

2014

Standing Committee Meeting –
Policy and Planning



NORTH BURNETT
REGIONAL COUNCIL

GAYNDAH

North Burnett Regional Council

March 04, 2014

Attendees	Agenda Item 1	Attendees	
Welcome	Agenda Item 2	Welcome / Housekeeping	
Apologies	Agenda Item 3	Apologies	
Declaration	Agenda Item 4	Declaration of Interest	
Deputations	Agenda Item 5	Deputations	
Governance	Agenda Item 6	Governance Report	
	6.1	Half Yearly Review of Cost Recovery and Non-Regulatory Charges	003-007
	6.2	Half Yearly Budget Review	008-015
General Business	Agenda Item 7	General Business	
Closure of Meeting	Agenda Item 8	Closure of Meeting	

HALF YEARLY REVIEW OF COST RECOVERY & NON-REGULATORY CHARGES FOR 2013-14

Responsible Officer: Les Hotz – Director of Corporate Services
Report prepared by: Lisa Benham – Acting Manager Financial Services

1 PURPOSE OF REPORT

The purpose of this report is to present for Council's consideration changes to the Cost Recovery & Non-Regulatory Charges for 2013-14 effective immediately

2 INTRODUCTION/BACKGROUND

Cost Recovery & Non-Regulatory Charges for 2013/14 were adopted on June 25th 2013.

There were a number of charges either entered incorrectly, left out or needing a change.

3 CORPORATE/OPERATIONAL PLAN

In accordance with Outcome 3 – Organisation Capability, Section 3.2 Organisational Systems.

4 POLICY IMPLICATIONS

Nil

5 STATUTORY REQUIREMENTS

S97 (8) of the Local Government Act 2009 states that a local government may fix a cost-recovery fee by resolution even if the fee had previously been fixed by a local law.

S98 of the Local Government Act requires that Council have a register of Cost Recovery Fees.

6 FINANCIAL IMPLICATIONS

Clarifying some fees and correcting a number of items

7 RISK MANAGEMENT

Nil.

8 CONSULTATION

Consultation with Directors, Managers and Councillors has been undertaken. All staff were also invited to comment.

9 OPTIONS FOR COUNCIL TO CONSIDER

- Consider this report and accept, reject or amend recommendations.

10 OFFICER'S COMMENTS/CONCLUSION

Presented for consideration by Council.

11 ATTACHMENTS

Details around proposed changes

RECOMMENDATION

That:

1. Council adopt the changes to the Cost Recovery & Non-Regulatory Charges for 2013-14 effective immediately

PROPOSED FEES AND CHARGES CHANGES

Description	Per	Current Fee Amount Inc GST	Proposed Fee Amount Inc GST	GST Status	Act	Reason for Change
Rates Search						
Short Rates Search	Ea	N/A	\$40.50	GST Free	LGA 2009 S97 (2) (c)	Is currently not a fee in the Fee's and Charges
<i>(i) The owner (or his Agent authorise in writing) may inspect the Rate Book in respect of land of which the owner, lessee, or occupier, and /or land adjoining there to without charge</i>						
<i>(ii) Rate information is NOT to be given by telephone</i>						
Planning (Page 2)						
<i>Refund of Application Fees when an Application is withdrawn</i>						
Application submitted and preliminary clerical work completed		\$0.80	80%	Exempt	SPA 2009 s434	Error in formatting. These refunds should be a percentage not a dollar value.
Application advertised and placed on public display		\$0.50	50%	Exempt	SPA 2009 s434	Error in formatting. These refunds should be a percentage not a dollar value.
Site inspected and department reports prepared		\$0.25	25%	Exempt	SPA 2009 s434	Error in formatting. These refunds should be a percentage not a dollar value.
Meeting Report completed prior to Council Meeting		\$0.10	10%	Exempt	SPA 2009 s434	Error in formatting. These refunds should be a percentage not a dollar value.
After Council consideration		Nil	Nil	Exempt	SPA 2009 s434	Error in formatting. These refunds should be a percentage not a dollar value.

Description	Per	Current Fee Amount Inc GST	Proposed Fee Amount Inc GST	GST Status	Act	Reason for Change
<u>WATER CONNECTIONS</u>						
(Commercial, rural or Domestic Residential)						
PIPE SIZE						
- supply only of 20 mm water meter', nomination of location, and inspection of connection prior backfill	Installation		\$150.00	Exempt	Water Act	Fees were left out of the 2013-14 document.
- supply only of 25 mm water meter', nomination of location, and inspection of connection prior backfill	Installation		\$190.00	Exempt	Water Act	Fees were left out of the 2013-14 document.
- supply only of 32 mm water meter', nomination of location, and inspection of connection prior backfill	Installation		\$370.00	Exempt	Water Act	Fees were left out of the 2013-14 document.
- supply only of 40 mm water meter', nomination of location, and inspection of connection prior backfill	Installation		\$450.00	Exempt	Water Act	Fees were left out of the 2013-14 document.
- supply only of 50 mm water meter', nomination of location, and inspection of connection prior backfill	Installation		\$605.00	Exempt	Water Act	Fees were left out of the 2013-14 document.
- supply only of 80 mm water meter', nomination of location, and inspection of connection prior backfill	Installation		POA	Exempt	Water Act	Fees were left out of the 2013-14 document.
- civil inspection of any connections and disconnections to water and or sewerage services.	Installation		\$100.00	Exempt	Water Act	Fees were left out of the 2013-14 document.
<u>CEMETERIES</u>						
Reservations						
Purchase of Lawn Section reserve	Per plot	\$160	\$150	GST Recoverable		With this fee at \$160, when someone reserved a plot in this year and also pass way this year,
Purchase of Monumental Section reserve	Per plot	\$160	\$150	GST Recoverable		

Description	Per	Current Fee Amount Inc GST	Proposed Fee Amount Inc GST	GST Status	Act	Reason for Change
Purchase of Columbarium reserve	Per plot	\$160	\$150	GST Recoverable		they are paying \$10 more than someone who did not. This will correct this error.

GOV 02 HALF YEARLY BUDGET REVIEW

File: 12 – Financial Management
Responsible Officer: Les Hotz – Director of Corporate Services
Report prepared by: Lisa Benham – Acting Manager Financial Services

1 PURPOSE OF REPORT

The purpose of this report is to present the half yearly review to Council

2 INTRODUCTION/BACKGROUND

Council adopted an original operational and capital budget at its meeting on 30 July 2013 and an amended budget for the first quarter on 15 October 2013.

3 CORPORATE/OPERATIONAL PLAN

In accordance with Outcome 5 – Governance, Section:

5.5 Transparency in Performance

4 POLICY IMPLICATIONS

Nil

5 STATUTORY REQUIREMENTS

Council is required under the Local Government Act 2009 to have an adopted budget in place for each financial year and by resolution can amend the budget for a financial year at any time before the end of the financial year.

6 FINANCIAL IMPLICATIONS

This report has attached each of the required budget documents to adopt an amended half yearly budget.

7 RISK MANAGEMENT

Nil

8 CONSULTATION

This report is the vehicle of consultation to advise elected members of the performance of council compared to the adopted budget combined with the recommended changes to the budget.

9 OPTIONS FOR COUNCIL TO CONSIDER

- Consider this report as information and adopt

10 OFFICER'S COMMENTS/CONCLUSION

11 ATTACHMENTS

- Attachment – Statement of Comprehensive Income
- Attachment – Balance Sheet
- Attachment – Cashflow Statement
- Attachment – Statement of Changes in Equity
- Attachment – Financial Sustainability Ratios
- Attachment – Rate & Utility Charges analysis

RECOMMENDATION

That the North Burnett Regional Council 2013-2014 Amended Budget Statements including:

- Statement of Comprehensive Income
- Balance Sheet
- Cash Flow Statement
- Statement of Changes in Equity
- Financial Sustainability Ratios
- Rate & Utility Charges analysis

be adopted.

NORTH BURNETT REGIONAL COUNCIL
Statement of Comprehensive Income
For the year ended 30 June 2014

	2013/14 Budget Proposed	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2013/24 Forecast
INCOME											
Revenue											
Recurrent revenue											
Rates and utility charges exc Discount/Rebate	14,180,823	14,606,248	15,044,435	15,495,768	15,960,641	16,439,460	16,932,644	17,440,624	17,963,842	18,502,758	19,057,840
Less Discount/Rebates	1,152,511	1,187,086	1,222,699	1,259,380	1,297,161	1,336,076	1,376,158	1,417,443	1,459,966	1,503,765	1,548,878
Net Rates and Utilities	13,028,312	13,419,161	13,821,736	14,236,388	14,663,480	15,103,384	15,556,486	16,023,180	16,503,876	16,998,992	17,508,962
Fees and charges	1,370,912	1,412,039	1,460,049	1,489,250	1,533,927	1,579,945	1,627,343	1,676,164	1,726,449	1,778,242	1,831,589
Interest received	886,064	600,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Rental Income	397,872	411,002	424,565	433,056	446,048	459,429	473,212	487,408	502,031	517,092	532,604
Sales - contract and recoverable works	3,336,078	3,436,160	3,539,245	3,610,030	3,646,130	3,700,822	3,719,326	3,737,923	3,756,613	3,775,396	3,794,273
Other Recurrent Income	272,180	280,345	288,756	294,531	300,421	306,430	312,559	318,810	325,186	331,690	338,323
Grants, subsidies, contributions and donations	87,492,647	13,217,600	13,481,952	13,751,592	13,957,865	14,167,233	14,400,578	14,638,590	14,886,361	15,135,089	15,387,790
Total recurrent revenue	106,784,065	32,776,309	33,566,303	34,364,847	35,097,872	35,867,244	36,639,504	37,432,075	38,250,515	39,086,500	39,943,542
Capital revenue											
Grants, subsidies, contributions and donations	19,260,578	705,160	719,263	733,648	748,321	763,288	778,554	794,125	810,007	826,207	842,731
Total capital revenue	19,260,578	705,160	719,263	733,648	748,321	763,288	778,554	794,125	810,007	826,207	842,731
Total revenue	126,044,643	33,481,469	34,285,566	35,098,495	35,846,194	36,630,532	37,418,058	38,226,200	39,060,522	39,912,707	40,786,274
Total income	126,044,643	33,481,469	34,285,566	35,098,495	35,846,194	36,630,532	37,418,058	38,226,200	39,060,522	39,912,707	40,786,274
EXPENSES											
Recurrent expenses											
Employee benefits	(15,500,000)	(15,100,000)	(15,200,000)	(15,564,800)	(16,031,744)	(16,512,696)	(17,008,077)	(17,518,320)	(18,043,869)	(18,585,185)	(19,142,741)
Materials and services	(92,714,977)	(8,700,000)	(8,961,000)	(9,229,830)	(9,506,725)	(9,841,927)	(10,147,184)	(10,451,600)	(10,735,148)	(11,022,202)	(11,332,868)
Finance costs	(291,496)	(282,751)	(255,296)	(245,084)	(235,280)	(225,869)	(216,834)	(208,161)	(199,835)	(191,841)	(184,168)
Depreciation and amortisation	(9,193,386)	(9,193,386)	(9,193,386)	(9,193,386)	(9,243,386)	(9,243,386)	(9,243,386)	(9,243,386)	(9,253,386)	(9,263,386)	(9,283,386)
Total recurrent expenses	(117,699,859)	(33,276,137)	(33,609,682)	(34,233,100)	(35,017,135)	(35,823,878)	(36,615,482)	(37,421,467)	(38,232,238)	(39,062,615)	(39,943,163)
Capital Income/Expenses											
Impairment losses	0	0	0	0	0	0	0	0	0	0	0
Gain/(Loss) on Sale of Assets	0	0	0	0	0	0	0	0	0	0	0
Revaluation decrements	0	0	0	0	0	0	0	0	0	0	0
Restoration Provision - Landfills	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)
Total Capital Income/Expenses	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)	(167,000)
Total expenses	(117,866,859)	(33,443,137)	(33,776,682)	(34,400,100)	(35,184,135)	(35,990,878)	(36,782,482)	(37,588,467)	(38,399,238)	(39,229,615)	(40,110,163)
Net result attributable to council	8,177,784	38,332	508,885	698,395	662,058	639,654	635,576	637,733	661,285	683,092	676,111

NORTH BURNETT REGIONAL COUNCIL
Balance Sheet
For the year ended 30 June 2014

	2013/14 Budget Proposed	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast
Current Assets										
Cash and cash equivalents	23,439,092	22,502,764	22,116,535	21,939,717	21,742,745	21,556,174	21,373,252	21,197,611	21,048,264	20,921,287
Trade and other receivables	4,999,222	5,072,139	4,984,489	4,953,204	4,916,348	4,868,577	4,845,583	4,824,888	4,806,264	4,789,501
Inventories	440,958	440,958	440,958	440,958	440,958	440,958	440,958	440,958	440,958	440,958
	28,879,272	28,015,861	27,541,982	27,333,879	27,100,051	26,865,708	26,659,793	26,463,458	26,295,486	26,151,746
Non-current assets classified as held for sale										
Total current assets	28,879,272	28,015,861	27,541,982	27,333,879	27,100,051	26,865,708	26,659,793	26,463,458	26,295,486	26,151,746
Non-current Assets										
Receivables	9,000	3,000	-	3,000	-	6,000	-	-	-	-
Property, plant and equipment	830,486,630	831,991,790	833,511,053	835,044,702	836,593,023	838,156,311	839,734,865	841,328,989	842,938,996	844,565,204
Capital works in progress	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-
Total non-current assets	830,495,630	831,994,790	833,508,053	835,038,702	836,593,023	838,156,311	839,734,865	841,328,989	842,938,996	844,565,204
TOTAL ASSETS	859,374,902	860,010,651	861,050,035	862,372,581	863,693,074	865,022,019	866,394,658	867,792,447	869,234,482	870,716,950
Current Liabilities										
Trade and other payables	3,191,683	3,334,203	3,334,203	3,334,203	3,334,203	3,334,203	3,334,203	3,334,203	3,334,203	3,334,203
Borrowings	491,992	436,500	342,850	308,565	277,709	229,938	206,944	186,249	167,625	150,862
Provisions	1,913,571	2,080,571	2,247,571	2,414,571	2,581,571	2,748,571	2,915,571	3,082,571	3,249,571	3,416,571
Other	214,679	114,679	114,679	114,679	114,679	114,679	114,679	114,679	114,679	114,679
Total current liabilities	5,811,925	5,965,953	6,039,303	6,172,018	6,308,162	6,427,391	6,571,397	6,717,702	6,866,078	7,016,315
Non-current Liabilities										
Interest bearing liabilities	3,082,787	2,646,287	2,303,437	1,994,872	1,717,164	1,487,226	1,280,282	1,094,032	926,408	775,546
Provisions	314,358	394,247	394,247	394,247	394,247	394,247	394,247	394,247	394,247	394,247
Other	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	3,397,145	3,040,534	2,697,684	2,389,119	2,111,411	1,881,473	1,674,529	1,488,279	1,320,655	1,169,793
TOTAL LIABILITIES	9,209,070	9,006,487	8,736,987	8,561,137	8,419,572	8,308,864	8,245,926	8,205,982	8,186,732	8,186,108
NET COMMUNITY ASSETS	850,165,832	851,004,164	852,313,048	853,811,444	855,273,502	856,713,156	858,148,732	859,586,465	861,047,750	862,530,842
Community Equity										
Shire capital	670,396,326	671,101,486	671,820,749	672,554,398	673,302,719	674,066,007	674,844,561	675,638,685	676,448,692	677,274,900
Asset revaluation reserve	181,860,828	182,660,828	183,460,828	184,260,828	185,060,828	185,860,828	186,660,828	187,460,828	188,260,828	189,060,828
Retained surplus/(deficiency)	- 2,091,322	- 2,758,150	- 2,968,529	- 3,003,782	- 3,090,045	- 3,213,679	- 3,356,657	- 3,513,048	- 3,661,771	- 3,804,886
Other reserves	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY EQUITY	850,165,832	851,004,164	852,313,048	853,811,444	855,273,502	856,713,156	858,148,732	859,586,465	861,047,750	862,530,842

NORTH BURNETT REGIONAL COUNCIL
Statement of Cash Flows
For the year ended 30 June 2014

	2013/14 Budget Proposed	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast
Cash flows from operating activities:										
Receipts from customers	18,260,505	18,708,706	19,270,786	19,794,199	20,310,959	20,857,582	21,382,714	21,923,077	22,479,123	23,051,319
Payments to suppliers and employees	(110,557,833)	(23,997,000)	(24,358,000)	(24,991,630)	(25,735,469)	(26,551,623)	(27,352,262)	(28,166,920)	(28,976,017)	(29,804,388)
	(92,297,328)	(5,288,294)	(5,087,214)	(5,197,431)	(5,424,510)	(5,694,041)	(5,969,548)	(6,243,843)	(6,496,894)	(6,753,068)
Interest received	886,064	600,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Rental income	397,872	411,002	424,565	433,056	446,048	459,429	473,212	487,408	502,031	517,092
Operating Grants & Subsidies	87,492,647	13,217,600	13,481,952	13,751,592	13,957,865	14,167,233	14,400,578	14,638,590	14,886,361	15,135,089
Borrowing costs	(256,496)	(252,751)	(225,296)	(215,084)	(205,280)	(195,869)	(186,834)	(178,161)	(169,835)	(161,841)
Net cash inflow (outflow) from operating activities	(3,777,241)	8,687,558	9,144,008	9,322,133	9,324,123	9,286,752	9,267,408	9,253,994	9,271,663	9,287,271
Cash flows from investing activities:										
Payments for property, plant and equipment	(26,617,449)	(9,898,546)	(9,912,649)	(9,927,034)	(9,991,707)	(10,006,674)	(10,021,940)	(10,037,511)	(10,063,393)	(10,089,593)
Payments for intangible assets			-	-	-	-	-	-	-	-
Net movement on loans and advances	6,000	6,000.00	6,000.00	3,000.00	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	515,757									
Net cash inflow (outflow) from investing activities	(26,095,692)	(9,892,546)	(9,906,649)	(9,924,034)	(9,991,707)	(10,006,674)	(10,021,940)	(10,037,511)	(10,063,393)	(10,089,593)
Cash flows from financing activities										
Capital Grants, subsidies, contributions and Donations	19,260,578	705,160	719,263	733,648	748,321	763,288	778,554	794,125	810,007	826,207
Proceeds from borrowings	0	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(485,000)	(436,500)	(342,850)	(308,565)	(277,709)	(229,938)	(206,944)	(186,249)	(167,625)	(150,862)
Net cash inflow (outflow) from financing activities	18,775,578	268,660	376,413	425,083	470,613	533,350	571,610	607,875	642,383	675,345
Net increase (decrease) in cash held	(11,097,355)	(936,328)	(386,228)	(176,818)	(196,972)	(186,572)	(182,922)	(175,641)	(149,347)	(126,977)
Cash at beginning of reporting period	34,536,447	23,439,092	22,502,764	22,116,535	21,939,717	21,742,745	21,556,174	21,373,252	21,197,611	21,048,264
Cash at end of reporting period	23,439,092	22,502,764	22,116,535	21,939,717	21,742,745	21,556,174	21,373,252	21,197,611	21,048,264	20,921,287

NORTH BURNETT REGIONAL COUNCIL
Statement of Changes in Equity
For the year ended 30 June 2014

	2013/14 Budget	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast
Net Result	8,177,784	38,332	508,885	698,395	662,058	639,654	635,576	637,733	661,285	683,092
Transfer to Capital	11,650,501	538,160	552,263	566,648	581,321	596,288	611,554	627,125	643,007	659,207
Balance Capital	670,396,326	670,934,486	671,486,749	672,053,398	672,634,719	673,231,007	673,842,561	674,469,685	675,112,692	675,771,900
Transfer to Reserve	-	-	-	-	-	-	-	-	-	-
Balance Reserves	-	-	-	-	-	-	-	-	-	-
Increase in Accumulated Surplus	4,617,939 -	666,828 -	210,378 -	35,253 -	86,263 -	123,634 -	142,978 -	156,392 -	148,723 -	143,115
Balance Accum Surplus	- 2,091,322 -	2,758,150 -	2,968,529 -	3,003,782 -	3,090,045 -	3,213,679 -	3,356,657 -	3,513,048 -	3,661,771 -	3,804,886
Balance ARR	181,860,828	182,660,828	183,460,828	184,260,828	185,060,828	185,860,828	186,660,828	187,460,828	188,260,828	189,060,828
Total Equity	850,165,832	850,837,164	851,979,048	853,310,444	854,605,502	855,878,156	857,146,732	858,417,465	859,711,750	861,027,842

NORTH BURNETT REGIONAL COUNCIL
 Financial Sustainability Ratios
 For the year ended 30 June 2014

RATIO NAME	Target	2013/14 Budget Proposed	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast
Asset Sustainability Ratio <i>Capital Expenditure on replacement assets divided by depreciation expense</i>	>90%	290%	108%	108%	108%	108%	108%	108%	109%	109%	109%
Net Financial Liabilities Ratio <i>Total Liabilities less current assets divided by operating revenue</i>	< 60%	-18%	-58%	-56%	-55%	-53%	-52%	-50%	-49%	-47%	-46%
Operating Surplus Ratio <i>Net operating surplus divided by total operating revenue</i>	0%-10%	-10.22%	-1.52%	-0.13%	0.38%	0.23%	0.12%	0.07%	0.03%	0.05%	0.06%

NORTH BURNETT REGIONAL COUNCIL
Percentage Change in Rates Levied
For the year ended 30 June 2014

	2012-13 Actuals	2013-14 Budget	% Change
General Rates	7,794,720	8,136,912	4.39%
Environmental Levy	559,294	600,979	7.45%
Water	1,635,655	1,731,020	5.83%
Water Consumption	966,825	1,023,962	5.91%
Sewerage	1,598,204	1,739,275	8.83%
Waste Management	828,879	943,175	13.79%
Rural Fire Levy	17,140	17,000	-0.82%
Total rates and utility charges revenue	13,400,717	14,192,323	5.91%
Less: Rebates	- 8,940	- 10,000	11.86%
Less: Discounts	- 1,105,176	- 1,152,511	4.28%
Net rates and utility charges	12,286,601	13,029,812	6.05%

No changes in Rates & Charges Revenue in Half Yearly Review

Please note - Water consumption for 1 January 2013 to 30 June 2013 is yet to be levied
The water consumption levied is based on Proposed Budget and assumed revenue level.