

Isaac Regional Council



Budget 2009/2010



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BACKGROUND

The Local Government Reform Commission Report to the Minister on 1st August 2007 recommended that Broadsound, Nebo and Belyando Shire Councils be amalgamated to form the new ***“Isaac Regional Council”*** which was to be effective from 15th March 2008.

Isaac Regional Council covers an area of 58,862 km² and has an approximate population of around 21,000. The area is economically dependent on cropping, irrigated cropping, managed resources including cattle, forestry and aquaculture. Mining is a significant contributor to the region with minerals, gold and gas extractive industries continuing to develop.

Without question, coal mining forms the backbone of the councils and the states export industry with the majority of coal extracted from the Isaac Regional Council area being supplied to India and China.

The strong future of extractive industries within the Isaac Regional Council ensures that the area will be in a prominent position to continue to contribute to the economic prosperity and social amenity of the region and the state well into the next century.

The physical size and the economic, social and environmental diversity of the Isaac Regional Council area will deliver many challenges for the council to address.

This is the first true budget representation for the new Isaac Regional Council as a single entity. The budget for the 2009-2010 financial year has been developed by function (Directorate) and by locality. Various meetings with communities, mining companies and requests from staff, councillors and community groups have all been considered in preparing the budget.



MEDIA RELEASE

Monday 31 August 2009

Isaac adopts 2009/2010 Budget

Isaac Regional Council adopted its 2009/2010 Budget totalling \$130.1 million at a meeting held in Moranbah today.

The Budget reflects total revenue from ordinary activities amounting to \$86.3 million for total expenses from ordinary activities and capital operations amounting to \$43.8 million.

Isaac's Mayor Cedric Marshall advised Council's General Rate revenue would increase by an average of 8% across all areas, a comparable increase across the region and in some cases lower with like Councils.

The 8% increase in General Rates was deemed necessary by Council to manage and improve Council infrastructure and to continue to provide core and vital services to the Isaac community.

Water and sewerage will also increase by 5%. Waste management has also increased largely due to Council's new waste management contract and the roll out of a region-wide recycling service. \$416.80 will be charged per residence with a one-off charge of \$130 (included in the \$416.80) being spent on the purchase of two waste disposal bins to implement the new service.

The 2009/2010 Budget also allows for a range of capital works projects to be shared across the Isaac Region. While slightly lower than last year, Mayor Cedric Marshall reports that this is viewed by Council as a normal and responsible 'tightening of belts' due to the current economic climate.

Some of the highlighted Capital Works Projects for 2009/2010 include:

- \$6.8 million targeted for rural roads
- \$12.5 million to progress the Moranbah Sewerage Augmentation
- \$2.3 million to upgrade town streets across the region
- \$1.1 million to complete sewerage works in Nebo
- \$275 000 on a new boat ramp in St Lawrence
- \$792 000 to expand the Dysart Library
- \$199 000 on recreational and historical initiatives in Clermont
- \$655 000 on waste management, water and sewerage upgrades for Middlemount

Council is confident the budget is balanced to deliver region-wide projects which will enhance the liveability within the Isaac Region. It is also a reflection of Council's goal of remaining accountable to the people of Isaac by demonstrating responsible fiscal management.

ENDS

CHIEF EXECUTIVE OFFICER'S REPORT

This is the first true budget representation for the new Isaac Regional Council as a single entity. The budget for the 2009-2010 financial year has been developed by function (Directorate) and by locality. Various meetings with communities, mining companies and requests from staff, councillors and community groups have all been considered in preparing this draft budget.

The Budget is part of Council's program to maintain a level of service to our communities and address the needs for the expansion of services and new assets to meet the current economic development associated with the growth of coal mining in the regional council area. This is also a time to be vigilant and refrain from the provision of large capital projects until a sound financial position can be established for the new organisation. Care has been taken to prepare a budget for the 2009/2010 financial year that will preserve Council's financial sustainability, deliver and maintain our level of service but also provide for community growth now and into the future.

Council must continue to ensure a disciplined approach to planning, risk management and financial management. As a consequence of this commitment work will need to continue over the coming months in relation to developing Asset Management Policy and Procedures, Long Term Financial Planning (10 year Capital Works programs) and planning for Financial Sustainability.

Council and staff must work together to:-

1. Ensure a balanced or surplus operating position in all years
2. Develop strategies to monitor risks associated with large capital project (good business plans detailing "whole of life costs" are essential for larger projects)
3. Review the depreciation expense assumptions and methodology as part of the asset management program; and
4. Conduct a financial sustainability review as part of our regular review process.

The Corporate and Operational Plans identify the following major outcomes that drive the allocation of resources within the 2009-2010 budget:-

Budget Highlights:-

- Commercial Services
Delivery of significant water and sewerage initiatives funded in part by \$7.7M in loans.
- Change Management
Investment in staff capacity through coordinated learning and development programs.
- Corporate Services
Develop the information and communication technology infrastructure and Human Resources capacity to meet the needs of the amalgamated council.

- Financial Services
Establish integrated enterprise systems, sound financial management, asset management and the resolution of audit rectification issues to ensure ongoing financial sustainability.
- Governance and Community Services
Compliance with the new *Local Government Act 2009* including the introduction of community planning into the business model.
- Office of the Chief Executive Officer
Strengthen sound governance practices and leadership capacity.
- Planning and Environmental Services
Strategic investment in consolidating the regulatory functions of Health, Building and Planning services across Isaac Regional Council.
- Technical and Civil Services
Establish state of the art Mapinfo systems while maintaining Council's assets within the constraints of the current economic environment.

Projects:-

Capital works planned for the 2009-2010 financial year totals \$43,834,735 which will help put the budget in perspective.

There are mounting pressures on local government as we continue to work through the local government reform process. We have seen the adoption of the new *Local Government Act 2009* and the first draft of the new Regulations has been released, and two more regulations are to follow. Local Government is expected to comment and prepare submissions in relation to the legislation reform while maintaining day to day operations and continuing to serve the residents and ratepayers of the larger Council area.

We have started to provide professional development for our Councillors and senior staff and have provided a reasonable amount of funds to continue this work in skilling and training the people who serve the residents and ratepayers of the Isaac Regional Council area. This is a commitment to our most valuable asset, our elected members and staff.

Local Government and in particular Isaac Regional Council is up to these challenges as we have a committed team and are well placed to become 'the Region of first choice'.

I wish to place on the public record my appreciation to Julie Reitano of J Management Services. Ms Reitano provided us with the budget template to commence this process whilst working on the Audit Rectification Project and her efforts have not gone unnoticed.

The template included a single entity chart of accounts and moves away from the Business Unit Model that operated in the 2008-2009 year. A positive step forward for the organisation, the new chart does however provide for budgeting by locality to recognise the Special Rate contributions of mining companies located within the Isaac Regional Council area.

The new chart of accounts upon which the budget is based will provide us with the necessary management tools to monitor progress against budget and provide genuine meaningful management reports that will also assist with future budgeting for the Council.

A very warm welcome to our new Executive Director Financial Services Warren Stubbs. I trust that Warren will soon settle into his role with Council. I also pass on my appreciation to the entire Finance Team of Council and acknowledge the work completed by the Executive Leadership Team and all staff who have had input into this budget process.

I commend the document to you for your consideration.

Link to Corporate Plan

This Budget for the 2009-2010 financial year is derived from our Corporate and Operational Plans which contain the Strategic Priorities for the Isaac Regional Council Communities. Council adopted the Corporate and Operational Plans at its General Meetings held on 9 June 2009 and 23 June 2009 respectively.

It is our 'roadmap' for the current and coming years, and gives definition and direction to our vision, mission statement and corporate values.

Vision:- To be the Region of first choice

Mission:- To promote and enhance the diversity of lifestyle and opportunity

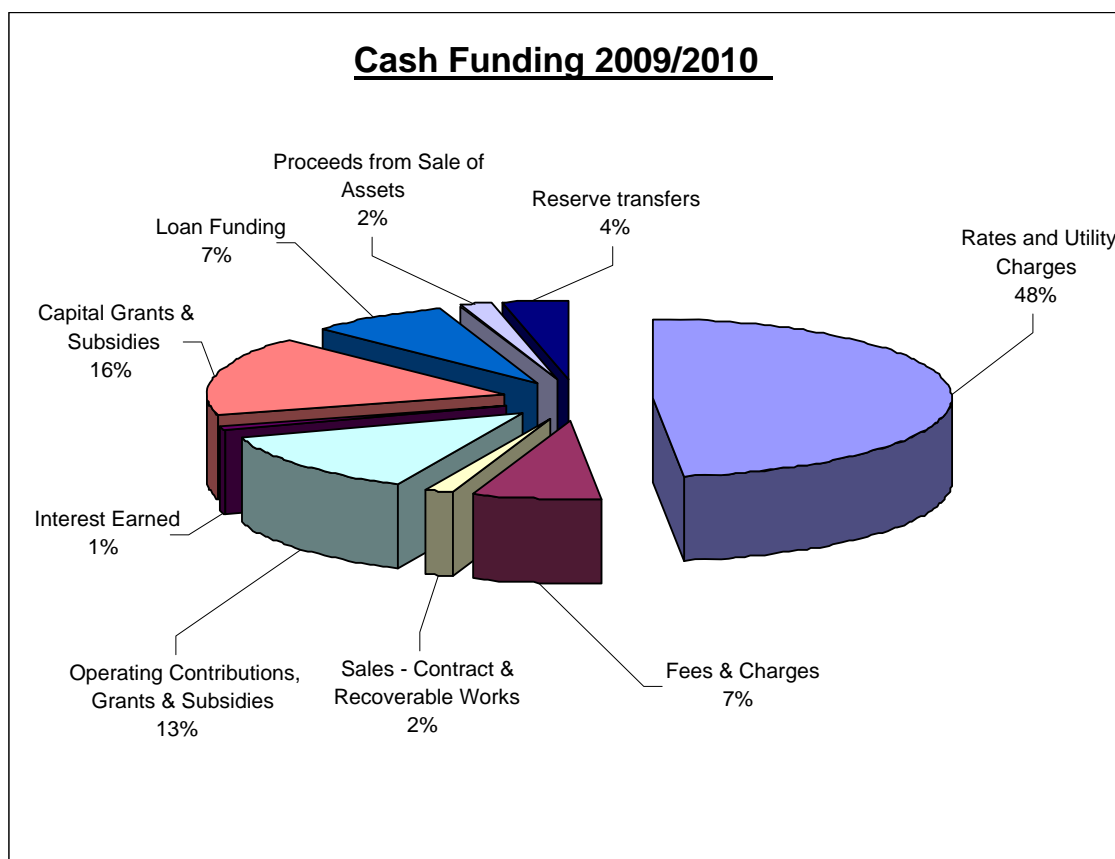
Values:- Professionalism
Continuous Improvement
Excellence
Procedural consistency
Customer focus
Team work and cooperation

MARK CRAWLEY
Chief Executive Officer

FINANCIAL OVERVIEW

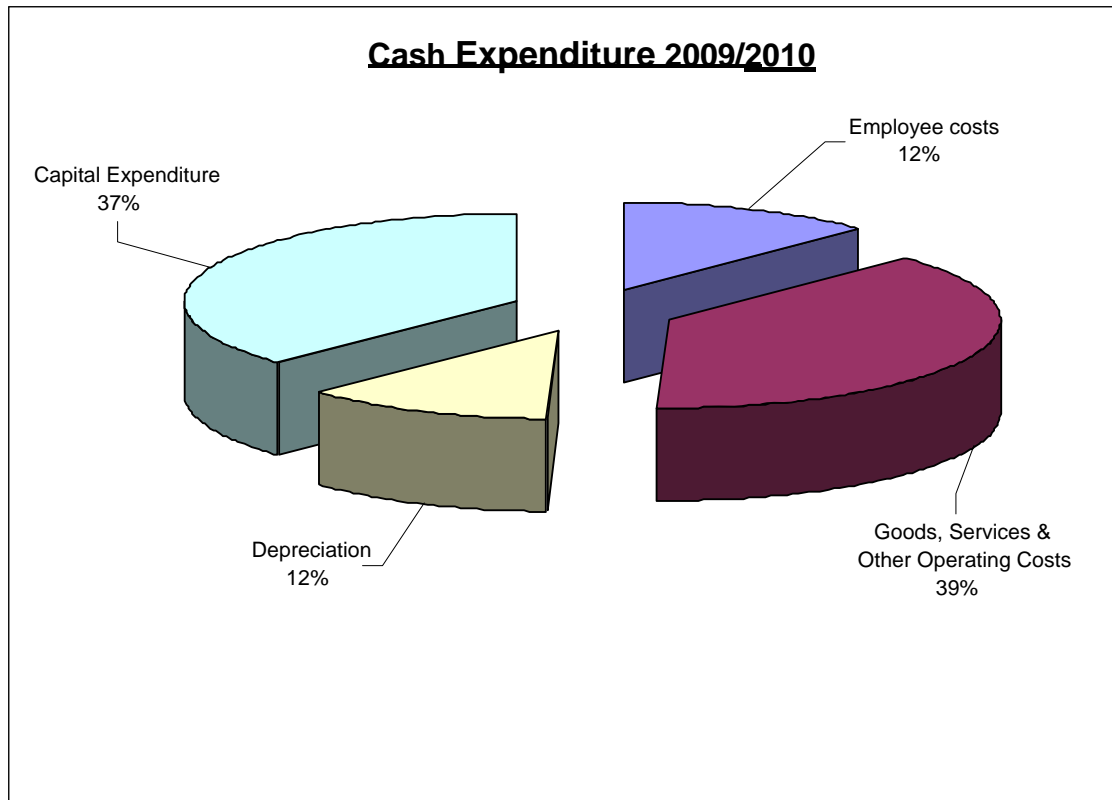
Where does the money come from?

Cash funding required to provide the products and services to the Isaac Regional Council comes from a variety of sources including general rates and utility charges (water, sewerage and garbage collection) and capital funding grants and subsidies and operational grants & subsidies. Fees and charges are also received from the issue of permits and consideration of various applications and also from other community service contributions.



Where does the money go?

A significant portion of the expenditure, approximately 37%, will be spent on capital projects. A further 39% will be spent on materials and services and 12% on employee costs to provide services and facilities to the community.



BUDGET DOCUMENT OVERVIEW 2009-2010

The Isaac Regional Council's Budget for the 2009-2010 financial year is presented in accordance with the requirements of the Queensland *Local Government Act 1993*, the Queensland *Local Government Finance Standards 2005*, and the Australian equivalents to International Financial Reporting Standards.

An overview of the major statements and policies contained in the Budget for the 2009-2010 financial year is provided to assist the reader.

Budgeted Financial Statements

The **Financial Budget Summary** shows key revenue, expenses and balance sheet items.

The budgeted **Statement of Income & Expenditure** displays the revenue and operating expenses by line item and by category.

The budgeted **Statement of Cash Flows** shows the budgeted cash transactions and opening and closing cash balances.

The budgeted **Balance Sheet** discloses the assets, liabilities and equity of the Council.

The budgeted **Statement of Changes in Equity** discloses the movement in reserves.

Borrowing Policy

The *Local Government Finance Standard 2005* requires Council to develop a policy about borrowings.

Revenue Policy

The revenue policy sets out the principles Council uses to set its budget and identifies in broad terms the general strategy used for raising revenue.

Revenue Statement

The Revenue Statement is an explanatory statement that accompanies the budget, outlining and explaining the revenue measures adopted in the budget. The statement shows the various rates and charges and criteria for the 2009-2010 year.

STATEMENT OF ORIGINAL BUDGET FOR 5 YEARS

**ISAAC REGIONAL COUNCIL
BUDGET STATEMENTS
for the year ending 30 June 2010
STATEMENT OF ORIGINAL BUDGET FOR FIVE YEARS**

	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>
Operating Revenue					
Rates and Utility Charges	51,490,953	55,610,229	60,583,887	65,430,598	69,356,433
Less Discounts and Remissions	(1,814,215)	(1,904,926)	(2,000,172)	(2,100,181)	(2,205,190)
Fees and Charges	7,232,935	7,594,582	7,974,311	8,373,026	8,791,678
Recoverable Works	1,585,900	1,665,195	1,748,455	1,835,877	1,927,671
Operating Grants & Subsidies	13,243,513	9,505,689	9,980,973	10,380,212	10,795,420
Interest on Investments	913,360	500,000	500,000	400,000	500,000
Other Revenue	13,645,500	14,327,775	15,044,164	15,796,372	16,586,191
	\$86,297,946	\$87,298,544	\$93,831,617	\$100,115,905	\$105,752,204
Less: Operating Expenditure					
Employee costs	14,494,125	15,218,831	15,979,773	16,778,761	17,617,700
Goods, Services & Other Operating Costs	57,853,280	56,030,623	58,832,154	61,870,253	64,467,615
Finance Costs (including Interest Expenses)	0	542,658	328,982	511,493	494,311
Other Expenses	0				
Depreciation	14,704,900	15,748,937	16,370,242	16,000,000	17,000,000
	\$87,052,305	\$87,541,049	\$91,511,151	\$95,160,507	\$99,579,625
Less: Transfers					
Retained Surplus/Deficit Brought Forward from prior years	-890,000				
Transfer from Capital for unfunded Depreciation	-3,087,000	-1,500,000	-1,500,000	-1,500,000	-1,000,000
Transfer (to) capital for general Revenue Expended	2,033,445	1,257,495	3,820,466	6,455,397	7,172,579
Transfer from Reserves					
Transfer to Reserves	890,000				
	-\$1,053,555	-\$ 242,505	\$2,320,466	\$ 4,955,397	\$ 6,172,579
Operating Surplus (Deficit)	\$ 299,196	-\$ 0	-\$ 0	\$ 0	-\$ 0

CAPITAL SUMMARY

Capital Revenue Sources

General Revenue used for capital Purposes	2,033,445	1,257,495	3,820,466	6,455,397	7,172,579
Capital Grants	15,241,149	11,574,800	14,147,200	15,300,000	10,000,000
Capital contributions - cash	1,703,581				
Transfers from Capital Reserves	3,752,660				
Transfers to Capital Reserves	0				
Loan Funding	7,700,000	5,000,000			
Proceeds from Sale of Assets	1,786,000	600,000	600,000	700,000	600,000
Funded Depreciation	11,617,900	14,248,937	14,870,242	14,500,000	16,000,000
	\$43,834,735	\$32,681,232	\$33,437,908	\$36,955,397	\$33,772,579

Capital Expenditure

Capital Expenditure	43,834,735	32,457,000	33,000,000	36,500,000	33,500,000
Loan Repayments	0	224,232	437,908	455,397	272,579
	\$43,834,735	\$32,681,232	\$33,437,908	\$36,955,397	\$33,772,579

STATEMENT OF ORIGINAL BUDGET

ISAAC REGIONAL COUNCIL BUDGET STATEMENTS for the year ending 30 June 2010 STATEMENT OF ORIGINAL BUDGET	
	<u>2009/2010</u>
Operating Revenue	
Rates and Utility Charges	51,490,953
Less Discounts and Remissions	(1,814,215)
Fees and Charges	7,232,935
Recoverable Works	1,585,900
Operating Grants & Subsidies	13,243,513
Interest on Investments	913,360
Other Revenue	13,645,500
	\$ 86,297,946
Less: Operating Expenditure	
Employee costs	14,494,125
Goods, Services & Other Operating Costs	57,853,280
Finance Costs (including Interest Expenses)	0
Other Expenses	
Depreciation	14,704,900
	\$ 87,052,305
Less: Transfers	
Retained Surplus/Deficit Brought forward from prior years	-890,000
Transfer from Capital for unfunded Depreciation	-3,087,000
Transfer (to) capital for general Revenue Expended	2,033,445
Transfer from Reserves	
Transfer to Reserves	890,000
	-\$ 1,053,555
Operating Surplus (Deficit)	\$ 299,196

CAPITAL SUMMARY

Capital Revenue Sources

General Revenue used for Capital Purposes	2,033,445
Capital Grants	15,241,149
Developer Contributions	146,700
Capital contributions - cash	1,556,881
Transfers from Capital Reserves	3,752,660
Transfers to Capital Reserves	
Loan Funding	7,700,000
Proceeds from Sale of Assets	1,786,000
Funded Depreciation	11,617,900

\$ 43,834,735

Capital Expenditure

Capital Expenditure	43,834,735
Loan Repayments	

\$ 43,834,735

STATEMENT OF INCOME & EXPENDITURE

**ISAAC REGIONAL COUNCIL
BUDGET STATEMENTS
for the year ending 30 June 2010
STATEMENT OF INCOME & EXPENDITURE**

INCOME**Recurrent Revenue**

Rates and Utility Charges	51,490,953
less Discounts and Remissions	(1,814,215)
Fees and Charges	7,232,935
Recoverable Works	1,585,900
Operating Grants & Subsidies	13,243,513
Interest on Investments	913,360
Other Revenue	13,645,500

Total recurrent revenue	\$ 86,297,946
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Capital Revenue

Grants, Subsidies, Contributions and Donations	16,798,030
Other Capital Income	

Total capital revenue	\$ 16,798,030
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Total Revenue	103,095,976
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EXPENDITURE**Recurrent Expenses**

Employee Costs	14,494,125
Goods, Services & Other Operating Costs	57,853,280
Finance Costs (including Interest Expenses)	0
Other Expenses	0
Depreciation	14,704,900

Total recurrent expenses	\$ 87,052,305
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Total Expenditure	87,052,305
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NET RESULT ATTRIBUTABLE TO COUNCIL	\$ 16,043,671
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STATEMENT OF CASH FLOWS

ISAAC REGIONAL COUNCIL BUDGET STATEMENTS for the year ending 30 June 2010 STATEMENT OF CASHFLOWS	
Cash flow from Operating Activities	
Receipts from Customers	88,590,629
Payment to Suppliers and Employees	(74,280,280)
Payments for Land Held as Inventory	
Proceeds from Sale of Land Held as Inventory	
Interest Revenue	913,360
Finance costs	0
Net cash inflow (outflow) from operating activities	\$ 15,223,709
Cash Flow from Investing activities	
Proceeds from Sale of Capital Assets	1,786,000
Grants & Contributions for Capital Expenditure	16,798,030
Payments for Property, Plant and Equipment	(43,834,735)
Net cash inflow (outflow) from investing activities	-\$ 25,250,705
Cash Flow from Financing Activities	
Proceeds from Borrowings	7,700,000
Repayment of Borrowings	0
Net cash inflow (outflow) from financing activities	\$ 7,700,000
Net increase (decrease) in cash held	(2,326,996)
Cash at beginning of the reporting period	2,862,660
Cash at end of the reporting period	\$ 535,664

BALANCE SHEET

ISAAC REGIONAL COUNCIL BUDGET STATEMENTS for the year ending 30 June 2010 BALANCE SHEET	
<u>as at 30 June 2010</u>	
Current Assets	
Cash and Deposits	535,664
Receivables	4,000,000
Other Financial Assets	
Land Held for Development or Sale	11,779,556
Inventories	400,000
	\$ 16,715,220
Non-current Assets	
Property, Plant & Equipment	442,143,965
Capital Work in Progress	12,000,000
Inventories	
	\$ 454,143,965
TOTAL ASSETS	470,859,185
Current Liabilities	
Trade and other Payables	6,700,000
Loans	224,232
Provisions	
Other	
	\$ 6,924,232
Non-current Liabilities	
Trade and other Payables	
Loans	7,475,768
Provisions	2,276,606
Other	
	9,752,374

TOTAL LIABILITIES	16,676,606
NET COMMUNITY ASSETS	<u>\$ 454,182,579</u>
COMMUNITY EQUITY	
Retained Surplus & Shire Capital	453,883,383
Accumulated Surplus (deficiency)	299,196
Other Reserves	
Constrained Works Reserve	
TOTAL COMMUNITY EQUITY	<u>\$ 454,182,579</u>

STATEMENT OF CHANGES IN EQUITY

**ISAAC REGIONAL COUNCIL
BUDGET STATEMENTS
for the year ending 30 June 2010
STATEMENT OF CHANGES IN EQUITY**

	<u>Available Surplus</u>	<u>Capital Account</u>	<u>Asset Revaluation Reserve</u>	<u>Other Reserves</u>	<u>Total</u>
Estimated Balance as at 30 June 2009		435,276,248	0	2,862,660	438,138,908
Increase (decrease) in net result	16,043,671				16,043,671
Transfer to and from Reserves					0
Transfer to Capital	-17,941,475	17,941,475			0
Transfer from Capital	3,087,000	-3,087,000			0
Transfer to Reserve	-890,000			890,000	0
Transfer from Reserve		3,752,660		-3,752,660	0
Total Transfers to and from Reserves	-\$ 15,744,475	\$ 18,607,135	\$ -	-\$ 2,862,660	\$ -
Balance as at 30 June 2010	\$ 299,196	\$ 453,883,383	\$ -	\$ -	\$ 454,182,579

REVENUE POLICY 2009/2010

The purpose of this revenue policy is to set out the principles used by Council in the:

- the making of rates and charges
- the levying of rates
- the recovery of rates and charges
- concessions for rates and charges.

The period covered by this policy applies to the financial year **2009/2010**.

INTRODUCTION

The Isaac Regional Council covers an area of 58,862 km² and will have a projected population of 28,678 by 2026. The area is economically dependant on cropping, irrigated cropping, managed resources including cattle, limited forestry and aquaculture. Mining is a significant contributor to the region with minerals, gold and gas extractive industries continuing to develop. Without question, coal mining forms the backbone of the Councils export industry with the majority of coal extracted from the Isaac Regional Council area being shipped to India and China. The strong future of extractive industries within the Isaac Regional Council ensures that the area will be in a prominent position to continue to contribute to the economic prosperity and social amenity of the region and state well into the next century. The physical size and the economic, social and environmental diversity of the Isaac Regional Council area will deliver many challenges for the Council to address.

Isaac Regional Council's budget will be revenue driven rather than expenditure orientated. This approach will mean that Council provides for the necessary administrative, maintenance and operational expenses through revenue. An amount of revenue will be set aside for capital expenditures in the current budget and another amount set apart for future capital expenditure. It is acknowledged that Council must 'maintain' and 'control' expenses and be prepared to allocate necessary resources over an extended period of time in order to purchase discretionary capital items. Council must also seek out and await the allocation of special grants. Borrowing is not a preferred budget option; however it may be contemplated in special circumstances.

Special rate contributions are sourced from the lands upon which the Shire's mining operations are conducted, to defray the special cost of providing services of a high standard to the townships of Dysart, Middlemount, Moranbah, Clermont and Glenden which essentially serve the local mining industry and are home to the employees and families of the mine operators and to those who work within associated industries.¹

The revenue based budget approach reverses the textbook approach to rating. The usual budget model will see rates calculated so as to deliver the difference between budget expenditure and other income. Although the budget expenditures contemplated under the usual model may have been subject to trimming to fit economic circumstances, the underlying approach differs considerably both in theory and in practice to that used by Isaac Regional Council along with many other Regional Councils.

¹ Refer to the principles stated in Part A, under the heading, "Special Rates and Charges".

Council has made a decision to trim expenditure so as to permit it to live within its usual income. This may see some expenditure deferred and some temporary acceptance of lower standards for roads or other infrastructure than is ordinarily desirable. However, Council considers that containing rate increases and providing greater certainty about rate levels from year to year is a better option for its community than raising more revenue to fund more or better services that cannot be sustained in the long term.

The rate increases in some differential categories may be higher than those in others. However, such adjustments will be directed at achieving greater rating equity within Council's broader strategy of containing, through conservative budgeting, the increase in aggregate general rate revenue.

The overall rating strategy will continue to see differential rating, minimum rates and concessions used to gather necessary revenue equitably and to acknowledge different patterns for the use of Council's services.

A PRINCIPLES USED FOR THE MAKING OF RATES & CHARGES

In general Council will be guided by the principle of user pays in the making of rates and charges so as to minimise the impact of rating on the efficiency of the local economy.

Council will also have regard to the principles of:

- transparency in the making of rates and charges
- having in place a rating regime that is simple and inexpensive to administer
- equity by taking account of the different levels of capacity to pay within the local community
- flexibility to take account of changes in the local economy.

- a) In accordance with section 963 of the Local Government Act 1993, Council may, for a financial year, make and levy: a general rate or differential general rate; and
- b) minimum general rate; and
- c) separate rate/charge; and
- d) special rate/charge; and
- e) utility charge,

to fund the operation and maintenance of Council services and facilities.

Where possible, Council will endeavour to base all rates and charges on a full cost recovery basis. Full cost recovery however, will not take into account the special arrangements which may exist for the townships of Dysart, Middlemount, Moranbah, Clermont and Glenden where depreciation will not be funded.

In making its decisions regarding the quantum of rates and charges, Council will endeavour to avoid undertaking borrowings. It is understood however, that in order for Council to undertake certain specific projects, borrowing may be a necessary requirement.

GENERAL RATES

Council recognises that different categories of land use will generate different needs and requirements for Council services and facilities. Council also recognises that it will incur a different level of resource expenditure to provide the necessary services and facilities.

Although a single general rate would provide simplicity, its adoption would necessitate Council setting a high minimum rate to deal with the fact that land values in towns and villages are very low in relation to rural land but those who live in towns and villages have greater access to council services.

Council believes that the existing distribution of the general rate burden through its differential rates regime is generally equitable as it reflects incremental changes over many years, as well as the results of many years of accounting by financial division.

Council proposes therefore to continue to levy differential general rates to ensure that the rate burden is distributed in similar fashion to the pattern in recent years. Council will continue to gather data and to consider this information so as to further refine this process.

To ensure that owners of land across all differential categories contribute equitably to the cost of common services, Council applies a minimum rate to each differential rating category.

SPECIAL RATES AND CHARGES

Council may make and levy a special rate or charge on rateable land, to help defray the cost of providing a service, facility and or an activity where, in Council's opinion:

- the land, or the occupier of the land, has or will especially benefit from the provision of the service, facility or activity; or
- the occupier of the land, or the use made or to be made of the land, has, or will, especially contribute to the need for the service, facility or activity.

Examples of services that may necessitate a special rate or charge are:

- improvements to road construction standards and maintenance procedures necessitated by mining operations; and
- rural fire prevention and firefighting services.

UTILITY CHARGES

Council may make and levy a utility charge on any land, whether vacant or occupied, and whether or not it is rateable land; or a structure; to recover costs in relation to the provision of services and/or facilities. Examples may include cleansing, sewerage and water charges.

Generally, utility charges will be calculated on a full cost recovery basis.

REGULATORY AND NON-REGULATORY CHARGES

Regulatory charges shall be measured on the basis of the estimated cost of providing the goods or service. Non-regulatory charges shall be measured on a commercial basis unless it is considered necessary to reduce the charge in order to maintain access to certain services for disadvantaged persons.

INTEREST

Council may impose interest on rates and charges that remain unpaid after the appointed date for payment (ie: the date on which the discount period closes) and includes assessments that are making payments of outstanding rates by instalment.

B PRINCIPLES USED FOR THE LEVYING OF RATES

In levying rates Council will apply the principles of:

- making clear what is the Council's and each ratepayers responsibility to the rating system
- making the levying system simple and inexpensive to administer
- timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy
- equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

LEVYING OF RATES AND CHARGES

In accordance with section 1008 of the Act, Council will issue a rates notice to the owner of the land on which a rate or charge has been applied. Rates notices shall include the date the notice was issued, the date by which time the rate must be paid and any discounts, rebates or concessions applied.

Council will issue notices on a six monthly basis during the periods 01 July to 31 December, 01 January to 30 June in the respective financial year.

Council will responsibly ensure that the rates and charges applied are correct and are generally issued within the months of March and September to better take into account the financial cycle of the local economy.

PAYMENT OF RATES AND CHARGES

Owner Liability

Section 1010 of the act details the liability of the 'owner' to pay rates and charges levied against land held in their name. It also describes the liability of persons' at whose request a service is supplied to a structure or land that is not rateable land.

Where joint ownership of a property exists or other persons are liable to pay a rate, all owners or other persons are jointly and severally liable.

Rates and charges will exist with the land ie. where a change in ownership occurs and a rate or charge exists against the land the 'owner' of the land will become liable for payment.

Where land ceases to be rateable land under section 1012 of the act the owner of said land immediately before it ceased to be rateable land is taken to continue as the owner of the land, and the land is taken to continue to be rateable land for the levy, collection or refund of a rate on the land for any period before it ceased to be rateable land.

Methods of Payment

Council may accept the payment of rates and charges by differing methods. These may include cheque, cash, direct debit and or electronic means.

Payments in Advance

Payments in advance by way of lump sum or instalments may be accepted, however interest will not be payable on any credit balances held.

Payment by Instalments

Council may allow payments by instalment where it will benefit both the individual and the collection of overdue rates and charges.

C PRINCIPLES USED FOR THE 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;
- making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective;
- capacity to pay in determining appropriate arrangements for different sectors of the community;
- equity by having regard to providing the same treatment for ratepayers with similar circumstances; and
- flexibility by responding where necessary to changes in the local economy.

What is an 'overdue rate'? Section 1016 of the act describes an 'overdue rate' as "an amount of a rate payable to a local government that remains unpaid at the end of the period specified in the rate notice as the period within which the amount of the rate is payable, (including any amount of interest on the rate under section 1018)".

With due regard for financial hardship, Council shall actively pursue the collection of outstanding rates and charges.

Council may use the following as a referral guide for the recovery of rates and charges:

Standard Performance:

- Council may refer overdue rates to a mercantile agent or a solicitor for recovery.
- Generally an account will not be referred for external recovery action unless it is \$500.00 or greater in value.
- Council may consider entering into a payment plan for those accounts which have been sent to an external recovery agent.

D CONCESSIONS FOR RATES AND CHARGES

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
- the same treatment for ratepayers with similar circumstances
- transparency by making clear the requirements necessary to receive concessions
- flexibility to allow Council to respond to local economic issues.

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.

Discount

In accordance with section 1019 of the Local Government Act 1993, Council may allow a discount on all General Rates and on the Special Rates levied on Mining Leases, if payment is made within 30 clear days from the date of issue of the notice.

If Council is satisfied that a person liable to pay a rate has been prevented, by circumstances beyond the person's control, from paying the rate in time to benefit from a discount under section 1019 of the Local Government Act 1993, then Council under section 1021 of the act, may still allow the discount following written application by the ratepayer.

General Rate Caps

Because general rates are made and levied upon the unimproved value of land determined by the Department of Natural Resources and Mines, Council recognizes that the statutory valuation process may result in unusually high valuation increases for at least some classes of land, if not for all land. Where it considers that applying the differential general rate to affected lands or classes of land will produce inequities between ratepayers or classes of ratepayer, Council may cap general rate increases for the lands or classes of land concerned.

Other Rebates and Concessions

Council may, at its discretion allow other concessions or remissions. These may include pensioner rebates, natural hardship and or social and economic incentives.

REVENUE STATEMENT 2009/2010

LEGISLATIVE REQUIREMENTS

Council has noted the requirements of the following legislation which require that certain matters are included in the revenue statement, viz

Local Government Act 1993 Section 518

- (1) A local government must adopt, by resolution, for each financial year—
 - (a) a budget for its operating fund; and
 - (b) a revenue statement.
- (2) The budget and revenue statement must be adopted—
 - (a) after 31 May before the financial year; and
 - (b) before—
 - (i) 1 September in the financial year; or
 - (ii) a later date fixed by the Minister.

Local Government Act 1993 Section 520A

- (1) A local government's revenue statement, or an amendment of the statement, must comply with the Local Government Finance Standards.
- (2) A revenue statement must state each of the following matters –
 - (a) if the local government makes and levies a differential general rate for the financial year
 - (i) the categories into which rateable land in its area is to be categorised; and
 - (ii) the criteria by which land is to be categorised
 - (b) if the local government makes and levies a special rate or charge, for the financial year, for a service, facility or activity supplied by another local government under arrangements entered into under section 59 – a summary of the terms of the arrangements;
 - (c) if the local government fixes a regulatory fee for the financial year – the criteria used to decide the amount of all regulatory fees fixed for the year.
- (3) A local government may, by resolution, amend its revenue statement for a financial year at any time before the year ends.

Local Government Finance Standard 2005 Section 56

A local government's revenue statement for a financial year must include the following information for the financial year –

- (a) an outline and explanation of the revenue raising measures adopted, including, for example, an outline and explanation of –
 - (i) the rates and charges to be made and levied in the financial year;
- and
- (ii) the rebates and concessions to be granted in the financial year;
- (b) whether the local government has made a resolution limiting the increases charges;

- (c) the extent to which physical and social infrastructure costs for new development are to be funded by charges for the development
- (d) whether the operating capability of the local government is to be maintained, increased or decreased and, if it is to be increased or decrease, the extent to which it is to be increased or decreased;
- (e) whether depreciation and other non-cash expenses are to be fully funded

DIFFERENTIAL GENERAL RATES (2009/2010)

In accordance with Section 966(1) of the *Local Government Act 1993*, Isaac Regional Council will make and levy a differential general rate for the financial year ending 30 June 2010, taking into consideration the following aspects:

- Council recognises that different categories of land use will generate different needs and requirements for Council services and facilities. Council also recognises that it will incur a different level of resource expenditure to provide the necessary services and facilities.
- Council has considered the consequences of adopting 'one' general rate and acknowledges that to do so would seriously disturb the relative distribution of the rate burden.
- Although a 'single general rate' would provide simplicity, its adoption would necessitate Council setting a high minimum rate to deal with the fact that land values in towns and villages are very low in relation to rural land but those who live in towns and villages have greater access to council services.
- Council proposes therefore to continue to levy differential general rates to ensure that the rate burden is distributed in a similar fashion to the pattern in prior years. Council will continue to gather data and to consider this information so as to further refine this process.
- To ensure that owners of land across all differential categories contribute equitably to the cost of common services, Council applies a minimum rate to each differential rating category.
- Historically Council has maintained its minimum rates at very low levels, given the standards of services it provides; but Council cannot continue to do this without compromising or reducing those standards. Council therefore proposes to increase the minimum rates over a period of years, beginning with 2008-09, to enable it at least to maintain the current standards of services it provides.

So far as mining and mining related activities are concerned, Council, in conjunction with a number of other "Bowen Basin" Councils affected by mining (particularly coal mining) and mining related activities, has paid particular attention to the need to carefully consider the impacts that these particular land uses are having on the ability of Council to deliver desired levels of service to its community.

These impacts include: -

1. The increase in Council's wage costs in endeavour to compete (in a limited labour market) with high mine incomes;
2. Increased staff turnover;

3. Accommodation difficulties in terms of both availability and affordability;
4. Increased use/more rapid deterioration of public infrastructure;
5. The need for additional health, environmental, planning and community development services.

In addition, not only do the mines generate the additional full-time equivalent resident population through the mine workforce, they also generate other visitors to the area such as contractors servicing machinery and equipment. Further, significant mining activity (and higher personal incomes) results in reduced Financial Assistance Grants because of the assumed additional revenue capacity of the Region² (which only exists in reality if a significant rate levy is applied to mining activity).

In arriving at the differential rating categories for mining (and mining related activities) Council has also considered the following issues: -

- There is no consistency in the unimproved valuation of the total parcels involved in a mine operation and the size of the operation (and impact on the Council). This makes it very difficult to rely solely on valuation to spread the general rate burden in an equitable manner. Valuations (for mining, in particular) tend to reflect the primary industry nature of the land holding (eg whether in good cattle country or not) and the historic nature of the subdivision size in the area.
- The number of rateable parcels making up one mining operation varies significantly. In some cases a large mine may have only one rateable assessment while in other cases there may be four or more separate parcels under the one mine operation and associated activity.

Accordingly, so far as mining activities are concerned, Council will adopt a system of categorisation using mine employment figures to split mines into a number of categories. Council will reference a Queensland Department of Mines and Energy publication³ as an independent verification of the applicable employment levels used. Mine related accommodation facilities will also be particularly categorised, based on the number of accommodation units provided.

As noted elsewhere in this revenue statement, special rates and special charges are also used where there is a clearly identifiable service or facility which can readily be attributed to one or more mines.

In accordance with Section 978 and 979 of the *Local Government Act 1993*, Council will identify the category in which each parcel of rateable land is to be included.

For the purposes of this document generally, the term “town plan” means the Town Planning Scheme for the former Shire of Broadsound, the former Shire of Nebo and the former Shire of Belyando incorporating all the amendments up to and including 30 June 2009. For avoidance of doubt, and for the purposes of interpreting and applying this statement, the term “town plan” will continue to mean the said town

² The rating capacity assessment is adjusted by the ABS Index of Economic Resources which is significantly above average for Bowen Basin Councils

³ Queensland Mines and Quarries Safety Performance and Health Report 1 July 2006 to 30 June 2007, Department of Mines and Energy, December 2007

planning scheme, notwithstanding that it may be replaced by an 'IPA Scheme' before 30 June 2010.

Pursuant to section 977 of the *Local Government Act 1993*, the categories into which rateable land is categorised is as follows:

Category 1 Urban Land – Greenhill; Carmila Beach; Clairview (UCV \$0 - \$150,000)

Criteria: Land used for urban purposes not included in any other category located in the town areas of Greenhill, Carmila Beach and Clairview as described in the town plan and having a UCV of between \$0 and \$150,000.

Category 2 Urban Land – Greenhill; Carmila Beach; Clairview (UCV \$150,001 - \$185,000)

Criteria: Land used for urban purposes not included in any other category located in the town areas of Greenhill, Carmila Beach and Clairview as described in the town plan and having a UCV of between \$150,001 and \$185,000.

Category 3 Urban Land – Greenhill; Carmila Beach; Clairview (UCV \$185,001 - \$260,000)

Criteria: Land used for urban purposes not included in any other category located in the town areas of Greenhill, Carmila Beach and Clairview as described in the town plan and having a UCV of between \$185,001 and \$260,000.

Category 4 Commercial/Industrial

Criteria: Land being utilised or having the potential to be utilised by virtue of improvements or activities conducted upon the property for a commercial or industrial purpose.

Category 5 Other Urban Land – Other Towns (Carmila, Clermont, Coppabella, Dysart, Glenden, Middlemount, Moranbah, Nebo, St. Lawrence)

Criteria: Land used for urban purposes not included in any other category located in the town area of Carmila, Clermont, Coppabella, Dysart, Glenden, Middlemount, Moranbah, Nebo and St. Lawrence as described in the town plan.

Category 6 Rural Land - Cattle

Criteria: Land that is neither within an urban land category nor within another rural category, but is used predominantly for cattle related industry including land with a Department of Environment and Resource Management Land Use Code between 60 and 70.

Category 7 Rural Land – Agriculture

Criteria: Land that is neither within an urban land category nor within another rural land category, but is used predominantly for agricultural activities including land with a Department of Environment and Resource Management Land Use code between 71 to 84 excluding land used for activities within land use code 72 and 75.

Category 8 Rural Land – Cane/Timber

Criteria: Land that is used predominantly for growing sugar cane including land with a Department of Environment & Resource Management Land Use Code “75” – Sugar Cane or land that is used predominately for timber or timber related industries with a Department of Environment and Resource Management Land Use Code “88” – Forestry and Logging.

Category 9 Rural Other

Criteria: Rural land that does not fall within any other rural category.

Category 10 Multi Unit (2-4) Land

Criteria: Urban Land as described in the town plan used for long term accommodation which contains two (2) to four (4) dwellings.

Additional comment: These properties utilise Council’s services to a higher degree than those that contain a lesser number of dwellings and the rate includes due provision.

Category 11 Multi Unit (5-9) Land

Criteria: Urban Land as described in the town plan used for long term accommodation which contains five (5) to nine (9) dwellings.

Additional comment: These properties utilise Council’s services to a higher degree than those that contain a lesser number of dwellings and the rate includes due provision.

Category 12 Multi Unit (10-14) Land

Criteria: Urban Land as described in the town plan used for long term accommodation which contains ten (10) to fourteen (14) dwellings.

Additional comment: These properties utilise Council’s services to a higher degree than those that contain a lesser number of dwellings and the rate includes due provision.

Category 13 Multi Unit (over 14) Land

Criteria: Urban Land as described in the town plan used for long term accommodation which contains over fourteen (14) dwellings.

Additional comment: These properties utilise Council’s services to a higher degree than those that contain a lesser number of dwellings and the rate includes due provision.

Category 14 Barracks & Quarters / Caravan Parks (10-60)

Criteria: Land used to provide long term accommodation in rooms, suites and/or caravan sites for persons employed in or working in association with a particular industry containing ten (10) to sixty (60) accommodation rooms, suites and/or caravan sites.

Additional comment: These properties utilise Council's services to a higher degree than those that contain a lesser number of dwellings and the rates includes due provisions.

Category 15 Barracks & Quarters / Caravan Parks (61-120)

Criteria: Land used to provide long term accommodation in rooms, suites and/or caravan sites for persons employed in or working in association with a particular industry containing sixty-one (61) to one hundred and twenty (120) accommodation rooms, suites and/or caravan sites.

Additional comment: These properties utilise Council's services to a higher degree than those that contain a lesser number of dwellings and the rates includes due provisions.

Category 16 Barracks & Quarters / Caravan Parks (121-190)

Criteria: Land used to provide long term accommodation in rooms, suites and/or caravan sites for persons employed in or working in association with a particular industry containing one hundred and twenty-one (121) to one hundred and ninety (190) accommodation rooms, suites and/or caravan sites.

Additional comment: These properties utilise Council's services to a higher degree than those that contain a lesser number of dwellings and the rates includes due provisions.

Category 17 Barracks & Quarters / Caravan Parks (191-260)

Criteria: Land used to provide long term accommodation in rooms, suites and/or caravan sites for persons employed in or working in association with a particular industry containing one hundred and ninety-one (191) to two hundred and sixty (260) accommodation rooms, suites and/or caravan sites.

Additional comment: These properties utilise Council's services to a higher degree than those that contain a lesser number of dwellings and the rates includes due provisions.

Category 18 Barracks & Quarters / Caravan Parks (261-360)

Criteria: Land used to provide long term accommodation in rooms, suites and/or caravan sites for persons employed in or working in association with a particular industry containing two hundred and sixty-one (261) to three hundred and sixty (360) accommodation rooms, suites and/or caravan sites.

Additional comment: These properties utilise Council's services to a higher degree than those that contain a lesser number of dwellings and the rates includes due provisions.

Category 19 Barracks & Quarters / Caravan Parks (361-460)

Criteria: Land used to provide long term accommodation in rooms, suites and/or caravan sites for persons employed in or working in association with a particular industry containing three hundred and sixty-one (361) to four hundred and sixty (460) accommodation rooms, suites and/or caravan sites.

Additional comment: These properties utilise Council's services to a higher degree than those that contain a lesser number of dwellings and the rates includes due provisions.

Category 20 Barracks & Quarters / Caravan Parks (461-650)

Criteria: Land used to provide long term accommodation in rooms, suites and/or caravan sites for persons employed in or working in association with a particular industry containing four hundred and sixty-one (461) to six hundred and fifty (650) accommodation rooms, suites and/or caravan sites.

Additional comment: These properties utilise Council's services to a higher degree than those that contain a lesser number of dwellings and the rates includes due provisions.

Category 21 Barracks & Quarters / Caravan Parks (651-850)

Criteria: Land used to provide long term accommodation in rooms, suites and/or caravan sites for persons employed in or working in association with a particular industry containing ten six hundred and fifty-one (651) to eight hundred and fifty (850) accommodation rooms, suites and/or caravan sites.

Additional comment: These properties utilise Council's services to a higher degree than those that contain a lesser number of dwellings and the rates includes due provisions.

Category 22 Barracks & Quarters / Caravan Parks (851-1100)

Criteria: Land used to provide long term accommodation in rooms, suites and/or caravan sites for persons employed in or working in association with a particular industry containing eight hundred and fifty-one (851) to one thousand one hundred (1100) accommodation rooms, suites and/or caravan sites.

Additional comment: These properties utilise Council's services to a higher degree than those that contain a lesser number of dwellings and the rates includes due provisions.

Category 23 Barracks & Quarters / Caravan Parks (over 1100)

Criteria: Land used to provide long term accommodation in rooms, suites and/or caravan sites for persons employed in or working in association with a particular industry containing over one thousand one hundred (1100) accommodation rooms, suites and/or caravan sites.

Additional comment: These properties utilise Council's services to a higher degree than those that contain a lesser number of dwellings and the rates includes due provisions.

Category 24 Coal Mining (40-100)

Criteria: Land that is a coal mine that, according to the Department of Mines & Energy "Mines and Quarries Safety Performance and Health Report" was employing, as at 30 June 2008, between 40 and 100 employees and/or contractors, with a rateable valuation greater than \$100,000.

Category 25 Coal Mining (101-200)

Criteria: Land that is a coal mine that, according to the Department of Mines & Energy "Mines and Quarries Safety Performance and Health Report" was employing, as at 30 June 2008, between 101 and 200 employees and/or contractors, with a rateable valuation greater than \$100,000.

Category 26 Coal Mining (201-300)

Criteria: Land that is a coal mine that, according to the Department of Mines & Energy "Mines and Quarries Safety Performance and Health Report" was employing, as at 30 June 2008, between 201 and 300 employees and/or contractors, with a rateable valuation greater than \$100,000.

Category 27 Coal Mining (301-500)

Criteria: Land that is a coal mine that, according to the Department of Mines & Energy "Mines and Quarries Safety Performance and Health Report" was employing, as at 30 June 2008, between 301 and 500 employees and/or contractors, with a rateable valuation greater than \$100,000.

Category 28 Coal Mining (501-600)

Criteria: Land that is a coal mine that, according to the Department of Mines & Energy "Mines and Quarries Safety Performance and Health Report" was employing, as at 30 June 2008, between 501 and 600 employees and/or contractors, with a rateable valuation greater than \$100,000.

Category 29 Coal Mining (601-1200)

Criteria: Land that is a coal mine that, according to the Department of Mines & Energy "Mines and Quarries Safety Performance and Health Report" was employing, as at 30 June 2008, between 601 and 700 employees and/or contractors, with a rateable valuation greater than \$100,000.

Category 30 Coal Mining (1201- 1400)

Criteria: Land that is a coal mine that, according to the Department of Mines & Energy "Mines and Quarries Safety Performance and Health Report" was employing, as at 30 June 2008, between 1201 and 1400 employees and/or contractors, with a rateable valuation greater than \$100,000.

Category 31 Coal Mining (1401-1500)

Criteria: Land that is a coal mine that, according to the Department of Mines & Energy "Mines and Quarries Safety Performance and Health Report" was employing, as at 30 June 2008, between 1401 and 1500 employees and/or contractors, with a rateable valuation greater than \$100,000.

Category 32 Coal Mining (>1500)

Criteria: Land that is a coal mine that, according to the Department of Mines & Energy "Mines and Quarries Safety Performance and Health Report" was employing, as at 30 June 2008, more than 1500 employees and/or contractors, with a rateable valuation greater than \$100,000.

Category 33 Other Coal

Criteria: Land that is associated with coal mining not included in Categories 24-32

Category 34 Other Mines/Extractive Land

Criteria: Land used for or having the potential to be utilized by virtue of improvements or activities conducted on the property for extractive or mining industries purposes not associated with coal production.

A **Coal Mine** in the above categories is defined as land that is the subject of a coal mining lease (issued pursuant to the *Mineral Resources Act 1989*) or other form of tenure that was used, is used, or intended to be used: -

- as a coal mine (or for purposes ancillary or associated with coal mining such as, for example, washing down, stockpiling, haulage, water storage and rehabilitation); or
- in conjunction with other land (the subject of a coal mining lease) as part of an integrated coal mining operation.

An integrated coal mining operation is defined as land contained in more than one coal mining lease (issued pursuant to the *Mineral Resources Act 1989*) or other form of tenure which land was used, is used, or intended to be used in an integrated manner for the purposes of coal mining or purposes ancillary or associated with coal mining such as, for example, washing down, stockpiling, haulage, water storage and rehabilitation.

The following Differential Rates have been made for 2009/2010:

Category		Cents in the Dollar of Unimproved Valuation 2009/2010
Category 1	• Urban Land – Greenhill; Carmila Beach; Clairview (UCV \$0 - \$150,000)	0.75863
Category 2	• Urban Land – Greenhill; Carmila Beach; Clairview (UCV \$150,001 - \$185,000)	0.60684
Category 3	• Urban Land – Greenhill; Carmila Beach; Clairview (UCV above \$185,000)	0.50761
Category 4	• Commercial/Industrial	2.20000
Category 5	• Other Urban Land – Other Towns (Carmila, Clermont, Coppabella, Dysart, Glenden, Middlemount, Moranbah, Nebo, St. Lawrence)	0.79000
Category 6	• Rural Land – Cattle	0.30000
Category 7	• Rural Land – Agriculture	0.30850
Category 8	• Rural Land – Cane/Timber	0.88075
Category 9	• Rural Other	0.52675
Category 10	• Multi Unit (2-4) Land	1.1186
Category 11	• Multi Unit (5-9) Land	1.1786
Category 12	• Multi Unit (10-14) Land	1.2453
Category 13	• Multi Unit (15+) Land	1.5755
Category 14	• Barracks & Quarters/Caravan Parks (10-60)	2.3692
Category 15	• Barracks & Quarters/Caravan Parks (61-120)	4.3374
Category 16	• Barracks & Quarters/Caravan Parks (121-190)	7.7162
Category 17	• Barracks & Quarters/Caravan Parks (191-260)	7.7162
Category 18	• Barracks & Quarters/Caravan Parks (261-360)	16.0636
Category 19	• Barracks & Quarters/Caravan Parks (361-460)	16.0636
Category 20	• Barracks & Quarters/Caravan Parks (461-650)	16.0636
Category 21	• Barracks & Quarters/Caravan Parks (651-850)	16.0636
Category 22	• Barracks & Quarters/Caravan Parks (851-1100)	16.5688
Category 23	• Barracks & Quarters/Caravan Parks (>1100)	20.3077
Category 24	• Coal Mining (40-100)	2.0000
Category 25	• Coal Mining (101-200)	2.2000
Category 26	• Coal Mining (201-300)	2.2000
Category 27	• Coal Mining (301-500)	2.2000
Category 28	• Coal Mining (501-600)	2.2000
Category 29	• Coal Mining (601-1200)	7.0000
Category 30	• Coal Mining (1201- 1400)	7.0000
Category 31	• Coal Mining (1401-1500)	6.0000
Category 32	• Coal Mining (>1500)	3.0000
Category 33	• Other Coal	5.0000
Category 34	• Other Mines/Extractive	5.0000

MINIMUM GENERAL RATE LEVY 2009/2010

In accordance with Section 967 of the *Local Government Act 1993*, the following Minimum General Rate Levies for the various categories of land, shall apply for 2009/2010:

Category	Minimum General Rate	
	(per annum)	
Category 1	• Urban Land – Greenhill; Carmila Beach; Clairview (UCV \$0 - \$150,000)	\$550
Category 2	• Urban Land – Greenhill; Carmila Beach; Clairview (UCV \$150,001 - \$185,000)	\$1,080
Category 3	• Urban Land – Greenhill; Carmila Beach; Clairview (UCV above \$185,000)	\$1,130
Category 4	• Commercial/Industrial	\$800
Category 5	• Other Urban Land – Other Towns (Carmila, Clermont, Coppabella, Dysart, Glenden, Middlemount, Moranbah, Nebo, St. Lawrence)	\$550
Category 6	• Rural Land – Cattle	\$550
Category 7	• Rural Land – Agriculture	\$550
Category 8	• Rural Land – Cane/Timber	\$550
Category 9	• Rural Other	\$550
Category 10	• Multi Unit (2-4) Land	\$1,100
Category 11	• Multi Unit (5-9) Land	\$2,750
Category 12	• Multi Unit (10-14) Land	\$5,500
Category 13	• Multi Unit (15+) Land	\$8,250
Category 14	• Barracks & Quarters/Caravan Parks (10-60)	\$2,200
Category 15	• Barracks & Quarters/Caravan Parks (61-120)	\$16,500
Category 16	• Barracks & Quarters/Caravan Parks (121-190)	\$33,000
Category 17	• Barracks & Quarters/Caravan Parks (191-260)	\$52,250
Category 18	• Barracks & Quarters/Caravan Parks (261-360)	\$71,500
Category 19	• Barracks & Quarters/Caravan Parks (361-460)	\$99,000
Category 20	• Barracks & Quarters/Caravan Parks (461-650)	\$126,500
Category 21	• Barracks & Quarters/Caravan Parks (651-850)	\$178,750
Category 22	• Barracks & Quarters/Caravan Parks (851-1100)	\$233,750
Category 23	• Barracks & Quarters/Caravan Parks (>1100)	\$302,500
Category 24	• Coal Mining (40-100)	\$30,000
Category 25	• Coal Mining (101-200)	\$40,000
Category 26	• Coal Mining (201-300)	\$70,000
Category 27	• Coal Mining (301-500)	\$80,000
Category 28	• Coal Mining (501-600)	\$90,000
Category 29	• Coal Mining (601-1200)	\$100,000
Category 30	• Coal Mining (1201- 1400)	\$160,000
Category 31	• Coal Mining (1401-1500)	\$170,000
Category 32	• Coal Mining (>1500)	\$200,000
Category 33	• Other Coal	\$25,000
Category 34	• Other Mines/Extractive	\$550

For the 2009/10 financial year general rates will be capped at 20% and will be applied to differential rate categories 1 - 9.

SPECIAL RATES AND CHARGES 2009/2010

SPECIAL CHARGE – MINING TOWN OF DYSART

In accordance with Section 971 of the *Local Government Act 1993*, Council will make and levy a special rate for services provided to the mining town of Dysart.

The overall plan for the services, facilities and activities in respect of which the special rate is made and levied shall be identified as follows:

- The rateable land to which the special rate applies is **Lot 1 on MLG1782:ML1782**, Parishes of Dunsmure, Dysart and others and is held in the name of **BHP Coal Pty Ltd, BHP Queensland Coal Investments Pty Limited, Mitsubishi Development Pty Ltd, QCT Investment Pty Ltd, QCT Management Pty Ltd and Others and Lot 1 on MLG1782:ML1782**, Parishes of Dunsmure, Dysart and others and is held in the name of **Bowen Basin Coal Pty Ltd**.
- The service facility or activity for which the special rate is made is the provision of a range of Council services for the town of Dysart, as set out in the expenditure items in the budget document for the town of Dysart for 2009/2010.
- The time for implementing the overall plan is one (1) year ending 30 June 2010. However, provision of services to the town is an on going activity, and further special rates and charges are expected to be made in future years.
- The works and services specified in the overall plan will be carried out or provided during the year ending on the 30th June 2010.
- The estimated cost of implementing the overall plan (being the expenditure for the town of Dysart for 2009/2010) is 14,992,278.
- The special charge is intended to raise approximately \$2,566,155 of the funds necessary to carry out the overall plan. The Council will fund the balance of the overall plan from other sources (primarily revenue raised by levy of other rates and charges on rateable land within the town of Dysart).

Council is of the opinion that the occupier of the land to be levied with the special rate has specially benefited, or will specially benefit, from the implementation of the overall plan, comprising operation and maintenance of the town of Dysart and capital improvements to the town, because:

- The occupier of the land that is to be levied, conducts a mine on that land, and needs to attract a substantial local resident work force for that purpose.
- The overall level of sporting, recreational, cultural, road, water, sewerage and support infrastructure and services provided for the township of Dysart is of a high standard which could not be provided or maintained without the imposition of the special rate.
- The provision of these services assists in making the town of Dysart a comfortable and attractive place to live for mine employees and their families who constitute a large majority of the population of the town.

- This in turn creates employment and other opportunities leading to the provision of extra support services such as banking, health and education which further enhances the suitability and attraction of the town as a place of residence for mine employees.

SPECIAL CHARGE – MINING TOWN OF MIDDLEMOUNT

In accordance with Section 971 of the *Local Government Act 1993*, Council will make and levy a special rate for services provided to the mining town of Middlemount.

The overall plan for the services, facilities and activities in respect of which the special rate is made and levied shall be identified as follows:

- The rateable land to which the special rate applies is **Lot 1 on MLG1831:ML1831**, Parish of Bul Bul and held in the name of **Anglo Coal (German Creek) Pty Ltd, Jena Pty Ltd and Mitsui German Creek Investment Pty** and **Lot 1 on MLG70171:ML70171**, Parish of Foxleigh and held in the name of **ICRA Foxleigh Pty Ltd and Caml Resources Pty Ltd and Bowen Basin Investments Pty Ltd**.
- The service facility or activity for which the special rate is made is the provision of a range of Council services for the town of Middlemount, as set out in the expenditure items in the budget document for the town of Middlemount for 2009/2010.
- The time for implementing the overall plan is one (1) year ending 30th June 2010. However, provision of services to the town is an on going activity, and further special rates and charges are expected to be made in future years.
- The works and services specified in the overall plan will be carried out or provided during the year ending on the 30th June 2010.
- The estimated cost of implementing the overall plan (being the expenditure for the town of Middlemount for 2009/2010) is \$7,358,485.

The special charge is intended to raise approximately \$2,953,155 of the funds necessary to carry out the overall plan. The Council will fund the balance of the overall plan from other sources (primarily revenue raised by levy of other rates and charges on rateable land within the town of Middlemount).

Council is of the opinion that the occupier of the land to be levied with the special rate has specially benefited, or will specially benefit, from the implementation of the overall plan, comprising operation and maintenance of the town of Middlemount and capital improvements to the town, because:

- The occupier of the land that is to be levied, conducts a mine on that land, and needs to attract a substantial local resident work force for that purpose.
- The overall level of sporting, recreational, cultural, road, water, sewerage and support infrastructure and services provided for the township of Middlemount is of a high standard which could not be provided or maintained without the imposition of the special rate.
- The provision of these services assists in making the town of Middlemount a comfortable and attractive place to live for mine employees and their families who constitute a large majority of the population of the town.

- This in turn creates employment and other opportunities leading to the provision of extra support services such as banking, health and education which further enhances the suitability and attraction of the town as a place of residence for mine employees.

SPECIAL CHARGE – CLERMONT

In accordance with Section 971 of the *Local Government Act 1993*, Council will make and levy a special rate for services provided to the mining town of Clermont.

The overall plan for the services, facilities and activities in respect of which the special rate is made and levied shall be identified as follows:

- The rateable land to which the special rate applies is **Pt Lot 1 on ML1804**, Parish of Blair Athol, Clermont and is held in the name of **Blair Athol Coal Project**. A special rate will also apply to the Clermont Coal Project and will apply to **ML1904 and ML1995**.
- The service facility or activity for which the special rate is made is the provision of a range of Council services for the town of Clermont, as set out in the expenditure items in the budget document for the town of Clermont for 2009/2010.
- The time for implementing the overall plan is one (1) year ending 30 June 2010. However, provision of services to the town is an on going activity, and further special rates and charges are expected to be made in future years.
- The works and services specified in the overall plan will be carried out or provided during the year ending on the 30th June 2010.
- The estimated cost of implementing the overall plan (being the expenditure for the town of Clermont for 2009/2010) is \$7,422,056.
- The special charge is intended to raise approximately \$528,120 of the funds necessary to carry out the overall plan. The Council will fund the balance of the overall plan from other sources (primarily revenue raised by levy of other rates and charges on rateable land within the town of Clermont).

Council is of the opinion that the occupier of the land to be levied with the special rate has specially benefited, or will specially benefit, from the implementation of the overall plan, comprising operation and maintenance of the town of Clermont and capital improvements to the town, because:

- The occupier of the land that is to be levied, conducts a mine on that land, and needs to attract a substantial local resident work force for that purpose.
- The overall level of sporting, recreational, cultural, road, water, sewerage and support infrastructure and services provided for the township of Clermont is of a high standard which could not be provided or maintained without the imposition of the special rate.
- The provision of these services assists in making the town of Clermont a comfortable and attractive place to live for mine employees and their families who constitute a large majority of the population of the town.

- This in turn creates employment and other opportunities leading to the provision of extra support services such as banking, health and education which further enhances the suitability and attraction of the town as a place of residence for mine employees.

SPECIAL CHARGE – MINING TOWN OF MORANBAH

In accordance with Section 971 of the *Local Government Act 1993*, Council will make and levy a special rate for services provided to the mining town of Moranbah.

The overall plan for the services, facilities and activities in respect of which the special rate is made and levied shall be identified as follows:

- The rateable land to which the special rate applies is **ML1764 (SCML152)**, Parish of Goonyella and is held in the name of **BHP Mitsui Coal Pty Ltd, Lot 1 on MLG70108:ML1763**, Parish of Platypus and is held in the name of **Moranbah North Coal Pty Ltd, Lot 1 on MLG1763:ML1763**, Parish of Platypus and is held in the name of **Utah Development Co. and Mitsubishi Development and Lot 1 on MLG1775:ML1775**, Parish of Moranbah and is held in the name of **BHP Coal Pty Ltd**.
- The service facility or activity for which the special rate is made is the provision of a range of Council services for the town of Moranbah, as set out in the expenditure items in the budget document for the town of Moranbah for 2009/2010.
- The time for implementing the overall plan is one (1) year ending 30 June 2010. However, provision of services to the town is an on going activity, and further special rates and charges are expected to be made in future years.
- The works and services specified in the overall plan will be carried out or provided during the year ending on the 30th June 2010.
- The estimated cost of implementing the overall plan (being the expenditure for the town of Moranbah for 2009/2010) is \$21,117,488.
- The special charge is intended to raise approximately \$2,451,600 of the funds necessary to carry out the overall plan. The Council will fund the balance of the overall plan from other sources (primarily revenue raised by levy of other rates and charges on rateable land within the town of Moranbah).

Council is of the opinion that the occupier of the land to be levied with the special rate has specially benefited, or will specially benefit, from the implementation of the overall plan, comprising operation and maintenance of the town of Moranbah and capital improvements to the town, because:

- The occupier of the land that is to be levied, conducts a mine on that land, and needs to attract a substantial local resident work force for that purpose.
- The overall level of sporting, recreational, cultural, road, water, sewerage and support infrastructure and services provided for the township of Moranbah is of a high standard which could not be provided or maintained without the imposition of the special rate.

- The provision of these services assists in making the town of Moranbah a comfortable and attractive place to live for mine employees and their families who constitute a large majority of the population of the town.
- This in turn creates employment and other opportunities leading to the provision of extra support services such as banking, health and education which further enhances the suitability and attraction of the town as a place of residence for mine employees.

SPECIAL CHARGE – MINING TOWN OF GLENDEN

In accordance with Section 971 of the *Local Government Act 1993*, Council will make and levy a special charge for services provided to the mining town of Glenden.

The overall plan for the services, facilities and activities in respect of which the special charge is made and levied shall be identified as follows:

- The rateable land to which the special charge applies is **Lot 1 MP41085:ML4761 Suttor Creek**.
- The service facility or activity for which the special charge is made is the provision of a range of Council services for the town of Glenden, as set out in the expenditure items in the budget document for the town of Glenden for 2009/2010.
- The time for implementing the overall plan is one (1) year ending 30 June 2009. However, provision of services to the town is an on going activity, and further special charges are expected to be made in future years.
- The works and services specified in the overall plan will be carried out or provided during the year ending on the 30th June 2009.
- The estimated cost of implementing the overall plan (being the expenditure for the town of Glenden for 2009/2010) is \$4,073,400.
- The special charge is intended to raise approximately \$2,294,801 of the funds necessary to carry out the overall plan. The Council will fund the balance of the overall plan from other sources (primarily revenue raised by levy of other rates and charges on rateable land within the town of Glenden).

Council is of the opinion that the occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, comprising operation and maintenance of the town of Glenden and capital improvements to the town, because:

- The occupier of the land that is to be levied, conducts a mine on that land, and needs to attract a substantial local resident work force for that purpose.
- The overall level of sporting, recreational, cultural, road, water, sewerage and support infrastructure and services provided for the township of Glenden is of a high standard which could not be provided or maintained without the imposition of the special rate.
- The provision of these services assists in making the town of Glenden a comfortable and attractive place to live for mine employees and their families who constitute a large majority of the population of the town.

- This in turn creates employment and other opportunities leading to the provision of extra support services such as banking, health and education which further enhances the suitability and attraction of the town as a place of residence for mine employees.

The amount of the special charge to be levied is \$2,294,801 for the land previously described for the year ending the 30th June 2010.

SPECIAL CHARGE – FISHER STREET, DYSART EXTENSION

In accordance with Section 971 of the *Local Government Act 1993*, Council make and levy a special charge for road construction work.

The overall plan for the services, facilities and activities in respect of which the special charge is made and levied shall be identified as follows:-

- The rateable land to which the special charge applies is **Lot 1 on MLG1782:ML1782**, Parishes of Wyndam, Vermont, Kirkaldy and Dysart and held in the name of **BHP Coal Pty Ltd, BHP Queensland Coal Investments Pty Ltd, Mitsubishi Development Pty Ltd, QCT Investment Pty Ltd, QCT Management Pty Ltd and others.**
- The service facility or activity for which the special charge is made is for the provision of road construction and road widening works, namely widening works of Fisher Street and Garnham Drive and construction works for a new town street to link between Sewer Street and Fisher Street as set out in the expenditure item in the budget document for the town of Dysart for 2009/2010.
- The time for implementing the overall plan is two (2) years ending 30 June 2010.
- The works and services specified in the overall plan will be carried out or provided during the year ending on 30 June 2010.
- The estimated cost of implementing the overall plan (being the capital cost of the planned works for 2009/2010) is \$950,000.
- The special charge is intended to raise all funds necessary to carry out the overall plan.

Council is of the opinion that the occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, comprising of widening and road construction works, because:-

- The works will result in the provision of improved access to the Single Persons Village and community facilities, it will provide safer driving conditions for private and commercial vehicles accessing those facilities, and it will also divert the traffic flow from the residential area of Seashore and Fisher Streets. This work could not be provided or maintained without the imposition of the special charge.

The amount of the special charge to be levied is \$200,000 for the land previously described for the year ending the 30th June 2010.

SPECIAL CHARGE – DYSART MORANBAH ROAD (PEAK DOWNS MINE & SARAJI ROAD)

In accordance with Section 971 of the *Local Government Act 1993*, Council make and levy a special charge for road construction work.

The overall plan for the services, facilities and activities in respect of which the special charge is made and levied shall be identified as follows:-

- The rateable land to which the special charge applies is **ML 1764 (SCML152)**, Parish of Goonyella and held in the name of **BHP Mitsui Coal Pty Ltd, Lot 1 on MLG70108 :ML70171**, Parish of Platypus and held in the name of **Moranbah North Coal Pty Ltd, Lot 1 on MLG1763 :ML1763**, Parish of Platypus and held in the name of **Utah Development Co. and Mitsubishi Development** and **Lot 1 on MLG1775 :ML1775**, Parish of Moranbah and held in the name of **BHP Coal Pty Ltd**.
- The service facility or activity for which the special charge is made is for the provision of road upgrading works, on the 'Saraji Road' as set out in the expenditure item in the budget document for the town of Moranbah for 2009/2010.
- The time for implementing the overall plan is one (1) year ending 30 June 2010. However, the road upgrade is part of longer term plan to upgrade the road running surface and edges, and further special charges are expected to be made in future years.
- The works and services specified in the overall plan will be carried out or provided during the year ending on 30 June 2010.
- The estimated cost of implementing the overall plan (being the capital cost of the planned works for 2009/2010) is \$931,000.
- The special charge is intended to raise all funds necessary to carry out the overall plan.

Council is of the opinion that the occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, comprising road upgrading works, because:-

- The occupier of the land to be levied conducts a mine on that land, and needs to attract a substantial locally resident work force for that purpose.
- The works will result in the provision of improved access to community facilities, improved access to the township and mines in adverse weather conditions and safer driving conditions for private and commercial vehicles and school buses which could not be provided or maintained without the imposition of the special charge.

The amount of the special charge to be levied is \$931,000 for each parcel of land previously described for the year ending the 30th June 2010.

SPECIAL CHARGE – SARAJI ROAD

In accordance with Section 971 of the *Local Government Act 1993*, Council make and levy a special charge for road construction work.

The overall plan for the services, facilities and activities in respect of which the special charge is made and levied shall be identified as follows:-

- The rateable land to which the special charge applies is **Lot 1 on MLG1782:ML1782**, Parishes of Wyndam, Vermont, Kirkaldy and Dysart and held in the name of **BHP Coal Pty Ltd, BHP Queensland Coal Investments Pty Ltd, Mitsubishi Development Pty Ltd, QCT Investment Pty Ltd, QCT Management Pty Ltd and others.**
- The service facility or activity for which the special charge is made is for the provision of road upgrading works, namely rehabilitation works of the 'Saraji Road' as set out in the expenditure item in the budget document for the town of Dysart for 2009/2010.
- The time for implementing the overall plan is one (1) year ending 30 June 2010. However, the road upgrade is part of longer term plan to upgrade the road running surface and edges, and further special charges are expected to be made in future years.
- The works and services specified in the overall plan will be carried out or provided during the year ending on 30 June 2010.
- The estimated cost of implementing the overall plan (being the capital cost of the planned works for 2009/2010 is \$ 372,000.
- The special charge is intended to raise all funds necessary to carry out the overall plan.

Council is of the opinion that the occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, comprising road upgrading works, because:-

- The occupier of the land to be levied conducts a mine on that land, and needs to attract a substantial locally resident work force for that purpose.
- The works will result in the provision of improved access to community facilities, improved access to the township and mine in adverse weather conditions and safer driving conditions for private and commercial vehicles and school buses which could not be provided or maintained without the imposition of the special charge.

The amount of the special charge to be levied is \$372,000 for the land previously described for the year ending the 30th June 2010.

SPECIAL CHARGE – RURAL FIRE BRIGADE DISTRICTS (ILBILBIE, WEST HILL, ORKABIE, CARMILA WEST, CARMILA/FLAGGY ROCK AND CLAIRVIEW)

In accordance with Section 128A of the *Fire and Rescue Service Act 1990* and Section 971 of the *Local Government Act 1993*, Council make and levy a special charge for the purpose of raising revenue for each Rural Fire Brigade as set out in the table below.

The overall plan for the services, facilities and activities in respect of which the special charge is made and levied shall be identified as follows:

- The rateable land to which the special charge applies is land within the areas separately described on a cadastral map titled 'Map Showing Rural Fire Brigades and Urban Fire Brigades in Isaac Regional Council'. Where a person owns more than one rateable parcel, this special charge will not be levied on the second or subsequent lots whilst they remain in one ownership.
- The service facility or activity for which the special charge is made is for the provision of fire fighting services in the defined benefit areas.
- The time for implementing the overall plan is one (1) year ending 30 June 2010. However, provision of fire fighting services is an ongoing activity, and further special charges are expected to be made in future years.
- The works and services specified in the overall plan will be carried out or provided during the year ending on 30 June 2010.
- The estimated cost of implementing the overall plan (being the cost of the planned works and replacement of capital items for 2009/2010) is \$ 4,000.
- The special charge is intended to raise all funds necessary to carry out the overall plan.

Council is of the opinion that the occupier of the land to be levied with the special charge has specially benefited, or will specially benefit, from the implementation of the overall plan, comprising fire fighting services, because:

The brigades are in charge of fire fighting and fire prevention under the *Fire and Rescue Service Act 1990* and whose services could not be provided or maintained without the imposition of the special charge. The amount of the special charge to be levied (per parcel) is:

Rural Fire Brigade District	Special Charge
Ilbilbie	\$ 20.00
West Hill	\$ 25.00
Orkobie	\$ 25.00
Carmila West	\$ 25.00
Carmila	\$ 25.00
Clairview	\$ 25.00
Flaggy Rock	\$ 20.00

CLEANSING, SEWERAGE AND WATER UTILITY CHARGES 2009/2010

Council will make and levy a utility charge on any land, whether vacant or occupied, and whether or not it is rateable land; or a structure; to recover costs in relation to the provision of services and or facilities.

The following utility charges will be implemented by Council during 2009/2010:

Cleansing

In accordance with Section 973 of the *Local Government Act 1993*, Council will make and levy a cleansing charge for the provision of refuse removal from all lands, in actual occupation, within certain urban areas of the Region.

Commercial and industrial users will be provided with one mobile bin and one recycling bin and are obliged to arrange refuse removal and disposal services with an approved contractor if their needs exceed this level. A disposal fee applied in accordance with Council's adopted Schedule of Fees and Charges will be charged to defray the cost of handling the commercial and industrial wastes separately collected by the contractor and deposited at any of Council's refuse disposal facilities.

The amount of the charge to be levied is \$416.80 per annum for a 240 litre mobile bin to be used for the removal of domestic or commercial refuse on a normal weekly collection day, and for a 240 litre mobile recycling bin to be used for the removal of domestic or commercial recyclable material on a fortnightly basis.

Sewerage

In accordance with Section 973 of the *Local Government Act 1993*, Council will make and levy a sewerage charge on each property, both vacant and occupied, that Council has or is able to provide with sewerage services.

In order to reflect the different operating costs a separate charge will be made for Dysart, Middlemount, Clermont, Moranbah, Glenden and Nebo. Generally, sewerage charges will be calculated on a full cost recovery basis.

A charge will be set for each pedestal in any commercial premises that is connected to the sewerage system. Where sewerage services are provided to the common property of scheme land within the meaning of the *Body Corporate and Community Management Act 1997*, the body corporate shall be levied a charge on each pedestal.

Commercial accommodation centres providing single room accommodation (that is capacity to house one individual only) will be charged one unit for every three pedestals installed in individual rooms.

Normal charges will apply for pedestals and urinals in all amenity block complex(s) and public toilets. Premises subject to this policy must submit themselves to annual inspection to be conducted by Council's Environmental Health Officer to determine eligibility. Refusal of an inspection will result in normal charges applying for each pedestal.

A urinal will be deemed to be the equivalent of a pedestal if it is 600mm long or less. For each 600mm or part thereof, a charge equal to that per pedestal will be levied – e.g. 1200mm = two (2) charges: 1350mm = three (3) charges.

Vacant land, where Council is currently able to provide a reticulated sewerage service, is charged at a level which is 50% of the charge which would apply to a connected property with a single pedestal.

Residential properties where the primary land use code is 02 (Single Unit Dwelling), or 05 (Large Home site – Dwelling) as determined by the Department of Environment and Resource Management and approved as a habitable dwelling by Council will be charged one unit for the first pedestal installed and then one half unit for each pedestal installed thereafter (example: two (2) pedestals will be charged 1.5 units).

Council will, at its discretion, view a premises used by minor clubs and organisations as vacant land and charge accordingly. This view is to reflect the intermittent or occasional use of such premise.

The amount of the sewerage charge (per pedestal) is:

Township	Charge
Dysart	\$ 452.88
Middlemount	\$ 428.28
Nebo	\$ 340.20
Glenden	\$ 358.93

The amount of the sewerage charge (per pedestal) is:

Charge	Clermont	Moranbah
Single Dwelling	\$ 585.82	\$ 417.93
Business and commercial	\$ 585.82	\$ 417.93
Other premise	\$ 585.82	\$ 417.93
Sewered Caravan Parks	\$ 131.09	\$ 81.08
Additional pedestals	\$ 339.37	\$ 239.46
Vacant Land	\$ 364.93	\$ 222.22
Garbage Disposal Unit - Commercial	\$ 417.20	\$ 306.41
Garbage Disposal Unit - Dwellings	\$ 170.78	\$ 134.56

The amount of the sewerage charge (per unit) for the townships of Nebo & Glenden

	Units	\$ Charge / Unit	Comments
Accommodation Camps	1	\$ 96.6630	per single accommodation unit
Bowls Club	16	\$ 89.7330	
Caravan Park (1-10 sites)	10	\$ 89.7330	
Caravan Park (>10 sites)	10	\$ 89.7330	plus 1 unit for each additional site
Caravan Park with Residence	10	\$ 89.7330	as for Caravan Park + 2 units
Churches	1	\$ 89.7330	
Concrete Batching Plants	16	\$ 89.7330	
Council Depot	15	\$ 89.7330	
Hotel (with accommodation)	16	\$ 89.7330	additional donga-style accommodation units to be charged at accommodation camp rates
Licensed Premises - no accommodation (not sports clubs)	14	\$ 89.7330	
Motel	4	\$ 89.7330	for first motel unit/residence + 2 units for each additional motel unit
Multi-Dwelling Unit	4	\$ 89.7330	per residential unit
Police Station/Residence - Combined Service	6	\$ 89.7330	
Police Barracks	4	\$ 89.7330	
Post Office	4	\$ 89.7330	
	Units	\$ Charge / Unit	Comments
Post Office/Residence - Combined Service	6	\$ 89.7330	
Public Amenities	4	\$ 89.7330	
Public Halls	2	\$ 89.7330	
Public Parks	16	\$ 89.7330	
Residential Dwellings (single family unit)	4	\$ 89.7330	
Service Stations	8	\$ 89.7330	
Schools (< 50 pupils)	5	\$ 89.7330	
Schools (> 50 to 100 pupils)	10	\$ 89.7330	
Schools (> 100 pupils)	10	\$ 89.7330	plus 10 units for each additional 100 pupils, or part thereof
Shop	6	\$ 89.7330	
Shop/Residence - Combined Service	8	\$ 89.7330	
Show/Rodeo Grounds	40	\$ 89.7330	
Telstra Depot	4	\$ 89.7330	
Vacant Land - deemed to be connected within benefited area	2	\$ 89.7330	
Vacant Land - connected within scheduled area	4	\$ 89.7330	
Other Premises (not specified above)	4	\$ 89.7330	

Water Charges

In accordance with Section 973 of the *Local Government Act 1993*, Council will make and levy a water charge in the manner described hereafter to be levied on all land within the region whether vacant or occupied to which Council is prepared to supply water, together with any land already connected to Council's various water supply systems.

The charges are also made in respect of any land or other structure, building or place on land to which water is supplied that is not rateable under Section 957 of the *Local Government Act 1993*.

All such charges levied shall be used to defray the cost of constructing water supply facilities, including the payment of interest, depreciation and the costs associated with the operation, maintenance and management of the water supply system.

The basis of the water charge is:

- An annual charge which includes a right to use water to a certain level without further charge for any metered premises, and
- A consumption charge for each kilolitre of water in excess of a certain amount as registered on a meter installed by Council.

The basis of charge is further defined in terms of a 'unit', such units having been established on a basis that recognises that certain premises will use water at a greater level than other because of the nature of the use to which the land is put.

An annual access charge measured in units is made for all connections to the systems. This annual charge provides for the use of 180 kilolitres per unit in Dysart and Middlemount, 125 kilolitres per unit in St Lawrence and Carmila, 150 kilolitres per unit in Nebo and Glenden, 55 kilolitres per unit for Clermont and 66.25 kilolitres per unit for Moranbah without further charge.

Recreation grounds, sporting clubs and churches will be allowed a water allocation of 360 kilolitres per unit in Dysart and Middlemount and 250 kilolitres per unit in St Lawrence and Carmila for the purpose of calculating excess water charges.

An access charge also measured in units is applied to each parcel of vacant land within the areas to which water may reasonably be connected in the usual course of Council's business.

A consumption charge is made for each kilolitre of water consumed in excess of the allowance amount included with the access charge. Water used is measured by a meter installed by Council.

The amount of the water charge (per unit) are:

Town	Charge Per Unit
Dysart	\$ 150.62
Middlemount	\$ 161.08
St Lawrence	\$ 186.52
Carmila	\$ 186.52
Nebo	\$ 91.12
Glenden	\$ 91.12
Clermont	\$ 60.87
Moranbah	\$ 41.25

For each kilolitre of water used after the allowed amount, a charge of \$0.50 cents will be made for the towns of Dysart, Middlemount, St Lawrence, and Carmila, a charge of \$1 will be made for the town of Clermont and \$1.30 will be made for the town of Moranbah, and a charge of \$0.80 cents will be made for the towns of Nebo and Glenden.

Meters will be read annually and consumption charges will be retrospectively charged on the first rate notice issued in the following financial year.

Where meter readings record consumption other than in the current financial year the charge to apply for the consumption of water shall be the charge applicable for the year when the consumption occurred.

In the case where a meter is found to be faulty, the Chief Executive Officer shall make such arrangements as he/she considers equitable to cause a suitable estimate of usage to be made.

Please refer to table below for relationships between the use of premises and the units used as a charging measure.

Dysart Middlemount, St Lawrence, Carmilla and Greenhill Water Schemes –Type of Premises	Chargeable Units
Temporary Single Persons Quarters/Transportable Units/Dongas (not ensuited)	1 units per 2 rooms
Permanent Single Persons Quarters/Transportable Units/Dongas (ensuited)	1 unit per room
Bowls Club	4 units
Small Business or home occupations including an attached dwelling	4 units
Business/Commercial Premises	4 units plus 2 units for each attached dwelling plus 4 units for each separate dwelling
Caravan Park	10 units plus 5 units for each additional 10 sites or part of 10 sites in excess of 10 i.e. 11 sites = 15 units, 21 sites = 20 units plus 3 units for each manager/caretakers residence
Church	2 unit plus 1 unit per church hall plus 4 units for each dwelling, either attached or separate
Commercial Recreational Centre with separate buildings or discrete outdoor sporting or recreational facilities	8 units plus 2 units for any attached residence and/or 4 units for each attached dwelling
Commercial Recreation Centre being single building without discrete outdoor sporting or recreational facilities	4 units plus 2 units for any attached residence and/or 4 units for each detached dwelling
Dwelling	4 units per dwelling
Flats (per flat)/Apartment (per apartment)/Duplex (per unit)	3 units per flat/apartment /duplex 3 units per individual unit (e.g. 2 duplex units = 6 units)
Golf Club	4 units plus 3 units per residence
Hospital	10 units

Hotels with Accommodation	16 units
Hotel with Motel Style Accommodation	15 units plus 1 unit for each motel room plus 3 units for managers/caretakers quarters or residence
Hotel/Motel Donga Style Accommodation	15 units plus 1 unit for every 3 donga style rooms plus 3 units for managers/caretakers quarters or residence
Industrial Premises	4 units plus 4 units for each dwelling unit, either attached or separate
Motel	3 units for Manager/Proprietors residence plus 1 unit per motel room
Plant Nursery	4 units plus 2 units per dwelling, either attached or separate
Police	5 units
Private Club or Organisation	2 units
Private Swimming Pools - Separate Complex	4 units
Public Buildings	4 units
Public Halls	1 unit
Queensland Ambulance Service	1 unit plus 4 units for attached or separate dwelling
Racecourse	2 units
Recreation Grounds and Swimming Pools (per connection)	2 units
Saleyards	1 unit
Schools	10 units < 100 pupils 20 units < 200 pupils 30 units < 300 pupils 40 units < 400 pupils 48 units < 500 pupils 54 units > 600 pupils 58 units >= 700 pupils 60 units < 700 pupils plus 4 units for each sporting field that is separately metered
Service Station	6 units
Tennis Court - Separate Complex	2 units
Vacant Land	4 units with meter, 2 units without meter
Any premises not otherwise mentioned	At the discretion of the Chief Executive Officer

Clermont & Moranbah Water Schemes – Type of Premises	Chargeable Units	
	Clermont	Moranbah
Private dwelling house, or up to three units or flats	12	12
Business unless otherwise specified	10	11
Multi –unit flats and multi unit businesses / residential complex comprising from four to six individual businesses or residential units	35	44
Caravan Park,	39	55
Caravan Park – Haig St Clermont	121	
Hotel, motel or combination thereof	39	55
Multi-unit flats or multi-unit businesses/residential complexes comprising 7 or more individual businesses/units,	39	55
Primary Schools	39	55
High schools	39	66
Hospital	39	67
C.W.A. meeting room, Public library, Pony Club, Girl Guides / Boy Scouts association buildings,	6	6
Building used exclusively for public worship	6	6
Café, restaurant, Bakehouse, butcher shop or cordial works	16	
Vacant land with no service connected	10	8

Nebo & Glenden Water Schemes - Type of Premises	Chargeable Units	Comments
Accommodation Camps	1	Per single accommodation unit
Bowls Club	16	
Caravan Park (1-10 sites)	10	
Caravan Park (> 10 sites)	10	Plus 1 unit for each additional site or part thereof
Caravan Park with residence	10	As for caravan park plus 2 units
Churches	1	
Concrete Batching Plants	16	

Council Depot	15	
Hotel (with accommodation)	16	Additional donga-style accommodation units to be charged at accommodation camps rates
Licensed Premises – No accommodation (not sports clubs)	14	
Motel	4	For first motel unit/residence, plus 2 units for each additional motel unit
Multi-Dwelling Unit	4	
Police Station/Residence – Combined Service restaurant, Bakehouse, butcher shop or cordial works	6	
Police Barracks	4	
Post Office	4	
Post Office / Residence – Combined Service	6	
Public Amenities	4	
Public Halls	2	
Public Parks	16	
Residential Dwellings (Single Family Unit)	4	
Service Stations	8	
Schools (< 50 Pupils)	5	
Schools (> 50 to 100 Pupils)	10	
Schools (> 100 Pupils)	10	Plus 10 units for each additional 100 pupils or part thereof
Shop	6	
Shop/Residence – Combined Service	8	
Show/Rodeo Grounds	40	
Telstra Depot	4	
Vacant Land – deemed to be connected within benefited area	1	
Vacant Land – connected within benefited area	2	
Vacant Land – connected within scheduled area	4	Water may be connected to vacant allotments within scheduled area on application to Council
Other Premises (not specified above)	4	
Additional Water Connections	4	Base charge, as for above plus 2 units

TIME IN WHICH RATES MUST BE PAID

In accordance with the provisions of Section 1014 of the *Local Government Act 1993*, the rates and charges levied by council must be paid within thirty (30) clear days after the notice is issued.

DISCOUNT FOR PROMPT PAYMENT

In accordance with the provisions of Section 1019 of the *Local Government Act 1993*, discount at the rate of ten percent shall be allowed on General Rates excluding all special rates and charges, provided payment of the full amount of outstanding and overdue rates and interest is paid by the due date.

If council is satisfied that a person liable to pay a rates has been prevented, by circumstances beyond the person's control, from paying the a rate in time to benefit from a discount under section 1019 of the *Local Government Act 1993*, then Council under Section 1021 of the Act, may still allow the discount following written application by the ratepayer.

INTEREST ON OVERDUE RATES

Council will impose interest on rates and charges that remain unpaid after the appointed date for payment (i.e. the date on which the discount period closes) and includes assessments which are making payments of outstanding rates by installment.

Thirty days following the close of discount, interest will be calculated on daily balances of amounts outstanding and charged at the end of the month on a compounding daily interest. Where the amount of interest charged is less than \$10.00 and the rates have been paid in full in the period between the close of discount and the end of the month, the interest may be written off following approval from the Chief Executive Officer.

The Special Charge – Rural Fire Brigade District made in accordance with Section 128A of the *Fire and Rescue Service Act 1990* and Section 971 of the *Local Government Act 1993* will not attract interest charges.

Interest on arrears will be calculated in accordance with section 1018 of the *Local Government Act 1993* and will be set at the rate of 11% per annum.

PAYMENT OF RATES AND CHARGES

Payment by Instalments

Council will allow payments by instalment where it will benefit both the individual and assist with the collection of overdue rates and charges.

Installment plans shall be based on ability to pay and if possible full recovery within a specified period.

The acceptance of a request to pay by instalment shall not be considered a 'Formal Payment Arrangement' and interest will continue to accrue at the rate determined in the policy statement. Council shall also retain the right to take legal action to recover outstanding rates (arrears) if deemed necessary.

RECOVERY OF RATES AND CHARGES

Council shall use the following as a referral guide for the recovery of rates and charges:

Standard Performance:

- 1st Notice issued within 21 days of end of discount period;
- (Clients will be given 21 days from post date of 1st notice to contact Council and either pay the outstanding amount in full or initiate an installment plan.)

- Where there has been no movement on an account or an installment plan has defaulted, Council may refer the debt to a debt recovery agent, (elected through quotation or tender).

- Generally an account will not be referred to the collection agent, unless it is \$500.00 or greater in value.

- All debts referred to a recovery agent, shall be subject to their terms and conditions of payment.

- No payment plans will be issued through Council for any debt referred to a collection agent.

- Where the collection agent is unable to trace the interested parties, the account shall be referred back to Council and standard reminder notices will be forwarded periodically.

Further Action:

- Where the collection agent has returned no result, Council may make a resolution, to proceed with legal action against the interested parties.
- Properties in default of payment for three (3) or more years may initiate action under Section 1040 of the *Local Government Act 1993* – Sale of Land for overdue rates.

Exceptional Circumstances - Drought Relief or Natural Disaster

Council may at its discretion grant some relief to rural ratepayers who are financially stressed by drought or have been affected by a natural disaster.

The relief may be in the form of an extension to the period during which Council will permit discount to be deducted from rates. This period shall be extended to the end of the period covered by the rate levy (31st December or 30th June). This concession may be available only to primary producers who can provide objective evidence of financial difficulty arising from drought or natural disaster. The Department of Primary Industries shall be the determining body for the process of declaration of drought.

REBATES AND CONCESSIONS

Pensioner Concessions

To alleviate the impact of rates and charges on approved pensioners, Council shall provide concessions of 30% on general rates, water, sewerage and cleansing charges (but not state fire levy and excess water charges) in addition to the State Pensioner Subsidy.

Persons holding a Department of Veterans Affairs or a Queensland Repatriation Health Card issued by the Department of Veterans Affairs will receive the maximum discount allowable.

The concession shall be available to eligible pensioners in addition to the settlement discount.

To be eligible for Council subsidy pensioners must meet the following criteria:

- Concessions are only available to approved pensioners who are in receipt of a pension from the Commonwealth Government.
- An approved pensioner is one who is and remains an eligible holder of a Queensland 'Pensioner Concession Card' issued by the Department of Social Security or the Department of Veterans' Affairs, or a Queensland 'Repatriation Health Card – For all or specific conditions' issued by the Department of Veterans' Affairs.
- The approved pensioner must be the owner or life tenant of the property that is his/her principal place of residence. In the cases of co-ownership, the Council subsidy will apply only to the approved pensioner's proportionate share of the gross rates and charges.
- The claimant must be a resident of the region on the first day in July in the financial year in which the benefit is being claimed. Pensioners taking residence after that date will be eligible for a pro-rata concession based on the number of day's resident.
- The concession is only available to claimant's who reside in a structure which has been approved by Council to be a habitable dwelling, and/or are in receipt of Council services.
- Pensioner concession is not available on income producing properties and applies to urban or rural residential lands. The Chief Executive Officer may, at his discretion, extend this concession to rural land in exceptional circumstances and/or where the primary land use code is 02 (Single Unit Dwelling), or 05 (Large Homesite – Dwelling) as determined by the Department of Environment and Resource Management.
- A pensioner's eligibility shall be confirmed through the Centrelink Customer Confirmation eService in all circumstances.
- Application for the above pensioner concessions is required only on initial application.

Natural Hardship

Council may, at its discretion allow other concessions or remissions if it is of the opinion that some unusual and serious circumstances exist which may prevent payment within the appointed time or otherwise delay the payment of rates and charges as they fall due.

Applications for concession or remission should be able to demonstrate unusual and severe difficulty rather than the usual frustration and trial to which everyone is subjected from time to time.

Economic or Social Incentives

Council may allow rating concessions as an incentive to attract business to the Region in an industrial estate development or in a project with similar economic benefit to the Region.

At Council's discretion, it may remit some or all of the rates and charges that would otherwise be payable by certain clubs or organisations that, in the opinion of the Chief Executive Officer, fulfill useful social and or charitable community needs, as identified in Council's Corporate Plan. The following clubs shall fall into this category and will be granted concessions as listed below for the 2009/2010 financial year:

Assessment	Club	General	Water	Sewerage
0089-00000	Broadsound Coastal Community Develop.	100%	N/A	N/A
0123-00000	QCWA (Carmila)	N/A	100%	N/A
0138-00000	Carmila Anglican Church	N/A	50%	N/A
0141-00000	Carmila Catholic Church	N/A	50%	N/A
0328-00001	St Lawrence & District Bowls Club	N/A	50%	N/A
0463-00000	St Lawrence Anglican Church	N/A	50%	N/A
0525-90000	Dysart Kindergarten Inc	100%	100%	100%
0631-00003	Dysart Netball Association	N/A	50%	100%
1111-11111	Dysart Owners & Trainers	N/A	50%	N/A
1394-00002	Dysart Soccer Club	N/A	50%	100%
1394-00003	Dysart Junior Rugby League	N/A	50%	100%
1394-00005	Dysart Australian Rules Club	N/A	50%	100%
1394-00006	Dysart Darts Club	N/A	50%	100%
1394-90000	Dysart Senior Rugby League Club	100%	50%	100%
1432-00000	Dysart Tennis Club	100%	50%	N/A
1647-00000	Dysart Pottery Club	100%	100%	100%
1648-00000	Girl Guides Association (Qld Branch)	100%	100%	100%
1649-00000	Scout Association (Qld Branch)	100%	100%	100%
1815-00101	Middlemount Rugby League Football Club	N/A	50%	100%
1815-00102	Middlemount Tennis Club	N/A	50%	100%
1815-00103	Middlemount Touch Football	N/A	N/A	100%
2199-00002	Middlemount Netball	N/A	50%	100%
2203-00000	Middlemount Kindacare	100%	100%	100%
3217-00000-001	Dysart Horse Performance Club	100%	100%	N/A
3221-00000	Dysart Horse Performance Club	100%	100%	N/A
3242-10000	Middlemount Rodeo Association Inc	100%	50%	N/A
3242-70000	Middlemount Polocrosse Club	100%	50%	N/A
3242-90000	Middlemount Horse & Pony Club	100%	50%	N/A
3243-00000	Middlemount Race Club	100%	50%	N/A
3340-90000	Dysart Pony Club	100%	50%	N/A
3223-05000	Dysart Junior Motorcross Club Inc	100%	N/A	N/A
1111-11111	Dysart Rodeo Association Inc	N/A	50%	N/A
3340-90000	Southern Cross Association Inc	N/A	50%	N/A
0080/3	Queensland Country Womens Association	100%	100%	100%
0124/00001	Nebo Bowls Club	100%	100%	100%
0174/00000	Glenden Bottle Tree Bowls Club	100%	100%	100%
0249/15000	Glenden Rodeo Association	100%	100%	100%
0249/15000	Glenden Pony Club	100%	100%	100%
0525/10000	Glenden Horse Owners Association	100%	100%	100%
0525/90000	Glenden Golf Club	100%	100%	100%
00175/50001	Glenden Motor Sports Club	100%	100%	100%

OPERATING CAPACITY OF THE LOCAL GOVERNMENT

The change in operating capability of the local government is disclosed as the bottom line of the Operating Statement. It reflects the change in total wealth of the Council.

The Region's development and economic circumstances are expected to alter significantly especially in the mining towns that encompass Isaac Regional Council in the foreseeable future. A reasonable degree of expansion in the population seems likely to follow giving the current mining industry expansion. This will have an effect on Council's ability to provide services as the community expectations are increasing and the demands for additional services which are not core responsibilities of Local Government are being forced upon the industry.

Isaac Regional Council needs to undertake long term planning and strategic measures to ensure that this Regional Council has a strong and foreseeable future past the current mining and resource boom which is occurring within this region. It is foreseeable that the region will have a decline in its population in both permanent and transient following the decline or stabilization of the mining sector and this may have an effect on Council's ability to maintain its service levels across some of its core functions.

DEPRECIATION

Depreciation and other non-cash expenses will be funded to the extent that they are recognised in Council's Accounts. Such funding will be a component of the accumulated surplus in the Appropriation Statement.

Council recognises a value for its roads and other infrastructure assets in its financial statements in accordance with sections of the Local Government Finance Standard 2005. Council notes that the quantum of accumulated depreciation on such classes of assets may be beyond its capacity to fund fully and accordingly has identified assets that it will not replace when their useful life has expired.

Dysart, Middlemount and Glenden

Depreciation will not be funded in Council's accounts in respect of buildings, houses, roads and infrastructure assets serving Dysart, Middlemount and Glenden. The mining companies whose interests are served by these towns provide funds within the 'special rates and charges', which are negotiated each year between Council and the respective mining companies to ensure that respective assets are being maintained to the service level imposed by Council and provide the necessary funding to ensure capital replacement.

Nebo Township

All non-current assets with the exception of roads/streets, contained within the township of Nebo and the surrounding rural areas will be depreciated at a rate which accurately reflects the decrease in service potential of those assets, such depreciation is to be fully funded in order to meet the future costs of replacing the asset.

Gravel Roads/Streets

All gravel roads/streets contained within the township of Nebo and the surrounding rural area will be depreciated at a rate which accurately reflects the decrease in service potential of those roads/streets. Such depreciation will not be funded as

these roads are maintained at a sufficiently high level to ensure that they are able to meet the required level of service for existing traffic loads and volumes.

Sealed Roads/Streets

All sealed roads/streets contained within the township of Nebo and the surrounding rural area will be depreciated at a rate which accurately reflects the decrease in service potential of those roads. Such depreciation is to be fully funded in order to meet the future costs of replacing the asset.

PROVISIONS

Council will ensure funds are available to cover 100% of the current liability of Long Service Leave and of Annual Leave. Council intends to maintain a provision to meet the present value of the discounted cash flows of the non-current portion of employee's Long Service Leave as calculated by Council's own Long Service Leave probabilities, which have been established taking into account past leave trends. This provision will not necessarily be cash backed.

REGULATORY FEES

Regulatory fees are set at, or below, a level which is expected to raise enough funds to meet the cost of each regulatory scheme.

The regulatory fees set by the Council are show in the Register of Regulatory Fees.

OTHER FEES AND CHARGES

Fees other than regulatory fees are contained in Council's schedule of fees and charges. They are set at levels considered appropriate under the various legislative authorities.

PHYSICAL AND SOCIAL INFRASTRUCTURE COSTS

Incremental or other development requiring physical and social infrastructure is presently funded by Council.

Where infrastructure is required out of sequence it will be funded by the development proponent

Council is in the process of preparing an Infrastructure Charges Plan which provides for an infrastructure network as per the Integrated Planning Act Section 5.1.6.

LIMITATIONS ON INCREASES IN RATES AND CHARGES

Council has not made a resolution limiting increases in Rates and Charges.

BORROWING POLICY**POLICY TITLE:** BORROWING POLICY 2009/10**POLICY NUMBER:** IRC/STAT - 003**CATEGORY:** COUNCIL POLICY**CLASSIFICATION:** STATUTORY**CORPORATE PLAN REFERENCE:** NOT APPLICABLE**STATUS TABLE:**

Approved by Council		Meeting number and date	
Yes		Special Budget Meeting 31 August 2009	
		Resolution number	
		B0007	
Approval by CEO		Yes	
Effective date		Review date	
31 August 2009		Yearly on Adoption of Budget	
Policy Author			
Warren Stubbs			
Endorsed by			
Responsible Position			
Executive Director Financial Services			
Current incumbent	Contact number	Email address	
Warren Stubbs	4941 4559	warren.stubbs@isaac.qld.gov.au	

BORROWING POLICY 2009/2010

1. BACKGROUND AND CONTEXT

To adopt a policy on borrowings that provides for responsible financial management on the loan funding of infrastructure capital projects by ensuring the level of Council indebtedness is within acceptable limits to Council, its ratepayers and interested external parties. This policy is in accordance with Section 8 of the Local Government Finance Standard 2005, as amended.

2. PURPOSE AND SCOPE

To adopt a policy on borrowings for 2009/2010

3. DEFINITIONS

Not Applicable.

4 POLICY PROVISIONS

As a general principle, Council recognises that loan borrowings for capital works 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 income.

Council restrict all borrowings to expenditure on identified capital 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. In no circumstances should Council borrow funds from recurrent expenditure.

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

- Analysis of existing debt levels with a loan servicing cost target of less than 25% in any one year.
- Where a capital project for a service that is funded by utility or user charges e.g. 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.
- Other specific capital projects, not funded by user charges, should only be considered for loan funding where the project is considered by Council to be beneficial to the majority of ratepayers.
- The term of any loan should not exceed the expected life of the asset being funded.

FIVE YEAR LOAN PROGRAMME FORECAST

Council utilises loan borrowing to fund major capital and infrastructure works so that repayments are spread over the years to which the Capital Works will be utilised by ratepayers. The Borrowing Policy deals with the following areas:

- 1) Five Year Loan Programme Forecast
- 2) Repayment Schedule

The following five year programme is proposed by Council, although allocations in future years are revised on an annual basis in conjunction with the review of the Capital/Works Loan Program:

TABLE (1)

PROJECT	2009/2010		2010/11	2011/12	2012/13	2013/14
	TERM (YRS)	LOAN '000's	LOAN '000's	LOAN '000's	LOAN '000's	LOAN '000's
LOANS						
AFFORDABLE HOUSING	20		-	-	-	-
SEWERAGE PROJECTS - Sewerage Treatment Plants – Moranbah	20		5,000,00	-	-	-
Augmentation OTHER PROJECTS (GENERAL – LAND DEVELOPMENT)	20	7,700,00				
	1-2			-	-	-
TOTAL		\$7,700,00	\$5,000,00	-	-	-

REPAYMENT SCHEDULE

The loan portfolio of Council is raised solely with the Queensland Treasury Corporation. The Queensland Treasury Corporation maintains Council debt as the Book Debt plus a market provision, to market value the total liability outstanding. The provision is principally a result of past movements in the Market Value of the liabilities within each Debt Pool. If the Council was to liquidate this debt it would be required to pay the Market Value of the loan portfolio. The portfolio has been dissected so that loan borrowings in relation to Water and Sewerage Infrastructure are maintained in separate accounts to more accurately reflect the cost of the provision of this infrastructure. This approach is needed otherwise the loan term is amalgamated and the average term for repayments lengthens. It is proposed that Council consider maintaining a repayment schedule consistent with an interest and principal repayment calculation so that the exposure to interest rate fluctuations is minimised. This basis of repayment will continue to be assessed even though separate accounts have been established for Sewerage and Water Supply Infrastructure. The Budgeted Loan Portfolio of council for 2009/2010 is as follows:

TABLE (2)

	A	B	C	D	C(1)	D (A – D + C (1))
FUNCTION DESCRIPTION	EST BOOK DEBT BALANCE 30/06/2009	QTC INTEREST	QTC ADMIN	QTC REDEM PTION	NEW ADVAN CES	EST BOOK DEBT BALANCE 30/06/2010
GENERAL FUNCTIONS						
HOUSING FUNCTIONS						
SEWERAGE FUNCTIONS					7,700,000	7,700,000
TOTAL ALL FUNDS					\$7,700,000	\$7,700,000

NOTE: This policy will be reviewed each year with the Adoption of the Budget.

5. AUTHORITIES AND ACCOUNTABILITIES

Delegations as per Isaac Regional Council Delegations Register.

6. RELATED DOCUMENTATION

This policy complies with the requirements of Section 8 of the Local Government Finance Standard 2005.