



Special Council Meeting

Council Chambers
Date: 15 June 2016
Time: 9:00am

AGENDA

THE SPECIAL COUNCIL MEETING OF THE MAREEBA SHIRE COUNCIL WILL BE HELD AT COUNCIL CHAMBERS, ON **WEDNESDAY, 15 JUNE 2016** AND THE ATTENDANCE OF EACH COUNCILLOR IS REQUESTED.

PETER FRANKS
CHIEF EXECUTIVE OFFICER

ORDER OF BUSINESS

MEMBERS IN ATTENDANCE

APOLOGIES/LEAVE OF ABSENCE/ABSENCE ON COUNCIL BUSINESS

BEREAVEMENTS/CONDOLENCES

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OFFICE OF THE MAYOR

ITEM-1 **ADOPTION OF THE 2016 -2017 BUDGET**

MEETING: Budget

MEETING DATE: 15 June 2016

**REPORT
OFFICER'S TITLE:** Mayor

DEPARTMENT: Office of the Mayor and Chief Executive Officer

EXECUTIVE SUMMARY

The 2016/17 budget has been prepared following careful consideration by myself and the Councillors and Council's management team. In this report I present the budget for consideration by Council.

MAYOR'S RECOMMENDATION

"That Council determine the Budget and Rating Resolutions set out hereunder:

2016 - 2017 Budgeted Financial Statements

Council resolves to adopt the Council Budget as set out in the Budgeted Financial Statements: Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity for the period 1 July 2016 to 30 June 2017 on pages 5 to 11 of Volume 1 be adopted (including notes to financial statements on pages 13 to 25).

2016 - 2017 The Differential General Rate

Council resolves to make and levy the Differential General Rate founded on the budget for the period 1 July 2016 to 30 June 2017 upon the rateable area as set out on pages 5 to 11 of Volume 2.

2016 - 2017 Sewerage Utility Charges

Council resolves to make and levy utility charges for supply of sewerage services to premises within the listed areas for the period 1 July 2016 to 30 June 2017 as set out on page 12 of Volume 2.

2016 - 2017 Waste Management Utility Charges

Council resolves to make and levy utility charges for:-
(a) supplying cleansing services to premises within the waste area and

(b) operating and managing refuse transfer stations and landfill within the Shire for the period 1 July 2016 to 30 June 2017 as set out on page 13 of Volume 2.

2016 - 2017 Water Utility Charges

Council resolves to make and levy utility charges for supplying water to premises within the listed areas for the period 1 July 2016 to 30 June 2017 as set out on pages 14 to 15 of Volume 2.

The Two Tier Tariff Water Charges as shown on the schedule titled "Water Charges 2016/2017" in Schedule 1 of these documents (page 53) be levied during the period 1 July 2016 to 30 June 2017 on properties located in the Water Areas within the Shire.

2016 - 2017 State Government Emergency Management Levy

Council resolves to charge the State Government Emergency Management Levy on behalf of the Queensland State Government, as provided on page 16 of Volume 2.

2016 - 2017 Special Charge - Chillagoe Benefited Area

An annual special charge be levied at the rate of \$39.00 per property for the purpose of funding projects identified for the Chillagoe Benefited Area according to the overall plan as set out on page 17 of Volume 2.

2016 - 2017 Special Charge - Irvinebank Reservoir Water Supply Benefited Area

An annual special charge be levied at the rate of \$400.00 per property for the period 1 July 2016 to 30 June 2017 for the purpose of covering the costs of operation, maintenance and capital expenditure associated with the delivering water from the Ibis Dam to the town reservoirs for the Irvinebank Water Benefited Area according to the overall plan set out on page 18 of Volume 2.

2016 - 2017 Special Charge - Irvinebank Township Water Supply Benefited Area

The annual special charge be levied at the rate of \$50.00 per property for the purpose of raising funds as a reserve for future upgrades and maintenance of the water distribution system according to the overall plan set out on page 19 of Volume 2.

2016 - 2017 Special Rate - Kuranda Benefited Area (Tourism Kuranda)

An annual special rate be levied on business properties marked on the maps titled "Kuranda Benefited Area 1", "Kuranda Benefited Area 2" and "Kuranda Benefited Area 3" according to the overall plan as listed on page 20 to 21 of Volume 2 of these documents as follows:

Category	\$
Kuranda Benefited Area 1	0.01255
Kuranda Benefited Area 2 - Small accommodation operators	
One (1) self-contained unit/independent bedroom	0.00104
Two (2) self-contained units/independent bedrooms	0.00207
Three (3) self-contained units/independent bedrooms	0.00310
Four (4) or more self-contained units/independent bedrooms	0.00414
Kuranda Benefited Area 3 - Limited Tourism operations	0.00104

2016 - 2017 Special Rate - Mareeba Benefited Area 1

An annual special rate of 0.00212 cents in the dollar be made and levied for the period 1 July 2016 to 30 June 2017 for all rateable land according to the overall plan as listed on page 22 of Volume 2 of these documents that is commercial, but excluding vacant land, to fund beautification and promotional projects in the Benefited area.

2016 - 2017 Special Rate - Mareeba Benefited Area 2

An annual special rate of 0.00059 cents in dollar be made and levied for the period 1 July 2016 to 30 June 2017 for all rateable land according to the overall plan as listed on page 23 of Volume 2 of these documents that is commercial, but excluding vacant land, to fund undertaking of footpath construction and repair, roads construction and repairs and drainage construction and repair within the Benefited area.

2016 - 2017 Special Charge - Hickory Road and Rosewood Drive

The Hickory Road and Rosewood Drive charge will be levied on all rateable properties fronting Hickory Road and Rosewood Drive for the purpose of funding the project to bitumen seal this section. This annual special charge of \$240.00 per annum per property is being levied for a period of ten (10) years commencing 1 July 2010 and ending 30 June 2020 according to the overall plan as set out on page 24 of Volume 2.

2016 - 2017 Special Charge - Kuranda and District Aquatic Centre

An annual special charge of \$36.00 be made and levied for the period 1 July 2015 to 30 June 2016 for the properties in the area defined on the map titled "Kuranda and District Aquatic Centre Benefited Area" in Volume 3 of these documents according to the overall plan as set out on page 25 of Volume 2.

2016 - 2017 Special Charge - Volunteer Brigade Services

An annual special charge be levied on all properties within the Volunteer Brigade Equipment and Maintenance Levy Area according to the overall plan as set out on pages 26 of Volume 2.

2016 - 2017 Special Rate - Russett Park Bridge Access Area

An annual special rate of 0.16 cents in the dollar be made and levied for the period 1 July 2016 to 30 June 2017 for the properties in the area defined on the map titled "Russett Park Bridge Access Area" according to the overall plan as set out on page 27 of Volume 2.

2016 - 2017 Time and Manner of Payment of Rates and/or Charges

- (a) In accordance with Section 94 of the *Local Government Act 2009* and Section 115 of the *Fire and Rescue Service Act 1990*, all rates, charges and fire levy shall be payable at the office of Council or at such other place or agency as may from time to time be appointed for that purpose by Council, and shall be levied by two half yearly instalments for the period ending 31 December 2016 and 30 June 2017; said rates, charges and fire levy being payable on the date shown on the rate notice as the Rate and Discount Due Date being at least 30 days after the issue date also shown on each rate notice;
- (b) In accordance with Section 130 of the *Local Government Regulation 2012* for the year ending 30 June 2017, every person liable to pay any differential general rate, utility charge, special charge, separate charge, fire levy and legal cost who pays the whole of any such differential general rate, utility charge, special charge, separate charge, fire levy and legal fee together with any arrears of any such differential general rate, utility charge, special charge, separate charge, fire levy and legal cost (excluding any outstanding adopted infrastructure charges) on or before the Rate and Discount Due Date shown on the Rate Notice, shall be entitled to receive a discount of 10% of the amount of such differential general rate, provided that discount shall not apply to utility charges, separate charges, fire levies, legal costs or arrears of any differential general rate utility charge, special charge, separate charge, fire levy and legal cost, as set out on page 28 of Volume 2.

2016 - 2017 Interest on Charges

In accordance with Section 133 of the *Local Government Regulation 2012* -

- (a) For the 12 months ending 30 June 2017, Council will charge interest on overdue rates from the day on which they became overdue and at the rate of 11% (or such other rate as may be determined pursuant to s133 of the *Local Government Regulation 2012*) compounded on daily rests. Notwithstanding the foregoing, if overdue rates are paid within 21 days from their due date, no interest shall be charged.
- (b) For the 12 months ending 30 June 2017, Council charge interest in accordance with (a) above, in respect of overdue rates which are subject to an agreement with the property owner to pay regular instalments to avoid rate recovery action, as set out on page 29 of Volume 2.

2016 - 2017 Remission of Rates to Not-For-Profit Organisations

Council resolves to grant an annual rate remission of fifty (50%) percent up to a maximum of one thousand dollars (\$1,000.00) of all general rates except interest and other charges to Council approved non-for-profit organisations who own or lease a property within the Mareeba Shire Council excluding vacant land and that satisfy the conditions as set out in the Rate Rebates and Remissions Policy, as set out on page 30 of Volume 2.

Council resolves to grant an annual charge remission of twenty (20%) percent up to a maximum of two hundred dollars (\$200.00) of Sewerage, Waste Collection, Water Access and Waste Management Levy charges except interest and other charges to Council approved non-for-profit organisations who own or lease a property within the Mareeba Shire Council excluding vacant land and that satisfy the conditions as set out in the Rate Rebates and Remissions Policy, as set out on page 30 of Volume 2.

2016 - 2017 Remission of Rates to Pensioners

Council resolves to grant an annual remission of 30% of all general rates except interest and other charges to pensioners who own and reside on their property within the Mareeba Shire Council, provided that they satisfy the conditions as set out on the attached Pension Remission Application Form in Appendix A (page 105) of Volume 2. The annual maximum Council Remission allowable is \$240.00 per property, as set out on page 31 of Volume 2.

2016 - 2017 Revenue Statement

Council resolves to adopt the Revenue Statement as set out on pages 32 to 52 of Volume 2.

2016 - 2017 Debt Recovery Policy

Council resolves to adopt the Debt Recovery Policy as set out on pages 59 to 63 of Volume 2.

2016 - 2017 Water Leak Management Policy

Council resolves to adopt the Water Leak Management Policy as set out on pages 64 to 68 of Volume 2.

2016 - 2017 Rate Rebates and Remission Policy

Council resolves to adopt the Rate Rebates and Remission Policy as set out on pages 69 to 72 of Volume 2.

2016 - 2017 Water Concession and Waste Service for Home Renal Dialysis Policy

Council resolves to adopt the Water Concession and Waste Service for Home Renal Dialysis Policy as set out on pages 73 to 76 of Volume 2.

2016 - 2017 Revenue Policy

Council resolves to adopt the Revenue Policy as set out on pages 77 to 79 of Volume 2.

2016 - 2017 Investment Policy

Council resolves to adopt the Investment Policy as set out on pages 81 to 83 of Volume 2.

2016 - 2017 Borrowing Policy

Council resolves to adopt the Borrowing Policy as set out on pages 85 to 86 of Volume 2.

2016 - 2017 Procurement Policy

Council resolves to adopt the Procurement Policy as set out on pages 87 to 102 of Volume 2."

BACKGROUND

Councillors, I present the budget for the Mareeba Shire Council for the 2016/17 financial year.

This is the fourth budget delivered by the new Mareeba Shire Council and the first budget for this term of Council. The previous three budgets, delivered over the past two years, have laid a firm foundation for the future of this organisation. Our financial position is sound, as is our future financial position as recorded by the most recent report from the Queensland Auditor-General, dated May 2016, which recorded an unqualified audit report for the past year and a positive view of our ten year financial management plan. In fact the auditor general's report to parliament specifically highlights the success of this Council in its management of financial affairs to ensure long term sustainability.

The budget that I bring down today unequivocally and confidently reinforces and cements into place this ten year financial plan with balanced budgets, fully funded depreciation, and minimal debt, providing consistent service delivery to the community, delivered at a sustainable cost. We are, in a financial sense, a small regional Council, and this Council will always depend to a very large degree on government grants for the delivery of major infrastructure projects.

Therefore, as both state and federal budgets are suffering from their own constraints, as evidenced by the federal government's three year freeze on the indexation of commonwealth financial assistance grants, this budget takes a prudent approach and sets aside reserves to stand us in good stead against unexpected financial shocks.

The two years covered by this budget and the next can well be described as a time for delivery of major projects.

Council staff have been working diligently towards the finalisation of the highly complex planning for the delivery of the \$15m newly-refurbished Mareeba wastewater treatment plant and for the \$18m complete renewal of the Mareeba airport and the associated aviation-

based industrial estate to be situated at the western end of the property. Both of these projects are important in terms of the future economic strength of our region and would not have been delivered had it not been for substantial grants from both commonwealth and state governments. I record the appreciation of the Council and the community for this assistance.

The Mareeba Industrial Park is continuing to develop at a satisfactory pace and funds are set aside in this budget to complete the roadworks required to provide improved access for the movement of heavy transport.

Contained within this budget is this Council's focus on a new phase of shire development; a visionary document with funds provided for long term planning for the beautification of towns across the Shire; for a major traffic planning study for the Mareeba CBD; for the finalisation of a planning study for the development of Basalt Gully and Bicentennial Lakes and for the sporting precinct centred on Davies Park.

Funds are also provided for the further development of our priority infrastructure plan (pip) for water and sewerage, and for a local government infrastructure plan which is required to be finalised in the 2017/18 financial year. These plans will then confirm the additional infrastructure works that are required to ensure our critical infrastructure is properly maintained and developed to cater for the current and future needs of this community.

This Council has shown its ability to deliver a financially sustainable future and this budget enables us to do the necessary work to lock in the long term strategic framework to ensure not only the long term viability of this shire but also its prosperity.

Some highlights of the \$25.8m capital program for 2016/17 include:

- Resealing program \$1.5m
- Re-sheeting program for gravel roads \$600k
- Parks and gardens improvements \$320k
- \$6 million for the capping of the old Mareeba landfill
- \$340k Oakey Creek bridge renewal
- \$960k for the Tate River crossing
- \$1.5m for two new water reservoirs in Kuranda

In conclusion, I pay tribute to the Council for their diligence in their contribution to the development of this budget and for their unqualified commitment to ensuring the long term financial stability of our shire. I also thank and congratulate the staff of our Shire, all of whom have contributed to the financial position we are in, through their continuing dedication to achieving the best possible outcome for every ratepayer's dollar spent.

I commend the 2016/2017 budget to the Council.

CONSULTATION

Internal

Deputy Mayor and Councillors

CEO

Directors
Managers

LEGAL IMPLICATIONS (STATUTORY BASIS, LEGAL RISKS)

Local Government Act 2009

Section 12 Responsibilities of Councillors

- (4) *The mayor has the following extra responsibilities-*
(b) *preparing a budget to present to the local government.*

Section 107A Approval of budget

- (1) *A local government must consider the budget presented by the mayor and, by resolution, adopt the budget with or without amendment.*
(2) *The mayor must give a copy of the budget, as proposed to be presented to the local government, to each councillor at least 2 weeks before the local government is to consider adopting the budget.*
(3) *The local government must adopt a budget before 1 August in the financial year to which the budget relates.*

POLICY IMPLICATIONS

The budget documentation establishes Council policy for the period 1 July 2016 to 30 June 2017.

FINANCIAL & RESOURCE IMPLICATIONS

Capital

As proposed in the attached documentation

Operating

As proposed in the attached documentation

Is the expenditure noted above included in the 2016/2017 budget?

Yes

IMPLEMENTATION/COMMUNICATION

Mareeba Shire Council's adopted budget papers will be made available on Council's website.

Management will distribute budget information to the relevant staff and make suitable arrangements to implement Council's adopted budget

ATTACHMENTS

1. 2016-2017 Budget

Date Prepared: 6 June 2016





NEXT MEETING OF COUNCIL

The next meeting of Council will be held at 10:00 am on Wednesday 15 June 2016

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APPENDIX - COMMITTEE MEETING MINUTES