



Croydon Shire Council

2019-2020 Financial Year Budget

Croydon Shire Council 2019-2020 Financial Year Budget

Executive Summary

In accordance with the requirements of the *Local Government Regulation 2012*, the Mayor presents the proposed 2019/20 budget and associated policies for adoption by Council. The budget highlights a responsible and sustainable long-term financial outlook while ensuring infrastructure is renewed and expanded and high quality services are delivered to the community.

Attachments 1 to 11 refers:

1. Statement of Financial Position 2019-2020
2. Statement of Cash Flows 2019-2020
3. Statement of Income and Expenditure 2019-2020
4. Statement of Changes in Equity 2019-2020
5. Long-term Financial Forecast and Relevant Measures of Financial Sustainability
6. Revenue Policy 2019/20
7. Revenue Statement 2019/20
8. Debt Policy
9. Investment Policy
10. Operational Budget 2019-2020 (*Information purposes only*)
11. Capital Works Budget 2019-2020 (*Information purposes only*)

Purpose

The purpose of this report is to present for adoption the 2019-2020 Financial Year Budget incorporating Council's Revenue Policy, Revenue Statement, Debt and Investment Policies.

2019-2020 Budget Summary

In accordance with *Local Government Regulation 2012*, Council is required to prepare a budget for each financial year which must be prepared on an accrual accounting basis. Some of the legislatively mandated requirements for the budget are:

s169 (1) (b) *The budget must include statements for the following year and the next two financial years:*

- (a) *financial position;*
- (b) *cash flow;*
- (c) *income and expenditure;*
- (d) *changes in equity.*

s169 (3) *Within the statement of income and expenditure, the following must be stated:*

- (a) *Rates and utility charges excluding discounts and rebates;*
- (b) *Contributions from developers;*
- (c) *Fees and charges;*
- (d) *Interest;*
- (e) *Grants and subsidies;*
- (f) *Depreciation;*
- (g) *Finance costs;*
- (h) *Net result;*
- (i) *The estimated costs of –*
 - a. *The local governments significant business activities carried on using a full cost pricing basis; and*
 - b. *The activities of the local government's commercial business units; and*
 - c. *The local government's significant business activities.*

s169 (4) The budget must include each of the relevant measures of financial sustainability for the financial year for which it is prepared and the next 9 financial years.

s169 (5) The relevant measures of financial sustainability are the following measures as described in the financial management (sustainability) guideline —

- (a) asset sustainability ratio;
- (b) net financial liabilities ratio;
- (c) operating surplus ratio

In addition, the budget must include the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget, net of discounts and rebates.

Comparison of proposed rates and utility charges for 2019/20 with previous year (2018/19)

In accordance with *Local Government Regulation 2012* the total value of change in proposed rates and utility charges for the financial year 2019/20 compared with the rates and utility charges levied in the previous budget is an increase of **2.5%**.

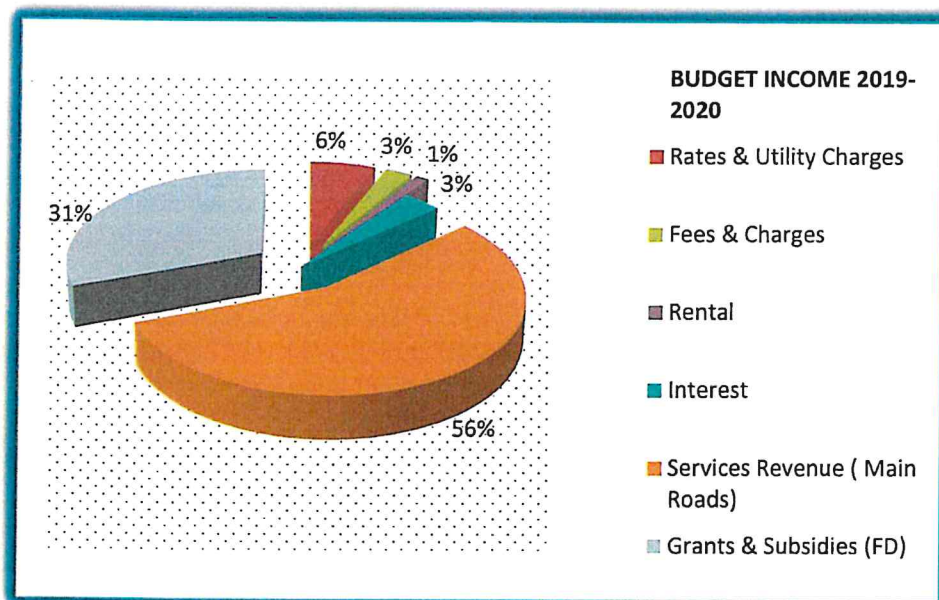
The budget must also be consistent with the following documents of the local government —

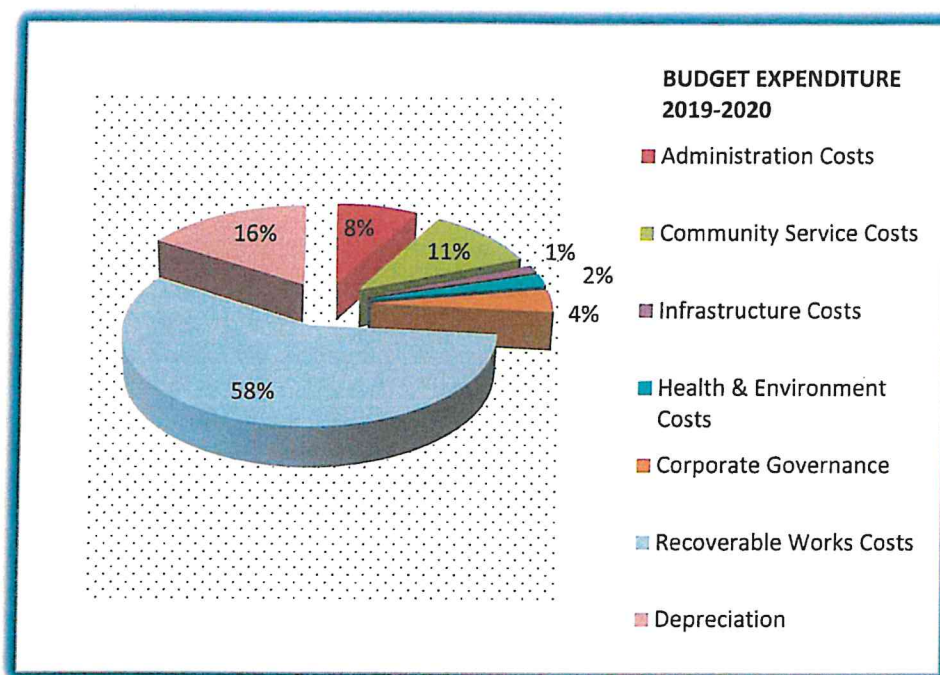
- (a) 5 year Corporate Plan;
- (b) Annual Operational Plan;

A local government must adopt its budget for a financial year after 31 May in the year before that financial year and before 1 August of that financial year.

Key financial statistics to note in relation to the 2019-2020 budget include:

- Total budget expenditure (operational and capital) of \$20.6m;
- A budget surplus of \$15k and fully funded depreciation of \$1.8m;
- Capital works expenditure of \$8.9m;
- Flood damage and main roads contract work of \$6.4m





Major projects to be undertaken during the 2019/20 financial year:

- Install pipe culverts (various locations) - \$200k
- Richmond Road upgrade (Beef Roads, TIDS & FAG grant funding) - \$700k
- Water Infrastructure upgrade – \$82k
- Plant replacement program \$997k
- Upgrade to Council buildings and facilities - \$241k
- New Toilet Block (Rodeo Grounds) - \$247k
- Asphalt pump track (Grant/Council funded) – 200k
- Chinese Temple and Cemetery Swamp concept plans – 35k
- Mountain Bike Trails detailed design - \$40k
- Upgrade to Caravan Park - \$50k
- Replacement of Electric BBQs – \$23k
- Aerodrome Fencing (Grant/Council funded) - \$110k
- Works for QLD (3) (Grant funded) - \$1.03m

Specific Council Operational Activities (net budget allocation):

- Maintenance of parks and gardens - \$60k
- Provision of library service - \$50k
- Provision of sporting facilities - \$70k
- Tourism promotion & VIC operation - \$195k
- Annual mosquito control program - \$40k
- Provision of childcare program service - \$107k
- Cemetery operation & maintenance - \$13.5k
- Heritage operation & maintenance - \$72k
- Community events donations - \$15k
- Lake Belmore operation & maintenance - \$45k
- Swimming Pool operation and maintenance - \$128k
- Aerodrome operation & maintenance - \$35k

(The 2019-20 budget does not contain any contributions from developers nor does Council have any financially significant business activities).

1. Budget 2019/2020 Revenue Policy

Attachment 6 refers:

Moved Cr
Seconded Cr

That

- (a) pursuant to Section 193(3) of the Local Government Regulation 2012, Council resolve to adopt the 2019/2020 Revenue Policy for inclusion in the 2019-20 Budget

Resolution No.

2. 2019/2020 Revenue Statement

Attachment 7 refers:

Moved Cr
Seconded Cr

That

- (a) pursuant to section 104(5) of the Local Government Act 2009 and section 172 of the Local Government Regulation 2012, Council adopt the Revenue Statement 1 July 2019 – 30 June 2020

Resolution No.

3. 2019/2020 Debt Policy

Attachment 8 refers:

Moved Cr
Seconded Cr

That

- (a) pursuant to Section 192 of the Local Government Regulation 2012, Council adopt the 2019/2020 Debt Policy

Resolution No.

4. 2019/2020 Investment Policy

Attachment 9 refers:

Moved Cr
Seconded Cr

That

- (a) pursuant to Section 191 of the Local Government Regulation 2012, Council adopts the 2019/2020 Investment Policy

Resolution No.

5. Adoption of 2019/2020 Budget

Executive Summary:

This report presents the 2019-2020 Budget and long term financial forecast for the Croydon Shire Council for adoption as part of the 2019-2020 budget process.

Attachments 1-5 refers:

Moved Cr
Seconded Cr

That

- a) pursuant to section 170A of the *Local Government Act 2009* and sections 169 and 170 of the Local Government Regulation 2012, Council resolve to adopt the Budget for the financial year 2019/2020 financial year incorporating:
- i. The statement of financial position;
 - ii. The statement of cash flows;
 - iii. The statement of income and expenditure;
 - iv. The statement of changes in equity;
 - v. The long-term financial forecast;
 - vi. The relevant measures of financial sustainability

Resolution No.

6. Differential General Rates

Attachment 7 refers:

Moved Cr
Seconded Cr

That

- (a) pursuant to section 81 of the Local Government Regulation 2012, the categories in to which rateable land is categorised, the description of those categories and pursuant to sections 81 (4) and 81 (5) of the Local Government Regulation 2012, the method by which land is to be identified and included in its appropriate category is as follows:

Resolution No.

Category	Description
Urban	Urban land is all land within the Township zone as defined in the Croydon Shire Planning Scheme
Rural	Rural land is all land within the Council boundaries not included in another category
Mining	Mining land is all land within the Shire used for or approved for mining or mining related activities, or classified as a mining lease. This only applies to land outside the Township zone.

Moved Cr
Seconded Cr

That

- (b) pursuant to section 94 of the Local Government Act 2009 and section 80 of the Local Government Regulation 2012, the differential general rate to be made and levied for each differential general rate category and, pursuant to section 77 of the Local Government Regulation 2012, and the minimum general rate to be made and levied for each differential general rate category, is as follows:

Resolution No.

Category	Description	Cents in the dollar	Minimum General Rate
Urban	Urban land is all land within the Township zone as defined in the Croydon Shire Planning Scheme	9.27	\$639.60
Rural	Rural land is all land within the Council boundaries not included in another category	0.83	\$639.60
Mining	Mining land is all land within the Shire used for or approved for mining or mining related activities, or classified as a mining lease. This only applies to land outside the Township zone.	9.27	\$639.60

7. 2019/2020 Utility Charges - Waste Management

Attachment 7 refers:

Moved Cr
Seconded Cr

That

- (a) pursuant to section 94 of the Local Government Act 2009 and section 99 of the Local Government Regulation 2012, Council make and levy waste management utility charges, for the supply of waste management services by the Council, as follows:

Type	Basis of Charge	Charge
Cleansing Service	Per unit	\$319.20

- (b) The application of the above levied cleansing utility charges be in accordance with the further detail provided in Council's adopted Revenue Statement 2019-2020.

Resolution No.

8. 2019/2020 Utility Charges – Water

Attachment 7 refers:

Moved Cr
Seconded Cr

That

- (a) pursuant to section 94 of the Local Government Act 2009 and section 99 of the Local Government Regulation 2012, Council make and levy water utility charges, for the supply of water services by the Council, as follows:

Type	Basis of Charge	Charge
Access Charge	per unit	\$201.10
Excess Consumption Charge	per kl	\$0.93

- (b) the application of the above levied water utility charges be in accordance with the further detail provided in Council's adopted Revenue Statement 2019-2020

Resolution No.

CROYDON SHIRE COUNCIL
Budgeted Statement of Financial Position
For the year ended 30 June 2020

	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
Current Assets											
Cash and Equivalents	18,128,451	18,727,793	19,602,079	21,629,296	22,812,451	23,868,540	24,787,558	26,035,505	27,151,378	28,310,174	29,346,890
Trade Receivables	200,000	944,000	1,444,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000
Inventories	101,000	99,232	102,209	105,275	108,433	111,686	115,037	118,488	122,043	125,704	129,475
Other Current Assets	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	18,429,451	19,771,025	21,148,288	22,778,571	23,964,885	25,024,226	25,946,595	27,197,993	28,317,421	29,479,878	30,520,366
Non-Current Assets											
Receivables	90,000	100,000	600,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Property, Plant and Equipment	109,123,000	110,573,000	111,953,000	114,243,000	124,670,000	127,064,000	129,602,000	131,831,000	134,205,000	145,571,000	148,077,000
Total Non-Current Assets	109,213,000	110,673,000	112,553,000	114,343,000	124,770,000	127,164,000	129,702,000	131,931,000	134,305,000	145,671,000	148,177,000
TOTAL ASSETS	127,642,451	130,444,025	133,701,288	137,121,571	148,734,885	152,188,226	155,648,595	159,128,993	162,622,421	175,150,878	178,697,366
Current Liabilities											
Trade and Other Payables	220,211	60,000	61,260	62,546	63,860	65,201	66,570	67,968	69,396	70,853	72,341
Provisions	81,769	88,000	91,000	94,000	97,000	100,000	103,000	106,000	109,000	112,000	115,000
Total Current Liabilities	301,980	148,000	152,260	156,546	160,860	165,201	169,570	173,968	178,396	182,853	187,341
Non-Current Liabilities											
Trade and Other Payables	-	-	-	-	-	-	-	-	-	-	-
Provisions	120,446	81,000	83,000	85,000	88,000	91,000	94,000	97,000	100,000	103,000	106,000
Total Non-Current Liabilities	120,446	81,000	83,000	85,000	88,000	91,000	94,000	97,000	100,000	103,000	106,000
TOTAL LIABILITIES	422,426	229,000	235,260	241,546	248,860	256,201	263,570	270,968	278,396	285,853	293,341
NET COMMUNITY ASSETS	127,220,025	130,215,025	133,466,025	136,880,025	148,486,025	151,932,025	155,385,025	158,858,025	162,344,025	174,865,025	178,404,025
Community Equity											
Retained Surplus	48,727,025	51,722,025	54,973,025	58,387,025	61,823,025	65,269,025	68,722,025	72,195,025	75,681,025	79,182,025	82,721,025
Revaluation Reserve	78,493,000	78,493,000	78,493,000	78,493,000	86,663,000	86,663,000	86,663,000	86,663,000	86,663,000	95,683,000	95,683,000
TOTAL COMMUNITY EQUITY	127,220,025	130,215,025	133,466,025	136,880,025	148,486,025	151,932,025	155,385,025	158,858,025	162,344,025	174,865,025	178,404,025

CROYDON SHIRE COUNCIL

Budgeted Statement of Cash Flows

For the year ended 30 June 2020

	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
Cash flows from operating activities:											
Receipts from customers	1,470,000	747,768	534,023	2,479,934	1,627,842	1,676,747	1,729,649	1,781,549	1,835,445	1,890,339	1,948,229
Payments to suppliers and employees	(9,738,000)	(9,643,426)	(9,477,740)	(9,539,714)	(9,603,687)	(9,894,659)	(10,193,631)	(10,502,602)	(10,821,573)	(10,964,543)	(11,269,512)
	(8,268,000)	(8,895,658)	(8,943,717)	(7,059,780)	(7,975,845)	(8,217,912)	(8,463,981)	(8,721,053)	(8,986,127)	(9,074,204)	(9,321,283)
Rental Income	142,000	135,000	140,000	145,000	150,000	155,000	160,000	166,000	172,000	178,000	184,000
Interest Received	407,000	407,000	491,000	517,000	517,000	513,000	505,000	506,000	503,000	500,000	493,000
Operating Grants and Contributions	9,609,000	9,584,000	9,776,000	9,972,000	10,221,000	10,528,000	10,844,000	11,169,000	11,504,000	11,849,000	12,204,000
Net cash inflow (outflow) from operating activities	1,890,000	1,230,342	1,463,283	3,574,220	2,912,155	2,978,088	3,045,019	3,119,947	3,192,873	3,452,796	3,559,717
Cash flows from investing activities:											
Payments for Property, Plant and Equipment	(8,995,000)	(3,500,000)	(3,500,000)	(4,500,000)	(4,725,000)	(4,961,000)	(5,209,000)	(5,000,000)	(5,250,000)	(5,513,000)	(5,789,000)
Proceeds from Sale of Property, Plant and Equipment	216,500	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Grants and Subsidies	7,119,000	2,769,000	2,811,000	2,853,000	2,896,000	2,939,000	2,983,000	3,028,000	3,073,000	3,119,000	3,166,000
Net cash inflow (outflow) from investing activities	(1,659,500)	(631,000)	(589,000)	(1,547,000)	(1,729,000)	(1,922,000)	(2,126,000)	(1,872,000)	(2,077,000)	(2,294,000)	(2,523,000)
Cash flows from financing activities:											
Proceeds from Borrowings	-	-	-	-	-	-	-	-	-	-	-
Repayment of Borrowings	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from financing activities	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash held	230,500	599,342	874,286	2,027,217	1,183,155	1,056,088	919,019	1,247,947	1,115,873	1,158,796	1,036,717
Cash at beginning of reporting period	17,897,951	18,128,451	18,727,793	19,602,079	21,629,296	22,812,451	23,868,540	24,787,558	26,035,505	27,151,378	28,310,174
Cash at end of reporting period	18,128,451	18,727,793	19,602,079	21,629,296	22,812,451	23,868,540	24,787,558	26,035,505	27,151,378	28,310,174	29,346,890

CROYDON SHIRE COUNCIL
Budgeted Statement of Income and Expenditure
For the year ended 30 June 2020

	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
Operating Revenue											
Rates and Utility Charges	708,000	726,000	748,000	770,000	793,000	817,000	842,000	867,000	893,000	920,000	948,000
Less: Discount Allowed	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
	702,000	720,000	742,000	764,000	787,000	811,000	836,000	861,000	887,000	914,000	942,000
Contribution from Developers											
Fees and Charges	281,000	288,000	295,000	302,000	309,000	316,000	324,000	332,000	340,000	348,000	356,000
Interest	407,000	407,000	491,000	517,000	517,000	513,000	505,000	506,000	503,000	500,000	493,000
Rental Income	142,000	135,000	140,000	145,000	150,000	155,000	160,000	166,000	172,000	178,000	184,000
Recoverable Works	482,000	487,000	495,000	512,000	530,000	548,000	567,000	586,000	606,000	626,000	647,000
Other Income	5,000	5,000	5,000	5,000	5,000	5,000	6,000	6,000	6,000	6,000	7,000
Grants and Subsidies	9,609,000	9,584,000	9,776,000	9,972,000	10,221,000	10,528,000	10,844,000	11,169,000	11,504,000	11,849,000	12,204,000
Total Operating Revenues	11,628,000	11,626,000	11,944,000	12,217,000	12,519,000	12,876,000	13,242,000	13,626,000	14,018,000	14,421,000	14,833,000
Operating Expenditure											
Employee Costs	3,594,000	3,665,000	3,738,000	3,813,000	3,889,000	3,967,000	4,046,000	4,127,000	4,210,000	4,294,000	4,380,000
Materials and Services	6,140,000	5,781,000	5,742,000	5,729,000	5,717,000	5,930,000	6,150,000	6,378,000	6,614,000	6,673,000	6,892,000
Finance Costs	4,000	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Depreciation	1,875,000	1,950,000	2,020,000	2,110,000	2,368,000	2,467,000	2,571,000	2,671,000	2,776,000	3,067,000	3,183,000
	11,613,000	11,400,000	11,504,000	11,656,000	11,979,000	12,369,000	12,772,000	13,181,000	13,605,000	14,039,000	14,460,000
OPERATING RESULT	15,000	226,000	440,000	561,000	540,000	507,000	470,000	445,000	413,000	382,000	373,000
Capital Items											
Sale of Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-
Capital Grants, and Subsidies	7,119,000	2,769,000	2,811,000	2,853,000	2,896,000	2,939,000	2,983,000	3,028,000	3,073,000	3,119,000	3,166,000
INCREASE IN OPERATING CAPABILITY	7,134,000	2,995,000	3,251,000	3,414,000	3,436,000	3,446,000	3,453,000	3,473,000	3,486,000	3,501,000	3,539,000

CROYDON SHIRE COUNCIL

Budgeted Statement of Changes in Equity

For the year ended 30 June 2020

	Retained Surplus	Revaluation Reserve	TOTAL
Opening Balance 2018/19	41,593,025	78,493,000	120,086,025
Net Result	7,134,000	-	7,134,000
Increase in Asset Revaluation Reserve	-	-	-
Transfers to Reserves		-	-
Closing Balance 30th June 2020	48,727,025	78,493,000	127,220,025
Net Result	2,995,000	-	2,995,000
Increase in Asset Revaluation Reserve	-	-	-
Transfers to Reserves	-	-	-
Closing Balance 30th June 2021	51,722,025	78,493,000	130,215,025
Net Result	3,251,000	-	3,251,000
Increase in Asset Revaluation Reserve	-	-	-
Transfers to Reserves	-	-	-
Closing Balance 30th June 2022	54,973,025	78,493,000	133,466,025

CROYDON SHIRE COUNCIL

	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
Target											
Working Capital Ratios											
> 1.1	61.03	133.59	138.90	145.51	148.98	151.48	153.01	156.34	158.73	161.22	162.91
Operating Surplus											
0 - 15%	0.13%	1.94%	3.68%	4.59%	4.31%	3.94%	3.55%	3.27%	2.95%	2.65%	2.51%
Net Financial Liabilities											
< 60%	-154.86%	-168.09%	-175.09%	-184.47%	-189.44%	-192.36%	-193.95%	-197.62%	-200.02%	-202.44%	-203.78%
Asset Sustainability											
> 90%	431.76%	161.54%	155.94%	191.94%	179.58%	180.99%	182.35%	168.48%	170.21%	161.78%	163.69%