

3.10. ANNUAL BUDGET 2023-2024

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DEPARTMENT Finance and Corporate Services

RECOMMENDATION

In accordance with s 169 and s 170 of the *Local Government Regulation 2012*, Council's Budget for the 2023-2024 financial year and the Long-Term Financial Forecast for the financial years 2023-2024 to 2032-2033 as contained in the document titled Annual Budget 2023-2024 and set out in the pages contained therein, incorporating:

1. Budgeted statement of Income and Expenditure
2. Budgeted Statement of Financial Position;
3. Budgeted statement of Cash Flow;
4. Budgeted Statement of Changes in Equity;
5. Long Term Financial Forecast;
6. Measures of Financial Sustainability;
7. Budgeted sources and application of Capital Funding
8. Budgeted movement in Reserves
9. Total value of change in the rates and utility charges, expressed as a percentage
10. Capital Works Program
11. The Revenue Statement (adopted by Council resolution on 11 July 2023), as tabled; and
12. The Revenue Policy (adopted by Council resolution on 28 March 2023), as tabled, be adopted.

EXECUTIVE SUMMARY

Council is required to adopt an annual budget for each financial year and also determine the rates and charges to be levied for the same period. The Annual Budget 2023-2024 presented to Council has been prepared in collaboration with all Councillors.

This budget is based on sound financial sustainability principles and employs a long-term strategy to return Council's operating result to a balanced budget.

Each year Council delivers multiple services on behalf of the Douglas community. Council also builds new and maintains existing community infrastructure, such as roads, parks and community buildings.

BACKGROUND

The *Local Government Act 2009* requires Council to resolve the rates and charges to be levied for each financial year (s 94 (2)). The *Local Government Regulation 2012* requires Council to adopt an annual budget before 01 August each year (s 170 (1) (b)).

Previous reports included in this agenda identify the rates and charges to be levied for the period 01 July 2023 to 30 June 2024.

COMMENTS

The following are a snapshot of the work Council will undertake during the 2023-2024 financial year:

Table 1.

<u>Capital Works Project</u>	<u>New/Renewal/Upgrade (N/R/U)</u>	<u>2023-2024</u> \$
<u>Plant and Equipment</u>		
Reynolds Rm - A/V Refresh	U	35,000
UPS Replacement - MM Admin	R	40,000
Fleet renewal program - Light/Medium Trucks	R	800,000
Network Switches	U	48,000
Extra vServer Host	U	38,000
Firewalls Asset Refresh	R	35,000
		996,000
<u>Council & Community Facilities</u>		
Security fence at Wonga Beach Caravan Park	U	10,000
Building & Facilities renewal Program	R	500,000
Parks Renewal Program	R	574,000
Port Douglas Community Hub Renovation	U	25,000
Mossman Depot Improvements	R	195,000
Rex Smeal Park Playground - short term	U	500,000
Business case for Aquatic Precinct – Port Douglas	N	80,000
		1,884,000
<u>Resource Management</u>		
Sanitary Depot Final Capping	R	105,800
Cow Bay Transfer Station Communications and Safety	U	11,758
Landfill Capping - Newell	R	166,000
Cow Bay Hazardous Waste Storage Shed	U	25,000
Killaloe Landfill - Final Capping	R	232,000
		540,558

<u>Capital Works Project</u>	<u>New/Renewal/ Upgrade (N/R/U)</u>	<u>2023-2024 \$</u>
<u>Marine</u>		
Ferry Vessel Maintenance/Renewals	R	200,000
Ferry Davit Renewal	R	648,000
Daintree River Ferry – Vessel Design	U	100,000
		948,000
<u>Wastewater</u>		
Wastewater Pump Renewals Program	R	74,000
Sewerage Rehabilitation Program	R	100,000
Wastewater Network Renewal Program	R	214,000
SPS Switchboard Renewals	R	200,000
Port Douglas WWTP - Shed Replacement	R	100,000
Port Douglas WWTP - Inlet Works Renewal	R	100,000
Port Douglas WWTP - Recycled Water Upgrade	U	150,000
SPS MA Rising Main Upgrade	U	790,000
		1,728,000
<u>Water Supply</u>		
Water Pump Renewal Program	R	20,000
Water - Security Program	U	70,000
Water - Critical Mains Renewal Program	R	600,000
Water Mains Renewal Program - Reactive Maintenance	R	800,000
Water Treatment - WHS Improvements	U	125,000
Mossman River Intake	N	273,693
WTP Membrane Renewal Program	R	776,316
District metering and pressure management	U	400,000
Grant / Macrossan Streets Water Main Connection	R	300,000
Water Network - Fire Fighting Compliance Program	U	300,000
		3,665,009
<u>Drainage</u>		
Drainage Renewal Program	R	300,000
		300,000

<u>Capital Works Project</u>	<u>New/Renewal/ Upgrade (N/R/U)</u>	<u>2023-2024 \$</u>
<u>Transport</u>		
Alex Range (Cape Tribulation) Embankment Stabilisation - TIDS	U	450,000
Grant Funded - Lees Bridge Renewal	R	1,857,582
Alex Range (Cape Tribulation) Renewal - TIDS	R	238,869
Road Reseal / AC Overlay Renewal Program	R	916,336
Pavement Renewal Program	R	1,050,000
Gravel Road re-sheet program	R	450,000
Footpath Renewal Program	R	200,000
Daintree River Ferry - Landside Infrastructure	U	250,000
Kerb and Channel Program	R	250,000
Footpath & Road Lighting Program	R	200,000
Disability Infrastructure Upgrades Program	U	30,000
Grant Funding - TIDS - Fern Gully widening	U	400,000
Cow Bay Footpath – School Link	N	85,000
		6,377,787
<u>Emergent Capital Works</u>		
Emergent Capital Works	N	225,000
		225,000

PROPOSAL

In accordance with s 169 and s 170 of the *Local Government Regulation 2012*, Council's Budget for the 2023-2024 financial year and the Long-Term Financial Forecast for the financial years 2023-2024 to 2032-2033 as contained in the document titled Annual Budget 2023-2024 and set out in the pages contained therein, incorporating:

1. Budgeted statement of Income and Expenditure;
2. Budgeted Statement of Financial Position;
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4. Budgeted Statement of Changes in Equity;
5. Long Term Financial Forecast;
6. Measures of Financial Sustainability;
7. Budgeted sources and application of Capital Funding;
8. Budgeted movement in Reserves;
9. Budgeted Rates and Utilities Charges;
10. Total value of change in the rates and utility charges, expressed as a percentage;
11. Capital Works Program;
12. The Revenue Statement (adopted by Council resolution on 11 July 2023), as tabled;
13. The revenue policy (adopted by Council resolution on 28 March 2023), as tabled, be adopted.

FINANCIAL/RESOURCE IMPLICATIONS

In accordance with s 204 of the *Local Government Regulation 2012*, monthly financial reports which state the progress that has been made against the budget will be prepared and presented to Council.

RISK MANAGEMENT IMPLICATIONS

To mitigate risk, progress against budget will be actively monitored by the management team and reported on a monthly basis to Council.

The *Local Government Regulation 2012* requires Council to adopt an annual budget before 01 August each year (s 170 (1) (b)). Due to budget delays Capital works that may otherwise have commenced on 1 July 2023 have been deferred until the budget has been adopted. If there are further delays in adopting the budget, this will cause significant delays in progressing the Capital Works projects.

SUSTAINABILITY IMPLICATIONS

Economic: Market supply constraints and inflationary pressures will likely have a negative impact on the economic sustainability of Douglas Shire Council and may impact sustainability ratios. This will be closely managed by Council and mitigated where possible. The aim of the long-term financial plan is to achieve a sustainable surplus.

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

Goal 3 - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

Operational Plan 2022-2023 Actions:

Legislative requirement.

General Rates Model Review stage 3 - *Continue review of Douglas Shire General Rates model.*

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Regulator	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.
Service Provider	Council provides many services to the community from roads and waste services to libraries and recreational facilities. Services evolve over time and it is the Council's mission to ensure that these services are appropriate, delivered efficiently, and designed with the customer at the centre.

CONSULTATION

The budget process has occurred over a number of months and involved input from all key areas of Council and included many workshops with Councillors to consider the various components of the budget such as the capital works program, fees & charges, rates, materials & services and Council's long term financial forecast.

Table 2.

Councillor Workshop Item	Date
Budget process and timeline, Ten-year financial forecast + indices for 2023-24	14 February 2023
Rates Modelling - re-introduction	21 February 2023
QTC Presentation, Budget indices	28 February 2023
Financial Policies	14 March 2023
Operational Plan draft	21 March 2023
Capex submissions, Rates modelling	28 March 2023
Fees & Charges by exception	11 April 2023
Rates modelling finalisation, Operational plan final draft, Capex submissions final draft	18 April 2023
Operational Budget including materials & services	16 May 2023
Draft Final Operational Budget result 2023-2024	20 June 2023
Final Operational Budget 2023-2024	27 June 2023

Internal: Councillor workshops as outlined above, Finance & Management Team

External: Mead Perry Group

COMMUNITY ENGAGEMENT

The adoption of the Annual Budget 2023-2024 and subsequent publishing will fall within the “inform” category of Council’s Community Engagement Framework.

ATTACHMENTS

1. Annual Budget 2023-24 [**3.10.1** - 12 pages]
2. Revenue Statement for the 2023-2024 Financial Year [**3.10.2** - 19 pages]
3. Revenue General Policy [**3.10.3** - 3 pages]

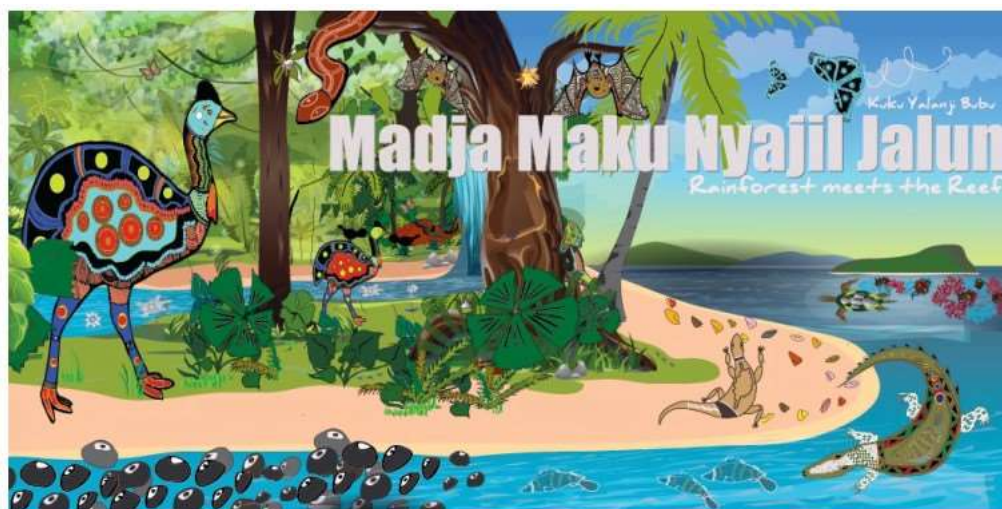
DOUGLAS SHIRE COUNCIL

ANNUAL BUDGET

2023 - 2024

BUDGETED FINANCIAL STATEMENTS AND
SUPPORTING INFORMATION





Douglas Shire Council would like to show its appreciation by acknowledging local indigenous artists Lenice Schonenberger, Loretta Pierce (Lenoy) and Ronald Bamboo for providing the cover artwork entitled "**Daintree Ferry**"

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Douglas Shire Council - Budgeted Statement of Income and Expenditure
For the period ending 30 June 2024

	2023/24	2024/25	2025/26
	\$	\$	\$
Operating Revenue			
Rates and utility charges	41,916,255	43,610,990	45,371,818
Less: Pensioner remissions / Rebates	(611,002)	(634,830)	(659,589)
Less: Discounts	0	0	0
Net rates and utility charges	<u>41,305,254</u>	<u>42,976,159</u>	<u>44,712,229</u>
Fees and charges	8,411,328	8,739,369	9,080,205
Grants and subsidies	6,423,376	6,551,843	6,682,880
Interest received	1,261,351	1,261,351	1,261,351
Other operating revenue	1,273,221	1,298,685	1,324,659
TOTAL OPERATING REVENUE	<u>58,674,529</u>	<u>60,827,408</u>	<u>63,061,324</u>
Operating Expenses			
Employee benefits	19,323,083	20,289,237	20,938,493
Materials and services	23,784,226	24,616,674	25,478,258
Depreciation and amortisation	15,187,351	15,642,972	16,112,261
Finance costs	122,210	124,654	127,147
TOTAL OPERATING EXPENDITURE	<u>58,416,870</u>	<u>60,673,537</u>	<u>62,656,158</u>
Operating Surplus / (Deficit)	<u>257,659</u>	<u>153,871</u>	<u>405,166</u>
Capital Income			
Grants and subsidies	3,051,867	701,785	701,785
Contributions from developers	250,000	250,000	250,000
TOTAL CAPITAL INCOME	<u>3,301,867</u>	<u>951,785</u>	<u>951,785</u>
Net Result	<u>3,559,526</u>	<u>1,105,656</u>	<u>1,356,951</u>
TOTAL COMPREHENSIVE INCOME	<u>3,559,526</u>	<u>1,105,656</u>	<u>1,356,951</u>

Douglas Shire Council - Budgeted Statement of Financial Position
For the period ending 30 June 2024

	2023/24	2024/25	2025/26
	\$	\$	\$
Current Assets			
Cash assets and equivalents	10,337,584	10,837,584	11,337,584
Investments	10,000,000	10,000,000	10,000,000
Receivables & contract assets	8,600,546	8,600,546	8,600,546
Inventory	93,356	93,356	93,356
	<u>29,031,486</u>	<u>29,531,486</u>	<u>30,031,486</u>
Non-Current Assets			
Property, plant and equipment	472,533,300	473,138,956	473,137,734
Intangibles	93,800	93,800	93,800
	<u>472,627,100</u>	<u>473,232,756</u>	<u>473,231,534</u>
TOTAL ASSETS	<u>501,658,586</u>	<u>502,764,242</u>	<u>503,263,020</u>
Current Liabilities			
Trade and other payables, contract liabilities	8,872,284	8,872,284	8,872,284
Borrowings	0	0	0
Provisions and Unearned Revenue	3,513,536	3,513,536	2,655,363
	<u>12,385,820</u>	<u>12,385,820</u>	<u>11,527,647</u>
Non-Current Liabilities			
Borrowings	0	0	0
Provisions	5,235,860	5,235,860	5,235,860
	<u>5,235,860</u>	<u>5,235,860</u>	<u>5,235,860</u>
TOTAL LIABILITIES	<u>17,621,680</u>	<u>17,621,680</u>	<u>16,763,507</u>
NET COMMUNITY ASSETS	<u>484,036,906</u>	<u>485,142,562</u>	<u>486,499,513</u>
Community Equity			
General reserves	3,877,586	4,377,586	4,877,586
Accumulated surplus / (deficit)	480,159,320	480,764,977	481,621,927
TOTAL COMMUNITY EQUITY	<u>484,036,906</u>	<u>485,142,562</u>	<u>486,499,513</u>

Douglas Shire Council - Budgeted Statement of Cash Flow
For the period ending 30 June 2024

	2023/24	2024/25	2025/26
	\$	\$	\$
Cash flows from operating activities			
Receipts			
Net rates and utility charges	41,305,254	42,976,159	44,712,229
Fees and charges	8,411,328	8,739,369	9,080,205
Grants, subsidies, contributions and donations	6,423,376	6,551,843	6,682,880
Interest received	1,261,351	1,261,351	1,261,351
Other operating revenue	1,273,221	1,298,685	1,324,659
	<u>58,674,529</u>	<u>60,827,408</u>	<u>63,061,324</u>
Payments			
Employee benefits	(19,323,083)	(20,289,237)	(20,938,493)
Materials and services	(23,784,226)	(24,616,674)	(25,478,258)
Finance costs	(122,210)	(124,654)	(127,147)
	<u>(43,229,519)</u>	<u>(45,030,565)</u>	<u>(46,543,897)</u>
Net cash inflow (outflow) from operating activities	<u>15,445,010</u>	<u>15,796,843</u>	<u>16,517,427</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property plant and equipment	110,000	110,000	110,000
Grants, subsidies, contributions and donations	3,301,867	951,785	951,785
	<u>3,411,867</u>	<u>1,061,785</u>	<u>1,061,785</u>
Payments			
Payments for property, plant and equipment	(16,664,354)	(16,358,628)	(17,079,212)
Net cash inflow (outflow) from investing activities	<u>(13,252,487)</u>	<u>(15,296,843)</u>	<u>(16,017,427)</u>
Cash flows from financing activities			
Net cash inflow (outflow) from financing activities	<u>0</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents held	<u>2,192,523</u>	<u>500,000</u>	<u>500,000</u>
Cash and cash equivalents at the beginning of the financial year	18,145,061	20,337,584	20,837,584
Cash and cash equivalents/investments at the end of the financial year	<u>20,337,584</u>	<u>20,837,584</u>	<u>21,337,584</u>

Douglas Shire Council - Budgeted Statement of Changes in Equity
For the period ending 30 June 2024

	2023/24	2024/25	2025/26
	\$	\$	\$
GENERAL RESERVES			
Balance as at 1 July	3,127,586	3,877,586	4,377,586
Transfers to and from reserves			
Transfers to reserves	1,350,000	1,350,000	1,350,000
Transfers from reserves	(600,000)	(850,000)	(850,000)
Total transfers to and from reserves	<u>750,000</u>	<u>500,000</u>	<u>500,000</u>
Balance as at 30 June	<u>3,877,586</u>	<u>4,377,586</u>	<u>4,877,586</u>
ACCUMULATED SURPLUS / (DEFICIT)			
Balance as at 1 July	477,349,794	480,159,320	480,764,977
Net result	3,559,526	1,105,656	1,356,951
Total comprehensive income for the year	<u>3,559,526</u>	<u>1,105,656</u>	<u>1,356,951</u>
Transfers to and from reserves			
Transfers to reserves	(1,350,000)	(1,350,000)	(1,350,000)
Transfers from reserves	600,000	850,000	850,000
Total transfers to and from reserves	<u>(750,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>
Balance as at 30 June	<u>480,159,320</u>	<u>480,764,977</u>	<u>481,621,927</u>
TOTAL COMMUNITY EQUITY	<u>484,036,906</u>	<u>485,142,562</u>	<u>486,499,513</u>

Douglas Shire Council - Long Term Financial Forecast
For the period ending 30 June 2024

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenue										
Rates and utility charges	41,305,254	42,976,159	44,712,229	46,516,006	48,204,066	49,951,209	51,759,501	53,631,084	55,568,171	57,573,058
Fees and charges	8,411,328	8,739,369	9,080,205	9,434,333	9,802,272	10,184,560	10,581,758	10,994,447	11,423,230	11,868,736
Grants and subsidies	6,423,376	6,551,843	6,682,880	6,816,538	6,952,868	7,091,926	7,233,764	7,378,440	7,526,008	7,676,529
Interest received	1,261,351	1,261,351	1,261,351	1,261,351	1,261,351	1,261,351	1,261,351	1,261,351	1,261,351	1,261,351
Other operating revenue	1,273,221	1,298,685	1,324,659	1,351,152	1,378,175	1,405,739	1,433,854	1,462,531	1,491,781	1,521,617
TOTAL OPERATING REVENUE	58,674,529	60,827,408	63,061,324	65,379,380	67,598,733	69,894,785	72,270,228	74,727,852	77,270,541	79,901,290
Operating Expenses										
Employee benefits	19,323,083	20,289,237	20,938,493	21,608,524	22,299,997	23,013,597	23,750,032	24,510,033	25,294,354	26,103,773
Materials and services	23,784,226	24,616,674	25,478,258	26,369,997	27,422,947	28,252,750	29,241,596	30,265,052	31,324,329	32,420,681
Depreciation and amortisation	15,187,351	15,642,972	16,112,261	16,595,629	17,093,497	17,606,302	18,134,491	18,678,526	19,238,882	19,816,048
Finance costs	122,210	124,654	127,147	129,690	132,284	134,929	137,628	140,381	143,188	146,052
TOTAL OPERATING EXPENDITURE	58,416,870	60,673,537	62,656,158	64,703,840	66,948,725	69,007,579	71,263,748	73,593,992	76,000,753	78,486,554
Operating Surplus / (Deficit)	257,659	153,871	405,166	675,540	650,008	887,206	1,006,480	1,133,860	1,269,788	1,414,736
Capital Income										
Grants and subsidies	3,051,867	701,785	701,785	701,785	701,785	701,785	701,785	701,785	701,785	701,785
Contributions from developers	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
TOTAL CAPITAL INCOME	3,301,867	951,785	951,785	951,785	951,785	951,785	951,785	951,785	951,785	951,785
Net Result	3,559,526	1,105,656	1,356,951	1,627,325	1,601,793	1,838,991	1,958,265	2,085,645	2,221,573	2,366,521
Sources of capital funding										
Funded depreciation	12,902,487	14,696,843	15,417,427	16,171,169	16,643,505	17,393,508	18,040,972	18,678,526	19,238,882	19,816,048
Constrained works reserve	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Daintree ferry reserve	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Proceeds from sale of assets	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capital grants	3,051,867	701,785	701,785	701,785	701,785	701,785	701,785	701,785	701,785	701,785
General revenue	0	0	0	0	0	0	0	266,930	334,895	407,368
Total sources of capital funding	16,664,354	16,358,628	17,079,212	17,832,954	18,305,290	19,055,293	19,702,757	20,607,241	21,235,561	21,885,201
Application of capital funding										
Capital Works expenditure	16,664,354	16,358,628	17,079,212	17,832,954	18,305,290	19,055,293	19,702,757	20,607,242	21,235,561	21,885,201
Total application of capital funding	16,664,354	16,358,628	17,079,212	17,832,954	18,305,290	19,055,293	19,702,757	20,607,241	21,235,561	21,885,201
COMMUNITY ASSETS										
Total Assets	501,658,586	502,764,242	503,263,020	504,890,345	506,492,138	508,331,129	510,289,394	512,375,039	514,596,612	516,963,133
Total Liabilities	17,621,680	17,621,680	16,763,507	16,763,507	16,763,507	16,763,507	16,763,507	16,763,507	16,763,507	16,763,507
TOTAL COMMUNITY EQUITY	484,036,906	485,142,562	486,499,513	488,126,838	489,728,631	491,567,622	493,525,887	495,611,532	497,833,105	500,199,626

Douglas Shire Council - Measures of Financial Sustainability

For the period ending 30 June 2024

			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
			%	%	%	%	%	%	%	%	%	%
Council's expected performance at 30 June against key financial ratios and targets:												
Ratio	How the measure is calculated	Target										
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	0.44	0.25	0.64	1.03	0.96	1.27	1.39	1.52	1.64	1.77
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	Greater than 90%	80.61	90.14	90.31	90.48	91.24	91.13	90.40	90.69	91.83	91.89
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Not greater than 60%	(19.45)	(19.58)	(21.04)	(21.06)	(21.11)	(21.13)	(21.13)	(20.79)	(20.54)	(20.37)

Basis of Preparation

The financial sustainability ratios are prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013 issued by the Department of Local Government, Community Recovery and Resilience.

Douglas Shire Council - Budgeted Sources and Application of Capital Funding

For the period ending 30 June 2024

	2023/24	2024/25	2025/26
	\$	\$	\$
Sources of capital funding			
Funded depreciation	12,902,487	14,696,843	15,417,427
Loan borrowings	0	0	0
Constrained works reserve	0	250,000	250,000
Daintree ferry reserve	600,000	600,000	600,000
Public art reserve	0	0	0
Proceeds from sale of assets	110,000	110,000	110,000
Capital grants	3,051,867	701,785	701,785
General revenue	0	0	0
Total sources of capital funding	16,664,354	16,358,628	17,079,212
Application of capital funding			
Capital Works expenditure	16,664,354	16,358,628	17,079,212
Total application of capital funding	16,664,354	16,358,628	17,079,212

Douglas Shire Council - Budgeted Movement in Reserves

For the period ending 30 June 2024

	2023/24	2024/25	2025/26
	\$	\$	\$
RESERVES			
Constrained works reserve			
Balance as at 1 July	2,627,586	2,877,586	2,877,586
Transfers to reserve	250,000	250,000	250,000
Transfers from reserve	0	(250,000)	(250,000)
Balance as at 30 June	2,877,586	2,877,586	2,877,586
Daintree ferry reserve			
Balance as at 1 July	500,000	1,000,000	1,500,000
Transfers to reserve	1,100,000	1,100,000	1,100,000
Transfers from reserve	(600,000)	(600,000)	(600,000)
Balance as at 30 June	1,000,000	1,500,000	2,000,000

Douglas Shire Council - Budgeted Rates and Utility Charges - Value of Change

For the period ending 30 June 2024

	2022/23	2023/24	Change	Change
	\$	\$	\$	%
Rates and utility charges	39,626,789	41,916,255	2,289,466	5.78

Basis of Preparation

This information is provided in accordance with the requirements of the *Local Government Regulation 2012*. The change in \$ amount / percentage includes rates and utility charges levied on additional assessments, connections and services added since the previous financial year and a revised estimate of the value of utility charges for water consumption.

Douglas Shire Council - Capital Works Program

For the period ending 30 June 2024

	New/ Renewal/ Upgrade (N/R/U)	2023/24 \$
<u>Plant and Equipment</u>		
Reynolds Rm - A/V Refresh	U	35,000
UPS Replacement - MM Admin	R	40,000
Fleet renewal program - Light/Medium Trucks	R	800,000
Network Switches	U	48,000
Extra vServer Host	U	38,000
Firewalls Asset Refresh	R	35,000
		996,000
<u>Council & Community Facilities</u>		
Security fence at Wonga Beach Caravan Park	U	10,000
Building & Facilities renewal Program	R	500,000
Parks Renewal Program	R	574,000
Port Douglas Community Hub Renovation	U	25,000
Mossman Depot Improvements	R	195,000
Rex Smeal Park Playground - short term	U	500,000
Business case for Aquatic Precinct - Port Douglas	N	80,000
		1,884,000
<u>Resource Management</u>		
Sanitary Depot Final Capping	R	105,800
Cow Bay Transfer Station Communications and Safety	U	11,758
Landfill Capping - Newell	R	166,000
Cow Bay Hazardous Waste Storage Shed	U	25,000
Killaloe Landfill - Final Capping	R	232,000
		540,558
<u>Marine</u>		
Ferry Vessel Maintenance/Renewals	R	200,000
Ferry Davit Renewal	R	648,000
Daintree River Ferry - Vessel Design	U	100,000
		948,000
<u>Wastewater</u>		
Wastewater Pump Renewals Program	R	74,000
Sewerage Rehabilitation Program	R	100,000
Wastewater Network Renewal Program	R	214,000
SPS Switchboard Renewals	R	200,000
Port Douglas WWTP - Shed Replacement	R	100,000
Port Douglas WWTP - Inlet Works Renewal	R	100,000
Port Douglas WWTP - Recycled Water Upgrade	U	150,000
SPS MA Rising Main Upgrade	U	790,000
		1,728,000
<u>Water Supply</u>		
Water Pump Renewal Program	R	20,000
Water - Security Program	U	70,000
Water - Critical Mains Renewal Program	R	600,000
Water Mains Renewal Program - Reactive Maintenance	R	800,000
Water Treatment - WHS Improvements	U	125,000
Mossman River Intake	N	273,693
WTP Membrane Renewal Program	R	776,316
District metering and pressure management	U	400,000
Grant / Macrossan Streets Water Main Connection	R	300,000
Water Network - Fire Fighting Compliance Program	U	300,000
		3,665,009

Douglas Shire Council - Capital Works Program

For the period ending 30 June 2024

	New/ Renewal/ Upgrade (N/R/U)	2023/24 \$
<u>Drainage</u>		
Drainage Renewal Program	R	300,000
		300,000
<u>Transport</u>		
Alex Range (Cape Tribulation) Embankment Stabilisation - TIDS	U	450,000
Grant Funded - Lees Bridge Renewal	R	1,857,582
Alex Range (Cape Tribulation) Renewal - TIDS	R	238,869
Road Reseal / AC Overlay Renewal Program	R	916,336
Pavement Renewal Program	R	1,050,000
Gravel Road resheet program	R	450,000
Footpath Renewal Program	R	200,000
Daintree River Ferry - Landside Infrastructure	U	250,000
Kerb and Channel Program	R	250,000
Footpath & Road Lighting Program	R	200,000
Disability Infrastructure Upgrades Program	U	30,000
Grant Funding - TIDS - Fern Gully widening	U	400,000
Cow Bay Footpath – School Link	N	85,000
		6,377,787
<u>Emergent</u>		
Emergent Capital Works	N	225,000
		225,000
Total Capital Works		16,664,354



REVENUE STATEMENT FOR THE 2023-2024 FINANCIAL YEAR

1. INTRODUCTION

This revenue statement is produced in accordance with s 104 (5) of the *Local Government Act 2009* and s 169 (2) and s172 of the *Local Government Regulation 2012*.

2. DIFFERENTIAL GENERAL RATING

2.1 – Differential General Rating – General Comments

Council has decided that in accordance with s 81 of the *Local Government Regulation 2012*, differential general rates will be levied on all rateable land in the Council area. In Council's opinion, differential general rating enables there to be a more equitable relationship between revenue raised from particular land and the circumstances relevant to that land (both generally and with respect to revenue-producing potential), than would be the case under a standard rating system where rates are levied at a single rate in the dollar on all rateable land.

In determining its differential rating system, Council's objective is to ensure the fair and consistent application of lawful rating and charging principles, without bias, taking account of all relevant considerations and disregarding irrelevancies such as the perceived personal wealth of individual ratepayers or ratepayer classes.

In summary, the differential rating categories have been determined having regard to matters such as:

- Land use;
- Availability of services;
- Consumption of services;
- Valuation; and
- Income producing capacity of land.

2.2 – Summary of Differential General Rating Categories & Descriptions (refer to Schedule 1 for the full list of categories, descriptions and identification for each category)

The following categories and descriptions are to be used for rating purposes for all rateable properties:

Category	Description
1 - Residential PPR	Residential properties, which are the principal place of residence of the owner/s, with a rateable valuation from \$1 to \$695,000.
2 - Residential PPR	Residential properties, which are the principal place of residence of the owner/s, with a rateable valuation from \$695,001 to \$1,300,000.
3 - Residential PPR	Residential properties, which are the principal place of residence of the owner/s, with a rateable valuation from \$1,300,001 to \$2,000,000.
4 - Residential PPR	Residential properties which are the principal place of residence of the owner/s, with a rateable valuation greater than \$2,000,000.

5 - Residential NPPR	Residential properties, which are not the principal place of residence of the owner/s, with a rateable valuation from \$1 to \$695,000.
6 - Residential NPPR	Residential properties, which are not the principal place of residence of the owner/s, with a rateable valuation from \$695,001 to \$1,300,000.
7 - Residential NPPR	Residential properties, which are not the principal place of residence of the owner/s, with a rateable valuation from \$1,300,001 to \$2,000,000.
8 - Residential NPPR	Residential properties, which are not the principal place of residence of the owner/s, with a rateable valuation greater than \$2,000,000.
9 - Residential Units PPR	Residential properties that are building units, which are the principal place of residence of the owner/s.
10 - Residential Units NPPR	Residential properties that are building units, which are not the principal place of residence of the owner/s.
11 - Residential Flats	Multi Unit Dwellings (Flats 2)
12 - Residential Flats	Multi Unit Dwellings (Flats 3 - 4)
13 - Residential Flats	Multi Unit Dwellings (Flats 5 - 6)
14 - Residential Flats	Multi Unit Dwellings (Flats 7+)
15 - Residential Section 50	Subdivider land which is subject to s 50 of the <i>Land Valuation Act 2010</i> .
16 - Rural Productive	Properties which are used predominantly for Primary Production.
17 - All Other Land	All land which is not otherwise categorised.
18 - Commercial North	Properties that are used, or capable of being used, for commercial/industrial purposes in the localities of Cooya, Mossman and other localities to the north of Mossman (excluding those properties in Categories 19, 20, 21 and 22).
19 - Commercial South	Properties that are used, or capable of being used, for commercial/industrial purposes in the localities of Port Douglas, Craiglie and other localities to the south of Craiglie (excluding those properties in Categories 18, 20, 21 and 22)
20 - Commercial NFP	Properties used by Not-for-Profit Recreation, Sporting and Community Groups that are eligible for a rates remission or rebate.
21 - Commercial Marina	Shopping Centres with a secondary land use of Marina with a total area over 1.5ha.
22 - Heavy Industry	Properties that are used, or has the potential to be used for a sugar mill, co-generation plant or any heavy industry purpose

Council delegates to the Chief Executive Officer (CEO) the power to determine which differential rating category a particular rateable assessment should be allocated into. In this regard, the CEO may be guided by the list of land use codes set out in Schedule 1.

Further information that the CEO may utilise in this regard includes:

- The land use codes as adopted by the Department of Resources for formulating Local Authority valuations;
- The current Planning Areas in the 2018 Douglas Shire Planning Scheme Version 1.0. and the Integrated Resort Development Act 1987 (Mirage Port Douglas Scheme);
- Other such criteria as outlined within this statement and existing as at 1 July 2023.

The definition of rateable land and details of land exempted from rates are outlined in s 93 of the *Local Government Act 2009* and s 73 of the *Local Government Regulation 2012* and are attached as Schedule 2.

2.3 – Limiting the increase in rates and charges

In accordance with s 116 of the *Local Government Regulation 2012*, for the 2023-2024 financial year, Council has not made, and will not make, a resolution limiting an increase of Rates and Charges.

3. CALCULATION OF LEVIES

3.1 PROVISIONS

- Differential General Rates will apply based on differential rating categories.
- Minimum general rates will apply.

3.2 APPLICATION OF GENERAL RATES BY CATEGORY

(a) RESIDENTIAL

Category 1	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 2	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 3	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 4	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 5	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 6	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 7	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 8	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 9	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 10	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 11	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 13	A single rate in the dollar to apply to all properties included in this category with a set minimum.
Category 14	A single rate in the dollar to apply to all properties included in this category with a set minimum.

Category 15 A single rate in the dollar to apply to all properties included in this category with no minimum, as required under s 50 of the *Land Valuation Act 2010*.

(b) RURAL PRODUCTIVE

Category 16 A single rate in the dollar to apply to all properties included in this category with a set minimum.

(c) All OTHER LAND

Category 17 A single rate in the dollar to apply to all properties included in this category with a set minimum.

(d) COMMERCIAL

Category 18 A single rate in the dollar to apply to all properties included in this category with a set minimum. The minimum will not apply to properties that are subject to s 50 of the *Land Valuation Act 2010*.

Category 19 A single rate in the dollar to apply to all properties included in this category with a set minimum. The minimum will not apply to properties that are subject to s 50 of the *Land Valuation Act 2010*.

Category 20 A single rate in the dollar to apply to all properties included in this category with a set minimum.

Category 21 A single rate in the dollar to apply to all properties included in this category with a set minimum.

(e) HEAVY INDUSTRY

Category 22 A single rate in the dollar to apply to all properties included in this category with a set minimum.

4. ISSUE OF NOTICES

The issuing of rate notices and the payment of rates is closely linked to interest charged on overdue rates.

- Rate notices for the 2023-2024 financial year will be issued half-yearly, with water access and water usage notices being issued three times during the year.
- The due date for payment is defined as being not more than thirty-five (35) days from the date of issue of the rate notice.

4.1 SUPPLEMENTARY RATE NOTICES

In instances where changes that impact Rates and Charges are brought to Council's attention throughout the year, a Supplementary Rates Notice will be issued as required. Some examples might include reconfigurations, valuation amendments, additional services and change of ownership.

Where a change results in raising a supplementary levy to the ratepayer of an amount less than \$10, Council will not raise the notice to the ratepayer.

Any Council error/mistakes in levy charges, with the exception of Special Charges, will only be backdated for the current financial year with a supplementary notice.

4.2 INTEREST ON OVERDUE RATES AND CHARGES

In accordance with s 133 of the *Local Government Regulation 2012*, interest at the rate of eleven point six four (11.64%) per annum compounding daily is to be charged on all overdue rates or charges from the day the rates or charges become overdue or a later day decided by the local government.

5. REMISSIONS AND REBATES

5.1 LODGEMENT OF APPLICATIONS

- (a) All applications must be in writing on the prescribed form and contain a declaration as to the accuracy of the information contained therein.
- (b) Remission will be calculated for new applicants from the date the application is received, once approved, and is not applied retrospectively to previous rating periods.

Depending on the lateness of the application and processing times, the applicant may be required to pay the rates in full by the due date to ensure that interest does not apply. In such cases a credit for the amount of the remission or rebate will be placed on the applicant's rate file.

- (c) Once an application for a remission or rebate is approved it shall remain in force from year to year without further renewal whilst the applicant remains owner/occupier of the property in question.
- (d) Where an applicant's circumstances alter it is incumbent upon the applicant to notify Council. Council will conduct periodic audits to verify current entitlements.

5.2 RATES PENSIONER REMISSION POLICY

This policy allows Council to consider applications and provide pensioner remission for rates and charges on properties within the Douglas Shire Council boundaries.

Pensioners that comply with the requirements as set out in Council's policy may be entitled to a State Government Rate remission (currently 20%, up to a maximum of \$200.00 per property per annum) and 20% of the Emergency Management Levy. Where the State Government Rate remission applies, Council will remit the appropriate amount on the rate notice and claim reimbursement from the State Government.

Pensioners deemed eligible for the State Government Rate remission will also be entitled to the Council Pensioner Remission.

- (a) The Council pensioner remission will be up to 40% of the General Rate to a maximum of \$1,350.00 per annum.
- (b) The upper limit of total remission will not exceed 5% of Council's total net general rates at which point the 40% rebate is to be reduced on a pro rata basis.

Those pensioners that are not already receiving a remission and believe that they may be eligible should contact Council.

If a pensioner becomes the owner of a new property, they must make a new application for a remission in respect of that property.

Special consideration to grant Council pensioner remission is at Council's discretion for circumstances outside of the policy criteria.

Provisions of this aspect of the policy may change from time to time depending on the policies of the Government of the time. Guidelines currently applicable are available on request from Council. Ratepayers should refer to Council's Rates Pensioner Remission Policy for further details.

5.3 RETIREMENT VILLAGE REMISSION

A remission will be extended to retirement villages (as classified under Land Use Code 21), where a legal entity separate to the residents is the owner and the residents are responsible for paying the rates, to the extent that residents of the village are pensioners.

Thirty days prior to the commencement of any rating period the owner of the land shall lodge an application for remission in the following form:

- (a) There shall be a Declaration by the owner that pensioners resident in the complex will be given the benefit of the remission.
- (b) A list of all residents in the village and an indication as to which of those residents are pensioners.
- (c) Where residents are pensioners, their pension number.
- (d) A declaration from residents or their legal representatives (where they were residents) that they received the benefit of the remission in the prior year.

A pensioner remission will then apply based on the number of dwellings occupied by pensioners as a percentage of the total number of dwellings in the village.

5.4 RATES REBATE – NOT FOR PROFIT ENTITIES POLICY

This policy allows Council to consider applications for a rebate of general rates and sewerage charges from Not-for-Profit Recreation, Sporting and Community Groups.

To qualify for assistance, the constitution of these organisations must state prohibitions on any member of the organisation making a private profit or gain, either from ongoing operations of the organisation or as a result of distribution of assets if the organisation is wound up.

Those Not-for-Profit organisations that are not already receiving a remission and believe that they may be eligible should contact Council.

Council may provide up to 100% rebate of the general rate and up to 50% rebate of sewerage charges for organisations that comply with the requirements as set out in Council's policy.

This rebate is not available on vacant land.

5.5 RATES INCENTIVE FOR CONSERVATION POLICY

This policy allows Council to consider applications for a rebate of general rates where a landholder enters into a Conservation Agreement for a Nature Refuge under the *Nature Conservation Act 1992* or a Voluntary declaration (VDec) under the *Vegetation Management Act 1999*.

The rebate is proportionately attributed to that area of land included in an agreement. The owner enters into an agreement preserving/conserving flora and fauna on a rateable property within the boundaries of the Council. This agreement must be bound to the property title, in perpetuity.

Council may provide up to either 35% or 50% rebate of the general rate for landholders that comply with the requirements as set out in Council's policy. The rates rebate will be credited to the recipient's rates notice prior to being issued.

Those landholders that are not already receiving Rates Incentive for conservation and believe that they may be eligible should contact Council.

5.6 RATES REBATE FOR PERMITS TO OCCUPY LAND ON DAINTREE RIVER POLICY

A rate rebate of 50% of the general rate will only apply on rateable land on the banks of the South Arm and the Heads of the Daintree River that is occupied by holders of Permits to Occupy (fishing huts) which have been issued by the Department of Resources and comply with the requirements as set out in Council's policy.

6. SPECIAL CHARGES

6.1 RURAL FIRE BRIGADES

A special charge will be levied on all rateable land within the Wonga, Thornton Peak, Daintree, Mowbray Valley and Bloomfield River Rural Fire Brigade areas (identified by the Rural Fire Service of Queensland).

Each parcel of rateable land will specially benefit from the service, facility or activity funded by the special charge because each such parcel is within the area for which the brigade is in charge of firefighting and fire prevention under the *Fire and Emergency Services Act 1990*. Further, the fire emergency response capability that is provided by the brigade would be substantially diminished if it did not receive the funding provided by Council as a direct consequence of the levying of the special charge.

The special charge will form part of the half yearly rates levy issued twice yearly.

6.2 REFUSE DISPOSAL

A special charge will be levied on each rateable assessment with improvements, based on the improvements on the property, (excluding properties holding Permits to Occupy on the South Arm and the Heads of the Daintree River) that do not receive the Council kerbside waste and/or recyclables collection service, where the occupier has been provided with an identification card to use the Cow Bay, Daintree, Killaloe and Ayton Transfer Stations.

The special charge represents a contribution towards the costs associated with funding the provision, operation and maintenance of landfill refuse disposal sites including transfer stations available for general public use.

Each occupier of rateable land will benefit from the use of landfill and transfer stations that are available.

The levy will form part of the half yearly rates levy issued twice yearly.

7. UTILITY CHARGES

7.1 WATER

- (a) RESIDENTIAL and "ALL OTHER LAND" (excluding Commercial and Rural Productive)

All properties in this class of consumer receiving water from the following Water Supply Schemes and Catchments:-

Daintree;

Mossman/Port Douglas;

Whyanbeel; and other groundwater and run off river sources, shall be levied the following charges:-

- An access charge for all residential type improvements.
- Water usage charged at a prescribed rate.
- Water access and water usage charges are levied three times during the year.

In circumstances where improvements are built over the boundary line of two allotments and neither allotment could be sold without a boundary re-alignment and the ratepayer proves to Council that this is the case, Council shall levy utility charges as if it were one property.

Financial assistance is available to offset water usage costs for users of Home Dialysis Equipment. Written applications must be submitted to Council for approval.

(b) COMMERCIAL

All properties in this class of consumer regardless of supply scheme shall be levied the following charges:-

- An access charge per improvement.
- Water usage charged at a prescribed rate.
- Water access and water usage charges are levied three times during the year.

In circumstances where commercial/industrial improvements are built over the boundary line of two allotments and the ratepayer proves to Council that this is the case, Council shall levy utility charges as if it were one property.

(c) RURAL PRODUCTIVE

All properties in this class of consumer receiving water from the following Water Supply Schemes and Catchments:-

Daintree;

Mossman/Port Douglas;

Whyanbeel; and other groundwater and run off river sources, shall be levied the following charges:

- An access charge for all residential type improvements.
- An access charge for all rural productive improvements with water connected.
- Water usage charged at a prescribed rate.
- Water access and water usage charges are levied three times during the year.

(d) UNTREATED WATER SCHEME (COMMERCIAL, RESIDENTIAL AND RURAL PRODUCTIVE)

All properties receiving an untreated water supply:

Dagmar Heights,

Upper Daintree and other groundwater and run off river sources;

shall be levied the following charges:-

- An access charge for all residential, rural productive or commercial type improvements.
- Water usage charged at a prescribed rate.
- Water access and water usage charges are levied three times during the year.

In circumstances where improvements are built over the boundary line of two allotments and neither allotment could be sold without a boundary re-alignment and the ratepayer proves to Council that this is the case, Council shall levy utility charges as if it were one property.

Financial assistance is available to offset water usage costs for users of Home Dialysis Equipment. Written applications must be submitted to Council for approval.

(e) ALL CATEGORIES

For Residential, "All Other Land", Commercial and Rural Productive where improvements are of a joint nature, water usage charges will be calculated using the water usage rate applicable to the differential rating category on which general rates are levied or would be levied if the property was rateable.

Meters shall be read on a rotational basis, three times each year.

Where residential type improvements share a meter with commercial improvements and the Department of Resources land use code for that assessment is commercial, water usage charges will be levied at the commercial rate.

For Residential, "All Other Land" and Commercial properties, where improvements are built on one parcel of land any adjoining parcels with the same owners shall be rated separately for utility charges.

Not for Profit Recreation, Sporting and Community Groups that are recipients of a remission or rebate will be charged for all water usage at the relevant residential or commercial charge per kilolitre.

Water charges apply to properties within the declared water service area.

(f) AVERAGING / ESTIMATING CONSUMPTION CHARGES

When water is not measured by a water meter or where water meter readings are unable to be obtained due to:

- Inability to locate water meter; or
- Inability to access water meter; or
- Faulty water meter.

Council will calculate utility charges as per s101(2) of the *Local Government Regulation 2012* and Councils' Revenue Policy. Average water consumption shall be calculated using the previous three (3) water consumption totals for the land.

7.2 SEWERAGE

(a) RESIDENTIAL and "ALL OTHER LAND" (excluding Commercial and Rural Productive)

A base charge will be levied for each vacant allotment, residence, flat and each strata-title unit where Council is prepared to accept sewage.

In circumstances where improvements are built over the boundary line of two allotments and neither allotment could be sold without a boundary re-alignment and the ratepayer proves to Council that this is the case, Council shall levy utility charges as if it were one property.

In circumstances where pedestals/urinals are built on common property associated with Strata Title units a standard commercial charge per water closet (W.C.) will apply.

(b) COMMERCIAL

To be charged per water closet (W.C.).

(c) RURAL PRODUCTIVE

- i. A base charge will be levied for all residency type improvements.
- ii. A charge per water closet (W.C.) will apply for all rural productive improvements connected to the sewer.

(d) ALL CATEGORIES

Sewage charges apply to properties within the declared sewage service area.

7.3 CLEANSING

(a) DOMESTIC CLEANSING CHARGE

A base charge will be levied for all residency type improvements.

(b) COMMERCIAL CLEANSING CHARGE

All properties are to be charged in accordance with the adopted schedule (refer Utility Charges and Associated Rating Matters report).

8 SEPARATE CHARGES**Emergency Management Levy (EML)**

The Emergency Management Levy (EML) is a State Government levy. Council is required to collect the levy on behalf of the Queensland State Government, in accordance with the provisions of the *Fire and Emergency Services Act 1990* and *Fire and Emergency Services Regulation 2011*, and such are levied in accordance with the prescribed fees as defined in schedule 2 of the *Fire and Emergency Services Regulation 2011*.

The levy is not a Council Charge and the Funds collected are remitted to Queensland Fire and Emergency Services.

An owner of a property to whom a levy notice is given may appeal to the commissioner. refer s 113 *Fire and Emergency Services Act 1990*.

9. FEES AND CHARGES

9.1 GENERAL COMMENTS

In general, the application of the "user pays" principle is the most acceptable methodology for applying a charge for services provided by Council. It permits a choice that can be exercised by constituents and allows increases or supports reductions in consumption in accordance with the particular preferences and tastes of the individual

user. As well, equity benefits are paramount because those who do not use a particular service are not required to pay part of the cost of its supply.

Council may decide to provide subsidised services in certain instances to various disadvantaged groups and may relax or reduce user fees in those cases. Decisions to subsidise these community groups will be explicit both in terms of the groups to be subsidised and the level of subsidy to be provided.

Council's adopted Fees and Charges Schedule includes cost-recovery fees.

9.2. COST-RECOVERY FEES

In accordance with s 97 of the *Local Government Act 2009*, Council may fix a cost-recovery fee for any of the following:-

- (a) An application for the issue or renewal of a licence, permit, registration or other approval under a "Local Government Act" (this term is defined in the Schedule to the *Local Government Act 2009*);
- (b) Recording a change of ownership of land;
- (c) Giving information kept under a Local Government Act;
- (d) Seizing property or animals under a Local Government Act; or
- (e) The performance of another responsibility imposed upon Council under the *Building Act 1975* or the *Plumbing and Drainage Act 2018*.

The cost recovery fees will not exceed the cost to Council of providing the service or taking the action for which each fee is charged.

9.3 DISHONOUR FEE – CHEQUES, DIRECT DEBITS AND PERIODIC PAYMENTS

Where Council is advised of a Dishonoured payment when a Direct Debit or Cheque withdrawal is not allowed because there are not enough funds available in your account, Council will -charge a Dishonour Fee to the Debtor / Ratepayer as per Council's Fees and Charges for that financial year.

9.4 PAYMENT ARRANGEMENTS

To ease the financial burden of paying Rates and Charges, Council does have the option of a Payment Arrangement, which is available to residential and commercial properties.

The preferred period for a Payment Arrangement is six (6) months, but under extraordinary circumstances Council may agree to extend the payment period from six (6) up to twenty-four (24) months.

Payments must be made either weekly, fortnightly or monthly.

Interest will continue to be applied to all outstanding rates and charges as per the *Local Government Regulation 2012*, s 133.

New Rates and Charges do not constitute part of a payment arrangement and are payable by the due date. Should the new Rates and Charges become overdue a new arrangement would be required.

10. POLICY FOR RATING EXEMPTIONS and ASSISTANCE

Upon receipt of a written submission Council shall:

- (a) Decide if the land is rateable land after considering s 93 of the *Local Government Act 2009*.
- (b) If the land is rateable land, consider if the land is exempt under s 73 of *Local Government Regulation 2012*.
- (c) If the land is still considered rateable after due consideration to the above, Council may grant financial relief under Chapter 4 Part 10 of *Local Government Regulation 2012* by way of a concession after considering the following:-
 - i. A local government may grant the concession only by-
 - A resolution granting the concession to a stated rate payer; or
 - if the resolution is a rebate of all or part of the rates or charges, or an agreement to defer payment of rates or charges, by a resolution granting the concession to a rate payer who is a member of a stated class of rate payers.
 - ii. However, the only circumstances or factors justifying the exercise of the power are –
 - the land is owned or occupied by a pensioner; or
 - the land is owned by -
 - an entity whose objects do not include making a profit; or
 - an entity that provides assistance or encouragement for arts or cultural development; or
 - the payment of the rates or charges will cause the owner of land hardship; or
 - the concession will encourage the economic development of all or part of the local government area; or
 - the concession will encourage land that is of cultural, environmental, historic, heritage or scientific significance to the local government area to be preserved, restored or maintained; or
 - the land is used exclusively for the purpose of a single dwelling house or farming and could be used for another purpose, including, for example, a commercial or industrial purpose; or
 - the land is subject to a GHG (greenhouse gas) tenure, mining tenement or petroleum tenure; or
 - the land is part of a parcel of land (a parcel) that has been subdivided and
 - the person who subdivided the parcel is the owner of the land; and
 - the land is not developed land.

SCHEDULE 1 - LAND USE CATEGORIES

Note: The Planning Areas in the 2018 Douglas Shire Planning Scheme Version 1.0. and the Integrated Resort Development Act 1987 (Mirage Port Douglas Scheme) may be a factor in determining the rating categories for various Land Use Codes.

CATEGORY	RATING CATEGORIES	CRITERIA	PRIMARY LAND USE APPLICABLE
1	Residential - Principal place of residence (PPR)	<u>Description</u> Properties used solely for a single residential dwelling, which is the principal place of residence of the owner/s with a rateable valuation from \$1 to \$695,000.	02, 05, 09
2	Residential - Principal place of residence (PPR)	<u>Description</u> Properties used solely for a single residential dwelling, which is the principal place of residence of the owner/s with a rateable valuation from \$695,001 to \$1,300,000.	02, 05, 09
3	Residential - Principal place of residence (PPR)	<u>Description</u> Properties used solely for a single residential dwelling, which is the principal place of residence of the owner/s with a rateable valuation from \$1,300,001 to \$2,000,000.	02, 05, 09
4	Residential - Principal place of residence (PPR)	<u>Description</u> Properties used solely for a single residential dwelling, which is the principal place of residence of the owner/s with a rateable valuation greater than \$2,000,000.	02, 05, 09
5	Residential – Non-Principal place of residence (NPPR)	<u>Description</u> Properties used solely for, or capable of use for, a single residential dwelling, which is not the principal place of residence of the owner/s with a rateable valuation from \$1 to \$695,000.	01, 02, 04, 05, 06, 09, 94 Excluding properties in Commercial Categories 18 and 19
6	Residential – Non-Principal place of residence (NPPR)	<u>Description</u> Properties used solely for, or capable of use for, a single residential dwelling, which is not the principal place of residence of the owner/s with a rateable valuation from \$695,001 to \$1,300,000.	01, 02, 04, 05, 06, 09, 94 Excluding properties in Commercial Categories 18 and 19
7	Residential – Non-Principal place of residence (NPPR)	<u>Description</u> Properties used solely for, or capable of use for, a single residential dwelling, which is not the principal place of residence of the owner/s with a rateable valuation from \$1,300,001 to \$2,000,000.	01, 02, 04, 05, 06, 09, 94 Excluding properties in Commercial Categories 18 and 19
8	Residential – Non-Principal place of residence (NPPR)	<u>Description</u> Properties used solely for, or capable of use for, a single residential dwelling, which is not the principal place of residence of the owner/s with a rateable valuation greater than \$2,000,000.	01, 02, 04, 05, 06, 09, 94 Excluding properties in Commercial Categories 18 and 19
9	Residential Building Units - Principal place of residence (PPR)	<u>Description</u> Properties that are used for residential purposes and the unit lot is part of a Community Title Scheme, which is the principal place of residence of the owner/s.	08
10	Residential Building Units - Non-Principal place of residence (NPPR)	<u>Description</u> Properties that are used for residential purposes and the unit lot is part of a Community Title Scheme, which is not the principal place of residence of the owner/s.	08

CATEGORY	RATING CATEGORIES	CRITERIA	PRIMARY LAND USE APPLICABLE
11	Residential – Flats 2	<u>Description</u> Properties that are used for multi residential purposes (flats) and contain 2 independent living flats.	03
12	Residential – Flats 3-4	<u>Description</u> Properties used for multi residential purposes (flats) and contain 3 or 4 independent living flats.	03
13	Residential – Flats 5-6	<u>Description</u> Properties used for multi residential purposes (flats) and contain 5 or 6 independent living flats_	03
14	Residential – Flats 7+	<u>Description</u> Properties used for multi residential purposes (flats) and contain 7 or more independent living flats_	03
15	Residential Section 50	<u>Description</u> Subdivider land which is subject to s 50 of the <i>Land Valuation Act 2010</i> .	72
16	Rural Productive	<u>Description</u> Properties which are used predominately for primary production.	60, 61, 64, 65, 66, 67, 68, 69, 70, 71, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 93
17	All Other Land	All land which is not otherwise categorised.	
18	Commercial - North of McClelland Road	<u>Description</u> Properties in the localities of Cooya, Mossman and other localities to the north of Mossman (excluding those properties in Commercial Categories 19, 20, 21 and 22): (i) that are used, or capable of being used, for commercial/industrial purposes; or included as Commercial and Industry Planning Areas in the 2018 Douglas Shire Planning Scheme Version 1.0.	01, 04, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18; 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 72, 91, 92, 95, 96, 97, 99
19	Commercial – South of McClelland Road	<u>Description</u> Properties in the localities of Port Douglas, Craiglie and other localities to the south of Craiglie (excluding those properties in Commercial Categories 18, 20, 21 and 22) (i) that are used, or capable of being used, for commercial/industrial purposes; or (ii) included as Commercial and Industry Planning Areas in 2018 Douglas Shire Planning Scheme Version 1.0.	01, 04, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18; 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 55, 56, 57, 58, 72, 91, 92, 95, 96, 97, 99
20	Commercial - Not for Profit	<u>Description</u> Properties used by not-for-profit recreation, sporting and community groups that receive a remission or rebate under Council's Rates Rebate – Not for Profit Entities Policy.	

CATEGORY	RATING CATEGORIES	CRITERIA	PRIMARY LAND USE APPLICABLE
21	Commercial - Marina	<u>Description</u> Properties which are predominantly used or intended for use as a shopping centre, with a secondary use of a marina, which: (a) Have an area in excess of 1.5 ha; and (b) Contain a building or group of buildings comprising more than six shops.	12 With a secondary land use of: 20
22	Heavy Industry - Sugar Mill	<u>Description</u> Properties that are used or have the potential to be used for a sugar mill or co-generation plant.	35

LAND USE CODES (LUC)

01	Vacant urban land;	48	Sports Clubs/Facilities;
02	Single unit dwelling - urban and rural;	49	Caravan Parks;
03	Multi Unit Dwelling (Flats)	50	Other Clubs Non-Business;
04	Large Homesite vacant;	51	Religious;
05	Large homesite - dwelling;	52	Cemeteries (including Crematoria);
06	Outbuildings;	55	Library;
07	Guest House/Private Hotel;	56	Showgrounds/Racecourses/Airfields;
08	Building Units;	57	Parks and Gardens;
09	Group Titles;	58	Educational - including Kindergartens;
10	Combined Multi Dwelling and Shops;	60	Sheep Grazing - Dry;
11	Shop - Single;	61	Sheep Breeding;
12	Shops group (more than 6 shops);	64	Cattle Grazing - Breeding;
13	Shopping group (2 to 6 shops);	65	Cattle Breeding and Fattening;
14	Shops - Main Retail;	66	Cattle Fattening;
15	Shops - Secondary Retail;	67	Goats;
16	Drive In Shopping Centre;	68	Milk - Quota;
17	Restaurant;	69	Milk - No Quota;
18	Special Tourist Attraction;	70	Cream;
19	Walkway;	71	Oil Seeds;
20	Marina;	72	Subdivider land subject to s 50 of the <i>Land Valuation Act 2010</i> .
21	Residential Institution (Non-medical centre);	73	Grains;
22	Car Park;	74	Turf Farms;
23	Retail Warehouse;	75	Sugar Cane;
24	Sales Area Outdoor;	76	Tobacco;
25	Professional Offices;	77	Cotton;
26	Funeral Parlours;	78	Rice;
27	Hospitals; Convalescent Homes (Medical Care) (Private);	79	Orchards;
28	Warehouses and Bulk Stores;	80	Tropical Fruits;
29	Transport Terminal;	81	Pineapples;
30	Service Station;	82	Vineyards;
31	Oil Depot and Refinery;	83	Small Crops and Fodder Irrigated;
32	Wharves;	84	Small Crops Fodder Non-irrigated;
33	Builders Yard/Contractors Yard;	85	Pigs;
34	Cold Stores - Ice works;	86	Horses;
35	General Industry;	87	Poultry;
36	Light Industry;	88	Forestry and Logs;
37	Noxious/Offensive Industry;	89	Animals Special;
38	Advertising - Hoarding;	91	Transformers;
39	Harbour Industries;	92	Defence Force establishments;
40	Extractive;	93	Peanuts.
41	Child Care;ex K/garten	94	Vacant rural land.(excl 01 & 04)
42	Hotel/Tavern;	95	Reservoir, Dam, Bores;
43	Motel;	96	Public Hospital;
44	Nurseries;	97	Welfare Homes/Institutions;
45	Theatres and Cinemas;	99	Community Protection Centre.
46	Drive-In Theatres;		
47	Licensed Clubs;		

INTERPRETATION

The following terms used in the differential rating categories have the meanings set out below:

Community Titles Scheme: a community titles scheme under the *Body Corporate and Community Management Act 1997*.

Land use code: the codes recorded in Council's land records which identify the principal use of the land determined by the State valuation authority.

Principle place of residence: land that is the place of residence at which at least one natural person who constitutes the owner/s of the land predominantly resides.

In establishing whether land is the owner's principal place of residence, Council may consider, but not be limited to the owner's declared address for electoral, taxation, government social security or national health registration purposes, or any other form of evidence deemed acceptable by the Council. Residential premises that have not met these criteria will be deemed a secondary residence.

Principal Place of Residence for Building Units - To be eligible for Principal Place of Residence your property must be able to be occupied as a permanent residence under Council's Planning Scheme or have a relevant planning approval.

For the avoidance of doubt, land will not be the owner's principal place of residence where it is:

- 1) not occupied by at least one person/s who constitute the owner/s, but occupied by any other person/s, whether in return for rent or remuneration or not, including members of the owner's family, or;
- 2) vacant, whether permanently or temporarily (for more than 120 days of the financial year), including for the purposes of renovation or redevelopment, except in the case where:
 - a) premises that are being renovated are and remain the principal place of residence of the owner, and the owner does not during the renovation period own any other property which is used as, or asserted by the owner for any purpose to be, the owner's place of residence; and
 - b) a property is vacant for a period longer than 120 contiguous days of the financial year due to the owner/s absence on an extended holiday, provided that the property remains completely vacant for the entire period of their absence;
 - c) a property is vacant due to the owner/s absence due to work commitments, provided that the absence is confirmed in writing by the owner's employer to Council's satisfaction and the property remains vacant or is occupied by immediate family members only during the period of the owner's absence;
 - d) The owner is absent due to medical reasons of the owner or a close relative and this is confirmed in writing by a health professional to Council's satisfaction; or
- 3) not owned by a natural person, e.g., owned by a company, except where the ratepayer residing at the property as their principal place of residence is the company owner.
- 4) flats and other multiple tenement residential properties, even where the owner of the land resides in one of the flats or tenements.

SCHEDULE 2 - RATEABLE AND NON-RATEABLE LAND DEFINITIONS

Rateable land is any land or building unit, in the local government area, that is not exempt from rates.

The following land is exempt from rates per s 93 Local Government Act 2009-

- (a) unallocated State land within the meaning of the Land Act 1994;
- (b) land that is occupied by the State or a government entity, unless
 - (i) the government entity is a GOC or its subsidiary (within the meaning of the Government Owned Corporations Act 1993) and the government entity is not exempt from paying rates; or
 - (ii) the land is leased to the State or a government entity by someone who is not the State or a government entity;
- (c) land in a state forest or timber reserve, other than land occupied under-
 - (i) an occupation permit or stock grazing permit under the Forestry Act 1959; or
 - (ii) a lease under the Land Act 1994;
- (d) Aboriginal land under the Aboriginal Land Act 1991 or Torres Strait Islander land under the Torres Strait Islander Land Act 1991, other than a part of the land that is used for commercial or residential purposes;
- (e) the following land under the Transport Infrastructure Act 1994 -
 - (i) strategic port land that is occupied by a port authority, the State, or a government entity;
 - (ii) strategic port land that is occupied by a wholly owned subsidiary of a port authority, and is used in connection with the Cairns International Airport or Mackay Airport
 - (iii) existing or new rail corridor land;
 - (iv) commercial corridor land that is not subject to a lease;
- (f) airport land, within the meaning of the Airport Assets (Restructuring and Disposal) Act 2008, that is used for a runway, taxiway, apron, road, vacant land, buffer zone or grass verge;
- (g) land that is owned or held by a local government unless the land is leased by the local government to someone other than another local government;
- (h) land that is-
 - (i) primarily used for show grounds or horse racing; and
 - (ii) exempted from rating by resolution of a local government;
- (i) land that is exempted from rating, by resolution of a local government, for charitable purposes;
- (j) land that is exempted from rating under-
 - (i) another Act; or
 - (ii) a regulation, for religious, charitable, educational or other public purposes.

The following land is included in (j) (ii) above as specified in s 73 of the Local Government Regulation 2012;

- (a) land owned by a religious entity if the land is less than 20ha and is used for 1 or more of the following purposes -
 - (i) religious purposes, including, for example, public worship;
 - (ii) the provision of education, health or community services including facilities for aged persons and persons with disabilities;
 - (iii) the administration of the religious entity;
 - (iv) housing incidental to a purpose mentioned in subparagraph (i) to (iii);

- (b) *land vested in, or placed under the management and control of, a person under an Act for-*
 - (i) *a public purpose that is a recreational or sporting purpose; or*
 - (ii) *charitable purposes;*

- (c) *land used for the purposes of a public hospital if-*
 - (i) *the public hospital is-*
 - (A) *part of a private hospital complex; or*
 - (B) *a private and public hospital complex; and*
 - (ii) *the land used for the purpose is more than 2ha and is separated from the rest of the complex;*

- (d) *land owned by a community organisation if the land is less 20ha and is used for providing the following-*
 - (i) *accommodation associated with the protection of children;*
 - (ii) *accommodation for students;*
 - (iii) *educational, training or information services aimed at improving labour market participation or leisure opportunities;*

- (e) *land used for a cemetery.*

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4. REVENUE GENERAL POLICY

Purpose

To set out the principles used by Council in the 2023/24 financial year for:

- The levying of rates and charges
- Granting concessions for rates and charges
- Recovering overdue rates and charges
- The establishment of cost-recovery methods (fees).

This policy also addresses:

- The purpose of concessions
- The extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

Scope

This policy applies to Douglas Shire Council.

Policy Content

1. General Rates

General rate revenue funds services not otherwise funded through fees and charges, grants, subsidies, contributions or donations from other entities. Council will consider all funding options before determining general rate revenue levels.

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

s 74(1) of the *Local Government Regulation 2012* requires Council to calculate the rates for land by using the rateable value for the land.

2. The Levying of Rates and Charges

In levying rates and charges the following principles will be applied:

- Consider the level of revenue that can be achieved from direct user charges, grants and subsidies, contributions and other sources.
- Consider the level of the cost of maintaining existing facilities and necessary services and the need for additional facilities and services.
- Make clear what is Council's and each ratepayer's responsibility to the rating system.

- Timing the levy of rates to ensure a sustainable cash flow for the operation of Council and to spread the cost to the ratepayer over the financial year.
- Equity through flexible payment arrangements.
- Transparency in the making of rates and charges.
- Having in place a rating regime that is efficient to administer.
- Flexibility by responding where necessary to changes in the local economy.

Council may consider levying special and separate rates and charges when appropriate, to recover the costs associated with a particular service, project or facility that provides direct or additional benefit to the ratepayers or class of ratepayer.

3. Concessions for Rates and Charges

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

- The same treatment for ratepayers with similar circumstances.
- Transparency by making clear the requirements necessary to receive concessions.
- Flexibility by responding where necessary to changes in the local economy.

Council may give consideration to granting a concession to a class of landowner without the need for an individual application in accordance with s 122(4) of the *Local Government Regulation 2012*.

4. Recovery of Overdue 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 to meet their financial obligations.
- Making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective.
- Equity by having regard to providing the same treatment for ratepayers with similar circumstances.
- Flexibility by responding where necessary to changes in the local economy.

Council will charge interest on all overdue rates and charges in accordance with s 133 of the *Local Government Regulation 2012*.

5. The Establishment of Cost-recovery Methods

s 97 of the *Local Government Act 2009* allows Council to set cost-recovery fees.

Council recognises the validity of fully imposing the user pays principle for its cost-recovery fees, unless the imposition of the fee is contrary to its express social, economic, environmental and other corporate goals. This is considered to be the most equitable and effective revenue approach and is founded on the basis that the Shire's rating base cannot subsidise the specific users or clients of Council's regulatory products and services.

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

6. The Purpose of Concessions

s 120 – 125 of the *Local Government Regulation 2012* allows Council to rebate or defer rates in certain circumstances. In considering the application of concessions, Council will be guided by the principles set out in section 3 above.

7. The extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development

Council requires developers to pay reasonable and relevant contributions towards the cost of physical and social infrastructure required to support the development. Specific charges are detailed in the policies and other material supporting Councils’ town planning schemes.

Related Legislation

Local Government Act 2009

Local Government Regulation 2012

Policy Review

This policy is to be reviewed whenever legislation changes, or annually if no changes have been required to be enacted, at the direction of the Chief Executive Officer.

Policy Details

Policy Name	Revenue General Policy
Policy Number	4
Policy Version	9
Document Number	815033
Endorsed by	Chief Executive Officer
Policy Type	Statutory
Approval Authority	Council
Date Adopted	28/03/2023
Time Period	Annually
Review Date	01/03/2024
Policy Department	Finance and Corporate Services
Link to Corporate Plan	Robust Governance and Efficient Service Delivery
Revoked/Superseded	

This policy is to remain in force until otherwise determined by Council.