

**Friday, 25 June 2021**  
**9:00 AM**  
Tully Civic Centre  
Council Chambers Level 2  
38-40 Bryant Street  
Tully Q 4854



Cr Mark Nolan - Mayor  
Cr Barry Barnes - Division 1  
Cr Teresa Millwood - Division 2  
Cr Trudy Tschui - Division 3  
Cr Nicholas Pervan - Division 4  
Cr Jeff Baines - Division 5  
Vacant - Division 6

## **SPECIAL MEETING - 2021/2022 BUDGET**

### **MINUTES**

#### **Welcome**

Cr M Nolan (Chairman) welcomed everyone and opened the Local Government Meeting at 9:00am

#### **Present**

Crs M Nolan (Mayor), B Barnes (Deputy Mayor), T Millwood, T Tschui, N Pervan and J Baines, Mr J Gott (Chief Executive Officer), Mr A Sadler (Director Delivery Services), Mr G Singh (Chief Financial Officer), Ms K Slattery (Governance Lead), Ms L Bradley (Manager Finance), Mr J Smith (Senior Management Accountant), Ms L Koppen-Bradley (Business Support Accountant), Mr D Walker (ICT Customer Support Officer), Ms M Sanderson (Executive PA to the CFO), and Mrs J Sands (Minutes Clerk)

#### **Acknowledgement of Country**

The Mayor acknowledged the traditional owners and caretakers of the land on which the meeting is being held and paid his respects to the elders, past, present and emerging.

#### **Apologies**

Nil

#### **Declaration of Prescribed Conflicts of Interest or Declarable Conflicts of Interest**

Cr M Nolan (Chairman) invited those present to use this opportunity to make public any Prescribed Conflicts of Interest or Declarable Conflicts of Interest in respect of the Items in the Agenda.

Councillors should use this opportunity to disclose and/or comment on other Councillors and/or Staff interests in accordance with the Act and Regulations.

#### **DECLARATION**

No Prescribed Conflicts of Interest or Declarable Conflicts of Interest have been declared.

## **1. CONSIDERATION AND ADOPTION OF THE 2021-2022 ANNUAL BUDGET INCLUDING ASSOCIATED REPORTS AND POLICIES**

### **1.1 Mayor's Address**

*"Councillors*

*Right now, we are in unprecedented times and this is a budget designed for unprecedented times.*

*A significant effort has been made to minimise this year's rate increase whilst presenting a realistic budget that ensured that Council could sustainably fund services, existing infrastructure and new facilities that have been identified as important to our Community.*

*In 2021, we see the continued impact and recovery efforts of the COVID-19 pandemic and Council has worked hard to retain a low rate increase that abuts the expected CPI increase to reflect the pressure on individuals and families at this time.*

*Understandably, in this current economic climate, a priority for this Council is to be careful with our spending while still delivering a budget that is achievable and fair for the Community.*

*This budget reflects our commitment to achieving our Corporate Plan vision, which seeks to strike a balance which is central to our community's desire to see the whole of the Cassowary Coast Region as a place with increasing opportunities for residents to live and work, where the region's assets meet the community's needs, a place with healthier and more sustainable lifestyles, and a place that has a healthy natural environment.*

*Councillors, the budget I present today provides:*

*a balanced budget that provides a small surplus \$12k; and*

*a budget that invests in our region, our community and our future.*

*Councillors I am proud to say that today I present to you, a budget that supports the community's long-term and immediate priorities.*

*I submit the budget for your consideration."*

## **2. BUDGET RESOLUTIONS**

### **2.1 Chief Executive Officer's Budget Report**

The development of the 2021-2022 Budget has followed the trend of recent years with the process yet again proving to be extremely challenging. This is reflective of the financial difficulties facing the Local Government sector in general at present.

The budget seeks to strike an appropriate balance between maintaining Council's sound financial position whilst not placing too heavy a burden on ratepayers through substantial rate increases. The impact on the projected long term financial position is also an important consideration and Council has endeavoured to strike a suitable balance between the current financial challenges it is facing and its long term financial sustainability.

As a result of extant financial pressure, Council has reviewed its service levels and model of service delivery in some areas to ensure operational efficiencies and continuous improvement are achieved to reduce operational expenditure. Council for the first time engaged with the Community Consultative Group to seek feedback on Council's draft Services Catalogue and considered options available in achieving an optimal balance between the rating strategy and

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service delivery approaches.

The budget provides for a total operating revenue of \$83.420M and operating expenses of \$83.408M. The net result is a small operating surplus of \$12K.

In terms of Council revenue, the challenging economic climate over the past year has resulted in no real growth in Council's revenue base. The subdued economic conditions, continuing recovery from COVID-a9, and interest rates being at historically low levels have impacted the projected earnings. As a result, Council's General Rates and Utility Charges have seen an average increase of 1.98% and 2.13% respectively in order to cover for increases in operational expenditure.

The cost of operational expenditure has increased due to the following:

Wage and salary costs for the employment of Council staff. The budget includes an Enterprise Bargaining Agreement increase (2.5% prorated) factored in December 2021 and a vacancy savings of around \$300k in operating expenses. Council will commence the management of all its Waste Transfer Stations and new positions have been factored into the budget, however, this has been offset by a reduction in materials and services (service contracts).

Significant costs for the renewal of insurance cover to adequately insure Council assets. It is anticipated that insurance costs will increase by at least 10%, however, \$250k savings have been factored into the budget as Council has reviewed its deductible amount and updated the list of assets insured.

The depreciation expense for Council assets is projected to increase by approximately \$1.87M taking it to \$28.3M total depreciation, which is a very heavy figure for a Council of this size and it is a-typical when compared with other Councils throughout Queensland. The increase relates to valuation movements, changes in accounting standards associated with right of use of assets (leases), completion of new capital works and the restoration of assets damaged due to weather events. Council will continue to pursue its Asset Rationalisation Strategy and a saving of \$400k has been factored into the budget.

As a result of the ongoing financial pressures the Council suffers, it has been necessary to further review the services it provides across a range of areas in order to reduce operating expenses. Council in preparing this budget has commenced the process of capturing all the relevant information associated with its services a a Services Catalogue and has had brief engagements with the Community Consultative Group to explore opportunities that could be considered as part of the budget process. Further engagement will be undertaken with the broader community in the future.

Council has considered a number of new operational initiatives and some of the key funded initiatives are highlighted below:

- Planning Scheme Amendment
  - Local Champions Program
  - Events Placement Program
  - Dog Off-leash Zone - Feasibility Study
  - Reconciliation Action Plan
  - Appointment of Business and Industry Liaison Coordinator
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The capital budget includes a works program of \$35.4M. The program allows for the completion of outstanding capital works from the 2020-2021 financial year anticipated at \$10.4M. A summary of the new Capital Works Program, excluding any carryover works, is as follows:

- Infrastructure and Delivery Services - \$21.31M
- Office of the Chief Executive Officer - \$1.03M
- Water - \$5.97M
- Sewerage - \$3.9M
- Waste Management - \$3.21M

The details of the projects are included in Appendices G and H of the budget papers.

The CEO acknowledged the work done by Mr Singh (Chief Financial Officer) who in the CEO's opinion is an outstanding CFO and Council is very fortunate to have his dedicated service and also the rest of Mr Singh's team - Ms Bradley and Mr Smith and all of the team who loyally and faithfully do very difficult work cheerfully and well for this Council.

#### **Recommendation**

**"That the Chief Executive Officer's report on the 2021-2022 Budget be received by Council."**

**Moved Cr T Tschui**

**Seconded Cr B Barnes**

**Resolution Number B20021**

**"That the Recommendation be adopted."**

**FOR: Unanimous**

**CARRIED**

## **2.2 Significant Differences Report**

#### **Recommendation**

**"That the report regarding significant differences between budgeted income and expenses and actual income and expenses for 2020-2021, as detailed in the Budget Report, be received by Council."**

**Moved Cr J Baines**

**Seconded Cr T Millwood**

**Resolution Number B20022**

**"That the Recommendation be adopted."**

**FOR: Unanimous**

**CARRIED**

## **2.3 Revenue Policy**

#### **Recommendation**

**"That the Revenue Policy be adopted by Council."**

**Moved Cr N Pervan**

**Seconded Cr T Tschui**

**Resolution Number B20023**

**"That the Recommendation be adopted."**

**FOR: Unanimous**

**CARRIED**

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## **2.4 Revenue Statement Recommendation**

“That Council adopt the Revenue Statement 2021-2022 as tabled, and resolve that:

- Pursuant to *section 81 of the Local Government Regulation 2012*, the categories into which rateable land is categorised and the description of each of those categories be as set out in the Revenue Statement.
  - Pursuant to *section 257 of the Local Government Act 2009* and in accordance with *section 81 of the Local Government Regulation 2012*, Council delegates to the Chief Executive Officer the power to identify the rating category to which each parcel of rateable land belongs.
  - Pursuant to *section 94 of the Local Government Act* and *sections 80 and 81 of the Local Government Regulation 2012*, Council adopt a differential rating system and make and levy a differential general rate on all parcels of rateable land included in each category as set out in the Revenue Statement.
  - Pursuant to *section 77 of the Local Government Regulation 2012*, Council will make and levy a minimum differential general rate on all parcels of rateable land included in each category as set out in the Revenue Statement.
  - Pursuant to *section 94 of the Local Government Act* and *section 103 of the Local Government Regulation 2012*, Council will make and levy the separate charges as set out in the Revenue Statement which include the Transport Infrastructure Levy and the Environmental Management Levy.
  - Pursuant to *section 94 of the Local Government Act* and *section 94 of the Local Government Regulation 2012*, Council will make and levy the special charges, and where applicable, adopt the overall plans and annual implementation plans set out in the Revenue Statement which include the Bilyana, Murray Upper, Kennedy, Mena Creek and Cowley Beach Rural Fire Brigade Special Charges.
  - Pursuant to *section 94 of the Local Government Act* and *section 99 of the Local Government Regulation 2012*, Council make and levy the utility charges for water, sewerage, trade waste and waste management as set out in the Revenue Statement.
  - Pursuant to *section 118 of the Local Government Regulation 2012*, all rates and charges shall be due and payable within 30 days of the issuance of rates notices, as more particularly set out in the Revenue Statement.
  - Pursuant to *section 130 of the Local Government Regulation 2012*, Council will allow a discount of 10% on general rates where payment of the full amount outstanding and overdue rates and interest is paid by the due date as more particularly set out in the Revenue Statement.
  - Pursuant to *Chapter 4, Part 10 of the Local Government Regulation 2012*, Council grants the concessions set out in the Revenue Statement and the Rating Concessions Policy.”
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Moved Cr B Barnes

Seconded Cr N Pervan

Resolution Number B20024

"That the Recommendation be adopted."

FOR: Unanimous

CARRIED

## 2.5 Interest on Overdue Rates and Charges

Recommendation

"That Council adopt the Interest Rate on Overdue Rates and Charges as tabled and resolve that, pursuant to *section 133* of the *Local Government Regulation 2012*, Council will charge interest on overdue rates and charges at an interest rate of 8.03% per annum, compounded on daily rates, from the date the rates and charges become overdue, as more particularly set out in the Revenue Statement."

Moved Cr T Millwood

Seconded Cr N Pervan

Resolution Number B20025

"That the Recommendation be adopted."

FOR: Unanimous

CARRIED

## 2.6 Rating Concessions Policy

Recommendation

"That the Rating Concessions Policy be adopted by Council."

Moved Cr N Pervan

Seconded Cr T Tschui

Resolution Number B20026

"That the Recommendation be adopted."

FOR: Unanimous

CARRIED

## 2.7 Investment Policy

Recommendation

"That the Investment Policy be adopted by Council."

Moved Cr T Millwood

Seconded Cr J Baines

Resolution Number B20027

"That the Recommendation be adopted."

FOR: Unanimous

CARRIED

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**2.8 Debt Policy**

**Recommendation**

"That the Debt Policy be adopted by Council."

Moved Cr T Tschui

Seconded Cr B Barnes

Resolution Number B20028

"That the Recommendation be adopted."

FOR: Unanimous

CARRIED

**2.9 Rates Recovery Policy**

**Recommendation**

"That the Rates Recovery Policy be adopted by Council."

Moved Cr N Pervan

Seconded Cr J Baines

Resolution Number B20029

"That the Recommendation be adopted."

FOR: Unanimous

CARRIED

**2.10 Activate Cassowary Coast Development Incentive Policy - Reduction in Additional Pedestal Charges for Sewerage**

**Recommendation**

"That the Activate Cassowary Coast Development Incentive Policy - Reduction in Additional Pedestal Charge for Sewerage, be adopted by Council."

Moved Cr T Millwood

Seconded Cr N Pervan

Resolution Number B20030

"That the Recommendation be adopted."

FOR: Unanimous

CARRIED

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## **2.11 Trade Waste Environmental Management Plan**

### **Recommendation**

**"That the Trade Waste Environmental Management Plan (TWEMP) be adopted by Council."**

**Moved Cr T Tschui**

**Seconded Cr B Barnes**

**Resolution Number B20031**

**"That the Recommendation be adopted."**

**FOR: Unanimous**

**CARRIED**

## **2.12 Services Management Guideline**

### **Recommendation**

**"That Council adopt the CCRC Services Management Guideline ORG20."**

**Moved Cr J Baines**

**Seconded Cr N Pervan**

**Resolution Number B20032**

**"That the Recommendation be adopted."**

**FOR: Unanimous**

**CARRIED**

## **2.13 Code of Competitive Conduct**

### **Recommendation**

**"That Council:**

- Determines that the Code of Competitive Conduct is applicable to Water and Sewerage business for the 2021-2022 financial year;**
- Determines not to apply the Code of Competitive Conduct to the Waste and any other business for the 2021-2022 financial year."**

**Moved Cr T Millwood**

**Seconded Cr B Barnes**

**Resolution Number B20033**

**"That the Recommendation be adopted."**

**FOR: Unanimous**

**CARRIED**

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## **2.14 2021-2022 Financial Statements**

### **Recommendation**

“That Council adopt the following statements for the 2021-2022, 2022-2023 and 2023-2024 financial years:

- Statement of Financial Position as outline in *Appendix A*
- Statement of Cash Flow as outlined in *Appendix B*
- Statement of Changes in Equity as outlined in *Appendix C*
- Statement of Income and Expenditure as outlined in *Appendix D.*”

Moved Cr J Baines

Seconded Cr T Tschui

Resolution Number B20034

"That the Recommendation be adopted."

FOR: Unanimous

**CARRIED**

10:06am Cr J Baines left and re-entered the meeting

## **2.15 2021-2022 Budget**

### **Recommendation**

“That Council adopt the following budget documents:

- Operating Income and Expenditure Summary by Program as outlined in *Appendices E and F;*
- Capital Works Program as outlined in *Appendices G and H;*
- Long-Term Financial Forecast as outlined in *Appendix I;*
- Measures of Financial Sustainability for 2021-2022 and the next nine (9) financial years as outlined in *Appendices J and K;*

Moved Cr T Tschui

Seconded Cr B Barnes

Resolution Number B20035

"That the Recommendation be adopted."

FOR: Unanimous

**CARRIED**

10:11am Ms L Koppen-Bradley left the meeting

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## **2.16 Changes in Rates and Utility Charges**

### **Recommendation**

"That Council notes the total value of the change in rates and utility charges levied in 2021-2022 compared with the previous budget (excluding discounts and rebates) is 2.40% and 2.48% using the net rates and utility charges levied as outlined in *Appendix K*."

Moved Cr T Millwood

Seconded Cr N Pervan

Resolution Number B20036

"That the Recommendation be adopted."

FOR: Unanimous

CARRIED

10:16am Mr J Gott left the meeting

10:17am Mr J Gott re-entered the meeting

## **2.17 Community Financial Report**

### **Recommendation**

"That the Community Financial Report on the 2021-2022 Budget be received by Council."

Moved Cr J Baines

Seconded Cr T Millwood

Resolution Number B20037

"That the Recommendation be adopted."

FOR: Unanimous

CARRIED

10:27am Mr A Sadler left the meeting

10:32am Mr A Sadler re-entered the meeting

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## **Mayor's Comments**

The Mayor acknowledged the great work done by our Council staff. In his budget speech the Mayor mentioned 'extreme unprecedented times' and that the unprecedented times are centred around historically, low interest rates which have an impact on the budget of around \$1M, insurance costs have gone up 10% and to come up with a \$12k surplus - our staff have done an outstanding job.

Cr Nolan also acknowledged the Community Engagement panel who have worked closely with our staff in terms of asset rationalisation - a key strategy that Council has adopted. The Mayor added that he would like to acknowledge the two (2) rate referencing groups which have made many recommendations since 2009 which have been implemented with the last recommendation from the current group to be implemented.

Cr Nolan also paid tribute to the CEO James Gott who has been with Council for five (5) years and has steered Council through several organisational restructures which were painful and difficult but which found savings of \$900k and a budget of \$8k surplus. In this time the CEO has also steered Council with a team of 340 staff through a pandemic with all the restrictions that had to be implemented. The CEO is leaving a great legacy of 13 unmodified audits, debt-free and a Council that is committed to addressing our biggest financial challenge, our huge asset base, Council looked after our pensioners even though the aging population is seeing that cost escalate to over \$750k in this budget.

The Mayor added that Council's social justice values are just as important as its core business and the Mayor is very proud of Cassowary Coast Regional Council being the most generous with the pension concession when benchmarking with neighbouring Councils.

Cr Nolan noted that depreciation sits at \$28.3M this year and goes over \$30M in two years' time, hence the urgent need to be aggressive with Council's asset base. The asset value per rateable property in our area is around \$74k in comparison to the Tablelands Regional Council and Hinchinbrook Council that are around \$42k and \$44k.

A very good strategic decision was made to take over waste on August 1 which will come with its challenges reflected in the employee costs in this year's budget. Cr Nolan mentioned the money spent on Council's water reservoirs which has resulted in 'no boil water alerts' and Council staff have addressed that issue.

All Councillors supported the Mayor's comments and acknowledged the sentiments and congratulations expressed to their fellow Councillors, Council Staff and the Community Consultative and Rating Reference groups.

Mr J Gott (CEO) thanked the Mayor and Councillors for their kind words and thanked them for their leadership and also acknowledged that the comments about staff were entirely appropriate and well deserved.

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**3. MEETING CLOSURE**

10:39am There being no further business, the Mayor declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD THIS 8TH DAY OF JULY 2021

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Cr M Nolan, Mayor

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