

Presentation of 2018-19 Budget including commentary by the Finance Manager

The 2018-19 budget is a detailed financial plan for the coming year covering all aspects of Aurukun Shire Council's operations, and reflects the resources generated by way of revenue and the resources consumed by way of expenditure.

The key objectives of this budget are:

- to provide a fiscal management tool for the carrying out of Council's programs in the ensuing year, and
- to provide the means by which Council is accountable to the community and other stakeholders for levies charged and grants/funding/contributions received.

This budget represents, financially, the actions expected to be taken by Council in achieving its objectives. This has been developed based on sound financial management and accountability principles and is expected to be realistic and achievable.

Extensive internal consultation has occurred between all departments and through briefings with Directors, Managers and Supervisors.

Council's vision

Growing Community, Growing Respect, Growing Leaders

Council's mission

Strong leadership and excellence in service to our community

Council's key priorities

Rebuild respect in our community by restoring pride within our community, respecting each other, looking after each other, and taking pride in how our town looks

Avail of opportunities arising from mining in our region to develop direct employment and local businesses to support the mining industry

Prepare the next generation of leaders who can look after our community into the future

Diversify Council's revenue stream by pursuing feasible commercial operations

Develop local employment with Council

I. Budget Principles and Assumptions

- A. Most fees and charges are kept at 2017-18 levels, except for an average increase of 1.59% to utilities charges, and minimal increases to some rental properties and airport landing charges. These are itemised separately in the Schedule of Cost Recovery Fees and Charges
- B. The 2018-19 Budget delivers economic and social outcomes identified in the 2018-19 Operational Plan.
- C. Operating expenses are closely matched with operating expenditure, except in areas that Council deem as community service obligations including Security Operations, Indigenous Knowledge Centre, Wo'uw Ko'alam Community Centre, Arts Centre, Bank & Post Office.
- Councillor remuneration – as stated in the Remuneration Tribunal Report, effective 1 July 2018
 - Renewal of Water, Sewerage and Waste Management is fully funded from the Indigenous Councils Critical Infrastructure Program (ICCIP) as detailed in the Capital Works spreadsheet.
 - Maintenance and renewal of roads infrastructure is funded from NDRRA and contributions.
 - Parks and Gardens – includes tree lopping to minimise risk of falling trees during the wet season
 - Children and Aged Care services are fully funded from both Federal and State governments
 - The Wik & Kugu Arts Centre has received a funding boost of \$50,000 from Arts Queensland to refurbish the artists workshop
- D. Operating Revenue and Expenditure from Council enterprises
- a) Leased commercial properties and staff housing rental
- Lease agreements are reviewed annually; calculation of leasing and rent revenue is based on projected occupancy and agreed rates in the lease agreements
 - MacKenzie 2 Contractors Camp, funded under Work For Queensland Round 2, has been added to the list of available accommodation
- b) Building and Construction Services
- An agreement between ASC and Building and Assets Services is expected to be completed in by September 2018.

E. Tied Grants

- Unexpended funds are tracked in a dedicated spreadsheet and will be reported monthly to Council and Directors
- Close monitoring of expenditure levels to avoid returning unexpended amounts
- Timely lodgement of reports

F. Council Administration

- Improving staff housing condition continues to be a priority for Council. \$717K is allocated for renewal of a number of staff housing.
- Workplace Health and Safety training is the main target of the training budget of \$126k. Attendance to workshops and conferences are limited to what is required under legislation to maintain professional memberships.
- The Enterprise Bargaining Agreement currently under negotiation between Council and Staff is expected to be completed towards the end of 2018.
- The new Enterprise Management System (SynergySoft) will be in full use by 31 December 2018.

II. The 2018-19 Budget in Brief

Aurukun Shire Council aims to generate and operating revenue of \$15.948 million, and an operating expenditure (excluding depreciation) of \$16.869 million. The net excess of expenditure over revenue is \$921,112. This is due to Council's commitment to renew its staff housing. This will be partly funded from Council's receipts from community housing charges and levies.

Capital Works	Amount
<i>Details in Capital Works Spreadsheet Attachment</i>	
Sources of Funding	
Grants applied for, awaiting confirmation	3,971,388
Confirmed Grants	2,942,333
Grants in Reserves	2,078,087
Council Own Funds	831,210
Total Capital Works	9,823,018

Capital works based on assets classification

Assets	Amount
Staff Housing	2,131,151
Commercial Buildings	917,773
Plant and Equipment	428,298
Roads and Drainage	3,275,342
Water Infrastructure	460,000
Solid Waste and Sewerage Infrastructure	2,183,000
Other Structures	427,454
Total Capital Expenditure	9,823,018

Council acknowledges that it does not have the capacity to renew, upgrade or build new infrastructure without assistance from the Federal and State Governments. However, Council has committed \$885K from its reserves for the renewal of its fleet commercial building infrastructure.

Sources of Funding	Project	Amount
Department of Housing & Public Works	Transfer of GEH Housing	500,000
Arts Queensland	Artist Workshop Refurbishment	50,000
Local Government Grants and Subsidies Program	Various projects	176,000
Work for Queensland Round 2	Various projects	1,155,167
Western Cape Communities Co-existence Agreement (WCCCA)	Various projects	352,012
TMR-TCICA	Roadworks	414,393
Queensland Reconstruction Authority (QRA)	Roadworks	1,138,866
Aboriginal and Torres Strait Islander Transport Infrastructure Development Scheme (ATSI TIDS)	Roadworks & Barge Landing	1,714,083
Indigenous Council Critical Infrastructure Program (ICCIP)	Solid Waste, Water and Sewerage	913,200
Department of Environment & Heritage	Walkway at monument (river)	100,000
Department of Sports and Recreation	Upgrade Camp Ground Area	150,000
Major Infrastructure Program (MIP)	Airport Terminal Plan only	60,000
Total Grants- Confirmed and applied for		6,723,721

Revenue & Expenses					
Revenue	Community Services	Corporate Services	Technical Services	Council-wide	Total
Specific Purpose Operating Grants	2,309,443	269,000	1,244,376		3,822,819
Council Own Revenue	276,560	3,790,950	2,871,200		6,938,710
Revenue Replacement Grant				667,700	667,700
Contributions			1,136,484		1,136,484
Discretionary Operating Grants				3,383,073	3,383,073
Total Operating Revenue	2,586,003	4,059,950	5,252,060	4,050,773	15,948,786
Capital Grant		2,847,580	414,393		3,261,973
Total Revenue	2,586,003	6,907,530	5,666,453	4,050,773	19,210,759
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Expenditure					-
Expenditure from Council Own Revenue	1,330,126	6,393,063	4,147,250		11,870,439
Expenditure from Specific Purpose Operating Grants	2,434,059	260,800	1,168,116		3,862,975
Expenditure from Contributions			1,136,484		1,136,484
Total Expenditure Excluding Depreciation	3,764,185	6,653,863	6,451,850	-	16,869,898
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Depreciation	684,733	1,180,175	1,608,702		3,473,610
Total Expenditure	4,448,918	7,834,038	8,060,552	-	20,343,508
Net Result Excluding Depreciation	-	1,178,182	-	2,593,913	-
					1,199,790
					4,050,773
					-
					921,112

Services to Community	
Community Safety	
Animal Control	198,775
CCTV Operations	138,935
Community Police	532,000
Security Operations	419,310
Street Lights	84,400
Emergency Services & Volunteer Rescue	14,490
Total Community Safety	1,387,910
Economic, Social and Cultural	
Arts Centre	461,960
Bank and Post Office	192,950
Cemetery Expenses	88,000
Children's Services	1,179,124
Community Events	68,400
Aged Care Services	1,061,885
Indigenous Knowledge Centre	138,601
Wo'uw Ko'alam Community Centre	190,140
Parks and Gardens	201,280
Total Economic, Social and Cultural	3,582,340
Utilities	
Airport	307,495
Waste Management Operations	164,400
Water Services	431,800
Sewerage Services	309,660
Total Utilities	1,213,355

The cost of providing services to the community is 36.65% of total operating expenditure.