

Pormpuraaw Aboriginal Shire Council



Annual Budget 2023/24

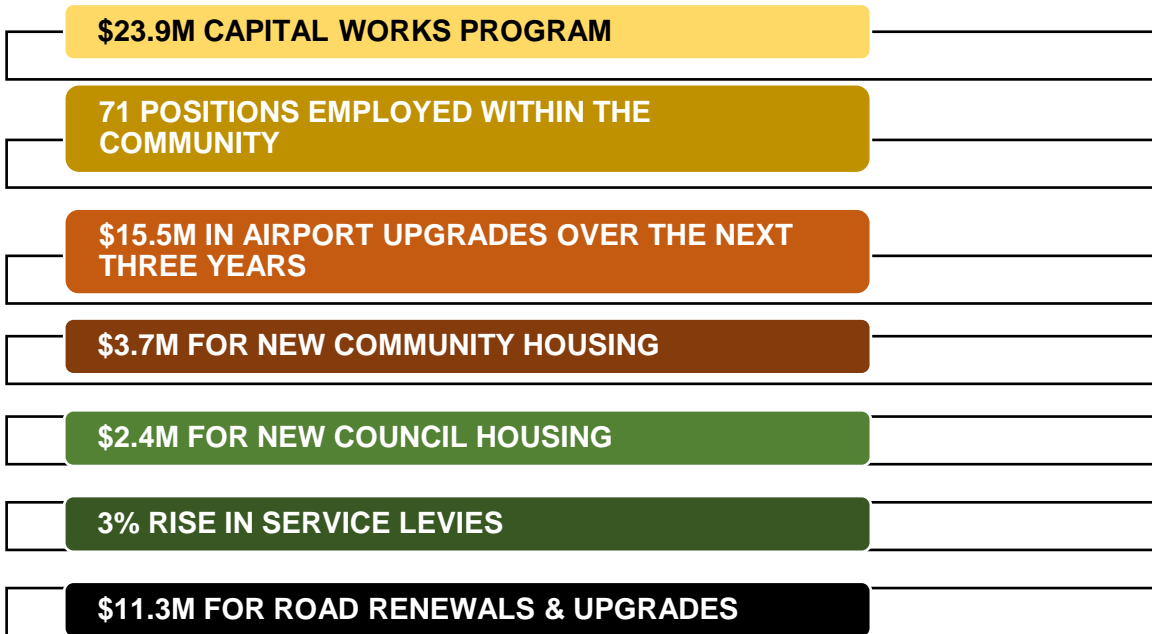
Adopted by Council on - Resolution # 2023/07/10

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BUDGET SNAPSHOT



ANNUAL BUDGET 2023/24 AT A GLANCE

Statement of Income & Expenditure (\$'000)		Financial Position (\$'000)	
Operating Revenue	21,461	Current Assets	54,696
Capital Revenue	18,828	Non-Current Assets	157,842
Total Revenue	40,289	Total Assets	212,538
Operating Expenses	21,975	Current Liabilities	5,988
Capital Expenses	7,377	Non-Current Liabilities	192
Total Expenses	29,352	Total Liabilities	6,181
Net Result	10,937		
Capital Works Program	23,946	Net Community Assets	206,358

The annual operating budget ensures that Council has adequate revenue to fund expenditure that meets the needs of the community. The capital budget provides for the delivery of infrastructure to service the region now and in the future.

BUDGET FRAMEWORK & PRINCIPLES

Pormpuraaw Aboriginal Shire Council is governed by the *Local Government Act 2009* and *Local Government Regulation 2012*. This budget has been developed in accordance with the legislation the *Local Government Regulation 2012*, Division 3, sections 169 to 172.

Under the requirements of the *Local Government Regulation 2012*, Council's budget for each financial year must be prepared on an accruals basis and include financial statements for the year for which it was prepared and the next two financial years.

The results of this budget are linked to the Corporate Plan which provides the strategic direction of Council and the Operational Plan which outlines key objectives and deliverables for Council for the upcoming year. The budget forms the basis of Council's Long Term Financial Forecast and is aligned with Council's Asset Management Plan and Capital Works Program.

Council controls and manages infrastructure assets that are largely unique to the public sector. These infrastructure assets include roads, footpaths, water reticulation and sewerage assets, which generally have very long useful lives and can only be used for providing local government services. The costs associated with the maintenance, depreciation and replacement of these assets form a material part of Council's annual expenditure.

During 2023/24 Council will continue to manage costs by ensuring that the business is operating efficiently and effectively while keeping service levies at a minimum and not increasing reliance on external funding bodies. Council is dedicated to reviewing every opportunity for improvement in our long-term sustainability.

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 the budget forecast.

Council has approximately 30 months of cash cover to fund Council's operational requirements. Operational expenses have been budgeted at approx. \$16M per annum or \$1.37M per month, this includes funding depreciation expenses. Council currently has invested unconstrained funds to the value of \$46M in our QTC Cash Investment Fund. It is notable, that should funding cease due to environmental or global economic factors outside of Council's control, Council can continue to service the Pormpuraaw community for 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 2023/24 Revenue Statement, Revenue Policy and Schedule of Fees & Charges will provide guidelines to this effect.

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.

Depreciation is recognised 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 to strive 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 1.5% annually for our long-term financial forecast. This assumption is consistent with the three-year rolling rate of the QTC cash fund at 1.58%. However due to last year's aggressive rises in the

cash rate interest rates are forecasted at 3% for 2023/24 FY. This is aligned with interest earned in the year prior. 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), contract liabilities 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 an expected State Wage increase of approximately 5.75%. Attendance for employees is assumed to be 100%. The cost savings resulting from staff absenteeism will be spread across remunerating staff who are committed and attend work 100%, to employ casual labour or contractors to meet operational requirements where staff are absent and will offset the budgeted minor operational deficit in years 2023/24 & 2024/25.

The councillor remuneration has also been incorporated as per the Local Government Remuneration Commission Annual Report 2021-22 which determines the remuneration schedule to apply from 1 July 2023. The Local Government Remuneration Commission remuneration schedule for the 2023/24 financial year (category 1) will be applied to our Councillor's from 1st July 2023.

PASC's Schedule of Fees and Charges are reviewed annually and increased as required to accommodate the increasing costs of providing 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) for restoration works due to natural disaster events are funded by the Federal and State governments and managed by the Queensland Reconstructive Authority (QRA). These funds have been budgeted to align with 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 funding submissions and providing satisfactory acquittals. This serves as confirmation that QRA will be providing funding for budgeted works in the event of any future natural disaster occurrences.

The Australian Government provides untied assistance to local governments under the Financial Assistance (FA) Grant program. In 2022, the Queensland Local Government Grants Commission (QLGGC) changed the allocation approach for the distribution of the FA grant. The new allocation approach focuses on the capacity of a council to raise revenue based on their individual circumstances compared to a theoretical 'potential revenue' based on state averages. The approach also acknowledges the size of a council will materially impact on the range and nature of the services it may be required to deliver and the costs to deliver. Specific adjustments are also made to reflect remoteness, socio-economic factors and dispersion of a Council's operating environment. There is a three-year transition period from 2022-2025. This change in approach has resulted in a larger funding allocation for Pormpuraaw. For the 2022/23 grant allocation, Council recognised a 42% increase and for 2023/24, a 39% increase.

The Honourable Kristy McBain MP, Minister for Regional Development, Local Government and Territories, approved the QLGGC to pay the full 2023/24 allocation in advance, in the 2022/23 financial year (last financial year). Accounting standards require Council to recognise the revenue in the year it has been received.

In the 2023/24 Budget, the allocation for the Financial Assistance grant assumes that the allocation for financial year 2024/25 will be paid in full in June 2024 and Council has estimated a 30% increase in the allocation for the final year of the transition period.

OPERATIONAL BUDGETS

The operational budget for the 2023/24 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 year ahead.

Council has reviewed the cost of providing essential services such as waste, water and sewerage to the community. Council has applied a fair and consistent process in applying their utility charges to users within the Community. Council has applied a 3% increase to all utility charges (Residential, Light Commercial/Business and Commercial) for the 2023/24 financial year.

Most entities will fall into the Light Commercial/Business Category, whilst the Health Clinic, School, CEQ Store, Ergon, Queensland Police, Telstra & Pormpuraaw United Brothers Sports Club 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.

In June 2023, Council identified that there are 21 residential houses within Pormpuraaw that are identified as Homeownership Lessees. The homeownership lease provides an opportunity for Aboriginal and Torres Strait Islander people to purchase their own home on Indigenous communal lands. Council has considered Pormpuraaw homeownership lessee's economic challenges and ability to pay in the setting of the utility charges. Council has recognised utility charges for a Homeownership Lessee that is 50% of the residential charges. The utility charges for the homeownership lessees align with what is received for other social housing.

It is important to note that Council is not at a cost recovery position for the essential services that are provided to the community. The budgets set for the 2023/24 financial year have indicated that Council will need to cover the shortfalls on these essential services to the value of an estimated \$970K.

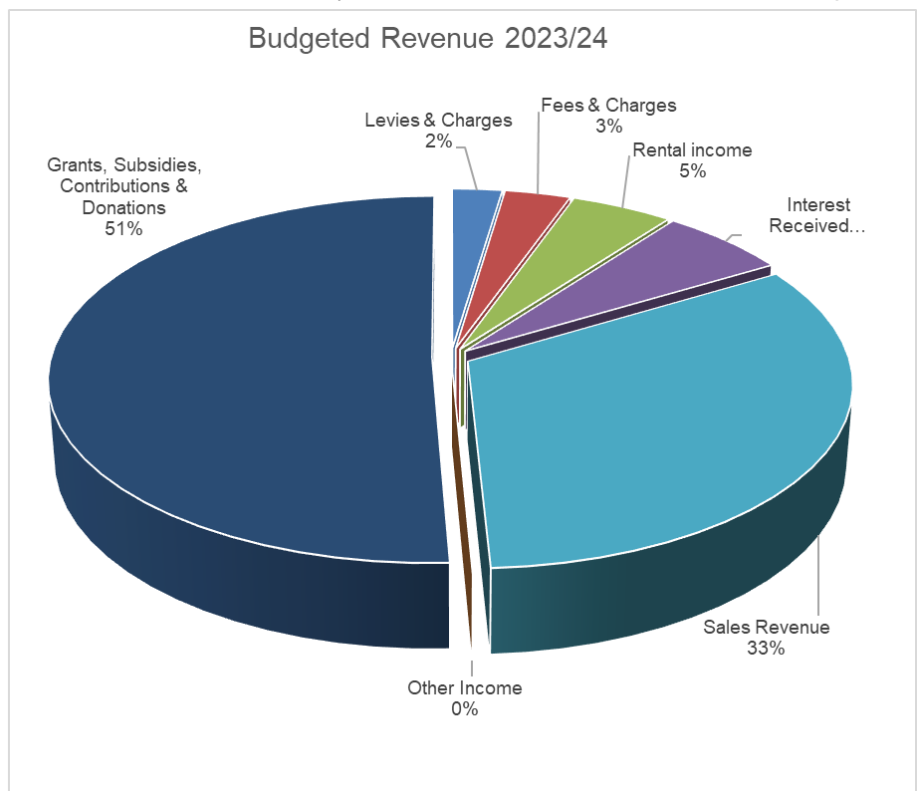
Council continues to bear the cost of other community essential services such as community events, sealing of roads, community hall, street lighting, beach amenities, parks, playgrounds, vandalism and Council administrative costs.

Council's schedule of fees and charges for the 2023/24 financial year has remained consistent to the prior financial year, with some minor increases on some fees and charges.

	2023/24 (\$'000)
Operating Income	
Levies & Charges	508
Fees & Charges	670
Rental income	1,040
Interest Received	1,320
Sales Revenue	7,031
Grants, Subsidies, etc	<u>10,892</u>
Total Revenue	21,461

Grants, subsidies, contributions, and donations continue to be the largest source of Council revenue at 51%.

Sales revenue is the second largest source of revenue at 33%. Sales include private works, accommodation, plant hire, fuel sales, etc. Sales continues to be a major focus of Council due to the limited opportunity to create own sourced revenue.



Constrained operational funding to be carried forward is an estimated \$1.26M that will be spent in 2023/24. The forecasted balances are listed below:

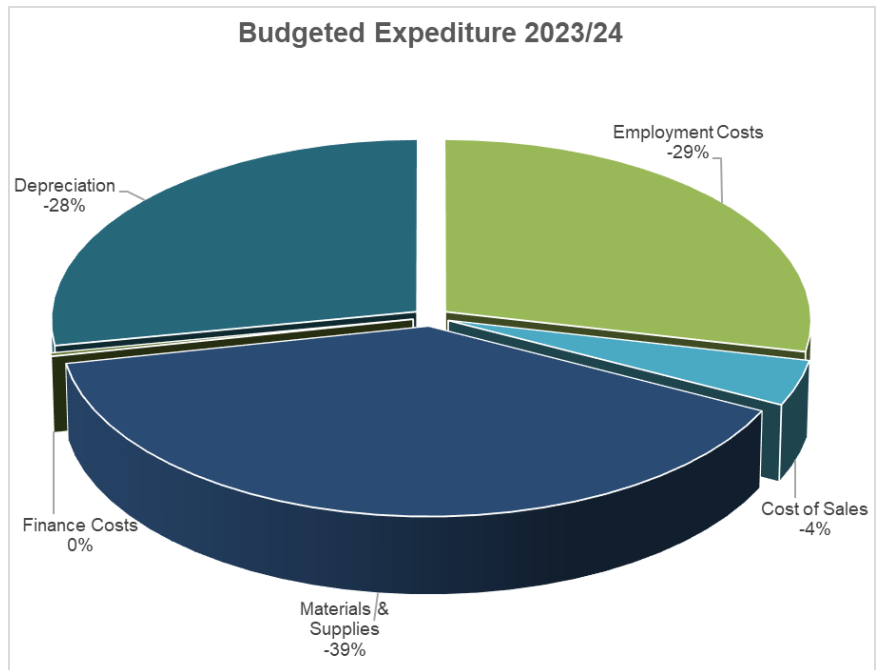
- Community Justice Program \$551,508
- Aged Care IEI Program \$505,000
- Qld Indigenous Land & Sea Rangers Program \$155,000
- Community Safety Plan \$ 45,000

Council is Pomppuraaw’s largest employer whose strong workforce is responsible for the provision of water, wastewater, resource recovery services, maintenance, planning, lifestyle and community services and capital infrastructure for the community.

Wages budget have been applied as per the notations in the significant budget assumptions section. 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. Council employs 71 positions within the community, an estimated 10% of the population. Employee benefits are 29% of the budgeted operational expenditure.

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.

	2023/24 (\$'000)
Employment Cost	6,270
Cost of Sales	884
Finance Cost	61
Materials & Supplies	8,608
Depreciation	<u>6,152</u>
Total Expenses	21,975



In addition to these expenses, depreciation makes up 28% of Council’s planned expenditure. Depreciation represents an allocation of the use or wear and tear of an asset over its expected life. It is impacted by the age, condition and disposal of existing assets as well as the purchase and construction of new assets. Depreciation is not a cash expense.

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 2023/24 financial year will see Pormpuraaw Aboriginal Shire Council undertake capital works projects to the value of approx. \$23.9 million. Of the \$23.9M, \$3.15M of capital works will be unfunded.

Our major funding programs that support capital infrastructure within Pormpuraaw are:

- 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)
- Remote Airport Upgrade Program (RAUP)
- Local Roads & Community Infrastructure Program (LRCI)
- Local Government Grants and Subsidies Program (LGGSP).
- Disaster Ready Fund Round 1

The planned capital works program for Council's 2023/24 financial year is listed below by asset category:

BUILDINGS:

Cairns Office Building Renewal Works
 Bathroom Renewal Works for Eddie Davey Guesthouse (approx. 3 Bathrooms)
 Ablution Unit & Donga Renewal Works for Main Roads Camp (5 Dongas)
 Rebuild Pormpuraaw Council Admin Office
 Construction of 6-10 Community Houses (40 Year Leases)
 New Staff Housing Duplexes (2 Storey Unit Complex or 2 Duplexes)
 Fencing for Council Houses
 Fencing for Sewerage Infrastructure
 Commercial Building Upgrades

INFRASTRUCTURE – OTHER

Pormpuraaw Aerodrome Upgrade
 Concrete Seal for Works Depot (1250m3)
 Various Road Upgrade Works
 Restoration of Roads from 2023 Wet Weather Events
 Strathgordon Rd, Bitumen Seal and Drainage
 Strathgordon Rd, Stabile & Seal 4.9Km
 Splashpark Upgrade

INFRASTRUCTURE – SEWERAGE

Complete Installation of Macerators at Sewerage Pump Station 2 (Complete Works from 2021-22)
 Renewal of Sewerage Pumps & Installation of Lifting Equipment

INFRASTRUCTURE – WATER

Connection of New Bore # 3 for Town Water Supply (Complete Works from 2021-22)

PLANT & EQUIPMENT

New Batching Plant (Complete purchase from 2022-23)
 Crew Cab Tipper Truck (Complete purchase from 2022-23)
 Portable Emergency Lighting System for the Airport
 New Boat
 2 x Crew Cab Utes 4x4

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

- DRFA (Restoration of Public Assets – Roads)
- Betterment of Strathgordon Road (Bitumen, Drainage & Floodway)
- Pormpuraaw Aerodrome Upgrades
- Motor Vehicles, Plant & Equipment
- Extension of Eddie Davey Guesthouse

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.

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THREE YEAR FORECAST

FINANCIAL SUSTAINABILITY

The following ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which should be met to ensure the prudent management of financial risks in accordance with Chapter 5, Part 2 Division 3 of the *Local Government Regulation 2012*.

Ratios have been calculated for a 10-year period being the three year forecast budget period as well as an additional seven years from Council's Long Term Financial Forecast. The benchmarks used for the prescribed ratios are per the Department of State Development, Infrastructure, Local Government and Planning guidelines.

Asset Sustainability

This approximates the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives. The measure for this ratio is capital expenditure on renewals divided by depreciation expense and the benchmark is greater than 90% (on average over the long term).

Operating Surplus Ratio

This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes. The measure for this ratio is the net result divided by total operating revenue and the benchmark is 0-10%.

Net Financial Ratios

This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues. The measure for this ratio is total liabilities less current assets divided by total operating revenue and the benchmark is less than 60%.

BUDGETED MEASURES OF FINANCIAL SUSTAINABILITY FOR THE YEARS FROM 1 JULY 2023 TO 30 JUNE 2026			
<i>Asset Sustainability Ratio</i>	127%	69%	65%
<i>Operating Surplus Ratio</i>	-2%	0%	1%
<i>Net Financial Liabilities Ratio</i>	-226%	-249%	-271%

<i>Asset Sustainability Ratio</i>	127%	69%	65%
<i>Operating Surplus Ratio</i>	-2%	0%	1%
<i>Net Financial Liabilities Ratio</i>	-226%	-249%	-271%

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BUDGETED INCOME STATEMENT
FOR THE YEARS FROM 1 JULY 2023 TO 30 JUNE 2026

	2023/24	2024/25	2025/26
<i>Operating Income</i>			
<i>Levies & Charges</i>	507,755	533,143	559,800
<i>Fees & Charges</i>	669,964	703,462	738,635
<i>Rental income</i>	1,040,000	1,092,000	1,146,600
<i>Interest Received</i>	1,320,000	1,353,000	1,386,825
<i>Sales Revenue</i>	7,030,789	7,382,328	7,751,445
<i>Other Income</i>	0	26,111	32,003
<i>Grants, Subsidies, Contributions & Donations</i>	10,892,299	11,654,760	12,470,593
<i>Total Income</i>	21,460,807	22,744,804	24,085,901
<i>Operating Expenses</i>			
<i>Employment Costs</i>	-6,270,484	-6,521,303	-6,651,729
<i>Cost of Sales</i>	-883,500	-914,423	-932,711
<i>Materials & Supplies</i>	-8,608,443	-9,038,866	-9,219,643
<i>Finance Costs</i>	-60,500	-61,710	-62,944
<i>Total Expenses</i>	-15,822,927	-16,536,301	-16,867,027
<i>Net Operating Result Excluding Depreciation</i>	5,637,880	6,208,503	7,218,874
<i>Depreciation</i>	-6,152,080	-6,275,122	-6,902,634
<i>Operating Surplus / (Deficiency)</i>	-514,200	-66,618	316,240
<i>Capital</i>			
<i>Capital Revenue</i>	18,828,493	20,258,916	6,800,000
<i>Capital Expenses</i>	-7,377,084	-4,300,000	-4,500,000
<i>Capital Surplus / (Deficiency)</i>	11,451,409	15,958,916	2,300,000
<i>Net Result</i>	10,937,209	15,892,298	2,616,240

BUDGETED CASHFLOW STATEMENT FOR THE YEARS FROM 1 JULY 2023 TO 30 JUNE 2026

	2023/24	2024/25	2025/26
<i>Cashflows from Operating Activities</i>			
<i>Receipts from Customers</i>	9,248,508	9,737,044	10,228,483
<i>Payments to Suppliers & Employees</i>	-15,822,927	-16,536,301	-16,867,027
<i>Interest Received</i>	1,320,000	1,353,000	1,386,825
<i>Grants, Subsidies, Contributions & Donations</i>	10,892,299	11,654,760	12,470,593
<i>Net cash inflow /(outflow) from operating activities</i>	5,637,880	6,208,503	7,218,874
<i>Cashflows from Investing Activities</i>			
<i>Payments for Property Plant & Equipment</i>	-23,945,776	-19,808,916	-6,830,300
<i>Grants, Subsidies, Contributions & Donations</i>	19,587,584	11,120,960	15,937,956
<i>Other</i>	468,737	478,112	502,017
<i>Net cash inflow /(Outflow) from investing activities</i>	-3,889,455	-8,209,844	9,609,673
<i>Net increase (decrease) in cash held</i>	1,748,425	-2,001,341	16,828,547
<i>Cash & equivalents at beginning of financial year</i>	50,770,634	52,519,059	50,517,718
<i>Cash & equivalents at end of financial year</i>	52,519,059	50,517,718	67,346,265

BUDGETED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS 1 JULY 2023 TO 30 JUNE 2026

	Total	Retained Surplus	Asset Revaluation Reserve
<i>Statement of Changes in Equity</i>			
<i>Balance at 30/06/2023</i>	196,965,416	80,423,120	116,542,296
<i>Net Result for this period</i>	10,937,209	10,937,209	
<i>Asset Revaluation adjustment</i>	-1,544,942		-1,544,942
<i>Balance at 30/06/2024</i>	206,357,683	91,360,329	114,997,354
<i>Net Result for this period</i>	15,892,298	15,892,298	
<i>Asset Revaluation adjustment</i>	2,203,287		2,203,287
<i>Balance at 30/06/2025</i>	224,453,268	107,252,626	117,200,642
<i>Net Result for this period</i>	2,616,240	2,616,240	
<i>Asset Revaluation adjustment</i>	4,599,295		4,599,295
<i>Balance at 30/06/2026</i>	231,668,803	109,868,866	121,799,937

BUDGETED STATEMENT OF FINANCIAL POSITION FOR THE YEARS 1 JULY 2023 TO 30 JUNE 2026

	2023/24	2024/25	2025/26
BALANCE SHEET			
<i>Current Assets</i>			
<i>Cash at Bank</i>	52,519,059	50,517,718	67,346,265
<i>Stock on Hand</i>	550,000	561,000	589,050
<i>Receivables</i>	1,627,419	9,137,956	1,120,000
Total Current assets	54,696,478	60,216,674	69,055,315
<i>Non-Current Assets</i>			
<i>Property Plant & Equipment</i>	144,589,471	154,388,233	152,539,356
<i>Other Financial Assets</i>	13,252,464	13,477,756	13,814,700
Total Non-Current Assets	157,841,935	167,865,989	166,354,055
TOTAL ASSETS	212,538,413	228,082,663	235,409,370
<i>Current Liabilities</i>			
<i>Trade Payables</i>	5,424,306	2,834,000	2,904,850
<i>Other provisions</i>	564,167	583,913	618,947
Total Current Liabilities	5,988,473	3,417,913	3,523,797
<i>Non-Current Liabilities</i>			
<i>Employee Provisions</i>	192,257	211,483	216,770
Total Non-Current Liabilities	192,257	211,483	216,770
TOTAL LIABILITIES	6,180,730	3,629,395	3,740,567
Net Community Assets	206,357,683	224,453,268	231,668,803
<i>Equity</i>			
<i>Asset Revaluation Reserve</i>	114,997,354	117,200,642	121,799,937
<i>Retained Surplus (Deficiency)</i>	91,360,329	107,252,626	109,868,866
	206,357,683	224,453,268	231,668,803

BUDGETED CAPITAL WORKS PROGRAM

	2023/24	2024/25	2025/26
Capital Works Program Budget	23,945,776	19,808,916	6,830,300

LONG TERM FINANCIAL FORECAST

PORMPURAAW ABORIGINAL SHIRE COUNCIL

BUDGETED INCOME STATEMENT

FOR THE YEARS FROM 1 JULY 2023 TO 30 JUNE 2033

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Operating Income										
Levies & Charges	507,755	533,143	559,800	568,197	576,720	594,021	602,932	621,020	630,335	639,790
Fees & Charges	669,964	703,462	738,635	749,715	760,961	772,375	783,961	795,720	807,656	819,771
Rental income	1,040,000	1,092,000	1,146,600	1,163,799	1,181,256	1,198,975	1,216,959	1,235,214	1,253,742	1,272,548
Interest Received	1,320,000	1,353,000	1,386,825	1,421,496	1,457,033	1,493,459	1,530,795	1,569,065	1,608,292	1,648,499
Sales Revenue	7,030,789	7,382,328	7,751,445	7,867,717	7,985,732	8,225,304	8,348,684	8,473,914	8,728,132	8,859,053
Other Income	0	26,111	26,633	27,033	27,438	27,850	28,268	28,692	29,122	29,559
Grants, Subsidies, Contributions & Donations	10,892,299	11,654,760	12,470,593	12,782,358	13,101,917	13,429,465	13,765,202	14,109,332	14,462,065	14,823,616
Total Income	21,460,807	22,744,804	24,080,531	24,580,314	25,091,057	25,741,449	26,276,800	26,832,956	27,519,343	28,092,837
Operating Expenses										
Employment Costs	-6,270,484	-6,521,303	-6,651,729	-6,751,505	-6,852,778	-6,955,569	-7,059,903	-7,165,801	-7,273,289	-7,382,388
Cost of Sales	-883,500	-914,423	-932,711	-946,702	-960,902	-975,316	-989,945	-1,004,795	-1,019,867	-1,035,165
Materials & Supplies	-8,608,443	-9,038,866	-9,219,643	-9,357,938	-9,498,307	-9,640,781	-9,785,393	-9,932,174	-10,081,156	-10,232,374
Finance Costs	-60,500	-61,710	-62,944	-63,888	-64,847	-65,819	-66,807	-67,809	-68,826	-69,858
Total Expenses	-15,822,927	-16,536,301	-16,867,027	-17,120,033	-17,376,833	-17,637,486	-17,902,048	-18,170,579	-18,443,137	-18,719,784
Net Operating Result Excluding Depreciation	5,637,880	6,208,503	7,213,504	7,460,281	7,714,224	8,103,963	8,374,752	8,662,377	9,076,206	9,373,052
Depreciation	-6,152,080	-6,275,122	-6,902,634	-7,006,173	-7,111,266	-7,217,935	-7,326,204	-7,436,097	-7,547,638	-7,660,853
Operating Surplus / (Deficiency)	-514,200	-66,618	310,870	454,108	602,958	886,028	1,048,548	1,226,280	1,528,567	1,712,199
Capital										
Capital Revenue	18,828,493	20,258,916	6,800,000	7,500,000	6,800,000	9,300,000	6,500,000	7,500,000	5,500,000	5,950,000
Capital Expenses	-7,377,084	-4,300,000	-4,500,000	-3,000,000	-3,300,000	-3,500,000	-3,250,000	-3,600,000	-3,400,000	-2,500,000
Capital Surplus / (Deficiency)	11,451,409	15,958,916	2,300,000	4,500,000	3,500,000	5,800,000	3,250,000	3,900,000	2,100,000	3,450,000
Net Result	10,937,209	15,892,298	2,610,870	4,954,108	4,102,958	6,686,028	4,298,548	5,126,280	3,628,567	5,162,199

PORMPURA AW ABORIGINAL SHIRE COUNCIL
BUDGETED MEASURES OF FINANCIAL SUSTAINABILITY
 FOR THE YEARS FROM 1 JULY 2023 TO 30 JUNE 2033

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Asset Sustainability Ratio	127%	69%	65%	43%	46%	48%	44%	48%	45%	33%
Operating Surplus Ratio	-2%	0%	1%	2%	2%	3%	4%	5%	6%	6%
Net Financial Liabilities Ratio	-226%	-249%	-271%	-298%	-318%	-338%	-359%	-380%	-400%	-421%

PORMPURA AW ABORIGINAL SHIRE COUNCIL
BUDGETED CASHFLOW STATEMENT
 FOR THE YEARS FROM 1 JULY 2023 TO 30 JUNE 2033

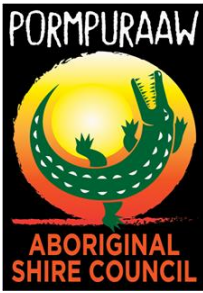
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Cashflows from Operating Activities										
Receipts from Customers	9,248,508	9,737,044	10,223,113	8,876,460	9,009,607	9,296,025	9,458,303	9,632,059	9,926,486	10,098,221
Payments to Suppliers & Employees	-15,822,927	-16,536,301	-16,867,027	-17,120,033	-17,376,833	-17,637,486	-17,902,048	-18,170,579	-18,443,137	-18,719,784
Interest Received	1,320,000	1,353,000	1,386,825	1,421,496	1,457,033	1,493,459	1,530,795	1,569,065	1,608,292	1,648,499
Grants, Subsidies, Contributions & Donations	10,892,299	11,654,760	12,470,593	12,782,358	13,101,917	13,429,465	13,765,202	14,109,332	14,462,065	14,823,616
Net cash inflow / (outflow) from operating activities	5,637,880	6,208,503	7,213,504	5,960,281	6,191,724	6,581,463	6,852,252	7,139,877	7,553,706	7,850,552
Cashflows from Investing Activities										
Payments for Property Plant & Equipment	-23,945,776	-19,808,916	-6,830,300	-7,500,000	-6,800,000	-9,300,000	-6,500,000	-7,500,000	-5,500,000	-5,950,000
Grants, Subsidies, Contributions & Donations	19,587,584	11,120,960	15,937,956	7,500,000	6,800,000	9,300,000	6,500,000	7,500,000	5,500,000	5,950,000
Other	468,737	478,112	502,017	509,548	517,191	524,949	532,823	540,815	548,927	557,161
Net cash inflow / (Outflow) from investing activities	-3,889,455	-8,209,844	9,609,673	509,548	517,191	524,949	532,823	540,815	548,927	557,161
Net increase (decrease) in cash held	1,748,425	-2,001,341	16,823,178	6,469,829	6,708,914	7,106,412	7,385,075	7,680,692	8,102,633	8,407,714
Cash & equivalents at beginning of financial year	50,770,634	52,519,059	50,517,718	67,340,895	73,810,724	80,519,638	87,626,050	95,011,125	102,691,818	110,794,451
Cash & equivalents at end of financial year	52,519,059	50,517,718	67,340,895	73,810,724	80,519,638	87,626,050	95,011,125	102,691,818	110,794,451	119,202,164

PORMPURAAB ABORIGINAL SHIRE COUNCIL

BUDGETED STATEMENT OF FINANCIAL POSITION

FOR THE YEARS FROM 1 JULY 2023 TO 30 JUNE 2033

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Current Assets										
Cash at Bank	52,519,059	50,517,718	67,340,895	73,810,724	80,519,638	87,626,050	95,011,125	102,691,818	110,794,451	119,202,164
Stock on Hand	550,000	561,000	589,050	603,776	618,871	634,342	650,201	666,456	683,117	700,195
Receivables	1,627,419	9,137,956	1,120,000	1,103,200	1,086,652	1,070,352	1,054,297	1,038,482	1,022,905	1,007,562
Total Current assets	54,696,478	60,216,674	69,049,945	75,517,700	82,225,161	89,330,745	96,715,623	104,396,756	112,500,473	120,909,921
Non-Current Assets										
Property Plant & Equipment										
Other Financial Assets	144,589,471	154,388,233	152,539,356	153,033,182	152,721,916	154,803,982	153,977,778	154,041,681	151,994,042	150,283,189
Total Non-Current Assets	13,252,464	13,477,756	13,814,700	13,883,773	13,953,192	14,022,958	14,093,073	14,163,538	14,234,356	14,305,528
TOTAL ASSETS	157,841,935	167,865,989	166,354,055	166,916,956	166,675,109	168,826,940	168,070,851	168,205,219	166,228,398	164,588,717
Current Liabilities										
Trade Payables	5,424,306	2,834,000	2,904,850	1,453,008	1,482,068	1,511,710	1,541,944	1,572,783	1,604,238	1,636,323
Other provisions	564,167	583,913	618,947	628,232	637,655	647,220	656,928	666,782	676,784	686,936
Total Current Liabilities	5,988,473	3,417,913	3,523,797	2,081,240	2,119,723	2,158,929	2,198,872	2,239,565	2,281,022	2,323,259
Non-Current Liabilities										
Provisions	192,257	211,483	216,770	222,189	227,744	233,437	239,273	245,255	251,386	257,671
Total Non-Current Liabilities	192,257	211,483	216,770	222,189	227,744	233,437	239,273	245,255	251,386	257,671
TOTAL LIABILITIES	6,180,730	3,629,395	3,740,567	2,303,429	2,347,467	2,392,367	2,438,145	2,484,820	2,532,408	2,580,930
Net Community Assets	206,357,683	224,453,268	231,663,434	240,131,227	246,552,803	255,765,318	262,348,329	270,117,156	276,196,463	282,917,709
Equity										
Asset Revaluation Reserve	114,997,354	117,200,642	121,799,937	125,308,253	127,626,871	130,153,358	132,437,820	135,080,367	137,531,107	139,090,154
Retained Surplus (Deficiency)	91,360,329	107,252,626	109,868,866	114,822,974	118,925,932	125,611,960	129,910,509	135,036,789	138,665,356	143,827,555
TOTAL EQUITY	206,357,683	224,453,268	231,668,803	240,131,227	246,552,803	255,765,318	262,348,329	270,117,156	276,196,463	282,917,709



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.

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 to minimal 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 consider 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 2023-24
- Schedule of Fees & Charges 2023-24

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 and adopted annually.


Responsibility

This Policy is to be:

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

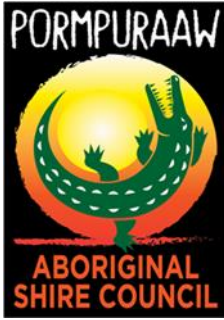
Version Control

Policy: R001		Version: R001-V12
Version	Adoption (Council Resolution Number)	Date
V1	March 2012	01/03/2012
V10	July 2012 (2021/07/21)	28/07/2021
V11	June 2022 (2022/06/07)	29/06/2022
V12	July 2023 (2023/07/12)	27/07/2023

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Approved by CEO:

Signature



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	Due for Revision
1	1/03/2012		
10	28/07/2021	2021/07/03	July 2022
11	27/07/2022	2022/07/03	July 2023
12	27/07/2023	2023/07/13	July 2024

AUTHORITY

Local Government Act 2009
Local Government Regulation 2012

OBJECTIVE

This statement outlines and explains the revenue raising measures adopted by the Pormpuraaw Aboriginal Shire Council in the preparation of its Budget for the 2023/24 financial year.

APPLICATION

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

POLICY STATEMENT

This statement is adopted pursuant to *Local Government Act 2009*, Section 104 and the *Local Government Regulation 2012*; Section 169 & 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 has been postponed by State Government. Therefore, PASC will not charge general rates for 2023/24.

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

GENERAL RATES

Not applicable to Pormpuraaw Aboriginal Shire Council. Pormpuraaw Shire does not have any rateable properties at this point in time.

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 *Local Government Regulation 2012*.

Council has reviewed the cost of providing essential services such as waste, water and sewerage to the community.

Council has applied a fair and consistent process in applying their utility charges to users within the Community. Council has applied a 3% increase to all utility charges (Residential, Light Commercial/Business and Commercial) for the 2023/24 financial year. The increase to utility charges has been increased at a capped rate of 3%, despite considerable increases in employee wages, contractor labour hire and material increases over the previous financial year which far exceeds a 3% increase. Council is conscious of the impact that increases to our utility charges will have on the local community members and businesses and has decided to cap this increase at the 3%.

Most Commercial/Business entities will fall into the Light Commercial/Business Category, whilst the Health Clinic, School, CEQ Store, Ergon, Qld Police, 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 more than their biannual allocation.

In June 2023, Council identified that there are 21 residential houses within Pormpuraaw that are identified as Homeownership Lessees. The homeownership lease provides an opportunity for Aboriginal and Torres Strait Islander people to purchase their own home on Indigenous communal lands. Council has considered Pormpuraaw homeownership lessees economic challenges and ability to pay in the setting of the utility charges. Council has recognised utility charges for Homeownership Lessees that is 50% of the residential charges. The utility charges for the homeownership lessees aligns with what is received for other community social housing.

It is important to note that Council is not at a cost recovery position for the essential services that are provided to the community. The budgets set for the 2023/24 financial year have indicated that Council will need to cover the shortfalls of these essential services to the value of an estimated \$970K.

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

The applicable utility charges for the 2023/24 financial year are as set out below:

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 2023/24:

Category	Class	Biannual Charge 2023/24	% Change from 2022/23
Homeownership Lessee	Per Dwelling	\$561.50	-
Residential	Per Dwelling	\$1,123.00	3.0%
Light Commercial/Business	Per Building	\$2,757.00	3.0%
Commercial	Per Building	\$5,515.00	3.0%

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 2023/24:

Category	Class	Biannual Charge 2023/24	% Change from 2022/23
Homeownership Lessee	Per Dwelling	\$511.00	-
Residential	Per Dwelling	\$1,022.00	3.0%
Light Commercial/Business	Per Building	\$2,485.00	3.0%
Commercial	Per Building	\$4,974.00	3.0%

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 may be 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.

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 2023/24:

Category	Class	Biannual Charge 2023/24	% Change from 2022/23
Homeownership Lessee	Per Dwelling	\$237.50	-
Residential	Per Dwelling	\$475.00	3.0%
Light Commercial/Business	Per Building	\$1,354.00	3.0%
Commercial (5 or more sewerage fixtures)	Per Building	\$2,708.00	3.0%

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

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. All fees and charges are detailed in PASC's Schedule of Fees & Charges for 2023/24.

DEPRECIATION

PASC has budgeted to mostly fund depreciation on its assets for the 2023/24 financial year. PASC will continue to work on meeting the requirement to fully fund depreciation in the coming years

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 to as Commercial Charges. Commercial charges are applied to business activities such as: Fuel Depot, Gas, Accommodation, Postal Agency, Admin Store Materials, Plant & Equipment Hire, Private Works and Airport Services. Goods & Services Tax (GST) will be added to commercial charges for the provision of goods and services to which GST is applicable. Most commercial charges are detailed in PASC's Schedule of Fees & Charges for 2023/24.

Approved by CEO:

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Edward Natara
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Signature

END OF PASC ANNUAL BUDGET REPORT 2023/24