

# Agenda

## **Special Meeting (Budget)**

**Monday, 1 June 2015**

**commencing at 9.00am**

**Council Chambers, Corner Currie and Bury Streets, Nambour**



**TABLE OF CONTENTS**

<b>ITEM</b>	<b>SUBJECT</b>	<b>PAGE NO</b>
1	DECLARATION OF OPENING .....	5
2	RECORD OF ATTENDANCE AND LEAVE OF ABSENCE .....	5
3	OBLIGATIONS OF COUNCILLORS .....	5
3.1	DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS .....	5
3.2	DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS .....	5
4	REPORTS DIRECT TO COUNCIL .....	7
4.1	REGIONAL STRATEGY AND PLANNING .....	7
4.1.1	REGISTER OF COST-RECOVERY FEES AND COMMERCIAL CHARGES 2015/2016 .....	7
4.2	CORPORATE SERVICES .....	11
4.2.1	REGISTER OF GENERAL COST-RECOVERY FEES AND COMMERCIAL CHARGES 2015/2016.....	11
4.2.2	INVESTMENT POLICY & DEBT POLICY FOR 2015/2016 .....	17
4.2.3	REVENUE POLICY 2015/2016 .....	21
4.2.4	2015/2016 PROCUREMENT POLICY .....	25
4.2.5	CAPITAL WORKS PROGRAM 2015/2016 TO 2024/2025 .....	29
4.2.6	PROPOSED 2015/2016 BUDGET FOR ADOPTION 25 JUNE 2015 .....	33
5	CONFIDENTIAL SESSION .....	35
6	NEXT MEETING .....	35
7	MEETING CLOSURE .....	35



**1 DECLARATION OF OPENING**

On establishing there is a quorum, the Chair will declare the meeting open.

**2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE****3 OBLIGATIONS OF COUNCILLORS****3.1 DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS**

Pursuant to Section 172 of the *Local Government Act 2009*, a councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

- (a) inform the meeting of the councillor's material personal interest in the matter; and
- (b) leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.

**3.2 DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS**

Pursuant to Section 173 of the *Local Government Act 2009*, a councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees must inform the meeting about the councillor's personal interest the matter and if the councillor participates in the meeting in relation to the matter, how the councillor intends to deal with the real or perceived conflict of interest.



**4 REPORTS DIRECT TO COUNCIL****4.1 REGIONAL STRATEGY AND PLANNING****4.1.1 REGISTER OF COST-RECOVERY FEES AND COMMERCIAL CHARGES 2015/2016****File No: ECM****Author: Manager Development Services  
Regional Strategy & Planning Department****Appendices: App A - Register of Cost-recovery Fees and Commercial  
Charges for Development Services 2015/16**

---

**PURPOSE**

The purpose of the report is to seek adoption of the fees and charges as the Register of Cost-recovery Fees and Commercial Charges for Development Services 2015/2016 (Appendix A).

**EXECUTIVE SUMMARY**

Development Services fees are proposed to be increased by 3% from 1 July 2015 in accordance with the budget fee increase parameter. For the 2015/2016 budget Development Services revenue is anticipated to be approximately of \$11.5 million.

Managers responsible for general cost-recovery fees were advised to set prices at full cost recovery where possible. Commercial charges may be set above full cost after considering market and other conditions.

**OFFICER RECOMMENDATION****That Council:**

- (a) receive and note the report titled “Register of Cost-Recovery Fees and Commercial Charges 2015/2016”**
- (b) adopt the fees detailed in the Register of Cost-recovery Fees and Commercial Charges for Development Services 2015/2016 (Appendix A)**
- (c) resolve that, in relation to those cost-recovery fees to which Section 97 of the Local Government Act 2009 apply:**
  - (i) the applicant is the person liable to pay these fees**
  - (ii) the fee must be paid at or before the time the application is lodged and**
- (d) delegate to the Chief Executive Officer the power to amend commercial charges to which section 262(3)(c) of the *Local Government Act 2009* apply.**

**FINANCE AND RESOURCING**

The Sunshine Coast Planning Scheme was adopted on 14 April 2014 along with a revised set of fees and charges that commenced on 21 May 2014.

In order to forecast revenue projections for the Sunshine Coast Planning Scheme a number of factors have been considered, including:

- potential revenue reductions as some applications become self-assessable, and therefore have no fee
- lower fees due to lower levels of assessment, for example some applications move from impact to code assessment
- improved market confidence and growth figures with expected increases in development volumes, however uncertainty to what extent these improved volumes will be experienced
- impacts associated with infrastructure charges expected to be implemented during 2015
- development applications generally include a base fee plus a sliding scale component, therefore the size of an application is an important (and largely unknown) factor in forecasting revenue
- implications of the planning reform and potential changes to the *Sustainable Planning Act* over the next 12 months.

Based on an analysis of these factors the 2015/2016 Development Services revenue is estimated to be \$11.5 million. This includes a 3% budget fee increase parameter as set out in Council's budget guidelines.

## CORPORATE PLAN

**Corporate Plan Goal:** *Service excellence*

**Outcome:** 4.1 - Customer focused services

**Operational Activity:** 4.1.2 - Continue to deliver Council's development assessment services in a manner that supports Council's economic, community and environmental goals for the region and is consistent with statutory obligations

## CONSULTATION

### Internal Consultation

The Development Services leaders were consulted in order to develop the 2015/2016 fees and charges:

- Coordinator Planning Assessment
- Coordinator Major Planning Projects
- Coordinator Engineering and Environment Assessment
- Coordinator Development Information and Support
- Coordinator Building and Plumbing
- Coordinator Development Audit and Response.

Corporate Services was consulted in relation to the revenue forecast:

- Coordinator Commercial Analysis
- Senior Management Accountant.

### External Consultation

There has been no external consultation undertaken in relation to this report.



**Community Engagement**

There has been no community engagement undertaken in relation to this report.

**PROPOSAL**

Previously the relevant fees for Planning, Engineering and Environment, Building Services and Plumbing Services were published in two separate registers. For ease of use for our customers and to better reflect Council's structure these fees have now been combined into a single Development Services Register.

A 3% budget fee parameter has been applied where appropriate to fees in this register for 2015/2016.

Under the *Plumbing and Drainage Act 2002* there is a requirement of council to keep compliance records and make them available to the purchaser. To facilitate the above requirement, an 8% increase has been proposed to draw "As Constructed Drainage Plans" for domestic construction within a sewer area to maintain accurate records.

Development Services Register Fees and Charges are set out in "Appendix A".

**Development Incentives within Fees and Charges**

Development incentives / rebates were adopted by Council for 2012/2013 financial year. A rebate of 25% of fees paid for the following land use types if use commenced within two years following approval - office, shop, health care services, medium impact industry, showroom/hardware and trade supplies, warehouse, low impact industry/special industry/service industry.

A free pre-lodgement service also commenced to assist applicants through the process of submitting development applications. The meetings provide information to prospective applicants about issues relevant to development proposals, such as what details council needs to support an application.

These incentives provide an economic benefit to the applicant and have been utilized by the development industry to support quicker turn around in development applications and the commencement of the uses in the region.

The incentives have been maintained for the 2015/2016 financial year.

**Legal**

*Local Government Act 2009*

- Section 97 Cost-recovery Fees.
- Section 98 Register of Cost-recovery Fees.
- Section 262(3)(c) Commercial Charges.

*Local Government Regulation 2012.*

- Section 172 Revenue Statement.
- Section 193 Revenue Policy.

**Policy**

Fees and charges are adopted by council for each financial year and can be amended during the year.

**Risk**

Implication of the planning reform and potential changes to the *Sustainable Planning Act*.

**Previous Council Resolution**

Council adopted the 2014/2015 Register of Cost-recovery Fees and Commercial Charges for Development Services at the Special Meeting (Budget) "*Previous recommendations*" held on 2 June 2014 (SM14/13).

*That Council:*

- (a) *receive and note the report titled "Register of General Cost-recovery Fees and Commercial Charges 2014/2015"*
- (b) *adopt the fees detailed in the Register of General Cost-recovery Fees and Commercial Charges 2014/2015 (Appendix A) as amended*
- (c) *resolve that, in relation to those cost-recovery fees to which Section 97 of the Local Government Act 2009 apply:*
  - (i) *the applicant is the person liable to pay these fees and*
  - (ii) *the fee must be paid at or before the time the application is lodged and*
- (d) *delegate to the Chief Executive Officer the power to amend commercial charges to which Section 262(3)(c) of the Local Government Act 2009 apply.*

**Related Documentation**

*Local Government Act 2009*

*Local Government Regulation 2012*

**Critical Dates**

The 2015/2016 cost-recovery fees and commercial charges apply from 1 July 2015. Adopting the fees and charges prior to adopting the 2015/2016 budget in full allows advance notice for users and the community.

**Implementation**

Once adopted, the 2015/2016 Register of Cost Recovery Fees and Commercial charges for Development Services will become operational for new applications and services from 1 July 2015. The fees and charges will be published on council's website.

## 4.2 CORPORATE SERVICES

### 4.2.1 REGISTER OF GENERAL COST-RECOVERY FEES AND COMMERCIAL CHARGES 2015/2016

**File No:** Budget Development

**Author:** Manager Finance  
Corporate Services Department

**Appendices:** App A - Register of General Cost-recovery Fees and Commercial Charges 2015/2016

---

#### PURPOSE

To seek adoption of the fees and charges (Appendix A) as the Register of General Cost-recovery Fees and Commercial Charges 2015/2016 (excluding Development Assessment Fees).

#### EXECUTIVE SUMMARY

A Fees and Charges Workshop was held with Councillors on 21 April 2015 to present the Register of General Cost-recovery Fees and Commercial Charges for 2015/2016. The workshop focused on the fees with increases that were greater than the 3% budget fee increase parameter, fee decreases and all fees that are under full cost recovery.

General cost-recovery fees and commercial charges revenue (excluding development assessment fees) for 2015/2016 is expected to be approximately \$54.2 million. The budget fee increase parameter is 3% (refer to section on Financing and Resourcing for more details).

Managers responsible for general cost-recovery fees were advised to set prices at full cost recovery where possible. Commercial charges may be set above full cost after considering market and other conditions. General cost-recovery fees and commercial charges for 2015/2016 are set out in Appendix A.

#### OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Register of General Cost-Recovery Fees and Commercial Charges 2015/2016"
- (b) review the fees detailed in the Register of General Cost-recovery Fees and Commercial Charges 2015/2016 (Appendix A)
- (c) resolve that, in relation to those cost-recovery fees to which Section 97 of the *Local Government Act 2009* apply:
  - (i) the applicant is the person liable to pay these fees
  - (ii) the fee must be paid at or before the time the application is lodged and
- (d) delegate to the Chief Executive Officer the power to amend commercial charges to which Section 262(3)(c) of the *Local Government Act 2009* apply.

## FINANCE AND RESOURCING

General cost-recovery fees and commercial charges revenue for 2015/2016 is expected to be approximately \$54.2 million. Part of this amount includes \$11.6 million from development assessment fees and the balance of \$42.6 million is through fees and charges statements considered in this process.

Table 1 below shows the estimated general fees and charges revenue for 2015/2016 by department, branch or unit.

**Table 1: Estimated general fees and charges revenue 2015/16 by department and branch**

Department	Function	No. of fees	Estimated Fees and Charges Revenue \$'000
Infrastructure Services	Civil Asset Management	8	4
	Fleet and Quarry Services	29	922
	Environmental Operations	3	17
	Parks and Gardens	9	11
	Waste and Resource Management	105	5,684
	Transport Infrastructure Management	4	1
Corporate Strategy and Delivery	Economic Development		1,507
	Sunshine Coast Airport	90	11,239
Community Services Department	Community Facilities and Planning	561	2,101
	Community Response	289	6,566
	Community Relations	32	108
Regional Strategy and Planning	Development Services		11,499
	Transport and Infrastructure Policy	4	109
	Major Urban Development		103
Corporate Services	Sunshine Coast Holiday Parks	114	12,918
	Information Communication Technology Services	18	1,407
	Other (Corporate Governance & Property)	9	6
Office of the Mayor and CEO	Legal	12	10
<b>TOTAL</b>		<b>1,287</b>	<b>54,213</b>

Source: T1 Financials 2015/16 (EBS & DVB3)

Note 1: Waste & Resources Management excludes utility charges of approximately \$46.9 million billed through the rates notice.

## CORPORATE PLAN

**Corporate Plan Goal:** *A public sector leader*  
**Outcome:** 5.2 - A financially sustainable organisation

**Operational Activity:** 5.2.2 - Ensure Council's finances are well managed and systems are in place to analyse performance, generate revenue, reduce costs and manage contracts and contract performance

**Corporate Plan Goal:** *A public sector leader*

**Outcome:** 5.2 - A financially sustainable organisation

**Operational Activity:** 5.2.3 - Diversify and strengthen Council's revenue base by identifying options to generate income from new sources

## CONSULTATION

### Internal Consultation

Managers responsible for fees and charges across council reviewed cost-recovery fees and commercial charges relevant to their branch and obtained Director's endorsement for the proposed fees. Budget papers were distributed to Councilors prior to the Councilor Fees and Charges Workshop held on 21 April 2015, with relevant managers responding to questions arising.

Consultations held with:

- General Manager Sunshine Coast Airports
- Manager Community Response
- Manager Community Facilities & Planning
- Manager Environmental Operations
- Manager Community Relations
- Manager Corporate Governance
- Manager Civil Asset Management
- Manager Finance
- Chief Information Officer
- Chief Legal Officer
- Manager Parks & Gardens
- Coordinator Quarry Services
- Manager Transport & Infrastructure Policy
- Coordinator Integration & Improvement
- Coordinator Sunshine Coast Holiday Parks
- Manager Transport Infrastructure Management
- Manager Waste & Resource Management.

### External Consultation

A benchmarking exercise of comparative fees was performed with selected councils in Queensland, through their published fee registers and forwarded to respective managers to assist in fee setting.

### Community Engagement

There has been no community engagement undertaken in relation to this report.

## PROPOSAL

Corporate Services Department facilitated and coordinated with managers the review of general cost-recovery fees and commercial charges for the annual budget process with the exception of Development Assessment fees, which follows a separate process conducted by the Regional Strategy and Planning Department.

The general principal in setting general cost-recovery fees and commercial charges is that the costs of services should be borne by those who benefit from them.

Cost-recovery fees covered under Section 97 of the *Local Government Act 2009* are required to be set equal or less than cost of providing that service.

Accordingly, managers were advised to set fees and charges for 2015/16 at the default price for cost-recovery fees to recover full costs in line with Section 97 of the *Local Government Act 2009*. In some instances this has resulted in significant increases to recover costs or setting a price path to reach full cost recovery.

Charges which are commercial in nature come under Section 262(3)(c) of the *Local Government Act 2009*. Commercial charges could be set with commercial considerations generally being increased by the budget fee increase parameter of 3%.

Fees and charges in respect of Development Assessment Fees will be presented to Council in a separate report by Regional Strategy and Planning department.

### **Legal**

*Local Government Act 2009:*

- Section 97 Cost-recovery Fees
- Section 98 Register of Cost-recovery Fees
- Section 262(3)(c) Commercial Charges

*Local Government Regulation 2012:*

- Section 172 Revenue Statement
- Section 193 Revenue Policy.

*A New Tax System (Goods and Services Tax) Act 1999.*

### **Policy**

General Cost-recovery Fees and Commercial Charges are adopted by council each financial year and can be amended during the year if need be. Authority to amend cost-recovery fees lies with Council while the authority to amend commercial fees may be delegated to the Chief Executive Officer.

### **Risk**

Where user charges do not meet the cost of providing the service, subsidy from general rates will be required, which may risk the achievement of a balanced operating result.

### **Previous Council Resolution**

Council adopted the 2014/2015 Register of Cost-recovery Fees and Commercial Charges at the Special Statutory Meeting (Budget) held on 2 June 2014 (SM14/14):

*That Council:*

- (a) *receive and note the report titled "Register of General Cost-recovery Fees and Commercial Charges 2014/2015"*
- (b) *adopt the fees detailed in the Register of General Cost-recovery Fees and Commercial Charges 2014/2015 (Appendix A)*
- (c) *resolve that, in relation to those cost-recovery fees to which Section 97 of the Local Government Act 2009 apply:*
  - (i) *the applicant is the person liable to pay these fees and*
  - (ii) *the fee must be paid at or before the time the application is lodged and*

- (d) *delegate to the Chief Executive Officer the power to amend commercial charges to which Section 262(3)(c) of the Local Government Act 2009 apply.*

**Related Documentation**

*Local Government Act 2009*

*Local Government Regulation 2012*

**Critical Dates**

The 2015/2016 cost-recovery fees and commercial charges apply from 1 July 2015. Adopting the fees and charges prior to adopting the 2015/2016 budget in full allows advance notice for users and the community.

**Implementation**

Once adopted, the General Register of Cost-recovery Fees and Commercial Charges 2015/2016 (Appendix A) will be made public by being published on council's website.





**4.2.2 INVESTMENT POLICY & DEBT POLICY FOR 2015/2016**

**File No:** Budget Development  
**Author:** Manager Finance  
Corporate Services Department  
**Appendices:** App A - 2015/2016 Investment Policy  
App B - 2015/2016 Debt Policy

---

**PURPOSE**

This report seeks the adoption of an Investment Policy and Debt Policy to apply for the 2015/2016 financial year.

**EXECUTIVE SUMMARY**

The *Local Government Regulation 2012*, Sections 191 and 192 require council to prepare an investment policy and a debt policy annually.

These policies form part of the council's overall system of financial management, as required under Section 104(5)(c) of the *Local Government Act 2009*.

The Investment Policy sets the boundaries of investment and includes the overall philosophy and strategy for investment of surplus funds, along with detailed guidelines and procedures for officers in the application of the Policy.

The Debt Policy outlines borrowing forecasts for the new budget along with the next nine years. Should there be any amendments to the final loan borrowings schedule, the debt policy will be presented to council for endorsement along with final budget documents at the Special Meeting (Budget Adoption) to be held 25 June 2015.

**OFFICER RECOMMENDATION**

**That Council:**

- (a) receive and note the report titled "Investment Policy & Debt Policy for 2015/2016"**
- (b) adopt the 2015/2016 Investment Policy (Appendix A) and**
- (c) adopt the 2015/2016 Debt Policy (Appendix B).**

**FINANCE AND RESOURCING**

Investment revenue is included in the draft budget and this has been calculated on predicted daily cash balances and anticipated interest rates.

The proposed borrowings and associated finance costs are included in the draft budget. New loans are generally not drawn down until late in the financial year to minimise interest expenses during that year, with normal repayments commencing in the following period.

**CORPORATE PLAN**

**Corporate Plan Theme:** *A public sector leader*  
**Emerging Priority:** 5.2 - A financially sustainable organisation

**Strategy:** 5.2.2 - Ensure council's finances are well managed and systems are in place to analyse performance, generate revenue, reduce costs and manage contracts and contract performance

## CONSULTATION

### Internal Consultation

No internal consultation was required for this report.

### External Consultation

No external consultation was required for this report.

### Community Engagement

No community engagement was required for this report.

## PROPOSAL

The *Local Government Act 2009* and the *Local Government Regulation 2012* require Council to prepare an investment policy and debt policy annually.

The *Local Government Regulation 2012*, Sections 191 and 192 require council to prepare an investment policy and a debt policy annually. These policies form part of the council's overall system of financial management, as required under Section 104(5)(c) of the *Local Government Act 2009*.

The Investment Policy must outline council's overall investment objectives, risk philosophy and procedures for achieving the goals stated in the policy.

Council's overall philosophy is that priority is given to the preservation of capital invested over investment returns.

Council's borrowing activities are governed by the *Statutory Bodies Financial Arrangements Act 1982*, and the Debt Policy provides clear guidelines for loan raising, requiring an assessment of the impact of any borrowing decision on council's long-term financial sustainability.

All borrowing proposals remain subject to evaluation by the Department of Infrastructure, Local Government and Planning and periodic Credit Reviews are undertaken by Queensland Treasury Corporation.

The schedule of proposed loan borrowing will be presented to council along with final budget forecasts for adoption in June 2015. This schedule will outline proposed borrowing over a ten year period, and will be guided by recent decisions around the nature and scope of the proposed capital works program over that period.

### Legal

The adoption of these policies satisfies council's legislative obligations.

### Policy

The Investment Policy and Debt Policy are reviewed annually as part of the budget development process. There have been no changes to the existing policies.

### Risk

A key purpose of these policies is to minimise council's exposure to credit risk. Proposed investments are assessed against a risk matrix with maximum exposure levels for individual counterparties and for each credit rating.

The Debt Policy provides the opportunity for restructure of the debt portfolio in the event of significant fluctuations in borrowing interest rates. Further, borrowing is restricted to Queensland Treasury Corporation under legislation without specific approval from the Treasurer under the advice of the Department of Infrastructure, Local Government and Planning.

**Previous Council Resolution**

The current policies were adopted by council under resolution SM14/15 and SM14/16 at the Special Budget Meeting held on 2 June 2014.

**Related Documentation**

There is no related documentation for this report.

**Critical Dates**

These policies underpin elements of the 2015/2016 budget which will be presented to council for final adoption at the Special Meeting (Budget Adoption) to be held 25 June 2015.

**Implementation**

There are no implementation details to include in this report.



### 4.2.3 REVENUE POLICY 2015/2016

**File No:** Budget Development  
**Author:** Manager Finance  
Corporate Services Department  
**Appendices:** App A - 2015/2016 Revenue Policy

---

#### PURPOSE

A local government must review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the Revenue Policy to be adopted for the next financial year.

Section 169(2)(c) of the *Local Government Regulation 2012* requires that council include in the budget a Revenue Policy.

#### EXECUTIVE SUMMARY

A local government must review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year. The 2015/2016 Revenue Policy (**Appendix A**) per Section 193 of the *Local Government Regulation 2012* sets out the principles used by council for:

- a) the levying of rates and charges;
- b) the granting of concessions for rates and charges
- c) the recovering of overdue rates and charges and
- d) cost-recovery methods.

When adopting the annual budget, council sets rates and charges at a level that will provide for both current and future community requirements and grant concessions for pensioners to assist property owners to remain in their own home. Council also provides concessions to charity organisations and community and sporting groups as they contribute to the health and well-being of the community.

The Revenue Policy also provides council guidance with principals of equity, transparency and flexibility when acting to recover overdue rates and charges.

#### OFFICER RECOMMENDATION

**That Council:**

- (a) receive and note the report titled “Revenue Policy 2015/2016” and**
- (b) adopt the 2015/2016 Revenue Policy (Appendix A).**

#### FINANCE AND RESOURCING

The framework does not place any financial and resourcing obligations on council, but provides the principles for revenue raising for the 2015/2016 budget.

## CORPORATE PLAN

**Corporate Plan Theme:** *A public sector leader*

**Emerging Priority:** 5.2 - A financially sustainable organisation

**Strategy:** 5.2.2 - Ensure council's finances are well managed and systems are in place to analyse performance, generate revenue, reduce costs and manage contracts and contract performance

## CONSULTATION

### Internal Consultation

Internal consultation was conducted within the Corporate Services Department.

### External Consultation

No external consultation was required for this report.

### Community Engagement

No community engagement was required for this report.

## PROPOSAL

As part of the annual budget, council is required to adopt a Revenue Policy which states the guidelines that may be used for preparing the local government's Revenue Statement, including the principles used by council in:

a) the levying of rates and charges:

Council will set the rates and charges at a level to provide for both current and future community requirements. This includes general rates, special & separate rates and charges and other charges.

Council continues to issue half yearly rates notices and promotes by various means of communication advising ratepayers the issuance of rate notices and discount dates. Council offers a wide number of payment options and in certain circumstance allows flexible payment arrangements to ratepayers with financial difficulties.

b) the granting of concessions for rates and charges:

Council may grant a concession for pensioner, charitable organisations, community groups and sporting associations. Also a concession may be granted for economic development, per the provisions of the Sunshine Coast Investment Incentive Scheme.

c) the recovering of overdue rates and charges:

To reduce the overall rate burden on ratepayers, council is guided by principles of treating all ratepayers in similar circumstances in a similar manner with regards to their capacity to pay; making clear the obligations of the ratepayer; and allowing flexibility for short-term payment arrangements.

The reference to capacity to pay only refers to the recovery of overdue rates and charges.

d) cost-recovery methods:

All fees and charges will be set with reference to full cost pricing and cost recovery fees will be charged up to a maximum of full cost. Commercial charges will be at commercial rates.

Council acknowledges the community benefit associated with not-for-profit organisations conducting activities on the Sunshine Coast, and therefore all not-for-profit organisations are exempt from cost recovery fees for applications to conduct activities requiring an approval on public and private land within the region.

A local government must review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

### **Legal**

Section 169(2)(c) of the *Local Government Regulation 2012* requires that council include in the budget a Revenue Policy.

Section 193 of the *Local Government Regulation 2012* details what must be included in the Revenue Policy.

### **Policy**

The Revenue Policy states the guidelines that may be used in preparing the Revenue Statement. There have been no changes to the existing policy.

### **Risk**

No risks have been identified in relation to this report.

### **Previous Council Resolution**

The Revenue Policy for 2014/2015 was adopted by council under resolution SM14/16 at the meeting held 2 June 2014.

*That Council:*

- (a) receive and note the report titled "**Revenue Policy 2014/2015**" and
- (b) adopt the 2014/2015 Revenue Policy (Appendix A).

### **Related Documentation**

Revenue Statement must form part of the annual budget.

### **Critical Dates**

A local government must review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the Revenue Policy to be adopted for the next financial year.

### **Implementation**

The Revenue Policy sets out the principles for the making and levying of rates and charges for the 2015/2016 financial year.





**4.2.4 2015/2016 PROCUREMENT POLICY**

<b>File No:</b>	<b>Budget Development</b>
<b>Author:</b>	<b>Manager Procurement and Contracts Corporate Services Department</b>
<b>Appendices:</b>	<b>App A - 2015/2016 Procurement Policy</b>
<b>Attachments:</b>	<b>Att 1 - 2015/2016 Procurement Policy - Marked Up</b>

---

**PURPOSE**

The purpose of this report is to present the 2015/2016 Procurement Policy (included in Appendix A) to council for adoption.

**EXECUTIVE SUMMARY**

The Procurement Policy outlines Council's framework and principles for undertaking contracting activities relating to procurement of goods and services and disposal of assets.

The *Local Government Regulation 2012* requires council to prepare a Procurement Policy, which must be reviewed and adopted annually. The current policy was adopted on 2 June 2014. It has been reviewed and amended to reflect minor legislative changes. There are no substantive changes between the current Procurement Policy and the proposed 2015/2016 Procurement Policy.

The current Procurement Policy has guided council's commitment to the development of competitive local business and industry. This has resulted in council engaging local suppliers in contracts worth more than \$136.5 million for the current financial year to date, which represents 72 percent of the available procurement spend.

The proposed 2015/2016 Procurement Policy complies with all legislative obligations and provides an appropriate framework for conducting effective and efficient procurement and disposal contracting activities. It will continue to guide council's commitment to the development of competitive local business and industry.

**OFFICER RECOMMENDATION**

**That Council:**

- (a) receive and note the report titled "2015/2016 Procurement Policy" and**
- (b) adopt the 2015/2016 Procurement Policy (Appendix A).**

**FINANCE AND RESOURCING**

The Procurement Policy will guide best practice procurement and contracting in a manner that is compliant with relevant legislation.

The Procurement Policy will be administered by the Procurement and Contracts Branch of the Corporate Services Department. No additional funding is required to implement or administer the Policy.

**CORPORATE PLAN**

**Corporate Plan Theme:** 1. *A New Economy*  
Emerging Priority 1.3 - Investment in growth and high-value industries

Strategy 1.3.2 - Build the capacity for local businesses  
1.3.2.2 - Target Council's procurement policies and practices to support local business

**Corporate Plan Theme: 5. A public sector leader**

Emerging Priority 5.2 - A financially sustainable organisation  
Strategy 5.2.2- Ensure Council's finances are well managed and systems are in place to analyse performance, generate revenue, reduce costs and manage

## CONSULTATION

### Internal Consultation

The following internal stakeholders were consulted on that basis:

- Director Corporate Services Department
- Manager Procurement & Contracts
- Coordinator Procurement & Contract Performance
- Coordinator Contract Supply & Administration
- Manager Project Delivery
- Chief Legal Officer

### External Consultation

The Procurement Policy remains consistent with external legal advice.

### Community Engagement

No community consultation was required in the preparation of this report.

## PROPOSAL

The Procurement Policy outlines Council's framework and principles for undertaking contracting activities relating to procurement of goods and services and disposal of assets.

The *Local Government Regulation 2012* requires council to prepare a Procurement Policy, which must be reviewed and adopted annually. The Procurement Policy must contain details of the principles Council will apply when contracting. These principles must include the sound contracting principles provided in the *Local Government Act 2009*.

The sound contracting principles are:

- (a) value for money
- (b) open and effective competition
- (c) the development of competitive local business and industry
- (d) environmental protection
- (e) ethical behaviour and fair dealing.

The Procurement Policy outlines the general framework for conducting contracting activities by identifying when and how procurement or disposal activities may be conducted, including expressions of interests, tenders, requests for quotes and auctions. The policy also explains when the exceptions provided for both procurement and disposal activities may be created and exercised.

Outcomes sought from the policy are to:

- (a) provide a framework for undertaking contracting activities, within a sound governance and probity environment
- (b) encourage strategic decision-making and sustainable procurement practices
- (c) facilitate efficient and timely delivery of council's capital works, operational activities, and disposal of assets
- (d) deliver value for money
- (e) encourage an open, efficient and competitive market place
- (f) encourage development of competitive local business and industry;
- (g) manage council's risk exposure and
- (h) comply with all applicable laws including the *Local Government Act 2009* and *Local Government Regulation 2012*.

The current Procurement Policy has guided council's commitment to the development of competitive local business and industry. This has resulted in council engaging local suppliers in contracts worth more than \$136.5 million for the current financial year to date, which represents 72 percent of the available procurement spend.

There are no substantive changes between the current Procurement Policy and the proposed 2015/2016 Procurement Policy. The policy complies with all legislative obligations and provides an appropriate framework for conducting efficient and effective contracting activities.

### **Legal**

External legal advice has previously been sought regarding the format and content of a superseded Procurement Policy. The proposed Procurement Policy 2015/2016 is consistent with that advice. It has been reviewed by the Legal Services Branch and is supported in its current form.

### **Policy**

The Procurement Policy will provide a structured framework for council's procurement and disposal contracting activities and ensure compliance with the relevant legislation.

### **Risk**

The Procurement Policy mitigates the risks associated with undertaking contracting activities relating to procurement of goods and services and disposal of assets.

### **Previous Council Resolution**

Special Meeting 2 June 2014 (SM14/17)

*That Council:*

- (a) receive and note the report titled "**2014/2015 Procurement Policy**" and
- (b) adopt the 2014/2015 Procurement Policy (Appendix A).

### **Related Documentation**

*Local Government Act 2009*

*Local Government Regulation 2012*

**Critical Dates**

The *Local Government Regulation 2012* requires council review its Procurement Policy annually. Other than annual review, there are no critical dates associated with the Procurement Policy.

**Implementation**

The Procurement Policy will be implemented from the date of council's resolution.

**4.2.5 CAPITAL WORKS PROGRAM 2015/2016 TO 2024/2025**

**File No:** SCRC Budget Development  
**Author:** Manager Finance  
Corporate Services Department  
**Appendices:** App A - 2015/16 to 2024/25 Capital Works Program

---

**PURPOSE**

The purpose of this report is to present the final 10-year Capital Works Program for council endorsement for inclusion in the 2015/16 budget.

**EXECUTIVE SUMMARY**

The *Local Government Act 2009* and the *Local Government Regulation 2012* place emphasis on the long-term planning and forecasting for councils, requiring a 10-year focus for capital works planning.

The principles applied to the capital program are based on a financially sustainable council, with the priority on renewal, growth and levy projects over new projects. The program is developed on the basis of year 1 approved/ adopted; the next 4 years endorsed; and years 6 to 10 indicative.

No capital expenditure has been included for the Sunshine Coast Airport Runway development, as Council is awaiting the outcome of an Environmental Impact Statement. Further information will be provided to Council throughout 2015/16.

The final program presented has been developed after extensive consultation between council officers, management and Councillors, through both one-on-one meetings and budget workshops.

Council is requested to endorse the 2015/16 Capital Works Program for inclusion in the 2015/16 budget, as outlined in **Appendix A**.

**OFFICER RECOMMENDATION**

**That Council:**

- (a) **receive and note the report titled “Capital Works Program 2015/2016 to 2024/2025” and**
- (b) **endorse the 2015/2016 to 2024/2025 Capital Works Program, as outlined in Appendix A, for inclusion of the 2015/2016 Capital Works Program in the budget adoption on 25 June 2015**

**FINANCE AND RESOURCING**

The 10-year capital works program has been based on funding levels identified within the parameters for a sustainable council, the Long Term Financial Forecast and council's adopted Long Term Financial Sustainability Plan. The program represents a forecast investment in community infrastructure of almost \$1.2 billion over the next 10 years.

Financing the capital works program is a mixture of grants, capital contributions, loans and council funds.

## **CORPORATE PLAN**

**Corporate Plan Goal:** *A public sector leader*  
**Outcome:** 5.2 - A financially sustainable organisation  
**Operational Activity:** 5.2.2 - Ensure council's finances are well managed and systems are in place to analyse performance, generate revenue, reduce costs and manage contracts and contract performance

## **CONSULTATION**

### **Internal Consultation**

Consultation has been undertaken throughout the development of the Capital Works Program, including:

- Budget workshop 3 November 2014
- Officer-level meetings December 2014 to April 2015
- Budget workshop 16 & 17 February 2015
- Budget workshop 16 & 17 March 2015
- Budget workshop 20 & 21 April 2015
- Budget workshop 11 & 12 May 2015 and
- Individual Councillor meetings during March 2015

### **External Consultation**

External consultation is undertaken regularly throughout the financial year with State and Federal Government departments discussing opportunities for partnerships and funding.

### **Community Engagement**

Community engagement is undertaken throughout the financial year by Councillors and staff in the development and prioritisation of projects for inclusion in the capital works program.

## **PROPOSAL**

Conformity to the previously adopted 10 year program from 2014/15 provided the basis for years 1 to 9 of the proposed program, with any changes resulting from changes in the prioritisation of projects and in available funding.

For each year the council adopts the program for the budget year, endorses years 2-5, with years 6-10 being indicative only. Throughout the year priorities may change and this is reflected through a stringent scoring process, taking input from adopted Strategies, Local Government Infrastructure Plans, business plans for Business Units, and Asset Management Plans.

The total program value for 2015/16 amounts to \$183 million. Total expenditure over the ten-year forecast period amounts to almost \$1.2 billion.

No capital expenditure has been included for the Sunshine Coast Airport Runway development, as Council is awaiting the outcome of an Environmental Impact Statement. Further information will be provided to Council throughout 2015/16.

Budget Guidelines permit adjustments to the projects between and within programs with major reviews to be undertaken in October 2015 and February 2016.

**Legal**

The Capital Works Program has been developed having regard to the provisions of the *Local Government Act 2009*, the *Local Government Regulation 2012* and the *Statutory Bodies Financial Arrangements Act 1982*.

**Policy**

Endorsement of the 2015/16 to 2024/25 10-Year Capital Works Program will ensure greater opportunity to consult, scope out works, plan and deliver projects over multiple years. The program will be reviewed annually through Council's budget process.

Adopted Strategies and Policies have provided strong input into the development of the Program, and have assisted in the prioritisation of individual projects.

**Risk**

The proposed capital works program makes no provision for the implementation of the Sunshine Coast Airport master plan, which will be subject to independent analysis and funding strategies.

Loans identified as funding for the proposed program are also subject to approval by the Department of Local Government and Treasurer.

**Previous Council Resolution**

2 June 2014 (SM14/20) – 2014/15 to 2023/24 Capital Works Program:

*That Council:*

- (a) *receive and note the report titled "2014/15 to 2023/24 Capital Works Program" and*
- (b) *endorse the 2014/15 to 2023/24 Capital Works Program, as outlined in Appendix A, for inclusion of the 2014/15 Capital Works Program in the budget adoption on 26 June 2014.*

26 June 2014 (SM14/24) - Adoption of the 2014/2015 Budget and Forward Estimates for the 2015/2016 to 2023/2024 Financial Years:

*That Council:*

- (a) *receive and note the report titled "Adoption of the 2014/2015 Budget and Forward Estimates for the 2015/2016 to 2023/2024 Financial Years"*
- (b) *adopt the 2014/2015 Capital Works Program, endorse the indicative four-year program for the period 2015/2016 to 2018/2019, and note the five-year program for the period 2019/2020 to 2023/2024 (Appendix A) and*
- (c) *adopt the 2014/2015 Budget Schedules (Appendix A) including Forward Estimates.*

**Related Documentation**

Included as an attachment to this report is the 2015/16 to 2024/25 10-Year Capital Works Program (Appendix A).

**Critical Dates**

At the 25 June 2015 statutory meeting, council will adopt the budget along with the first year of the 10-year Capital Works Program.

**Implementation**

There are no implementation details to include in this report.





**4.2.6 PROPOSED 2015/2016 BUDGET FOR ADOPTION 25 JUNE 2015**

<b>File No:</b>	<b>SCRC Budget Development</b>
<b>Author:</b>	<b>Manager Finance Corporate Services Department</b>
<b>Appendices:</b>	<b>App A - 2015/2016 Financial Statements</b>
<b>Attachments:</b>	<b>Att 1 - 2015/2016 Community Service Obligations and Council Imposed Obligations</b>

---

**PURPOSE**

The purpose of this report is for the Mayor to provide Councillors with a copy of the draft budget proposed for adoption at the Special Budget Meeting to be held 25 June 2015.

**EXECUTIVE SUMMARY**

Section 107A of the *Local Government Act 2009* requires the Mayor to give a copy of the proposed 2015/2016 budget to Councillors at least two weeks prior to adoption.

A copy of the proposed budget is provided as Appendix A to this report.

**OFFICER RECOMMENDATION**

**That Council:**

- (a) receive and note the report titled “Proposed 2015/2016 Budget for Adoption 25 June 2015” and**
- (b) receive the proposed 2015/2016 Budget included as Appendix A to this report.**

**FINANCE AND RESOURCING**

The proposed budget outlines the financial plan for council over the coming financial year and includes a long term financial forecast over the subsequent nine years, including projected operating income and expenses, cash levels, capital works and intended borrowing.

**CORPORATE PLAN**

<b>Corporate Plan Goal:</b>	<b><i>A public sector leader</i></b>
<b>Outcome:</b>	5.2 - A financially sustainable organisation
<b>Operational Activity:</b>	5.2.1 - Develop and implement long-term financial plans to guide the optimal utilisation of resources

**CONSULTATION****Internal Consultation**

Council's Chief Legal Officer has been consulted in the drafting of this report. Consultation has been undertaken throughout the development of the 2015/2016 budget, including:

- Budget workshop 3 November 2014
- Officer-level meetings December 2014 to April 2015
- Budget workshop 16 & 17 February 2015

- Budget workshop 16 & 17 March 2015
- Budget workshop 20 & 21 April 2015
- Budget workshop 11 & 12 May 2015 and
- Individual Councillor Meetings during March 2015

**External Consultation**

Council has consulted with the Local Government Association of Queensland in the compilation of this report.

**Community Engagement**

There has been no community engagement in the compilation of this report.

**PROPOSAL**

Section 107A of the *Local Government Act 2009* requires the Mayor to give a copy of the proposed 2015/2016 budget to Councillors at least 2 weeks prior to adoption.

A copy of the proposed budget is provided as Appendix A to this report.

Attachment 1 shows the 2015/2016 Community Service Obligations (CSOs) and Council Imposed Obligations (CIOs), which attempts to achieve an equal playing field for business activities to ensure there are no advantages nor disadvantages.

**Policy**

Section 107A of the *Local Government Act 2009* identifies the process and responsibilities of the Mayor in the presentation of the proposed budget.

**Risk**

This report satisfies procedural obligations of Council and the Mayor under Section 107A of the *Local Government Act 2009*.

**Previous Council Resolution**

There are no previous council resolutions related to this report.

**Related Documentation**

The proposed 2015/2016 Budget includes all associated statements and schedules as required under Section 169 of the *Local Government Regulation 2012*.

**Critical Dates**

The proposed budget will be considered at the Special Budget Meeting to be held 25 June 2015.

**Implementation**

Estimates included in the proposed budget will be loaded into council's financial systems and will be monitored via monthly reports to council and regular budget reviews throughout the 2015/2016 year.

**5 CONFIDENTIAL SESSION**

**6 NEXT MEETING**

Nil

**7 MEETING CLOSURE**