



## BUDGET OVERVIEW

The 2021/22 Budget has been prepared on a bottom up basis with responsible fiscal management in mind and a full awareness of Council's current financial position. This budget has been guided by the outcomes of the business improvement program Council has completed during the last financial in conjunction with the Queensland Treasury Corporation. The major projects impacting on Council's bottom line this financial year will be flood recovery works and the continuation of COVID-19 Stimulus funded programs, some of which has been carried over from the 2020/21 financial year.

The 2021/22 Budget year will be no different to others, in that Council will be faced with having to exercise tight control over its spending. Whilst significant funding is expected for flood repair works, these monies will be targeted to specific projects. Council will still need to carefully monitor its general cash reserves in order to meet other capital obligations under the roadworks, plant replacement and asset renewal programs.

The increase in rates revenue will provide an additional 12% revenue. This however has been generated through changes to differential categories. The general increase in rates has been limited to 3% for continuing categories including the townships and rural categories.

During the year the land valuations have been completed by the Valuer-General and there has been significant increases in many values across the Shire. However the valuation changes includes large variances across different sectors and properties which will have some individual impacts across the area. Council is aware of the economic times being experienced by ratepayers within the shire and has sought to keep rate rises to a minimum while attempting to source government funding for projects where possible.

Council has been successful in attracting federal and state funding for a number of much-needed projects within the shire. Some of these projects and the associated funding are set out in the list below. A comprehensive list of all projects is set out within the budget papers.

Council has also increased the minimum charges for continuing rating categories by \$40.

With these comments in mind the 2021/22 financial year has an operational deficit of \$5.5M, including depreciation of \$7.5M. These continued operational deficits are a very sobering thought and obviously refocuses the attention on the burning issue of financial sustainability in local government particularly west of the Great Dividing Range in Queensland.

At the end of June 2021, Council's accumulated funds, amounted to \$7.8M. However, this will be impacted this year with Council's commitment to projects that have either commenced or been funded with grants and matching revenue. In line with its general approach, Council has committed that if the supporting grant funding is not received, the projects will not progress, thus reducing the impact on our funds and providing for responsible management of our position.

Council is also mindful of the risk in carrying large debt, particularly when our own sourced revenue is low, and other revenue streams are subject to large variations.



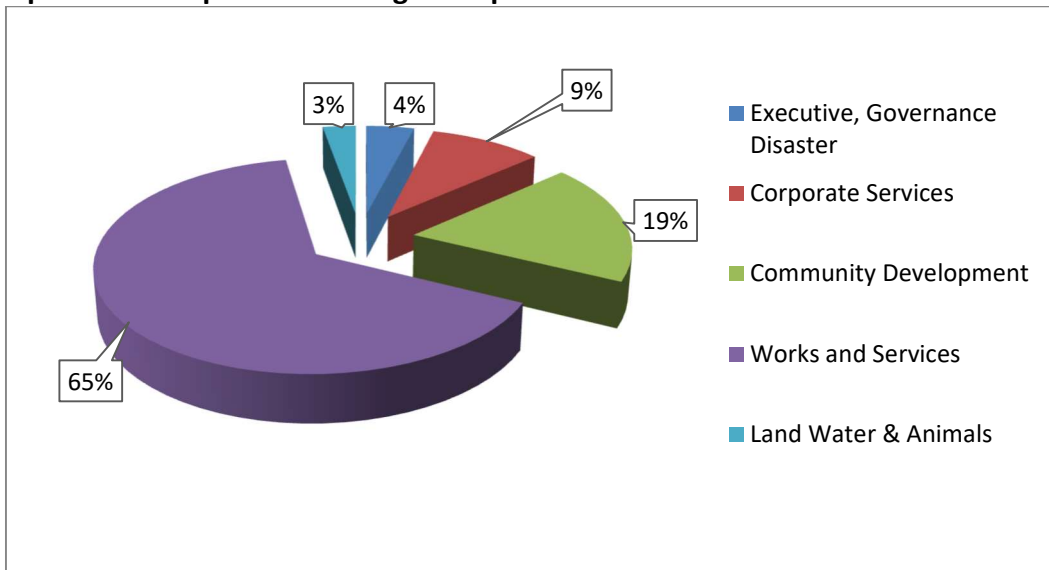
Council believes that we all have to live within our means, and whilst debt is a valid method of financing assets that have a future value and can be sold to realise that value, it is also passing on a debt to future councils and members of the community. Therefore there is significant support from Council to continually review our operations, and look towards doing our business more efficiently, so as to capitalise on some of these savings. With modern technology, communications, improved vehicle maintenance requirements and better opportunity to upskill our employees, there is opportunity to save costs within our organisation through good management and good governance. It is incumbent on Council and senior management to ensure our staff has the skills and knowledge to support the vision of Council into the future.

#### **SOME OF THE MAJOR PROJECTS FOR 2021/22**

<b>Description</b>	<b>Project cost</b>	<b>Government Funding</b>
Jundah Hall Upgrade Stage 2	\$50,000	\$50,000
Road and Drainage Structure Program		
Maintenance	\$900,000	
Capital	\$3,123,000	\$2,838,000
Windorah Water Treatment Plant Upgrade	\$1,075,829	\$1,075,829
Jundah Water Treatment Plant Replacements	\$90,000	\$90,000
Stonehenge Treatment Plant Upgrade	\$110,000	\$110,000
Regional Water Upgrade Projects	\$126,000	\$86,000
Drainage (Culvert /Floodway) Projects		
Haughton Vale Rd	\$150,000	\$150,000
Jundah Winton Rd	\$450,000	\$450,000
Yaraka Retreat Rd	\$250,000	\$250,000
McPhellamy's Crossing	\$745,000	\$745,000



**Operational Expenditure Budget Graph and Details**



Operational Expenditure Budget	
Executive, Governance Disaster	868,992
Corporate Services	2,039,836
Community Development	3,998,532
Works and Services	13,945,857
Land Water & Animals	598,727
<b>TOTAL OPERATIONAL BUDGET</b>	<b>21,451,944</b>

**Budget Snapshot**

*3% General Rates increase on average across continuing categories.*

*10% Rates Discount continues*

*\$20 Garbage Charge Increase to \$220 per service.*

*Additional Bin services charge moving to \$90 per service.*

*9% Water Charge increase.*

*5% Increase in Pest Animal Control Charge*

*8.03% Interest on Outstanding Rates commencing 30 days after close of discount.*

*Total Operational Budget of \$21.45M*

*Total Capital Program of \$7.8M*

*Roads and Drainage Capital Program \$4M*

*Water Capital Program \$1.4M*

*Plant Replacement Program \$1.845M*

*Buildings/ Equipment Capital Program \$100k*