



WUJAL WUJAL ABORIGINAL SHIRE COUNCIL

ANNUAL BUDGET 2021-2022

WUJAL WUJAL ABORIGINAL SHIRE COUNCIL BUDGET HIGHLIGHTS 2021/2022

Following is a snapshot of the Wujal Wujal Aboriginal Shire Council budget for 2021/2022, highlighting some of the programs and operational areas that will be funded.

CAPITAL WORKS

The Capital Expenditure budget has \$6.88M allocated for roads, water and sewerage infrastructure, buildings, furniture and fittings and plant & equipment.

\$6.49M of work in progress as at 30 June 2021 will be completed in the 2021-2022 budget year. The budget to complete the remaining work is included within the \$6.88m capital expenditure budget.

BUILDING AND CONSTRUCTION

During the coming 12 months, Council will deliver the following initiatives under contract to the Department of Housing and Public Works and State Development:

- The construction of new housing and subdivisions for Wujal Wujal
- Undertaking up-grades to existing houses
- Responsive maintenance to existing 40 Year Lease properties

Total expenditure allocated is \$6.58M.

ROADS AND CIVIL CONSTRUCTION

Works to repair roads and infrastructure damaged due to natural disaster events under the NDRRA program of works will be finalised in the 2021-2022 budget year with an amount of \$0.36M allocated.

OPERATIONAL AREAS

Plant & Equipment

Council has assessed their plant & equipment needs for 2021/22 and identified no immediate need for new or replacement of plant & equipment. As such Council has not budgeted for replacement of any capital plant and equipment or furniture and fixtures during the 2021-2022 budget year.

Essential Services Programs

An amount of \$0.95M has been allocated for the areas of water supply, sewerage, waste collection and parks and gardens to ensure that essential services are maintained to a standard for the residents of Wujal Wujal.

Councillors, Management and Administration

Operating expenditure for councillors, management and administration across all operations of Council have been allocated \$1.99M.

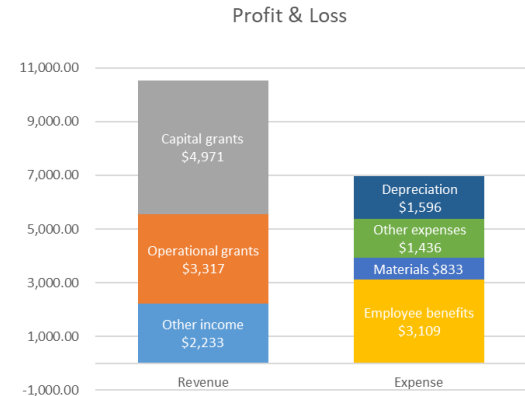
GENERAL OVERVIEW AND BUDGET INITIATIVES

The budget reflects expected operating revenue of \$5.55M and expenditure of \$6.98M (incl. depreciation).

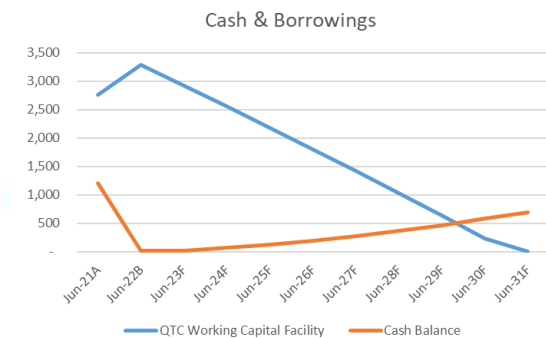
The executive team has engaged in a rigorous budget process to develop budget initiatives to reduce operational costs, including maximising capital works recoveries, voluntary FTE reductions, contractor reductions and materials and supplies reductions.

These budget initiatives have resulted in \$1.70M of expected budget savings in the 2021-2022 budget year.

Council is forecasting a balanced budget position (excluding depreciation) per the following diagram:



During FY21 the QTC working capital loan facility was approved to support Council's current operational needs and short term liquidity. The working capital facility is available to Council until 31 January 2022. At 31 January the working capital facility will convert to a loan and will be repayable over 10 years comprising of principle and interest repayments. The total budgeted repayment for Council will be \$187k for FY2022.



KEY FINANCIAL SUSTAINABILITY METRICS

The budgeted key financial sustainability metrics are:

- Operating Surplus Ratio - 26%
- Asset Sustainability Ratio - Nil
- Net Liabilities Ratio - 137%

It is noted that these ratios are below the target recommended by the State Government and Council is working towards improving these metrics.



Statement of Comprehensive Income

Income	Jun-22B	Jun-23F	Jun-24F	Jun-25F	Jun-26F	Jun-27F	Jun-28F	Jun-29F	Jun-30F	Jun-31F
Revenue										
Operating revenue										
Net rates, levies and charges	931	949	968	988	1,008	1,028	1,048	1,069	1,091	1,112
Fees and charges	524	535	546	556	568	579	591	602	614	627
Rental income	137	140	143	146	149	152	155	158	161	164
Interest received	-	-	-	-	-	-	-	-	-	-
Sales revenue	231	235	240	245	250	255	260	265	270	276
Profit from investments	300	306	312	318	325	331	338	345	351	359
Other income	109	61	62	63	64	66	67	68	70	71
Grants, subsidies, contributions and donations	3,317	3,383	3,451	3,520	3,591	3,662	3,736	3,810	3,887	3,964
Total operating revenue	5,550	5,610	5,722	5,836	5,953	6,072	6,194	6,318	6,444	6,573
Capital revenue										
Grants, subsidies, contributions and donations	4,971	2,075	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total revenue	10,521	7,685	7,722	7,836	7,953	8,072	8,194	8,318	8,444	8,573
Capital income										
Total capital income	-	-	-	-	-	-	-	-	-	-
Total income	10,521	7,685	7,722	7,836	7,953	8,072	8,194	8,318	8,444	8,573
Expenses										
Operating expenses										
Employee benefits	3,109	2,906	2,964	3,024	3,084	3,146	3,209	3,273	3,338	3,405
Materials and services	833	850	867	884	902	920	939	957	976	996
Finance costs	41	52	47	42	36	30	25	19	13	7
Depreciation and amortisation	1,596	1,812	1,836	1,860	1,887	1,916	1,947	1,980	2,016	2,053
Other expenses	1,395	1,423	1,451	1,480	1,500	1,529	1,560	1,591	1,623	1,655
Total operating expenses	6,975	7,044	7,165	7,289	7,408	7,541	7,679	7,821	7,967	8,117
Capital expenses										
Total capital expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	6,975	7,044	7,165	7,289	7,408	7,541	7,679	7,821	7,967	8,117
Net result	3,546	641	557	547	545	531	515	497	477	456
Tax equivalents										
Net result before tax equivalents	3,546	641	557	547	545	531	515	497	477	456
Tax equivalents payable	-	-	-	-	-	-	-	-	-	-
Net result after tax equivalents	3,546	641	557	547	545	531	515	497	477	456
Other comprehensive income										
Items that will not be reclassified to net result										
Increase (decrease) in asset revaluation surplus	-	-	-	-	-	-	-	-	-	-
Miscellaneous comprehensive income	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	3,546	641	557	547	545	531	515	497	477	456
Operating result										
Operating revenue	5,550	5,610	5,722	5,836	5,953	6,072	6,194	6,318	6,444	6,573
Operating expenses	6,975	7,044	7,165	7,289	7,408	7,541	7,679	7,821	7,967	8,117
Operating result	(1,425)	(1,434)	(1,443)	(1,453)	(1,455)	(1,469)	(1,485)	(1,503)	(1,523)	(1,544)



Statement of Changes in Equity

	Jun-22B	Jun-23F	Jun-24F	Jun-25F	Jun-26F	Jun-27F	Jun-28F	Jun-29F	Jun-30F	Jun-31F
Asset revaluation surplus										
Opening balance	16,458	16,458	16,458	16,458	16,458	16,458	16,458	16,458	16,458	16,458
Net result	na	na	na	na	na	na	na	na	na	na
Increase in asset revaluation surplus	-	-	-	-	-	-	-	-	-	-
Internal payments made	na	na	na	na	na	na	na	na	na	na
Closing balance	16,458	16,458	16,458	16,458	16,458	16,458	16,458	16,458	16,458	16,458
Retained surplus										
Opening balance	24,548	28,094	28,735	29,291	29,838	30,383	30,914	31,429	31,926	32,403
Net result	3,546	641	557	547	545	531	515	497	477	456
Increase in asset revaluation surplus	na	na	na	na	na	na	na	na	na	na
Internal payments made	-	-	-	-	-	-	-	-	-	-
Closing balance	28,094	28,735	29,291	29,838	30,383	30,914	31,429	31,926	32,403	32,859
Total										
Opening balance	41,006	44,552	45,193	45,749	46,296	46,841	47,372	47,887	48,384	48,861
Net result	3,546	641	557	547	545	531	515	497	477	456
Increase in asset revaluation surplus	-	-	-	-	-	-	-	-	-	-
Internal payments made	-	-	-	-	-	-	-	-	-	-
Closing balance	44,552	45,193	45,749	46,296	46,841	47,372	47,887	48,384	48,861	49,317

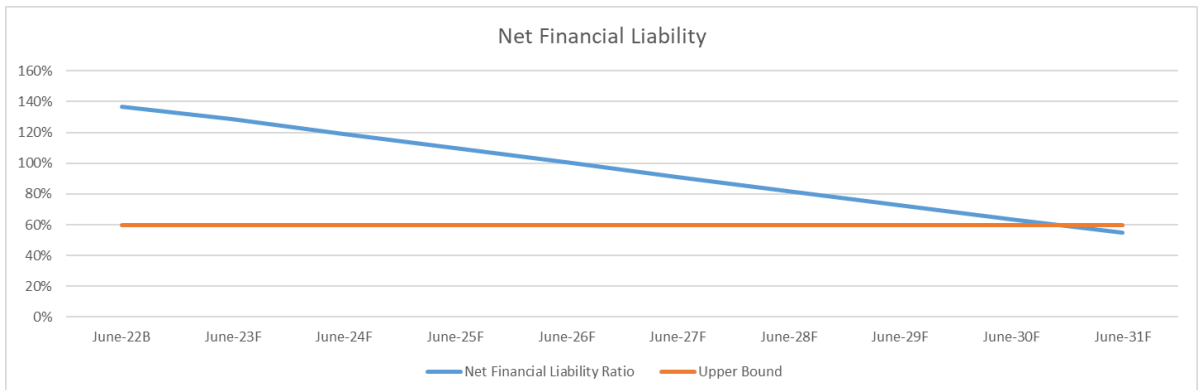
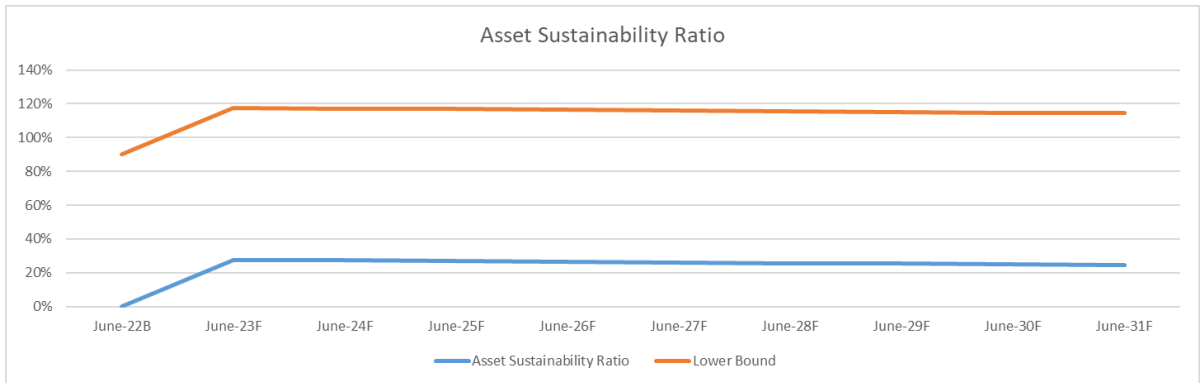
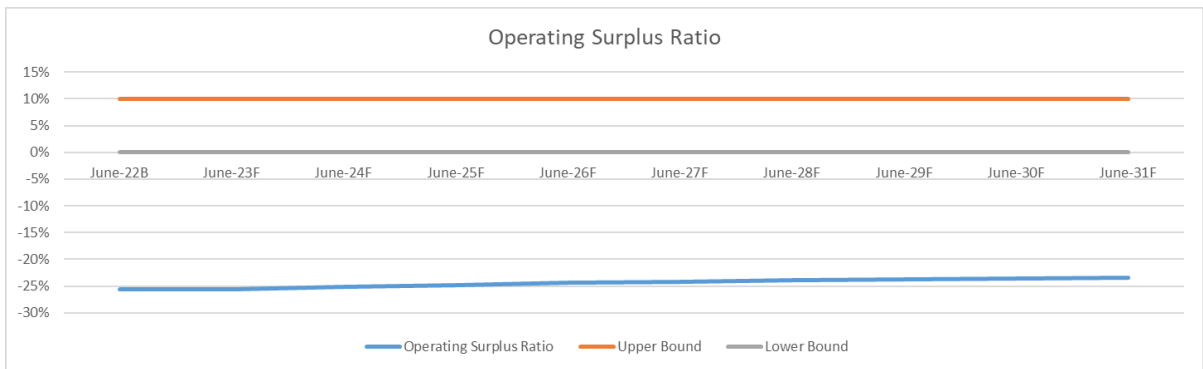


Statement of Changes in Rates and Utility Charges

	Unit	GST	Opening Charges	Increase / (Decrease) as %	Increase / (Decrease) as \$	Charges for 2021/22
SEWERAGE SERVICES						
Sewerage connection charge	per pedestal	Nil	1,433.25	2.00%	28.67	1,461.92
Wujal Wujal ASC and Douglas SC Properties	1st pedestal	Nil	3,920.00	2.00%	78.40	3,998.40
Sewerage Service Fee						
Cook SC properties (Taylex systems-Ayton)	1st pedestal	Nil	4,419.10	2.00%	88.38	4,507.48
Sewerage Service Fee						
Additional pedestal charge	each additional pedestal	Nil	2,340.00	2.00%	46.80	2,386.80
Sewerage Discharge Fee		Incl	as quoted			
WATER SERVICES						
Annual water service charge	per residence	Nil	3,920.00	2.00%	78.40	3,998.40
Connection charge - standard 25mm connection (plus meter and fittings	per connection	Nil	2,340.00	2.00%	46.80	2,386.80
Other Connection		Nil	as quoted			
GARBAGE SERVICES						
Annual garbage service charge	per bin	Nil	1,375.75	2.00%	27.52	1,403.27
Replacement wheelie bin (240L)	per bin	Incl	190.00	2.00%	3.80	193.80
<i>Waste Management - Annual Charge</i>						
Residential Property	per annum	Nil	278.00	2.00%	5.56	283.56
Commercial Property	per annum	Nil	1,110.00	2.00%	22.20	1,132.20



Key Financial Sustainability Metrics	Target	June-22B	June-23F	June-24F	June-25F	June-26F	June-27F	June-28F	June-29F	June-30F	June-31F
Operating Surplus Ratio	0% to 10%	-26%	-26%	-25%	-25%	-24%	-24%	-24%	-24%	-24%	-23%
Asset Sustainability Ratio	> 90%	0%	28%	27%	27%	27%	26%	26%	25%	25%	24%
Net Financial Liabilities Ratio	</= 60%	137%	129%	119%	110%	100%	91%	82%	73%	64%	55%





REVENUE STATEMENT

Section 104 (5)(a)(iv) of the *Local Government Act 2009* and Section 172 of the *Local Government Regulation 2012* requires the Council to adopt a Revenue Statement for each financial year and to include certain information therein.

The purpose of the revenue statement is to set out the revenue measures adopted by Council to frame the 2020/2021 Budget.

The *Local Government Regulation 2012* Section 172 states that the revenue statement must state –

- a) If the local government levies differential general rates –
 - i) the rating categories for rateable land in the local government area; and
 - ii) a description of each rating category; and
- b) if the local government levies special rates or charges for a joint government activity – a summary of the terms of the joint government activity; and
- c) if the local government fixes a cost-recovery fee – the criteria used to decide the amount of the cost-recovery fee; and
- d) if the local government conducts a business activity on a commercial basis – the fees the local government receives for the activity.

The revenue statement for a financial year must include the following information for the financial year –

- e) An outline and explanation of the measures that the local government has adopted for raising revenue, including an outline and explanation of –
 - i) The rates and charges to be levied in the financial year; and
 - ii) The concessions for rates and charges to be granted in the financial year;
- f) Whether the local government has made a resolution limiting an increase of rates and charges.

Rates and Charges

Council is required to raise an amount of revenue it sees as being appropriate to maintain assets and provide services to the shire as a whole. However, Council is unable to levy general rates based on the unimproved capital value of the land as is the case with all other non-indigenous local governments in Queensland. Council 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 and become effective from 1 July. Council has not made a resolution limiting an increase of rates and charges. Rates and charges have been increased by 2% for the budget year



REVENUE POLICY

ORIGIN / AUTHORITY: *Local Government Act 2009*
Local Government Regulation 2012

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

POLICY: This policy encompasses principles applied by the Council for:

- The making of rates and charges
- The levying of rates and charges
- The recovery of overdue rates and charges
- Granting concessions for rates and charges
- Cost recovery fees and charges

As Council is unable to levy rates on properties in the Wujal Wujal LGA all reference to “rates and charges” in this policy shall mean the provision of utility charges only.

Principles used in making charges:

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

Council will also have regard to the principles of:

- transparency in the making of rates and charges;
- having in place a rating 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

Principles used in levying charges:

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

- the levying system will be simple and inexpensive to administer
- the timing for levying of rates must take into account the financial cycle of the local economy
- allowing for a flexible payment arrangement for ratepayers with a lower capacity to pay

Principles used in the recovery of overdue rates and charges:



In exercising its rate recovery powers and to reduce the overall burden on ratepayers, Council will be guided by the following principles:

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

Rebates and 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 ratepayers with similar circumstances
- ensuring transparency by clearly setting out the requirements necessary to receive concessions
- ensuring flexibility to respond to local economic issues

Cost recovery fees and charges:

In considering the application of cost recovery methods, 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
- ensuring equity by having regard to the different levels of capacity to pay within the local community

Physical and social infrastructure costs for new development:

Mechanisms for the planning and funding of infrastructure for urban growth are contained within the *Planning Act 2016*. Pursuant to the provisions of this Act, developers are required to pay the costs associated with the following: -

- Any increase demanded on the available capacity of the existing infrastructure due to any new development; and/or
- Any additional infrastructure required due to any new development; and
- Where appropriate, a contribution towards social infrastructure changes required to cater for the increase or changes in population caused by new development.
- All new developments will be funded from Government Grants

Reserves:

It is not intended to establish reserves to fund projects unless they have been specifically identified in the Corporate or Operational Plan.



DELEGATION: Authority in respect of this Policy is hereby delegated to the Chief Executive Officer.

RESOLUTION DATED: 17 June 2021