



# **Pormpuraaw Aboriginal Shire Council Annual Budget 2019-20**



**Adopted by Council on 25/07/2019 - Resolution # 2019/07/02**

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## **BUDGET FRAMEWORK**

The budget document for the 2019-20 financial years has been prepared in accordance with the Local Government Regulation 2012, section 169. The following documents are included in the budget presented to Council:

1. A local government's budget for each financial year must:-
  - (a) Be prepared on an accrual basis; and
  - (b) Include statements of the following for the financial year for which it is prepared and the next 2 financial years:-
    - (i) financial position;
    - (ii) cash flow;
    - (iii) income and expenditure;
    - (iv) changes in equity.
2. The budget must also include:-
  - (a) a long-term financial forecast; and
  - (b) a revenue statement; and
  - (c) a revenue policy.
3. The statement of income and expenditure must state each of the following:-
  - (a) rates and utility charges excluding discounts and rebates;
  - (b) contributions from developers;
  - (c) fees and charges;
  - (d) interest;
  - (e) grants and subsidies;
  - (f) depreciation;
  - (g) finance costs;
  - (h) net result;
  - (i) the estimated costs of:-
    - (i) the local government's significant business activities carried on using full cost pricing basis; and
    - (ii) the activities of the local government's commercial business units; and
    - (iii) the local government's significant business activities.
4. The budget must include each of the following (the relevant measures of financial sustainability) for the financial year for which it is prepared and the next 9 financial years.
5. The relevant measures of financial sustainability are the following measures as described in the financial management (sustainability) guideline:-
  - (a) asset sustainability ratio;
  - (b) net financial liabilities ratio;
  - (c) operating surplus ratio.
6. The budget must include the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget.
7. For calculating the rates and utility charges levied for a financial year, any discounts and rebates must be excluded.
8. The budget must be consistent with the following documents of the local government:-
  - (a) its 5 year Corporate Plan;
  - (b) its Annual Operational Plan.
9. In this section – financial management (sustainability) guideline means the document called "Financial Management (Sustainability) Guideline 2013', version 1, made by the department.

## **BUDGET PRINCIPLES**

Pormpuraaw Aboriginal Shire Council (PASC) recognises the importance of Federal and State funding and the effect on Council's financial sustainability.

PASC will continue to comply with all funding terms and conditions to ensure timely availability of grant funding.

Council will seek written approval from any funding bodies to retain surplus funds from the prior financial year/s before including these surplus funds into their budget forecast.

This budget is a continuation of all Council's Corporate Plans such as: Operational Plan, Corporate Plan, Community Plan, Asset Management Plans and Long Term Financial Forecast Model.

The budgets set by Council must correspond with all intentions of these strategic documents.

Operational sustainability is the vital goal of this budget and Council's spending must be consistent with affordability.

Regular reviews of Council's fees and charges should reflect the market trend and additional sources of revenue should be encouraged and supported. The 2019-20 Revenue Statement, Revenue Policy and Schedule of Fees & Charges will provide guidelines to this effect.

Council's Assets (Property, Plant and Equipment) should be managed and used optimally to the benefits of the Pormpuraaw Community.

## SIGNIFICANT BUDGET ASSUMPTIONS

Pormpuraaw Aboriginal Shire Council (PASC) is highly dependent on Federal and State grant funding for operational and capital expenditure to meet the service requirements for the community members and visitors of Pormpuraaw Shire.

PASC will treat depreciation according to the requirements of the relevant Accounting Standards. Where applicable non-current assets have been comprehensively componentised which significantly improves the accuracy of the depreciation expense. PASC will continue the encounter of being able to fund depreciation fully.

PASC currently invests surplus funds with QTC. The interest rates on monies invested with QTC is assumed to earn interest income at approx. 2.5% annually. Council does not invest with any other financial institutions.

PASC has no existing borrowing and retains a view of not borrowing into the future. The existing liabilities consist of employee liabilities (current and non-current) and ordinary business creditors.

Employment costs have been adjusted to accommodate the following Awards:

- Queensland Local Government Industry (Stream A) Award – State 2017
- Queensland Local Government Industry (Stream B) Award – State 2017
- Queensland Local Government Industry (Stream C) Award – State 2017

Employment costs captured are also reflective of the State Wage Increase of 3.5%. Attendance for employees is assumed to be 100%.

The increase for Councillor Remuneration has also been incorporated as per the Queensland Government Gazette, Local Government Remuneration & Discipline Tribunal, Local Government Remuneration and Discipline Tribunal Report 2018 (Issued on 30 November, 2018).

PASC's schedule of fees and charges are reviewed annually and increased as required to accommodate the increasing costs of providing these particular services for the community. PASC is working towards a user pays model to ensure that all recoverable works are accurately captured, and the revenue recovered. PASC considers the economic impact of increasing fees and charges to the community members of Pormpuraaw and endeavours to minimise these increases where possible, whilst trying to balance financial sustainability principals.

Disaster Recovery Funding Arrangements (DRFA) restoration works due to natural disaster events are funded 100% by the Queensland Reconstructive Authority (QRA) and have been budgeted to reflect approx current submission values. Any future natural disaster damage is highly unpredictable hence has been included in the future budgets at best practice estimates. PASC has gained sufficient experience in preparing successful submissions and providing satisfactory acquittals. This is authentication that budgeted works will be funded accordingly by QRA for any future events.

## OPERATIONAL BUDGETS

The operational budgets for the 2019-20 financial year remain consistent in comparison to previous financial years and there is no significant changes to the way PASC will conduct its operations in the 2019-20 financial year.

Council has reviewed the cost of providing essential services such as waste, water and sewerage to the community. On review of the actual costs to deliver these essential services to the community it was recognised that Council was not charging service levies in proportion to the actual operational costs to provide each of these essential services to the community. Council has worked on a methodology of recovering 85% of the basic operational costs of these essential services to the community. Council continues to bear the cost of other community essential services such as roads, street lighting, beach amenities, parks, playgrounds and Council administrative costs.

The overall impact on the total of the 3 levies being charged for residential properties is an 11% increase on residential properties and a 3.36% increase for commercial properties.

The new apportionment of these service levies has resulted in the following percentage adjustments to each of the service levy categories from the prior financial year:

General Service Levy including Waste - Residential has increased by 6.84% and Commercial has decreased by 41.53%

Water Service Levy - Residential has decreased by 13.55% and Commercial has increased by 174.07%.

The water service levy charge for commercial properties is inclusive of 5,000 kilolitres of water and excess usage over this per annum will result in an additional charge of \$1.50 per kilolitre. Excess water usage by the community continues to be an ongoing issue with Council consistently having to place the community on water restrictions.

Sewerage service Levy - Residential has increased by 273.91% and Commercial has increased by 94.81%.

Sewerage system failure and blockages continues to be an ongoing issue for Council due to foreign objects being put into the sewerage system.

Most charges on Council's schedule of fees and charges for the 2019-20 financial year has remained quite similar to last financial year with some slight increases which are listed to be implemented on 1<sup>st</sup> October, 2019. This will allow Council to communicate these slight increases with the stakeholders that will be impacted and allow them to factor these increases into their commercial charges to the public.

Wages budgets have been applied as per the notations in the significant budget assumptions section on the previous page. Where positions are currently vacant these have been allowed for in the budget at the assumed agreed salary ranges but may be subject to slight variations based on recruitment negotiations for these positions. All wages budgeted are assumed to be 100% attendance.

Constrained operational funding received in 2018-19 to be carried forward is as follows and will be utilised in the 2019-20 financial year:

- FAG - Advance Biannual Funding Release = \$956,143
- Community Justice Group Program - Surplus Funds = \$28,385
- NJCP Aged Care - Surplus Funds = \$16,442
- QIL&S Ranger Program - Surplus Funds = \$49,266
- DILGP Grants & Subsidies Project Funding = \$1,882

The long-term financial forecasts for operations have been based on a consistent approach year after year. PASC has some certainty in the 3 year budget forecast however the following 7 years after this has been based on best practice assumptions due to there being no ongoing certainty around the grants and funding that PASC could receive over this long term forecasted period.

## CAPITAL WORKS

The 2019-20 financial year will see Pormpuraaw Aboriginal Shire Council undertake capital works projects to the value of just over \$14.1 million, which is a significant increase from prior years. This is mainly due to the additional funding available for capital works programs such as: Works for Queensland (W4Q), Indigenous Councils Critical Infrastructure Program (ICCIP), Remote Housing Capital Delivery Program, Disaster Recovery Funding Arrangement (DRFA), Transport Infrastructure Development Scheme (TIDS) and Donated Assets from Various Government Departments.

Constrained capital works funding received in 2018-19 to be carried forward is as follows and will be utilised in the 2019-20 financial year:

- RAS – Cafe & Bakery Capital Equipment = \$190,000
- Works for Queensland (W4Q2 & W4QR3) – Sportsfield Capital Project = \$494,501
- ICCIP – Water & Sewerage Capital Projects = \$715,356
- PMC – Splash Park Capital Playground Equipment = \$40,000

PASC has allocated capital works funds for the 2019-20 financial year in which the funding has been provided by Federal and/or State Government for the following capital works projects as listed below by asset category:

### **BUILDINGS/HOUSING:**

Pormpuraaw Council Office Rebuild Contribution  
Cairns Council Office Refurbishment  
Bakery Building & Equipment  
PUBSC Facilities Refurbishment  
Sportsfield with Amenities Buildings  
Croc Farm Staff Residence  
Workshop Refurbishment  
Staff Housing Replacement (13 Ngurrin St)  
Housing Capital Works Program

### **INFRASTRUCTURE – OTHER**

Airport Lighting Upgrade  
Paving of Town Roads  
Restoration of Roads from 2019 Events  
Strathgordon Rd Drainage, Realignment & Floodway Road Works  
Splashpark Water Park & Play Equipment

### **INFRASTRUCTURE – SEWERAGE**

Irrigate Sewerage Lagoon Embankments  
Install Macerators at Sewerage Pump Stations  
Install New Switchboards at Sewerage Pump Stations

## **INFRASTRUCTURE – WATER**

Replace 100mm Mains Pressure with 300mm  
New Bore # 3

## **HEAVY PLANT & EQUIPMENT**

Telehandler  
Tipper Truck  
4WD Forklift

The long term financial forecasts for capital works have been based on confirmed and/or known capital funding and capital works requirements for the next 3 years. PASC has some certainty in the 3 year budget forecast however the following 7 years after this has been based on best practice assumptions due to there being no ongoing certainty around the capital grants and funding that PASC could receive over this long term forecasted period.

Capital expenditure has been based on the current asset management plans and community service requirements. Council is currently in the process of reviewing their asset management plans (AMP) which will be finalised and adopted by Council in the coming months. Once the AMP have been adopted this will then set the asset management requirements for the next 5 years. Each department within Council has identified asset management requirements specifically for the next 3 years and has forecasted requirements for the following 7 years after this.

Some of the significant capital works included in the 3 year budget forecast in addition to what has been listed on the previous page for the current budgeted year are as follows:

- DRFA (Restoration of Public Assets – Roads)
- Betterment of Strathgordon Road
- New PASC Council Office - Pormpuraaw
- Paving of Town Roads
- Sports Field
- Motor Vehicles, Plant & Equipment
- Aged Care Facility
- Cairns Office Refurb
- New Staff Housing
- Water & Sewerage Infrastructure Upgrades
- Men's Shed



**PORMPURAABW ABORIGINAL SHIRE COUNCIL**  
**BUDGETED INCOME STATEMENT FOR THE YEARS FROM 1 JULY 2019 TO 30 JUNE 2022**

	2019-20	2020-21	2021-22
<b>Operating Income</b>			
Levies & Charges	415,137	435,894	457,689
Fees & Charges	450,450	472,973	496,621
Rental income	1,280,000	1,344,000	1,411,200
Interest Received	670,000	703,500	738,675
Sales Revenue	5,674,668	5,958,401	6,256,321
Other Income	28,000	29,400	29,988
Grants, Subsidies, Contributions & Donations	5,448,853	5,557,830	5,668,987
<b>Total Income</b>	<b>13,967,108</b>	<b>14,501,998</b>	<b>15,059,481</b>
<b>Operating Expenses</b>			
Employment Costs	-5,153,349	-5,333,716	-5,440,390
Cost of Sales	-552,000	-571,320	-582,746
Materials & Supplies	-4,730,308	-4,895,869	-4,993,786
Finance Costs	-38,000	-39,330	-40,117
<b>Total Expenses</b>	<b>-10,473,657</b>	<b>-10,840,235</b>	<b>-11,057,039</b>
<b>Net Operating Result Excluding Depreciation</b>	<b>3,493,452</b>	<b>3,661,764</b>	<b>4,002,442</b>
Depreciation	-4,550,851	-4,641,868	-4,734,705
<b>Operating Surplus / (Deficiency)</b>	<b>-1,057,399</b>	<b>-980,105</b>	<b>-732,264</b>
<b>Capital</b>			
Capital Revenue	12,852,534	12,184,444	7,746,944
Capital Expenses	-3,500,000	-2,500,000	-2,500,000
<b>Capital Surplus / (Deficiency)</b>	<b>9,352,534</b>	<b>9,684,444</b>	<b>5,246,944</b>
<b>Net Result</b>	<b>8,295,135</b>	<b>8,704,339</b>	<b>4,514,680</b>
Constrained Funds 2018/19 from Retained Earnings	2,370,316		
Review of Net Result Less Constrained Funds	10,665,541		

**BUDGETED MEASURES OF FINANCIAL SUSTAINABILITY FOR THE YEARS FROM 1 JULY 2019 TO 30 JUNE 2022**

<b>Asset Sustainability Ratio</b>	<b>77%</b>	<b>54%</b>	<b>53%</b>
<b>Operating Surplus Ratio</b>	<b>-8%</b>	<b>-7%</b>	<b>-5%</b>
<b>Net Financial Liabilities Ratio</b>	<b>-213%</b>	<b>-230%</b>	<b>-248%</b>

**BUDGETED CASHFLOW STATEMENT FOR THE YEARS FROM 1 JULY 2019 TO 30 JUNE 2022**

	2019-20	2020-21	2021-22
<b>Cashflows from Operating Activities</b>			
Receipts from Customers	7,848,255	8,240,668	8,651,819
Payments to Suppliers & Employees	-10,473,657	-10,840,235	-11,057,039
Interest Received	670,000	703,500	738,675
Grants, Subsidies, Contributions & Donations	5,448,853	5,557,830	5,668,987
Net cash inflow /(outflow) from operating activities	<b>3,493,452</b>	<b>3,661,764</b>	<b>4,002,442</b>
<b>Cashflows from Investing Activities</b>			
Payments for Property Plant & Equipment	-14,112,917	-8,834,444	-7,746,944
Grants, Subsidies, Contributions & Donations	11,693,711	8,184,444	7,246,944
Other	441,644	507,890	533,285
Net cash inflow /(Outflow) from investing activities	<b>-1,977,562</b>	<b>-142,110</b>	<b>33,285</b>
Net increase (decrease) in cash held	<b>1,515,889</b>	3,519,654	4,035,727
Cash & equivalents at beginning of financial year	28,414,367	29,930,256	33,449,910
Cash & equivalents at end of financial year	29,930,256	33,449,910	37,485,637

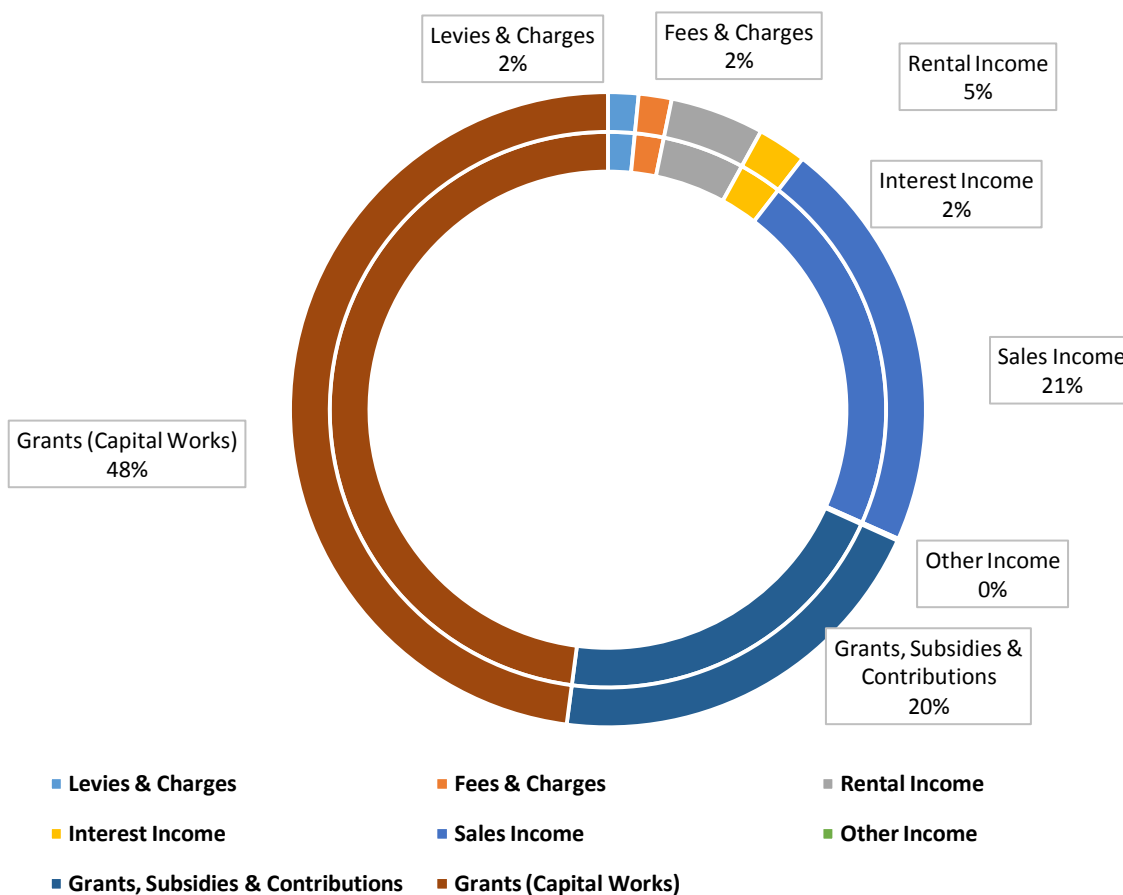
**BUDGETED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS 1 JULY 2019 TO 30 JUNE 2022**

	Total	Retained Surplus	Asset Revaluation Reserve
<b>Statement of Changes in Equity</b>			
Balance at 30/06/2019	150,865,873	59,784,456	91,081,417
Net Result for this period	8,295,135	8,295,135	
Asset Revaluation adjustment			
Balance at 30/06/2020	159,161,008	68,079,591	91,081,417
Net Result for this period	8,704,339	8,704,339	
Asset Revaluation adjustment			
Balance at 30/06/2021	167,865,348	76,783,931	91,081,417
Net Result for this period	4,514,680	4,514,680	
Asset Revaluation adjustment			
Balance at 30/06/2022	172,380,028	81,298,611	91,081,417

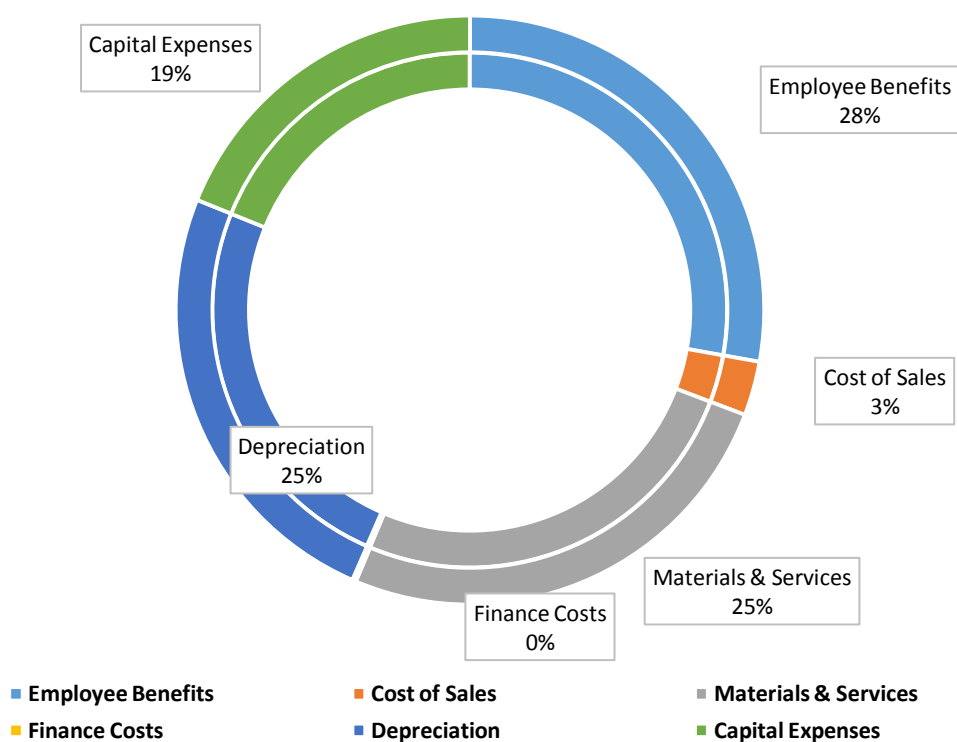
**BUDGETED STATEMENT OF FINANCIAL POSITION FOR THE YEARS 1 JULY 2019 TO 30 JUNE 2022**

	2019-20	2020-21	2021-22
<b>BALANCE SHEET</b>			
<b>Current Assets</b>			
Cash at Bank	29,930,256	33,449,910	37,485,637
Stock on Hand	370,000	388,500	407,925
Receivables	1,433,428	775,000	695,000
Total Current assets	31,733,684	34,613,410	38,588,562
<b>Non-Current Assets</b>			
Property Plant & Equipment	128,355,942	131,577,125	131,438,816
Other Financial Assets	12,023,015	13,826,468	14,517,791
Total Non-Current Assets	140,378,958	145,403,593	145,956,607
<b>TOTAL ASSETS</b>	<b>172,112,642</b>	<b>180,017,003</b>	<b>184,545,168</b>
<b>Current Liabilities</b>			
Overdraft	0	0	0
Trade Payables	1,410,069	680,000	605,000
Other provisions	389,397	403,026	423,177
Total Current Liabilities	1,799,466	1,083,026	1,028,177
<b>Non-Current Liabilities</b>			
Employee Provisions	195,000	204,750	209,869
Total Non-Current Liabilities	195,000	204,750	209,869
<b>TOTAL LIABILITIES</b>	<b>1,994,466</b>	<b>1,287,776</b>	<b>1,238,046</b>
<b>Net Community Assets</b>	<b>170,118,176</b>	<b>178,729,227</b>	<b>183,307,123</b>
<b>Equity</b>			
Asset Revaluation Reserve	91,081,417	91,081,417	91,081,417
Other Reserves	0	0	0
Retained Surplus (Deficiency)	68,079,591	76,783,931	81,298,611
	159,161,008	167,865,348	172,380,028

## 2019-20 Income Budget



## 2019-20 Expenditure Budgets



**PORMPURAAB ORIGINAL SHIRE COUNCIL  
BUDGETED INCOME STATEMENT  
FOR THE YEARS FROM 1ST JULY 2019 TO 30 JUNE 2029**

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Operating Income</b>										
Levies & Charges	415,137	435,894	457,689	464,554	471,522	478,595	485,774	493,061	500,456	507,963
Fees & Charges	450,450	472,973	496,621	504,070	511,631	519,306	527,096	535,002	543,027	551,172
Rental income	1,280,000	1,344,000	1,411,200	1,432,368	1,453,854	1,475,661	1,497,796	1,520,263	1,543,067	1,566,213
Interest Received	670,000	703,500	738,675	749,755	761,001	772,416	784,003	795,763	807,699	819,815
Sales Revenue	5,674,668	5,958,401	6,256,321	6,350,166	6,445,419	6,542,100	6,640,232	6,739,835	6,840,933	6,943,547
Other Income	28,000	29,400	29,988	30,438	30,894	31,358	31,828	32,306	32,790	33,282
Grants, Subsidies, Contributions & Donations	5,448,853	5,557,830	5,668,987	5,754,022	5,840,332	5,927,937	6,016,856	6,107,109	6,198,716	6,291,696
<b>Total Income</b>	<b>13,967,108</b>	<b>14,501,998</b>	<b>15,059,481</b>	<b>15,285,373</b>	<b>15,514,654</b>	<b>15,747,374</b>	<b>15,983,584</b>	<b>16,223,338</b>	<b>16,466,688</b>	<b>16,713,689</b>
<b>Operating Expenses</b>										
Employment Costs	-5,153,349	-5,333,716	-5,440,390	-5,521,996	-5,604,826	-5,688,899	-5,774,232	-5,860,845	-5,948,758	-6,037,990
Cost of Sales	-552,000	-571,320	-582,746	-591,488	-600,360	-609,365	-618,506	-627,783	-637,200	-646,758
Materials & Supplies	-4,730,308	-4,895,869	-4,993,786	-5,068,693	-5,144,723	-5,221,894	-5,300,223	-5,379,726	-5,460,422	-5,542,328
Finance Costs	-38,000	-39,330	-40,117	-40,718	-41,329	-41,949	-42,578	-43,217	-43,865	-44,523
<b>Total Expenses</b>	<b>-10,473,657</b>	<b>-10,840,235</b>	<b>-11,057,039</b>	<b>-11,222,895</b>	<b>-11,391,238</b>	<b>-11,562,107</b>	<b>-11,735,539</b>	<b>-11,911,572</b>	<b>-12,090,245</b>	<b>-12,271,599</b>
<b>Net Operating Result Excluding Depreciation</b>	<b>3,493,452</b>	<b>3,661,764</b>	<b>4,002,442</b>	<b>4,062,478</b>	<b>4,123,416</b>	<b>4,185,267</b>	<b>4,248,046</b>	<b>4,311,767</b>	<b>4,376,443</b>	<b>4,442,090</b>
Depreciation	-4,550,851	-4,641,868	-4,734,705	-4,805,726	-4,877,812	-4,950,979	-5,025,244	-5,100,622	-5,177,132	-5,254,789
<b>Operating Surplus / (Deficiency)</b>	<b>-1,057,399</b>	<b>-980,105</b>	<b>-732,264</b>	<b>-743,248</b>	<b>-754,396</b>	<b>-765,712</b>	<b>-777,198</b>	<b>-788,856</b>	<b>-800,689</b>	<b>-812,699</b>
<b>Capital</b>										
Capital Revenue	12,852,534	12,184,444	7,746,944	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Capital Expenses	-3,500,000	-2,500,000	-2,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000
<b>Capital Surplus / (Deficiency)</b>	<b>9,352,534</b>	<b>9,684,444</b>	<b>5,246,944</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Result</b>	<b>8,295,135</b>	<b>8,704,339</b>	<b>4,514,680</b>	<b>-743,248</b>	<b>-754,396</b>	<b>-765,712</b>	<b>-777,198</b>	<b>-788,856</b>	<b>-800,689</b>	<b>-812,699</b>

**PORMPURAAB ORIGINAL SHIRE COUNCIL  
BUDGETED MEASURES OF FINANCIAL SUSTAINABILITY  
FOR THE YEARS FROM 1ST JULY 2019 TO 30 JUNE 2029**

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Asset Sustainability Ratio</b>	<b>77%</b>	<b>54%</b>	<b>53%</b>	<b>73%</b>	<b>72%</b>	<b>71%</b>	<b>70%</b>	<b>69%</b>	<b>68%</b>	<b>67%</b>
<b>Operating Surplus Ratio</b>	<b>-8%</b>	<b>-7%</b>	<b>-5%</b>	<b>-5%</b>	<b>-5%</b>	<b>-5%</b>	<b>-5%</b>	<b>-5%</b>	<b>-5%</b>	<b>-5%</b>
<b>Net Financial Liabilities Ratio</b>	<b>-213%</b>	<b>-230%</b>	<b>-248%</b>	<b>-265%</b>	<b>-281%</b>	<b>-297%</b>	<b>-313%</b>	<b>-329%</b>	<b>-345%</b>	<b>-361%</b>

**PORMPURAAB ABORIGINAL SHIRE COUNCIL  
BUDGETED CASHFLOW STATEMENT  
FOR THE YEARS FROM 1ST JULY 2019 TO 30 JUNE 2029**

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Cashflows from Operating Activities</b>										
Receipts from Customers	7,848,255	8,240,668	8,651,819	7,281,596	7,390,820	7,524,520	7,660,225	7,797,966	7,937,773	8,079,677
Payments to Suppliers & Employees	-10,473,657	-10,840,235	-11,057,039	-11,222,895	-11,391,238	-11,562,107	-11,735,539	-11,911,572	-12,090,245	-12,271,599
Interest Received	670,000	703,500	738,675	749,755	761,001	772,416	784,003	795,763	807,699	819,815
Grants, Subsidies, Contributions & Donations	5,448,853	5,557,830	5,668,987	5,754,022	5,840,332	5,927,937	6,016,856	6,107,109	6,198,716	6,291,696
Net cash inflow / (outflow) from operating activities	3,493,452	3,661,764	4,002,442	2,562,478	2,600,916	2,662,767	2,725,546	2,789,267	2,853,943	2,919,590
<b>Cashflows from Investing Activities</b>										
Payments for Property Plant & Equipment	-14,112,917	-8,834,444	-7,746,944	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000	-3,500,000
Grants, Subsidies, Contributions & Donations	11,693,711	8,184,444	7,246,944	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Other	441,644	507,890	533,285	541,284	549,403	557,644	566,009	574,499	583,117	591,863
Net cash inflow / (Outflow) from investing activities	-1,977,562	-142,110	33,285	541,284	549,403	557,644	566,009	574,499	583,117	591,863
Net increase (decrease) in cash held	1,515,889	3,519,654	4,035,727	3,103,762	3,150,319	3,220,411	3,291,555	3,363,766	3,437,060	3,511,453
Cash & equivalents at beginning of financial year	28,414,367	29,930,256	33,449,910	37,485,637	40,589,399	43,739,718	46,960,129	50,251,684	53,615,450	57,052,509
Cash & equivalents at end of financial year	29,930,256	33,449,910	37,485,637	40,589,399	43,739,718	46,960,129	50,251,684	53,615,450	57,052,509	60,563,963

**PORMPURAAB ABORIGINAL SHIRE COUNCIL  
BUDGETED STATEMENT OF FINANCIAL POSITION  
FOR THE YEARS FROM 1ST JULY 2019 TO 30 JUNE 2029**

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Current Assets</b>										
Cash at Bank	29,930,256	33,449,910	37,485,637	40,589,399	43,739,718	46,960,129	50,251,684	53,615,450	57,052,509	60,563,963
Stock on Hand	370,000	388,500	407,925	418,123	428,576	439,291	450,273	461,530	473,068	484,895
Receivables	1,433,428	775,000	695,000	684,575	674,306	664,192	654,229	644,415	634,749	625,228
Total Current assets	31,733,684	34,613,410	38,588,562	41,692,097	44,842,601	48,063,612	51,356,186	54,721,395	58,160,327	61,674,085
<b>Non Current Assets</b>										
Property Plant & Equipment	128,355,942	131,577,125	131,438,816	107,600,691	103,390,225	99,094,241	94,711,459	90,240,585	85,680,305	81,029,284
Other Financial Assets	12,023,015	13,826,468	14,517,791	14,590,380	14,663,332	14,736,649	14,810,332	14,884,384	14,958,805	15,033,599
Total Non Current Assets	140,378,958	145,403,593	145,956,607	122,191,071	118,053,557	113,830,889	109,521,791	105,124,969	100,639,111	96,062,883
<b>TOTAL ASSETS</b>	172,112,642	180,017,003	184,545,169	163,883,168	162,896,157	161,894,501	160,877,977	159,846,364	158,799,437	157,736,968
<b>Current Liabilities</b>										
Overdraft										
Trade Payables	1,410,069	680,000	605,000	617,100	629,442	642,031	654,871	667,969	681,328	694,955
Other provisions	389,397	403,026	423,177	429,525	435,968	442,507	449,145	455,882	462,720	469,661
Total Current Liabilities	1,799,466	1,083,026	1,028,177	1,046,625	1,065,410	1,084,538	1,104,016	1,123,851	1,144,049	1,164,616
<b>Non Current Liabilities</b>										
Provisions	195,000	204,750	209,869	215,115	220,493	226,006	231,656	237,447	243,383	249,468
Total Non Current Liabilities	195,000	204,750	209,869	215,115	220,493	226,006	231,656	237,447	243,383	249,468
<b>TOTAL LIABILITIES</b>	1,994,466	1,287,776	1,238,046	1,261,740	1,285,903	1,310,544	1,335,672	1,361,298	1,387,432	1,414,084
<b>Net Community Assets</b>	170,118,176	178,729,227	183,307,123	162,621,428	161,610,254	160,583,957	159,542,305	158,485,065	157,412,006	156,322,884
<b>Equity</b>										
Asset Revaluation Reserve	91,081,417	91,081,417	91,081,417	91,033,521	91,033,521	91,033,521	91,033,521	91,033,521	91,033,521	91,033,521
Retained Surplus (Deficiency)	68,079,591	76,783,931	81,298,611	80,555,364	79,800,967	79,035,255	78,258,057	77,469,202	76,668,513	75,855,814
	159,161,008	167,865,348	172,380,027	171,588,885	170,834,488	170,068,776	169,291,578	168,502,723	167,702,034	166,889,335





## Pormpuraaw Aboriginal Shire Council

Policy: R001

### Revenue Policy

#### Head of Power

*Local Government Act 2009*  
*Local Government Regulation 2012*

#### Objective

To adopt and implement an equitable system for the levying and collection of rates and charges by the Council.

#### Application

This policy applies to Pormpuraaw Aboriginal Shire Council and its local government area.

#### Policy Statement

Council administers the local government area under a Deed of Grant in Trust (DOGIT) and no rates have been levied within the local government area in the previous year. No rates charges are expected to be levied in the coming financial year and all reference to 'charges' shall refer to service levies.

This policy encompasses the principles applied by the Council for:

- The making of fees and charges
- The levying of fees and charges
- Recovering overdue fees and charges
- Granting concessions for fees and charges
- The establishment of cost-recovery methods

Council is endeavoring to meet the significant and broad demands for services with no corresponding increase in revenue. Delivery of essential council services in Pormpuraaw is reliant on adequate funding from State Government and conditional grants for specific projects from the Commonwealth Government. During periods where government decreases revenue, due to limited fund-raising abilities Council may adjust their revenue policy to best meet community needs.

#### Making of Charges

In the making of charges Council will be guided by the principles of user pays to minimise the impact of charges on the efficiency of the local economy.

Council will also have regard to the principles of:

- transparency in the making of charges;
- having in place a charging system that is simple and inexpensive to administer;
- equity by taking account of the different levels of capacity to pay within the local community; and
- flexibility to take account of changes in the local community.



## ***Pormpuraaw Aboriginal Shire Council***

### **Levying of Charges**

To ensure there is a clear understanding on what is the Council's and each payer's responsibility to the charging system, the following principles will be applied:

- the levying system will be simple and inexpensive to administer;
- the timing for levying of charges must take into account the financial cycle of the local economy; and
- allowing for a flexible payment arrangement for organisations and community members with a lower capacity to pay.

### **Recovery of Overdue Charges**

In exercising its charge recovery powers and to reduce the overall burden on payers, council will be guided by the following principles:

- ensuring there is transparency in the processes used by council to meet financial obligations;
- payers are clear of their obligations;
- ensuring processes used to recover outstanding charges are clear, simple to administer and cost effective;
- ensuring capacity of payers is considered in determining arrangements for payment;
- ensuring there is equity in arrangements for payers with similar circumstance; and
- ensuring flexibility to respond to local economic issues.

### **Concessions for Charges**

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

- ensuring equity by having regard to the different levels of capacity to pay within the local community;
- ensuring the same treatment for payers with similar circumstances;
- ensuring transparency by clearly setting out the requirements necessary to receive concessions; and
- ensuring flexibility to respond to local economic issues.

### **Establishment of Cost Recovery Fees**

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

- ensuring that the when setting the fee levels that Council has due regard for the need to ensure that they have not exceeded the cost of providing the service; and
- ensuring equity by having regard to the different levels of capacity to pay within the local community.

### **Related Documents**

This policy complements and is to be implemented in conjunction with other Council policies and directives (but not limited to):

- R002 – Risk Management Policy
- D002 – Council Debtor Policy





## Pormpuraaw Aboriginal Shire Council

### Review Triggers

This policy is reviewed internally for applicability, continuing effect and consistency with related documents and other legislative provisions when any of the following occurs:

- The related documents are amended.
- The related documents are replaced by new documents.
- Amendments are made to the head of power which affect the scope and effect of this Policy.
- Other circumstances as determined from time to time by a resolution of Council.

Notwithstanding the above, this Policy is to be reviewed annually for relevance and to ensure that its effectiveness is maintained.

### Responsibility

This Policy is to be

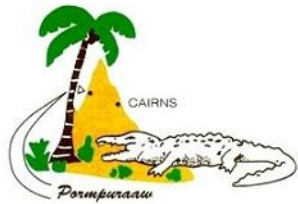
- implemented by the CEO; and
- reviewed and amended in accordance with the "Review Triggers" by the CEO.

### Version Control

Policy: R001		Official Version: R001-V8
Version	Adoption (Council Resolution Number)	Date
V1	March 2012 (2012/03/xx)	01/03/2012
V5	August 2016 (2016/08/19)	01/08/2016
V6	June 2017 (2017/06/15)	22/06/2017
V7	July 2018 (2018/07/26/14)	26/07/2018
V8	July 2019 (2019/07/03)	25/07/2019

Approved by CEO:

Signature



# Pormpuraaw Aboriginal Shire Council

## Revenue Statement

Policy Authorised by: Edward Natera, Chief Executive Officer  
Implementation Officer: Executive Manager of Corporate Services  
Implementation Department: Corporate Services  
Scheduled Review Date: Annual

Version	Approval Date	Resolution Number	Signature	Due for Revision	Comments
1	1/03/2012				
6	23/07/2018	2018/07/23/01		July 2019	
7	25/07/2019	2019/07/04		July 2020	

### AUTHORITY

*Local Government Act 2009*  
*Local Government Regulation 2012*

### OBJECTIVE

To provide an outline and measures that Council has adopted for raising revenue including the rates, charges and concessions for each.

### APPLICATION

This policy applies to Pormpuraaw Aboriginal Shire Council and its local government area.

### POLICY STATEMENT

This statement is adopted pursuant to Local Government Regulation 2012; Section 172 which summarises what must be stated in the Revenue Statement.

### RATES & CHARGES

PASC is required to raise an amount of revenue it sees as being appropriate to maintain assets and provide essential services to Pormpuraaw Shire. PASC's ability to raise general rates is limited as the Shire controls the land, which is predominately Deed of Grant in Trust with Council as the Trustee. Council is unable to levy general rates based on the unimproved capital value of the land as is the case with all other local governments in Queensland.

Whilst legislation was amended during 2014/15 to allow valuations of properties for rates to be adopted by Council as from 1 July 2016, the implementation of this was postponed by DILGP. Therefore PASC will not charge general rates for 2019-20.

PASC will be guided by the principle user pays in the making of any charges. Fees and charges are determined by resolution at Council's budget meeting each year.

## 1. GENERAL RATES

Not applicable to Pormpuraaw Aboriginal Shire Council

## 2. SERVICE LEVIES

PASC has determined that it will make and levy charges for the supply of water, sewerage and waste in accordance with the provisions set out in Section 99 of the LG Regulation 2012. Council has reviewed the cost of providing essential services such as waste, water and sewerage to the community. On review of the actual costs to deliver these essential services to the community it was recognised that Council was not charging service levies in proportion to the actual operational costs to provide each of these essential services to the community.

Council has worked on a methodology of recovering 85% of the basic operational costs of these essential services to the community. Council continues to bear the cost of other community essential services such as roads, street lighting, beach amenities, parks, playgrounds and Council administrative costs.

The overall impact on the total of the 3 levies being charged for residential properties is an 11% increase on residential properties and a 3.36% increase for commercial properties.

The new apportionment of these service levies has resulted in the following percentage adjustments to each of the service levy categories from the prior financial year:

### a. General Service Levy including Waste

A bi-annual charge for general service levy including waste services are made and levied to cover the costs associated with the operation and maintenance of these services. PASC adopted the following general service levy including waste for 2019-20:

Category	Class	Biannual Charge 2019-20	% Change from 2018-19
Residential	Per Dwelling	\$1,015	6.84%
Commercial	Per Building	\$4,865	-41.53%

### b. Water

Water charges are not based on land values and are therefore made and levied to cover the costs associated with the operation and maintenance of services. PASC has adopted the following water service levy for 2019-20:

Category	Class	Biannual Charge 2019-20	% Change from 2018-19
Residential	Per Dwelling	\$925	-13.55%
Commercial	Per Building	\$4,440	174.07%

The water service levy charge for commercial properties is inclusive of 5,000 kilolitres of water and excess usage over this per annum will result in an additional charge of \$1.50 per kilolitre. Excess water usage by the community continues to be an ongoing issue with Council consistently having to place the community on water restrictions.

### c. Sewerage

Sewerage charges are not based on land values and are therefore made and levied to cover the costs associated with the operation and maintenance of these services. PASC adopted the following sewerage service levy for 2019-20:

Category	Class	Biannual Charge 2019-20	% Change from 2018-19
Residential	Per Dwelling	\$430	273.91%
Commercial	Per Building	\$2,065	94.81%

Sewerage system failure and blockages continues to be an ongoing issue for Council due to foreign objects being put into the sewerage system.

### 3. FEES AND CHARGES

PASC's adopted schedule of fees and charges includes a mix of regulatory and user pays fees. The regulatory charges are identified as such in PASC's 2019-20 Schedule of Fees and Charges and have been determined with reference to the relevant legislation and where applicable recover the cost of performing the function. Generally, the Goods & Services Tax (GST) is not applicable to cost-recovery fees. All fees and charges are detailed in PASC's 2019-20 Schedule of Fees & Charges.

### 4. DEPRECIATION

PASC has budgeted to mostly fund depreciation on its assets for the 2019-20 financial year. PASC will continue to work on meeting the requirement to fully fund depreciation in the coming years.

### 5. COMMERCIAL CHARGES

PASC has set charges for services and facilities as per Section 262 of the Local Government Act 2009 (other than a service or facility for which a cost-recovery fee may be fixed). These charges are commonly referred as Commercial Charges. Commercial charges are applied to business activities such as: Fuel Depot, Gas, Accommodation, Postal Agency, Plant & Equip Hire, Airport, etc. Goods & Services Tax (GST) will be added to commercial charges for the provision of goods and services to which GST is applicable. All commercial charges are detailed in PASC's 2019-20 Schedule of Fees & Charges.

Approved by CEO:

  
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Signature