

# **Pormpuraaw Aboriginal Shire Council**

## **Annual Budget**

### **2021-22**



**Adopted by Council on 28/07/2021 - Resolution # 2021/07/02**

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## BUDGET FRAMEWORK

The budget document for the 2021-22 financial year 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 as required 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 Strategic Documents 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.

At the time of developing the budget report for Council, it is confirmed that Council has approx 27 months cash cover to fund Council's operational requirements. Operational expenses are budgeted at approx \$17M per annum or \$1.42M per month, this includes funding depreciation expenses. Council currently has invested just under \$35M in our QTC Cash Investment Fund. It is comforting for Council to note that should funding cease due to environmental or global economical factors outside of Council's control, Council can continue to service the Pormpuraaw community for just over 2 years.

Regular reviews of Council's fees and charges should reflect the market trend and additional sources of revenue should be encouraged and supported. The 2021-22 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. 0.9% annually. COVID-19 has impacted the interest return on QTC funds for the last 16 months, which at the time of setting these budgets is only returning just over 0.5%. Council expects that the interest on our QTC funds should increase as the investment markets start to stabilise after the COVID-19 pandemic has become contained with the rollout of vaccines and the global market & travel can continue. 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 a possible State Wage Increase of approx 2.5%. Attendance for employees is assumed to be 100%. Cost savings from staff absenteeism will be spread across remunerating staff who are committed and attend work 100%, to engage contractors where staff are on leave or absent and to increase operational expenditure where we have budget shortfalls.

The Councillor Remuneration has also been incorporated as per the Local Government Remuneration Commission Report 2020 (Issued on 30 November, 2020) which determines the remuneration schedule to apply from 1 July, 2021. The Local Government Remuneration Commission has determined there to be no increase in Councillor remuneration for the 2021-22 FY.

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 2021-22 financial year remains consistent in comparison to previous financial years and there are no significant changes to the way PASC will conduct its operations in the 2021-22 financial year.

Council has reviewed the cost of providing essential services such as waste, water and sewerage to the community. Council took a property audit to identify the number of water outlets, sewerage outlets (toilets/sumps) and garbage collection frequency for each property/business prior to last financial year and utilised this information to set the utility charges for residential and commercial/business sectors within community.

Council has applied a fair and consistent process in applying their utility charges to users within the Community. Council has applied a 1.75% increase to all utility charges (Residential & Commercial/Business) for the 2021-22 financial year. Most Commercial/Business entities will fall into the Light Commercial/Business Category, whilst the Health Clinic, School, CEQ Store, Ergon, Telstra & Pormpuraaw United Brothers Sports Club (PUBSC) will fall under the Commercial category for utility charges. Commercial entities with 5 or more sewerage fixtures will be charged the Commercial category for the sewerage utility charge. Council has also adjusted the water usage (Kilolitres) allowed in each Commercial category and will be continuing to ensure regular water meter readings are undertaken and businesses/organisations will be charged for any water usage in excess of their biannual allocation.

It is important to note that at this point in time Council is not at a cost recovery position for the essential services that are provided to the community. The budgets set for the 2021-22 financial year have indicated that Council will need to cover the shortfalls on these essential services to the value of approx \$133K. (Water - \$56,729, Sewerage - \$39,322 & Waste - \$36,889). This information should be taken into account when considering concessions for eligible groups. Council will have invested \$1M in Water & Sewerage Infrastructure upgrades by the end of the 2021-22 FY and just under \$10M is being invested in Road Infrastructure upgrades throughout 2021-22FY for completion by Dec 2022. Council continues to bear the cost of other community essential services such as community events, sealing of roads, street lighting, beach amenities, parks, playgrounds, vandalism and Council administrative costs.

Council's schedule of fees and charges for the 2021-22 financial year has remained fairly consistent to last financial year, with some minor increases on some fees and charges.

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.

A budget allocation for a reward and recognition program for employees along with an EAP (Employee Assistance Program) for employees has been included in the budgets. This will assist in the wellbeing of our employees and assist in trying to turn the culture of our employees into a more positive culture. An allowance has also been allocated for a Workplace Health & Safety Circle program for all departments.

Constrained operational funding received in 2020-21 to be carried forward is approx \$159.5K as follows and will be utilised in the 2021-22 financial year:

- First Start – Unexpended Funds = \$15,000
- Tech Savvy Library Program – Unexpended Funds = \$9,876
- Library Deadly Digital Program – Unexpended Funds = \$3,840
- FNQ Monsoon Trough R2 Funding – Unexpended Funds = \$130,822

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 2021-22 financial year will see Pormpuraaw Aboriginal Shire Council undertake capital works projects to the value of approx \$17.5 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), Cape York Region Package (CYRP) 2 – Community Access Roads Program (CARP) and Donated Assets from Various Government Departments.

Constrained capital works funding received in 2020-21 to be carried forward is approx \$513K as follows and will be utilised in the 2021-22 financial year:

- Works for Queensland (W4QR3) – Various Projects (Bakery & Workshop Depot Refurbishments) = (\$556,802)
- Works for Queensland (W4QCOVID) – Various Projects (Community Hall Refurbishment, Cemetery Upgrade, COVID Dongas, Staff Housing Complex Construction, Existing Staff Housing Refurbishment & Sportsfield Upgrade Stage 3) = \$71,101
- Roads to Recovery – Road Paving Works = \$94,768
- DRFA – Restoration of Roads Due to Wet Season 2019 = \$294,084
- DRFA – CAT D Betterment Funding = \$560,089
- DRFA – CAT D Flood Warning Funding = \$6,000
- ICCIP – Water & Sewerage Capital Projects = \$43,508

PASC has allocated capital works funds for the 2021-22 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:**

Bakery Building & Equipment (Complete Works from 2020-21)  
New Staff Housing Complex (2 Storey Unit Complex)  
Workshop Refurbishment (Complete Works from 2020-21)  
Staff Housing Refurbishments (Complete Works from 2020-21)  
Community Hall Refurbishment (Complete Works from 2020-21)  
Cemetery Shed (Complete Works from 2020-21)  
COVID Dongas (Complete Works from 2020-21)  
Housing Capital Works Program (5 x Community Houses)  
Independent Living Facility for Aged Care (Donated Asset)

### **INFRASTRUCTURE – OTHER**

Sportsfield (Stage 3)  
Paving of Town Roads  
Concrete Sealing of Council Works Areas  
Replace Airport Fencing  
Restoration of Roads from 2019 Event (Complete Works from 2020-21)  
Strathgordon Rd Bitumen Seal & Drainage Works (6.5km, 7km & 3km Sections)  
Kowanyama Rd Install Concrete Floodway & Culverts  
Flood Warning Infrastructure (Rain Gauge)

## **INFRASTRUCTURE – SEWERAGE**

Install Macerators at Sewerage Pump Station 2 (Complete Works from 2020-21)  
Install Grease Trap for Sewerage Line Near Town Centre

## **INFRASTRUCTURE – WATER**

New Bore # 3 for Town Water Supply

## **PLANT & EQUIPMENT**

Twiga Spearhead Mower  
1 x Crew Cab Tipper Truck  
CAT Skid Steer with Rubber Tracks  
CAT Backhoe  
Kubota ATV  
Sewer Pressure Jet  
Locator Camera  
Honda ATV  
Quik Spray Tank

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. 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 (Bitumen, Drainage & Floodways)
- Sealing of Town Roads & Council Works Areas
- Motor Vehicles, Plant & Equipment
- New Staff Housing
- Subdivision for Community Houses
- Men's Shed

**PORMPURA AW ABORIGINAL SHIRE COUNCIL**  
**BUDGETED INCOME STATEMENT FOR THE YEARS FROM 1 JULY 2021 TO 30 JUNE 2024**

	2021-22	2022-23	2023-24
<b>Operating Income</b>			
<i>Levies &amp; Charges</i>	368,596	387,026	406,377
<i>Fees &amp; Charges</i>	607,250	637,613	669,493
<i>Rental income</i>	1,250,000	1,312,500	1,378,125
<i>Interest Received</i>	324,000	340,200	357,210
<i>Sales Revenue</i>	4,735,067	4,971,820	5,220,411
<i>Other Income</i>	0	0	0
<i>Grants, Subsidies, Contributions &amp; Donations</i>	7,140,794	7,283,610	7,429,282
<b>Total Income</b>	<b>14,425,707</b>	<b>14,932,769</b>	<b>15,460,899</b>
<b>Operating Expenses</b>			
<i>Employment Costs</i>	-5,515,731	-5,708,781	-5,822,957
<i>Cost of Sales</i>	-654,000	-676,890	-690,428
<i>Materials &amp; Supplies</i>	-4,999,628	-5,174,614	-5,278,107
<i>Finance Costs</i>	-56,420	-58,395	-59,563
<b>Total Expenses</b>	<b>-11,225,778</b>	<b>-11,618,680</b>	<b>-11,851,054</b>
<b>Net Operating Result Excluding Depreciation</b>	<b>3,199,929</b>	<b>3,314,088</b>	<b>3,609,845</b>
<i>Depreciation</i>	-5,832,199	-5,948,843	-6,543,727
<b>Operating Surplus / (Deficiency)</b>	<b>-2,632,270</b>	<b>-2,634,755</b>	<b>-2,933,882</b>
<b>Capital</b>			
<i>Capital Revenue</i>	19,037,029	6,390,832	6,036,944
<i>Capital Expenses</i>	-1,040,084	-2,400,000	-3,000,000
<b>Capital Surplus / (Deficiency)</b>	<b>17,996,945</b>	<b>3,990,832</b>	<b>3,036,944</b>
<b>Net Result</b>	<b>15,364,675</b>	<b>1,356,077</b>	<b>103,062</b>
<i>Constrained Funds 2020/21 from Retained Earnings</i>	672,288		
<i>Review of Net Result Less Constrained Funds</i>	16,036,963		

**BUDGETED MEASURES OF FINANCIAL SUSTAINABILITY FOR THE YEARS FROM 1 JULY 2021 TO 30 JUNE 2024**

<b>Asset Sustainability Ratio</b>	30%	40%	46%
<b>Operating Surplus Ratio</b>	-18%	-18%	-19%
<b>Net Financial Liabilities Ratio</b>	-261%	-273%	-289%

**BUDGETED CASHFLOW STATEMENT FOR THE YEARS FROM 1 JULY 2021 TO 30 JUNE 2024**

	2021-22	2022-23	2023-24
<b>Cashflows from Operating Activities</b>			
Receipts from Customers	6,960,913	7,308,959	7,674,407
Payments to Suppliers & Employees	-11,225,778	-11,618,680	-11,851,054
Interest Received	324,000	340,200	357,210
Grants, Subsidies, Contributions & Donations	7,140,794	7,283,610	7,429,282
<b>Net cash inflow /(outflow) from operating activities</b>	<b>3,199,929</b>	<b>3,314,088</b>	<b>3,609,845</b>
<b>Cashflows from Investing Activities</b>			
Payments for Property Plant & Equipment	-17,492,723	-5,390,832	-5,336,944
Grants, Subsidies, Contributions & Donations	16,537,029	5,390,832	5,336,944
Other	328,041	364,126	382,332
<b>Net cash inflow /(Outflow) from investing activities</b>	<b>-627,653</b>	<b>364,126</b>	<b>382,332</b>
<b>Net increase (decrease) in cash held</b>	<b>2,572,276</b>	3,678,214	3,992,177
Cash & equivalents at beginning of financial year	35,716,907	38,289,183	41,967,397
<b>Cash &amp; equivalents at end of financial year</b>	<b>38,289,183</b>	41,967,397	45,959,574

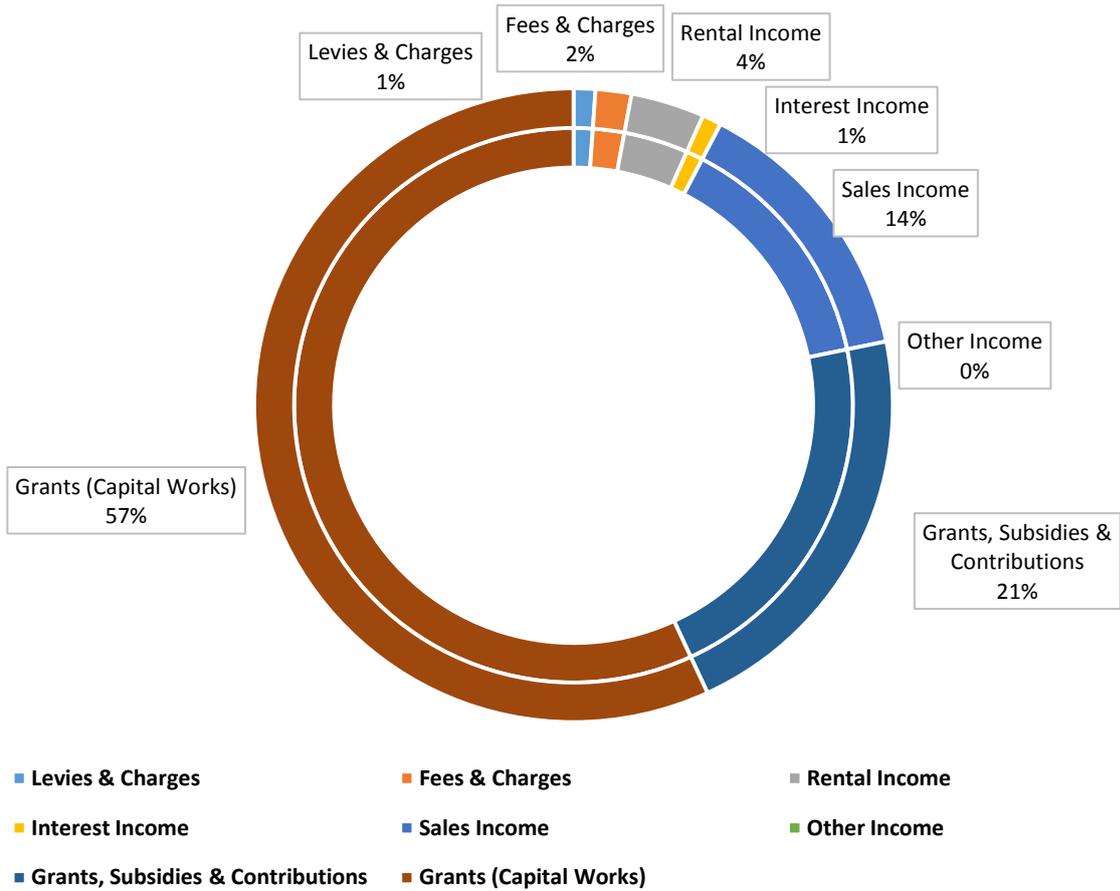
**BUDGETED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS 1 JULY 2021 TO 30 JUNE 2024**

	Total	Retained Surplus	Asset Revaluation Reserve
<b>Statement of Changes in Equity</b>			
Balance at 30/06/2021	168,196,066	68,324,030	99,872,036
Net Result for this period	15,364,675	15,364,675	
Asset Revaluation adjustment	798,976		798,976
<b>Balance at 30/06/2022</b>	<b>184,359,717</b>	83,688,705	100,671,012
Net Result for this period	1,356,077	1,356,077	
Asset Revaluation adjustment	822,946		822,946
<b>Balance at 30/06/2023</b>	<b>186,538,740</b>	85,044,782	101,493,958
Net Result for this period	103,062	103,062	
Asset Revaluation adjustment	3,291,782		3,291,782
<b>Balance at 30/06/2024</b>	<b>189,933,584</b>	85,147,844	104,785,740

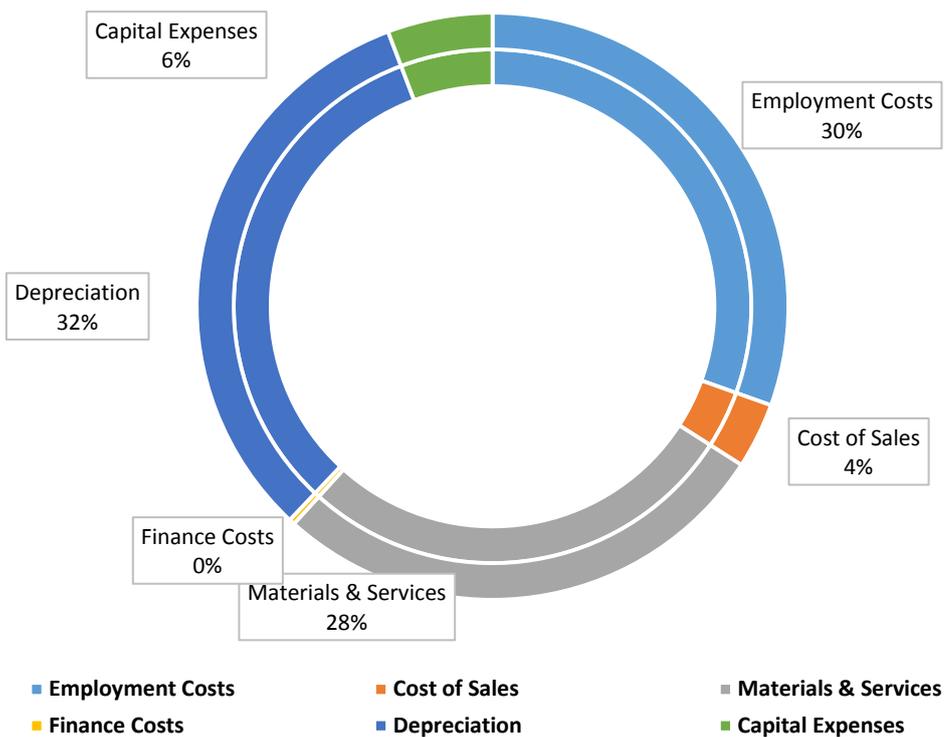
**BUDGETED STATEMENT OF FINANCIAL POSITION FOR THE YEARS 1 JULY 2021 TO 30 JUNE 2024**

	2021-22	2022-23	2023-24
<b>BALANCE SHEET</b>			
<b>Current Assets</b>			
Cash at Bank	38,289,183	41,967,397	45,959,574
Stock on Hand	424,734	382,261	401,374
Receivables	1,371,928	597,245	612,857
<b>Total Current assets</b>	<b>40,085,845</b>	<b>42,946,903</b>	<b>46,973,805</b>
<b>Non-Current Assets</b>			
Property Plant & Equipment	133,866,549	132,694,006	131,910,679
Other Financial Assets	12,850,000	13,068,450	13,395,161
<b>Total Non-Current Assets</b>	<b>146,716,549</b>	<b>145,762,456</b>	<b>145,305,840</b>
<b>TOTAL ASSETS</b>	<b>186,802,394</b>	<b>188,709,359</b>	<b>192,279,645</b>
<b>Current Liabilities</b>			
Overdraft	0	0	0
Trade Payables	1,609,540	1,288,245	1,390,080
Other provisions	524,260	542,609	607,722
<b>Total Current Liabilities</b>	<b>2,133,800</b>	<b>1,830,854</b>	<b>1,997,802</b>
<b>Non-Current Liabilities</b>			
Employee Provisions	308,877	339,765	348,259
<b>Total Non-Current Liabilities</b>	<b>308,877</b>	<b>339,765</b>	<b>348,259</b>
<b>TOTAL LIABILITIES</b>	<b>2,442,677</b>	<b>2,170,619</b>	<b>2,346,061</b>
<b>Net Community Assets</b>	<b>184,359,717</b>	<b>186,538,740</b>	<b>189,933,584</b>
<b>Equity</b>			
Asset Revaluation Reserve	100,671,012	101,493,958	104,785,740
Other Reserves	0	0	0
Retained Surplus (Deficiency)	83,688,705	85,044,782	85,147,844
	<b>184,359,717</b>	<b>186,538,740</b>	<b>189,933,584</b>

## 2021-22 Income Budget



## 2021-22 Expenditure Budgets



**PORMPURAAW ABORIGINAL SHIRE COUNCIL**  
**BUDGETED INCOME STATEMENT**  
**FOR THE YEARS FROM 1 JULY 2021 TO 30 JUNE 2031**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Operating Income</b>										
Levies & Charges	368,596	387,026	406,377	412,473	418,660	424,940	431,314	437,784	444,350	451,016
Fees & Charges	607,250	637,613	669,493	679,536	689,729	700,074	710,576	721,234	732,053	743,034
Rental income	1,250,000	1,312,500	1,378,125	1,398,797	1,419,779	1,441,076	1,462,692	1,484,632	1,506,901	1,529,505
Interest Received	324,000	340,200	357,210	362,568	368,007	373,527	379,130	384,817	390,589	396,448
Sales Revenue	4,735,067	4,971,820	5,220,411	5,298,718	5,378,198	5,458,871	5,540,754	5,623,866	5,708,224	5,793,847
Other Income	0	0	0	0	0	0	0	0	0	0
Grants, Subsidies, Contributions & Donations	7,140,794	7,283,610	7,429,282	7,540,721	7,653,832	7,768,640	7,885,169	8,003,447	8,123,499	8,245,351
<b>Total Income</b>	<b>14,425,707</b>	<b>14,932,769</b>	<b>15,460,899</b>	<b>15,692,812</b>	<b>15,928,204</b>	<b>16,167,128</b>	<b>16,409,634</b>	<b>16,655,779</b>	<b>16,905,616</b>	<b>17,159,200</b>
<b>Operating Expenses</b>										
Employment Costs	-5,515,731	-5,708,781	-5,822,957	-5,910,301	-5,998,956	-6,088,940	-6,180,274	-6,272,978	-6,367,073	-6,462,579
Cost of Sales	-654,000	-676,890	-690,428	-700,784	-711,296	-721,965	-732,795	-743,787	-754,944	-766,268
Materials & Supplies	-4,999,628	-5,174,614	-5,278,107	-5,357,278	-5,437,638	-5,519,202	-5,601,990	-5,686,020	-5,771,310	-5,857,880
Finance Costs	-56,420	-58,395	-59,563	-60,456	-61,363	-62,283	-63,218	-64,166	-65,128	-66,105
<b>Total Expenses</b>	<b>-11,225,778</b>	<b>-11,618,680</b>	<b>-11,851,054</b>	<b>-12,028,820</b>	<b>-12,209,252</b>	<b>-12,392,391</b>	<b>-12,578,277</b>	<b>-12,766,951</b>	<b>-12,958,455</b>	<b>-13,152,832</b>
<b>Net Operating Result Excluding Depreciation</b>	<b>3,199,929</b>	<b>3,314,088</b>	<b>3,609,845</b>	<b>3,663,993</b>	<b>3,718,952</b>	<b>3,774,737</b>	<b>3,831,358</b>	<b>3,888,828</b>	<b>3,947,161</b>	<b>4,006,368</b>
Depreciation	-5,832,199	-5,948,843	-6,543,727	-6,641,883	-6,741,511	-6,842,634	-6,945,274	-7,049,453	-7,155,195	-7,262,522
<b>Operating Surplus / (Deficiency)</b>	<b>-2,632,270</b>	<b>-2,634,755</b>	<b>-2,933,882</b>	<b>-2,977,891</b>	<b>-3,022,559</b>	<b>-3,067,897</b>	<b>-3,113,916</b>	<b>-3,160,625</b>	<b>-3,208,034</b>	<b>-3,256,154</b>
<b>Capital</b>										
Capital Revenue	19,037,029	6,390,832	6,036,944	6,500,000	5,000,000	6,800,000	9,300,000	6,500,000	7,500,000	4,500,000
Capital Expenses	-1,040,084	-2,400,000	-3,000,000	-2,500,000	-1,500,000	-1,500,000	-3,500,000	-1,500,000	-1,500,000	-2,500,000
<b>Capital Surplus / (Deficiency)</b>	<b>17,996,945</b>	<b>3,990,832</b>	<b>3,036,944</b>	<b>4,000,000</b>	<b>3,500,000</b>	<b>5,300,000</b>	<b>5,800,000</b>	<b>5,000,000</b>	<b>6,000,000</b>	<b>2,000,000</b>
<b>Net Result</b>	<b>15,364,675</b>	<b>1,356,077</b>	<b>103,062</b>	<b>1,022,109</b>	<b>477,441</b>	<b>2,232,103</b>	<b>2,686,084</b>	<b>1,839,375</b>	<b>2,791,966</b>	<b>-1,256,154</b>

**PORMPURAAW ABORIGINAL SHIRE COUNCIL**  
**BUDGETED MEASURES OF FINANCIAL SUSTAINABILITY**  
**FOR THE YEARS FROM 1 JULY 2021 TO 30 JUNE 2031**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Asset Sustainability Ratio</b>	<b>30%</b>	<b>40%</b>	<b>46%</b>	<b>38%</b>	<b>22%</b>	<b>22%</b>	<b>50%</b>	<b>21%</b>	<b>21%</b>	<b>34%</b>
<b>Operating Surplus Ratio</b>	<b>-18%</b>	<b>-18%</b>	<b>-19%</b>							
<b>Net Financial Liabilities Ratio</b>	<b>-261%</b>	<b>-273%</b>	<b>-289%</b>	<b>-326%</b>	<b>-359%</b>	<b>-403%</b>	<b>-448%</b>	<b>-488%</b>	<b>-533%</b>	<b>-553%</b>

**PORMPURAAW ABORIGINAL SHIRE COUNCIL**  
**BUDGETED CASHFLOW STATEMENT**  
**FOR THE YEARS FROM 1 JULY 2021 TO 30 JUNE 2031**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Cashflows from Operating Activities</b>										
Receipts from Customers	6,960,913	7,308,959	7,674,407	6,289,523	6,383,866	6,502,461	6,622,835	6,745,015	6,869,028	6,994,901
Payments to Suppliers & Employees	-11,225,778	-11,618,680	-11,851,054	-12,028,820	-12,209,252	-12,392,391	-12,578,277	-12,766,951	-12,958,455	-13,152,832
Interest Received	324,000	340,200	357,210	362,568	368,007	373,527	379,130	384,817	390,589	396,448
Grants, Subsidies, Contributions & Donations	7,140,794	7,283,610	7,429,282	7,540,721	7,653,832	7,768,640	7,885,169	8,003,447	8,123,499	8,245,351
<b>Net cash inflow / (outflow) from operating activities</b>	<b>3,199,929</b>	<b>3,314,088</b>	<b>3,609,845</b>	<b>2,163,993</b>	<b>2,196,452</b>	<b>2,252,237</b>	<b>2,308,858</b>	<b>2,366,328</b>	<b>2,424,661</b>	<b>2,483,868</b>
<b>Cashflows from Investing Activities</b>										
Payments for Property Plant & Equipment	-17,492,723	-5,390,832	-5,336,944	-2,500,000	-1,500,000	-1,500,000	-3,500,000	-1,500,000	-1,500,000	-2,500,000
Grants, Subsidies, Contributions & Donations	16,537,029	5,390,832	5,336,944	6,500,000	5,000,000	6,800,000	9,300,000	6,500,000	7,500,000	4,500,000
Other	328,041	364,126	382,332	388,067	393,888	399,796	405,793	411,880	418,059	424,329
<b>Net cash inflow / (Outflow) from investing activities</b>	<b>-627,653</b>	<b>364,126</b>	<b>382,332</b>	<b>4,388,067</b>	<b>3,893,888</b>	<b>5,699,796</b>	<b>6,205,793</b>	<b>5,411,880</b>	<b>6,418,059</b>	<b>2,424,329</b>
<b>Net increase (decrease) in cash held</b>	<b>2,572,276</b>	3,678,214	3,992,177	6,552,060	6,090,341	7,952,033	8,514,651	7,778,208	8,842,719	4,908,197
Cash & equivalents at beginning of financial year	35,716,907	38,289,183	41,967,397	45,959,574	52,511,634	58,601,975	66,554,008	75,068,659	82,846,868	91,689,587
Cash & equivalents at end of financial year	38,289,183	41,967,397	45,959,574	52,511,634	58,601,975	66,554,008	75,068,659	82,846,868	91,689,587	96,597,784

**PORMPURAAW ABORIGINAL SHIRE COUNCIL**  
**BUDGETED STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEARS FROM 1 JULY 2021 TO 30 JUNE 2031**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Current Assets</b>										
Cash at Bank	38,289,183	41,967,397	45,959,574	52,511,634	58,601,975	66,554,008	75,068,659	82,846,868	91,689,587	96,597,784
Stock on Hand	424,734	382,261	401,374	411,408	421,693	432,235	443,041	454,117	465,470	477,107
Receivables	1,371,928	597,245	612,857	603,664	594,609	585,690	576,905	568,251	559,727	551,331
Total Current assets	40,085,845	42,946,903	46,973,805	53,526,706	59,618,277	67,571,934	76,088,605	83,869,236	92,714,785	97,626,223
<b>Non-Current Assets</b>										
Property Plant & Equipment	133,866,549	132,694,006	131,910,679	107,600,691	103,390,225	99,094,241	94,711,459	90,240,585	85,680,305	81,029,284
Other Financial Assets	12,850,000	13,068,450	13,395,161	13,462,137	13,529,448	13,597,095	13,665,080	13,733,406	13,802,073	13,871,083
Total Non-Current Assets	146,716,549	145,762,456	145,305,840	121,062,828	116,919,673	112,691,336	108,376,540	103,973,991	99,482,378	94,900,367
<b>TOTAL ASSETS</b>	<b>186,802,394</b>	<b>188,709,359</b>	<b>192,279,645</b>	<b>174,589,534</b>	<b>176,537,950</b>	<b>180,263,269</b>	<b>184,465,145</b>	<b>187,843,227</b>	<b>192,197,163</b>	<b>192,526,590</b>
<b>Current Liabilities</b>										
Overdraft										
Trade Payables	1,609,540	1,288,245	1,390,080	1,417,882	1,446,239	1,475,164	1,504,667	1,534,761	1,565,456	1,596,765
Other provisions	524,260	542,609	607,722	616,838	626,091	635,482	645,014	654,689	664,510	674,477
Total Current Liabilities	2,133,800	1,830,854	1,997,802	2,034,720	2,072,330	2,110,646	2,149,681	2,189,450	2,229,966	2,271,242
<b>Non-Current Liabilities</b>										
Provisions	308,877	339,765	348,259	356,965	365,889	375,036	384,412	394,023	403,873	413,970
Total Non-Current Liabilities	308,877	339,765	348,259	356,965	365,889	375,036	384,412	394,023	403,873	413,970
<b>TOTAL LIABILITIES</b>	<b>2,442,677</b>	<b>2,170,619</b>	<b>2,346,061</b>	<b>2,391,685</b>	<b>2,438,219</b>	<b>2,485,682</b>	<b>2,534,094</b>	<b>2,583,473</b>	<b>2,633,839</b>	<b>2,685,212</b>
<b>Net Community Assets</b>	<b>184,359,717</b>	<b>186,538,740</b>	<b>189,933,584</b>	<b>172,197,850</b>	<b>174,099,731</b>	<b>177,777,587</b>	<b>181,931,051</b>	<b>185,259,755</b>	<b>189,563,324</b>	<b>189,841,377</b>
<b>Equity</b>										
Asset Revaluation Reserve	100,671,012	101,493,958	104,785,740	105,833,598	106,891,934	112,236,530	113,358,896	114,492,485	120,217,109	121,419,280
Retained Surplus (Deficiency)	83,688,705	85,044,782	85,147,844	86,169,953	86,647,394	88,879,497	91,565,581	93,404,957	96,196,923	94,940,768
	184,359,717	186,538,740	189,933,583	192,003,551	193,539,328	201,116,027	204,924,477	207,897,441	216,414,032	216,360,048



## Revenue Policy

Policy: R001

### 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

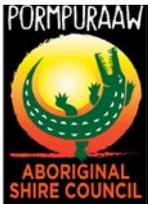
Council is endeavoring to meet the significant and broad demands for services with no corresponding increase in revenue. Delivery of essential council services in Pormpuraaw is reliant on adequate funding from State Government and conditional grants for specific projects from the Commonwealth Government. 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.



### 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:

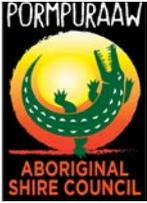
- ensuring equity by having regard to the different levels of capacity to pay within the local community;
- ensuring the same treatment for payers with similar circumstances;
- ensuring transparency by clearly setting out the requirements necessary to receive concessions; and
- ensuring flexibility to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

The predominant purposes of granting concessions are to relieve economic hardship and provide rebates for eligible not-for-profit community, recreation and sporting groups. In addition, Council may grant concessions on a case-by-case basis if it is satisfied that any one or more of the other criteria in section 120 (1) of the *Local Government Regulation 2012* has been met.

### Establishment of Cost Recovery Fees

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

- ensuring that 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
- Revenue Statement

## 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

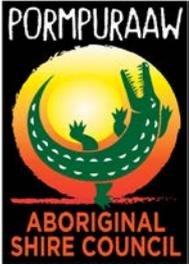
- implemented by the CEO; and
- reviewed and amended in accordance with the "Review Triggers" by the CEO.

## Version Control

Policy: R001		Official Version: R001-V10
Version	Adoption (Council Resolution Number)	Date
V1	March 2012 (2012/03/xx)	01/03/2012
V9	July 2020 (2020/07/04)	29/07/2020
V10	July 2021 (2021/07/xx)	xx/07/2021

Approved by CEO:

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*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: Annually

Version	Approval Date	Resolution Number	Signature	Due for Revision	Comments
1	1/03/2012				
8	29/7/2020	2020/07/02		July 2021	
9	xx/7/2021	2021/07/xx		July 2022	

### 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 2021-22.

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. UTILITY CHARGES

PASC has determined that it will make and levy charges for the supply of utilities such as 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. Council took a property audit to identify the number of water outlets, sewerage outlets (toilets/sumps) and garbage collection frequency for each property/business prior to last financial year and utilised this information to set the utility charges for residential and commercial/business sectors within community.

Council has applied a fair and consistent process in applying their utility charges to users within the Community. Council has applied a 1.75% increase to all utility charges (Residential & Commercial/Business) for the 2021-22 financial year. Most Commercial/Business entities will fall into the Light Commercial/Business Category, whilst the Health Clinic, School, CEQ Store, Ergon, Telstra & Pormpuraaw United Brothers Sports Club (PUBSC) will fall under the Commercial category for utility charges. Commercial entities with 5 or more sewerage fixtures will be charged the Commercial category for the sewerage utility charge. Council has also adjusted the water usage (Kilolitres) allowed in each Commercial category and will be continuing to ensure regular water meter readings are undertaken and businesses/organisations will be charged for any water usage in excess of their biannual allocation.

It is important to note that at this point in time Council is not at a cost recovery position for the essential services that are provided to the community. The budgets set for the 2021-22 financial year have indicated that Council will need to cover the shortfalls on these essential services to the value of approx \$133K. (Water - \$56,729, Sewerage - \$39,322 & Waste - \$36,889). This information should be taken into account when considering concessions for eligible groups.

Council will have invested \$1M in Water & Sewerage Infrastructure upgrades by the end of the 2021-22 FY and just under \$10M is being invested in Road Infrastructure upgrades throughout 2021-22FY for completion by Dec 2022.

Council continues to bear the cost of other community essential services such as community events, sealing of roads, street lighting, beach amenities, parks, playgrounds, vandalism and Council administrative costs.

The applicable utility charges for the 2021-22 financial year are as set out below:

### a. General Utility Charge including Waste

A bi-annual charge for general utility charges including waste services is made and levied to cover the costs associated with the operation and maintenance of these services. PASC adopted the following general utility charge including waste for 2021-22:

Category	Class	Biannual Charge 2021-22	% Change from 2020-21
Residential	Per Dwelling	\$1,048.00	1.75%
Light Commercial/Business	Per Building	\$2,574.00	1.75%
Commercial	Per Building	\$5,148.00	1.75%

**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 utility charge for 2021-22:

Category	Class	Biannual Charge 2021-22	% Change from 2020-21
Residential	Per Dwelling	\$954.00	1.75%
Light Commercial/Business	Per Building	\$2,320.00	1.75%
Commercial	Per Building	\$4,643.00	1.75%

The water utility charge for light commercial/business properties is inclusive of 400 kilolitres of water per biannual period and the commercial category is inclusive of 1,200 kilolitres of water per biannual period. Excess usage over this per biannual period will result in an additional charge of \$1.50 per kilolitre. Water meter readings will be regularly undertaken by our Essential Services Staff and a bill will be issued to business users who are consuming more than their allowed usage allocation.

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. Some Commercial entities whilst under the Light Commercial/Business category for other utility charges may fall under the Commercial category for sewerage if they have 5 or more sewerage fixtures in their building. PASC adopted the following sewerage utility charge for 2021-22:

Category	Class	Biannual Charge 2021-22	% Change from 2020-21
Residential	Per Dwelling	\$443.00	1.75%
Light Commercial/Business	Per Building	\$1,264.00	1.75%
Commercial (5 or more sewerage fixtures)	Per Building	\$2,528.00	1.75%

Sewerage system failures 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 and has 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 2021-22 Schedule of Fees & Charges.

**4. DEPRECIATION**

PASC has budgeted to mostly fund depreciation on its assets for the 2021-22 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 (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 2021-22 Schedule of Fees & Charges.

Approved by CEO:

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*Signature*

END OF PASC ANNUAL BUDGET REPORT 2021-22