



SOUTH BURNETT
REGIONAL COUNCIL

AGENDA

Budget Committee Meeting Friday, 10 June 2022

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

Date: Friday, 10 June 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 3 JUNE 2022

File Number: 10-06-2022

Author: Coordinator Executive Services

Authoriser: Chief Executive Officer

OFFICER'S RECOMMENDATION

That the Minutes of the Budget Committee Meeting held on 3 June 2022 be received.

ATTACHMENTS

- 1. Minutes of the Budget Committee Meeting held on 3 June 2022**



SOUTH BURNETT
REGIONAL COUNCIL

MINUTES

Budget Committee Meeting
Friday, 3 June 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, 3 JUNE 2022 AT 9.06AM**

PRESENT:**Councillors:**

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

Council Officers:

Mark Pitt (Chief Executive Officer), Tim Low (Acting General Manager Infrastructure), Peter O'May (General Manager Community), Susan Jarvis (General Manager Finance & Corporate), Kerri Anderson (Manager Finance and Sustainability), Leanne Petersen (Manager Property), Michael Lisle (Acting Manager Planning and Environment), James Darcy (Manager Planning Infrastructure), Kevin Searle (Manager Works), Craig Patch (Coordinator Finance), Anthony Bills (Manager ICT), Brandon Orchard (Fleet Scheduler), Bree Hunt (Executive Assistant)

1 OPENING

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

2 LEAVE OF ABSENCE / APOLOGIES

Nil

3 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

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

Attendance:

At 9:07am, Cr Jane Erkens entered the meeting.

4 DECLARATION OF INTEREST

Nil

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**5.1 MINUTES OF THE BUDGET COMMITTEE MEETING HELD ON 27 MAY 2022**

COMMITTEE RESOLUTION 2022/70

Moved: Cr Scott Henschen

Seconded: Cr Danita Potter

That the Minutes of the Budget Committee Meeting held on 27 May 2022 be received.

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

Against: Nil

CARRIED 7/0

6 BUSINESS**6.1 NOTICE OF MOTION - BLACKBUTT TOWN DUMP UPGRADE AND MAIDENWELL TRANSFER STATION**

MOTION

The Committee recommend to Council:

1. That Council does not proceed to fund the upgrade to the Maidenwell Transfer Station within the capital budget for 2022/2023 and;
2. That Council apply such funding towards the upgrade of the Blackbutt dumping facility to a Town Dump standard to allow for the dumping of commercial, green waste, recyclable and other products as currently provided to the residents of other designated towns and;
3. That the proposed upgrade to the Blackbutt facility be scoped and costed for inclusion in Council's future capital and OPEX budget deliberations for 2022/2023.

The motion was withdrawn by the mover.

Attendance:

At 9:38am, Executive Assistant Bree Hunt left the meeting.

At 9:40am, Executive Assistant Bree Hunt returned to the meeting.

6.2 WORKS PROPOSED CAPEX PROGRAM 22/23

COMMITTEE RESOLUTION 2022/71

Moved: Cr Kirstie Schumacher

Seconded: Cr Kathy Duff

That the Committee receive the proposed 2022-2023 draft budget for the Works Capex program 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, Gavin Jones, Jane Erkens, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 7/0

6.2.1 QUESTION ON NOTICE - BETTERMENT PROJECTS

“Question on Notice from Cr Kirstie Schumacher:

What is the QRA process for betterment projects?

Attendance:

At 10:06am, Manager Finance and Sustainability Kerri Anderson left the meeting.

At 10:09am, Manager Finance and Sustainability Kerri Anderson returned to the meeting.

At 10:13am, Cr Kirstie Schumacher left the meeting.

At 10:15am, Cr Kirstie Schumacher returned to the meeting.

6.3 PROPOSED WASTE 22/23 CAPEX PROGRAM

COMMITTEE RESOLUTION 2022/72

Moved: Cr Gavin Jones
Seconded: Cr Scott Henschen

That the Committee receive the proposed 2022-2023 draft budget for the Waste Capex program and provide guidance for inclusion in the continued preparation of the full South Burnett Regional Council 2022-2023 annual budget as presented.

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

Against: Nil

CARRIED 7/0

6.3.1 QUESTION ON NOTICE - TRANSFER STATION

Question on Notice from Cr Brett Otto:

What is the Opex cost impact on the Maidenwell transfer station and the impact of a 3rd truck on the entire network?

6.3.2 MEDIA RELEASE

A media release be distributed with information around waste education and the upcoming Composting and Worm Farm Workshop.

Attendance:

At 10:33am, Manager Property Leanne Petersen left the meeting.

ADJOURN MORNING TEA

COMMITTEE RESOLUTION 2022/73

Moved: Cr Scott Henschen
Seconded: Cr Gavin Jones

That the meeting adjourn for morning tea.

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

Against: Nil

CARRIED 7/0

Attendance:

At 11:25am, Manager Infrastructure Planning James Darcy left the meeting.

At 11:25am, Manager Works Kevin Searle left the meeting.

RESUME MEETING

COMMITTEE RESOLUTION 2022/74

Moved: Cr Brett Otto
Seconded: Cr Danita Potter

That the meeting resume at 11:25am.

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

Against: Nil

CARRIED 7/0

6.4 NRM & PARKS PROPOSED CAPEX 22/23

COMMITTEE RESOLUTION 2022/75

Moved: Cr Kathy Duff
Seconded: Cr Kirstie Schumacher

That the Committee receive the proposed 2022-2023 draft budget for the NRM & Parks Capex program (excluding Works for Queensland projects) and provide guidance for inclusion in the continued preparation of the full South Burnett Regional Council 2022-2023 annual budget as presented.

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

Against: Nil

CARRIED 7/0

6.4.1 CHRISTMAS TREES

A report to come back for the christmas trees across the whole region and look at it as a first quarter review.

6.4.2 LIONS PARK COSTING

A report to be brought back with Lions Park full costings.

6.4.3 WOOROLIN TENNIS COURTS

To include an item in the 22/23 operational plan for community consultation in relation to the Wooroolin tennis courts and land.

Attendance:

At 11:45am, Manager Finance and Sustainability Kerri Anderson left the meeting.

MOTION

COMMITTEE RESOLUTION 2022/76

Moved: Cr Brett Otto

Seconded: Cr Scott Henschen

That item 6.7 be dealt with now.

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

Against: Nil

CARRIED 7/0**Attendance:**

At 11:48am, Manager Finance and Sustainability Kerri Anderson returned to the meeting.

At 11:56am, Cr Danita Potter left the meeting.

At 11:58am, Fleet Scheduler Brandon Orchard entered the meeting.

At 11:58am, ICT Manager Anthony Bills entered the meeting.

At 12:07pm, Acting Manager Planning and Environment Michael Lisle left the meeting (online).

At 12:33pm, Executive Assistant Bree Hunt left the meeting.

At 12:36pm, Executive Assistant Bree Hunt returned to the meeting.

At 12:39pm, Cr Danita Potter returned to the meeting.

6.7 2021-24 WORKS FOR QUEENSLAND (W4Q) PROGRAM

COMMITTEE RESOLUTION 2022/77

Moved: Cr Kirstie Schumacher

Seconded: Cr Danita Potter

That the committee recommend to Council

That South Burnett Regional Council endorse the following projects for completion under the 2021-24 Works for Queensland Program and inclusion in future capital/operational budgets as per the amended attachment.

In Favour: Crs Gavin Jones, Danita Potter, Kirstie Schumacher and Scott Henschen

Against: Crs Brett Otto, Jane Erkens and Kathy Duff

CARRIED 4/3

Prioritised Projects - Works for Queensland

Project Type	Project Title	Description	Value
CBD Renewal - Infrastructure Upgrades			\$1,000,000
	Kumbia CBD	Improve entry aesthetics and accessibility on Bell St, Kumbia.	\$ 300,000
	Wondai CBD	Scott St (Roundabout to Edward St)	\$ 700,000
Community Building Upgrades and Maintenance			\$830,000
	Murgon	Regional facility upgrades to recreational, commercial and disaster management buildings - bathroom upgrades, asbestos's removal and repainting. (PCYC bathroom upgrade \$380K, Murgon Shop removal of asbestos's and repainting \$140K, Blackbutt SES removal or asbestos's and repainting \$40K)	\$ 560,000
	Across Region	Opex maintenance	\$ 200,000
	Across Region	Opex maintenance	\$ 200,000
	Mondure	Restumping of Mondure Hall	\$ 125,000
		Subtotal	\$1,085,000
			\$255,000
Open Spaces Refurbishments			\$1,800,000
	Aerodrome Fencing	Kingaroy and Wondai	\$ 370,000
		Additional expenditure for Kingaroy and Wondai fencing	\$ 40,000
	Murgon Park / Amenities Upgrades	QEII Park renewal	\$ 300,000
	Proston Parks	Railway Park renewal	\$ 50,000
	Kumbia APEX Park re-development	Play equipment and landscaping / parking	\$ 115,000
	Kingaroy Park / Amenities Upgrades	Kingaroy Park Redevelopment - Detailed design and delivery of master plan	\$ 680,000
	Wondai Park / Amenities Upgrades	Upgrade amenities x 3 [McKell, Dingo Creek & Coronation].	\$ 100,000
	Public Amenities Refurbishments	Priority 1 - Butter Factory (Nanango) - New Amenities Priority 2 - Lions Park (Kingaroy) - New Amenities + Dump Point Upgrade	\$ 100,000
	Regional Park / Amenities Upgrades	Benarkin Park renewal	\$ 140,000
	Regional Park / Amenities Upgrades	24 hr 24 hr Camping Grounds	\$ 150,000
		Subtotal	\$ 2,045,000
			\$245,000
Water Infrastructure Upgrades			\$2,000,000
	Kingaroy Water Security Trunk Infrastructure Upgrades - Priority Projects	Mount Wooroolin Reservoir - \$5M total project cost (\$3M borrowing)	\$ 1,500,000
		Total	\$ 5,630,000
		Allocation	\$5,630,000
		Balance	\$0.00
		Estimate:	-\$ 2,000,000.00
		Re-allocate Mt Wooroolin Reservoir / Water infrastructure funds to regional community projects - fund from restricted cash (depn)	-\$ 2,000,000.00
Open Spaces Refurbishments			
	Kumbia APEX Park re-development	Play equipment and landscaping / parking	\$ 150,000.00
	Kingaroy APEX Park	New car park level with picnic areas / disabled access	\$ 200,000.00
	Kingaroy footpath extension	Extend Tessmans road footpath further north	\$ 50,000.00
	Nanango Tipperary Park	Drainage upgrade and landscaping / renewal of historic assets	\$ 200,000.00
	Wooroolin Skate Park	Skate Park in existing play ground	\$ 60,000.00
	Wondai Coronation Park	Shade - BBQ play area and pavilion	\$ 75,000.00
	Wondai McKell park	Car park sealing and bollards	\$ 80,000.00
	Durong tennis courts/ camping ground	Remove courts (after consultation) and install shade shelter, grassed area stopover	\$ 100,000.00
	BP Dam	Lakeside cabins x 3	\$ 180,000.00
	BP Dam	Drainage works / kerb & channeling on road fronting pool and camp kitchen	\$ 200,000.00
	Tingooora grounds re-development	Toilet refurbishment / tank / shade shelter	\$ 150,000.00
		Total	\$ 1,445,000.00
		Balanced to	\$ 5,630,000.00
	Across-Region	Regional repainting program - i.e. Nanango Energy Centre	\$ 70,000
	Murgon-Dog Park	Dog Park (\$50k)	\$ 50,000
	Murgon Park	Install ball sports half-court	\$ 50,000

7.1 WORKS 4 QUEENSLAND - WATER FUNDING

COMMITTEE RESOLUTION 2022/78

Moved: Cr Gavin Jones
Seconded: Cr Scott Henschen

That the response to the questions regarding Works 4 Queensland allocation for water and its effect on the future program raised by Councillor Schumacher be received and noted.

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

Against: Nil

CARRIED 7/0

7.1.1 QUESTION ON NOTICE - WATER FUNDING

Question on Notice from Cr Brett Otto:

How many megs are required for Kingaroy water storage to reach the industry standard of 3 day supply of water?

6.5 ICT PROPOSED CAPEX PROGRAM 22/23 BUDGET

COMMITTEE RESOLUTION 2022/79

Moved: Cr Kirstie Schumacher

Seconded: Cr Danita Potter

That the Committee receive the proposed 2022-2023 draft budget for the ICT Capex program and provide guidance for inclusion in the continued preparation of the full South Burnett Regional Council 2022-2023 annual budget as presented.

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

Against: Nil

CARRIED 7/0

Attendance:

At 12:54pm, Cr Kathy Duff left the meeting.

At 12:55pm, Cr Danita Potter left the meeting.

At 12:57pm, Cr Kathy Duff returned to the meeting.

At 12:57pm, Cr Danita Potter returned to the meeting.

At 1:05pm, Cr Kirstie Schumacher left the meeting.

At 1:08pm, Cr Kirstie Schumacher returned to the meeting.

6.6 PROPOSED FLEET 22/23 CAPEX PROGRAM

COMMITTEE RESOLUTION 2022/80

Moved: Cr Gavin Jones

Seconded: Cr Danita Potter

That the Committee receive the proposed 2022-2023 draft budget for the Fleet Capex program 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, Gavin Jones, Jane Erkens, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 7/0

Attendance:

At 1:31pm, Manager ICT Anthony Bills left the meeting.

At 1:31pm, Fleet Scheduler Brandon Orchard left the meeting.

6.8 COUNCILLOR SALARY INCREASE FROM 1ST JULY 2022

OFFICER'S RECOMMENDATION

That the report be received for information.

COMMITTEE RESOLUTION 2022/81

Moved: Cr Kathy Duff

Seconded: Cr Jane Erkens

That the Committee recommends to Council:

That in accordance to section 247(2), Council resolves to not accept the maximum amount payable to the Councillor and that the remuneration be maintained at the 2021/2022 rates.

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

Against: Nil

CARRIED 7/0

7 QUESTIONS ON NOTICE

8 CONFIDENTIAL SECTION

9 CLOSURE OF MEETING

The Meeting closed at 1:41pm.

The minutes of this meeting were confirmed at the Budget Committee Meeting held on 10 June 2022.

.....
CHAIRPERSON

6 BUSINESS

6.1 COMPREHENSIVE OPERATIONAL INCOME STATEMENT 2022/23

File Number: 10/06/2022

Author: Manager Finance & Sustainability

Authoriser: Chief Executive Officer

PRECIS

Comprehensive Operational Income Statement 2022/23

SUMMARY

Council's annual budget is a financial planning document that is to be adopted in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012* as part of establishing financial management. The content of the annual budget is prescribed in *Section 169* of the *Local Government Regulation 2012*.

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That the comprehensive operational income statement for 2022/2023 be endorsed and be presented for adoption at the Council meeting on the 8th of July 2022.

BACKGROUND

Council has considered a range of impacts through the development of the operational budget.

As with any entity Council is proposing to adopt a budget that ensures that services will be maintained while taking a balanced view of the coming financial year's operations.

Rates modelling has been performed based on discussions from previous meetings.

ATTACHMENTS

1. 22-23 Operational Income Statement [↓](#) 

2022/2023 Draft Operational Budget

	21/22 Original Budget	22/23 Draft Budget SBRC	\$ Variance
REVENUE			
Recurrent Revenue			
Fees & Charges	4,988,433	4,964,355	(24,078)
Interest Received	630,500	540,500	(90,000)
Other Income	940,475	965,380	24,905
Rates, Levies & Charges	51,521,884	53,638,939	2,117,055
Rental Income	393,500	459,715	66,215
Sales Revenue	3,016,651	3,023,351	6,700
Grants, Subsidies, Contributions & Donations	7,561,978	8,530,723	968,745
Total Recurrent Revenue	69,053,421	72,122,963	3,069,542
EXPENSES			
Recurrent Expenses			
Depreciation	21,330,624	22,998,193	1,667,569
Donations	628,763	543,222	(85,541)
Employee Benefits	24,979,452	25,511,103	531,652
Finance Costs	2,107,567	1,804,207	(303,360)
Internal Finance Charges	-	-	-
Materials	17,072,660	18,260,338	1,187,678
Plant	(2,269,908)	(2,177,676)	92,233
Services	8,199,894	8,692,295	492,402
Total Recurrent Expenses	72,049,050	75,631,682	3,582,632
TOTAL EXPENSES	72,049,050	75,631,682	3,582,632
OPERATING SURPLUS/(DEFICIT)	(2,995,629)	(3,508,719)	(513,090)

6.2 ADOPTION OF THE SOUTH BURNETT REGIONAL COUNCIL DEBT POLICY 2022/2023 - STATUTORY010

File Number: IR2870191
Author: Manager Corporate Services
Authoriser: Chief Executive Officer

PRECIS

Adoption of the South Burnett Regional Council Debt Policy 2022/2023 – Statutory010

SUMMARY

South Burnett Regional Council ('Council') recognises that loan borrowings ('debt') for capital works are an important funding source and that the full cost of infrastructure should not be borne entirely by present day ratepayers and should also be contributed to by future ratepayers who will also benefit. Whilst recognising the importance of loan borrowings, Council will seek to reduce dependence on borrowings in order to minimise the impact on rating increases needed to fund the debt servicing and redemption.

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That the amended version of the South Burnett Regional Council Debt Policy 2022/2023 – Statutory010 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.
	OR5 Continue to give priority to ongoing financial sustainability and prudent budget management.
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, Governance & Strategy. Only changes undertaken in the review were to update the financial year from 2021/2022 to 2022/2023.

LEGAL IMPLICATIONS (STATUTORY BASIS, LEGAL RISKS)

Local Government Act 2009 (Qld)
Local Government Regulation 2012 (Qld)
Local Government Financial Management (Sustainability) Guideline 2013
Statutory Bodies Financial Arrangements Act 1982 (Qld)

*Statutory Bodies Financial Arrangements Regulation 2019 (Qld)**Human Rights Act 2019 (Qld)*

Section 4(b) 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

The debt policy was presented to the Budget Committee on 20 May 2022. Since then, the decision has been made to push the \$800k in borrowings for the Gordonbrook Upgrade from the 22/23 year to the 23/24 year. Based on this, the debt policy has been updated as per the attached.

ATTACHMENTS

1. Debt Policy 2022/2023 - Statutory010 [↓](#) 



POLICY CATEGORY - NUMBER: Statutory010
POLICY OWNER: Finance & Sustainability

ECM ID: 2870191
ADOPTED:

Debt 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') recognises that loan borrowings ('debt') for capital works are an important funding source and that the full cost of infrastructure should not be borne entirely by present day ratepayers and should also be contributed to by future ratepayers who will also benefit. Whilst recognising the importance of loan borrowings, Council will seek to reduce dependence on borrowings in order to minimise the impact on rating increases needed to fund the debt servicing and redemption.

Generally, Council will only borrow funds for the purpose of acquiring assets, improving facilities or infrastructure and/or substantially extending the useful life of income generating assets (e.g., water, sewerage, waste).

2. SCOPE

This policy is effective from the date of Council's resolution and will apply to the financial year from 1 July 2022 to 30 June 2023. The policy applies to all Council departments and provides guidance on the current financial year and the following nine (9) financial year's borrowing programs.

The purpose of establishing a Debt Policy is to:

- provide a comprehensive view of Council's long-term debt position and the capacity to fund infrastructure growth for the South Burnett region;
- increase awareness of issues concerning debt management;
- enhance the understanding between Councillors, community groups and Council staff by documenting policies and guidelines;
- demonstrate to government and lending institutions that Council has a disciplined approach to borrowing.

3. GENERAL INFORMATION

Section 192 of the Local Government Regulation 2012 ('Regulation') requires a Local Government's Debt Policy to state the details of new borrowings planned for the current financial year and the next nine (9) financial years and the period over which the local government plans to repay existing and new borrowings.

Section 104(5)(c)(ii) of the Local Government Act 2009 ('Act') requires a local government to develop a Debt Policy as part of its financial management system. The Act also defines Council as a statutory body and subsequently Council's borrowing activities continue to be governed by the *Statutory*

Bodies Financial Arrangements Act 1982.

3.1. Purpose of the Borrowings

Council restricts borrowings to expenditure on identified capital projects that are considered by Council to be of the highest priority, and which cannot be funded from other sources of revenue. In no circumstances should Council borrow funds to finance recurrent expenditure or the operational activities of Council.

3.2. Roles and Responsibilities

Pursuant to *Section 192* of the Regulation, detail of the proposed borrowing for the current year and the future nine (9) years will be prepared annually as part of the budget process.

All borrowings shall be obtained through Queensland Treasury Corporation ('QTC') with applications outlining proposed borrowings to be forwarded for approval to the Minister responsible for Local Government. Council shall continue to use the full range of QTC's fund management services in order to enhance the Council's loan/redemption procedures to meet Council's policy criteria.

Credit reviews will be undertaken periodically by QTC on behalf of the Minister for Local Government. Loan proceeds will be drawn down subject to cash flow requirements annually so as to minimise interest expense.

3.3. Asset Management

The Regulation requires Councils to effectively plan and manage their infrastructure assets, focusing particularly on ensuring the sustainable management of the assets mentioned in the local government's asset register. This may require Council to consider borrowings to fund identified priority infrastructure projects.

3.4. Risk Management

Council is committed to the management of risk, so it is important that management policies, procedures and practices are in place to minimise Council's exposure to risk. Council will take into account Council's adopted Corporate Risk and Internal Audit Framework, Long-Term Financial Forecast and relevant Financial Sustainability Ratios and Measures.

3.5. Loan Repayment Terms Proposed for New Loans

Roads	10 - 20 years
Waste	15 – 20 years dependent on asset
Water	15 – 20 years
Sewerage	15 – 20 years
General	Between six (6) and 20 years dependent on asset

The borrowing term will not exceed the life of the asset to which it relates, in order to apportion costs on an equitable basis over future generations of ratepayers. Spreading the cost of these capital projects over a long-term will minimise the revenue impact on the community, as well as addressing the need and cost benefit of providing for infrastructure development immediately to meet expected future demographic needs.

Where borrowing is constrained, borrowings for infrastructure that provides a return on capital will take precedence over borrowings for other assets.

Where capital expenditure is deferred from one year to the next, the drawdown of approved loan funds will be reviewed to minimise interest expense.

3.6. Proposed New Borrowings

Council doesn't intend to borrow anything in the current financial year and has total planned borrowings of \$11.8 million **forecast for 2022/2023 – 2031/2032 over the following nine (9) financial years** for the following identified projects:

Gordonbrook Dam Wall Upgrade

This project is required to:

- meet legislative obligations under the *Water Supply (Safety and Reliability Act) 2008* and Dam Safety Condition DS 16 – Dam Upgrade to Minimum AFC Requirements; and
- increase the spillway capacity or dam infrastructure in order to achieve the Acceptable Flood Capacity (or 1 in 10,000-year event).

This project is not to increase the overall storage volume or height of the dam itself, but to provide adequate spillway capacity to prevent dam failure under extreme flood conditions.

3.7. Loan Drawdowns

QTC and the Department of State Development, Infrastructure, Local Government and Planning approve proposed borrowing for a particular financial year. In order to minimise finance costs, loan drawdowns should be deferred as long as possible after taking into consideration Council's overall cash flow requirements.

3.8. Existing Loans

Existing loans will continue to be discharged at the initial repayment terms and interest rates, unless the repayment terms are altered by the QTC or if surplus funds become available, and it is advantageous to Council, apply excess cash reserves towards early repayment of debts.

Projected Borrowings for 2022/2023 - 2031/2032 can be found in Attachment A.

4. DEFINITIONS

Loan Drawdowns means the time at which the loan is funded from QTC and provided to Council.

5. LEGISLATIVE REFERENCE

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

Local Government Financial Management (Sustainability) Guideline 2013

Statutory Bodies Financial Arrangements Act 1982 (Qld)

Statutory Bodies Financial Arrangements Regulation 2019 (Qld)

6. RELATED DOCUMENTS

South Burnett Regional Council Asset Management Policy – Strategic014

South Burnett Regional Council Corporate Risk and Internal Audit Framework

South Burnett Regional Council Investment Policy 2022/2023 – Statutory009

South Burnett Regional Council Revenue Policy 2022/2023 – Statutory005

South Burnett Regional Council Revenue Statement 2022/2023

7. NEXT REVIEW

As prescribed by legislation – June 2023

8. VERSION CONTROL

Version	Revision Description	Adopted Date	ECM Reference
1	New Policy	21 July 2010	896430
2	Policy Review	13 July 2011	1127076
3	Policy Review	11 July 2012	1304490
4	Policy Review	3 July 2013	1458317
5	Policy Review	25 July 2014	1620431
6	Policy Review	29 June 2015	1888895
7	Policy Review	27 June 2016	1958989
8	Policy Review	26 June 2017	2719367
9	Policy Review	25 June 2018	2513689
10	Policy Review	12 June 2019	2597433
11	Policy Review	17 June 2020	2690853
12	Policy Review	30 June 2021	2800665
13	Policy Review		

Mark Pitt PSM
CHIEF EXECUTIVE OFFICER

Date:

Attachment A

Proposed 10 Year Borrowing Schedule

Borrowing Schedule 2022-2032	2023/2024	2024/2025	Total
Water			
Gordonbrook Dam Wall Upgrade	\$800,000	\$5,000,000	\$ 11,800,000
	\$5,800,000	\$ 6,000,000	
Total Loan Borrowings	\$ 5,800,000	\$ 6,000,000	\$ 11,800,000

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6.3 SETTING OF DISCOUNT ON RATES FOR 22/23 YEAR**File Number:** 10.06.2022**Author:** Manager Finance & Sustainability**Authoriser:** Chief Executive Officer**PRECIS**

Discount on rates for the financial period ending 30 June 2023

SUMMARY

Early payment discount on differential general rates, water access charges, wastewater utility charges and refuse collection charges for the 22/23 year.

OFFICER'S RECOMMENDATION

That the Committee recommend to Council:

That pursuant to Section 130 of the *Local Government Regulation 2012*, the differential general rates, wastewater utility charges, water access charges, refuse collection charges made and levied shall be subject to an early payment discount of 10% if paid within the discount period of thirty (30) days of the date of issue of the rate notice provided that:

1. all of the aforementioned rates and charges are paid within thirty (30) days of the date of issue of the rate notice;
2. all other rates and charges appearing on the rate notice (that are not subject to discount) are paid within thirty (30) days of the date of issue of the rate notice; and
3. all other overdue rates and charges relating to the rateable assessment are paid within thirty (30) days of the date of issue of the rate notice.

BACKGROUND

NA

ATTACHMENTS

Nil

7 CONFIDENTIAL SECTION

OFFICER'S RECOMMENDATION

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 254J of the *Local Government Regulation 2012*:

7.1 Salary Component Operational Budget

This matter is considered to be confidential under Section 254J - c of the Local Government Regulation, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with the local government's budget.

8 CLOSURE OF MEETING