

Richmond Shire Council Annual Budget 2016-2017



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MAYOR'S BUDGET SUMMARY REPORT

I now propose the following Budget Report presented to Council at the Council Meeting on the 28th June 2016. All items referred to in this Budget have been based on historical data from previous years or have been identified in Council's planning processes. This year's Budget continues to put in place some of the key building blocks for our community's future.

RATES & CHARGES

Council has elected to adopt a 2.% rise on the General Rate, Water, Sewerage and 7% Cleansing for all properties in the Shire in line with the council cost index determined by the Local Government Association of Queensland.

ROAD WORKS

In 2016/17 we will continue the seal on Croydon Road estimated at \$976k. Council also has Main Roads works (\$12m), Shire Road works (\$10m). Resealing of the town streets is also to continue worth \$788k.

FINANCIAL STATUS

Council will experience an increase in revenue in the budget for the coming financial year due to flood damage work and Main Roads works to continue. Council budgets for approximately \$38.3m million in income for the 2016/17 financial year.

Expenditure after depreciation has been estimated at \$31.4 million. Council has set aside over \$13.2m for capital works items, of that \$3.9 million road works. Plant will make up a further \$1m, \$4.3m for construction of new administration building, \$1.m for industrial estate, \$200k to upgrade TV station, and \$2.8m for other community infrastructure.

MAJOR PROJECTS 2016/17

- Construction of a new administration building \$4.3m;
- Continue the streetscape \$74k;
- Croydon Road—continue with sealing \$976k;
- Water mains at Maxi \$100k;
- Upgrading of the old part of the cemetery , re-fence and new parking area \$150k;
- Level grass, install power and water sites for exhibitors at Racecourse, and paint grandstand/jockey room \$105k;
- New residence at Caravan Park, camp kitchen and ensuite bathroom upgrades \$270k;
- Musuem new film, flooring and new table & chairs for café \$160k;
- Security cameras various locations \$100k;
- Council will provide utilities and roads for the industrial estate \$1m.
- Council will continue with upgrades at the saleyards \$100k.

QTC Local Government Forecasting Model—Richmond Shire Council
Statement of Comprehensive Income



All outputs are in thousands (\$'000) unless otherwise indicated

Whole of Council active

Line item	Annual result														
	Jun-12A	Jun-13A	Jun-14A	Jun-15A	Jun-16A	Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
Income															
Revenue															
Operating revenue															
General rates	830	864	650	908	745	949	964	988	1,018	1,048	1,080	1,112	1,145	1,180	1,215
Separate rates	20	20	21	22	-	-	-	-	-	-	-	-	-	-	-
Levies	-	-	-	-	22	23	23	24	24	25	26	27	27	28	29
Water	339	350	360	373	380	390	400	410	422	435	448	461	475	490	504
Water consumption, rental and sundries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage	272	281	289	299	305	314	320	328	338	348	358	369	380	392	403
Sewerage trade waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	58	61	62	63	64	66	68	70	72	74	76	78	81
Garbage charges	55	57	-	-	-	-	-	-	-	-	-	-	-	-	-
Other rates, levies and charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: discounts	(169)	(181)	(146)	(183)	(175)	(183)	(186)	(191)	(196)	(202)	(208)	(215)	(221)	(228)	(234)
Less: pensioner remissions	(8)	(8)	(7)	(7)	(6)	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	(7)	(8)
Net rates, levies and charges	1,339	1,383	1,225	1,473	1,333	1,550	1,579	1,618	1,667	1,717	1,769	1,822	1,876	1,933	1,991
Building and development fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infringements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and registrations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other fees and charges	848	736	595	888	520	679	687	704	725	747	769	793	816	841	866
Fees and charges	848	736	595	888	520	679	687	704	725	747	769	793	816	841	866
Other rental income	141	142	172	166	157	147	145	149	153	158	162	167	172	177	183
Rental income	141	142	172	166	157	147	145	149	153	158	162	167	172	177	183
Interest from overdue rates, levies and charges	6	5	6	8	-	-	-	-	-	-	-	-	-	-	-
Interest received from investments	138	131	-	-	-	-	224	222	204	272	273	284	283	285	324
Other interest received	16	8	370	252	186	159	209	214	221	227	234	241	248	256	263
Interest received	160	144	376	260	186	159	433	437	425	500	507	525	532	541	588
Contract and recoverable works	6,293	6,770	8,045	4,048	5,058	12,176	7,000	7,400	7,400	7,500	7,500	7,500	7,500	7,500	7,500
Gain/(loss) on sale of land held as inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on sale of inventory held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on sale of non-current assets held as inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other sales revenue	-	-	-	-	146	120	85	87	90	92	95	98	101	104	107
Sales revenue	6,293	6,770	8,045	4,048	5,204	12,296	7,085	7,487	7,490	7,592	7,595	7,598	7,601	7,604	7,607
Profit (loss) from joint ventures & associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) from controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) from other investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit from investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

QTC Local Government Forecasting Model—Richmond Shire Council
Statement of Comprehensive Income



All outputs are in thousands (\$'000) unless otherwise indicated

Whole of Council active

Line item	Annual result														
	Jun-12A	Jun-13A	Jun-14A	Jun-15A	Jun-16A	Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
Other income	4	19	332	21	21	22	25	26	26	27	28	29	30	31	32
Other income	4	19	332	21	21	22	25	26	26	27	28	29	30	31	32
General purpose grants	4,143	3,682	-	3,935	-	-	-	-	-	-	-	-	-	-	-
State subsidies and grants—operating	3,239	10,077	2,716	857	6,686	17,964	6,500	6,500	6,500	6,000	6,000	6,000	6,500	6,500	6,500
Commonwealth subsidies and grants—operating	-	-	-	-	4,564	-	-	-	-	-	-	-	-	-	-
Other non-government subsidies and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations—operating	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions—operating	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants, subsidies, contributions and donations	7,382	13,759	2,716	4,792	11,250	17,964	6,500	6,500	6,500	6,000	6,000	6,000	6,500	6,500	6,500
Total operating revenue	16,167	22,953	13,461	11,648	18,671	32,817	16,454	16,921	16,986	16,741	16,830	16,934	17,527	17,627	17,766
Capital revenue															
Government subsidies and grants—capital	246	1,200	11,335	8,394	-	-	-	-	-	-	-	-	-	-	-
Donations—capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions—capital	-	-	-	-	-	5,495	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Other capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants, subsidies, contributions and donations	246	1,200	11,335	8,394	-	5,495	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total revenue	16,413	24,153	24,796	20,042	18,671	38,312	18,454	18,921	18,986	18,741	18,830	18,934	19,527	19,627	19,766
Capital income															
Profit/(loss) on disposal of property, plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) on sale of joint ventures & associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) on sale of controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) on sale of other investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) on sale of investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation up of property, plant & equipment reversing previous revaluation	10,624	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation of investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation up of joint ventures & associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation up of controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other capital income	-	-	-	180	-	-	-	-	-	-	-	-	-	-	-
Total capital income	10,624	-	-	180	-	-	-	-	-	-	-	-	-	-	-
Total income	27,037	24,153	24,796	20,222	18,671	38,312	18,454	18,921	18,986	18,741	18,830	18,934	19,527	19,627	19,766
Expenses															
Operating expenses															
Total staff wages and salaries	2,876	3,870	4,126	3,831	5,268	4,802	4,836	4,836	4,836	4,836	4,836	4,836	4,836	4,836	4,836
Councillors' remuneration	177	232	230	366	398	422	422	422	422	430	430	430	430	440	440
Employee provision expense	850	837	919	1,059	-	-	-	-	-	-	-	-	-	-	-
Other employee related expenses	50	30	38	100	40	-	-	-	-	-	-	-	-	-	-
Less: capitalised employee expenses	-	(723)	(1,234)	(794)	-	-	-	-	-	-	-	-	-	-	-
Employee benefits	3,953	4,246	4,079	4,562	5,706	5,224	5,258	5,258	5,258	5,266	5,266	5,266	5,266	5,276	5,276

QTC Local Government Forecasting Model—Richmond Shire Council
Statement of Comprehensive Income



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Whole of Council active

Line item	Annual result														
	Jun-12A	Jun-13A	Jun-14A	Jun-15A	Jun-16A	Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
M&S—sales contract & recoverable works	5,312	2,387	2,737	1,174	-	-	-	-	-	-	-	-	-	-	-
M&S—administration supplies	-	391	646	793	-	-	-	-	-	-	-	-	-	-	-
M&S—audit services	37	46	46	75	-	-	-	-	-	-	-	-	-	-	-
M&S—communication & IT	153	64	118	181	-	-	-	-	-	-	-	-	-	-	-
M&S—consultants	-	87	26	54	-	-	-	-	-	-	-	-	-	-	-
M&S—contractors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
M&S—electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
M&S—council maintenance	1,067	3,245	2,208	2,356	-	-	-	-	-	-	-	-	-	-	-
M&S—travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
M&S—other	2,736	62	277	532	3,326	17,068	5,000	5,600	5,650	5,386	5,438	5,500	5,400	6,000	6,200
Materials and services	9,305	6,282	6,058	5,165	3,326	17,068	5,000	5,600	5,650	5,386	5,438	5,500	5,400	6,000	6,200
Finance costs charged by QTC	107	81	-	16	-	65	79	71	63	54	45	36	27	18	8
Interest paid on overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank charges	7	7	-	6	-	-	-	-	-	-	-	-	-	-	-
Interest on finance leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other finance costs	-	-	54	-	6	-	-	-	-	-	-	-	-	-	-
Finance costs	114	88	54	22	6	65	79	71	63	54	45	36	27	18	8
Land improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	596	774	774	694	5,710	715	610	700	730	762	796	832	868	906	945
Plant & equipment	802	750	802	962	-	950	786	786	786	786	786	786	786	786	786
Furniture & fittings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads, drainage & bridge network	843	2,640	3,039	3,514	-	3,517	3,517	3,517	3,517	3,517	3,517	3,517	3,517	3,517	3,517
Water	186	165	165	175	-	421	426	432	438	443	447	450	453	455	458
Sewerage	113	120	119	116	-	114	114	115	117	118	120	122	124	125	127
Miscellaneous	-	-	5	177	-	100	112	112	113	113	113	114	114	115	115
Amortisation of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	2,540	4,449	4,904	5,638	5,710	5,817	5,565	5,663	5,701	5,740	5,780	5,821	5,861	5,905	5,949
Bad and doubtful debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rentals & operating leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring provision expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other provision expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	15,912	15,065	15,095	15,387	14,748	28,173	15,902	16,592	16,672	16,446	16,530	16,623	16,554	17,199	17,433
Capital expenses															
Loss on impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restoration & rehabilitation provision expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrement	1,467	173	-	-	-	-	-	-	-	-	-	-	-	-	-
Other capital expenses	-	5	2,908	-	-	-	-	-	-	-	-	-	-	-	-
Total capital expenses	1,467	178	2,908	-	-	-	-	-	-	-	-	-	-	-	-

QTC Local Government Forecasting Model—Richmond Shire Council
Statement of Comprehensive Income



All outputs are in thousands (\$'000) unless otherwise indicated

Whole of Council active

Line item	Annual result					Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
	Jun-12A	Jun-13A	Jun-14A	Jun-15A	Jun-16A										
Total expenses	17,379	15,243	18,003	15,387	14,748	28,173	15,902	16,592	16,672	16,446	16,530	16,623	16,554	17,199	17,433
Net result	9,658	8,910	6,793	4,835	3,923	10,139	2,552	2,329	2,314	2,295	2,300	2,311	2,973	2,428	2,333
Tax equivalents															
Net result before tax equivalents	9,658	8,910	6,793	4,835	3,923	10,139	2,552	2,329	2,314	2,295	2,300	2,311	2,973	2,428	2,333
Tax equivalents payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result after tax equivalents	9,658	8,910	6,793	4,835	3,923	10,139	2,552	2,329	2,314	2,295	2,300	2,311	2,973	2,428	2,333
Other comprehensive income															
Items that will not be reclassified to net result															
Increase (decrease) in asset revaluation surplus	41,486	-	629	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	41,486	-	629	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	51,144	8,910	7,422	4,835	3,923	10,139	2,552	2,329	2,314	2,295	2,300	2,311	2,973	2,428	2,333
Operating result															
Operating revenue	16,167	22,953	13,461	11,648	18,671	32,817	16,454	16,921	16,986	16,741	16,830	16,934	17,527	17,627	17,766
Operating expenses	15,912	15,065	15,095	15,387	14,748	28,173	15,902	16,592	16,672	16,446	16,530	16,623	16,554	17,199	17,433
Operating result	255	7,888	(1,634)	(3,739)	3,923	4,644	552	329	314	295	300	311	973	428	333

QTC Local Government Forecasting Model—Richmond Shire Council Statement of Financial Position

Whole of Council active

Line item	Jun-15A	Jun-16A	Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
Assets												
Current assets												
Internally restricted component	-	-	-	-	-	-	-	-	-	-	-	-
Externally restricted component	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted component	7,354.00	6,345.00	13,101.06	10,124.08	8,845.01	8,871.22	8,837.92	9,449.82	9,036.87	9,274.46	11,283.01	12,990.53
Cash and cash equivalents	7,354.00	6,345.00	13,101.06	10,124.08	8,845.01	8,871.22	8,837.92	9,449.82	9,036.87	9,274.46	11,283.01	12,990.53
General trade and other receivables	1,100.00	1,229.00	2,575.71	1,271.13	1,308.93	1,311.40	1,291.10	1,297.54	1,304.16	1,345.65	1,356.37	1,363.61
Internal loans outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	1,100.00	1,229.00	2,575.71	1,271.13	1,308.93	1,311.40	1,291.10	1,297.54	1,304.16	1,345.65	1,356.37	1,363.61
Inventories held for sale	6.00	923.00	923.00	923.00	923.00	923.00	923.00	923.00	923.00	923.00	923.00	923.00
Inventories held for distribution	400.00	-	-	-	-	-	-	-	-	-	-	-
Land held for development or sale	1,059.00	1,199.00	1,199.00	1,199.00	1,199.00	1,199.00	1,199.00	1,199.00	1,199.00	1,199.00	1,199.00	1,199.00
Inventories	1,465.00	2,122.00	2,122.00	2,122.00	2,122.00	2,122.00	2,122.00	2,122.00	2,122.00	2,122.00	2,122.00	2,122.00
Tax equivalent assets	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	-	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00
Other current assets	-	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	9,919.00	9,737.00	17,839.77	13,558.21	12,316.94	12,345.63	12,292.03	12,910.35	12,504.03	12,783.12	14,802.38	16,517.13
Non-current assets												
Land held for development for sale	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
General trade and other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Internal loans outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Joint ventures & associates	-	-	-	-	-	-	-	-	-	-	-	-
Controlled entities	-	-	-	-	-	-	-	-	-	-	-	-
Other investments	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-

QTC Local Government Forecasting Model—Richmond Shire Council Statement of Financial Position

Whole of Council active

Line item	Jun-15A	Jun-16A	Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Land	1,199.00	1,199.00	2,199.00	2,199.00	2,199.00	2,199.00	2,199.00	2,199.00	2,199.00	2,199.00	2,199.00	2,199.00
Land improvements	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	15,505.00	15,504.00	19,784.77	22,771.50	23,285.87	23,789.06	24,381.62	24,970.92	25,555.80	26,135.03	26,707.29	27,271.23
Plant & equipment	7,344.00	7,130.00	7,645.00	8,332.50	9,331.70	10,036.40	10,819.00	11,090.70	11,329.60	11,458.00	11,373.00	11,487.90
Furniture & fittings	-	-	-	-	-	-	-	-	-	-	-	-
Roads, drainage & bridge network	111,745.00	87,428.00	119,549.00	122,085.38	124,827.62	126,769.57	129,406.44	132,295.77	136,445.23	140,892.60	143,566.65	146,393.53
Water	13,068.00	13,068.00	12,877.00	13,112.91	13,259.16	13,314.80	13,297.98	13,093.79	12,897.50	12,710.22	12,531.09	12,360.23
Sewerage	4,793.00	4,793.00	4,679.00	4,677.00	4,678.81	4,683.45	4,695.32	4,713.29	4,736.44	4,764.83	4,798.52	4,837.58
Miscellaneous	5,646.00	5,644.00	5,864.00	5,757.96	5,651.54	5,544.75	5,440.43	5,335.59	5,230.19	5,124.21	5,017.60	4,910.35
Work in progress	987.00	31,813.00	-	-	-	-	-	-	-	-	-	-
Property, plant & equipment	160,287.00	166,579.00	172,597.77	178,936.24	183,233.70	186,337.02	190,239.79	193,699.07	198,393.76	203,283.88	206,193.16	209,459.82
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	160,287.00	166,579.00	172,597.77	178,936.24	183,233.70	186,337.02	190,239.79	193,699.07	198,393.76	203,283.88	206,193.16	209,459.82
Total assets	170,206.00	176,316.00	190,437.55	192,494.45	195,550.64	198,682.65	202,531.82	206,609.42	210,897.79	216,067.00	220,995.54	225,976.95
Liabilities												
Current liabilities												
Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Employee payables	417.00	-	500.93	504.19	504.19	502.81	504.96	504.96	504.96	503.58	505.92	505.92
Other payables	785.00	1,218.00	1,402.85	410.96	460.27	463.11	442.68	446.96	452.05	442.62	493.15	509.59
Trade and other payables	1,202.00	1,218.00	1,903.78	915.15	964.47	965.93	947.64	951.92	957.01	946.20	999.07	1,015.51
Loans	-	-	318.06	326.18	334.34	343.05	351.81	360.80	369.94	379.46	389.15	92.86
Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	318.06	326.18	334.34	343.05	351.81	360.80	369.94	379.46	389.15	92.86
Employee	513.00	-	-	-	-	-	-	-	-	-	-	-
Restoration & rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-

QTC Local Government Forecasting Model—Richmond Shire Council Statement of Financial Position

Whole of Council active

Line item	Jun-15A	Jun-16A	Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	513.00	-	-	-	-	-	-	-	-	-	-	-
Tax equivalent liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	1,715.00	1,218.00	2,221.84	1,241.33	1,298.80	1,308.98	1,299.46	1,312.72	1,326.95	1,325.66	1,388.22	1,108.37
Non-current liabilities												
Trade and other payables	-	276.00	276.00	276.00	276.00	276.00	276.00	276.00	276.00	276.00	276.00	276.00
Loans	-	-	2,947.59	2,621.41	2,287.07	1,944.02	1,592.21	1,231.41	861.47	482.01	92.86	-
Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	2,947.59	2,621.41	2,287.07	1,944.02	1,592.21	1,231.41	861.47	482.01	92.86	-
Employee	146.00	-	-	-	-	-	-	-	-	-	-	-
Restoration & rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	146.00	-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	146.00	276.00	3,223.59	2,897.41	2,563.07	2,220.02	1,868.21	1,507.41	1,137.47	758.01	368.86	276.00
Total liabilities	1,861.00	1,494.00	5,445.43	4,138.74	3,861.88	3,529.00	3,167.67	2,820.13	2,464.43	2,083.68	1,757.08	1,384.37
Net community assets	168,345.00	174,822.00	184,992.12	188,355.71	191,688.76	195,153.65	199,364.15	203,789.29	208,433.36	213,983.32	219,238.46	224,592.58
Community equity												
Asset revaluation surplus	79,829.00	79,829.00	79,860.28	80,671.41	81,675.92	82,826.38	84,741.95	86,866.63	89,200.02	91,777.22	94,604.31	97,625.83
Retained surplus	88,516.00	94,993.00	105,131.84	107,684.30	110,012.84	112,327.26	114,622.20	116,922.66	119,233.34	122,206.10	124,634.15	126,966.75
Total community equity	168,345.00	174,822.00	184,992.12	188,355.71	191,688.76	195,153.65	199,364.15	203,789.29	208,433.36	213,983.32	219,238.46	224,592.58

QTC Local Government Forecasting Model—Richmond Shire Council Statement of Financial Position

Whole of Council active

Line item	Jun-15A	Jun-16A	Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
Reconciliation												
Net community assets to community equity	-	-	-	-	-	-	-	-	-	-	-	-

QTC Local Government Forecasting Model—Richmond Shire Council Statement of Cash Flows

Whole of Council active

Line item	Jun-15A	Jun-16A	Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
Cash flows from operating activities												
Receipts from customers	6,150.00	14,420.00	13,926.71	9,801.00	9,797.87	9,904.94	10,067.41	10,155.16	10,234.81	10,319.15	10,399.08	10,488.40
Payments to suppliers and employees	(13,026.00)	(8,525.00)	(21,606.22)	(11,246.63)	(10,808.68)	(10,906.54)	(10,670.29)	(10,699.73)	(10,760.90)	(10,676.81)	(11,223.13)	(11,459.56)
Payments for land held as inventory	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of land held as inventory	-	-	-	-	-	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	260.00	193.00	159.00	433.31	436.63	424.92	499.53	506.66	525.47	531.55	541.17	587.53
Rental income	166.00	160.00	141.10	145.15	148.35	152.77	157.29	162.04	166.90	171.95	177.03	182.38
Non-capital grants and contributions	4,793.00	-	17,243.48	7,379.43	6,500.00	6,501.36	6,036.99	6,000.00	6,000.00	6,463.01	6,498.64	6,500.00
Borrowing costs	(16.00)	(6.00)	(64.66)	(79.18)	(71.06)	(62.90)	(54.19)	(45.43)	(36.44)	(27.30)	(17.78)	(8.09)
Tax equivalents paid to General	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid to General	-	-	-	-	-	-	-	-	-	-	-	-
Payment of provision	-	-	-	-	-	-	-	-	-	-	-	-
Other cash flows from operating activities	-	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow from operating activities	(1,673.00)	6,242.00	9,799.41	6,433.08	6,003.10	6,014.55	6,036.75	6,078.71	6,129.85	6,781.54	6,375.01	6,290.67
Cash flows from investing activities												
Payments for property, plant and equipment	(10,107.00)	(9,889.00)	(11,804.00)	(11,092.00)	(8,956.00)	(7,654.00)	(7,727.00)	(7,115.00)	(8,182.00)	(8,174.00)	(5,987.00)	(6,194.00)
Payments for intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Net movement in loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	164.00	697.00	-	-	-	-	-	-	-	-	-	-
Grants, subsidies, contributions and donations	8,394.00	1,941.00	5,495.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Other cash flows from investing activities	-	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow from investing activities	(1,549.00)	(7,251.00)	(6,309.00)	(9,092.00)	(6,956.00)	(5,654.00)	(5,727.00)	(5,115.00)	(6,182.00)	(6,174.00)	(3,987.00)	(4,194.00)
Cash flows from financing activities												
Proceeds from borrowings	-	-	3,500.00	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(429.00)	-	(234.35)	(318.06)	(326.18)	(334.34)	(343.05)	(351.81)	(360.80)	(369.94)	(379.46)	(389.15)
Repayments made on finance leases	-	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow from financing activities	(429.00)	-	3,265.65	(318.06)	(326.18)	(334.34)	(343.05)	(351.81)	(360.80)	(369.94)	(379.46)	(389.15)

QTC Local Government Forecasting Model—Richmond Shire Council Statement of Cash Flows

Whole of Council active

Line item	Jun-15A	Jun-16A	Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
Total cash flows												
Net increase in cash and cash equivalent held	(3,651.00)	(1,009.00)	6,756.06	(2,976.98)	(1,279.08)	26.22	(33.30)	611.89	(412.95)	237.60	2,008.54	1,707.52
Opening cash and cash equivalents	11,005.00	7,354.00	6,345.00	13,101.06	10,124.08	8,845.01	8,871.22	8,837.92	9,449.82	9,036.87	9,274.46	11,283.01
Closing cash and cash equivalents	7,354.00	6,345.00	13,101.06	10,124.08	8,845.01	8,871.22	8,837.92	9,449.82	9,036.87	9,274.46	11,283.01	12,990.53
Reconciliation												
Closing cash balance to Statement of Financial Position	-	-	-	-	-	-	-	-	-	-	-	-



Whole of Council active

Control Panel

1. **Select Scenario**
Base case

2. **Whole of Council or Business Units?**
 Whole of Council
 Selected Business Units

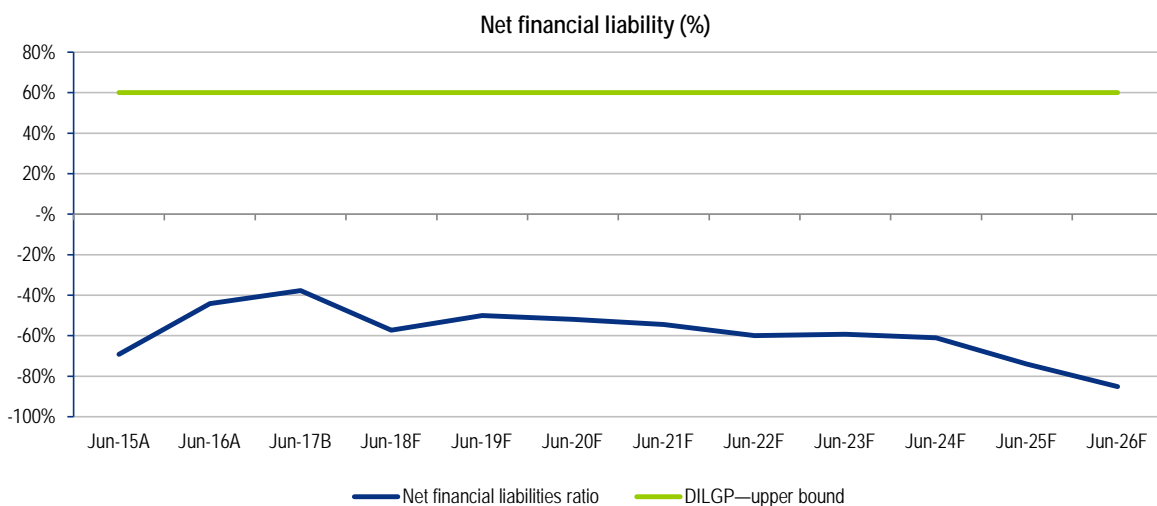
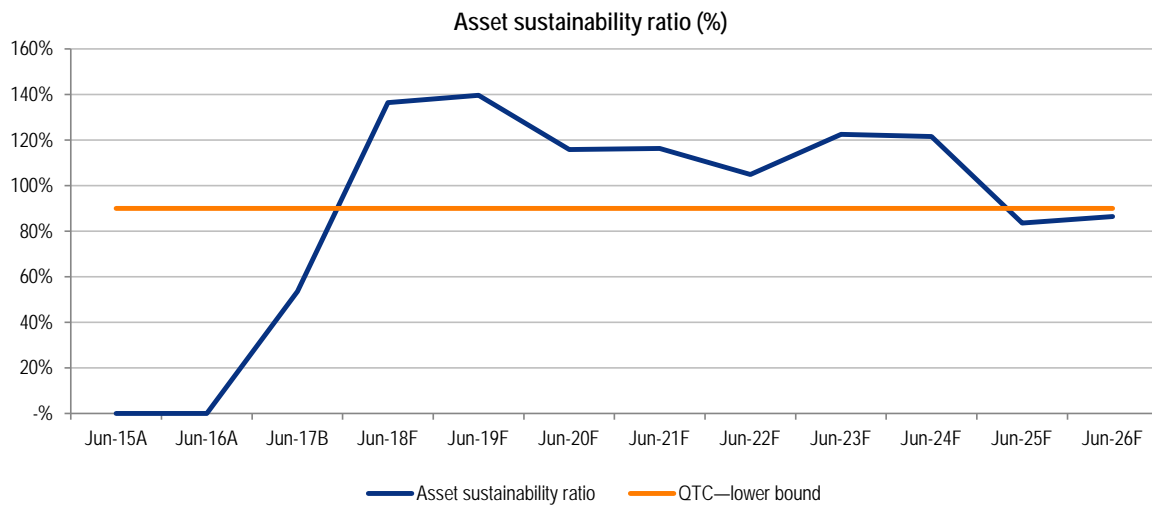
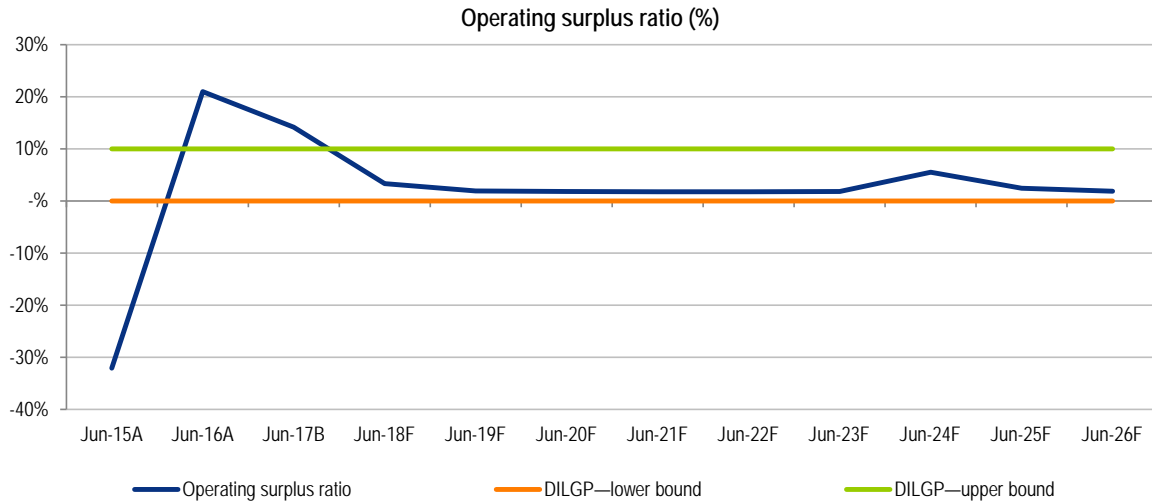
3. **Select Business Units**
 Whole of Council
 [Inactive BU] 4
 [Inactive BU] 2
 [Inactive BU] 3
 [Inactive BU] 5
 [Inactive BU] 6

4. **Normalise Results**
 Use median cash balance for ratios
 Normalise for selected grant program
 NDRRA—operating

5. **Print**

Line item	Annual result														
	Jun-12A	Jun-13A	Jun-14A	Jun-15A	Jun-16A	Jun-17B	Jun-18F	Jun-19F	Jun-20F	Jun-21F	Jun-22F	Jun-23F	Jun-24F	Jun-25F	Jun-26F
Asset revaluation surplus															
Opening balance					79,829	79,860	80,671	81,676	82,826	84,742	86,867	89,200	91,777	94,604	
Net result					na	na	na	na	na	na	na	na	na	na	na
Increase in asset revaluation surplus					31	811	1,005	1,150	1,916	2,125	2,333	2,577	2,827	3,022	
Internal payments made					na	na	na	na	na	na	na	na	na	na	na
Closing balance					79,829	79,860	80,671	81,676	82,826	84,742	86,867	89,200	91,777	94,604	97,626
Retained surplus															
Opening balance					94,993	105,196	107,790	110,150	112,493	114,803	117,118	119,440	122,424	124,860	
Net result					10,203	2,594	2,360	2,343	2,310	2,314	2,323	2,983	2,437	2,339	
Increase in asset revaluation surplus					na	na	na	na	na	na	na	na	na	na	na
Internal payments made					-	-	-	-	-	-	-	-	-	-	-
Closing balance					94,993	105,196	107,790	110,150	112,493	114,803	117,118	119,440	122,424	124,860	127,199
Total															
Opening balance					174,822	185,057	188,462	191,826	195,319	199,545	203,984	208,640	214,201	219,464	224,825
Net result					10,203	2,594	2,360	2,343	2,310	2,314	2,323	2,983	2,437	2,339	
Increase in asset revaluation surplus					31	811	1,005	1,150	1,916	2,125	2,333	2,577	2,827	3,022	
Internal payments made					-	-	-	-	-	-	-	-	-	-	-
Closing balance					174,822	185,057	188,462	191,826	195,319	199,545	203,984	208,640	214,201	219,464	224,825

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
operating ratio	21.0%	14.2%	3.4%	1.9%	1.9%	1.8%	1.8%	5.6%	2.4%	1.9%	1.9%
asset sustainability ratio	101.8%	53.6%	136.4%	139.6%	115.8%	116.3%	104.9%	122.5%	121.5%	83.6%	86.5%
net financial liabilities ratio	-44.1%	-37.8%	-57.2%	-50.0%	-57.9%	-54.5%	-60.0%	-59.3%	-61.0%	-74.0%	-85.2%



RICHMOND SHIRE COUNCIL



POLICY

TITLE: REVENUE POLICY

DATE OF ADOPTION: 16/3/2010

REVIEW DATE: 28/06/2016

EXPLANATORY NOTE:

Council is required to review and adopt its Revenue Policy prior to the end of each financial year. The Revenue Policy is intended to be a strategic document. Its adoption, in advance of setting the budget, allows Council to set out the principles that it will use to set its budget and to identify in broad terms the general strategy to be used for raising revenue. This Revenue Policy will be of interest to ratepayers, federal and state government, community groups and other interested parties seeking to understand the revenue policies and practices of Council.

OBJECTIVES:

The purpose of this revenue policy is to set out the principles used by Council in:

- The making and levying of rates and charges
- The recovery of unpaid rates and charges
- The granting of rebates and concessions

RELEVANT LEGISLATION:

*Local Government Act 2009 S104(5)(a)(iii)
Local Government Regulation 2012 S193*

REFER ALSO TO:

*Richmond Shire Council's Revenue Statement
Richmond Shire Council's Corporate Plan
Richmond Shire Council's Operational Plan*

PRINCIPLES:

A Principles used for the **making and levying** of rates and charges

In general Council will be guided by the principle of user pays in the making of rates and charges 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;
- having in place a rating regime 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 economy.

In levying rates Council will apply the principles of:

- making clear what is the Council's and each ratepayers' responsibility to the rating system;
- making the levying system simple and inexpensive to administer;
- timing the levy of rates to take into account the financial cycle of local economic activity, in order to assist smooth running of the local economy; and
- equity through flexible payment arrangements for ratepayers with a lower capacity to pay.

B Principles used for the **recovery of unpaid** rates and charges

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers. It will be guided by the principles of:

- transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them meet their financial obligations;
- making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective;
- capacity to pay in determining appropriate arrangements for different sectors of the community;
- equity by having regard to providing the same treatment for ratepayers with similar circumstances; and
- flexibility by responding where necessary to changes in the local economy.

C Granting of Rebates and Concessions

In considering the application of concessions, Council will be guided by the principles of:

- equity by having regard to the different levels of capacity to pay within the local community,
- the same treatment for ratepayers with similar circumstances;
- transparency by making clear the requirements necessary to receive concessions, and
- flexibility to allow Council to respond to local economic issues.

Consideration may be given by Council to granting a class concession in the event all or part of the local government area is declared a natural disaster area by the State Government.

D: Setting of Miscellaneous fees and charges

In setting miscellaneous fees and charges, Council will apply the following guidelines:

- Fees associated with regulatory services will be set at no more than the full cost of providing the service or taking the action for which the fee is charged. Council may choose to subsidise the fee from other sources (eg. General rate revenue)
- Charges for commercial services will generally be set to recover the full cost of providing the service and, if provided by a Business of Council, may include a component for return on Council's investment. Council may choose to subsidise commercial fees that are not provided by a Business of Council from other sources (eg. General rate revenue)

REVENUE STATEMENT

RELEVANT LEGISLATION

193 Revenue policy

- (1) A local government's revenue policy for a financial year must state-
 - (a) the principles that the local government intends to apply in the financial year for—
 - (i) levying rates and charges; and
 - (ii) granting concessions for rates and charges; and
 - (iii) recovering overdue rates and charges; and
 - (iv) cost-recovery methods; and
 - (b) if the local government intends to grant concessions for rates and charges—the purpose for the concessions; and
 - (c) the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.
- (2) The revenue policy may state guidelines that may be used for preparing the local government's revenue statement.
- (3) A local government must review its revenue policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

SUMMARY

Revenue - From licenses, permits, rents, fees and private works are set charges as resolved at the Budget Meeting for that year.

Grants - As received from the Local Government Grants Commission, State and Federal Governments and donations from various organisations or person/s.

Other Contract Work – May be carried out at unit rates not less than those for private works unless otherwise resolved.

Development Charges – Physical and social infrastructure charges on new developments will be determined on a case-by-case basis.

Operating Capability – Council has a policy of increasing the operating capability of the Council each financial year to be in a position to counter any eventuality. Council will consider determining priority issues each year to the extent of the increase in operating capability.

Depreciation – Council will fully fund depreciation on all assets that are determined as continuing assets. These assets that are considered to be surplus may in any given year not have its depreciation fully funded. Where Council has the ability of funding the depreciation of those surplus assets they will.

RATING CATEGORIES

The Richmond Shire Council is dissected into 4 categories for differential rating purposes: -

- X Category 1 - Those rateable parcels of land located in the urban area of Richmond Town as delineated on the Town map of Richmond
- X Category 2 - Those rateable parcels of land situated on the outskirts of Richmond Town as delineated on the Richmond Town map area.
- X Category 3 - Those rateable parcels of land situated on the outskirts of Maxwelton as delineated on the map of the Town of Maxwelton
- X Category 4 - Those rateable parcels of land described as "Grazing" by the Department of Lands Valuation Roll

General Rate

In accordance with Section 77 of the Local Government Regulation 2012 the Richmond Shire Council will make a minimum general rate payable on all rateable land within the Shire for the financial year. Recognising that all parcels of land will place some burden on the Shire infrastructure and that there is an administration cost incurred on each parcel. Refer to schedule of rates and charges 2016/17.

Utility Rates - Cleansing

Council will charge an annual utility rate for waste collection services as per the schedule of rates and charges 2016/17.

Utility Rates – Sewerage

Council will charge an annual utility rate for sewerage services as per the schedule of rates and charges 2016/17.

Water Charges

In accordance with Section 101 of the Local Government Regulation 2013 Richmond Shire makes water charges for the year ending 30 June 2016 as per the schedule of rates and charges 2016/17.

Water Allocation

Richmond Shire Council has introduced a water charge on each consumer/property, whether vacant or occupied. The charge will be based on the size of the water connection together with Council's estimate of demand patterns and measured in units as detailed in the schedule of rates and charges.

For the 2016/17 financial year the water charge for properties will be calculated at:

	Block Size	Household Use Yearly Allocation Litres
1	0.0600 - 0.0900 ha	730,000
2	0.0901 - 0.1199 ha	839,500
3	0.1200 - 2.0 ha	2,336,000

The aim of the water charges is to provide residents with details of their water usage so that they can look to save water and reduce consumption. Where the supply is metered and consumption exceeds the annual allowance a warning message will be forwarded to the consumer. In 2016/17 financial year Council will introduce the water charge at \$1 per kilolitre for excess water. The water metres will be read twice per year in June and December.

Council must comply with the *Water Supply (Safety and Reliability) Act 2008* (the Act), which commenced on 1 July 2008. It is a requirement under Section 138 of the Act that a rate notice or account issued by Council comply with the Guidelines for issuing a rate notice or account for the supply of water to residential premises. The purposes of the guidelines and rate notice is to assist customers in determining whether their water usage is excessive and provide guidance on what they can do to save water.

Special Rates under Section 94

Council has a special rate for the financial year under S 94 of the Local Government Regulation 2012 for 1080 Baiting. Council has an annual implementation program for a 1080 Baiting program for the eradication of dingos and feral pigs as part of its overall Pest Management Plan.

Council has no intention of introducing other special rates or levies under this section.

The 1080 Baiting special rate will be calculated on the size of the property and apply to both the Northern and Southern rural rated properties in the Shire.

Regulatory Fees

All regulatory fees made by Council have been determined using the Cost Recovery principle, and where possible Council has reduced expenditure rather than increase fees to keep the principle fair and equitable.

Revenue Measures

Revenue – Richmond Shire Council revenue is raised from rates, charges, licenses, permit, rents, fees, grants, donations contract/private works and realisation of assets. No resolution is made for the current financial year limiting the increases in rates and charges.

Discounts – Council offers Ratepayers a discount of 15% on all its General Rates and 10% on Water, Sewerage and Cleansing Charges if fully paid, including all arrears, by discount date in accordance with S130 of the Local Government Regulation 2012.

Interest Rate – Unpaid rates will bear an interest charge of 8% compounded daily if outstanding sixty (60) days after each discount period in accordance with Section 132 of the Local Government Regulation 2012. (Note: maximum interest charge is 11%)

Pensioner Remissions – In accordance with the *Administrative Guidelines for the Queensland Government's Pensioner Rate Subsidy Scheme*, approved pensioners within Richmond Shire will be eligible for 45% subsidy on current rates and charges, being: -

- (a) State Government 20% and Council 25%; **or**
- (b) That portion thereof to which they are entitled under the said Guidelines.

However, if any Aged Pensioner is not entitled to the full 20% State Subsidy, Council will further subsidise the shortfall, in order that all Aged Pensioners receive the maximum 45% subsidy. The maximum subsidy amount that will apply in any one (1) financial year is \$260.00 from Council and \$180.00 from the State Government.

Exempt Land – (S73 Local Government Regulation 2012) Each year Council at its Budget Meeting will pass a resolution listing properties which will receive an exemption from rates and/or charges for the year.

Payment of Rates and Charges by Instalments - The Richmond Shire Council will accept payment by instalments by arrangement with the Rates Clerk.

Recovery of Rates - The Richmond Shire Council will, in accordance with Council's Rates Recovery Policy and the provisions of the Local Government Regulation 2012 recover Rates and Charges which are overdue, if no satisfactory arrangements for payment have been made. Properties with a habitable dwelling with unpaid rates of three (3) years will be advertised and sold at Public Auction in accordance with the Local Government Regulation 2012. Properties that are vacant with unpaid rates of one (1) year will be advertised and sold at Public Auction in accordance with the Local Government Regulation 2012.

Rate Capping – Council sets at budget time in accordance with the levies any rate capping that is applicable to any particular rates category.

Frequency of Rates – Council will rate twice in any given year.