

# LOCKHART RIVER ABORIGINAL SHIRE COUNCIL



**BUDGET REPORT 2021-2022**

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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 less than 0.50% annually and nil interest for Aerodrome Company's Macquarie Bank deposit.

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 include in the long term forecasts.

All the major capital works are grant funded by federal and state government programs. 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 2.0% and its impact has been included in the long term forecast by adjusting costs by CPI.

There was nil increase in some of the 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.

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 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 CPI and work attendance is assumed to be 100% of total budgeted ordinary working hours.





## Budget variances for the year

### LOCKHART RIVER ABORIGINAL SHIRE COUNCIL

#### Budget Statement of Comprehensive Income Budget Variance

For the year ended 30 June	Actual 2020/21	Budget 2020/21	Budget* 2021/22	Variance to budget	% Change	Reasons
	\$	\$	\$	\$		
<b>Recurrent revenue</b>						
Rates, levies and charges	144,016	155,000	157,500	2,500	2%	
Rental income	108,577	105,000	150,000	45,000	43%	
Interest received	46,860	212,245	50,000	(162,245)	-76%	Interest decreased to 0.5% pa
Sales and recoverable works	3,534,650	8,250,820	6,168,121	(2,082,699)	-25%	Decline in housing recoverable works
Other income	73,177	10,000	60,000	50,000	500%	
Grants, subsidies, contributions and donations	17,625,635	21,118,228	7,128,221	(13,990,007)	-66%	Effect of completed DRFA restoration works
	21,532,915	29,851,293	13,713,842	(16,137,451)	-54%	
<b>Capital revenue</b>						
Grants, subsidies, contributions and donations	4,493,298	7,152,500	13,822,575	6,670,075	93%	New capital funding from CYRP 2 and W4Q 21-24
<b>Total revenue</b>	<b>26,026,213</b>	<b>37,003,793</b>	<b>27,536,417</b>	<b>(9,467,376)</b>	<b>-26%</b>	
<b>Total income</b>	<b>26,026,213</b>	<b>37,003,793</b>	<b>27,536,417</b>	<b>(9,467,376)</b>	<b>-26%</b>	
<b>Operating Expenses</b>						
Recurrent expenses						
Employee benefits	(5,453,401)	(6,764,669)	(7,149,127)	(384,458)	6%	
Materials and services	(15,718,578)	(21,005,298)	(6,802,605)	14,202,693	-68%	Effect of completed DRFA restoration works
Depreciation and amortisation	(2,544,538)	(2,045,989)	(2,528,871)	(482,882)	24%	
Other expenses	(834,738)	(8,461)	(3,749)	4,712	-56%	
<b>Total expenses</b>	<b>(24,551,255)</b>	<b>(29,824,417)</b>	<b>(16,484,352)</b>	<b>13,340,065</b>	<b>-45%</b>	
<b>Net Operating Result</b>	<b>1,474,958</b>	<b>7,179,376</b>	<b>11,052,065</b>	<b>3,872,688</b>	<b>54%</b>	

### LOCKHART RIVER ABORIGINAL SHIRE COUNCIL

#### Capital Expenditure Budget Variance

	Actual 2020/21	Budget 2020/21	Budget* 2021/22	Variance to budget	% Change	Reasons
BUILDINGS (>\$5,000)	945,713	2,022,000	1,108,544	(913,456)	-45%	Final stage of completing new cabins
HOUSING (>\$5,000)	19,980	250,000	135,000	(115,000)	-46%	Only one staff house under renovation
OTHER STRUCTURES (>\$5,000)	866,165	3,075,500	5,987,914	2,912,414	95%	New subdivision and Work For Queensland programs
OFFICE FURNITURE & EQUIP	65,494	45,000	50,000	5,000	11%	
PLANT & EQUIPMENT (>\$1,000)	776,448	385,000	205,000	(180,000)	-47%	Only to replace garbage truck and Aerodrome ute
ROAD INFRASTRUCTURE (>\$5,000)	2,487,958	3,680,250	6,013,320	2,333,070	63%	New Cape York Region Package 2 program
WATER INFRASTRUCTURE (>\$5,000)	293,969	573,000	206,000	(367,000)	-64%	Completing water main to the quintel Beach
SEWERAGE INFRASTRUCTURE (>\$5,000)	-	682,750	750,000	67,250	10%	
	<b>5,455,727</b>	<b>10,713,500</b>	<b>14,455,778</b>	<b>3,742,278</b>	<b>35%</b>	

Consolidated entity budget - Council and Aerodrome Company

**LOCKHART RIVER ABORIGINAL SHIRE COUNCIL**

**Budgeted and 2 Years Forecasted Statement of Comprehensive Income**

Year ended	Budget	Forecast	
	30-Jun-22 \$	30-Jun-23 \$	30-Jun-24 \$
<b>Revenue</b>			
<b>Recurrent revenue</b>			
General rates	157,500	165,375	173,644
Other rental income	150,000	157,500	165,375
Other interest received	50,000	50,625	51,258
Contract and recoverable works	5,150,252	5,417,765	5,699,653
Government subsidies and grants—operating	7,128,221	7,208,418	7,388,629
Commonwealth subsidies and grants—operating	-	-	-
Other income	1,077,869	1,091,780	1,105,908
<b>Total recurrent revenue</b>	<b>13,713,842</b>	<b>14,091,463</b>	<b>14,584,466</b>
<b>Capital revenue</b>			
Government subsidies and grants—capital	13,822,575	4,950,000	4,900,000
<b>Total income</b>	<b>27,536,417</b>	<b>19,041,463</b>	<b>19,484,466</b>
<b>Expenses</b>			
Employee benefits	7,149,127	7,292,110	7,437,952
Materials and services	6,802,605	6,938,657	7,077,430
Depreciation and amortisation	2,528,871	3,247,909	3,317,936
Other expenses	3,749	3,603	3,456
<b>Total expenses</b>	<b>16,484,352</b>	<b>17,482,279</b>	<b>17,836,774</b>
<b>Net result attributable to Council</b>	<b>11,052,065</b>	<b>1,559,184</b>	<b>1,647,692</b>
<b>Operating Result</b>			
Operating revenue	13,713,842	14,091,463	14,584,466
Operating expense	16,484,352	17,482,279	17,836,774
<b>Net Operating result</b>	<b>(2,770,510)</b>	<b>(3,390,816)</b>	<b>(3,252,308)</b>

Consolidated entity budget - Council and Aerodrome Company

**LOCKHART RIVER ABORIGINAL SHIRE COUNCIL**

**Budgeted and 2 Years Forecasted Statement of Financial Position**

Year ended	Budget	Forecast	
	30-Jun-22 \$	30-Jun-23 \$	30-Jun-24 \$
<b>Current assets</b>			
Cash assets and cash equivalents	8,811,416	7,174,121	6,760,053
Inventories	318,618	318,618	318,618
Receivables	1,115,196	1,154,041	1,191,247
Right-of-use assets	67,769	55,019	42,269
Financial assets	338,052	338,052	338,052
<b>Total current assets</b>	<b>10,651,051</b>	<b>9,039,852</b>	<b>8,650,239</b>
<b>Non-current assets</b>			
Property, plant and equipment	102,685,627	106,171,468	108,521,282
Other non-current assets	9,626,221	9,319,901	9,013,581
Investment	100	100	100
<b>Total non-current assets</b>	<b>112,311,948</b>	<b>115,491,469</b>	<b>117,534,963</b>
<b>Total assets</b>	<b>122,962,999</b>	<b>124,531,320</b>	<b>126,185,201</b>
<b>Current liabilities</b>			
Trade and other payables	559,365	570,547	580,363
Employee payables/provisions	587,599	599,351	609,668
Lease liabilities	14,400	14,400	14,400
<b>Total current liabilities</b>	<b>1,161,364</b>	<b>1,184,299</b>	<b>1,204,431</b>
<b>Non-current liabilities</b>			
Employee payables/provisions	1,930,884	1,917,087	1,903,143
<b>Total non-current liabilities</b>	<b>1,930,884</b>	<b>1,917,087</b>	<b>1,903,143</b>
<b>Total liabilities</b>	<b>3,092,248</b>	<b>3,101,386</b>	<b>3,107,574</b>
<b>Net community assets</b>	<b>119,870,751</b>	<b>121,429,934</b>	<b>123,077,627</b>
<b>Community equity</b>			
Asset revaluation reserve	34,362,007	34,362,007	34,362,007
Retained surplus (deficiency)	85,508,744	87,067,927	88,715,620
<b>Total community equity</b>	<b>119,870,751</b>	<b>121,429,934</b>	<b>123,077,627</b>

Consolidated entity budget - Council and Aerodrome Company

**LOCKHART RIVER ABORIGINAL SHIRE COUNCIL**

**Budgeted and 2 Years Forecasted Statement of Cash Flows**

Year ended	Budget	Forecast	
	30-Jun-22 \$	30-Jun-23 \$	30-Jun-24 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers	6,323,629	6,651,142	6,955,762
Payment to suppliers and employees	(14,805,554)	(14,210,832)	(14,498,249)
Interest received	50,000	50,625	51,258
Lease receipts	306,320	306,320	306,320
Rental income	147,882	156,884	164,765
Non-capital grants and contributions	7,755,213	7,193,968	7,375,476
<b>Net cash inflow (outflow) from operating act</b>	<b>(222,509)</b>	<b>148,105</b>	<b>355,332</b>
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment	(14,455,778)	(6,721,000)	(5,655,000)
Grants, subsidies, contributions and donations	13,155,036	4,950,000	4,900,000
<b>Net cash inflow (outflow) from investing act</b>	<b>(1,300,742)</b>	<b>(1,771,000)</b>	<b>(755,000)</b>
<b>Cash flows from financing activities:</b>			
Repayment of leases	(36,603)	(14,400)	(14,400)
<b>Net cash inflow (outflow) from financing act</b>	<b>(36,603)</b>	<b>(14,400)</b>	<b>(14,400)</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,559,854)</b>	<b>(1,637,295)</b>	<b>(414,068)</b>
Cash at beginning of reporting period	10,371,270	8,811,416	7,174,121
<b>Cash at end of reporting period</b>	<b>8,811,416</b>	<b>7,174,121</b>	<b>6,760,053</b>



**LOCKHART RIVER ABORIGINAL SHIRE COUNCIL**

**Budgeted and 2 Years Forecasted Statement of Changes in Equity**

Year ended	Budget	Forecast	
	30-Jun-22 \$	30-Jun-23 \$	30-Jun-24 \$
<b>Asset revaluation surplus</b>			
Opening balance	34,362,007	34,362,007	34,362,007
Closing balance	34,362,007	34,362,007	34,362,007
<b>Retained surplus</b>			
Opening balance	74,456,679	85,508,744	87,067,927
Net result	11,052,065	1,559,184	1,647,692
Closing balance	85,508,744	87,067,927	88,715,620
<b>Total</b>			
Opening balance	108,818,686	119,870,751	121,429,934
Net result	11,052,065	1,559,184	1,647,692
<b>Closing balance</b>	<b>119,870,751</b>	<b>121,429,934</b>	<b>123,077,627</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-22	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30	30-Jun-31

**1 Operating Surplus Ratio**

(Net Operating Surplus / Total Operating Revenue) (%)	0 - 10%	(20.2)%	(24.1)%	(22.3)%	(20.6)%	(19.4)%	(15.9)%	(11.1)%	(9.5)%	(7.8)%
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**2 Net Financial Asset / Liability Ratio**

((Total Liabilities - Current Assets) / Total Operating Revenue)	60.0%	(54.6)%	(41.8)%	(37.7)%	(35.3)%	(31.3)%	(34.9)%	(32.9)%	(36.2)%	(35.4)%
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**3 Asset Sustainability Ratio**

(Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense)	90.0%	231.8%	169.7%	162.5%	76.7%	61.5%	53.9%	69.8%	91.3%	41.6%
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Consolidated entity budget - Council and Aerodrome Company

**LOCKHART RIVER ABORIGINAL SHIRE COUNCIL**

**Budgeted and 9 Years Forecasted Statement of Comprehensive Income**

Year ended	Budget	Forecast								
	30-Jun-22 \$	30-Jun-23 \$	30-Jun-24 \$	30-Jun-25 \$	30-Jun-26 \$	30-Jun-27 \$	30-Jun-28 \$	30-Jun-29 \$	30-Jun-30 \$	30-Jun-31 \$
<b>Revenue</b>										
<b>Recurrent revenue</b>										
General rates	157,500	165,375	173,644	182,326	191,442	201,014	211,065	221,618	232,699	244,334
Other rental income	150,000	157,500	165,375	173,644	182,326	191,442	201,014	211,065	221,618	232,699
Other interest received	50,000	50,625	51,258	51,899	52,547	53,204	53,869	54,543	55,224	55,915
Contract and recoverable works	5,150,252	5,417,765	5,699,653	5,996,735	6,309,882	6,640,017	6,988,123	7,355,245	7,742,495	8,151,055
Government subsidies & grants op	7,128,221	7,208,418	7,388,629	7,573,344	7,762,678	7,956,745	8,155,663	8,359,555	8,568,544	8,782,757
Other income	1,077,869	1,091,780	1,105,908	1,120,262	1,134,847	1,149,673	1,164,749	1,180,083	1,195,687	1,211,571
<b>Total recurrent revenue</b>	<b>13,713,842</b>	<b>14,091,463</b>	<b>14,584,466</b>	<b>15,098,210</b>	<b>15,633,723</b>	<b>16,192,096</b>	<b>16,774,484</b>	<b>17,382,109</b>	<b>18,016,267</b>	<b>18,678,331</b>
<b>Capital revenue</b>										
Government & grants—capital	13,822,575	4,950,000	4,900,000	2,350,000	2,930,000	2,400,000	5,130,000	2,500,000	3,580,000	3,100,000
<b>Total income</b>	<b>27,536,417</b>	<b>19,041,463</b>	<b>19,484,466</b>	<b>17,448,210</b>	<b>18,563,723</b>	<b>18,592,096</b>	<b>21,904,484</b>	<b>19,882,109</b>	<b>21,596,267</b>	<b>21,778,331</b>
<b>Expenses</b>										
Employee benefits	7,149,127	7,292,110	7,437,952	7,586,711	7,738,445	7,893,214	8,051,078	8,212,100	8,376,342	8,543,869
Materials and services	6,802,605	6,938,657	7,077,430	7,218,979	7,363,358	7,510,626	7,660,838	7,814,055	7,970,336	8,129,743
Depreciation and amortisation	2,528,871	3,247,909	3,317,936	3,400,977	3,557,114	3,354,957	2,913,164	3,012,186	3,078,444	3,057,046
Other expenses	3,749	3,603	3,456	3,306	3,156	3,000	3,000	3,000	3,000	3,000
<b>Total expenses</b>	<b>16,484,352</b>	<b>17,482,279</b>	<b>17,836,774</b>	<b>18,209,973</b>	<b>18,662,073</b>	<b>18,761,797</b>	<b>18,628,080</b>	<b>19,041,340</b>	<b>19,428,122</b>	<b>19,733,658</b>
<b>Net result attributable to Council</b>	<b>11,052,065</b>	<b>1,559,184</b>	<b>1,647,692</b>	<b>(761,763)</b>	<b>(98,351)</b>	<b>(169,701)</b>	<b>3,276,404</b>	<b>840,769</b>	<b>2,168,145</b>	<b>2,044,674</b>
<b>OPERATING RESULT</b>										
<b>Operating revenue</b>	13,713,842	14,091,463	14,584,466	15,098,210	15,633,723	16,192,096	16,774,484	17,382,109	18,016,267	18,678,331
<b>Operating expense</b>	16,484,352	17,482,279	17,836,774	18,209,973	18,662,073	18,761,797	18,628,080	19,041,340	19,428,122	19,733,658
<b>Operating result</b>	<b>(2,770,510)</b>	<b>(3,390,816)</b>	<b>(3,252,308)</b>	<b>(3,111,763)</b>	<b>(3,028,351)</b>	<b>(2,569,701)</b>	<b>(1,853,596)</b>	<b>(1,659,231)</b>	<b>(1,411,855)</b>	<b>(1,055,326)</b>

Consolidated entity budget - Council and Aerodrome Company

**LOCKHART RIVER ABORIGINAL SHIRE COUNCIL**

**Budgeted and 9 Years Forecasted Statement of Financial Position**

Year ended	Budget	Forecast								
	30-Jun-22 \$	30-Jun-23 \$	30-Jun-24 \$	30-Jun-25 \$	30-Jun-26 \$	30-Jun-27 \$	30-Jun-28 \$	30-Jun-29 \$	30-Jun-30 \$	30-Jun-31 \$
<b>Current assets</b>										
Cash assets and cash equivalents	8,811,416	7,174,121	6,760,053	6,563,178	6,089,394	6,804,555	6,648,178	7,398,168	7,460,355	8,990,907
Inventories	318,618	318,618	318,618	318,618	318,618	318,618	318,618	318,618	318,618	318,618
Receivables	1,115,196	1,154,041	1,191,247	1,236,683	1,280,645	1,326,484	1,370,542	1,424,184	1,476,250	1,530,610
Right-of-use assets	67,769	55,019	42,269	29,519	16,769	4,019	-	-	-	-
Financial assets	338,052	338,052	338,052	338,052	338,052	338,052	338,052	338,052	338,052	338,052
<b>Total current assets</b>	<b>10,651,051</b>	<b>9,039,852</b>	<b>8,650,239</b>	<b>8,486,050</b>	<b>8,043,477</b>	<b>8,791,729</b>	<b>8,675,390</b>	<b>9,479,021</b>	<b>9,593,275</b>	<b>11,178,187</b>
<b>Non-current assets</b>										
Property, plant and equipment	102,685,627	106,171,468	108,521,282	108,243,055	108,903,691	108,302,484	112,023,339	112,396,153	114,782,709	115,575,663
Other non-current assets	9,626,221	9,319,901	9,013,581	8,707,261	8,400,941	8,094,621	7,788,301	7,481,981	7,175,661	6,869,341
Investment	100	100	100	100	100	100	100	100	100	100
<b>Total non-current assets</b>	<b>112,311,948</b>	<b>115,491,469</b>	<b>117,534,963</b>	<b>116,950,416</b>	<b>117,304,732</b>	<b>116,397,205</b>	<b>119,811,740</b>	<b>119,878,234</b>	<b>121,958,470</b>	<b>122,445,104</b>
<b>Total assets</b>	<b>122,962,999</b>	<b>124,531,320</b>	<b>126,185,201</b>	<b>125,436,465</b>	<b>125,348,209</b>	<b>125,188,933</b>	<b>128,487,130</b>	<b>129,357,256</b>	<b>131,551,745</b>	<b>133,623,290</b>
<b>Current liabilities</b>										
Trade and other payables	559,365	570,547	580,363	593,587	605,454	617,558	628,183	642,498	655,343	668,445
Employee payables/provisions	587,599	599,351	609,668	623,565	636,037	648,757	659,924	674,967	688,466	702,236
Lease liabilities	14,400	14,400	14,400	14,400	14,400	14,400	-	-	-	-
<b>Total current liabilities</b>	<b>1,161,364</b>	<b>1,184,299</b>	<b>1,204,431</b>	<b>1,231,553</b>	<b>1,255,891</b>	<b>1,280,716</b>	<b>1,288,108</b>	<b>1,317,465</b>	<b>1,343,809</b>	<b>1,370,680</b>
<b>Non-current liabilities</b>										
Employee payables/provisions	1,930,884	1,917,087	1,903,143	1,889,049	1,874,805	1,860,405	1,874,805	1,874,805	1,874,805	1,874,805
<b>Total non-current liabilities</b>	<b>1,930,884</b>	<b>1,917,087</b>	<b>1,903,143</b>	<b>1,889,049</b>	<b>1,874,805</b>	<b>1,860,405</b>	<b>1,874,805</b>	<b>1,874,805</b>	<b>1,874,805</b>	<b>1,874,805</b>
<b>Total liabilities</b>	<b>3,092,248</b>	<b>3,101,386</b>	<b>3,107,574</b>	<b>3,120,602</b>	<b>3,130,696</b>	<b>3,141,121</b>	<b>3,162,913</b>	<b>3,192,271</b>	<b>3,218,614</b>	<b>3,245,485</b>
<b>Net community assets</b>	<b>119,870,751</b>	<b>121,429,934</b>	<b>123,077,627</b>	<b>122,315,864</b>	<b>122,217,513</b>	<b>122,047,813</b>	<b>125,324,217</b>	<b>126,164,986</b>	<b>128,333,131</b>	<b>130,377,805</b>
<b>Community equity</b>										
Asset revaluation reserve	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007
Retained surplus (deficiency)	85,508,744	87,067,927	88,715,620	87,953,857	87,855,506	87,685,806	90,962,210	91,802,979	93,971,124	96,015,798
<b>Total community equity</b>	<b>119,870,751</b>	<b>121,429,934</b>	<b>123,077,627</b>	<b>122,315,864</b>	<b>122,217,513</b>	<b>122,047,813</b>	<b>125,324,217</b>	<b>126,164,986</b>	<b>128,333,131</b>	<b>130,377,805</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-22 \$	30-Jun-23 \$	30-Jun-24 \$	30-Jun-25 \$	30-Jun-26 \$	30-Jun-27 \$	30-Jun-28 \$	30-Jun-29 \$	30-Jun-30 \$	30-Jun-31 \$
<b>Cash flows from operating activities:</b>										
Receipts from customers	6,323,629	6,651,142	6,955,762	7,271,445	7,608,485	7,961,565	8,335,139	8,722,766	9,136,859	9,571,118
Payment to suppliers and employees	(14,805,554)	(14,210,832)	(14,498,249)	(14,781,568)	(15,080,465)	(15,382,015)	(15,693,124)	(15,999,798)	(16,323,333)	(16,649,740)
Interest received	50,000	50,625	51,258	51,899	52,547	53,204	53,869	54,543	55,224	55,915
Lease receipts	306,320	306,320	306,320	306,320	306,320	306,320	306,320	306,320	306,320	306,320
Rental income	147,882	156,884	164,765	172,927	181,612	190,693	200,273	210,194	220,751	231,788
Non-capital grants & contribution	7,755,213	7,193,968	7,375,476	7,556,503	7,747,116	7,940,794	8,141,145	8,340,965	8,551,367	8,765,151
<b>Net cash inflow (outflow) from operating activities</b>	<b>(222,509)</b>	<b>148,105</b>	<b>355,332</b>	<b>577,525</b>	<b>815,616</b>	<b>1,070,562</b>	<b>1,343,622</b>	<b>1,634,990</b>	<b>1,947,187</b>	<b>2,280,552</b>
<b>Cash flows from investing activities</b>										
Payments for property, plant & e	(14,455,778)	(6,721,000)	(5,655,000)	(3,110,000)	(4,205,000)	(2,741,000)	(6,630,000)	(3,385,000)	(5,465,000)	(3,850,000)
Grants, subsidies, contributions &	13,155,036	4,950,000	4,900,000	2,350,000	2,930,000	2,400,000	5,130,000	2,500,000	3,580,000	3,100,000
<b>Net cash inflow (outflow) from investing activities</b>	<b>(1,300,742)</b>	<b>(1,771,000)</b>	<b>(755,000)</b>	<b>(760,000)</b>	<b>(1,275,000)</b>	<b>(341,000)</b>	<b>(1,500,000)</b>	<b>(885,000)</b>	<b>(1,885,000)</b>	<b>(750,000)</b>
<b>Cash flows from financing activities</b>										
Repayment of leases	(36,603)	(14,400)	(14,400)	(14,400)	(14,400)	(14,400)				
<b>Net cash inflow (outflow) from financing activities</b>	<b>(36,603)</b>	<b>(14,400)</b>	<b>(14,400)</b>	<b>(14,400)</b>	<b>(14,400)</b>	<b>(14,400)</b>	-	-	-	-
<b>Net increase (decrease) in cash held</b>	<b>(1,559,854)</b>	<b>(1,637,295)</b>	<b>(414,068)</b>	<b>(196,875)</b>	<b>(473,784)</b>	<b>715,162</b>	<b>(156,378)</b>	<b>749,990</b>	<b>62,187</b>	<b>1,530,552</b>
Cash at beginning of reporting period	10,371,270	8,811,416	7,174,121	6,760,053	6,563,178	6,089,394	6,804,555	6,648,178	7,398,168	7,460,355
<b>Cash at end of reporting period</b>	<b>8,811,416</b>	<b>7,174,121</b>	<b>6,760,053</b>	<b>6,563,178</b>	<b>6,089,394</b>	<b>6,804,555</b>	<b>6,648,178</b>	<b>7,398,168</b>	<b>7,460,355</b>	<b>8,990,907</b>

Consolidated entity budget - Council and Aerodrome Company



**LOCKHART RIVER ABORIGINAL SHIRE  
COUNCIL  
Budgeted and 9 Years Forecasted Statement of Changes in  
Equity**

Year ended	Budget	Forecast								
	30-Jun-22 \$	30-Jun-23 \$	30-Jun-24 \$	30-Jun-25 \$	30-Jun-26 \$	30-Jun-27 \$	30-Jun-28 \$	30-Jun-29 \$	30-Jun-30 \$	30-Jun-31 \$
<b>Asset revaluation surplus</b>										
Opening balance	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007
Closing balance	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007	34,362,007
<b>Retained surplus</b>										
Opening balance	74,456,679	85,508,744	87,067,927	88,715,620	87,953,857	87,855,506	87,685,806	90,962,210	91,802,979	93,971,124
Net result	11,052,065	1,559,184	1,647,692	- 761,763	- 98,351	- 169,701	3,276,404	840,769	2,168,145	2,044,674
Closing balance	85,508,744	87,067,927	88,715,620	87,953,857	87,855,506	87,685,806	90,962,210	91,802,979	93,971,124	96,015,798
<b>Total</b>										
Opening balance	108,818,686	119,870,751	121,429,934	123,077,627	122,315,864	122,217,513	122,047,813	125,324,217	126,164,986	128,333,131
Net result	11,052,065	1,559,184	1,647,692	- 761,763	- 98,351	- 169,701	3,276,404	840,769	2,168,145	2,044,674
<b>Closing balance</b>	<b>119,870,751</b>	<b>121,429,934</b>	<b>123,077,627</b>	<b>122,315,864</b>	<b>122,217,513</b>	<b>122,047,813</b>	<b>125,324,217</b>	<b>126,164,986</b>	<b>128,333,131</b>	<b>130,377,805</b>

Consolidated entity budget - Council and Aerodrome Company



## REVENUE POLICY

<b>ADOPTION DATE:</b>	July 2021
<b>REVISION DATE:</b>	June 2022
<b>DIVISION</b>	Corporate Services
<b>RESPONSIBLE OFFICER:</b>	Chief Executive Officer Director Finance & Administration

### 1. POLICY OBJECTIVE

To establish the principles for the raising of adequate revenue to ensure balanced budget, long-term financial sustainability and providing services to the residents of Lockhart River.

### 2. RELEVANT LEGISLATION

Local Government Regulation 2012 (s.193)

Local Government Act 2009 (s. 94)

### 3. POLICY STATEMENT

Every year the Council is required to develop and adopt by resolution a revenue policy based on the following principles to guide generation of revenue

- transparency
- simplicity
- cost effectiveness
- equity, and
- flexibility

The Council principles are applicable to the following sources of Council

- The making of rates and charges
- The levying of rates and charges
- The recovery of rates and charges
- Granting rebates and concessions
- Charges for council services and use of Council facilities
- Charges for Council's other recoverable works (motor vehicle repairs and construction services)
- Cost recovery and user fees and charges
- Overheads cost recovery for grants administration

Council has the option to make and levy rates and charges (s.91-100). However in this policy "Rates and Charges" refers to user fees and charges for cost-recovery purposes only because Council does not levy rates on properties.

Council did not make any resolution to limit an increase of rates and charges.

#### 3.1 Making of Charges:

In the making of rates and charges, Council will be guided by the principle of user pays, so as 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;

- 
- 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

### 3.2 Levying of Charges:

To ensure there is a clear understanding on the responsibilities of Council and each ratepayer, the following principles will be applied:-

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

### 3.3 Recovery of 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
- ensuring 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 in similar circumstances
- ensuring flexibility to respond to local economic issues

The Council may use (but not be limited to) the following processes to collect outstanding rates and charges: -

- Issue notification letters to individuals/corporations
- Attempt to work out a schedule of repayment
- Initiate formal recovery procedures where debt settlement is not forthcoming
- Withdraw service until debt is recovered
- Other actions consistent with Council's debt recovery policies

### 3.4 Rebates and Concessions:

Council will grant rebates and concessions to residents who demonstrate genuine financial hardship or pensioners

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; and
- ensuring flexibility to respond to local economic issues

### 3.5 Physical and social infrastructure costs for new development

Council and developers will agree on special/additional rates and charges required to pay for costs associated with

- 
- Any increase in maintenance costs on the available capacity of the existing infrastructure due to new development
  - Any additional infrastructure required due to new development
  - Where appropriate, a contribution towards social infrastructure changes required to cater for the increase or changes in population caused by new development.

3.6 Review of rates and charges:

The Council will undertake an annual review of rates and charges with a view to adjusting charges based upon the cost of providing the service and CPI increases. The intention of the review is to ensure full cost recovery because the Council does not make profit margins.

4. BUDGET IMPLICATIONS

Council is unable to fund major asset replacements/capital works and as such it relies on state and federal government grants to fund all new developments.

5. IMPLEMENTATION

Policy to be implemented by the Chief Executive Officer

Policy commences immediately on adoption by Council

Policy applies to all employees of the Council.

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DOCUMENT END



## REVENUE STATEMENT POLICY

<b>POLICY NO:</b>	<b>STAT008</b>
<b>ADOPTION DATE:</b>	<b>July 2021</b>
<b>REVISION DATE:</b>	<b>June 2022</b>
<b>DIVISION</b>	<b>Corporate Services</b>
<b>RESPONSIBLE OFFICER:</b>	<b>Chief Executive Officer Manager Finance and Admin</b>
Note: P - Primary Author, S - Secondary Author	

### POLICY OBJECTIVE:

To provide an outline and the measures the Council has adopted for raising revenue including the rates, charges and concessions for each.

### RELEVANT LEGISLATION:

Local Government Regulation 2012 (s.172)

Local Government Act 2009 (s. 94)

### PROCEDURES:

This Statement is adopted pursuant to Local Government Regulation 2012, Chapter 5 Financial Planning and Accountability, Part 3 Financial Accountability Documents, Division 1.

- a) Council's ability to raise a general rate or other rate is limited, as the Shire controls the land, which is predominantly Deed of Grant in Trust with Council as Trustee. Council is reliant on continued government grant funding remaining at least at its current levels to maintain operating capability.

Details of budget grant funding revenue is disclosed as an attachment to the budget.

Council also raises revenue from various other sources including housing rent, sale of goods and services and miscellaneous fees and charges. Details of budget non-grant revenue are



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disclosed as an attachment to the budget. Concessions are granted only in accordance with the Revenue Policy.

Utility service fees and charges will be levied in 2020/21 on each Government owned, leased, or occupied property in relation to:-

- Sewerage
- Waste collection and disposal
- Water supply

These charges are set to recover the cost of provision of each service including on-going operations and maintenance and are set out in the schedule of fees and charges.

- b) No resolution has been made to limit increases in fees and charges.
- c) Physical and social infrastructure costs for new development are partly funded by charges for the development.
- d) The operational capability of the Council is to be maintained.
- e) Depreciation on infrastructure and community housing is not funded by Council.

#### **BUDGETARY IMPLICATIONS:**

Council is not in a position to self-fund major asset replacement and is solely reliant on government grants to do so.

**New Developments:** 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 and Operational Plans.

#### **IMPLEMENTATION:**

To be implemented by the Chief Executive Officer

Commences immediately on adoption by Council

Applies to all employees of the Council.

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DOCUMENT END



## SCHEDULE OF REGULATORY AND NON-REGULATORY FEES AND CHARGES

<b>ADOPTION DATE:</b>	<b>July 2021</b>
<b>REVISION DATE:</b>	<b>June 2022</b>
<b>DIVISION:</b>	<b>Corporate Services</b>
<b>RESPONSIBLE OFFICER:</b>	<b>Chief Executive Officer</b>

### POLICY OBJECTIVE:

To set a consistent range of fees and charges payable to Council.

### DEFINITIONS:

The following schedule of fees and charges will be reviewed annually prior to Council adopting the budget.

### RELEVANT LEGISLATION:

Local Government (Finance, Plans and Reporting) Regulation 2012  
Local Government Act 2009

## TRADESMAN AND ASSISTANT TRADESMAN

**NB:** 30% Discount on labour costs only applies to local community residents.

DESCRIPTION	HOURLY RATE (\$) GST INCLUSIVE
– Carpenter	143.50
– Plumber/Painter	143.50
– Mechanic	132.00
– Assistant Tradesman Carpenter	96.00
– Assistant Tradesman Plumber	96.00
– Assistant Tradesman Mechanic	96.00
– Plant Operator/Road Gang	60.00
– Call out fees (Min 2hrs)	165.50

## WORKSHOP MATERIALS

OIL / LUBRICANT DESCRIPTION*	TOTAL (\$) GST INCLUSIVE
– 5W30 per litre	14.00
– 15W40 per litre	12.50
– 80W90 / LS90 per litre	14.00
– Coolant per litre	14.00
– Grease – Cartridge	12.50
* Oils supplied only for work carried out in workshop. Council Stores carries stock and sell	
* Parts (costs + freight + 35%), ordered if required with payment made in full before purchase.	

## WORKSHOP SERVICES

**\*30% Discount Labour for Local Residents only**

SERVICE DESCRIPTION	TOTAL (\$) GST INCLUSIVE
– Tyre Change 'A' – Car	52.50
– Tyre Repair 'A' – Car	84.00
– Tyre Change 'B' – Truck / Plant	105.00
– Tyre Repair 'B' – Truck / Plant	136.50
– Wheel Balance	63.00
– Windscreen Replacement – Labour*	446.50
– Windscreen Replacement – Labour Local Res.	315.00

## MATERIALS

DESCRIPTION	TOTAL (\$) GST INCLUSIVE
– Sand (m <sup>3</sup> )	39.50
– Top Soil (m <sup>3</sup> )	111.50

## GAS BOTTLES AND REFILL – LOCAL RESIDENTS

DESCRIPTION	TOTAL (\$) GST INCLUSIVE - LOCAL RESIDENTS	TOTAL (\$) GST INCLUSIVE - OTHERS
– 45 KG	281.50	309.00
– 8.5 KG (SWAP & GO)	81.50	96.00
– 8.5 KG (NEW BOTTLE INC.)	243.50	258.50

## ADMINISTRATION

DESCRIPTION	TOTAL (\$/%)
– Grants & subsidies overhead recovery	12.5% - 20 %
– General Administration recoveries (Local Subcontracting included)	15%
– Sub-contracting	25%
– Permanent employees - oncosts	43.7%
– Stores issues – oncosts	15%
– Casual employees – oncosts (casual loading apply)	18.6%
– Materials overhead recoveries	Cost + 35%
– Photocopying per page - colour A4	\$1.50
- colour A3	\$2.50
- black & white A4	\$0.50
- black & white A3	\$1.00

## DUMPING FEES

DESCRIPTION	TOTAL (\$) GST INCLUSIVE SMALL LOAD	TOTAL (\$) GST INCLUSIVE LARGE LOAD
– General Waste (Domestic)	74.50	149.50
– Green Waste Domestic	8.00	16.50
– Building Waste	223.00	447.00
– Commercial Waste	91.50	182.50

## SERVICES – PLUMBING

DESCRIPTION	TOTAL (\$) GST INCLUSIVE
– Sewerage/Water connection <i>Subject to Council quotation</i>	3120.50
– Sewerage Pump Hire per day	156.00

## OTHERS

DESCRIPTION	TOTAL (\$) GST INCLUSIVE
– Application for Development Fees	4255.50
– Green Wheelie Bin (120L)	212.50
– Dog registration (per dog)	28.50

– Barge offloading services (plant and operator per hour)	175.50
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#### ACCOMMODATION / HIRE OF FACILITIES

DESCRIPTION	TOTAL (\$) GST INCLUSIVE
– Guesthouse Accommodation per night	184.50
– Staff housing per week	70.50
– Contractor Donga per night	68.50
– <b>Community Hall – Full Day Hire</b>	709.00
– <b>Community Hall – ½ Day Hire</b>	426.00
– <b>Puuya Centre Accommodation - Per night</b>	<b>(Not available for booking)</b> 245.00
– <b>Puuya Centre Accommodation - 2 People</b>	<b>(Not available for booking)</b> 370.00
– <b>Puuya Centre Hall – Full Day Hire</b>	426.00
– <b>Puuya Centre Hall – ½ Day Hire</b>	283.00
– <b>Puuya Centre Office Spare – Per Week</b>	140.00
– <b>Conference/Meeting Room – Full Day</b>	540.00
– <b>Council Conference/Meeting Room – ½ Day</b>	324.00
Community Housing – Rental charged policy is pegged on 25% of assessable income + rent assistance ( <i>maximum rent per week is determined by Department of Housing</i> )	

#### EMPTY BLOCK

DESCRIPTION	TOTAL (\$) EXC GST
– Block of Land (10M <sup>2</sup> per annum)	353.50

#### YARD CLEANING

DESCRIPTION	TOTAL (\$) EXC GST
– Mowing/slashing (normal cut) / 800 m <sup>2</sup>	79.00
– Mowing/slashing (overgrown yard) 800 m <sup>2</sup>	156.50
– General waste/garbage per m <sup>3</sup>	32.00

#### GENERAL RATES AND SERVICE CHARGES (INCLUDES UNLIMITED WATER USAGE, GARBAGE / WASTE DISPOSAL, SEWERAGE AND OTHER SERVICES)

PROPERTY OF	DESCRIPTION OF PROPERTY	TOTAL \$ EXC. GST PER ANNUM
Lockhart River State School	– School	10,729.00
Queensland Education	– 13A/13B Blady Grass St	6,437.00
Queensland Education	– 7 Blady Grass St	5,431.50
Department of Housing and Public Works, Government Employee Housing	– 3A / 3B Piiramo St	6,437.00
Department of Housing and Public Works, Government Employee Housing	– 8A / 8B BladyGrass St	6,437.00



Department of Housing and Public Works, Government Employee Housing	– 1 Paytham St	5,431.50
Department of Housing and Public Works, Government Employee Housing	– 6 Piiramo St	5,431.50
Torres and Cape Hospital and Health Service	– Hospital	10,729.00
Torres and Cape Hospital and Health Service	– Duplex x2	6,437.00
Torres and Cape Hospital and Health Service	– Houses x2	5,431.50
Queensland Police Service	– Police Station / Watch House / Court	17,021.50
Queensland Police Service	– Houses x 2	5,173.50
Queensland Police Service	– Duplex x 1	6,437.00
Department of Communities	– Multi-Tenancy Centre (new)	10,729.00
Community Enterprise Queensland (Former Retail Store)	– Retail Store	10,729.00
Community Enterprise Queensland (Former Retail Store)	– Manager's House	8,059.00
Community Enterprise Anglican Store	– Church, Lot 70	5,431.50
Ergon Energy	– Power Station	7,093.50
Puuya Foundation	– Kuunchi Kakana Centre	10,729.00
Puuya Foundation	– Residential	6,437.00

#### PLANT HIRE – WET / DRY

*NB: Hire of Plant and/or Plant Operator is set at minimum of 2 hours.*

PLANT	DESCRIPTION	HOURLY RATE (\$) GST INCLUSIVE	
		COUNCIL RATE	PRIVATE WORKS RATE
1005	Backhoe Loader Cat 430	92.00	130.00
1007	Bulldozer Cat D6	212.00	250.00
1017	Camping Trailer	11.00	11.00
1008	Caterpillar Loader Skid Steer	43.00	71.00
1000	Community Bus Toyota Coaster	33.00	61.00
1002	Commuter Bus	31.00	59.00
1058	Concrete Truck - Agitator	93.00	125.00
1060	Crawler excavator	102.00	137.00
1999	DRFA Accomodation Unit-LR	67.00	67.00

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1042	Dual Cab-Traffic Control U	31.00	59.00
1028	Dual Cab-Utility	22.00	50.00
1054	Emulsion-Aggregate Sealing Dist'r Truck	77.00	104.00
1048	Hearse	1.00	1.00
1018	Hino Dutro Garb Comp	31.00	59.00
1021	Isuzu FSR850	81.00	120.00
1009	Komatsu Motor Grader	196.00	234.00
1003	Manitou Forklift	81.00	109.00
1014	Mini Excavator	43.00	71.00
1053	Single Cab-Utility	22.00	50.00
1012	Tractor	37.00	65.00
1050	Wagon	22.00	50.00
1055	Water Trucks	76.00	102.00

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DOCUMENT END