

Agenda

Special Meeting (Budget)

Monday, 2 June 2014

commencing at 9:00am

Council Chambers, Corner Currie and Bury Streets, Nambour

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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 FOR DEVELOPMENT SERVICES 2014/2015**

File No:	ECM
Authors:	Manager Development Services Regional Strategy & Planning Department Manager Business Performance Regional Strategy & Planning Department
Appendices:	App A - Building and Plumbing Services Fees..... 13 App B - Planning Assessment, Engineering Assessment & Environment Assessment & Miscellaneous Fees 21

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 2014/15 (Appendix A and B).

EXECUTIVE SUMMARY

Development Services fees are proposed to be increased by 3% from 1 July 2014 in accordance with the budget fee increase parameter. For the 2014/15 budget Development Services revenue is anticipated to be approximately \$8.7 million.

The proposed 2014/15 fees and charges maintain the structure of the fees adopted with the Sunshine Coast Planning Scheme on 14 April 2014. The 3% budget parameter will apply to fees adopted for the Sunshine Coast Planning Scheme including the superseded schemes that will be operational for the first 12 months from commencement on 21 May 2014.

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.

Building and Plumbing Services fees are set out in Appendix A and Planning Assessment, Engineering and Environmental Assessment fees are set out in Appendix B.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Register of Cost-Recovery Fees and Commercial Charges for Development Services 2014/2015”
- (b) adopt the fees detailed in the Register of Cost-recovery Fees and Commercial Charges for Development Services 2014/15 (Appendix A and B)
- (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.

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.

Therefore 2014/15 is the first year of operations under the Sunshine Coast Planning Scheme. Due to the changes in the planning scheme the volume of applications received previously under the Maroochy Plan 2000 and Caloundra City Plan 2004 are unlikely to provide an accurate prediction of the applications to be received for the Sunshine Coast Planning Scheme.

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

- The impact on volume over the 12 month period where applicants may request to lodge under the superseded schemes or the Sunshine Coast Planning Scheme
- The response to the new planning scheme making new applications more desirable and whether this will result in increased volumes of particular application types
- 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
- Potential impacts associated with the changes to the Unitywater model effective 1 July 2014
- Impacts associated with infrastructure charges expected to be implemented during 2014
- 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

- Potential impacts of the State Government application fees (eg. SARA) and
- Implications of the planning reform and potential changes to the *Sustainable Planning Act* during the 2014/15 financial year.

Based on an analysis of these factors the 2014/15 Development Services revenue is estimated to be \$8.7 million. This includes a 3% budget fee increase parameter as set out in Council's budget guidelines.

CORPORATE PLAN

Corporate Plan Theme: *Robust Economy*

Emerging Priority: 1.1 - A broad economic base

Strategy: 1.1.1 - Develop and implement a regional economic development strategy that focuses on both; the current economic drivers of the region and opportunities for the future

Corporate Plan Theme: *Robust Economy*

Emerging Priority: 8.2 - Effective business management

Strategy: 8.2.3 - Implement a business approach that focuses on maximising opportunities, managing risks and improving quality of service

Corporate Plan Theme: *Robust Economy*

Emerging Priority: 8.3 - Strong financial management

Strategy: 8.3.2 - Ensure council's financial performance is well managed and leads to a strong financial position

CONSULTATION

Internal Consultation

The Development Services leaders were consulted in order to develop the 2014/15 fees and charges:

- Manager, Development Services
- 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

As Unitywater now displays relevant fees and charges on their website, Development Services has removed the Unitywater component from the fees and charges schedules, and will refer customers to Unitywater's web page as well as provide links on council's web page.

Community Engagement

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

PROPOSAL

The proposed 2014/15 fees and charges maintain the structure of the fees adopted as part of the Sunshine Coast Planning Scheme on 14 April 2014. This includes fees nominated for uses defined under the superseded planning schemes (Caloundra City Plan 2004 and Maroochy Plan 2000) which are effective for a period of 12 months from 21 May 2014.

The Building and Plumbing fees are set out in "Appendix A".

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

No new fees are proposed and a 3% budget fee parameter has been applied to fees in the Building and Plumbing Services register for 2014/15.

Planning Assessment, Engineering Assessment & Environment Assessment & Miscellaneous Fees are set out in "Appendix B".

This fee register reflects what was adopted by Council with the Sunshine Coast Planning Scheme on 14 April 2014.

No new fees are proposed and a 3% budget fee parameter has been applied to fees in the Planning Assessment, Engineering Assessment & Environment Assessment & Miscellaneous Fees register for 2014/15.

Incentives in Development Assessment Fees to Encourage Development

Council adopted measures in 2012/13 to stimulate commercial, business and industrial activity for 7 land use types - office, shop, medical centre, showroom/hardware store, warehouse, general industry and light industry/local industry/service industry. Relevant applications are eligible for a rebate of 25% of the application fee if the use commences within 2 years of the development approval.

A free prelodgement 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 have been maintained for the 2014/15 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

This will be the first full year of operation for the fees and charges as adopted for the Sunshine Coast Planning Scheme. As detailed in the "Finance and Resourcing" section there are a number of variables that can impact on the revenue forecast for Development Services. These will be closely monitored throughout the year.

Previous Council Resolution

Council adopted the 2013/14 Register of Cost-recovery Fees and Commercial Charges for Development Services at the Special Meeting (Budget) "*Previous recommendations*" held on 11 June 2013.

Council adopted the Sunshine Coast Planning Scheme 2013/14 Register of Cost-recovery Fees and Commercial Charges for Development Services at the Special Meeting held on 14 April 2014.

That Council:

- (a) receive and note the report titled "New Planning Scheme – amendment of 2013/2014 register of cost recovery fees and commercial charges for Development Services"; and*
- (b) adopt the supplementary fees for Planning Assessment, and Engineering and Environment Assessment, detailed in Appendix A.*

Related Documentation

Local Government Act 2009

Local Government Regulation 2012

Critical Dates

The 2014/2015 cost-recovery fees and commercial charges apply from 1 July 2014. Adopting the fees and charges prior to adopting the 2014/15 budget in full allows advance notice for users and the community.

Implementation

Once adopted, the 2014/2015 Register of Cost Recovery Fees and Commercial charges for Development Services will become operational for new applications and services from 1 July 2014. The fees and charges will be published on council's website.

4.2 INFRASTRUCTURE SERVICES

4.2.1 COUNCILLOR EMERGENT CAPITAL WORKS AND MINOR OPERATIONAL WORKS UTILISATION POLICY

File No:	Statutory Meetings	
Author:	Asset Management and Services Project Manager Infrastructure Services Department	
Appendices:	App A - Councillor Emergent Capital Works and Minor Operational Works Utilisation Policy	45
Attachments:	Att 1 - Councillor Emergent Capital Works Minor Operational Works Policy - Track Changes	51

PURPOSE

This report seeks to provide an updated policy framework and budget allocation for the Councillor Emergent Capital Works and Minor Operational Works Utilisation Funding that complies with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

EXECUTIVE SUMMARY

Council has requested that the Councillor Emergent Capital Works and Minor Operational Works Utilisation Policy be revised to allow Councillors to have greater flexibility while providing clarity in the allocation of funding within the policy.

Changes to the Councillor Emergent Capital Works Minor Operational Works Utilisation Policy are:

- Removal of specific allocations of \$75,000 for emergent capital works and \$50,000 for minor operational works. The amount to be allocated will be determined by Council as part of the annual budget adoption.
- The inclusion of a table within the policy which provides specific examples on the use of these funds to assist Councillors and staff in determining whether the request is compliant with the policy.
- The previously adopted policy had specific funding commitments required for certain types of works (e.g. footpaths; parks and gardens etc.), whereas the new policy has been revised to allow more flexibility in the determination of the funding allocations to better suit the particular needs to the community within each Council Division, removing specific requirements for funding local pathways and local parks.
- Allocation of funding is not to be below \$500 for operational works. If the request is in line with Council's normal maintenance program (e.g. replacing lamp shade), then it will be funded from the normal operational budget and not from Councillors Minor Operational Works Allocation.

The previously adopted policy had specific funding commitments required for certain types of works (e.g. footpaths; parks and gardens etc.), whereas the new policy has been revised to allow more flexibility in the determination of the funding allocations to better suit the particular needs to the community within each Council Division.

This report provides the updated policy framework and budget allocations within the Councillor Emergent Capital Works and Minor Operational Works Utilisation Policy.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Councillor Emergent Capital Works and Minor Operational Works Utilisation Policy” and
- (b) adopt the Councillor Emergent Capital Works and Minor Operational Works Utilisation Policy (Appendix A).

FINANCE AND RESOURCING

Council has determined in previous years budgets, that each Divisional Councillor may prioritise the amount as determined by Council at the budget adoption within a financial year for emergent capital works projects, and the amount determined by Council at budget within a financial year for minor operational works projects or services.

Councillors may also choose to:

- Fund all or part of a Mayoral and Councillor Discretionary Funding component by reallocation from the minor operational works allocation; as detailed in the Strategic Policy ‘Mayoral and Councillor Discretionary Funding’ endorsed by Council on 20 June 2013 or
- Increase the allocation to Emergent Capital Works by reducing the Minor Operational Works allocation.

The final amounts to be allocated for the 2014/2015 financial year will be ratified when Council adopts the full budget in June 2014.

CORPORATE PLAN

Corporate Plan Theme: *Managing growth*

Emerging Priority: 7.4 - Timely and appropriate infrastructure and service provision
Strategy: 7.4.3 - Ensure the provision of parks, open space and community infrastructure consistent with identified local and regional needs

Corporate Plan Theme: *Managing growth*

Emerging Priority: 7.5 - Council’s services and assets meet the needs of our growing community
Strategy: 7.5.1 – Determine the types and levels of services provided by council

Corporate Plan Theme: *Managing growth*

Emerging Priority: 7.5 - Council’s services and assets meet the needs of our growing community
Strategy: 7.5.3 - Maintain and renew council assets to agreed standards

CONSULTATION

Internal Consultation

- Councillors
- Executive Leadership Team
- Manager, Finance
- Senior Management, Accountant
- Coordinator Treasury and Rates
- Coordinator Financial Services

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

Council has requested that the Councillor Emergent Capital Works and Minor Operational Works Utilisation Policy be revised to allow Councillors to have greater flexibility while providing clarity in the allocation of funding within the policy.

Changes to the Councillor Emergent Capital Works Minor Operational Works Utilisation Policy are:

- Removal of specific allocations of \$75,000 for emergent capital works and \$50,000 for minor operational works. The amount to be allocated will be determined by Council as part of the annual budget adoption.
- The previously adopted policy had specific funding commitments required for certain types of works (e.g. footpaths; parks and gardens etc.), whereas the new policy has been revised to allow more flexibility in the determination of the funding allocations to better suit the particular needs to the community within each Council Division, removing specific requirements for funding local pathways and local parks.
- The inclusion of a table within the report which provides specific examples on the use of these funds to assist Councillors and staff in determining whether the request is compliant with the policy.

	Grants	Emergent Capital Works / Minor Operational Works
Pathways		y
Kerb ramps		y
Park improvements		y
Council Owned bdgs		y
Private bdgs	y	
Street signs		y
Entry statements		y
Street lights		y
Street light shades		y
Design works		y
Council Xmas decorations		y
Community Xmas decorations	y	
Council sponsor festivals		y
Non council festivals	y	
Non council business	y	
Council Artworks		y
Non Council artwork	y	
Maintenance of Council asset		y
Maintenance of non-council asset	y	
Asset - Community Facility _ not covered by lease agreement		y
Asset Community Facility – covered by lease agreement	y	
Parks equipment		y
Tree removal		y
Line marking		y
Bollards		y
Council Banners		y
Non Council banners	y	

- Allocation of funding is not to be below \$500 for operational works. If the request is in line with Council's normal maintenance program (e.g. replacing lamp shade), then it will be funded from the normal operational budget and not from Councillors Minor Operational Works Allocation.

This report provides the updated policy framework and budget allocations within the Councillor Emergent Capital Works and Minor Operational Works Utilisation Policy.

To allow for greater flexibility and additional funding in the allocation of funds within the Councillor Emergent Capital Works and Minor Operational Works Utilisation Policy, a revised policy is included in Appendix A and has the following attributes:-

- Councillor Emergent Capital Works and Minor Operational Works funds are to be allocated to capital works infrastructure and to the maintenance and operations of council infrastructure only, or may be reallocated from Discretionary Funding, to the following two categories:
 - Councillor Emergent Capital Works - Expenditure used to create new assets, increase the capacity of existing assets beyond their original design capacity or service potential. Projects in this category will result in a physical asset which will be capitalised:
 - Councillor Minor Operational Works - Expenditure used on minor operational works for the day to day running and availability of an asset or service. Operational services and/or assets are treated as operational expenses;
- Councillors may also choose to:
 - Fund all or part of a Mayoral and Councillor Discretionary Funding component by reallocation from the minor operational works allocation; as detailed in the Strategic Policy 'Mayoral and Councillor Discretionary Funding' endorsed by Council on 20 June 2013.
 - Increase the allocation to Emergent Capital Works by reducing the Minor Operational Works allocation.

The previously adopted policy had specific funding commitments required for certain types of works (e.g. footpaths; parks and gardens etc.), whereas the new policy has been revised to allow more flexibility in the determination of the funding allocations to better suit the particular needs to the community within each Council Division.

Legal

The revised policy has been structured such that compliance with the local government act, Council procurement policies and Council strategies and other relevant legal instruments is maintained.

Policy

The implementation of the Councillor Emergent Capital Works and Minor Operational Works Utilisation funding as outlined in this report requires the adoption of the proposed Councillor Emergent Capital Works and Minor Operational Works Utilisation Policy (Appendix A).

Risk

The policy captures a governance and assessment process, and creates a compliance and audit trail for all allocations, thus minimizing the risk of an unintentional miss-allocation of funds.

Previous Council Resolution

Budget Meeting 23 June 2008.

Related Documentation

- Grants Policy
- Mayoral and Councillor Discretionary Funding Policy
- Community Grants Eligibility Guidelines 2012/2013
- Community Partnership Funding Program Guidelines 2012/2013
- *Local Government and Other Legislation Amendment Bill (2012)*
- *Local Government Regulation (2012)*
- *Queensland Local Government Act (2009)*
- *Statutory Bodies Financial Arrangements Act (1982)*

Critical Dates

2014/2015 Council Budget Adoption – 26 June 2014

Implementation

Once adopted, the policy will be used to assess and process all funding allocations covered by the revised policy in the 2014/2015 financial year.

4.3 CORPORATE SERVICES**4.3.1 REGISTER OF GENERAL COST-RECOVERY FEES AND COMMERCIAL CHARGES 2014/2015**

File No:	Fees and Charges
Author:	Director Corporate Services Corporate Services Department
Appendices:	App A - Register of General Cost-recovery Fees and Commercial Charges 2014/2015 63

PURPOSE

To seek adoption of the fees and charges (Appendix A) as the Register of General Cost-recovery Fees and Commercial Charges 2014/2015 (excluding Development Assessment Fees).

EXECUTIVE SUMMARY

A Fees and Charges Workshop was held with Councillors on 28 April 2014 to present the Register of General Cost-recovery Fees and Commercial Charges for 2014/2015. The workshop focused on the fees with increases that were greater or less than the 3% budget fee increase parameter and all fees that are under full cost recovery.

General cost-recovery fees and commercial charges revenue (excluding development assessment fees) for 2014/2015 is expected to be approximately \$44.6 million. The Budget fee increase parameter was 3% (refer to section on Financing and Resourcing for more details).

General cost-recovery fees are set at full cost recovery where possible. Commercial charges are set above full cost after considering market and other conditions. General cost-recovery fees and commercial charges 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 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.

FINANCE AND RESOURCING

General cost-recovery fees and commercial charges revenue (excluding development assessment fees) for 2014/2015 is expected to be approximately \$44.6 million.

Table 1 below shows the estimated general fees and charges revenue for 2014/2015 by department or function.

Table 1: Estimated general fees and charges revenue 2014/2015 by department and function:

Department	Function	No. of fees	Estimated Fees & Charges Revenue \$'000
Infrastructure Services	Parks and Gardens	9	28
	Waste and Resource Management	96	7,037
	Other	6	23
Corporate Strategy and Delivery	Sunshine Coast Airports	74	11,024
Community Services Department	Aquatic Centres	54	1,055
	Leisure Centres	11	610
	Showgrounds	76	67
	Multi-Sports and Community Based Sports	69	138
	Performance Venues, Halls, Quad Park and Stockland Park	553	1,818
	Response Services	54	1,788
	Cemetery Services	70	952
	Library Service Development & Caloundra Gallery	32	128
	Healthy Places	80	891
	Community Land Permits and Parking	60	3,051
Regional Strategy and Planning	Transport and Infrastructure Policy	4	118
Corporate Services	Knowledge Services	22	993
	Business Solutions and Strategy	2	1
	Quarries	28	1,030
	Sunshine Coast Holiday Parks	114	13,872
	Other	7	6
Executive Office	Legal	12	10
TOTAL		1,433	44,639

Source: T1 Financials 2013/2014 current budget extrapolated by price increase parameter of 3%

Note 1: Waste & Resources Management excludes utility charges of approximately \$45 million billed through the rates notice.

Note 2: A significant increase in the number of fees & charges (1085) from last financial year to 1,439 this financial year is mainly due to new fees from Stockland Park (123 fees) and the development of a detailed Venue fee structure (430 fees).

Note 3: During the year 91 Noosa Shire related fees have been removed from the register.

CORPORATE PLAN

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.1 - Ethical, accountable and transparent decision-making

Strategy: 8.1.1 - Develop and implement a governance framework that provides transparent and accountable processes and enhances council's reputation

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.2 - Effective business management

Strategy: 8.2.3 - Implement a business approach that focuses on maximising opportunities, managing risks and improving quality of service

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 - Strong financial management

Strategy: 8.3.2 - Ensure council's financial performance is well managed and leads to a strong financial position

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 Councillors prior to the Councillor Fees and Charges Workshop on 28 April 2014, with relevant managers responding to questions arising.

Consultations held with:

- General Manager Sunshine Coast Airports
- Manager Commercial & Procurement
- Manager Community Response
- Manager Community Facilities & Planning
- Manager Community Relations
- Manager Corporate Governance
- Manager Civil Works & Fleet Services
- Manager Environmental Operations
- Manager Finance
- Coordinator Sunshine Coast Holiday Parks
- Chief Information Officer
- Executive Officer, Infrastructure Services Directorate
- Chief Legal Officer
- Manager Parks & Gardens
- Manager Property Management
- Quarry Superintendent
- Manager Transport & Infrastructure Policy
- 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

Initially the Commercial and Procurement branch and Finance branch at a later stage facilitated and coordinated with managers the review of general cost-recovery fees and commercial charges for the annual budget process. Development Assessment fees have already been approved having followed a separate process through 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 2014/2015 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*. These had the default price increase set to 3% for the 2014/2015 budget. Commercial charges should be equal to or above cost recovery and managers were requested to provide reasons for those below cost recovery.

Fees & Charges in respect of Development Assessment Fees have been 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

Fees and charges are adopted by council for each financial year and can be amended during the year if need be. The authority for amending cost recovery fees lies with the Chief Executive Officer and the authority to amend commercial fees has been delegated to the Manager Commercial Procurement through delegation no. 15.

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 2013/2014 Register of Cost-recovery Fees and Commercial Charges at the Special Meeting (Budget) held on 11 June 2013 (SM 13/14):

That Council:

- (a) *receive and note the report titled "Register of Cost-recovery Fees and Commercial Charges 2013/2014"*
- (b) *adopt the fees detailed in the Register of Cost-recovery Fees and Commercial Charges 2013/14 (Appendix A, B, C and D)*
- (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 2014/2015 cost-recovery fees and commercial charges apply from 1 July 2014. Adopting the fees and charges prior to adopting the 2014/2015 budget in full allows advance notice for users and the community.

Implementation

Once adopted, the General Register of Cost-recovery Fees and Commercial Charges 2014/2015 (Appendix A) will be made public by being published on council's website.

4.3.2 INVESTMENT POLICY AND DEBT POLICY FOR 2014/2015

File No:	Budget Development	
Author:	Treasury and Rates Coordinator Corporate Services Department	
Appendices:	App A - 2014/15 Investment Policy	165
	App B - 2014/15 Debt Policy	171
Attachments:	Att 1 - 2014/15 Investment Policy - Marked Up.....	177
	Att 2 - 2014/15 Debt Policy - Marked Up	191

PURPOSE

This report seeks the adoption of an Investment Policy and Debt Policy to apply for the 2014/2015 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 26 June 2014.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Investment Policy and Debt Policy for 2014/2015"
- (b) adopt the 2014/2015 Investment Policy (Appendix A) and
- (c) adopt the 2014/2015 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: *Robust Economy*

Emerging Priority: 1.1 - A broad economic base

Strategy: 1.1.1 - Develop and implement a regional economic development strategy that focuses on both; the current economic drivers of the region and opportunities for the future

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.1 - Ethical, accountable and transparent decision-making

Strategy: 8.1.2 - Ensure legislative compliance and awareness

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 - Strong financial management

Strategy: 8.3.2 - Ensure council's financial performance is well managed and leads to a strong financial position

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 Local Government, Community Recovery and Resilience, 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. 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.

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 Local Government, Community Recovery and Resilience.

Previous Council Resolution

The current policies were adopted by council under resolution OM13/92 at the meeting held 23 May 2013 and SM13/21 at the meeting held 25 June 2013.

Related Documentation

There is no related documentation for this report.

Critical Dates

These policies underpin elements of the 2014/2015 budget which will be presented to council for final adoption at the Special Meeting (Budget Adoption) to be held 26 June 2014.

Implementation

There are no implementation details to include in this report.

4.3.3 REVENUE POLICY 2014/2015

File No:	Budget Development	
Author:	Manager Finance Corporate Services Department	
Appendices:	App A - 2014/15 Revenue Policy	203
Attachments:	Att 1 - 2014/15 Revenue Policy - Marked Up	207

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 2014/2015 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 2014/2015” and
- (b) adopt the 2014/2015 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 2014/2015 budget.

CORPORATE PLAN

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.1 - Ethical, accountable and transparent decision-making

Strategy: 8.1.1 - Develop and implement a governance framework that provides transparent and accountable processes and enhances council's reputation

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.1 - Ethical, accountable and transparent decision-making

Strategy: 8.1.2 - Ensure legislative compliance and awareness

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.2 - Effective business management

Strategy: 8.2.1 - Develop indicators and measure the performance of council and the success in achieving its vision

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.

Risk

No risks have been identified in relation to this report.

Previous Council Resolution

The Revenue Policy for 2013/14 was adopted by council under resolution SM13/12 at the meeting held June 2013.

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 2014/2015 financial year.

4.3.4 2014/2015 PROCUREMENT POLICY

File No:	Contracts	
Author:	Acting Manager Commercial & Procurement Corporate Services Department	
Appendices:	App A - 2014/15 Procurement Policy	215
Attachments:	Att 1 - 2013/14 Procurement Policy - Marked up	231

PURPOSE

The purpose of this report is to present the 2014/2015 Procurement Policy included in Appendix A to council for adoption.

EXECUTIVE SUMMARY

Council's Procurement Policy outlines the framework for conducting procurement and contracting activities, which includes procurement of goods and services and the disposal of valuable non-current assets.

The *Local Government Regulation 2012* requires council review its Procurement Policy annually. The current procurement policy was adopted on 25 July 2013. It has been reviewed and amended to reflect minor legislative changes, which have occurred since its adoption. There are no substantive changes between the current Procurement Policy and the proposed 2014/2015 Procurement Policy.

The current Procurement Policy and associated processes have 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 \$139 million for the current financial year, which represents 67 percent of the available procurement spend.

The current Procurement Policy is an integral part of council's contract management framework. An audit report on a review of this framework was presented to the audit committee on 12 May 2014. The report found council had a high level of consistency with best practice processes resulting in a 'strong' audit opinion.

The proposed 2014/2015 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 "2014/2015 Procurement Policy" and**
- (b) adopt the 2014/2015 Procurement Policy (Appendix A).**

FINANCE AND RESOURCING

The Procurement Policy will guide compliance with the *Local Government Act 2009* and *Local Government Regulation 2012* with regards to procurement and disposal contracting activities.

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: *Robust Economy*

Emerging Priority: 1.2 - Support for local businesses

Strategy: 1.2.4 - Ensure council's procurement policies support local businesses and help generate local employment

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.1 - Ethical, accountable and transparent decision-making

Strategy: 8.1.2 - Ensure legislative compliance and awareness

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 - Strong financial management

Strategy: 8.3.2 - Ensure council's financial performance is well managed and leads to a strong financial position

CONSULTATION

Internal Consultation

The Procurement Policy remains consistent with external legal advice recommending it meet, without being more onerous than obligations created by legislation. The following internal stakeholders were consulted on that basis:

- Chief Legal Officer
- Director, Corporate Services
- Manager, Commercial & Procurement
- Manager, Procurement & Contracts
- Coordinator, Procurement & Contract Performance
- Coordinator, Major Projects
- Contracts Governance Committee.

External Consultation

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

Community Engagement

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

PROPOSAL

Council's Procurement Policy outlines the framework for conducting procurement and disposal contracting activities, which includes procurement of goods and services and the disposal of valuable non-current assets.

The *Local Government Regulation 2012* requires council include in its Procurement Policy details of the principles it will apply to procurement, including 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.

Outcomes sought from the policy are to:

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

The current Procurement Policy and associated processes have 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 \$139 million for the current financial year, which represents 67 percent of the available procurement spend.

The current Procurement Policy is an integral part of council's contract management framework. An audit report on a review of this framework was presented to the audit committee on 12 May 2014. The report found council had a high level of consistency with best practice processes resulting in a 'strong' audit opinion.

There are no substantive changes between the current Procurement Policy and the proposed 2014/2015 Procurement Policy. The Policy continues to comply with all legislative obligations and provides an appropriate framework for conducting efficient procurement and disposal contracting activities.

Legal

External legal advice has previously been sought regarding the format and content of the current Procurement Policy. The proposed 2014/2015 Procurement Policy 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 ensure compliance with the relevant legislation and provide a structured framework for council's procurement and disposal contracting activities.

Risk

The Procurement Policy mitigates the risks associated with undertaking procurement and disposal contracting activities.

Council's contract management framework, of which the Procurement Policy is an integral part, was recently the subject of an internal audit. The report on a review of this framework was presented to the audit committee on 12 May 2014. The report found council had a high level of consistency with best practice processes resulting in a 'strong' audit opinion.

Previous Council Resolution

Ordinary Meeting 25 July 2013 – OM13/134

That Council:

- (a) receive and note the report titled " Procurement Policy" and*
- (b) adopt the 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.

4.3.5 APPLICATION OF NATIONAL COMPETITION POLICY REFORM 2014-2015

File No:	ECM
Author:	Coordinator Commercial Analysis Corporate Services Department
Attachments:	Att 1 - Reform Options255
	Att 2 - Business Activity Identification257
	Att 3 - Full Cost Performance261

PURPOSE

To make recommendation for the application of National Competition Policy reform for the 2014-2015 financial year.

EXECUTIVE SUMMARY

The recommended business activity structure for the 2014-2015 year resulting from the annual review of the application of National Competition Policy reforms to council's business activities is to:

- apply Full Cost Pricing to the Waste & Resources Management significant business activity and
- apply the Code of Competitive Conduct to Sunshine Coast Airport, Sunshine Coast Holiday Parks and Quarries business activities.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Application of National Competition Policy Reform 2014-2015" and
- (b) apply Full Cost Pricing to the Waste and Resource Management significant business activity for the 2014-2015 financial year in accordance with section 44(1)(b) of the *Local Government Act 2009* and
- (c) apply the Code of Competitive Conduct to the following business activities for the 2014-2015 financial year in accordance with section 47 of the *Local Government Act 2009*:
 - (i) Sunshine Coast Airport
 - (ii) Sunshine Coast Holiday Parks and
 - (iii) Quarries.

FINANCE AND RESOURCING

The finance and resourcing implications of applying the National Competition Policy reforms primarily relate to competitive neutrality and cost reflective pricing for council's business activities.

CORPORATE PLAN

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 - Strong financial management

Strategy: 8.3.2 - Ensure council's financial performance is well managed and leads to a strong financial position

CONSULTATION

Internal Consultation

- Manager Commercial and Procurement
- Manager Waste and Resources Management
- General Manager Sunshine Coast Airport
- Coordinator Sunshine Coast Holiday Parks
- Manager Civil Works & Fleet
- Manager Finance
- Financial Accounting Manager

External Consultation

Department of Local Government, Community Recovery and Resilience

Community Engagement

There was no community engagement.

PROPOSAL

1. Background

In the mid to late 1990's a suite of market and economic reforms were introduced to stimulate growth and job creation in Australia. For local governments in Queensland these reforms revolved around:

- The extension of the trade practices laws prohibiting anti-competitive activities to all businesses including local government businesses.
- The introduction of competitive neutrality so that private businesses could compete on an equal footing with those owned by local government.
- The review and reform of all laws that restrict competition.
- Specific reform and price monitoring of the water industry.

National Competition Policy reforms are applied to various identified 'business activities' of the council.

Attachment 1 outlines the reform options and the key difference between Commercialisation, Full Cost Pricing, Code of Competitive Conduct, and cost recovery pricing principles.

Attachment 2 sets out the legislative requirements, threshold analysis of council's business activities and the process for annual business activity identification.

Attachment 3 shows business activity full cost pricing performance based on 2012/2013 actual results.

2. Classification of Council's Business Activities

Business activities are classified against expenditure thresholds set each financial year. For significant business activities, expenditure for this purpose is the operating expenditure less depreciation and any expenditure to achieve competitive neutrality which is not actually incurred plus loan redemption payments. The 2014-2015 thresholds are as follows:

- Significant business activities have expenditure over the \$8.9 million threshold
- Business activities have expenditure over the \$312,000 threshold.

The classification of council's business activities are listed in the table below for 2013-14 and 2014-2015.

Table: Current and Proposed Business Activity Classification

Business Activity	2013-2014 Current Classification	2014-2015 Proposed Classification
Waste and Resources Management	Type 1	SBA
Sunshine Coast Airport	Type 3	BA
Holiday Parks	Type 3	BA
Quarries	Type 3	BA

A public benefit assessment is required when business activities move classification from a business activity to a significant business activity. A public benefit assessment requires extensive public consultation to determine which reform option will achieve the greatest net community benefit.

3. Summary Outcomes of Business Activity Review

The recommended 2014-2015 business activity structure based on the annual business activity review and identification conducted in accordance with the legislation is to:

- Apply the Full Cost Pricing in accordance with section 44(1)(b) of the *Local Government Act 2009* to the Waste and Resource Management significant business activity.
- Apply the Code of Competitive Conduct to the following activities, in accordance with sections 47 of the *Local Government Act 2009*:
 - Sunshine Coast Airport
 - Sunshine Coast Holiday Parks and
 - Quarries.

Legal

In accordance with Chapter 3 of the *Local Government Act 2009* and the *Local Government Regulation 2012*, council is required each year to identify any new 'financially significant' business activities, and also to identify its business activities.

Attachment 2 describes the current statutory requirements.

There are no legal implications with applying the National Competition Policy reforms.

Policy

Guidelines have been prepared to assist with ongoing compliance in the application of National Competition Policy to council's nominated business activities, in accordance with applicable legislative requirements.

Risk

Council would not be complying with the key legislative National Competition Policy principles contained in the *Local Government Act 2009* and *Local Government Regulation 2012* if the National Competition Policy reforms are not applied.

Previous Council Resolution

Council applied the National Competition Policy reforms for the 2013-2014 financial year as resolved at the Ordinary Meeting on 23 May 2013.

Council Resolution (OM13/94).

That Council:

- (a) *receive and note the report titled "Application of National Competition Policy Reform 2013-2014"*
- (b) *apply Full Cost Pricing to the Waste and Resource Management significant business activity for the 2013-2014 financial year in accordance with section 44(1)(b) of the Local Government Act 2009 and*
- (c) *apply the Code of Competitive Conduct to the following business activities, for the 2013-2014 financial year in accordance with section 47 of the Local Government Act 2009:*
 - (i) *Sunshine Coast Airport*
 - (ii) *Sunshine Coast Holiday Parks and*
 - (iii) *Quarries.*

Related Documentation

Local Government Act 2009
Local Government Regulation 2012

Critical Dates

The resolution applies to the 2014-2015 financial year.

Implementation

The National Competition Policy reforms will be applied for the 2014-2015 financial year.

4.3.6 BENEFICIAL ENTERPRISE FOR 2014-2015

File No: Statutory Meetings
Author: Coordinator Commercial Analysis
Corporate Services Department

PURPOSE

To inform Council of recent changes to the beneficial enterprise provisions of the *Local Government Act 2009* and to outline the beneficial enterprises to be conducted during the 2014-2015 financial year.

EXECUTIVE SUMMARY

A beneficial enterprise is an enterprise that a local government considers is directed to benefitting, and can reasonably be expected to benefit, the whole or part of the local government area. Council is conducting a beneficial enterprise if it is engaging in or helping the beneficial enterprise. Business activities of council alone that trade in goods or services are not beneficial enterprise.

The *Local Government and Other Legislation Amendment Act 2012* changed the *Local Government Act 2009* provisions relating to beneficial enterprises by:

- Providing local governments with an express power to conduct beneficial enterprises
- Repealing beneficial enterprise provisions to streamline the way in which local governments may conduct beneficial enterprises
- Requiring a local government's annual report for each financial year to contain a list of all beneficial enterprises conducted during the year
- Repealing provisions relating to planning for a beneficial enterprise with the private sector.

During the 2014-2015 year council will participate in beneficial enterprises with the controlled entity Sunshine Coast Events Centre.

Council will also participate in beneficial enterprises with two entities that it does not control, Sunshine Coast Destination Ltd and Forestry Products Queensland Pty Ltd.

OFFICER RECOMMENDATION

That Council receive and note the report titled "Beneficial Enterprise for 2014-2015".

FINANCE AND RESOURCING

Council has a 100% controlling interest in Sunshine Coast Events Centre Pty Ltd.

Table 1 below shows key financial information for these entities for the 2012-2013 financial year.

Table 1: Financial information for 2012-2013

	Sunshine Coast Events Centre Pty Ltd \$'000
Revenue	287
Expenses	(2,347)
Surplus/(deficiency)	(2,060)

Source: Audited Financial Statements 2012-2013 - Note 30 Controlled Entities.

CORPORATE PLAN

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 - Strong financial management

Strategy: 8.3.2 - Ensure council's financial performance is well managed and leads to a strong financial position

CONSULTATION

Internal Consultation

Financial Accounting Manager

External Consultation

Department of Local Government

Community Engagement

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

PROPOSAL

A beneficial enterprise is an enterprise that a local government considers is directed to benefitting, and can reasonably be expected to benefit, the whole or part of the local government area. Council is conducting a beneficial enterprise if it is engaging in or helping the beneficial enterprise.

Business activities of council alone that trade in goods or services are not beneficial enterprises as these are considered part of the ordinary local government activities and may be subject to competitive neutrality requirements under National Competition Policy.

The *Local Government and Other Legislation Amendment Act 2012* changed the Local Government Act 2009 provisions relating to beneficial enterprises by:

- Providing local governments with an express power to conduct beneficial enterprises
- Repealing beneficial enterprise provisions to streamline the way in which local governments may conduct beneficial enterprises
- Requiring a local government's annual report for each financial year to contain a list of all beneficial enterprises conducted during the year
- Repealing provisions relating to planning for a beneficial enterprise with the private sector.

Beneficial Enterprises with Controlled Entities

Controlled entities during the 2014-2015 year will be the Sunshine Coast Events Centre Pty Ltd.

The authority exists 'for the mayor or the mayor's delegate appointed as council's representative (acting in an equity holder capacity) to attend and act on council's behalf at meetings of companies that council controls and undertake any other business as required'. This authority applies to Sunshine Coast Events Centre Pty Ltd.

Sunshine Coast Events Centre Pty Ltd

The Sunshine Coast Events Centre Pty Ltd operates the Events Centre at Minchinton St Caloundra. The Centre caters to the entertainment and conference market and features a 900 seat main theatre, a 320 seat theatre and a number of smaller rooms for corporate events, galas and balls.

The Sunshine Coast Events Centre Pty Ltd was formed in January 2004 with Caloundra City Council as its sole shareholder. This structure was employed to provide:

- Flexibility to operate within the market place without restrictions of the Local Government Act in terms of employment and purchasing
- Increased direct community involvement and support through membership of a board of management
- Increased opportunity to access a wider range of funding sources.

Sunshine Coast Events Centre Pty. Ltd is governed by a board of eight directors and chaired by the councillor representing Division 2.

Other Beneficial Enterprises

During the 2014-2015 year council will participate in two beneficial enterprises with entities that it does not control.

Sunshine Coast Destination Ltd

Sunshine Coast Destination Ltd is a company limited by guarantee established in June 2010. The objects for which the company was established are to:

- Deliver strategic research, planning and leadership for tourism in the region
- Promote and maintain a regional tourism brand and a regional tourism brand family
- Coordinate visitor information services in the region
- Advocate for the development of tourism infrastructure within the region
- Participate in the development of a regional major events governance structure ensuring maximum exposure and leveraging major events held in the region
- Generally promote, advance, develop, coordinate, facilitate and encourage tourism in the region to ensure that tourism remains a major contributor to the region's economy.

Council entered into a three-year funding and performance deed commencing 1 July 2012 with Sunshine Coast Destination Ltd to provide a range of marketing and tourism related services across the Sunshine Coast for council.

Deed with Forestry Plantations Queensland Pty Ltd

In 2010 Council purchased 213.6 Ha of land for environmental purposes at Lot 176 on Crown Plan MCH798 and Lot 178 on Crown Plan MCH865 Kirby's Road, Obi Obi. The previous owner had an existing deed in place with Forestry Plantation Queensland Pty Ltd with respect to 13.5 Ha of eucalyptus cloeziana (Gympie Messmate) planted on the subject properties. The deed commenced in December 1998 with a 35 year term and allows Forestry Plantation Queensland Pty Ltd to harvest timber from the 13.5 Ha parcel. Purchase of the land by council was conditional on continuing the deed with Forestry Plantation Queensland Pty Ltd.

Legal

Chapter 3 Part 2 of the *Local Government Act 2009* enables council to carry out a beneficial enterprise on its own account without specific statutory restriction on the amount committed or any other parameter. Public transparency of the activity is the key control with council's annual report required to list all beneficial enterprises that the local government conducted during the year.

Where the beneficial enterprise is carried out in partnership with the private sector additional restrictions are prescribed reflecting the fact that council would not have sole control over the destiny of its investment and may have limited ability to withdraw in the event that the enterprise experiences losses. The restrictions mean that council must not:

- Be an unlimited partner of a partnership
- Either directly or indirectly participate with an unlimited corporation and
- Enter into an agreement that does not limit the liability of council, as between the parties of the agreement, to the amount committed by the local government under the agreement.

Previous Council Resolution

At the Ordinary Meeting on 23 May 2013 Council received and noted the report on Beneficial Enterprise for 2013-2014.

Council Resolution (OM13/93)

That Council receive and note the report titled "Beneficial Enterprise for 2013-2014".

At the Ordinary Meeting on 7 December 2011 Council resolved to conduct a beneficial enterprise associated with a three year funding and performance deed with Sunshine Coast Destination Limited.

Council Resolution (OM11/307)

That Council:

- a) *delegate authority to the Chief Executive Officer to seek approval (if required) from the Department of Local Government and Planning under Section 42 of the Local Government Act 2009 to conduct a beneficial enterprise associated with a three-year Funding and Performance Deed with Sunshine Coast Destination Limited;*
- b) *authorise the Chief Executive Officer to negotiate a Three-Year Funding and Performance Deed with Sunshine Coast Destination Limited to commence on and from 1 July 2012, with the Deed to be presented to council for endorsement and include additional and specific key performance measures that relate to membership, tourism industry support, the ratio of council funding to own source revenue, and community partnerships; and*

- c) subject to satisfactory achievement of (a) and (b) above, Council resolves to conduct the above mentioned beneficial enterprise.*

At the Ordinary Meeting on 29 June 2011 council resolved to conduct a beneficial enterprise with a Forestry Plantations Pty Ltd.

Council Resolution (OM11/176)

That Council:

- a) note the forestry plantation Joint Venture Deed("Deed") registered over Lot 176 on Crown Plan MCH798 and Lot 178 on Crown Plan MCH865;*
- b) consider the forestry plantation project referred to in the Deed to be a beneficial enterprise;*
- c) resolve to conduct the beneficial enterprise, in accordance with Section 40 of the Local Government Act 2009;*
- d) authorise the Chief Executive Officer to execute a Deed of Novation necessary to transfer the benefit of the Deed to Council.*

Related Documentation

Sunshine Coast Destination Limited Funding Deed
Forestry Plantation Queensland Joint Venture Deed

Critical Dates

There are no critical dates in relation to this report.

Implementation

There is no implementation in relation to this report.

4.3.7 2014/15 TO 2023/24 CAPITAL WORKS PROGRAM

File No:	SCRC Budget Development
Author:	Manager Finance Corporate Services Department
Appendices:	App A - 2014/15 to 2023/24 Capital Works Program273

PURPOSE

The purpose of this report is to present the final 10-year Capital Works Program for council endorsement for inclusion in the 2014/15 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.

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 2014/15 Capital Works Program for inclusion in the 2014/15 budget, as outlined in **Appendix A**.

OFFICER RECOMMENDATION

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**

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 over \$900 million 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 Theme: *Managing growth*

Emerging Priority: 7.4 - Timely and appropriate infrastructure and service provision

Strategy: 7.4.1 - Prepare comprehensive infrastructure plans, policies and strategies in line with long term financial plans

Corporate Plan Theme: *Managing growth*

Emerging Priority: 7.5 - Council's services and assets meet the needs of our growing community

Strategy: 7.5.4 - Develop and implement five year and longer term rolling capital works programs according to strategic priorities

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 - Strong financial management

Strategy: 8.3.2 - Ensure council's financial performance is well managed and leads to a strong financial position

CONSULTATION

Internal Consultation

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

- Budget workshop 4 November 2013
- Officer-level meetings December 2013 to April 2014
- Budget workshop 24 & 25 February 2014
- Budget workshop 17 & 18 March 2014
- Budget workshop 7 & 8 April 2014
- Budget workshop 12 & 13 May 2014 and
- Individual Councillor meetings during April 2014

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 2013/14 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, Priority Infrastructure Plans, business plans for Business Units, and Asset Management Plans.

The total program value for 2014/15 amounts to \$114 million. Total expenditure over the ten-year forecast period amounts to over \$900 million.

Budget Guidelines permit adjustments to the projects between and within programs with major reviews to be undertaken in October 2014 and February 2015.

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 2014/15 to 2023/24 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 identified region-building projects, (including implementation of the Sunshine Coast Airport master plan, the development of the Maroochydore central precinct, and the solar farm), 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

11 June 2013 (SM13/15) – 2013/2014 Ten-Year Capital Works Program

That Council:

- a) *That Council receive and note the report titled "2013/2014 Ten-Year Capital Works Program".*

25 June 2013 (SM13/21) – Adoption of 2013/14 Budget and Forward Estimates for the 2014/15 to 2022/23 financial years

That Council:

- (a) *receive and note the report titled "Adoption of the 2013/14 Budget and Forward Estimates for the 2014/15 to 2022/23 financial years"*
- (b) *adopt the 2013/14 Budget Schedules (Appendix A) including Forward Estimates, the Revenue Statement 2013/14 as previously adopted; and the Revenue Policy 2013/14 as previously adopted*
- (c) *approve the Competitive Neutrality Adjustments and Community Service Obligations for its business activities (Appendix B) for inclusion in the 2013/14 Budget*
- (d) *adopt the 2013/14 Capital Works program, endorse the indicative four-year program for the period 2014/15 to 2017/18, and note the five-year program for the period 2018/19 to 2022/23 (Appendix C) and*
- (e) *adopt the revised 2013/14 Debt Policy (Appendix D).*

Related Documentation

Included as an attachment to this report is the 2014/15 to 2023/24 10-Year Capital Works Program (Appendix A).

Critical Dates

At the 26 June 2014 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.

4.3.8 PROPOSED 2014/15 BUDGET FOR ADOPTION 26 JUNE 2014

File No:	SCRC Budget Development
Author:	Manager Finance Corporate Services Department
Appendices:	App A - 2014/15 Financial Statements279
Attachments:	Att 1 - 2014/15 Community Service Obligations and Community Imposed Obligations287

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 26 June 2014.

EXECUTIVE SUMMARY

Section 107A of the *Local Government Act 2009* requires the Mayor to give a copy of the proposed 2014/15 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 2014/15 Budget for Adoption 26 June 2014” and
- (b) receive the proposed 2014/15 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

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.1 - Ethical, accountable and transparent decision-making

Strategy: 8.1.2 - Ensure legislative compliance and awareness

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 - Strong financial management

Strategy: 8.3.1 - Develop long term financial plans and indicators to achieve optimum use of resources and alignment to strategic priorities

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 - Strong financial management

Strategy: 8.3.2 - Ensure council’s financial performance is well managed and leads to a strong financial position

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 2014/2015 budget, including:

- Budget workshop 4 November 2013
- Officer-level meetings December 2013 to April 2014
- Budget workshop 24 & 25 February 2014
- Budget workshop 17 & 18 March 2014
- Budget workshop 7 & 8 April 2014
- Budget workshop 12 & 13 May 2014 and
- Individual Councillor Meetings during April 2014

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 2014/15 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 2014/15 Community Service Obligations (CSOs) and Community Imposed Obligations (CIOs), which attempts to achieve an equal playing field for business activities to ensure there are no advantages nor disadvantages. Included in the attachment is the 2013/14 comparatives highlighting the changes post de-amalgamation.

Legal

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

Policy

There are no policy implications for this report.

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 2014/15 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 26 June 2014.

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 2014/15 year.

5 CONFIDENTIAL SESSION

6 NEXT MEETING

The next Special Meeting (Budget) will be held on 26 June in the Council Chambers, Corner Currie and Bury Streets, Nambour.

7 MEETING CLOSURE