



# LOCKHART RIVER ABORIGINAL SHIRE COUNCIL

*PRESENTED TO COUNCIL AND ADOPTED ON TUESDAY 30 JULY  
2019*

**BUDGET  
REPORT  
2019-2020**

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LOCKHART RIVER ABORIGINAL SHIRE COUNCIL

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## Highlights of Budget Assumptions and Principles

The Lockhart River Aboriginal Shire Council is highly dependent on federal and state grant funding for operational, maintenance and capital expenditure to meet service delivery requirements of Lockhart River community. This grant funding arrangement is certainly expected to continue to be available to fund operational and capital needs of the Council.

Any funded programs that cannot be predicted have not been included in this budget and only includes those programs whose continuity is absolutely certain. The Council has primarily relied on SGFA and FAG grant funding for general purposes and it is assumed that these general purpose grants will continue to flow well into the forecasted period. Other community development and services grants are provided on specific service agreements, and unless where intention to terminate them has been confirmed, the Council has budgeted for them even without extended funding agreement period.

The Interest rates on cash fund deposited with QTC by the Council is assumed to earn interest income at 2.0% annually. The Council does not invest with other financial institutions.

The Council does not borrow to fund its financial needs and the existing liabilities are made up of normal business creditors. In the forecast period there is nil interest expenses from borrowings.

Restoration and emergency works due to activated weather events are fully funded by Queensland Reconstruction Authority and the Council includes the approved submissions into the forecast. Any un-approved or in progress submissions have not been included in this budget. Any future weather events are highly unpredictable and it's difficult to assess their impact to factor into the long term forecasts.

All the major capital works are grant funded by federal and state government programs including R2R, W4Q, ATSI and BOR. During the budget period these will be very critical in carrying out upgrade works for creek crossings, road formation and pavement improvements on both Portland Road and Old Mission Road and affiliated rural roads.

The long term trend of inflation rate is predicted at 2.5% and its impact has been included in the long term forecast by adjusting costs by CPI.

There was nil increase in all general Council revenues and fees but subject to future inter period reviews to update with market trend. Also no significant additional sources of revenue are predicted. Any waiver or discounting of Council fees and charges will be at the discretion of the CEO exercising powers delegated by the Council and the Mayor.

The long term forecasts have been formulated on a moderate growth rate of 1- 5% over 9 years' period with average target required rate of return of 10% per annum.

Council will treat depreciation according to the requirement of the relevant Australian Accounting Standards. The noncurrent assets have been comprehensively componentized and that has significantly improved the accuracy of the depreciation expense. The capital funding on renewals, replacements and upgrades is only limited to the equivalent of depreciation amount where the Council achieves a breakeven operating outcome. Otherwise the Council does not have cash reserves to utilize for capital funding.

The Council does not intend to fund depreciation on Roads, Water, and Sewerage Infrastructures and Community Housing. The renewals, replacements and new developments of these assets are

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assumed to be fully-funded by the State and Federal Governments. The general assumption is that capital funding support will continue to flow from the government.

The employment costs have been adjusted to accommodate any future wage increases by 3.0% and work attendance is assumed to be 100% of total budgeted ordinary working hours.

The capital works and programs in progress have been assumed to continue to completion and included in the predictions accordingly. As always the Council will seek authority to expend any unspent funds from community development and services programs before including them in the budget.

Lockhart River Aboriginal Shire recognises the importance of State and Federal Governments funding and their importance on its financial sustainability. Therefore the Council will undertake to fully comply with all the funding terms and conditions to ensure timely availability of grants funding.

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## Mayor's message

The Lockhart River Aboriginal Shire Council presents 2019/20 budget to fund the operational activities and capital works for the year and the forecasted 9-year period. It is a continuation of our Operational Plan, and the long term Corporate Plan and Asset Management Plan. As I present this budget to you, there should be common understanding that every dollar must be well spent and accounted for (value for money principle).

The recoverable and private works revenues are the options we will continue to explore. The Council will continue to support recoverable works carried out by Building Services and Mechanical workshop and sales from Council Warehouse. This budget will encourage these revenue generation centres by providing more resources to them. With our own revenue base, we are better placed even to supplement what the State and Federal Government is doing for our community and it helps achieve our own Community based objectives.

This year the Council will continue to support the local business development by seeking funding for a local business support position and a research to explore local economic opportunities. The theme of the Council is 'Making Council smaller to make local business bigger'.

Also the other major inclusion in the budget is training young talents into workforce whereby the Council will continue to support and seek funding for the current the school kids program. Under Upskilling Queenslanders program, the Council will target young trainees to transition into careers within the Community.

Council policies have been reviewed and updated to guide Council operations and achieve value for money outcome whereas ensuring transparency and accountability for limited Community resources available.

### ***Operational Revenue***

Consolidated budgeted operational revenue is \$15.86m including \$1.46m for Aerodrome Company. This is a very business focussed budget whereby the grants & subsidies (\$7,559,060) and recoverable works (\$7,551,238) have almost equalled at about 48% each of total revenue.

### ***Operational Expenditure***

Consolidated budgeted operational expenditure is \$16.94m including \$1.54m from Aerodrome Company. Wages and salaries budget increased by 14% from previous budget unlike materials and services that decreased due to several DRFA submissions undergoing the approval process and we expect to increase budget estimates significantly when this is completed.

### ***Capital Works highlights***

The consolidated capital expenditure is about \$9.50m and mainly funding construction of the below assets

- Old Canteen building and landscaping structures \$1,240,000
- Major renovations on staff houses \$363,000
- Cultural precinct \$1,000,000
- Other community structures \$752,465
- Football Oval upgrade \$132,200
- Road works on Portland Road and Old Mission Road \$2,826,000
- Water upgrade works \$503,4000

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- Sewerage upgrade works \$711,250
  - New Cabins at the Aerodrome \$1,080,000
  - New Airport Security Fencing \$530,000

In this capital works expenditure budget, the Council and Aerodrome will contribute \$2,063,000 from own generated revenue. The balance of capital expenditure will be fully-funded by various government funding programs.

***Conclusion***

Therefore, I submit this 2019/20 budget to the Council with confidence that it will achieve our financial sustainability and commend it for implementation.

**Wayne Butcher**

**Mayor**

## Budget variances - Income Statement

| LOCKHART RIVER ABORIGINAL SHIRE COUNCIL                    |                     |                     |                     |                       |             |
|--|---------------------|---------------------|---------------------|-----------------------|-------------|
| Budget Statement of Comprehensive Income Budget Variance   |                     |                     |                     |                       |             |
| For the year ended 30 June                                 | Actual<br>2018/19   | Budget<br>2018/19   | Budget*<br>2019/20  | Variance to<br>budget | % Change    |
|  | \$                  | \$                  | \$                  | \$                    |             |
| <b>Operating Revenue</b>                                   |                     |                     |                     |                       |             |
| Recurrent revenue  |                     |                     |                     |                       |             |
| Rates, levies and charges                                  | 147,459             | 147,000             | 150,000             | 3,000                 | 2%          |
| Rental income  | 83,003              | 290,160             | 88,000              | (202,160)             | -70%        |
| Interest received  | 202,617             | 195,000             | 398,528             | 203,528               | 104%        |
| Sales and recoverable works                                | 5,408,629           | 7,724,029           | 7,551,238           | (172,792)             | -2%         |
| Other income   | 127,225             | 115,000             | 115,000             | -                     | 0%          |
| Grants, subsidies, contributions and donations             | 9,034,040           | 12,116,504          | 7,559,060           | (4,557,444)           | -38%        |
|  | 15,002,973          | 20,587,693          | 15,861,826          | (4,725,867)           | -23%        |
| Capital revenue  |                     |                     |                     |                       |             |
| Grants, subsidies, contributions and donations             | 7,738,158           | 7,835,550           | 5,178,725           | 517,500               | 7%          |
| <b>Total revenue</b>                                       | <b>22,741,131</b>   | <b>28,423,243</b>   | <b>21,040,551</b>   | <b>(7,382,692)</b>    | <b>-26%</b> |
|  |                     |                     |                     |                       |             |
| <b>Total income</b>  | <b>22,741,131</b>   | <b>28,423,243</b>   | <b>21,040,551</b>   | <b>(7,382,692)</b>    | <b>-26%</b> |
|  |                     |                     |                     |                       |             |
| <b>Operating Expenses</b>                                  |                     |                     |                     |                       |             |
| Recurrent expenses   |                     |                     |                     |                       |             |
| Employee benefits  | (5,205,154)         | (5,745,136)         | (6,545,930)         | (800,794)             | 14%         |
| Materials and services                                     | (9,897,452)         | (12,694,104)        | (8,211,834)         | 4,482,270             | -35%        |
| Finance costs  | (22,644)            | (12,500)            | (12,500)            | -                     | 0%          |
| Depreciation and amortisation                              | (2,174,595)         | (2,026,009)         | (2,174,593)         | (148,584)             | 7%          |
| <b>Total expenses</b>                                      | <b>(17,299,845)</b> | <b>(20,477,749)</b> | <b>(16,944,857)</b> | <b>3,532,892</b>      | <b>-17%</b> |
|  |                     |                     |                     |                       |             |
| <b>Net Operating Result</b>                                | <b>5,441,286</b>    | <b>7,945,494</b>    | <b>4,095,694</b>    | <b>-3,849,800</b>     | <b>-48%</b> |
|  |                     |                     |                     |                       |             |
|  |                     |                     |                     |                       |             |
| LOCKHART RIVER ABORIGINAL SHIRE COUNCIL                    |                     |                     |                     |                       |             |
| Capital Expenditure Budget Variance                        |                     |                     |                     |                       |             |
|  | Actual<br>2018/19   | Budget<br>2018/19   | Budget*<br>2019/20  | Variance to<br>budget | % Change    |
| BUILDINGS  | 432,141             | 1,551,000           | 2,520,000           | 969,000               | 62%         |
| HOUSING  | 18,566              | 307,000             | 408,000             | 101,000               | 33%         |
| OTHER STRUCTURES   | 1,782,852           | 2,558,000           | 2,272,465           | (285,535)             | -11%        |
| OFFICE FURNITURE & EQUIPMENT                               | 250,405             | 268,000             | 36,000              | (232,000)             | -87%        |
| PLANT & EQUIPMENT  | 120,923             | 200,000             | 225,000             | 25,000                | 13%         |
| ROAD INFRASTRUCTURE  | 3,874,301           | 4,940,000           | 2,826,000           | (2,114,000)           | -43%        |
| WATER INFRASTRUCTURE                                       | 468,621             | 571,375             | 503,400             | (67,975)              | -12%        |
| SEWERAGE INFRASTRUCTURE                                    | 19,275              | 417,500             | 711,250             | 293,750               | 70%         |
|  | 6,967,084           | 10,812,875          | 9,502,115           | (1,310,760)           | -12%        |
|  |                     |                     |                     |                       |             |
| Consolidated entity budget - Council and Aerodrome Company |                     |                     |                     |                       |             |

| <b>LOCKHART RIVER ABORIGINAL SHIRE COUNCIL</b>                           |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| <b>Budgeted and 2 Years Forecasted Statement of Comprehensive Income</b> |                    |                    |                    |
|  | <b>Budget</b>      | <b>Forecast</b>    |                    |
| <b>Year ended</b>  | <b>30-Jun-20</b>   | <b>30-Jun-21</b>   | <b>30-Jun-22</b>   |
|  | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          |
| <b>Revenue</b>   |                    |                    |                    |
| <b>Recurrent revenue</b>   |                    |                    |                    |
| General rates  | 150,000            | 157,500            | 165,375            |
| Other rental income  | 88,000             | 92,400             | 97,020             |
| Other interest received  | 398,528            | 210,586            | 217,369            |
| Contract and recoverable works   | 7,551,238          | 7,928,799          | 8,325,239          |
| State subsidies and grants—operating                                     | 6,750,060          | 6,918,811          | 7,091,782          |
| Commonwealth subsidies and grants—operating                              | 809,000            | 829,225            | 849,956            |
| Other income   | 115,000            | 120,750            | 126,788            |
| <b>Total recurrent revenue</b>   | <b>15,861,826</b>  | <b>16,258,072</b>  | <b>16,873,528</b>  |
| <b>Capital revenue</b>   |                    |                    |                    |
| Government subsidies and grants—capital                                  | 5,178,725          | -                  | 250,000            |
| <b>Total income</b>  | <b>21,040,551</b>  | <b>16,258,072</b>  | <b>17,123,528</b>  |
| <b>Expenses</b>  |                    |                    |                    |
| Employee benefits  | 6,545,930          | 6,741,876          | 6,943,689          |
| Materials and services   | 8,155,834          | 8,359,729          | 8,568,723          |
| Depreciation and amortisation  | 2,174,593          | 2,503,513          | 2,423,002          |
| Other expenses   | 68,500             | 70,375             | 72,305             |
| <b>Total expenses</b>  | <b>16,944,857</b>  | <b>17,675,493</b>  | <b>18,007,718</b>  |
| <b>Net result attributable to Council</b>                                | <b>4,095,694</b>   | <b>(1,417,421)</b> | <b>(884,190)</b>   |
| <b>OPERATING RESULT</b>  |                    |                    |                    |
| <b>Operating revenue</b>   | 15,861,826         | 16,258,072         | 16,873,528         |
| Operating expense  | 16,944,857         | 17,675,493         | 18,007,718         |
| <b>Operating result</b>  | <b>(1,083,031)</b> | <b>(1,417,421)</b> | <b>(1,134,190)</b> |
| Consolidated entity budget - Council and Aerodrome Company               |                    |                    |                    |



| <b>LOCKHART RIVER ABORIGINAL SHIRE COUNCIL</b>                         |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| <b>Budgeted and 2 Years Forecasted Statement of Financial Position</b> |                    |                    |                    |
|  | <b>Budget</b>      | <b>Forecast</b>    |                    |
| <b>Year ended</b>  | <b>30-Jun-20</b>   | <b>30-Jun-21</b>   | <b>30-Jun-22</b>   |
|  | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          |
| <b>Current assets</b>  |                    |                    |                    |
| Cash assets and cash equivalents                                       | 8,594,817          | 7,922,095          | 7,203,143          |
| Inventories  | 298,683            | 298,683            | 298,683            |
| Receivables  | 1,267,483          | 1,318,971          | 1,368,999          |
| Other assets   | -                  | -                  | -                  |
| <b>Total current assets</b>  | <b>10,160,983</b>  | <b>9,539,749</b>   | <b>8,870,824</b>   |
| <b>Non-current assets</b>  |                    |                    |                    |
| Property, plant and equipment  | 87,835,539         | 87,364,026         | 87,471,024         |
| Other non-current assets   | 9,371,393          | 9,083,053          | 8,794,713          |
| <b>Total non-current assets</b>  | <b>97,206,932</b>  | <b>96,447,079</b>  | <b>96,265,737</b>  |
| <b>Total assets</b>  | <b>107,367,914</b> | <b>105,986,828</b> | <b>105,136,562</b> |
| <b>Current liabilities</b>   |                    |                    |                    |
| Trade and other payables   | 536,552            | 554,127            | 570,714            |
| Employee payables/provisions   | 674,126            | 692,885            | 710,221            |
| <b>Total current liabilities</b>                                       | <b>1,210,677</b>   | <b>1,247,012</b>   | <b>1,280,936</b>   |
| <b>Non-current liabilities</b>   |                    |                    |                    |
| Employee payables/provisions   | 1,801,606          | 1,801,606          | 1,801,606          |
| <b>Total non-current liabilities</b>                                   | <b>1,801,606</b>   | <b>1,801,606</b>   | <b>1,801,606</b>   |
| <b>Total liabilities</b>   | <b>3,012,283</b>   | <b>3,048,618</b>   | <b>3,082,542</b>   |
| <b>Net community assets</b>  | <b>104,355,631</b> | <b>102,938,210</b> | <b>102,054,021</b> |
| <b>Community equity</b>  |                    |                    |                    |
| Asset revaluation reserve  | 31,802,128         | 31,802,128         | 31,802,128         |
| Retained surplus (deficiency)  | 72,553,503         | 71,136,082         | 70,251,893         |
| <b>Total community equity</b>  | <b>104,355,631</b> | <b>102,938,210</b> | <b>102,054,021</b> |
| Consolidated entity budget - Council and Aerodrome Company             |                    |                    |                    |

| <b>LOCKHART RIVER ABORIGINAL SHIRE COUNCIL</b>                 |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| <b>Budgeted and 2 Years Forecasted Statement of Cash Flows</b> |                    |                    |                    |
|  | <b>Budget</b>      | <b>Forecast</b>    |                    |
| <b>Year ended</b>  | <b>30-Jun-20</b>   | <b>30-Jun-21</b>   | <b>30-Jun-22</b>   |
|  | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          |
| <b>Cash flows from operating activities:</b>                   |                    |                    |                    |
| Receipts from customers  | 7,786,323          | 8,173,173          | 8,583,674          |
| Payment to suppliers and employees                             | (15,295,213)       | (15,135,645)       | (15,550,793)       |
| Interest received  | 398,528            | 210,586            | 217,369            |
| Lease receipts   | 288,340            | 288,340            | 288,340            |
| Rental income  | 85,299             | 92,019             | 96,640             |
| Non-capital grants and contributions                           | 7,327,020          | 7,730,807          | 7,925,817          |
| <b>Net cash inflow (outflow) from operating activities</b>     | <b>590,297</b>     | <b>1,359,278</b>   | <b>1,561,047</b>   |
| <b>Cash flows from investing activities:</b>                   |                    |                    |                    |
| Payments for property, plant and equipment                     |                    |                    |                    |
| Grants, subsidies, contributions and donations                 | (9,601,115)        | (2,032,000)        | (2,530,000)        |
| <b>Net cash inflow (outflow) from investing activities</b>     | <b>5,178,725</b>   | <b>-</b>           | <b>250,000</b>     |
|  | <b>(4,422,390)</b> | <b>(2,032,000)</b> | <b>(2,280,000)</b> |
| <b>Net increase (decrease) in cash held</b>                    | <b>(3,832,093)</b> | <b>(672,722)</b>   | <b>(718,953)</b>   |
| Cash at beginning of reporting period                          | 12,426,910         | 8,594,817          | 7,922,095          |
| <b>Cash at end of reporting period</b>                         | <b>8,594,817</b>   | <b>7,922,095</b>   | <b>7,203,143</b>   |
| Consolidated entity budget - Council and Aerodrome Company     |                    |                    |                    |

| <b>LOCKHART RIVER ABORIGINAL SHIRE COUNCIL</b>                        |                    |                    |                    |
|---|--------------------|--------------------|--------------------|
| <b>Budgeted and 2 Years Forecasted Statement of Changes in Equity</b> |                    |                    |                    |
|   | <b>Budget</b>      | <b>Forecast</b>    |                    |
| <b>Year ended</b>   | <b>30-Jun-20</b>   | <b>30-Jun-21</b>   | <b>30-Jun-22</b>   |
|   | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          |
| <b>Asset revaluation surplus</b>                                      |                    |                    |                    |
| Opening balance   | 31,802,128         | 31,802,128         | 31,802,128         |
| Increase in asset revaluation surplus                                 | -                  | -                  | -                  |
| Closing balance   | 31,802,128         | 31,802,128         | 31,802,128         |
| <b>Retained surplus</b>   |                    |                    |                    |
| Opening balance   | 68,457,809         | 72,553,503         | 71,136,082         |
| Net result  | 4,095,694          | - 1,417,421        | - 884,190          |
| Closing balance   | 72,553,503         | 71,136,082         | 70,251,892         |
| <b>Total</b>  |                    |                    |                    |
| Opening balance   | 100,259,937        | 104,355,631        | 102,938,210        |
| Net result  | 4,095,694          | - 1,417,421        | - 884,190          |
| Increase in asset revaluation surplus                                 | -                  | -                  | -                  |
| <b>Closing balance</b>  | <b>104,355,631</b> | <b>102,938,210</b> | <b>102,054,020</b> |
| Consolidated entity budget - Council and Aerodrome Company            |                    |                    |                    |

**LOCKHART RIVER ABORIGINAL SHIRE COUNCIL**
**Budgeted and 9 Years Forecasted Measures of Financial Sustainability (Ratios)**

| Year ended   | Target Ratio | Budget    | Forecast  |           |           |           |           |           |           |           |           |
|--|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  |              | 30-Jun-20 | 30-Jun-21 | 30-Jun-22 | 30-Jun-23 | 30-Jun-24 | 30-Jun-25 | 30-Jun-26 | 30-Jun-27 | 30-Jun-28 | 30-Jun-29 |
| <b>1 Operating Surplus Ratio</b>   |              |           |           |           |           |           |           |           |           |           |           |
| (Net Operating Surplus / Total Operating Revenue) (%)                                | 0 - 10%      | (7)%      | (9)%      | (7)%      | (6)%      | (5)%      | (3)%      | (1)%      | (0)%      | 1%        | 3%        |
| <b>2 Net Financial Asset / Liability Ratio</b>                                       |              |           |           |           |           |           |           |           |           |           |           |
| ((Total Liabilities - Current Assets) / Total Operating Revenue)                     | 60.0%        | (45)%     | (40)%     | (34)%     | (27)%     | (22)%     | (27)%     | (26)%     | (35)%     | (37)%     | (48)%     |
| <b>3 Asset Sustainability Ratio</b>  |              |           |           |           |           |           |           |           |           |           |           |
| (Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense) | 90.0%        | 229%      | 67%       | 85%       | 104%      | 46%       | 77%       | 80%       | 105%      | 48%       | 112%      |

Consolidated entity budget - Council and Aerodrome Company

| <b>LOCKHART RIVER ABORIGINAL SHIRE COUNCIL</b>                           |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |
|--|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Budgeted and 9 Years Forecasted Statement of Comprehensive Income</b> |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |
| Year ended   | Budget             |                    |                    | Forecast           |                   |                   |                   |                   |                   |                   |
|  | 30-Jun-20          | 30-Jun-21          | 30-Jun-22          | 30-Jun-23          | 30-Jun-24         | 30-Jun-25         | 30-Jun-26         | 30-Jun-27         | 30-Jun-28         | 30-Jun-29         |
|  | \$                 | \$                 | \$                 | \$                 | \$                | \$                | \$                | \$                | \$                | \$                |
| <b>Revenue</b>   |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |
| <b>Recurrent revenue</b>   |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |
| General rates  | 150,000            | 157,500            | 165,375            | 173,644            | 182,326           | 191,442           | 201,014           | 211,065           | 221,618           | 232,699           |
| Other rental income  | 88,000             | 92,400             | 97,020             | 101,871            | 106,965           | 112,313           | 117,928           | 123,825           | 130,016           | 136,517           |
| Other interest received  | 398,528.49         | 210,585.91         | 217,368.73         | 202,916.04         | 180,794.00        | 215,443.78        | 269,302.30        | 269,403.20        | 337,137.86        | 365,873.76        |
| Contract and recoverable works   | 7,551,237.50       | 7,928,799.38       | 8,325,239.34       | 8,741,501.31       | 9,178,576.38      | 9,637,505.20      | 10,119,380.46     | 10,625,349.48     | 11,156,616.95     | 11,714,447.80     |
| State subsidies and grants—operating                                     | 6,750,060          | 6,918,811          | 7,091,782          | 7,269,076          | 7,450,803         | 7,637,073         | 7,828,000         | 8,023,700         | 8,224,293         | 8,429,900         |
| Commonwealth subsidies and grants—operating                              | 809,000            | 829,225            | 849,956            | 871,205            | 892,985           | 915,309           | 938,192           | 961,647           | 985,688           | 1,010,330         |
| Other income   | 115,000            | 120,750            | 126,788            | 133,127            | 139,783           | 146,772           | 154,111           | 161,817           | 169,907           | 178,403           |
| <b>Total recurrent revenue</b>   | <b>15,861,826</b>  | <b>16,258,072</b>  | <b>16,873,528</b>  | <b>17,493,340</b>  | <b>18,132,232</b> | <b>18,855,859</b> | <b>19,627,929</b> | <b>20,376,806</b> | <b>21,225,277</b> | <b>22,068,171</b> |
| <b>Capital revenue</b>   |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |
| Government subsidies and grants—capital                                  | 5,178,725          | -                  | 250,000            | 350,000            | 350,000           | 1,750,000         | 3,000,000         | 2,500,000         | 3,000,000         | 3,000,000         |
| <b>Total income</b>  | <b>21,040,551</b>  | <b>16,258,072</b>  | <b>17,123,528</b>  | <b>17,843,340</b>  | <b>18,482,232</b> | <b>20,605,859</b> | <b>22,627,929</b> | <b>22,876,806</b> | <b>24,225,277</b> | <b>25,068,171</b> |
| <b>Expenses</b>  |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |
| Employee benefits  | 6,545,930          | 6,741,876          | 6,943,689          | 7,151,545          | 7,365,626         | 7,586,117         | 7,813,211         | 8,047,106         | 8,288,005         | 8,536,118         |
| Materials and services   | 8,155,834          | 8,359,729          | 8,568,723          | 8,782,941          | 9,002,514         | 9,227,577         | 9,458,266         | 9,694,723         | 9,937,091         | 10,185,518        |
| Depreciation and amortisation  | 2,174,593          | 2,503,513          | 2,423,002          | 2,498,002          | 2,567,694         | 2,473,296         | 2,522,996         | 2,622,429         | 2,683,929         | 2,670,529         |
| Other expenses   | 68,500             | 70,375             | 72,305             | 74,292             | 76,337            | 78,443            | 80,612            | 82,845            | 85,144            | 87,513            |
| <b>Total expenses</b>  | <b>16,944,857</b>  | <b>17,675,493</b>  | <b>18,007,718</b>  | <b>18,506,779</b>  | <b>19,012,171</b> | <b>19,365,433</b> | <b>19,875,085</b> | <b>20,447,102</b> | <b>20,994,169</b> | <b>21,479,679</b> |
| <b>Net result attributable to Council</b>                                | <b>4,095,694</b>   | <b>(1,417,421)</b> | <b>(884,190)</b>   | <b>(663,439)</b>   | <b>(529,939)</b>  | <b>1,240,426</b>  | <b>2,752,844</b>  | <b>2,429,704</b>  | <b>3,231,108</b>  | <b>3,588,492</b>  |
| <b>OPERATING RESULT</b>  |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |
| <b>Operating revenue</b>   | <b>15,861,826</b>  | <b>16,258,072</b>  | <b>16,873,528</b>  | <b>17,493,340</b>  | <b>18,132,232</b> | <b>18,855,859</b> | <b>19,627,929</b> | <b>20,376,806</b> | <b>21,225,277</b> | <b>22,068,171</b> |
| <b>Operating expense</b>   | <b>16,944,857</b>  | <b>17,675,493</b>  | <b>18,007,718</b>  | <b>18,506,779</b>  | <b>19,012,171</b> | <b>19,365,433</b> | <b>19,875,085</b> | <b>20,447,102</b> | <b>20,994,169</b> | <b>21,479,679</b> |
| <b>Operating result</b>  | <b>(1,083,031)</b> | <b>(1,417,421)</b> | <b>(1,134,190)</b> | <b>(1,013,439)</b> | <b>(879,939)</b>  | <b>(509,574)</b>  | <b>(247,156)</b>  | <b>(70,296)</b>   | <b>231,108</b>    | <b>588,492</b>    |
| Consolidated entity budget - Council and Aerodrome Company               |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |

| <b>LOCKHART RIVER ABORIGINAL SHIRE COUNCIL</b>                         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Budgeted and 9 Years Forecasted Statement of Financial Position</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Year ended   | Budget             | Forecast           |                    |                    |                    |                    |                    |                    |                    |                    |
|  | 30-Jun-20          | 30-Jun-21          | 30-Jun-22          | 30-Jun-23          | 30-Jun-24          | 30-Jun-25          | 30-Jun-26          | 30-Jun-27          | 30-Jun-28          | 30-Jun-29          |
|  | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 |
| <b>Current assets</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Cash assets and cash equivalents                                       | 8,594,816.80       | 7,922,095.20       | 7,203,142.52       | 6,198,768.00       | 5,301,682.49       | 6,442,571.70       | 6,455,524.45       | 8,388,296.21       | 9,102,991.29       | 11,873,862.43      |
| Inventories  | 298,682.54         | 298,682.54         | 298,682.54         | 298,682.54         | 298,682.54         | 298,682.54         | 298,682.54         | 298,682.54         | 298,682.54         | 298,682.54         |
| Receivables  | 1,267,483.40       | 1,318,971.44       | 1,368,999.39       | 1,421,130.72       | 1,471,429.34       | 1,532,088.92       | 1,591,119.97       | 1,652,663.25       | 1,712,142.57       | 1,783,750.42       |
| Financial assets   | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>Total current assets</b>  | <b>10,160,983</b>  | <b>9,539,749</b>   | <b>8,870,824</b>   | <b>7,918,581</b>   | <b>7,071,794</b>   | <b>8,273,343</b>   | <b>8,345,327</b>   | <b>10,339,642</b>  | <b>11,113,816</b>  | <b>13,956,295</b>  |
| <b>Non-current assets</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Property, plant and equipment  | 87,835,539         | 87,364,026         | 87,471,024         | 88,083,023         | 88,720,329         | 89,088,033         | 92,095,038         | 92,857,609         | 95,638,680         | 96,718,151         |
| Other non-current assets   | 9,371,393          | 9,083,053          | 8,794,713          | 8,506,373          | 8,218,033          | 7,929,693          | 7,641,353          | 7,353,013          | 7,064,673          | 6,776,333          |
| <b>Total non-current assets</b>  | <b>97,206,932</b>  | <b>96,447,079</b>  | <b>96,265,737</b>  | <b>96,589,396</b>  | <b>96,938,362</b>  | <b>97,017,726</b>  | <b>99,736,391</b>  | <b>100,210,622</b> | <b>102,703,353</b> | <b>103,494,484</b> |
| <b>Total assets</b>  | <b>107,367,914</b> | <b>105,986,828</b> | <b>105,136,562</b> | <b>104,507,977</b> | <b>104,010,156</b> | <b>105,291,069</b> | <b>108,081,718</b> | <b>110,550,264</b> | <b>113,817,169</b> | <b>117,450,779</b> |
| <b>Current liabilities</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Trade and other payables   | 536,552            | 554,127            | 570,714            | 587,798            | 603,740            | 623,516            | 642,182            | 661,406            | 679,345            | 701,599            |
| Employee payables/provisions   | 674,126            | 692,885            | 710,221            | 727,992            | 744,168            | 764,878            | 784,017            | 803,636            | 821,495            | 844,359            |
| <b>Total current liabilities</b>                                       | <b>1,210,677</b>   | <b>1,247,012</b>   | <b>1,280,936</b>   | <b>1,315,790</b>   | <b>1,347,908</b>   | <b>1,388,395</b>   | <b>1,426,199</b>   | <b>1,465,042</b>   | <b>1,500,839</b>   | <b>1,545,958</b>   |
| <b>Non-current liabilities</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Employee payables/provisions   | 1,801,606          | 1,801,606          | 1,801,606          | 1,801,606          | 1,801,606          | 1,801,606          | 1,801,606          | 1,801,606          | 1,801,606          | 1,801,606          |
| <b>Total non-current liabilities</b>                                   | <b>1,801,606</b>   | <b>1,801,606</b>   | <b>1,801,606</b>   | <b>1,801,606</b>   | <b>1,801,606</b>   | <b>1,801,606</b>   | <b>1,801,606</b>   | <b>1,801,606</b>   | <b>1,801,606</b>   | <b>1,801,606</b>   |
| <b>Total liabilities</b>   | <b>3,012,283</b>   | <b>3,048,618</b>   | <b>3,082,542</b>   | <b>3,117,396</b>   | <b>3,149,514</b>   | <b>3,190,001</b>   | <b>3,227,805</b>   | <b>3,266,649</b>   | <b>3,302,445</b>   | <b>3,347,563</b>   |
| <b>Net community assets</b>  | <b>104,355,631</b> | <b>102,938,210</b> | <b>102,054,021</b> | <b>101,390,581</b> | <b>100,860,643</b> | <b>102,101,068</b> | <b>104,853,912</b> | <b>107,283,617</b> | <b>110,514,724</b> | <b>114,103,216</b> |
| <b>Community equity</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Asset revaluation reserve  | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         |
| Retained surplus (deficiency)  | 72,553,503         | 71,136,082         | 70,251,893         | 69,588,453         | 69,058,515         | 70,298,940         | 73,051,784         | 75,481,488         | 78,712,596         | 82,301,088         |
| <b>Total community equity</b>  | <b>104,355,631</b> | <b>102,938,210</b> | <b>102,054,021</b> | <b>101,390,581</b> | <b>100,860,643</b> | <b>102,101,068</b> | <b>104,853,912</b> | <b>107,283,616</b> | <b>110,514,724</b> | <b>114,103,216</b> |
| Consolidated entity budget - Council and Aerodrome Company             |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |

**LOCKHART RIVER ABORIGINAL SHIRE COUNCIL**

**Budgeted and 9 Years Forecasted Statement of Cash Flows**

| Year ended   | Budget             | Forecast           |                    |                    |                    |                    |                    |                  |                    |                   |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|-------------------|
|  | 30-Jun-20          | 30-Jun-21          | 30-Jun-22          | 30-Jun-23          | 30-Jun-24          | 30-Jun-25          | 30-Jun-26          | 30-Jun-27        | 30-Jun-28          | 30-Jun-29         |
|  | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 | \$               | \$                 | \$                |
| <b>Cash flows from operating activities:</b>               |                    |                    |                    |                    |                    |                    |                    |                  |                    |                   |
| Receipts from customers                                    | 7,786,323          | 8,173,173          | 8,583,674          | 9,012,858          | 9,465,634          | 9,934,542          | 10,433,510         | 10,955,185       | 11,505,538         | 12,075,498        |
| Payment to suppliers and employees                         | (15,295,213)       | (15,135,645)       | (15,550,793)       | (15,973,923)       | (16,412,359)       | (16,851,650)       | (17,314,285)       | (17,785,831)     | (18,274,443)       | (18,764,032)      |
| Interest received  | 398,528.49         | 210,585.91         | 217,368.73         | 202,916.04         | 180,794.00         | 215,443.78         | 269,302.30         | 269,403.20       | 337,137.86         | 365,873.76        |
| Lease receipts   | 288,340            | 288,340            | 288,340            | 288,340            | 288,340            | 288,340            | 288,340            | 288,340          | 288,340            | 288,340           |
| Rental income  | 85,298.67          | 92,018.59          | 96,640.27          | 101,472.29         | 106,569.92         | 111,849.18         | 117,466.86         | 123,340.20       | 129,536.41         | 135,953.37        |
| Non-capital grants and contributions                       | 7,327,020          | 7,730,807          | 7,925,817          | 8,123,962          | 8,328,935          | 8,533,364          | 8,748,619          | 8,967,334        | 9,193,586          | 9,419,237         |
| <b>Net cash inflow (outflow) from operating activities</b> | <b>590,297</b>     | <b>1,359,278</b>   | <b>1,561,047</b>   | <b>1,755,625</b>   | <b>1,957,914</b>   | <b>2,231,889</b>   | <b>2,542,953</b>   | <b>2,817,772</b> | <b>3,179,695</b>   | <b>3,520,871</b>  |
| <b>Cash flows from investing activities:</b>               |                    |                    |                    |                    |                    |                    |                    |                  |                    |                   |
| Payments for property, plant and equipment                 | (9,601,115)        | (2,032,000)        | (2,530,000)        | (3,110,000)        | (3,205,000)        | (2,841,000)        | (5,530,000)        | (3,385,000)      | (5,465,000)        | (3,750,000)       |
| Grants, subsidies, contributions and donations             | 5,178,725          | -                  | 250,000            | 350,000            | 350,000            | 1,750,000          | 3,000,000          | 2,500,000        | 3,000,000          | 3,000,000         |
| <b>Net cash inflow (outflow) from investing activities</b> | <b>(4,422,390)</b> | <b>(2,032,000)</b> | <b>(2,280,000)</b> | <b>(2,760,000)</b> | <b>(2,855,000)</b> | <b>(1,091,000)</b> | <b>(2,530,000)</b> | <b>(885,000)</b> | <b>(2,465,000)</b> | <b>(750,000)</b>  |
| <b>Net increase (decrease) in cash held</b>                | <b>(3,832,093)</b> | <b>(672,722)</b>   | <b>(718,953)</b>   | <b>(1,004,375)</b> | <b>(897,086)</b>   | <b>1,140,889</b>   | <b>12,953</b>      | <b>1,932,772</b> | <b>714,695</b>     | <b>2,770,871</b>  |
| Cash at beginning of reporting period                      | 12,426,910         | 8,594,817          | 7,922,095          | 7,203,143          | 6,198,768          | 5,301,682          | 6,442,572          | 6,455,524        | 8,388,296          | 9,102,991         |
| <b>Cash at end of reporting period</b>                     | <b>8,594,817</b>   | <b>7,922,095</b>   | <b>7,203,143</b>   | <b>6,198,768</b>   | <b>5,301,682</b>   | <b>6,442,572</b>   | <b>6,455,524</b>   | <b>8,388,296</b> | <b>9,102,991</b>   | <b>11,873,862</b> |
| Consolidated entity budget - Council and Aerodrome Company |                    |                    |                    |                    |                    |                    |                    |                  |                    |                   |

| <b>LOCKHART RIVER ABORIGINAL SHIRE COUNCIL</b>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Budgeted and 9 Years Forecasted Statement of Changes in Equity</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|   | <b>Budget</b>      | <b>Forecast</b>    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Year ended</b>   | <b>30-Jun-20</b>   | <b>30-Jun-21</b>   | <b>30-Jun-22</b>   | <b>30-Jun-23</b>   | <b>30-Jun-24</b>   | <b>30-Jun-25</b>   | <b>30-Jun-26</b>   | <b>30-Jun-27</b>   | <b>30-Jun-28</b>   | <b>30-Jun-29</b>   |
|   | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          |
| <b>Asset revaluation surplus</b>                                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Opening balance   | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         |
| Increase in asset revaluation surplus                                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Closing balance   | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         | 31,802,128         |
| <b>Retained surplus</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Opening balance   | 68,457,809         | 72,553,503         | 71,136,082         | 70,251,892         | 69,588,453         | 69,058,514         | 70,298,940         | 73,051,784         | 75,481,488         | 78,712,596         |
| Net result  | 4,095,694          | (1,417,421)        | (884,190)          | (663,439)          | (529,939)          | 1,240,426          | 2,752,844          | 2,429,704          | 3,231,108          | 3,588,492          |
| Closing balance   | 72,553,503         | 71,136,082         | 70,251,892         | 69,588,453         | 69,058,514         | 70,298,940         | 73,051,784         | 75,481,488         | 78,712,596         | 82,301,088         |
| <b>Total</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Opening balance   | 100,259,937        | 104,355,631        | 102,938,210        | 102,054,020        | 101,390,581        | 100,860,642        | 102,101,068        | 104,853,913        | 107,283,616        | 110,514,724        |
| Net result  | 4,095,694          | - 1,417,421        | - 884,190          | - 663,439          | - 529,939          | 1,240,426          | 2,752,844          | 2,429,704          | 3,231,108          | 3,588,492          |
| Increase in asset revaluation surplus                                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>Closing balance</b>  | <b>104,355,631</b> | <b>102,938,210</b> | <b>102,054,020</b> | <b>101,390,581</b> | <b>100,860,642</b> | <b>102,101,068</b> | <b>104,853,913</b> | <b>107,283,616</b> | <b>110,514,724</b> | <b>114,103,216</b> |
| Consolidated entity budget - Council and Aerodrome Company            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |



Appendix

1. 2019-20 Council Policies and Procedures can be accessed through this link  
<https://lockhart.qld.gov.au/publications/council-policy/>

THE END