



# Draft Budget

## 2024-25

12.06.2024

## Mayor's Foreword



Dear Residents of Mount Isa,

We are pleased to present the Mount Isa City Council's draft FY24/25 budget for public consultation. This year's budget has been crafted with a keen awareness of the pressures many of our residents face due to rising costs of living. At the same time, we are mindful of the significant economic challenge posed by Glencore's announcement of 1200 job losses.

### **We have addressed this by:**

- Keeping the rates as low as possible for the properties of principal place of residence
- Providing a \$200 discount for pensioners
- Balancing the needs to pay for the increased costs of the Material Recycling Facility and our green agenda and keeping our quality staff by paying them fairly.

### **What are we addressing?**

- Economic Pressure: The increasing cost of living affecting our residents.
- Job Losses: The impact of Glencore's decision to cut 1200 jobs in our community.
- Efficiency in Governance: The need to streamline Council processes to reduce operational costs.

### **How are we addressing these issues?**

- Supportive Measures: We have incorporated initiatives designed to ease financial burdens on households.
- Strategic Focus on the Six Pillars: We are dedicated to fostering growth and resilience in six key areas:
  1. Economic Development.
  2. Infrastructure
  3. Community Wellbeing
  4. Environmental Sustainability
  5. Governance and Leadership
  6. Innovation and Technology

Streamlining Processes: Ongoing efforts are in place to make our processes more efficient, thereby reducing costs and improving service delivery.

### **Why are we taking these steps?**

- Community Support: We recognize the immediate and long-term needs of our residents and are committed to providing support during these challenging times.
- Economic Resilience: By focusing on the six pillars, we aim to offset the job losses and create a robust and diverse economic base for Mount Isa.

This draft budget is open for public comment from Wednesday 12 June until Wednesday 19 June 2024.

I invite and encourage you to review this draft budget document and provide Council with your feedback by emailing [city@mountisa.qld.gov.au](mailto:city@mountisa.qld.gov.au).

Council always welcomes residents' feedback and recognises that different parts of the community have different priorities.

I would like to thank the Council members and staff who have contributed to the development of this document.

Council's 2024-25 budget will be handed down at its Special Budget Meeting to be held on Wednesday 26 June.

**Peta MacRae**  
**Mayor of Mount Isa**



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# 1

## Draft Budget 2024-25 Overview

### Total draft budget for 2024-25

Local Governments are required under the *Local Government Act 2009* (the Act) and the *Local Government Regulation 2012* to prepare a Corporate Plan, Annual Operational Plans (Work Program), Budgets and long-term financial forecasts.

Councils are also required under the Act to adopt budgets after 31 May of the preceding financial year and prior to 1 August of the respective financial year.

The total budget for 2024-25 is \$110.903 million, made up as follows:

- capital expenditure \$21.477 million
- services and operating costs \$87.455 million
- debt repayments (principal) \$1.971 million.

The draft budget to be presented assumes a balance at EOY operating result of \$ 101k.

### Corporate Plan 2020-2025

Council's Corporate Plan is one of the most important documents within Council as it communicates the collective priorities of the elected Council (Mayor and Councillors), and as a consequence, sets the direction for every part of our daily operations.

Council's Top Strategic Priorities are as follows:

#### 1. People & Communities

To establish safe and healthy communities with a strong sense of identity which supports existing industry and encourages new and Innovative business and practices.

#### 2. Prosperous & Supportive Economy

To develop a prosperous and diverse local economy which supports existing industry and encourages new and innovative business and practices.

#### 3. Services & Infrastructure

To establish innovative and efficient infrastructure networks that service the local communities and industries.

#### 4. Healthy Environment

To recognise, protect, manage, and promote our unique natural environment to ensure the economic, environmental, social and cultural values are developed for long-term sustainability.

#### 5. Ethical & Inclusive Governance

To practice inclusive and ethical governance through proactive engagement with all sectors of the community, council, and all levels of government.

These priorities will provide direction for the selection of any proposed amendments to how MICC currently operate.



## **Notable inclusions for 2024-25**

The following allocations are included in the 2024-25 draft budget:

### **1. Capital Works**

- Carry-over of capital works for construction of Materials Recovery Facility (\$4.550 million)
- Plant Replacement Program (\$2.440 million)
- Reconfiguring network (Upgrade) to improve disinfection, pipeline lifespan, and pressure (\$1.949 million)
- PCNP shared Pathways (\$1.656 million)
- Renewal of sealed roads in Mount Isa and Camooweal (\$2.4 million)
- Energy efficiency program - Council's Infrastructure (\$1.560 million)
- Parks upgrade program: earthworks, demolition, signages, furnishings, play equipment. (\$1.250 million)
- Road Culvert Rehabilitation (\$1 million)
- Road to Recovery 2025 Program (\$1 million)

### **2. Events (\$462 K)**

- Mount Isa Show Stall
- Cultural Development (NAIDOC)
- Citizenship Ceremonies
- Welcoming Babies Day
- Seniors Christmas Morning Tea Events
- Pet Day
- Australia Day
- RSL Events-Anzac Day/Vietnam
- New Year's Eve Event
- Christmas Carols
- Street Party

## Debt management

Council compares favourably against industry benchmarks. Debt is being prudently managed with **Nil** new borrowings proposed for 2024-25.

Total debt is expected to decrease by \$1.971 million in 2024-25 (from \$15.357 million in June 2024 to \$13.386 million in June 2025), taking into account principal repayments of \$1.971 million.

Council is well within industry benchmarks used to measure debt and its impact on financial sustainability.

## Debt levels and capacity to service debt

Council is focused on responsibly managing debt in the short and long term. Debt is only used for capital purposes.

Total debt is forecast to reduce over the next few years from \$15.357 million in June 2024 to Nil in 10 years in June 2034 as Council delivers major infrastructure projects to renew and other essential infrastructure assets to meet the demand for new and improved community facilities.

Council will remain well within debt ratio benchmarks set by the State Government and Queensland Treasury Corporation (QTC) as shown in the ratio tables in section 6. The debt service cover ratio (debt principal and interest payments divided by operating revenue) for 2024-25 is estimated to be 5 times (well above benchmark of 2 times), demonstrating Council's ability to adequately service debt commitments.

## Value for money

A number of value for money initiatives are proposed in 2024-25, notably:

- Increasing revenue sources
- Decreasing operating expenses
- Cost savings by entering into contracts for bulk purchases, for example, plant & workshop consumables
- Identifying areas of waste or unproductive activities
- Rationalising overtime & only allowing critical areas to budget for overtime, for example, sewerage on call
- Identification of ways to reduce corporate expenses e.g. electricity, office supplies, IT services,
- Analysing the costs of providing individual services & setting the fees to recover the full costs.

## 2 Revenue (including Rates and Charges)

### Economic Outlook

The following are the key highlights from the February 2024 Reserve Bank of Australia Statement on Monetary Policy:

- Inflation continues to moderate and is expected to return to the target range of 2–3 per cent in 2025 and to reach the midpoint in 2026.
- Inflation has moderated but services price inflation remains high.

**Table: Output Growth, Unemployment and Inflation Forecasts<sup>(a)</sup>**

Per cent

	Year-ended					
	Dec 2023	June 2024	Dec 2024	June 2025	Dec 2025	June 2026
GDP growth	1.5	1.3	1.8	2.1	2.3	2.4
(previous)	(1.6)	(1.8)	(2.0)	(2.2)	(2.4)	–
Unemployment rate <sup>(b)</sup>	3.8	4.2	4.3	4.4	4.4	4.4
(previous)	(3.8)	(4.0)	(4.2)	(4.3)	(4.3)	–
CPI inflation	4.1	3.3	3.2	3.1	2.8	2.6
(previous)	(4.5)	(3.9)	(3.5)	(3.3)	(2.9)	–
Trimmed mean inflation	4.2	3.6	3.1	3.0	2.8	2.6
(previous)	(4.5)	(3.9)	(3.3)	(3.0)	(2.9)	–
Year-average						
	2023	2023/24	2024	2024/25	2025	2025/26
GDP growth	2.0	1.6	1.5	1.9	2.2	2.3
(previous)	(2.0)	(1.7)	(1.8)	(2.0)	(2.2)	–

Source: <https://www.rba.gov.au/publications/smp/2024/feb/pdf/statement-on-monetary-policy-2024-02.pdf>

### Cost Index and EBA Increase

Council has 5 enterprise bargaining agreements, namely:

- MICC – Certified Agreement 2018
- MICC – Certified Agreement Local Area Workforce Agreement 2019-2022
- Qld Local Government Industry (Stream A) Award – State 2017
- Qld Local Government Industry (Stream B) Award – State 2017
- Qld Local Government Industry (Stream C) Award – State 2017

In addition, salary and wage increases also apply to Officers on a Contract of Employment.

According to the February 2024 Reserve Bank of Australia Statement on Monetary Policy, growth in the Wage Price Index (WPI) – a measure of changes in base wage rates for a given quantity and quality of

labour – grew by 1.3% in the September 2023 quarter, to be 4% higher in year-ended terms.

Negotiations for Certified Agreement/s (Enterprise Bargaining Agreements) have been paused to focus on emerging economic matters in Mount Isa Mines - Glencore Operations.

The Council Cost Index (CCI) is an indicator to the state-wide average rate increase that may be necessary to maintain the current level of service, assuming other revenue sources (e.g. grants) also increase in line with costs.

The Council Cost Index (CCI) is an indicator to the state-wide average rate increase that may be necessary to maintain the current level of service, assuming other revenue sources (e.g., grants) also increase in line with costs. The current methodology with its reliance on historical data has demonstrated itself to be less than satisfactory in a high inflation environment currently being experienced.

LGAQ has found an improved way to estimate council cost increases over the next financial year. Up until now, the CCI has been calculated using only historical data from the Australian Bureau of Statistics (ABS). However, past cost increases are not always a good guide to the future.

Going forward, LGAQ will publish:

- the CCI, which measures cost changes over the past year, and
- a 'Projected CCI', which projects cost changes over the coming financial year.

Mount Isa City Council is yet to be advised of the Projected CCI.

## Rates and Charges

Total Rates and Charges for a residential non-Community Title Property dwelling being a principal place of residence paying the average general rate have increased by 4.6 %. The table below reflects a typical rates bill for such a property.

Table 1: Summary of total Rates and Charges 2024-25 for a residential non-Community Title Property dwelling being a principal place of residence paying the average general rate

	2023-24			2024-25		
	Total Rates & Charges	Total Increase	Total Increase	Total Rates & Charges	Total Increase	Total Increase
	\$	\$	%	\$	\$	%
General Rate	\$1,085	\$35	3.3%	\$1,135	\$50	4.6%
Sewerage Connected Charge	\$738	\$34	4.8%	\$770	\$32	4.3%
Water Access Charge	\$1,288	\$45	3.6%	\$1,360	\$72	5.6%
Water kl Charges @ 400kl pa, 23-24 rate \$0.96/kl	\$385	\$13	3.5%	\$407	\$22	5.7%
Garbage Service	\$385	\$19	5.2%	\$410	\$25	6.5%
Net Rates and Charges	\$3,881	\$146	3.9%	\$4,082	\$201	5.2%

Environmental Charge will be increasing from \$71 in FY23-24 to \$100 in FY24-25 in order to fund the cost of introducing kerbside recycling service.

### General Rates

General Rates for the 3,382 assessments in the new Category 2 Residential – PPR ≤ \$60,000, <4,000m<sup>2</sup>, will have a median levy increase of 4.6 % or \$50 per year.



## Utility Costs

A typical Mount Isa Residential dwelling will have Utility Charges increase from \$2,867 to \$3,022 an increase of \$155 per year.

The proposed increases in charges are based on the long-term increase in expenses for each network or service.

- Sewerage Connected Charge
  - Sewerage Connected Charges have been increased by 4.3% or \$32 per year.
  - Historically, the average increase in Sewerage costs from 2009-10 to 2022-23 has been approximately 3.1%, while the average revenue from Sewerage for the same reporting period has been 4.7% (including sundry income).
- Water Charges
  - Water Access Charge has been increased by 5.6% or \$72 per year.
  - Water Consumption Charge has been increased by 5.7% or \$22 per year.
  - The average increase in Water costs from 2009-10 to 2022-23 has been approximately 3.5%, while the average revenue from Water for the same reporting period has been 3.5%.
- Garbage Service
  - Garbage Service Charge has been increased by 6.5 % or \$25 per year.
  - The increase in the Waste Management Utility Charge (Garbage Service) covers the cost of waste collection, disposal, and processing.
  - The average increase in cleansing (Waste) costs from 2009-10 to 2022-23 has been approximately 7.1% (inclusive of waste levy payments), while the average revenue from Cleansing (Waste) for the same reporting period has been 9.2% (inclusive of waste levy refunds).
- Environmental Charge\*
  - Environmental Charge has been increased by 40.85 % or \$29 per year.
  - The Environment Charge allows the Council to fund a range of strategic environmental management initiatives including rehabilitation across the region. In order to invest in infrastructure to implement environmental initiatives, a \$100 annual Environment Charge is included.

## Community Service Obligations

There are a number of services that the Council provides to the community at no cost, or they have been granted a rebate or a waiver (i.e. to not pay for certain services). Examples are:

- Concession for Pensioners
  - Council provides pensioners with a concession on General Rates and Utility Charges equivalent to that provided by the State Government, which is 20% of the amount levied to a maximum of \$200.00.
  - No concession is provided on State Fire Services Levy as it is a State Government Charge.
  - No concession is offered on any separate or special charges.

The council has not changed the concession to pensioners in 2024/25. Council has determined that pensioners as defined by the Local Government Regulation 2012 are

entitled to receive concessions on rates and charges levied by Council. Council may grant a concession for land that is owned by a pensioner under Section 120(1)(a) of the Local Government Regulation 2012.

- Concession for Owner occupied Residential Property with a larger than standard 20mm water meter
  - Council grants a remission to all owner(s) occupied residential properties with a Council-installed water meter larger than the standard 20mm water meter subject to predetermined criteria.
- Annual Water Access Charge Remission Available
  - All ratepayers who are eligible for this remission will be charged an annual water access charge equivalent to that of a 20mm water meter.
  - This is subject to Council being satisfied that circumstances justify the exercise of the remissions power and grants this remission on the basis that to require the ratepayer to pay full charges in these circumstances would result in hardship.

#### **The Laura Johnson Home for the Aged**

1. The 1.5m<sup>3</sup> Commercial Garbage Service Charge rates are charged in lieu of the 3.0m<sup>3</sup> Commercial Garbage Service Charge rates for the next two (2) years (2024/25 to 2025/26), and
2. 16 of the 240L Bins are charged at the Residential Garbage Service Rate without the waste service charge for the next (2) years (2024/25 to 2025/26), and
3. The Council approve a 50% concession on the water meter access charge for the next two (2) years (2024/25 to 2025/26), and
4. That Council approve a 50% concession on the Sewage Charges for the facility for the next two (2) years (2024/25 to 2025/26).

#### **Resolution OM27/05/24**

#### **Home Haemodialysis (Kidney Dialysis) Treatment**

- Pursuant to sections 120 and 122 of the *Local Government Regulation 2012*, if a ratepayer incurs higher water consumption charges as a result of home haemodialysis treatment. Council is satisfied that such circumstances justify the exercise of the remissions power and grants this remission on the basis that to require the ratepayer to pay full charges in these circumstances would result in hardship. Where this remission applies there will a \$200 reduction in the water consumption charge per financial year based on application.

#### **Christian Outreach Centre:**

- Cleansing (Waste) charges for 1 x 240 Litres residential bin for the period commencing 1 July 2017 for so long as the Christian Outreach Centre continue to provide community programs that allow the community to congregate and the utilise the services that the Centre offer. This is subject to an annual review with Christian Outreach Centre being required to provide evidence of continual delivery of these services to the community.

#### **Resolution OM12/04/17**

#### **Good Shepherd Parish:**

- On cleansing (Waste) charges for 5 x 240 Litres residential bins, for the period commencing 1 January 2017 for so long as "Good Shepherd Parish" continues to provide free meals for the homeless. This is subject to an annual review with Good Shepherd Parish being required to provide evidence of continual services delivery.

**Resolution OM16/02/17**

**Leichhardt Services Bowls Club:**

- Council approves a concession of 100% on general rate charges only under Section 120 (b)(i) and (c), AND this concession is subject to an annual review by Council management with the club being required to provide supporting financial documentation as evidence of severe financial hardship.

**Resolution OM14/12/18**

**The Cootharinga Society of North Queensland:**

- On general rates only for the period commencing 1 January 2017 for so long as "The Cootharinga Society of North Queensland" remains a registered charity.

**Resolution OM44/11/16**

**Camooweal Rural Fire Brigade:**

- Council approves to reinstate the exemption given to Camooweal Rural Fire Brigade in September 1991 from all general rates and charges as per Section 93 (3)(b) of the Local Government Act 2009.

**Resolution OM22/01/21**

# 3 Services

## Services 2024-25

Council provides a variety of services that support the delivery of the Corporate Plan 2020-2025. These areas include transport, arts and culture, property and planning, sport and recreation, sustainability and the environment.

The following table provides a breakdown of the major expenditure programs to be undertaken by the Council as part of the 2024-25 budget.

Compared to 2023-24, Council's total operating budget increased by \$15,712 million in operating expenditure.

**Table 2: Operating Expenditure by Service**

	2023-2024 Budget	2024-2025
		Budget
Batch Plant	\$2,026,587	\$641,670
Asset Management	\$376,982	\$376,730
Facilities Management (including cemetery)	\$1,116,222	\$2,184,967
Governance	\$2,577,385	\$2,812,781
Land Use and Town Planning	\$1,488,801	\$2,201,834
Economic and Community Development	\$5,391,880	\$5,796,181
Environmental and Regulatory Services	\$2,782,345	\$2,307,443
Corporate Services	\$19,310,559	\$ 19,257,009.00
Waste Management	\$7,032,070	\$ 9,053,533.00
Water and Sewerage	\$18,170,518	\$18,110,867
Flood Damage	\$0	\$12,394,320
Major Projects	\$1,562,057	\$1,256,170
Parks and Gardens	\$4,041,869	\$3,234,837
Roads Maintenance	\$3,090,407	\$4,656,267
Fleet Management	\$2,775,579	\$3,170,631
<b>Grand Total</b>	<b>\$71,743,261</b>	<b>\$87,455,240</b>

To deliver the catalogue of services provided by the Council, a total of 209 Full-Time Equivalents (FTE) are included in the draft 2024/25 budget.

DIRECTORATE	DEPARTMENT	Total
Community Services	Civic Centre	4
	Community Development	2
	Community Services	2
	Development and Land Use	6
	Economic & Community Development	2
	Economic Development	2
	Environment, Regulatory Services & Land	1
	Environmental Services	6
	Events	1

	Library Services	7
	Planning	3
	Project Specialist, Recycling	1
	Regulatory Services	9
	Splashz Aquatic Services	8
	Tourism	1
<b>Community Services Total</b>		<b>55</b>
Corporate Services	Asset Management/GIS	2
	Corporate Services	2
	Customer Service	4
	Finance	8
	Human Resources	3
	Human Resources & Safety	1
	Information Technology	5
	Payroll	2
	Procurement	2
	Records	2
	Revenue	6
	Workplace Health & Safety	3
<b>Corporate Services Total</b>		<b>40</b>
Infrastructure Services	Batch Plant	2
	Camooweal	1
	Facilities Management	6
	Infrastructure Services	4
	Major Projects	4
	Parks and Gardens	26
	Rural Roads	6
	Sewerage Services	5
	Urban Roads	16
	Waste Management Services	13
	Water Services	14
	Water, Sewer and Waste Services	1
	Works & Operations	3
	Workshop/Fleet Management	8
<b>Infrastructure Services Total</b>		<b>109</b>
Office of CEO	CEO Office	4
	Corporate Governance	2
<b>Office of CEO Total</b>		<b>6</b>
<b>Grand Total</b>		<b>209</b>



**Table 3: Operating Expenditure by nature and type**

Recurrent Expenditure	2023-24 Budget	2024-25 Budget
Employee Benefits	\$22,276,691	\$24,515,472
Materials and services*	\$34,643,789	\$48,130,230
Finance costs	\$1,121,597	\$1,108,354
Depreciation	\$13,701,184	\$13,701,184
<b>Total</b>	<b>\$71,743,261</b>	<b>\$87,455,240</b>

**Source of funds 2024-25**

The Council's total budget of \$87.455 million is funded from various revenue sources. Revenue figures are above in the 2024/25 budget compared to the 2023/24 budget mainly due to the Disaster Recovery Funding Arrangements event for Northern and Central Queensland Monsoon and Flooding, December 2023 – March 2024, of \$12.394m funded by Queensland Reconstruction Authority.

The following table provides a breakdown of the major sources of funding used to underpin the Council's 2024-25 budget:

**Table 4: Source of funds**

Recurrent Revenue	2023-24 Budget	2024-25 Budget
General Rates	\$18,882,000	\$21,795,791
Water, Sewerage and Cleansing (Waste) Charges	\$31,025,000	\$32,875,190
Other Rates and Cleansing (Waste) Charges	\$549,000	\$556,500
Fees and Charges	\$3,449,910	\$2,939,484
Grants and Subsidies	\$8,322,218	\$21,859,214
Other (interest, rental and sales income)	\$4,711,567	\$3,828,047
Water Dividend and Sundry Income	\$4,936,724	\$3,625,294
<b>Total</b>	<b>\$71,862,419</b>	<b>\$87,479,520</b>

## 4 Capital Works

Capital works planned for 2024-2025 include new projects and carryover projects not completed in the 2023-2024 financial year.

For 2024-25, Council will deliver a \$21,477,057 capital works program, which comprises almost \$8,722,337 in new projects.

Council actively pursues Queensland and Federal Government funding opportunities to assist in funding projects for our communities. The draft budget includes capital grants of \$9,904,649.

Total Capital Budget	State/Federal Funding	Council Funding
\$ 21,477,057	\$ 9,904,649	\$ 11,572,408

### Strategic Priority

In line with the City's Corporate Plan 2020-2025 strategic priorities, the following Capital Works Projects will be undertaken in 2024-25.

#### • Healthy Environment

Project Name	Classification	Amount	State/Federal Funding	Council Funding
DRF Solar Panels & Battery Storage to Facilities	New	\$702,870	\$702,870	\$ -
Energy Efficiency Infrastructure	Upgrade	\$1,560,844	\$515,117	\$1,045,726
Environment Services / Biosecurity Storage and Lab Space	New	\$50,000		\$50,000
Materials Recovery Facility (MRF)	New	\$4,550,000	\$2,087,503	\$2,462,496
Urban Streetscape Improvement Program	New	\$100,000		\$100,000
<b>Total</b>		<b>\$6,963,714</b>	<b>\$3,305,491</b>	<b>\$3,658,222</b>

#### • People & Communities

Project Name	Classification	Amount	State/Federal Funding	Council Funding
Animal Shelter Improvements	Renewal	\$ 150,000		\$ 150,000
Parks upgrades	Upgrade	\$ 1,250,000		\$ 1,250,000
<b>Total</b>		<b>\$ 1,400,000</b>		<b>\$ 1,400,000</b>

#### • Prosperous & Supportive

Project Name	Classification	Amount	State/Federal Funding	Council Funding
Transport Logistic Centre - Detailed Design Works	New	\$200,000		\$200,000
<b>Total</b>		<b>\$200,000</b>	-	<b>\$200,000</b>

- Services & Infrastructure

Project Name	Classification	Amount	State/Federal Funding	Council Funding
34 Miles Street EV charging Station & Laneway Development	New	\$100,000		\$ 100,000
AMF pump out and rising main	Upgrade	\$50,000	\$37,500	\$ 12,500
Buchanan Park Fire Services upgrade	Renewal	\$300,000		\$300,000
Buchanan Park Rodeo stand seating upgrade	Renewal	\$50,000		\$50,000
Civic Centre - Airconditioning upgrade	Upgrade	\$50,000		\$50,000
Civic Centre Essential Services Compliance	Renewal	\$600,000		\$600,000
Civic Centre Lift & Flooring	Renewal	\$400,000		\$400,000
Condition Assessments Program	Renewal	\$100,000		\$100,000
Digital Display Board Installations	New	\$30,000		\$30,000
DRFA Riversleigh Road Betterment Project	Renewal	\$87,500		\$87,500
Kitchen Upgrade - Civic Centre	Upgrade	\$400,000		\$400,000
Lanskey Road Reconstruction	New	\$50,000		\$50,000
LIDAR surveys & Flood modelling	Renewal	\$150,000		\$150,000
Network reconfiguration to remove direct pumping into network	Upgrade	\$1,949,786	\$1,949,786	\$-
Outback at Isa - Toilet/ shower upgrade	Upgrade	\$200,000		\$200,000
PCNP shared Pathways	Renewal	\$1,656,250	\$1,242,188	\$414,063
Plant Replacement Program	New	\$2,440,000		\$2,440,000
Reconfigure reservoir inlet/outlet	Renewal	\$300,000		\$300,000
Road Culvert Rehabilitation	Renewal	\$1,000,000	\$ 582,313	\$417,687
Road to Recovery 2025 Program	Renewal	\$1,000,000	\$1,000,000	\$ -
Smart meters	Upgrade	\$200,000	\$ 50,000	\$150,000
Stormwater Repair and replacement	Renewal	\$200,000		\$200,000
Stormwater Upgrade Enid Street	Renewal	\$485,340	\$ 150,000	\$335,340
TIDS Works Program	Renewal	\$415,000	\$415,000	\$ -
Water and Sewer Service Replacements	Renewal	\$200,000	\$200,000	\$ -
Water treatment at Camooweal	New	\$399,467	\$200,000	\$199,467
Wright Road Footpath	New	\$100,000		\$100,000
<b>Total</b>		<b>\$12,913,343</b>	<b>\$ 5,826,787</b>	<b>\$ 7,086,557</b>

# 5 Long-term Financial Forecast

## Financial goals and strategies

Detailed 10 Year Service Financial Forecasts (10-year financial plans) are maintained for the following key functional areas and incorporated into the consolidated long-term financial forecast.

- Batch Plant
- Asset Management
- Facilities Management (including cemetery)
- Governance
- Land Use and Town Planning
- Economic and Community Development
- Environmental and Regulatory Services
- Corporate Services
- Waste Management
- Water and Sewerage
- Major Projects
- Parks and Gardens
- Roads Maintenance
- Fleet Management

In preparing the long-term financial forecast Council has sought to:

- Deliver the key outcomes and implement the themes and aspirations of Corporate Plan 2020-2025.
- Maintain rate increases under CPI for a property that is a non-community titled principal place of residence paying the average general rate.
- Prudently manage debt.
- Maintain current high-level value for money services to the community.
- Continue to fund asset renewal requirements to maintain infrastructure assets.
- Provide funding for community and sporting facilities.
- Fund key initiatives included in Council's key Strategies (including Economic Development Plan, Environmental Management Plan, Asset Management Plans, and Energy Efficiency Strategy).
- Continue to achieve value for money savings.
- Rationalise fleet Assets.

Financial decisions are guided by corporate policies, strategies, and principles of effective financial management. The Council regularly models financial performance, financial position, and cash flow forecasts to monitor the long-term sustainability of decisions. The long-term financial outlook is updated quarterly, and a comprehensive analysis is undertaken between October and December each year, and this sets the context for the development of the annual budget.

## Long-term financial outlook

The council's long-term financial forecast includes a set of key assumptions for the years beyond the adopted budget. These assumptions do not reflect the final Council policy but provide a guide to future financial performance.

Highlights in the long-term forecast include:

### Community Facilities

- Design and construction of Rodeo and Miles Street CBD over 10 years to invigorate the CBD (\$8 million).
- Construction of Outback at Isa upgrade to be completed by 2027 (\$15 million).
- Mount Isa sporting facilities upgrade over 10 years (\$8 million).
- Public toilet upgrades completed by 2030 (\$3 million).
- Miners Memorial to be completed by 2027 (\$4 million).

- Upgrade library completed by 2029 (\$15 million).

**Parks and Reserves**

- Upgrade of Lookout and car park to be completed by 2027 (\$5 million).
- Upgrade of parks and walkways to improve park assets over 10 years (\$5 million).

**Roads and Drainage**

- Renewal of the road network including culvert rehabilitation to ensure road safety and service levels are maintained over the next 10 years (\$33 million).
- Telstra Hill car park and access road completed by 2028 (\$800,000).
- Renewal works of stormwater treatment plant throughout the city over the next 10 years (\$7 million).

**Water and Sewer**

- Network reconfiguration to remove direct pumping into the network completed by 2026 (\$5 million).
- Renewal of the sewer and water network to ensure compliance and service levels are maintained over the next 10 years (\$7 million).
- Renewal of Sewer Treatment Plant completed by 2026 (\$2.5 million).



## 6

## Financial Performance

Council's financial performance can be evaluated against four key pillars:

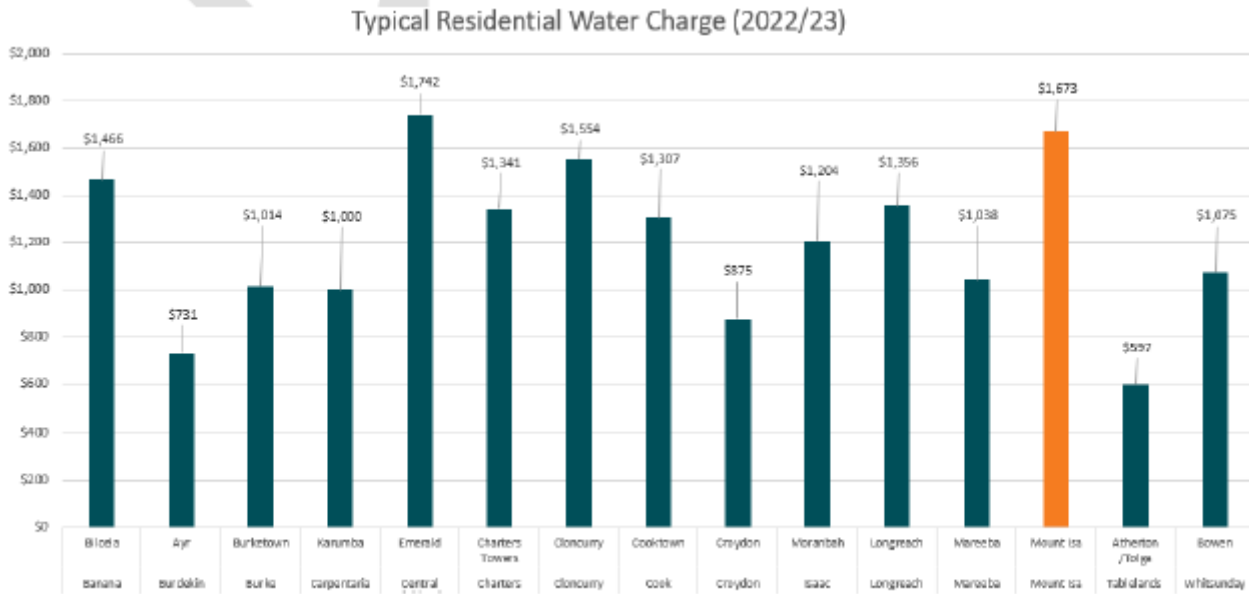
1. Competitive rating levels and user pays charges
2. Debt levels and capacity to service debt
3. The condition of Council's infrastructure assets
4. The scope and standard of services.

## Competitive rating levels and user pay charges

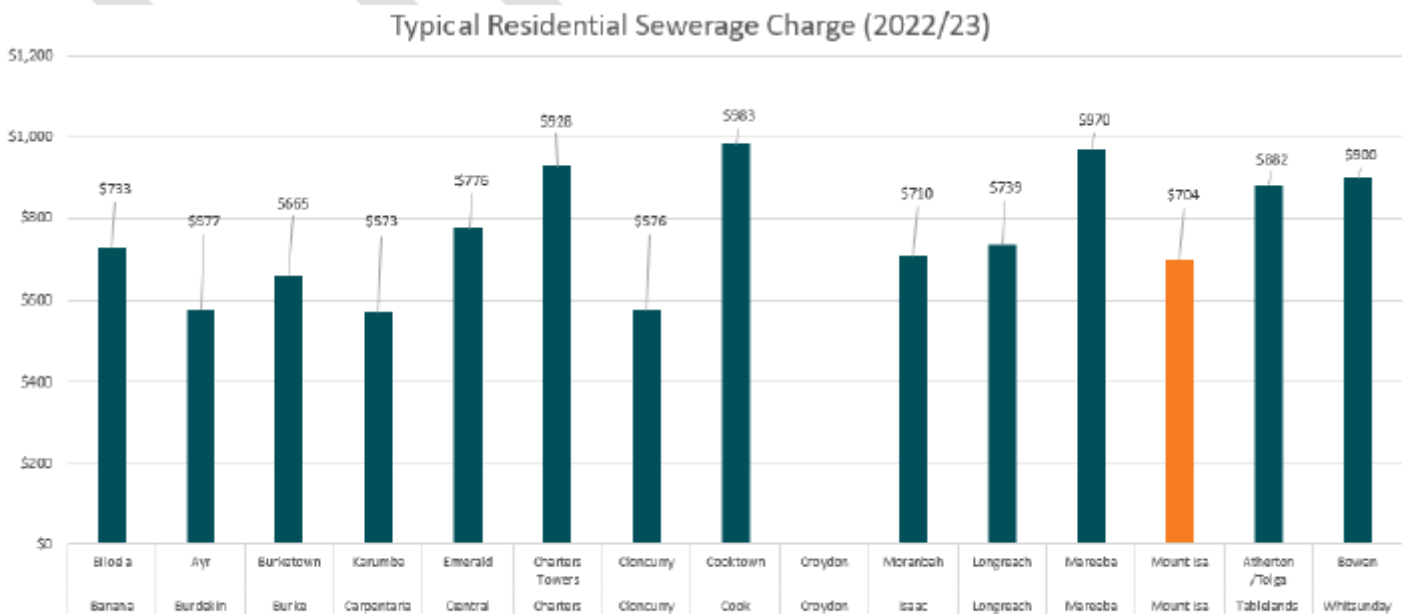
Council's rates and utility charges remain competitive with other similar Queensland Councils, particularly considering comparative levels of service.

Year	Council Short	Net rates and utility charges - \$'000	Total operating income - \$'000	Employee expenses - \$'000	M & S, Other Expense	Depreciation expense - \$'000	Total operating expenses before	Cash at bank, term deposits - \$'000	Total borrowings - \$'000	Population	Indoor Staff Numbers	Outdoor Staff Numbers	Total FTEs
2022_23	Whitsunday	97,494	143,316	39,701	61,762	30,459	131,922	128,899	69,014	39,712	195	192	387
2022_23	Southern Downs	64,238	104,931	29,069	52,140	18,567	99,776	83,492	14,374	37,444	147	186	333
2022_23	Western Downs	99,057	175,369	48,064	61,809	45,069	154,942	278,683	0	34,991	352	245	597
2022_23	South Burnett	54,172	100,616	27,865	51,111	23,398	102,374	64,424	27,881	34,290	215	132	347
2022_23	Cassowary Coast	72,352	92,950	28,354	32,109	30,554	91,017	61,605	3,063	29,972	157	175	332
2022_23	Central Highlands	123,377	177,285	50,608	78,523	41,731	170,862	109,009	76,205	28,973	240	200	440
2022_23	Tablelands	50,569	69,977	25,582	24,788	18,428	68,798	62,435	4,867	27,259	180	131	311
2022_23	Somerset	28,421	63,512	18,007	31,586	10,964	60,557	58,397	0	26,251	90	87	177
2022_23	Mareeba	37,278	68,632	18,242	25,654	11,996	55,892	91,992	6,912	23,702	93	98	191
2022_23	Isaac	90,766	139,951	44,569	58,254	29,851	132,675	73,414	22,166	23,024	235	163	398
2022_23	Mount Isa	47,587	78,946	17,937	42,935	12,756	73,628	62,649	17,212	18,945	85	100	185
2022_23	Burdekin	42,375	61,822	22,174	19,083	14,544	55,801	83,512	0	17,020	125	129	254
2022_23	Banana	43,983	100,041	28,011	31,323	19,318	78,652	57,808	0	14,919	142	141	283
2022_23	Maranoa	44,798	104,363	31,182	50,487	22,392	104,061	131,623	15,402	13,255	150	157	307
2022_23	Douglas	39,501	56,768	17,500	23,166	13,754	54,420	28,486	0	12,828	96	106	202
2022_23	Charters Towers	27,976	88,573	20,604	54,754	9,965	85,323	51,335	651	12,013	95	115	210
2022_23	Hinchinbrook	26,442	41,281	15,779	14,882	10,139	40,800	21,766	0	11,118	87	93	180
2022_23	Goondiwindi	21,523	55,777	14,984	24,626	12,427	52,037	59,514	0	10,452	64	97	161
2022_23	North Burnett	20,453	47,806	15,448	20,768	17,546	53,762	33,109	1,668	10,352	82	83	165
2022_23	Cook	8,773	75,351	14,419	50,034	13,363	77,816	44,080	2,695	4,761	87	67	154
2022_23	Murweh	6,947	37,090	8,910	22,725	7,277	38,912	12,806	3,633	3,966	28	91	119
2022_23	Cloncurry	18,400	41,521	10,996	14,884	13,349	39,229	24,682	12,167	3,851	59	37	96
2022_23	Longreach	11,662	52,676	15,361	26,411	8,745	50,517	35,079	15,056	3,737	81	91	172
2022_23	Barcaldine	7,310	45,950	13,533	24,299	6,873	44,705	26,251	2,864	2,894	45	97	142
2022_23	Carpentaria	8,654	63,652	9,249	45,975	11,080	66,304	47,416	6,443	2,212	38	54	92

Council applies the principles of equity, effectiveness and efficiency, simplicity, and sustainability in setting rates and utility charges as set out in the Revenue Policy.



**FIGURE 34 - COMPARATIVE DATA ON RESIDENTIAL WATER CHARGES FOR 2021/22**



**FIGURE 53 - COMPARATIVE DATA ON SEWERAGE CHARGES 2022/23**



FIGURE 41 - COMPARATIVE DATA ON WASTE CHARGES 2022/23

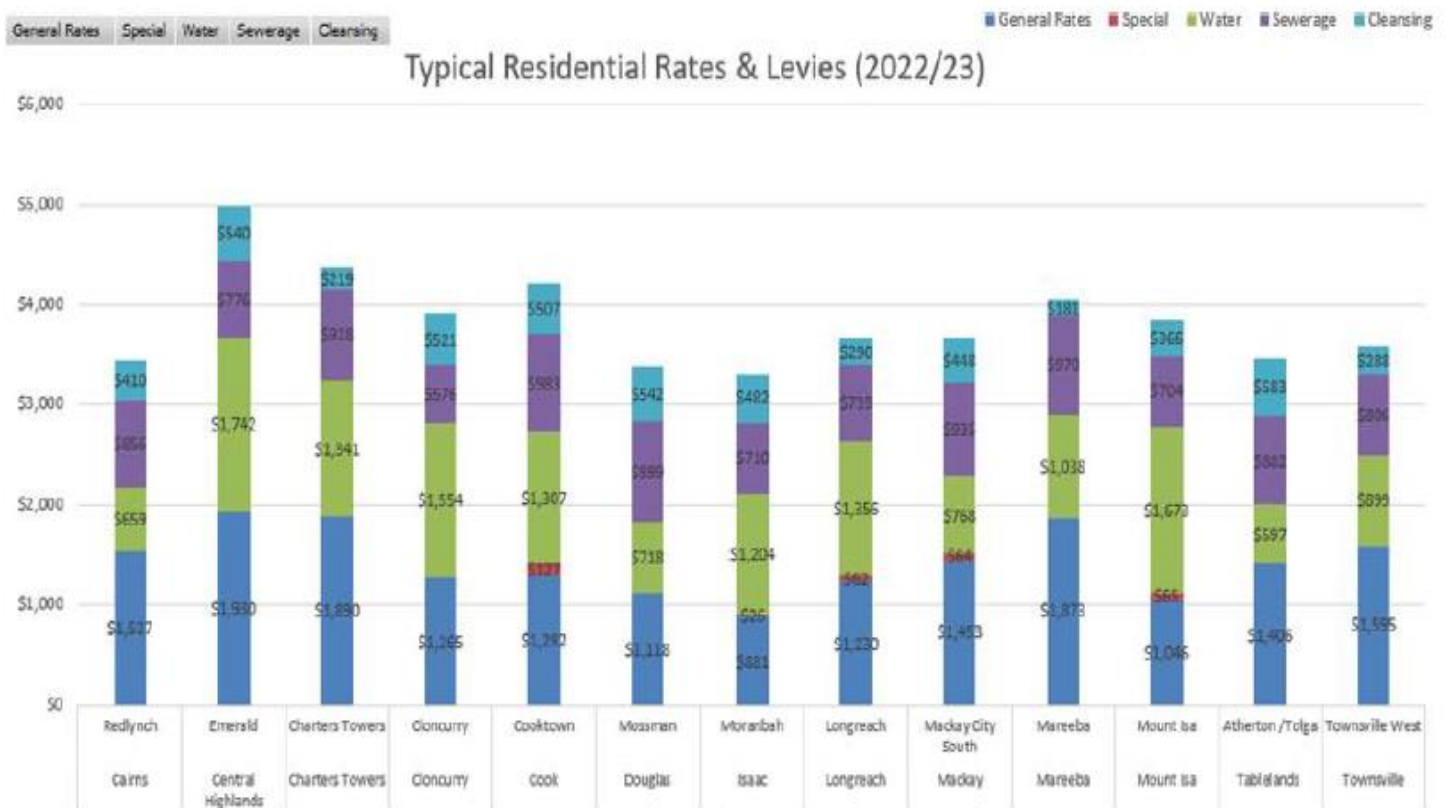


FIGURE 13 – TYPICAL / AVERAGE RESIDENTIAL RATE AND CHARGES 2022/23

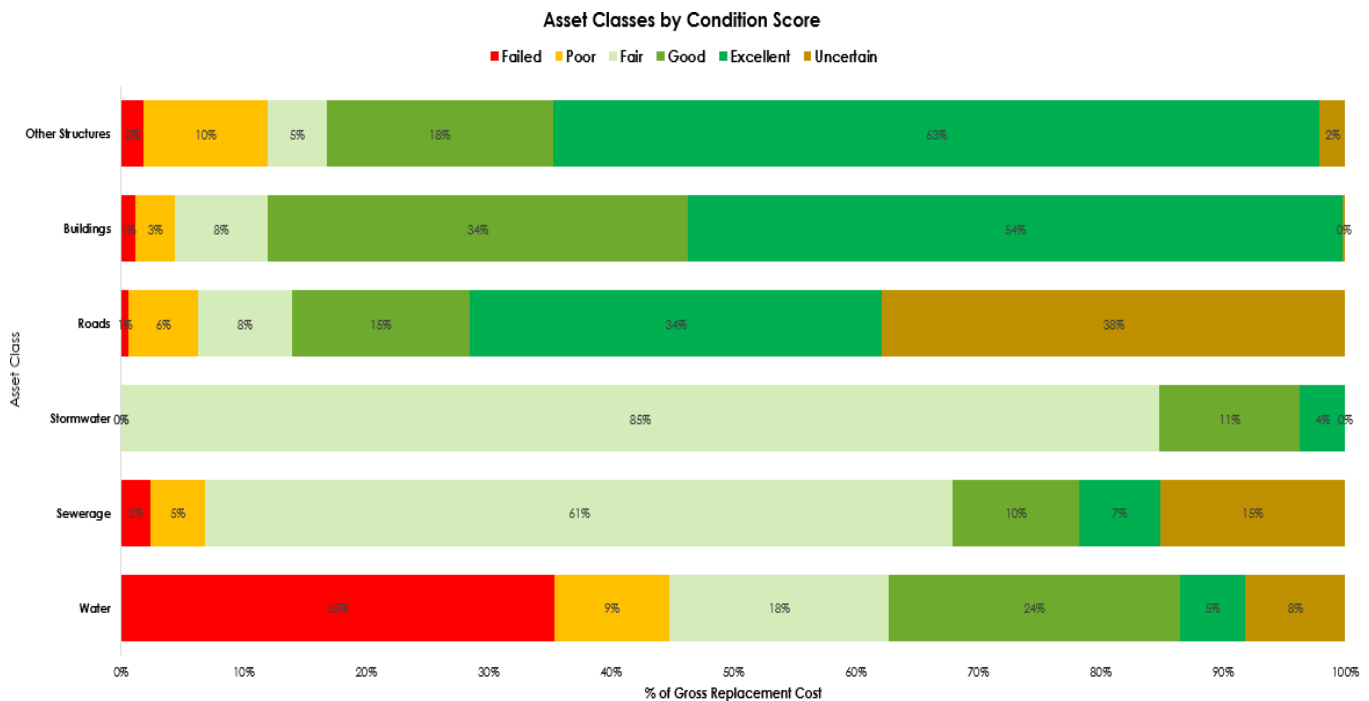
## The condition of City infrastructure assets

Asset Management Plans for the City's infrastructure assets are updated annually. Condition assessments are a key component of asset management that underpins planning for the renewal (i.e., replacement and refurbishment) of infrastructure. As illustrated by the below graph, the majority of the City's infrastructure is in a relatively healthy state, with 68% of the assets being in very good, good, or fair condition.

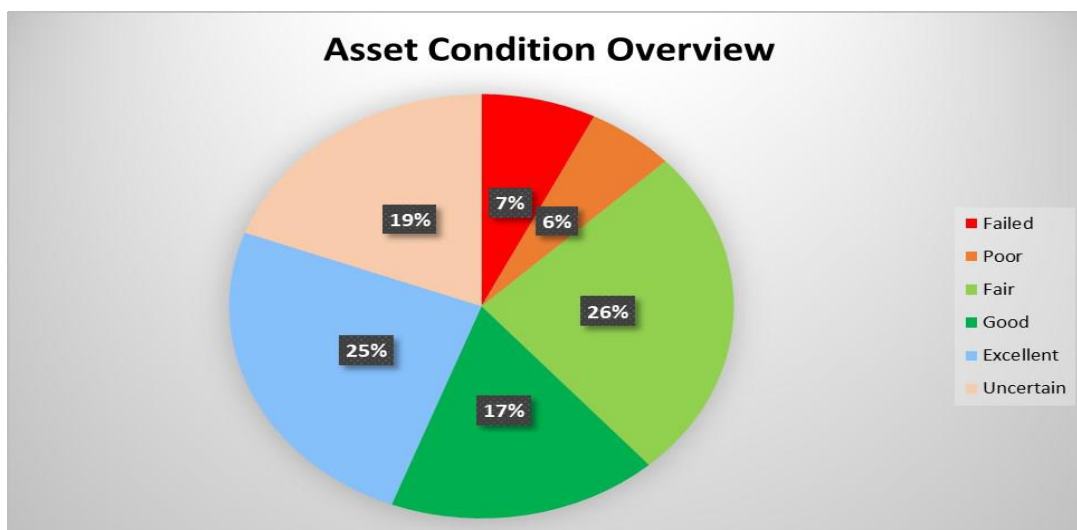
The relevant standing committees annually review outputs of Asset Management Plans for related categories of infrastructure with particular emphasis on:

- The City's assets in poor (6%) and very poor (7%) condition, and uncertain (19%).
- The asset inspection & condition assessment programs that are in place to inform renewals planning and monitor the assets in poor and very poor condition to maintain a level of functionality and public safety until renewal or maintenance works are undertaken.
- Infrastructure renewal requirements.

**Figure 1: Condition of City infrastructure assets**



**Figure 2: Overall condition of City infrastructure assets**



## 7

## Financial Sustainability Indicators

The new Local Government Sustainability Framework takes a holistic view of drivers of sustainability.

\*Key changes in the 2024 Guideline include:

- Grouping of similar councils for sustainability monitoring and reporting purposes to better reflect the varied drivers and circumstances of the sector.
- Removal of the Net Financial Liabilities Ratio due to consistent feedback about its limited usefulness to stakeholders, especially for councils with no debt.
- Expanding the number of relevant financial sustainability measures from three to nine to include additional measures of financial capacity, operating performance, liquidity, asset management, and debt servicing capacity. Three ratios will be for contextual purposes only.
- Revision of targets for each measure based on each council's allocated grouping, including a small number of contextual measures with no targets that are not required to be audited each year.

Mount Isa City Council is in Tier 5 - Outer Regional Remote councils for sustainability reporting groupings of councils. The new framework will be implemented as follows:

- 1 July 2023 for financial statements
- 1 July 2024 for budget preparation

\*Depending on the individual council's circumstances, local governments will be required to report on a minimum of 8 to a maximum of 9 sustainability ratios outlined below:

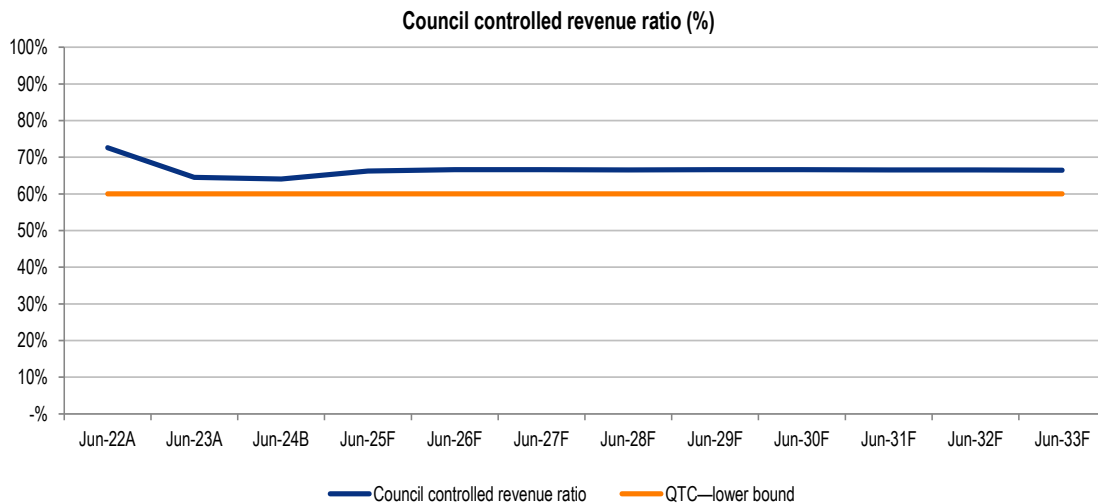
#	Type	Measure	Rationale
1	Financial Capacity	Council Controlled Revenue Ratio	Capacity to generate revenue internally
2	Financial Capacity	Population Growth Ratio	Population growth/decline pressures on council
3	Operating Performance	Operating Surplus Ratio	Holistic overview of council operating performance
4	Operating Performance	Operating Cash Ratio	Cash operating performance (less depreciation and other non-cash items)
5	Liquidity	Unrestricted Cash Expense Cover Ratio	Unconstrained liquidity available to council
6	Asset Management	Asset Sustainability Ratio	Capital renewals program performance
7	Asset Management	Asset Consumption Ratio	Extent to which assets are being consumed
8	Asset Management	Asset Renewal Funding Ratio	Asset replacement program performance
9	Debt Servicing Capacity	Leverage Ratio	Ability to repay existing debt

\*source: <https://www.statedevelopment.qld.gov.au/local-government/for-councils/finance/local-government-sustainability-framework>

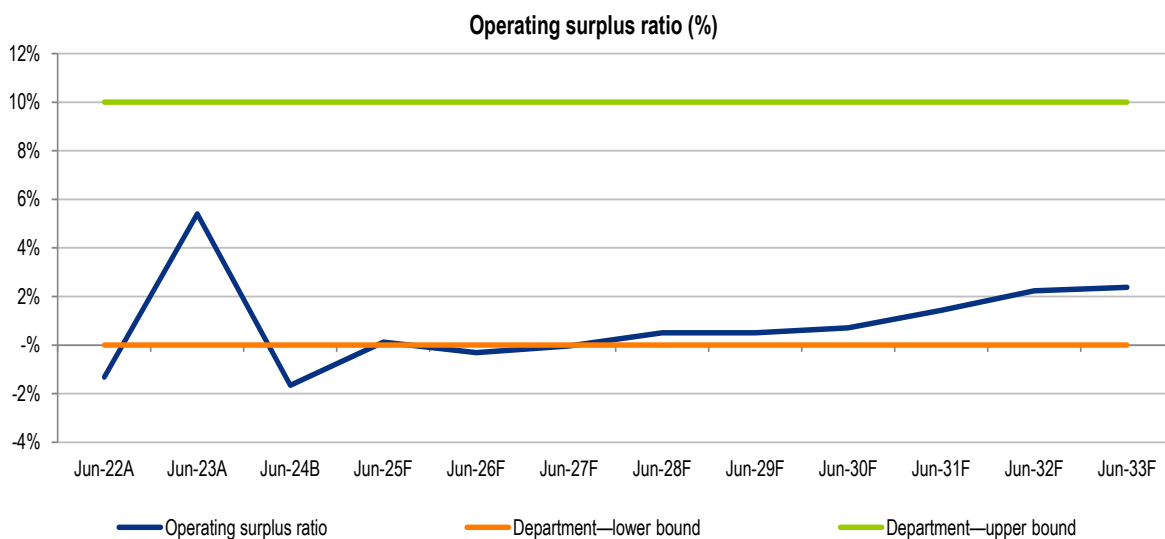


## Management of operating position

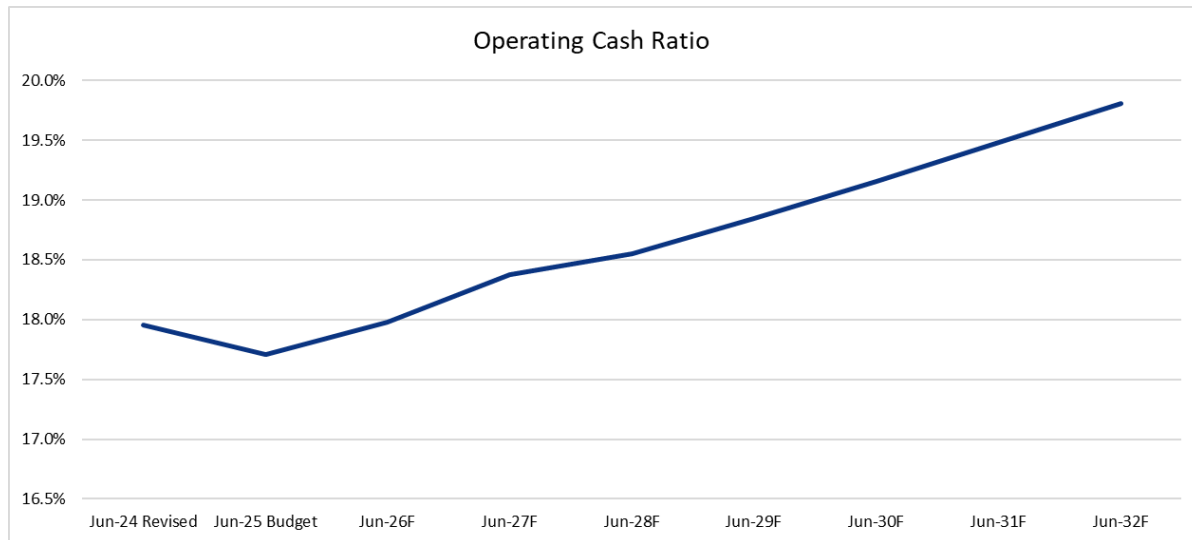
<b>Ratio</b>	<b>Council Controlled Revenue Ratio – 64.5% for FY2024-25</b> Assess the capacity to generate revenue internally. <i>Formula = Internal Council-controlled revenue / operating revenue</i>
<b>Key Details</b>	<ul style="list-style-type: none"> <li>No changes to ratio calculation.</li> <li>Minimum targets - 60%</li> </ul>



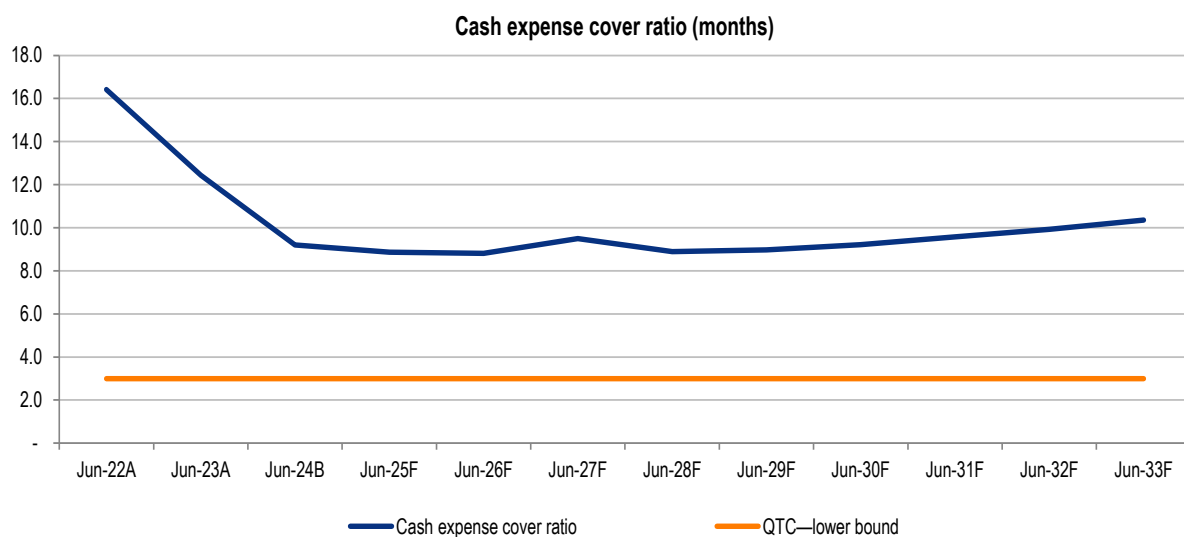
<b>Ratio</b>	<b>Operating Surplus Ratio – 0.1% for FY2024-25</b> Provides a holistic overview of council operating performance. <i>Formula = operating result / operating revenue</i>
<b>Key Details</b>	<ul style="list-style-type: none"> <li>No changes to ratio calculation.</li> <li>Minimum targets -10% from 0% for very small / indigenous Councils and - 5% from 0% for small councils.</li> <li>The ratio is to be reported on a single year basis and a 5-year rolling average basis.</li> </ul>



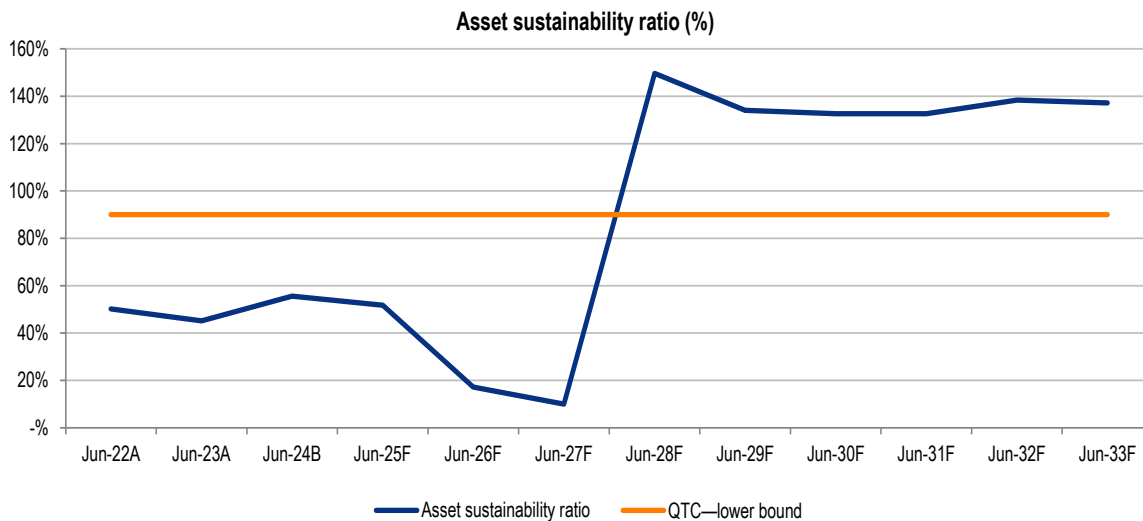
<b>Ratio</b>	<b>Operating Cash Ratio – 18% for FY2024-25</b> <i>Formula = Operating result plus Depreciation and Amortization plus Finance Costs/ Total operating revenue</i>
<b>Key Details</b>	<ul style="list-style-type: none"> <li>• Single year result and 5-year average.</li> <li>• The target for WQAC Councils is Greater than 0.</li> <li>• This ratio is an indicator is a key measure of Operating Performance.</li> </ul>



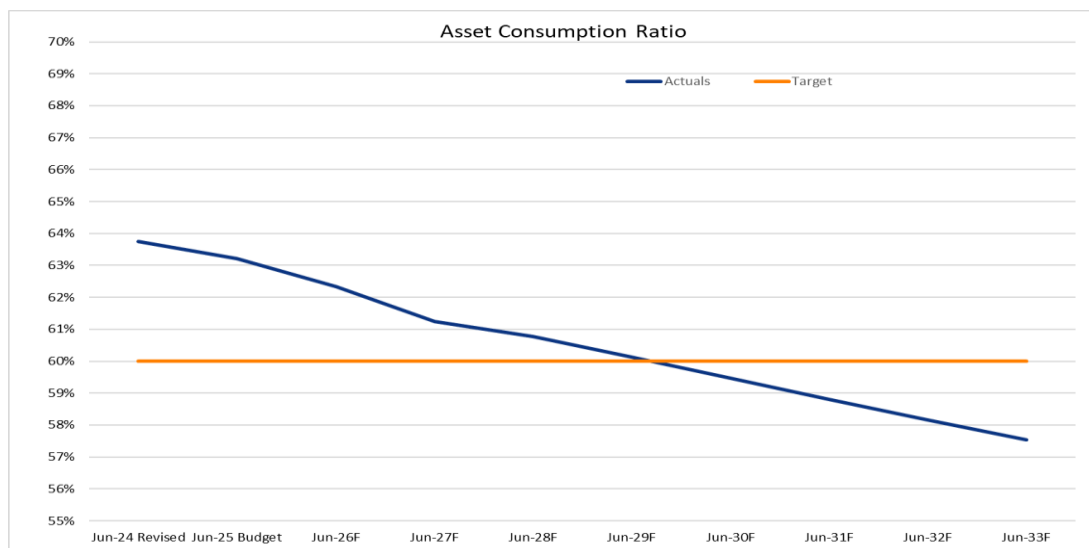
<b>Ratio</b>	<b>Unrestricted Cash Expense Cover Ratio – 9 months for FY2024-25</b> <i>Formula = (cash and equivalents + current investments + available ongoing QTC working capital facility limit - externally restricted cash) / (operating expenses - depreciation/amortization - QTC finance costs)</i>
<b>Key Details</b>	<ul style="list-style-type: none"> <li>• This ratio is an indicator is a key measure of solvency.</li> <li>• Available ongoing QTC working capital facility limits are included in the calculation, but facilities with an expiry date are not.</li> <li>• The target range for WQAC Councils is 6-12 months.</li> </ul>



<b>Ratio</b>	<b>Asset Sustainability Ratio – 51.8% for FY2024-25</b> <i>Formula = capital expenditure on asset renewals / depreciation</i>
<b>Key Details</b>	<ul style="list-style-type: none"> <li>It is proposed that the ratio be reported for each infrastructure asset class reported in the PPE note in the financial statements (excluding work in progress).</li> <li>The ratio will be optional for those councils who publish the asset renewal ratio.</li> </ul>



<b>Ratio</b>	<b>Asset Consumption Ratio – 63% for FY2024-25</b> <i>Formula = Written Down Replacement or Cost of Depreciation Infrastructure Assets/ Current Replacement or Cost of Depreciable Infrastructure Assets</i>
<b>Key Details</b>	<ul style="list-style-type: none"> <li>The target for WQAC Councils is Greater than 60%.</li> <li>It is proposed that the ratio be reported for Single year result and 5-year average.</li> </ul>



Ratio	<b>Debt Service Cover Ratio – 5.1 times for FY2024-25</b> measurement of a local government's ability to produce enough cash to cover its debt payments. <i>Formula = Annual Operating Surplus BEFORE Interest and Depreciation/ Principal and Interest</i>
Key Details	<ul style="list-style-type: none"><li>• This ratio is the measurement of a local government's ability to repay its debt including lease payments.</li><li>• The higher the ratio is, the easier it is for a local government to obtain a loan.</li><li>• A benchmark target of greater than or equal to two.</li></ul>

