

Pormpuraaw Aboriginal Shire Council



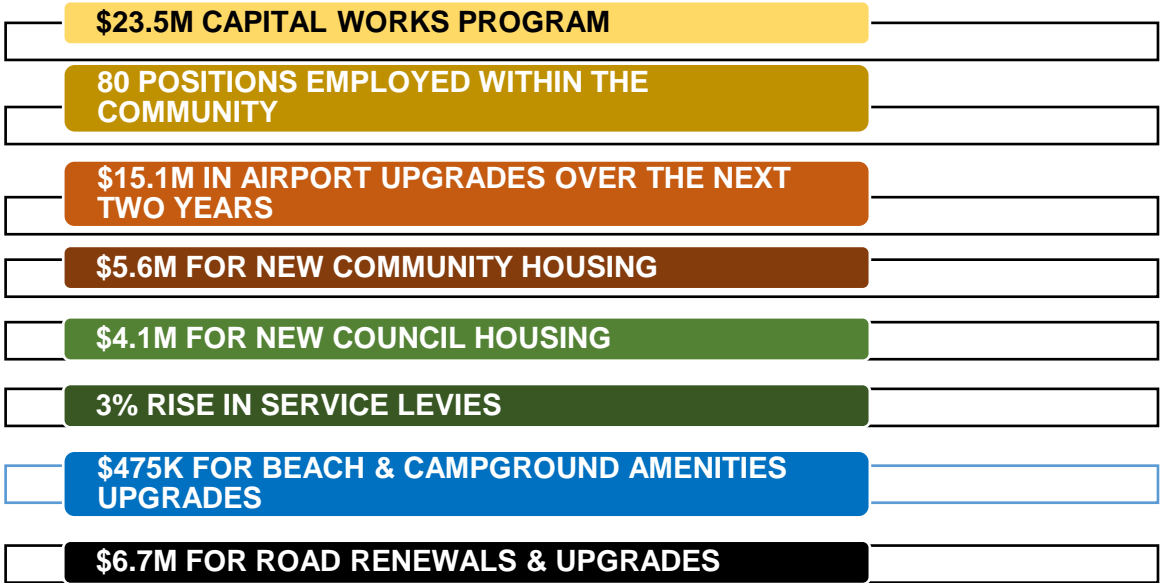
Annual Budget 2024/25

Adopted by Council on 12 July 2024 - Resolution # 2024/07/12/01

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BUDGET SNAPSHOT



ANNUAL BUDGET 2024/25 AT A GLANCE

Statement of Income & Expenditure (\$'000)		Financial Position (\$'000)	
Operating Revenue	24,021	Current Assets	63,513
Capital Revenue	20,042	Non-Current Assets	170,214
Total Revenue	44,063	Total Assets	233,727
Operating Expenses	23,463	Current Liabilities	5,314
Capital Expenses	6,385	Non-Current Liabilities	205
Total Expenses	29,848	Total Liabilities	5,519
Net Result	14,215		
Capital Works Program	23,540	Net Community Assets	228,208

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 unique to the public sector. These infrastructure assets include roads, footpaths, water reticulation and sewerage assets, which have exceedingly 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 2024/25, 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 47 months of cash cover to fund Council's operational requirements. Operational expenses have been budgeted at approx. \$23M per annum or \$1.96M per month, this includes funding depreciation expenses. Council currently has invested unconstrained funds to the value of \$54M (a total of \$65M) 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 almost 4 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 2024/25 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.

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. This approach also acknowledges the size of a council that will materially impact on the range and nature of the services it may be required to deliver along with the costs of delivery. 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 44% increase. In the 2024/25 Budget, the allocation for the Financial Assistance grant is budgeted at \$5.03M, a 23% increase for the final year of the transition period.

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 2.5% annually for our long-term financial forecast. The cash rate interest rates are forecasted at 3.75% for 2024/25 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 3.75%. Attendance for employees is budgeted to be 100% with employee wellbeing initiatives and management plans to support employees and improve attendance rates.

The councillor remuneration has also been incorporated as per the Local Government Remuneration Commission Annual Report 2023 which determines the remuneration schedule to apply from 1 July 2024. The Local Government Remuneration Commission remuneration schedule for the 2024/25 financial year (category A2) will be applied to our councillors from 1st July 2024.

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.

OPERATIONAL BUDGETS

The operational budget for the 2024/25 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 (Homeownership Lessees, Residential, Light Commercial/Business and Commercial) for the 2024/25 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.

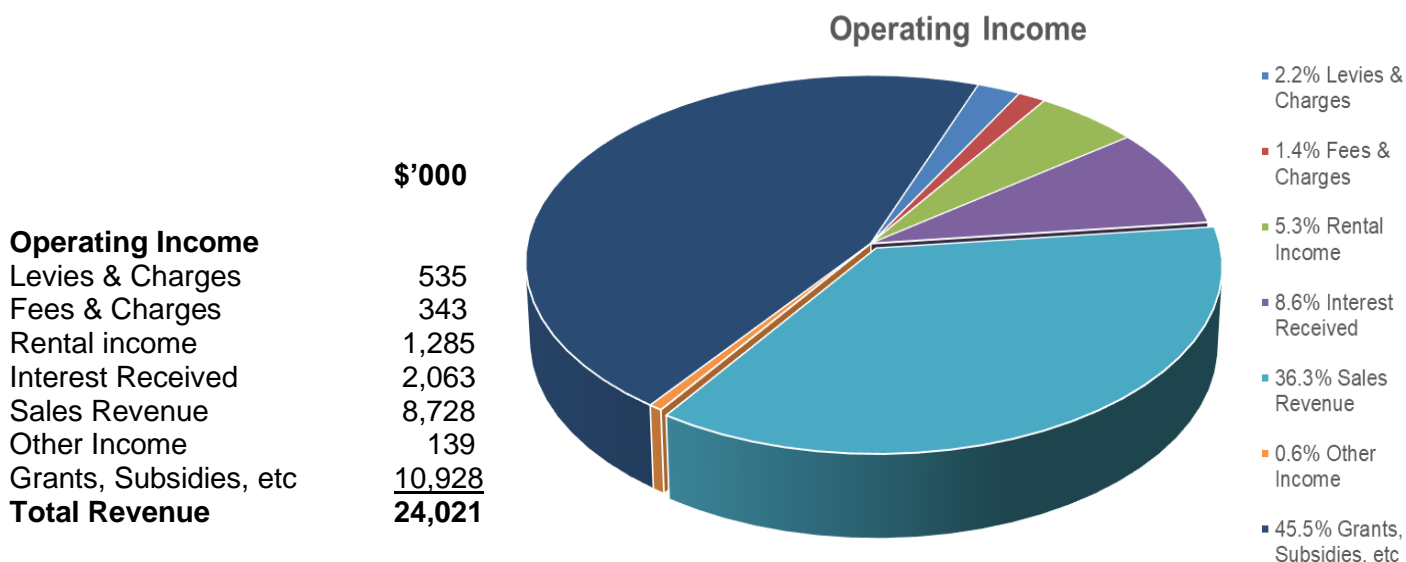
There are 22 residential houses within Pormpuraaw that are identified as Homeownership Lessees. The homeownership lease provides an opportunity for Aboriginal and Torres Strait Islander people to purchase their own home on Indigenous communal lands. When setting the utility charges for local homeownership lessees, Council has considered the local economic challenges combined with the ability for homeownership lessees to pay these 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 2024/25 financial year have indicated that Council will need to cover the shortfalls on these essential services to the value of an estimated \$1.3M in unfunded operating costs.

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 has implemented new rates for the rent of residential housing. While Council has historically heavily 'subsidised' organisations within the community, Council is proactively moving towards a model of 'user pays' and 'cost recovery for use of a Council asset' to ensure the sustainability of Council and the community assets. Most current leases have not had a rent increase since 2017/18. A detailed financial analysis was undertaken that evidenced Council was subsidising more than \$350 per week per property. The rent increase is one step forward towards sustainability; however, it must be noted that Council is not yet in a cost-recovery position for the rent of residential housing.

Council's Schedule of Fees and Charges for the 2024/25 financial year has recognised a minor increase of 3% for most items which is less than the forecasted increase projected by the Council Cost Index of 3.9% or the RBA's projected CPI increase of 3.2%.



Grants, subsidies, contributions, and donations continue to be the largest source of Council revenue at 46%.

Sales revenue is the second largest source of revenue at 36%. 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.

Internally constrained operational funding to be carried forward is an estimated \$940K that will be spent in 2024/25. The below amounts do not represent contract liabilities. The forecasted balances are listed below:

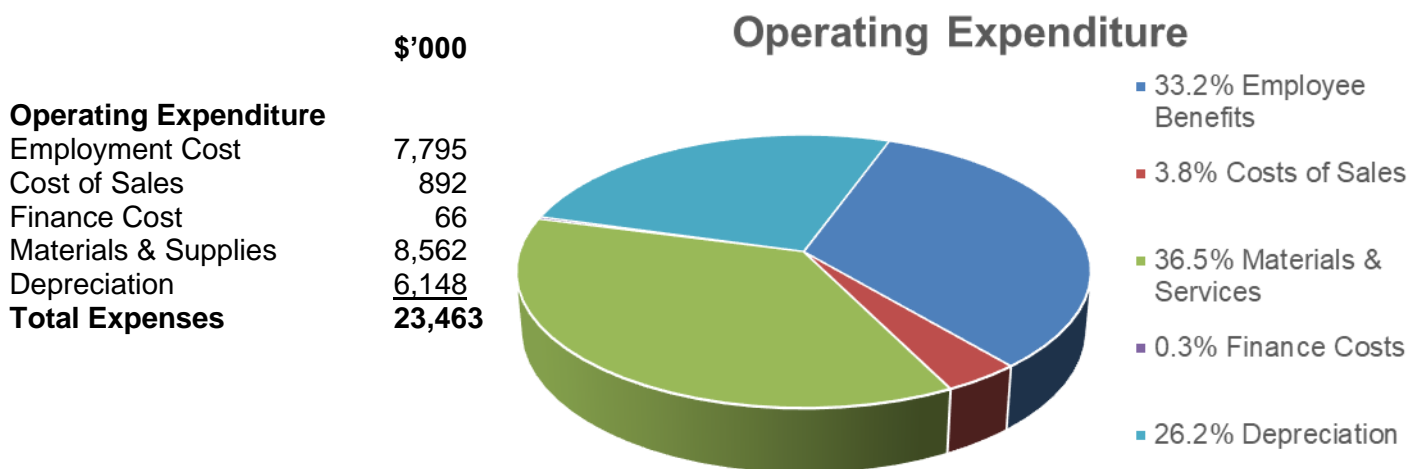
- Community Justice Program \$104,555
- Aged Care IEI Program \$741,740
- Qld Indigenous Land & Sea Rangers Program \$52,000
- Coastal Clean Up Program \$42,298

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 81 positions within the community, an estimated 12% of the population. Employee benefits are 33% of the budgeted operational expenditure.

The 2024/25 budget has included 10 new employment opportunities within the community. Four positions are for Cultural Rangers that have been created under the Indigenous Protected Areas program. One position for a Community Justice Group Mentor has been created under the Community Justice Program. Five further positions have been established to support the delivery of essential services, community services and the executive function of Council.

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 promote a more positive workforce culture.



In addition to these expenses, depreciation makes up 26% 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 2024/25 financial year will see Pormpuraaw Aboriginal Shire Council undertake capital works projects to the value of approx. \$23.5 million. Of the \$23.5M, \$1.3M 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)
- Forward Remote Housing Capital Delivery Program
- Remote Housing Capital Delivery Program
- Disaster Recovery Funding Arrangement (DRFA)
- Transport Infrastructure Development Scheme (TIDS)
- Local Roads & Community Infrastructure Program (LRCI)
- Local Government Grants and Subsidies Program (LGGSP).
- Disaster Ready Fund Round 1 (DRF)
- Queensland Resilience and Risk Reduction Fund (QRRRF)

The planned capital works program for Council's 2024/25 financial year is listed below by asset category:

BUILDINGS:

Main Roads Camp Upgrades: Ablution Unit & Donga Renewal Works
Covid Camp Upgrades: Septic System, Power & Concrete Works
Bakery Upgrades
Land & Sea Guesthouse Upgrades
Construction of 10 Community Houses (40 Year Leases)
New Staff Housing Duplexes (2 Duplexes)
Admin Store Roller Door Upgrade
Community Hall Upgrades: Roller Door, Lighting & Toilets
Airport Building Upgrades: Septic System, Roller Shutters & External Awning
Fencing for Council Houses
Upgrade of Septic System & Renewal Works for the Amenities Buildings at the Chapman Campgrounds
Upgrade of Septic System & Renewal Works for the Amenities Buildings at the Mungkan Campgrounds
Upgrade of Septic System & Renewal Works for the Amenities Buildings at Front Beach
Chapman River BBQ Shelters Refurbishment
Mungkan River BBQ Shelters Refurbishment
Sportfield Amenities Upgrades
Water Treatment Plant Power Supply Upgrade
Residential House Refurbishment at 15B Yalu

INFRASTRUCTURE – OTHER

Pormpuraaw Aerodrome Upgrades
New Fencing and Power Supply to the Batching Plant
Solar Lighting for the Basketball Area at the Splashpark
Upgrades to Murray's Creek Crossing Floodway
Upgrade of the Floodway on Pormpuraaw Road
Strathgordon Rd, Stabile & Seal 1.1Km
Various Road Upgrade Works
Restoration of Roads from 2023 Wet Weather Events

INFRASTRUCTURE – SEWERAGE

New Aerators for the Sewerage Ponds
New Control for Working at Heights for Sewer Pump Stations 1 & 2
Install a Plastic Screening System
Installation of Lifting Equipment and a Platform with Fencing around the Grinder Pits

PLANT & EQUIPMENT

New Enterprise Resource Planning System
AirBridge Rapid Network Infrastructure (ARNI) Control
Renewal of Fuel Storage Tanks
Employee Wellbeing Massage Chairs x2
New Light Vehicles: Isuzu Mux x3, Toyota Hi-Lux
Isuzu NPR 75-190 Crew Cab
Isuzu NPR 65-190 Crew Cab
Isuzu FXZ 240-350 Water Truck
Cat 304 Mini Excavator
2.5 Ton Forklift
New Gearbox for the Grader
Plant for Sewerage Ponds: Small Boat & Mowing Equipment

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)
- Road Upgrades
- Pormpuraaw Aerodrome Upgrades
- Motor Vehicles, Plant & Equipment
- Build of a New Council Building

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. The capital works program 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.

THREE YEAR FORECAST

BUDGETED INCOME STATEMENT
FOR THE YEARS FROM 1 JULY 2024 TO 30 JUNE 2027

	2024/25	2025/26	2026/27
<i>Operating Income</i>			
<i>Levies & Charges</i>	534,821	561,562	589,641
<i>Fees & Charges</i>	343,300	360,465	378,488
<i>Rental Income</i>	1,285,000	1,349,250	1,416,713
<i>Interest Received</i>	2,062,500	1,753,125	1,796,953
<i>Sales Revenue</i>	8,727,990	9,164,390	9,622,609
<i>Other Income</i>	139,500	10,010	99,851
<i>Grants, Subsidies, Contributions & Donations</i>	10,928,089	11,693,055	12,511,569
Total Income	24,021,200	24,891,857	26,415,824
<i>Operating Expenses</i>			
<i>Employment Costs</i>	-7,795,210	-8,107,018	-8,269,158
<i>Cost of Sales</i>	-891,500	-922,703	-941,157
<i>Materials & Supplies</i>	-8,562,091	-8,990,196	-9,170,000
<i>Finance Costs</i>	-65,750	-67,065	-68,406
Total Expenses	-17,314,551	-18,086,982	-18,448,721
<i>Net Operating Result Excluding Depreciation</i>	6,706,649	6,804,876	7,967,102
<i>Depreciation</i>	-6,148,438	-6,271,407	-6,898,548
Operating Surplus	558,211	533,468	1,068,554
<i>Capital</i>			
<i>Capital Revenue</i>	20,041,874	21,288,845	5,534,622
<i>Capital Expenses</i>	-6,384,757	-12,948,000	-4,500,000
Capital Surplus	13,657,117	8,340,845	1,034,622
Net Result	14,215,328	8,874,314	2,103,177

BUDGETED CASHFLOW STATEMENT FOR THE YEARS FROM 1 JULY 2024 TO 30 JUNE 2027

	2024/25	2025/26	2026/27
<i>Cashflows from Operating Activities</i>			
<i>Receipts from Customers</i>	11,030,612	11,445,677	12,107,302
<i>Payments to Suppliers & Employees</i>	-17,314,551	-18,086,982	-18,448,721
<i>Interest Received</i>	2,062,500	1,753,125	1,796,953
<i>Grants, Subsidies, Contributions & Donations</i>	10,928,089	11,693,055	12,511,569
<i>Net cash inflow /(outflow) from operating activities</i>	6,706,649	6,804,876	7,967,102
<i>Cashflows from Investing Activities</i>			
<i>Payments for Property Plant & Equipment</i>	-23,540,084	-26,838,845	-6,084,622
<i>Grants, Subsidies, Contributions & Donations</i>	11,416,739	21,288,845	5,534,622
<i>Other</i>	542,331	553,178	580,837
<i>Net cash inflow /(Outflow) from investing activities</i>	-11,581,014	-4,996,822	30,837
<i>Net increase (decrease) in cash held</i>	-4,874,365	1,808,053	7,997,939
<i>Cash & equivalents at beginning of financial year</i>	66,177,259	61,302,894	63,110,948
<i>Cash & equivalents at end of financial year</i>	61,302,894	63,110,948	71,108,887

BUDGETED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS 1 JULY 2024 TO 30 JUNE 2027

<i>Statement of Changes in Equity</i>	Total	Retained Surplus	Asset Revaluation Reserve
<i>Balance at 30/06/2024</i>	210,338,874	88,789,113	121,549,762
<i>Net Result for this period</i>	14,215,328	14,215,328	
<i>Asset Revaluation adjustment</i>	3,654,223		3,654,223
<i>Balance at 30/06/2025</i>	228,208,425	103,004,440	125,203,985
<i>Net Result for this period</i>	8,874,314	8,874,314	
<i>Asset Revaluation adjustment</i>	2,528,749		2,528,749
<i>Balance at 30/06/2026</i>	239,611,488	111,878,754	127,732,734
<i>Net Result for this period</i>	2,103,177	2,103,177	
<i>Asset Revaluation adjustment</i>	2,278,705		2,278,705
<i>Balance at 30/06/2027</i>	243,993,370	113,981,931	130,011,439

BUDGETED STATEMENT OF FINANCIAL POSITION FOR THE YEARS 1 JULY 2024 TO 30 JUNE 2027

	2024/25	2025/26	2026/27
BALANCE SHEET			
<i>Current Assets</i>			
<i>Cash at Bank</i>	61,302,894	63,110,948	71,108,887
<i>Inventories</i>	560,000	561,000	589,050
<i>Contract Asset</i>	250,000	379,854	425,113
<i>Receivables</i>	1,400,000	899,754	1,198,754
Total Current assets	63,512,894	64,951,556	73,321,804
<i>Non-Current Assets</i>			
<i>Property Plant & Equipment</i>	153,746,472	162,715,160	157,401,234
<i>Other Financial Assets</i>	16,468,111	16,748,069	17,166,771
Total Non-Current Assets	170,214,583	179,463,229	174,568,005
TOTAL ASSETS	233,727,477	244,414,785	247,889,809
<i>Current Liabilities</i>			
<i>Trade Payables</i>	2,184,000	1,987,928	2,037,626
<i>Contract Liabilities</i>	2,547,045	1,986,420	988,041
<i>Other Provisions</i>	582,457	602,843	639,013
Total Current Liabilities	5,313,502	4,577,191	3,664,680
<i>Non-Current Liabilities</i>			
<i>Provisions</i>	205,551	226,106	231,758
Total Non-Current Liabilities	205,551	226,106	231,758
TOTAL LIABILITIES	5,519,052	4,803,297	3,896,439
Net Community Assets	228,208,425	239,611,488	243,993,370
<i>Equity</i>			
<i>Asset Revaluation Reserve</i>	125,203,985	127,732,734	130,011,439
<i>Retained Surplus</i>	103,004,440	111,878,754	113,981,931
	228,208,425	239,611,488	243,993,370

BUDGETED CAPITAL WORKS PROGRAM

	2024/25	2025/26	2026/27
<i>Capital Works Program Budget</i>	23,540,084	26,838,845	6,084,622

LONG TERM MEASURES OF FINANCIAL SUSTAINABILITY

BUDGETED MEASURES OF FINANCIAL SUSTAINABILITY

FOR THE YEARS FROM 1 JULY 2024 TO 30 JUNE 2034

Type	Measure	Target (Tier 8)	Actual 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Operating Performance	Operating Surplus Ratio	N/A	-3%	2%	2%	4%	5%	5%	6%	7%	7%	8%	9%
	Operating Cash Ratio	Greater than 0%	29%	28%	28%	30%	31%	31%	32%	32%	33%	33%	34%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	47 months	<i>Not applicable for long-term sustainability statement</i>									
Asset Management	Asset Sustainability Ratio	Greater than 90%	30%	98%	85%	70%	65%	65%	65%	65%	65%	65%	65%
	Asset Consumption Ratio	Greater than 60%	58%	57%	54%	51%	49%	46%	43%	41%	38%	36%	33%
Financial Capacity	Council Controlled Revenue	N/A	5%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
	Population Growth*	N/A	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Asset Management	Asset Renewal Funding Ratio	N/A	See notes.	<i>Not applicable for long-term sustainability statement</i>									

Notes

*Constant Rate Method applied to population growth. Council assumes that the growth rate observed in the current year will persist uniformly over the next nine years.

Asset Renewal Funding Ratio is not required, the transition period commences in FY 2027/28.

Leverage ratio is not applicable as Council has no projected borrowings / debt.

LONG TERM FINANCIAL FORECAST

BUDGETED INCOME STATEMENT

FOR THE YEARS FROM 1 JULY 2024 TO 30 JUNE 2034

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Operating Income										
Levies & Charges	534,821	561,562	589,641	598,485	607,462	625,686	635,072	654,124	663,936	673,895
Fees & Charges	343,300	360,465	378,488	384,166	389,928	395,777	401,714	407,739	413,855	420,063
Rental income	1,285,000	1,349,250	1,416,713	1,437,963	1,459,533	1,481,426	1,503,647	1,526,202	1,549,095	1,572,331
Interest Received	2,062,500	1,753,125	1,796,953	1,841,877	1,887,924	1,935,122	1,983,500	2,033,088	2,083,915	2,136,013
Sales Revenue	8,727,990	9,164,390	9,622,609	9,766,949	9,913,453	10,210,856	10,364,019	10,519,480	10,835,064	10,997,590
Other Income	139,500	10,010	99,851	101,349	102,869	104,412	105,978	107,568	109,181	110,819
Grants, Subsidies, Contributions & Donations	10,928,089	11,693,055	12,511,569	12,824,358	13,144,967	13,473,591	13,810,431	14,155,692	14,509,584	14,872,324
Total Income	24,021,200	24,891,857	26,415,824	26,955,146	27,506,136	28,226,870	28,804,361	29,403,891	30,164,630	30,783,034
Operating Expenses										
Employment Costs	-7,795,210	-8,107,018	-8,269,158	-8,393,196	-8,519,094	-8,646,880	-8,776,583	-8,908,232	-9,041,856	-9,177,483
Cost of Sales	-891,500	-922,703	-941,157	-955,274	-969,603	-984,147	-998,909	-1,013,893	-1,029,101	-1,044,538
Materials & Supplies	-8,562,091	-8,990,196	-9,170,000	-9,307,550	-9,447,163	-9,588,871	-9,732,704	-9,878,694	-10,026,875	-10,177,278
Finance Costs	-65,750	-67,065	-68,406	-69,432	-70,474	-71,531	-72,604	-73,693	-74,798	-75,920
Total Expenses	-17,314,551	-18,086,982	-18,448,721	-18,725,452	-19,006,334	-19,291,429	-19,580,800	-19,874,512	-20,172,630	-20,475,219
Net Operating Result Excluding Depreciation	6,706,649	6,804,876	7,967,102	8,229,694	8,499,802	8,935,442	9,223,560	9,529,379	9,992,000	10,307,815
Depreciation	-6,148,438	-6,271,407	-6,898,548	-7,002,026	-7,107,057	-7,213,662	-7,321,867	-7,431,695	-7,543,171	-7,656,318
Operating Surplus / (Deficiency)	558,211	533,468	1,068,554	1,227,668	1,392,745	1,721,779	1,901,693	2,097,684	2,448,829	2,651,496
Capital										
Capital Revenue	20,041,874	21,288,845	5,534,622	7,500,000	6,800,000	7,300,000	6,500,000	7,500,000	5,500,000	5,950,000
Capital Expenses	-6,384,757	-12,948,000	-4,500,000	-4,567,500	-4,636,013	-4,705,553	-4,776,136	-4,847,778	-4,920,495	-4,994,302
Capital Surplus / (Deficiency)	13,657,117	8,340,845	1,034,622	2,932,500	2,163,988	2,594,447	1,723,864	2,652,222	579,505	955,698
Net Result	14,215,328	8,874,314	2,103,177	4,160,168	3,556,733	4,316,227	3,625,557	4,749,906	3,028,334	3,607,194

BUDGETED CASHFLOW STATEMENT

FOR THE YEARS FROM 1 JULY 2024 TO 30 JUNE 2034

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Cashflows from Operating Activities										
Receipts from Customers	11,030,612	11,445,677	12,107,302	10,788,911	10,950,745	11,295,657	11,487,930	11,692,612	12,048,631	12,252,198
Payments to Suppliers & Employees	-17,314,551	-18,086,982	-18,448,721	-18,725,452	-19,006,334	-19,291,429	-19,580,800	-19,874,512	-20,172,630	-20,475,219
Interest Received	2,062,500	1,753,125	1,796,953	1,841,877	1,887,924	1,935,122	1,983,500	2,033,088	2,083,915	2,136,013
Grants, Subsidies, Contributions & Donations	10,928,089	11,693,055	12,511,569	12,824,358	13,144,967	13,473,591	13,810,431	14,155,692	14,509,584	14,872,324
Net cash inflow / (outflow) from operating activities	6,706,649	6,804,876	7,967,102	6,729,694	6,977,302	7,412,942	7,701,060	8,006,879	8,469,500	8,785,315
Cashflows from Investing Activities										
Payments for Property Plant & Equipment	-23,540,084	-26,838,845	-6,084,622	-7,500,000	-6,800,000	-7,300,000	-6,500,000	-7,500,000	-5,500,000	-5,950,000
Grants, Subsidies, Contributions & Donations	11,416,739	21,288,845	5,534,622	7,500,000	6,800,000	7,300,000	6,500,000	7,500,000	5,500,000	5,950,000
Other	542,331	553,178	580,837	589,549	598,392	607,368	616,479	625,726	635,112	644,638
Net cash inflow / (Outflow) from investing activities	-11,581,014	-4,996,822	30,837	589,549	598,392	607,368	616,479	625,726	635,112	644,638
Net increase (decrease) in cash held	-4,874,365	1,808,053	7,997,939	7,319,243	7,575,694	8,020,310	8,317,539	8,632,605	9,104,612	9,429,953
Cash & equivalents at beginning of financial year	66,177,259	61,302,894	63,110,948	71,108,887	78,428,130	86,003,824	94,024,134	102,341,673	110,974,278	120,078,889
Cash & equivalents at end of financial year	61,302,894	63,110,948	71,108,887	78,428,130	86,003,824	94,024,134	102,341,673	110,974,278	120,078,889	129,508,842

BUDGETED STATEMENT OF FINANCIAL POSITION

FOR THE YEARS FROM 1 JULY 2024 TO 30 JUNE 2034

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Current Assets										
Cash at Bank	61,302,894	63,110,948	71,108,887	78,428,130	86,003,824	94,024,134	102,341,673	110,974,278	120,078,889	129,508,842
Inventories	560,000	561,000	589,050	603,776	618,871	634,342	650,201	666,456	683,117	700,195
Contract Assets	250,000	379,854	425,113	429,364	422,924	416,580	410,331	404,176	398,114	392,142
Receivables	1,400,000	899,754	1,198,754	1,180,773	1,163,061	1,145,615	1,128,431	1,111,504	1,094,832	1,078,409
Total Current assets	63,512,894	64,951,556	73,321,804	80,642,043	88,208,679	96,220,671	104,530,636	113,156,414	122,254,952	131,679,589
Non-Current Assets										
Property Plant & Equipment	153,746,472	162,715,160	157,401,234	157,899,208	157,592,152	157,678,489	156,856,622	156,924,927	154,881,756	153,175,438
Other Financial Assets	16,468,111	16,748,069	17,166,771	17,252,604	17,338,867	17,425,562	17,512,690	17,600,253	17,688,254	17,776,696
Total Non-Current Assets	170,214,583	179,463,229	174,568,005	175,151,813	174,931,019	175,104,051	174,369,312	174,525,180	172,570,010	170,952,133
TOTAL ASSETS	233,727,477	244,414,785	247,889,809	255,793,855	263,139,699	271,324,722	278,899,947	287,681,594	294,824,962	302,631,722
Current Liabilities										
Trade Payables	2,184,000	1,987,928	2,037,626	1,453,008	1,482,068	1,511,710	1,541,944	1,572,783	1,604,238	1,636,323
Contract Liabilities	2,547,045	1,986,420	988,041	1,007,802	1,027,958	1,048,517	1,069,487	1,090,877	1,112,695	1,134,949
Other provisions	582,457	602,843	639,013	648,598	658,327	668,202	678,225	688,399	698,725	709,206
Total Current Liabilities	5,313,502	4,577,191	3,664,680	3,109,408	3,168,353	3,228,429	3,289,656	3,352,058	3,415,658	3,480,477
Non-Current Liabilities										
Provisions	205,551	226,106	231,758	237,552	243,491	249,578	255,818	262,213	268,768	275,488
Total Non-Current Liabilities	205,551	226,106	231,758	237,552	243,491	249,578	255,818	262,213	268,768	275,488
TOTAL LIABILITIES	5,519,052	4,803,296	3,896,439	3,346,960	3,411,844	3,478,007	3,545,474	3,614,272	3,684,426	3,755,965
Net Community Assets	228,208,425	239,611,488	243,993,370	252,446,895	259,727,854	267,846,715	275,354,473	284,067,323	291,140,536	298,875,757
Equity										
Asset Revaluation Reserve	125,203,985	127,732,734	130,011,439	134,304,796	138,029,022	141,831,657	145,713,858	149,676,802	153,721,681	157,849,708
Retained Surplus (Deficiency)	103,004,440	111,878,754	113,981,931	118,142,099	121,698,832	126,015,058	129,640,615	134,390,521	137,418,855	141,026,050
Total Equity	228,208,425	239,611,488	243,993,370	252,446,895	259,727,854	267,846,715	275,354,473	284,067,323	291,140,536	298,875,757



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 2024-25
- Schedule of Fees & Charges 2024-25

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:

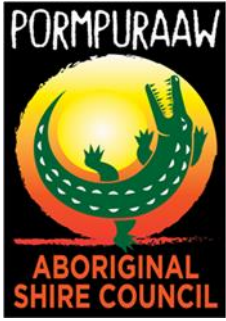
- implemented by the CEO; and
- reviewed and amended in accordance with the "Review Triggers" by the Finance Manager.

Version Control

Policy: R001		Version: R001-V13
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
V13	July 2024 (2024/07/12/03)	12/07/2024

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
13	12/07/2024	2024/07/12/04	July 2025

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 2024/25 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 2024/25.

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.

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 (Homeownership Lessees, Residential, Light Commercial/Business and Commercial) for the 2024/25 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.

There are 22 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 2024/25 financial year have indicated that Council will need to cover the shortfalls of these essential services to the value of an estimated \$1.25M.

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 2024/25 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 2024/25:

Category	Class	Biannual Charge 2024/25	% Change from 2023/24
Homeownership Lessee	Per Dwelling	\$578.00	3%
Residential	Per Dwelling	\$1,157.00	3%
Light Commercial/Business	Per Building	\$2,840.00	3%
Commercial	Per Building	\$5,680.00	3%

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 2024/25:

Category	Class	Biannual Charge 2024/25	% Change from 2023/24
Homeownership Lessee	Per Dwelling	\$526.00	3%
Residential	Per Dwelling	\$1,053.00	3%
Light Commercial/Business	Per Building	\$2,560.00	3%
Commercial	Per Building	\$5,123.00	3%

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.

Council continues to closely monitor the daily water usage. This monitoring data paired with the community's commitment to minimising water wastage will be imperative for ensuring the Pormpuraaw community access to adequate water resource volumes in the future. Council is planning to undertake a water audit in the budget year to identify assets that may require replacement to eliminate or minimise water leaks.

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 2024/25:

Category	Class	Biannual Charge 2024/25	% Change from 2023/24
Homeownership Lessee	Per Dwelling	\$245.00	3%
Residential	Per Dwelling	\$489.00	3%
Light Commercial/Business	Per Building	\$1,395.00	3%
Commercial (5 or more sewerage fixtures)	Per Building	\$2,789.00	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. All fees and charges are detailed in PASC's Schedule of Fees & Charges for 2024/25.

DEPRECIATION

PASC has budgeted to fund depreciation on its assets for the 2024/25 financial year. PASC is committed to meet 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 2024/25.

Approved by CEO:

Signature

END OF PASC ANNUAL BUDGET REPORT 2024/25