for services and facilities it supplies other than a service or facility for which a cost recovery fee may be fixed.

Such commercial charges are for transactions where the Council is prepared to provide a service and the other party to the transaction can choose whether or not to avail itself of the service.

The nature, level and standard of the entitlement, facility or service is considered by the Council in the setting of commercial charges. Central to deliberations on these matters is the Council's community service obligation and the principle of social equity. The Council may set such a charge with the aim of achieving a profit from the service or facility provided.

The principle of "user pays" is considered where the provision of a service, entitlement or facility may be in direct competition with private enterprise.

3.6. Funding of Physical and Social Infrastructure Costs

Council requires developers to pay reasonable and relevant contributions towards the cost of infrastructure required to support the development. Specific charges are detailed in "Adopted Infrastructure Charges" resolution adopted by Council.

These charges 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 social infrastructure projects. Where this occurs, Council expects

developers to meet sufficient costs so that the availability of facilities is not adversely affected and so that existing ratepayers are not burdened with the cost of providing the additional infrastructure.

4. DEFINITIONS

Annual Budget, for a local government, means its annual budget under chapter 5, part 2, division 3 of the Act.

Business Unit, of a local government, means a part of the local government that conducts a business activity of the local government.

Code of Competitive Conduct means referenced within *Section 47* of the Act.

Concession for rates or charges means a concession granted under *Chapter 4, Part 10* of the Act.

Cost-Recovery Fee means as referenced in *Section 97(2)* of the Act.

Differential General Rates means as referenced within *Section 80(2)* of the Act.

Full Cost Pricing, of a significant business activity, as referenced within *Section 44(3)* of the Act.

Local Government Principles means the principles expressed in the form of outcomes set out in *Section 4(2)* of the Act.

Pensioner means a person who is the holder of a pensioner concession card issued by the department of the Commonwealth responsible for administering the Social Security Act 1991 (Cwlth) or the Veterans' Entitlements Act 1986 (Cwlth).

Ratepayer means a person who is liable to pay rates or charges.

5. LEGISLATIVE REFERENCE

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

6. RELATED DOCUMENTS

South Burnett Regional Council Investment Policy – Statutory009

South Burnett Regional Council Debt Policy – Statutory010

South Burnett Regional Council Rate Collection Policy – Statutory041

South Burnett Regional Council Revenue Statement

South Burnett Regional Council Hardship Policy – Statutory012

7. NEXT REVIEW

As prescribed by legislation – May 2023

8. VERSION CONTROL

Version	Revision Description	Approval/Adopted Date	ECM Reference
1	Development of policy	13 August 2008	407991
2	Review of policy	26 June 2009	528733
3	Review of policy	9 June 2010	897521
4	Review of policy	29 June 2011	1271695
5	Review of policy	11 July 2012	1291872
6	Review of policy	12 June 2013	1185927
7	Review of policy	21 May 2014	1590733
8	Review of policy	3 June 2015	1888898
9	Review of policy	18 May 2016	1944679
10	Review of policy	17 May 2017	2701011
11	Review of policy	21 February 2018	2836653
12	Review of policy	20 March 2019	2578183
13	Review of policy	29 March 2020	2682123
14	Review of policy	28 April 2021	2786416
15	Review of policy		2864939
16	Administrative amendment – organisational structure review - resolution	1 July 2022	2864939

Mark Pitt PSM
CHIEF EXECUTIVE OFFICER

Date:

6.2 ADOPTION OF THE SOUTH BURNETT REGIONAL COUNCIL INVESTMENT POLICY 2022/2023 - STATUTORY009

File Number: IR2865444
Author: Manager Corporate Services
Authoriser: Chief Executive Officer

PRECIS

Adoption of the South Burnett Regional Investment Policy 2022/2023 – Statutory009.

SUMMARY

South Burnett Regional Council ('Council') sets policy and guidelines regarding the investment of surplus cash funds, with the objective of maximising earnings within the approved investment guidelines and ensure the security of funds invested.

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That the South Burnett Regional Council Revenue Investment Policy 2022/2023 – Statutory009 be adopted as presented.

FINANCIAL AND RESOURCE IMPLICATIONS

No direct financial and resource implications arise from this report which have not already been considered in the development of Council's annual budget.

LINK TO CORPORATE/OPERATIONAL PLAN

Corporate Plan 2021 - 2026	OR2 Achieve community recognition as an ethical Council that values and practices community consultation, accountable governance and open and transparent decision-making.
Operational Plan 2021/2022	Deliver the Council Policy Governance Framework to support strategic planning and compliance with relevant legislation, policies, codes of practice and standards.
	Deliver sound corporate risk management and internal audit functions aligning to policy.

COMMUNICATION/CONSULTATION (INTERNAL/EXTERNAL)

An internal review was undertaken by Manager Finance & Sustainability with assistance from Corporate Services. A marked-up draft policy was prepared and tabled for discussion at the Senior Executive Team meeting held on 26 April 2022.

Feedback received at this Meeting supported the proposed changes identified within the draft policy.

LEGAL IMPLICATIONS (STATUTORY BASIS, LEGAL RISKS)

Banking Act 1959 (Cth)

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

Statutory Bodies Financial Arrangements Act 1982 (Qld)

Statutory Bodies Financial Arrangements Regulation 2019 (Qld)

Human Rights Act 2019 (Qld)

Section 4(b) of the Human Rights Act 2019 requires public entities to act and make decisions in away compatible with human rights. The Human Rights Act 2019 requires public entities to

only limit human rights in certain circumstances and after careful consideration. The human rights protected under the Act are not absolute. This means that the rights must be balanced against the rights of others and public policy issues of significance.

In the decision-making process, Council is to consider the 23 human rights:

1. Recognition and equality before the law;	13. Cultural rights—generally;
2. Right to life;	14. Cultural rights—Aboriginal peoples and Torres Strait Islander peoples;
3. Protection from torture and cruel, inhuman or degrading treatment;	15. Right to liberty and security of person;
4. Freedom from forced work;	16. Humane treatment when deprived of liberty;
5. Freedom of movement;	17. Fair hearing;
6. Freedom of thought, conscience, religion and belief;	18. Rights in criminal proceedings;
7. Freedom of expression;	19. Children in the criminal process;
8. Peaceful assembly and freedom of association;	20. Right not to be tried or punished more than once;
9. Taking part in public life;	21. Retrospective criminal laws;
10. Property rights;	22. Right to education;
11. Privacy and reputation;	23. Right to health services.
12. Protection of families and children;	

POLICY/LOCAL LAW DELEGATION IMPLICATIONS

No direct local law or delegation implications arise from this report.

ASSET MANAGEMENT IMPLICATIONS

No direct asset management implications arise from this report.

REPORT

Investments are defined as financial or monetary arrangements that are undertaken or acquired to generate income or favourable future returns and pertain to the cash investments of Council. This policy applies to the investment of all surplus cash funds held by Council.

ATTACHMENTS

1. **South Burnett Regional Council Investment Policy 2022/2023 - Statutory009** [↓](#) 



POLICY CATEGORY - NUMBER: Statutory009

POLICY OWNER: Finance & Sustainability

ECM ID: 2865444

ADOPTED:

Investment Policy 2022/2023

NOTE: Council regularly reviews and updates its policies. The latest controlled version can be obtained from the Policy Register on Council's intranet or by contacting Council's Corporate, Governance & Strategy Branch. **A hard copy of this electronic document is considered uncontrolled when printed.**

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1. POLICY STATEMENT

South Burnett Regional Council ('Council') sets policy and guidelines regarding the investment of surplus cash funds, with the objective of maximising earnings within the approved investment guidelines and ensure the security of funds invested.

2. SCOPE

Investments are defined as financial or monetary arrangements that are undertaken or acquired to generate income or favourable future returns and pertain to the cash investments of Council. This policy applies to the investment of all surplus cash funds held by Council.

3. GENERAL INFORMATION

3.1. Ethics and Conflicts of Interests

3.1.1. Prudent Person Standard

The standard of prudence is to be used by Investment Officers when managing the portfolio. Investments will be managed with the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons. This includes having in place appropriate reporting requirements that ensure the investments are reviewed and overseen regularly.

Investment Officers are to manage the portfolios not for speculation, but for investment and in accordance with the principle of this policy. Investment Officers are to avoid any transaction that might prejudice Council. They will consider the safeguarding of capital and the achievement of income objectives when making an investment decision.

3.1.2. Conflicts of Interests

The Investment Officer shall refrain from personal activities that would conflict with the proper execution and management of Council's Investment Portfolio and declare to the Chief Executive Officer ('CEO') any conflict of interest that may arise. This includes activities that would impair the Investment Officer's ability to make impartial decisions.

3.1.3. Delegation of Authority

Authority for implementation of this policy is delegated by Council to the CEO in accordance with Section 257(1)(b) — Delegation by Local Government of the *Local Government Act 2009* ('Act'). Authority for the day-to-day management of Council's Investment Portfolio is to be delegated by the CEO to the Manager Finance and subject to regular reviews with the CEO and General Manager Finance and Corporate.

3.2. Investment Objectives

To set guidelines and boundaries for the investment of Council surplus cash balances which meet the requirements of the *Statutory Bodies Financial Arrangements Act 1982* ('SBFA') and *Statutory Bodies Financial Arrangements Regulation 2019*, support Council's investment and risk philosophy and provide a sequential process to be followed in undertaking investment activities.

Investment activities will focus on preservation of capital, liquidity, and return.

3.2.1. Preservation of Capital

Preservation of capital shall be the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security of principal of the overall portfolio. This would include managing credit and interest rate risk within given risk management parameters and avoiding any transactions that would prejudice confidence in Council.

3.2.2. Credit Risk

The Investment Officer will evaluate and assess credit risk prior to investment.

3.2.3. Interest Rate Risk

The Investment Officer shall seek to minimise the risk of a change in the market value of the portfolio due to a change in interest rates.

3.2.4. Maintenance of Liquidity

The Investment Officer shall maintain sufficient liquidity to meet all reasonable anticipated operational cash flow requirements of Council.

3.2.5. Return on Investment

The portfolio is expected to achieve a market average rate of return and take into account Council's risk tolerance.

The intent of this document is to outline Council's policy and guidelines regarding the investment of surplus cash funds, with the objective of maximising earnings within the approved investment guidelines and ensure the security of funds invested.

3.3. Portfolio Implementation

3.3.1. Authorised Personnel

The Manager Finance & Sustainability and delegated Investment Officer/s are authorised to invest Council's operational funds in investments consistent with this policy and legislation.

3.3.2. Internal Controls

Council's General Manager Finance & Corporate shall establish internal controls and processes that will ensure investment objectives are met and that the investment portfolios are protected from loss, theft or inappropriate use.

The internal controls will address the following:

- control of collusion;
- separate the transaction authority from accounting and record keeping;
- clearly delegate authority to Investment Officers;
- compliance and oversight of investment parameters;
- reporting of breaches; and
- safekeeping of records.

3.4. Investment Parameters

3.4.1. Funds Available for Investment

For the purposes of this policy, funds available for investment are the cash or cash equivalent funds available at any time excluding any moneys held by Council in trust on behalf of external parties.

The funds available for investment should match the cash flow needs of Council allowing for working capital requirements. The investment strategy takes into account the Council's operating needs. Once the Manager Finance & Sustainability has determined that the cash flow forecast is achievable and can meet operational requirements, then the surplus cash funds may be invested for a specified term.

It is the responsibility of the Manager Finance & Sustainability to assess the cost of direct investment management by Council relative to the return generated. This should be compared with the cost of investing funds with a capital guaranteed cash fund for example the Queensland Treasury Corporation ('QTC') Capital Guaranteed Cash Fund.

A minimum of \$5 million is to be invested in a capital guaranteed cash fund or an approved cash management product. Category 1 investment power allows for investment with QTC Capital Guaranteed Cash Fund or Queensland Investment Corporation ('QIC') Cash Fund without further approval.

3.4.2. Authorised Investments

Council is allocated category 1 investment powers under the *Statutory Bodies Financial Arrangements Regulation 2019* ('SBFA') Without specific approval from Council or the Treasurer, local governments with category 1 investment power are limited to those prescribed by Part 6 of the SBFA, which include:

- Interest bearing deposits;
- QIC Cash Fund;
- QTC Capital Guaranteed Cash Fund, debt offset facility;
- QTC Fixed Rate Deposit (up to 12 months); and
- QTC Working Capital Facility.

3.4.3. Prohibited Investments

This policy prohibits any investment carried out for speculative purposes. The following investments are prohibited by this policy:

- Derivative based instruments (excluding floating rate notes);
- Principal only investments or securities that provide potentially nil or negative cash flow;
- Stand-alone securities issued that have underlying futures, options, forward contracts and swaps of any kind; and
- Securities issued in non-Australian dollars.

3.4.4. Portfolio Investment Parameters and Credit Requirements

The following table shows the credit ratings and counterparty limits for Council:

Short Term Rating (Standard and Poor's) or equivalent	Individual Counterparty Limit	Total Limit (Max % of Portfolio)
A1+	30%	100%
A1	15%	50%

Short Term Rating (Standard and Poor's) or equivalent	Individual Counterparty Limit	Total Limit (Max % of Portfolio)
A2 – Financial Institutions only	10%	30%
A3 – Financial Institutions only	5%	10%
Unrated	Nil	Nil
QIC/QTC Pooled Cash Management Fund	100%	100%

A Financial Institution is defined as an authorised deposit taking institution within the meaning of Section 5 of Banking Act 1959.

It is noted that for the purpose of this above portfolio investment parameter, **Noted:** the percentage limits apply effective from the date of purchase as a percentage of the total value of the portfolio.

3.4.5. Maturity

The maturity structure of the portfolio will reflect a maximum term to maturity of one (1) year and includes an interest rate reset of no longer than six (6) months (185 days).

3.4.6. Liquidity

Given the nature of the funds invested, no more than 20 percent of the investment portfolio will be held in non-liquid securities and at least \$5 million of the portfolio is to be on call or will mature within 0-7 days.

3.4.7. Approved Lists

The Manager Finance & Sustainability shall prepare and maintain the following approved counterparty lists for the investment of funds:

- Approved Banks; and
- Approved Credit Unions.

3.4.8. Breaches

Any breach of this policy is to be reported to the Chief Executive Officer ('CEO') and General Manager Finance & Corporate and rectified as soon as practicable. The Finance Portfolio Councillor will report any breach that needs to be rectified to Council at the following meeting.

Where Council holds an investment that is downgraded below the minimum acceptable rating level, as prescribed under Regulation for the investment arrangement, Council shall within 28 days after the change becomes known to the local government, either obtain Treasurer's approval for continuing with the investment arrangement or sell the investment arrangement (including, for example, withdrawing a deposit).

3.4.9. Safekeeping or records

Each transaction will require written confirmation by the bank. All security documents will be held by Council.

3.4.10. Dealers and Brokers

All transactions undertaken on behalf of the investment portfolio will be executed by Council directly. This policy prohibits dealings with securities brokers.

3.5. Investment Guidelines

Council's investment portfolio should be realisable, without penalty, in a reasonable timeframe. The term to maturity of Council's fixed term investments should not exceed one (1) year. The Manager Finance may reduce these maturity limits to a shorter period.

Treasury and Council approval is required for investments with a period of greater than 12 months. This means approval is required from Council prior to submission to the Treasurer for approval.

3.5.1. Short Term Debt Ratings

Short term refers to investments with an initial maturity of less than one (1) year.

Standard and Poor's short-term ratings or equivalents to Moody's and Fitch.

	Standard & Poor's	Moody's	Fitch
Superior	A1+	P-1	F1+
	A1		F1
Strong	A2	P-2	F2
Acceptable	A3	P-3	F3

3.6. Reporting

The Manager Finance & Sustainability will prepare a detailed report to be included in the monthly finance meeting reports which includes an evaluation of the transactions, performance and compliance of the investment portfolio. The report will include:

- Interest rate of all deposits;
- List of all deposits and the Financial Institution where held;
- Maturity date; and
- Dollar amount invested.

On an annual basis, this policy will be reviewed and amended, where required; any amendments are to be approved by Council prior to the implementation of the revised investment policy.

4. DEFINITIONS

At Call means where the investment can be redeemed, and the money invested can be retrieved by the investor from the financial institution within 30 days without penalty.

Capital Guaranteed means an investment fund that guarantees return of the full capital value of the investment.

Category 1 means investment power that permits a local government to invest in a range of highly secure investments either at call or for a fixed time of not more than one (1) year.

Conflict of Interest means a situation where an official's private interests may benefit from decisions or actions that they are entrusted to take.

Delegation of Authority means Authority for implementation of this policy is delegated by Council to the CEO in accordance with *Section 257(1)(b) – Delegation by Local Government of the Local Government Act 2009* ('Act'). Authority for the day-to-day management of Council's Investment Portfolio is to be delegated by the CEO to the Manager Finance & Sustainability and subject to regular reviews with the CEO and General Manager Finance and Corporate.

Financial Institution means an authorised deposit taking institution within the meaning of *Section 5 of the Banking Act 1959* (Cth).

Investment Officer means individuals that are to manage the portfolios not for speculation, but for investment and in accordance with the principle of this policy. Investment Officers are to avoid any transaction that might prejudice Council. They will consider the safeguarding of capital and the achievement of income objectives when making an investment decision.

~~means an individual responsible for the management of the investment portfolio who is a management employee of Council.~~

Investment Portfolio means pool of investments held by Council.

Market Risk means the risk that the value of an investment will decrease due to movements in market factors such as interest rates, foreign exchange rates, equity prices and commodity prices.

Preservation of Capital means an investment strategy with the primary goal of preventing losses in an investment's total value. In modern portfolio theory terms, it refers to a guaranteed investment of principal, which would provide a return of at least inflation.

Prudent Person Standard means the standard of prudence to be used by Investment Officers when managing the portfolio. Investments will be managed with the care, diligence and skill that a prudent

person would exercise in managing the affairs of other persons. This includes having in place appropriate reporting requirements that ensure the investments are reviewed and overseen regularly.

Yield means the annual rate of return on an investment.

5. LEGISLATIVE REFERENCE

Banking Act 1959 (Cth)

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

Statutory Bodies Financial Arrangements Act 1982 (Qld)

Statutory Bodies Financial Arrangements Regulation 2019 (Qld)

6. RELATED DOCUMENTS

South Burnett Regional Council Revenue Policy 2022/2023 – Statutory005

South Burnett Regional Council Revenue Statement

7. NEXT REVIEW

As prescribed by legislation – May 2023

8. VERSION CONTROL

Version	Revision Description	Adopted Date	ECM Reference
1	Development of policy	21 July 2010	907608
2	Review of policy	13 July 2011	1126931
3	Review of policy	11 July 2012	1272123
4	Review of policy	3 July 2013	1458314
5	Review of policy	25 July 2014	1620456
6	Review of policy	29 June 2015	1888896
7	Review of policy	27 June 2016	1959082
8	Review of policy	26 June 2017	2719366
9	Review of policy	25 June 2018	2513695
10	Review of policy	12 June 2019	2597395
11	Review of policy	17 June 2020	2688439
12	Review of policy	24 March 2021	2774460
13	Review of policy		2865444
14	Administrative amendment – organisational structure review – resolution	1 July 2022	2865444

Mark Pitt PSM
CHIEF EXECUTIVE OFFICER

Date:

6.3 DRAFT 22/23 BUDGET - WATER & WASTEWATER

File Number: 06.05.2022

Author: Manager Finance & Sustainability

Authoriser: Chief Executive Officer

PRECIS

Draft 2022/2023 Budget – Water & Wastewater

SUMMARY

Under the *Local Government Regulations 2012* section 169, Council must prepare an annual budget each year. The information detailed in this report is for discussion and potential inclusion in the 2022/2023 annual budget as it relates to the water and wastewater business units.

OFFICER'S RECOMMENDATION

That the Committee receive the proposed 2022-2023 draft budget for the water and wastewater departments and provide guidance for inclusion in the continued preparation of the full South Burnett Regional Council 2022-2023 annual budget as amended.

BACKGROUND

The water and wastewater departments are considered to be stand-alone departments with the intention that each of these departments will fund their own activities. The attached report provides an overview for the proposed 2022-2023 budgets for water and wastewater.

It is important to note that employee on-cost rates and interest on loans are all indicative amounts at this stage. These figures will be finalised as the 2022-2023 budget preparation progresses and variables in the calculation of these amounts are known. Depreciation will be finalised once capitalisation of current work in progress projects are performed, indexation rates for desktop revaluations are known and draft capex amounts are locked in. Rates charges for these areas are also yet to be determined in the future once modelling has been delivered to the Council for consideration.

The budget was put together using the approved budget parameters of 3.5% for materials and services. The Department Managers have then adjusted the figures based on a zero-based budgeting approach to come to the attached figures.

ATTACHMENTS

1. **22/23 Draft Wastewater income statement**  
2. **22/23 Draft Water Income Statement**  

2022/2023 - Comprehensive Income Statement - Wastewater

	21/22 Original Budget	22/23 Wastewater Proposed Budget	\$ Variance	Comments
REVENUE				
Recurrent Revenue				
Fees & Charges	53,000	57,500	4,500	
Interest Received	20,000	20,000	-	
Other Income	30,000	30,000	-	
Rates, Levies & Charges	5,905,918	5,907,696	1,778	
Rental Income	-	-	-	
Sales Revenue	-	-	-	
Grants, Subsidies, Contributions & Donations	-	-	-	
Total Recurrent Revenue	6,008,918	6,015,196	6,278	
EXPENSES				
Recurrent Expenses				
Depreciation	1,793,656	1,794,319	663	
Donations	98,340	75,000	(23,340)	Reduced to be in line with 21/22 actuals
Employee Benefits	1,191,925	1,253,127	61,202	General yearly increment increases and allowances
Finance Costs	422,007	422,295	288	
Internal Finance Charges	677,291	684,853	7,562	
Materials	905,534	944,863	39,329	Sludge removal contract increased by \$27k
Plant	212,203	212,832	629	
Services	112,253	123,000	10,747	
Total Recurrent Expenses	5,413,210	5,510,289	97,079	
TOTAL EXPENSES	5,413,210	5,510,289	97,079	
OPERATING SURPLUS/(DEFICIT)	595,708	504,907	(90,801)	

2022/2023 - Comprehensive Income Statement - Water

	21/22 Original Budget	22/23 Water Proposed Budget	\$ Variance	Commentary
REVENUE				
Recurrent Revenue				
Fees & Charges	423,366	325,695	(97,671)	Reductions for water irrigator sales
Interest Received	30,000	30,000	-	
Other Income	150	150	-	
Rates, Levies & Charges	10,616,432	10,656,475	40,043	Charge rates still to be determined.
Rental Income	20,000	4,573	(15,427)	
Sales Revenue	-	-	-	
Grants, Subsidies, Contributions & Donations	-	-	-	
Total Recurrent Revenue	11,089,948	11,016,893	(73,055)	
EXPENSES				
Recurrent Expenses				
Depreciation	2,680,846	2,680,847	0	
Donations	110,000	85,000	(25,000)	Concessions for community groups - adjusted to be closer to 21/22 actuals 2 x additional water treatment staff \$138k (incl oncosts and allowances)
Employee Benefits	2,301,380	2,444,365	142,985	
Finance Costs	428,337	431,837	3,500	
Internal Finance Charges	1,498,930	1,498,930	0	
Materials	3,101,734	3,189,239	87,505	Increases due to inflation across industry - eg chemicals.
Plant	447,628	471,671	24,043	Based on current year predicted actuals 5 year comprehensive inspection due by Oct 2023 so need to start in 22/23 year.
Services	257,853	319,340	61,487	
Total Recurrent Expenses	10,826,708	11,121,229	294,520	
TOTAL EXPENSES	10,826,708	11,121,229	294,520	
OPERATING SURPLUS/(DEFICIT)	263,240	(104,336)	(367,575)	

6.4 DRAFT 22/23 BUDGET - WASTE

File Number: 04052022

Author: Manager Finance & Sustainability

Authoriser: Chief Executive Officer

PRECIS

Draft 2022/2023 Budget – Waste

SUMMARY

Under the *Local Government Regulations 2012* section 169, Council must prepare an annual budget each year. The information detailed in this report is for discussion and potential inclusion in the 2022/2023 annual budget as it relates to the waste business unit.

OFFICER'S RECOMMENDATION

That the Committee receive the proposed 2022-2023 draft budget for the water and wastewater departments and provide guidance for inclusion in the continued preparation of the full South Burnett Regional Council 2022-2023 annual budget as amended.

BACKGROUND

The waste department is considered to be stand-alone department with the intention that it will fund its own activities. The attached report provides an overview for the proposed 2022-2023 budget for waste.

It is important to note that employee on-cost rates and interest on loans are all indicative amounts at this stage. These figures will be finalised as the 2022-2023 budget preparation progresses and variables in the calculation of these amounts are known. Depreciation will be finalised once capitalisation of current work in progress projects are performed, indexation rates for desktop revaluations are known and draft capex amounts are locked in. Rates charges for waste are also yet to be determined in the future once modelling has been delivered to the Council for consideration. Landfill provision calculations for the unwinding of discount is also yet to be determined and will be calculated based on end of April or end of May discount rates.

The budget was put together using the approved budget parameters of 3.5% for materials and services. The Department Managers have then adjusted the figures based on a zero-based budgeting approach to come to the attached figures.

ATTACHMENTS

1. 22/23 Draft income statement - waste  

2022/2023 - Comprehensive Income Statement - Waste

	21/22 Original Budget	22/23 Waste Proposed Budget	\$ Variance	Commentary
REVENUE				
Recurrent Revenue				
Fees & Charges	788,500	826,700	38,200	Increases for waste disposal predicted income
Interest Received	20,500	20,500	0	
Other Income	95,000	110,000	15,000	Scrap steel sales
				22/23 budget based off 21/22 actuals. Actual charge rates for 22/23
Rates, Levies & Charges	5,191,643	5,438,000	246,357	waste rates charges are still to be determined in the future.
Rental Income	-	-	-	
Sales Revenue	10,800	12,500	1,700	
				\$150k for Waste Management & Climate Change Strategy Grant
Grants, Subsidies, Contributions & Donations	-	192,043	192,043	\$42k for Illegal Dumping Grant
Total Recurrent Revenue	6,106,443	6,599,742	493,300	
EXPENSES				
Recurrent Expenses				
Depreciation	92,265	92,265	0	
Donations	9,622	9,622	(0)	
				\$42k offset by illegal dumping grant, \$33k in award allowances,
Employee Benefits	688,507	797,280	108,773	\$34k in yearly increment increases.
Finance Costs	517,718	517,718	(0)	
Internal Finance Charges	955,511	955,511	0	
Materials	356,312	360,748	4,435	
Plant	879,095	908,445	29,350	Increased to be in line with actuals for 21/22
				\$250k for Waste Management & Climate Change Strategy costs
Services	2,572,411	2,847,079	274,668	(partly offset by grant)
Total Recurrent Expenses	6,071,441	6,488,668	417,227	
TOTAL EXPENSES	6,071,441	6,488,668	417,227	
OPERATING SURPLUS/(DEFICIT)	35,002	111,074	76,073	

7 CONFIDENTIAL SECTION

8 CLOSURE OF MEETING