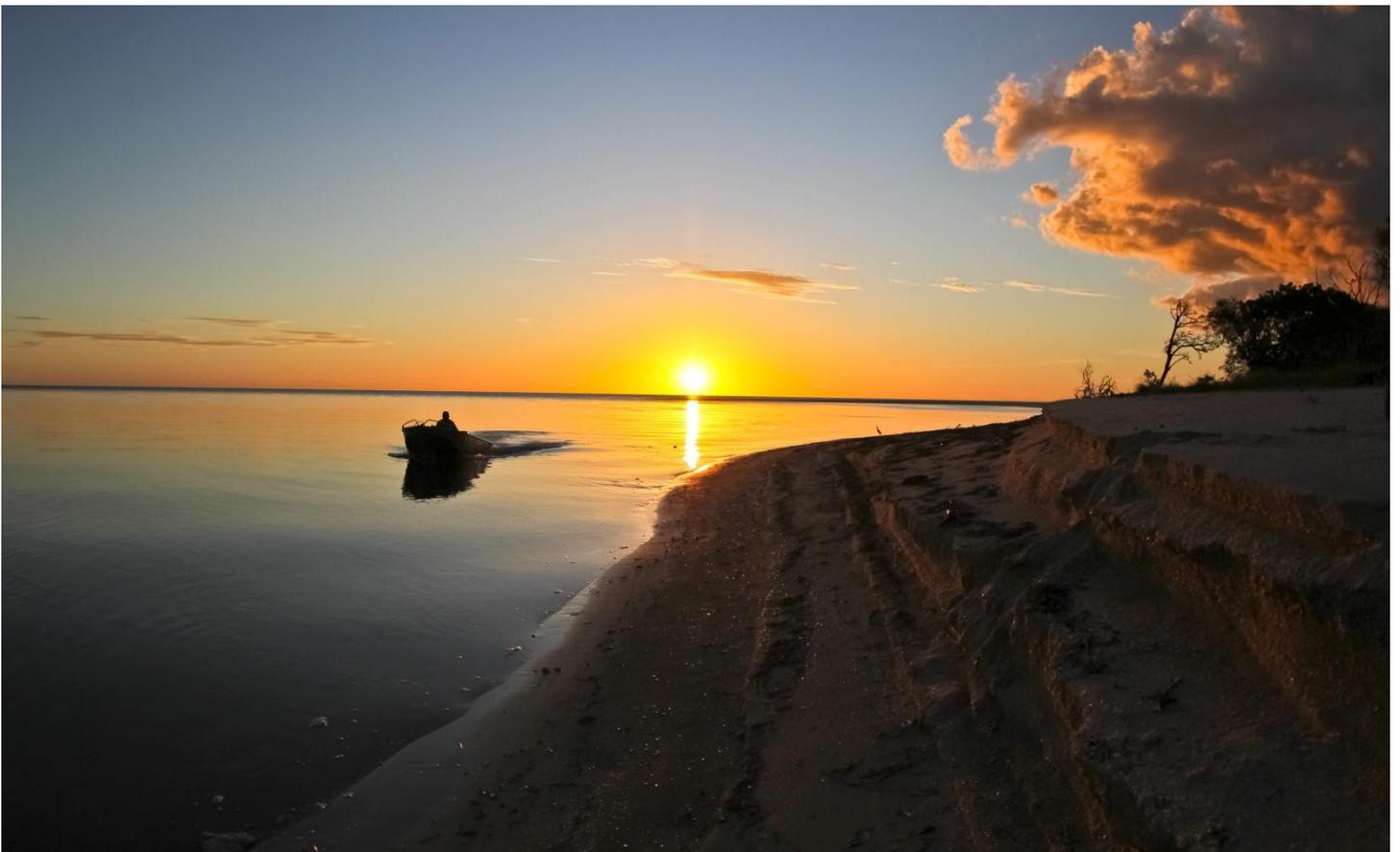


Pormpuraaw Aboriginal Shire Council

Annual Budget

2020-21



Adopted by Council on 29/07/2020 - Resolution # 2020/07/02

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BUDGET FRAMEWORK

The budget document for the 2020-21 financial years has been prepared in accordance with the Local Government Regulation 2012, section 169. The following documents are included in the budget presented to Council:

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

BUDGET PRINCIPLES

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

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

Council will seek written approval 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 25 months cash cover to fund Council's operational requirements. Operational expenses are budgeted at approx \$15M per annum or \$1.25M per month, this includes funding depreciation expenses. Council currently has invested just over \$31M in our QTC Cash Investment Fund. It is comforting for Council to note that should funding cease due to environmental factors outside of Council's control, Council can continue to service the Pormpuraaw community for at least 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 2020-21 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. 1.5% annually. COVID-19 has impacted the interest return on QTC funds in the last quarter of 2019/20 FY, which at the time of setting these budgets is only returning just under 0.9%. Council expects that the interest on our QTC funds should increase as the investment markets start to stabilise after the COVID-19 pandemic. 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 possible State Wage Increase of up to 3.5%. COVID-19 may impact the pending State Wage Increase which could see employee wages increase by approx 1.75%-2%, instead of the usual 3%-3.5% per annum. Attendance for employees is assumed to be 100%.

The increase for Councillor Remuneration has also been incorporated as per the Local Government Remuneration Commission Report 2019 (Issued on 29 November, 2019) which determines the remuneration schedule to apply from 1 July, 2020.

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 2020-21 financial year remain consistent in comparison to previous financial years and there is no significant changes to the way PASC will conduct its operations in the 2020-21 financial year.

Council has reviewed the cost of providing essential services such as waste, water and sewerage to the community. Council has also recently undertaken a property audit to identify the number of water outlets, sewerage outlets (toilets/sumps) and garbage collection frequency for each property/business and has utilised this information to adjust the utility charges particularly in the Commercial sector within community.

Council has applied a fair and consistent process in applying their utility charges to users within the Community, which has seen the Commercial category remain similar to last year with only slight increases in the Waste & Water utility charges and a modest increase in the Sewerage utility charges, whilst the introduction of the Light Commercial category has seen the utility charges per annum almost halved. Most Commercial entities will fall into the Light Commercial Category, whilst the Health Clinic & School 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. The residential utility charges have risen slightly by approx 1.73% on average across the utility charges.

Council will have invested \$3.5M in Water & Sewerage Infrastructure upgrades by the end of the 2020-21 FY.

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

Council's schedule of fees and charges for the 2020-21 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.

Constrained operational funding received in 2019-20 to be carried forward is approx \$1.3M as follows and will be utilised in the 2020-21 financial year:

- FAG - Advance Biannual Funding Release = \$970,852
- First Start – Unexpended Funds = \$14,728
- DAT Pormpuraaw AMP Community Safety Plan – Unexpended Funds = \$50,000
- Community Justice Group Program - Unexpended Funds = \$92,500
- Community Justice Group DFV Program – Unexpended Funds = \$82,500
- Tech Savvy Library Program – Unexpended Funds = \$10,000
- Library Refurbishment Funding – Unexpended Funds = \$14,909
- Aged Care Consumer Directed Care Packages – Unexpended Client Package Funds = \$71,006
- Nest to Ocean – Unexpended Funds = \$4,027

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 2020-21 financial year will see Pormpuraaw Aboriginal Shire Council undertake capital works projects to the value of approx \$14.9 million, which is a significant increase from prior years. This is mainly due to the additional funding available for capital works programs such as: Works for Queensland (W4Q), Indigenous Councils Critical Infrastructure Program (ICCIP), Remote Housing Capital Delivery Program, Disaster Recovery Funding Arrangement (DRFA), Transport Infrastructure Development Scheme (TIDS) and Donated Assets from Various Government Departments.

Constrained capital works funding received in 2019-20 to be carried forward is approx \$2.6M as follows and will be utilised in the 2020-21 financial year:

- RAS – Cafe & Bakery Capital Equipment = \$190,000
- Works for Queensland (W4QR3) – Various Projects (Bakery, Staff Housing and Council Owned Building Refurbishments) = \$674,229
- Roads to Recovery – Road Paving Works = \$94,768
- DRFA – Restoration of Roads Due to Wet Season 2019 = \$423,869
- ICCIP – Water & Sewerage Capital Projects = \$594,479
- PMC – Splash Park Capital Playground Equipment = \$40,000
- Interim Remote Capital Program – Construction of 4 x Community Houses = \$583,252

PASC has allocated capital works funds for the 2020-21 financial year in which the funding has been provided by Federal and/or State Government for the following capital works projects as listed below by asset category:

BUILDINGS/HOUSING:

Pormpuraaw Council Administration Office Rebuild
Bakery Building & Equipment
PUBSC Facilities Refurbishment
New Staff Housing
Workshop Refurbishment
Staff Housing Refurbishments
Community Hall Refurbishment
Cemetery Shed
Main Roads Camp Donga Refurbishments
Housing Capital Works Program (4 x Community Houses)
Splashpark Playground Equipment
Sportsfield (Stage 3)

INFRASTRUCTURE – OTHER

Paving of Town Roads
Restoration of Roads from 2019 Event
Northern Rd Grading Works
Station Creek Upgrade Works
Strathgordon Rd Bitumen Seal & Drainage Works

INFRASTRUCTURE – SEWERAGE

Irrigate Sewerage Lagoon Embankments
Install Electric Pumps for Irrigation System
Install Macerators at Sewerage Pump Stations
Install New Switchboards at Sewerage Pump Stations
Install Grease Trap for Sewerage Line Near Town Centre

INFRASTRUCTURE – WATER

Replace 100mm Mains Pressure with 300mm
New Bore # 3
Bore Pump 1 & 2 Replacement

PLANT & EQUIPMENT

Cairns Server & Organisation Wide New IT Equipment & Software Upgrades
2 x New Vehicles
2 x Crew Cab Trucks
Small Backhoe
All Terrain 4WD Forklift
Small Tractor
Bakery Equipment
Sewer Pressure Jet

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

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

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

- DRFA (Restoration of Public Assets – Roads)
- Betterment of Strathgordon Road (Bitumen, Drainage & Floodways)
- Motor Vehicles, Plant & Equipment
- Aged Care Independent Living Facility
- New Staff Housing
- Subdivision for Community Houses (2 x 5 Lot Subdivisions)
- Men's Shed

PORMPURAAW ABORIGINAL SHIRE COUNCIL
BUDGETED INCOME STATEMENT FOR THE YEARS FROM 1 JULY 2020 TO 30 JUNE 2023

	2020-21	2021-22	2022-23
Operating Income			
<i>Levies & Charges</i>	415,137	435,894	457,689
<i>Fees & Charges</i>	360,050	378,053	396,955
<i>Rental income</i>	1,279,215	1,343,176	1,410,335
<i>Interest Received</i>	510,000	535,500	562,275
<i>Sales Revenue</i>	5,233,854	5,495,547	5,770,324
<i>Other Income</i>	37,300	39,165	39,948
<i>Grants, Subsidies, Contributions & Donations</i>	7,473,188	7,622,651	7,775,105
Total Income	15,308,744	15,849,985	16,412,630
Operating Expenses			
<i>Employment Costs</i>	-5,230,098	-5,413,152	-5,521,415
<i>Cost of Sales</i>	-526,500	-544,928	-555,826
<i>Materials & Supplies</i>	-5,109,797	-5,288,640	-5,394,413
<i>Finance Costs</i>	-44,000	-45,540	-46,451
Total Expenses	-10,910,396	-11,292,260	-11,518,105
Net Operating Result Excluding Depreciation	4,398,348	4,557,726	4,894,525
<i>Depreciation</i>	-5,381,372	-5,488,999	-6,037,899
Operating Surplus / (Deficiency)	-983,024	-931,274	-1,143,374
Capital			
<i>Capital Revenue</i>	11,691,793	12,022,193	8,996,944
<i>Capital Expenses</i>	-0	-2,500,000	-3,300,000
Capital Surplus / (Deficiency)	11,691,793	9,522,193	5,696,944
Net Result	10,708,770	8,590,919	4,553,570
<i>Constrained Funds 2019/20 from Retained Earnings</i>	3,909,928		
<i>Review of Net Result Less Constrained Funds</i>	14,618,698		

BUDGETED MEASURES OF FINANCIAL SUSTAINABILITY FOR THE YEARS FROM 1 JULY 2020 TO 30 JUNE 2023

Asset Sustainability Ratio	78%	46%	55%
Operating Surplus Ratio	-6%	-6%	-7%
Net Financial Liabilities Ratio	-211%	-240%	-268%

BUDGETED CASHFLOW STATEMENT FOR THE YEARS FROM 1 JULY 2020 TO 30 JUNE 2023

	2020-21	2021-22	2022-23
Cashflows from Operating Activities			
Receipts from Customers	7,325,556	7,691,834	8,075,251
Payments to Suppliers & Employees	-10,910,396	-11,292,260	-11,518,105
Interest Received	510,000	535,500	562,275
Grants, Subsidies, Contributions & Donations	7,473,188	7,622,651	7,775,105
Net cash inflow /(outflow) from operating activities	4,398,348	4,557,726	4,894,525
Cashflows from Investing Activities			
Payments for Property Plant & Equipment	-14,680,391	-8,522,193	-7,296,944
Grants, Subsidies, Contributions & Donations	9,701,793	8,522,193	7,246,944
Other	971,824	1,078,725	1,132,661
Net cash inflow /(Outflow) from investing activities	-4,006,774	1,078,725	1,132,661
Net increase (decrease) in cash held	391,574	5,636,450	6,027,186
Cash & equivalents at beginning of financial year	33,188,571	33,580,144	39,216,595
Cash & equivalents at end of financial year	33,580,144	39,216,595	45,243,781

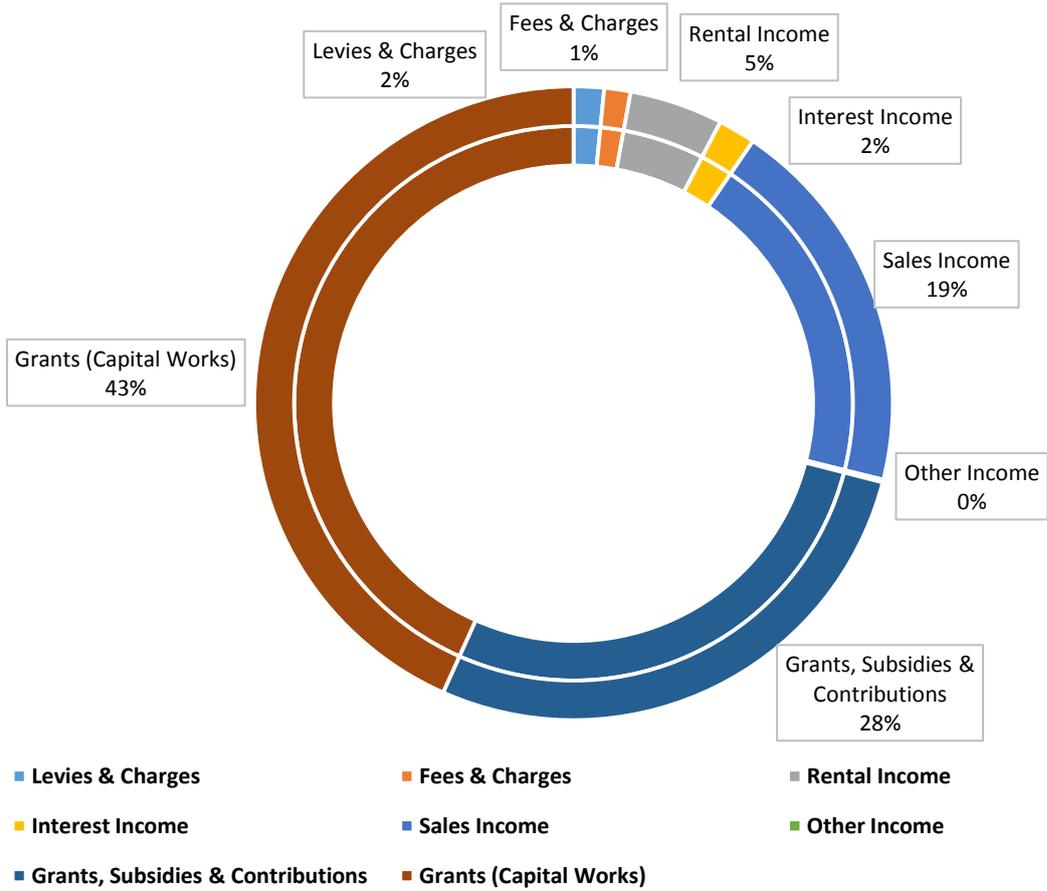
BUDGETED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS 1 JULY 2020 TO 30 JUNE 2023

	Total	Retained Surplus	Asset Revaluation Reserve
Statement of Changes in Equity			
Balance at 30/06/2020	162,362,223	64,191,320	98,170,903
Net Result for this period	10,708,770	10,708,770	
Asset Revaluation adjustment			
Balance at 30/06/2021	173,070,993	74,900,090	98,170,903
Net Result for this period	8,590,919	8,590,919	
Asset Revaluation adjustment			
Balance at 30/06/2022	181,661,912	83,491,009	98,170,903
Net Result for this period	4,553,570	4,553,570	
Asset Revaluation adjustment			
Balance at 30/06/2023	186,215,482	88,044,579	98,170,903

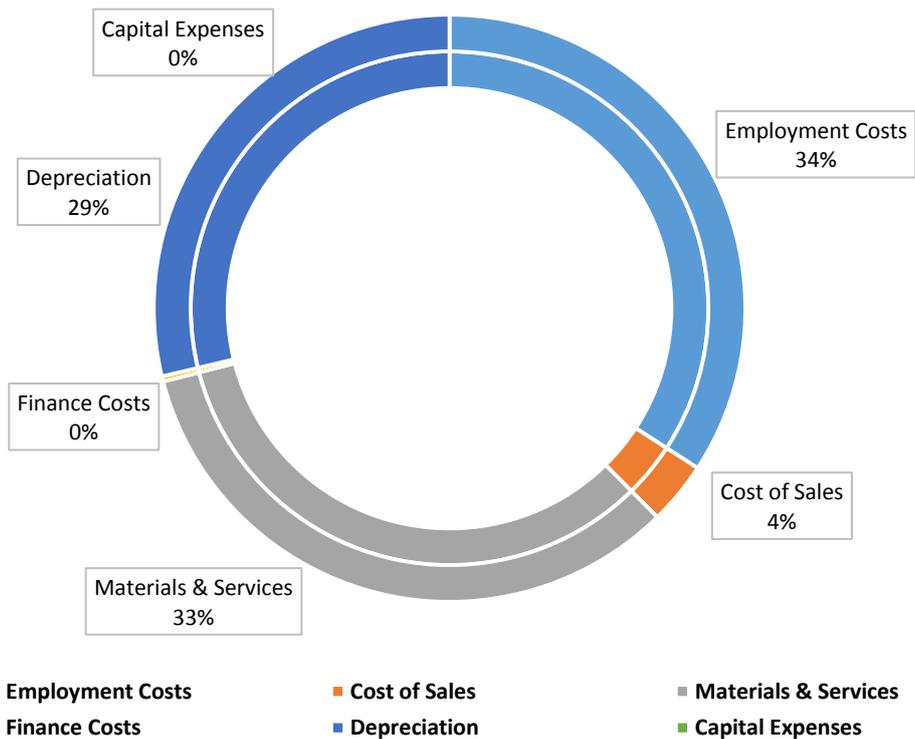
BUDGETED STATEMENT OF FINANCIAL POSITION FOR THE YEARS 1 JULY 2020 TO 30 JUNE 2023

	2020-21	2021-22	2022-23
BALANCE SHEET			
Current Assets			
Cash at Bank	33,580,145	39,216,595	45,243,781
Stock on Hand	347,584	312,826	328,467
Receivables	664,171	597,245	612,857
Total Current assets	34,591,900	40,126,666	46,185,105
Non-Current Assets			
Property Plant & Equipment	127,225,923	128,653,254	126,099,327
Other Financial Assets	13,484,064	14,967,311	16,164,695
Total Non-Current Assets	140,709,986	143,620,564	142,264,023
TOTAL ASSETS	175,301,886	183,747,230	188,449,128
Current Liabilities			
Overdraft	0	0	0
Trade Payables	1,490,316	1,288,245	1,390,080
Other provisions	270,182	279,638	313,195
Total Current Liabilities	1,760,498	1,567,883	1,703,275
Non-Current Liabilities			
Employee Provisions	470,395	517,435	530,370
Total Non-Current Liabilities	470,395	517,435	530,370
TOTAL LIABILITIES	2,230,893	2,085,318	2,233,645
Net Community Assets	173,070,993	181,661,912	186,215,482
Equity			
Asset Revaluation Reserve	98,170,903	98,170,903	98,170,903
Other Reserves	0	0	0
Retained Surplus (Deficiency)	74,900,090	83,491,009	88,044,579
	173,070,993	181,661,912	186,215,482

2020-21 Income Budget



2020-21 Expenditure Budgets



**PORMPURA AW ABORIGINAL SHIRE COUNCIL
BUDGETED INCOME STATEMENT
FOR THE YEARS FROM 1 JULY 2020 TO 30 JUNE 2030**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Operating Income										
Levies & Charges	415,137	435,894	457,889	464,554	471,522	478,595	485,774	493,061	500,458	507,983
Fees & Charges	360,050	378,053	396,955	402,909	408,953	415,087	421,314	427,633	434,048	440,559
Rental income	1,279,215	1,343,176	1,410,335	1,431,490	1,452,962	1,474,756	1,496,878	1,519,331	1,542,121	1,565,253
Interest Received	510,000	535,500	562,275	570,709	579,270	587,959	596,778	605,730	614,816	624,038
Sales Revenue	5,233,854	5,495,547	5,770,324	5,856,879	5,944,732	6,033,903	6,124,412	6,216,278	6,309,522	6,404,165
Other Income	37,300	39,165	39,948	40,548	41,156	41,773	42,400	43,036	43,681	44,336
Grants, Subsidies, Contributions & Donations	7,473,188	7,822,651	7,775,105	7,891,731	8,010,107	8,130,259	8,252,213	8,375,996	8,501,636	8,629,160
Total Income	15,308,744	15,849,985	16,412,630	16,658,820	16,908,702	17,162,332	17,419,767	17,681,064	17,946,280	18,215,474
Operating Expenses										
Employment Costs	-5,230,098	-5,413,152	-5,521,415	-5,604,236	-5,688,300	-5,773,624	-5,860,228	-5,948,132	-6,037,354	-6,127,914
Cost of Sales	-526,500	-544,928	-555,826	-564,163	-572,626	-581,215	-589,934	-598,783	-607,764	-616,881
Materials & Supplies	-5,109,797	-5,288,640	-5,394,413	-5,475,329	-5,557,459	-5,640,821	-5,725,433	-5,811,315	-5,898,485	-5,986,962
Finance Costs	-44,000	-45,540	-46,451	-47,148	-47,855	-48,573	-49,301	-50,041	-50,791	-51,553
Total Expenses	-10,910,396	-11,292,260	-11,518,105	-11,690,876	-11,866,240	-12,044,233	-12,224,897	-12,408,270	-12,594,394	-12,783,310
Net Operating Result Excluding Depreciation	4,398,348	4,557,726	4,894,525	4,967,943	5,042,462	5,118,099	5,194,871	5,272,794	5,351,886	5,432,164
Depreciation	-5,381,372	-5,488,999	-6,037,899	-6,128,468	-6,220,395	-6,313,701	-6,408,406	-6,504,532	-6,602,100	-6,701,132
Operating Surplus / (Deficiency)	-983,024	-931,274	-1,143,374	-1,160,525	-1,177,933	-1,195,602	-1,213,536	-1,231,739	-1,250,215	-1,268,968
Capital										
Capital Revenue	11,691,793	12,022,193	8,996,944	6,500,000	5,000,000	6,800,000	9,300,000	6,500,000	7,500,000	4,500,000
Capital Expenses	0	-2,500,000	-3,300,000	-2,500,000	-1,500,000	-1,500,000	-3,500,000	-1,500,000	-1,500,000	-2,500,000
Capital Surplus / (Deficiency)	11,691,793	9,522,193	5,696,944	4,000,000	3,500,000	5,300,000	5,800,000	5,000,000	6,000,000	2,000,000
Net Result	10,708,770	8,590,919	4,553,570	2,839,475	2,322,067	4,104,398	4,586,464	3,768,261	4,749,785	731,032

**PORMPURA AW ABORIGINAL SHIRE COUNCIL
BUDGETED MEASURES OF FINANCIAL SUSTAINABILITY
FOR THE YEARS FROM 1 JULY 2020 TO 30 JUNE 2030**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Asset Sustainability Ratio	78%	46%	55%	41%	24%	24%	55%	23%	23%	37%
Operating Surplus Ratio	-6%	-6%	-7%							
Net Financial Liabilities Ratio	-211%	-240%	-268%	-315%	-359%	-412%	-467%	-516%	-570%	-600%

**PORMPURAAB ORIGINAL SHIRE COUNCIL
BUDGETED CASHFLOW STATEMENT
FOR THE YEARS FROM 1 JULY 2020 TO 30 JUNE 2030**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Cashflows from Operating Activities										
Receipts from Customers	7,325,556	7,591,834	8,075,251	6,596,379	6,796,825	6,921,615	7,048,277	7,176,838	7,307,328	7,439,776
Payments to Suppliers & Employees	-10,910,396	-11,292,260	-11,518,105	-11,690,876	-11,866,240	-12,044,233	-12,224,897	-12,408,270	-12,594,394	-12,783,310
Interest Received	510,000	535,500	562,275	570,709	579,270	587,959	596,778	605,730	614,816	624,038
Grants, Subsidies, Contributions & Donations	7,473,188	7,622,651	7,775,105	7,891,731	8,010,107	8,130,259	8,252,213	8,375,996	8,501,636	8,629,160
Net cash Inflow / (outflow) from operating activities	4,398,348	4,667,726	4,894,626	3,467,943	3,619,962	3,666,689	3,872,871	3,760,294	3,828,388	3,909,694
Cashflows from Investing Activities										
Payments for Property Plant & Equipment	-14,680,391	-8,522,193	-7,296,944	-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	9,701,793	8,522,193	7,296,944	6,500,000	5,000,000	6,800,000	9,300,000	6,500,000	7,500,000	4,500,000
Other	971,824	1,078,725	1,132,661	1,149,651	1,166,896	1,184,399	1,202,165	1,220,197	1,238,500	1,257,078
Net cash Inflow / (Outflow) from investing activities	-4,006,774	1,078,726	1,132,661	6,148,651	4,666,896	6,484,389	7,002,166	6,220,197	7,238,600	8,267,078
Net Increase (decrease) in cash held	391,574	5,636,450	6,027,196	8,617,594	8,186,858	10,079,998	10,674,536	9,970,491	11,067,886	7,166,742
Cash & equivalents at beginning of financial year	33,188,571	33,580,145	39,216,595	45,243,781	53,861,375	62,048,233	72,128,231	82,802,767	92,773,258	103,841,144
Cash & equivalents at end of financial year	33,580,145	39,216,595	45,243,781	53,861,375	62,048,233	72,128,231	82,802,767	92,773,258	103,841,144	111,007,886

**PORMPURAAB ORIGINAL SHIRE COUNCIL
BUDGETED STATEMENT OF FINANCIAL POSITION
FOR THE YEARS FROM 1 JULY 2020 TO 30 JUNE 2030**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Current Assets										
Cash at Bank	33,680,145	39,216,595	45,243,781	53,861,375	62,048,233	72,128,231	82,802,767	92,773,258	103,841,144	111,007,886
Stock on Hand	347,684	312,826	328,467	336,679	345,096	353,723	362,566	371,630	380,921	390,444
Receivables	884,171	597,245	612,857	603,664	594,609	585,690	576,905	568,251	559,727	551,331
Total Current assets	34,911,999	40,126,666	46,185,105	54,801,718	62,987,938	73,067,644	83,742,238	93,713,139	104,781,792	111,949,661
Non Current Assets										
Property Plant & Equipment	127,226,828	128,653,254	126,099,327	107,600,691	103,390,225	99,094,241	94,711,459	90,240,585	85,680,305	81,029,284
Other Financial Assets	13,484,084	14,967,311	16,164,695	16,245,519	16,326,746	16,408,380	16,490,422	16,572,874	16,655,739	16,739,017
Total Non Current Assets	140,710,912	143,620,565	142,264,022	123,846,210	119,716,971	115,502,621	111,201,881	106,813,459	102,336,044	97,768,301
TOTAL ASSETS	175,622,911	183,747,230	188,449,128	178,647,928	182,704,909	188,570,265	194,944,119	200,526,599	207,117,836	209,717,962
Current Liabilities										
Overdraft										
Trade Payables	1,480,318	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	270,182	279,638	313,195	317,893	322,661	327,501	332,414	337,400	342,461	347,598
Total Current Liabilities	1,750,500	1,567,883	1,703,275	1,735,774	1,768,901	1,802,665	1,837,081	1,872,161	1,907,917	1,944,363
Non Current Liabilities										
Provisions	470,386	517,435	530,370	543,630	557,220	571,151	585,430	600,065	615,067	630,444
Total Non Current Liabilities	470,386	517,435	530,370	543,630	557,220	571,151	585,430	600,065	615,067	630,444
TOTAL LIABILITIES	2,220,886	2,085,318	2,233,645	2,279,404	2,326,121	2,373,816	2,422,511	2,472,226	2,522,984	2,574,807
Net Community Assets	173,402,025	181,661,912	186,215,482	176,368,524	180,378,788	186,196,449	192,521,608	198,054,373	204,594,852	207,143,156
Equity										
Asset Revaluation Reserve	88,170,803	98,170,903	98,170,903	99,152,612	100,144,138	105,151,345	106,202,859	107,264,887	112,628,131	113,754,413
Retained Surplus (Deficiency)	74,800,080	83,491,009	88,044,579	80,884,054	93,206,121	97,310,520	101,896,984	105,666,245	110,415,031	111,145,063
TOTAL EQUITY	162,970,883	181,661,912	186,215,481	180,036,666	193,350,259	202,461,865	208,099,842	212,930,132	223,043,162	224,899,476



Revenue Policy

Head of Power

Local Government Act 2009
Local Government Regulation 2012

Objective

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

Application

This policy applies to Pomppuraaw 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 Pomppuraaw 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.

Establishment of Cost Recovery Fees

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

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

Related Documents

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

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



Pormpuraaw Aboriginal Shire Council

Review Triggers

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

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

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

Responsibility

This Policy is to be

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

Version Control

Policy: R001		Official Version: R001-V9
Version	Adoption (Council Resolution Number)	Date
V1	March 2012 (2012/03/xx)	01/03/2012
V5	August 2016 (2016/08/19)	01/08/2016
V6	June 2017 (2017/06/15)	22/06/2017
V7	July 2018 (2018/07/26/14)	26/07/2018
V8	July 2019 (2019/07/03)	25/07/2019
V9	July 2020 (2020/07/xx)	27/07/2020

Approved by CEO:

Signature



Pormpuraaw Aboriginal Shire Council

Revenue Statement

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

Version	Approval Date	Resolution Number	Signature	Due for Revision	Comments
1	1/03/2012				
7	25/07/2019	2019/07/04		July 2020	
8	29/7/2020	2020/07/02		July 2021	

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 2020-21.

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 has also recently undertaken a property audit to identify the number of water outlets, sewerage outlets (toilets/sumps) and garbage collection frequency for each property and has utilised this information to adjust the utility charges particularly in the Commercial sector within community.

Council has applied a fair and consistent process in applying their utility charges to users within the Community, which has seen the Commercial category remain similar to last year with only slight increases in the Waste & Water utility charges and a modest increase for the Sewerage utility charge, whilst the introduction of the Light Commercial category has seen the utility charges per annum almost halved. Most Commercial entities will fall into the Light Commercial Category, whilst the Health Clinic & School 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. The Residential utility charges have risen slightly by approx 1.73% across the utility charges.

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

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

a. General Utility Charge including Waste

A bi-annual charge for general utility charges including waste services are made and levied to cover the costs associated with the operation and maintenance of these services. PASC adopted the following general utility charge including waste for 2020-21:

Category	Class	Biannual Charge 2020-21	% Change from 2019-20
Residential	Per Dwelling	\$1,030.00	1.48%
Light Commercial	Per Building	\$2,530.00	-48.0%
Commercial	Per Building	\$5,060.00	4.0%

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 2020-21:

Category	Class	Biannual Charge 2020-21	% Change from 2019-20
Residential	Per Dwelling	\$937.50	1.35%
Light Commercial	Per Building	\$2,280.00	-48.76%
Commercial	Per Building	\$4,562.50	2.53%

The water utility charge for light commercial 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 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 2020-21:

Category	Class	Biannual Charge 2019-20	% Change from 2019-20
Residential	Per Dwelling	\$435.00	2.35%
Light Commercial	Per Building	\$1,242.50	-39.98%
Commercial (5 or more sewerage fixtures)	Per Building	\$2,485.00	20.0%

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 2020-21 Schedule of Fees & Charges.

4. DEPRECIATION

PASC has budgeted to mostly fund depreciation on its assets for the 2020-21 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 2020-21 Schedule of Fees & Charges.

Approved by CEO:

Signature