



# Budget Overview

2023-2024

## Mayor's Foreword



It is my privilege to present Mount Isa City Council's budget for 2023-24.

Council is committed to building a future that Mount Isa can be proud of.

Council has developed a budget that balances the operational and capital needs of the organisation, and the needs of the community, for the next 12 months.

It outlines Council's strategic initiatives and the financial measures required to achieve our goals.

It underscores our commitment to improving essential services, maintaining and upgrading existing infrastructure, enhancing community facilities, and promoting sustainable development.

I invite you to review this budget document and provide your feedback to Council.

Council recognises that different parts of the community will have different priorities, and, where possible, Council will seek to have these priorities either incorporated as part of this budget or future budgets.

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

A handwritten signature in blue ink that reads "D Slade".

**Danielle Slade**  
**Mayor of Mount Isa**

## CEO's Message



At Mount Isa City Council, we are committed to fostering a thriving and resilient community, while ensuring the efficient and effective allocation of resources.

This budget outlines Council's strategic initiatives, financial allocations, and key priorities for the betterment of Mount Isa and Camooweal.

It includes the delivery of capital works over an extended period of time and a budget that demonstrates responsible and sustainable financial management.

Council is committed to improving and maintaining our roads, parks, and community facilities, while also investing in services and projects that improve the liveability of the community.

It is vital that our budget reflects enables Council to embrace the opportunities and navigate the challenges that lie ahead.

One particularly exciting aspect of this budget is that Council is committed to making a significant investment in energy efficiency, in the form of solar panels on several Council buildings, including the Administration Building on West Street, Outback at Isa, Buchanan Park, and the Civic Centre. Once complete, this investment is forecast to save Council a minimum of \$350,000 each year in energy-consumption costs.

The budget encapsulates our commitment to responsible financial management, accountability, and transparency.

We have carefully analysed our revenue streams, expenditure patterns, and operational costs to ensure that our financial decisions are well-informed and in line with our community's needs and expectations.

A handwritten signature in blue ink that reads "Dale Dickson".

**Dale Dickson**  
**CEO, Mount Isa City Council**

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# 1 Budget 2023-24 Overview

## Total budget for 2023-24

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 2023-24 is \$116.848 million, made up as follows:

- o capital expenditure \$43.251 million
- o services and operating costs \$71.743 million
- o debt repayments (principal) \$1.854 million.

The budget to be presented assumes a balance EOY operating result of \$119k.

## 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 services 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.

## Notable inclusions for 2023-24

The following allocations are included in the 2023-24 budget:

1. Local Government Elections
  - An allocation for the next local government election to be held in March 2024 (\$150k)
2. Management of non-Council land (\$50k)
3. Social issues future work (\$50k)
4. Potential investment in improve transport (\$50k)
5. Community capacity building - part time Grant Officer
6. Capital Works
  - Carry over of capital works for construction of Materials Recovery Facility (\$14 million)
  - Centennial Place construction (\$3.15 million)
  - Energy efficiency program - Council's Infrastructure (\$3.1 million)
  - Mobile Plant Replacement Program (\$2.5 million)
  - Renewal of sealed roads in Mount Isa and Camooweal (\$2.4 million)
  - Camooweal aerodrome upgrade (\$1.9 million)
  - Splashez Water Play area (\$1.3 million)
  - Stormwater renewals and upgrades (\$1 million)
  - Footpath renewals and upgrades (\$1 million)
  - Renewal of clarifiers at Sewer Treatment Plant (\$1 million)
  - Rural Road Culvert renewal (\$1 million)
7. Events
  - Mount Isa Show Stall (\$6k)
  - Cultural Development (NAIDOC) (\$6k)
  - Citizenship Ceremonies (\$12k)
  - Welcoming Babies Day (\$12k)
  - Seniors Christmas Morning Tea Events (\$12.5k)
  - Street Parade Float (\$14k)
  - Pet Day (\$15k)
  - Australia Day (\$17k)
  - RSL Events-Anzac Day/Vietnam (\$22k)
  - New Year's Eve Event (\$30k)
  - Centenary Event (\$50k)
  - Christmas Carols (\$65k)
  - Street Party (\$160k)

## Debt management

Council compares favourably against industry benchmarks. Debt is being prudently managed with **Nil** new borrowings proposed for 2023-24.

Total debt is expected to decrease by \$1.854 million in 2023-24 (from \$17.212 million in June 2023 to \$15.357 million in June 2024), taking into account principal repayments of \$1.854 million.

Council is well within industry benchmarks used to measure debt and its impact on financial sustainability. The net financial liabilities ratio (total liabilities less current assets all divided by total operating revenue) forecast for 2023-24 is **-18%** which is well below the maximum benchmark of 60% used by the Department of Infrastructure, Local Government and Planning to assess Council's long-term 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 \$17.212 million in June 2022 to Nil in 10 years in June 2032 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 2023-24 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 2023-24, notably:

- Investing in energy efficiency;
- Cost savings via strategic procurement program (e.g., entering into contracts for bulk purchases);
- Rationalising overtime payments;
- Conducting a full review of the administration of its fleet operations to ensure costing is accurate and that plant utilisation and financial performance are maximised;
- Implementing MICC Ergon Account review findings.

## 2 Revenue (including Rates and Charges)

### Economic Outlook

The following are the key highlights from the February 2023 Reserve Bank of Australia Statement on Monetary Policy:

- Economic growth in Australia is forecast to slow this year as rising interest rates, the higher cost of living and declining real wealth weigh on growth.
- Inflation is forecast to decline to average of 4% in 2023-24 and around the top of the 2%–3% target band in June 2025. Headline consumer price inflation was 7.8% over 2022.

	Year-ended					
	Dec 2022	June 2023	Dec 2023	June 2024	Dec 2024	June 2025
GDP growth	2¾	2¼	1½	1½	1½	1¾
(previous)	(3)	(2)	(1½)	(1½)	(1½)	(n/a)
Unemployment rate(b)	3.5	3½	3¾	4	4¼	4½
(previous)	(3½)	(3½)	(3¾)	(4)	(4¼)	(n/a)
CPI inflation	7.8	6¾	4¾	3½	3¼	3
(previous)	(8)	(6¼)	(4¾)	(4¼)	(3¼)	(n/a)
Trimmed mean inflation	6.9	6¼	4¼	3¼	3	3
(previous)	(6½)	(5½)	(3¾)	(3½)	(3¼)	(n/a)
	Year-average					
	2022	2022/23	2023	2023/24	2024	2024/25
GDP growth	3¾	3½	2¼	1½	1½	1¾
(previous)	(4)	(3½)	(2)	(1½)	(1½)	(n/a)

Source: <https://www.rba.gov.au/publications/smp/2023/feb/economic-outlook.html>

**Cost Index**

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.

The change in CCI and Projected CCI are summarised below.

Figure 1: Change in CCI and Projected CCI - May 2023



Source: Frontier Economics

**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 3.3%. This compares favourably to 7.8% annual inflation for the year ended 31 December 2022 (Reserve Bank of Australia). The table below reflects the rates bill for such a property.

**Table 1: Summary of total Rates and Charges 2023-24 for a residential non-Community Title Property dwelling being a principal place of residence paying the average general rate**

	2022-23			2023-24		
	Total Rates & Charges \$	Total Increase \$	Total Increase %	Total Rates & Charges \$	Total Increase \$	Total Increase %
General Rate	\$1,050.00	\$59.00	6.0%	\$1,085.00	\$35.00	3.3%
Sewerage Connected Charge	\$704.00	\$40.00	6.0%	\$738.00	\$34.00	4.8%
Water Access Charge	\$1,243.00	\$36.00	3.0%	\$1,288.00	\$45.00	3.6%
Water Consumption - 2022-23 rate \$0.93/kl (Based on 400kl per annum)	\$372.00	\$11.00	3.0%	\$385.00	\$13.00	3.5%
Garbage Service	\$366.00	\$21.00	6.1%	\$385.00	\$19.00	5.2%
Environmental Charge*	\$65.00	\$6.00	10.2%	\$71.00	\$6.00	9.2%
<b>Net Rates and Charges</b>	<b>\$3,800.00</b>	<b>\$173.00</b>	<b>4.8%</b>	<b>\$3,952.00</b>	<b>\$152.00</b>	<b>4.0%</b>



## 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 3.3% or \$35 per year.

Rural land had the largest land valuation increases, averaging 292%. Creating three new differential rating categories has limited the potentially large rate variations that may have impacted on ratepayers.

Example:

Differential Description	C in \$ Proposed	Min Proposed	Current Charging Valuation	Next Charging Valuation	ucv % Δ	Annual Levy	New Levy	Levy \$ Δ	Levy % Δ
Rural Land ≥ 5,000 Ha	0.6494	905	\$670,000	\$2,600,000	288%	\$17,344	\$16,884	(\$459)	-2.6%
Rural Land ≥ 5,000 Ha	0.6494	905	\$460,000	\$1,850,000	302%	\$11,908	\$12,014	\$106	0.9%
2			\$1,130,000	\$4,450,000		\$29,251	\$28,898	-\$353	-1.2%

- A property that increased by 288% will drop by \$459 in levy and a property that increased by 302% will increase in levy by \$106.

- The land value that increased by 292% on average for rural properties, will have reduced rates from 2.5885% to 0.96494% for properties greater than 5,000 hectares and with a valuation of less than \$20 million.

## Utility Costs

A typical Mount Isa Residential dwelling will have Utility Charges increase from \$2,750 to \$2,867 an increase of \$117 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 4.8% or \$34 per year.
  - Historically, the average increase in Sewerage costs from 2009-10 to 2021-22 has been approximately 4.4%, while the average revenue from Sewerage for the same reporting period has been 4.6% (excluding sundry income).
- Water Charges
  - Water Access Charge has been increased by 3.6% or \$45 per year.
  - Water Consumption Charge has been increased by 3.5% or \$13 per year.
  - The average increase in Water costs from 2009-10 to 2021-22 has been approximately 4.1%, while the average revenue from Water for the same reporting period has been 4.8%. The average inflation over that reporting period has been 2%. Fixed water costs are projected to increase by approximately 8% from \$12.8 million (Amended Budget 2022-23) to \$13.8 million.
- Garbage Service
  - Garbage Service Charge has been increased by 5.2% or \$19 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 costs from 2009-10 to 2021-22 has been approximately 8.3% (inclusive of waste levy payments), while the average revenue from Cleansing for the same reporting period has been 6.8% (inclusive of waste levy refunds).
- Environmental Charge
  - The Environment Charge allows 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 \$71 annual Environment Charge is included.

## Subsidies and Concessions

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.

Council has increased the concession to pensioners in 2023/24 and will be providing an additional \$160.00 per annum or a total of up to \$ 360.00 per annum. 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 following organisations are eligible for Annual Water Access Charge Remission:
    - Home Haemodialysis (Kidney Dialysis) Treatment
    - Christian Outreach Centre
    - Good Shepherd Parish
    - Leichhardt Services Bowls Club
    - The Cootharinga Society of North Queensland
    - Camooweal Rural Fire Brigade
- Other :
  - The Laura Johnson Home for the Aged
    - The 1.5m<sup>3</sup> Commercial garbage service rate be charged in lieu of the 3.0m<sup>3</sup> commercial garbage service rate for the next (2) years (2022/23 to 2023/24)
    - The 16 additional 240L bins are charged at the residential rate for the next two (2) years (2022/23 to 2023/24),
    - A 50% concession on the water access charge for the next two (2) years (2022/2023 to 2023/24),
    - A 50% concession on the Sewerage Charges for the facility for the next two (2) years (2022/2023 to 2023/24)

**Resolution OM20/04/22**

- Non-Profit Sports Clubs and Community Organisations
  - A Concession to Waiver and Write-Off rates & charges and reserve lease/trustee permit fees, **excluding** water consumption charges and the State Fire Service Levy charges for 36 identified Non-Profit Sporting Clubs & Community Organisations as defined in Council's Revenue Statement for the 2022/2023 & 2023/2024 Financial Period, under *Sections 119, 120 (1)(c)(d), 121 (a) and 122 (1)(a) of the Local Government Regulation 2012*, due to financial hardship, as long as the group is currently active and registered as non-profit sports club and/or community organisation;  
**Resolution Number: OM19/06/22**
  - A Concession to Waiver and Write-off any current and/or outstanding rates & charges, reserve lease / trustee permit fees, and water consumption charges issued and/or to be issued for the remainder of the financial year ending 30 June 2022, for the 36 identified Non-Profit Sporting Clubs & Community Organisations, under Sections 119, 120 (1)(c)(d), 121 (a) and 122 (1)(a) of the Local Government Regulation 2012, due to financial hardship, as long as the group is currently active and registered as non-profit sports club and/or community organisation;  
**Resolution Number: OM19/06/22**

#### List of 36 Identified Groups

Assessment		Owner Name
00479-80000-000	COPPER	Copper City Tennis Club
01979-80000-000	BASKET	Mount Isa Basketball Centre
03631-00000-000	BOWLS	The Secretary Mount Isa Bowls Club
04337-00003-000	TOUCH	Mount Isa Touch Association
04337-00005-000	SOFTBA	Mount Isa Softball Association
04391-87000-000	DIRT	Mount Isa Dirt Bike Club Inc
04489-60000-000	LEICHHAR	Leichhardt Services Bowls Club Inc
05012-50000-000	JUDO	Mount Isa Judo Academy
05244-15000-000	LEICHH	Leichhardt Gymnastic Club
05244-30000-000	HIGHLAND	Isa Highlanders Dance Association Inc
05244-50000-000	NETBAL	Mount Isa Amateur Netball Association
05671-46000-000	RUGBY	Mount Isa Rugby Union
06275-20000-000	KARATE	Sikaran Karate Incorporated
06507-26000-000	RUGBY	Mount Isa Junior Rugby League
06507-50000-000	RUGBY	Mount Isa Rugby League
07097-80000-000	RACE	Camooweal Jockey Club
01980-00000-000	HOCKEY	Mount Isa Hockey Association
09997-00001-000	SOCCER	North West Queensland Soccer Zone Inc, Mount Isa Junior Soccer Association
01979-90000-000	AFL	Mount Isa Australian Football League Inc
03630-00000-000	ISLAND	Island BMX Club Mt Isa Inc
06911-50000-000	PISTOL	Mount Isa Pistol Club
-	GOKART	Mount Isa Go Kart Club

**BUDGET 2023-24**

<b>Assessment</b>	<b>Key Name</b>	<b>Owner Name</b>
-	ISACAMP	Mount Isa Campdraft Association
-	RACECLUB	Mount Isa Race Club Inc
01486-10000-000	PLAYGR	Mount Isa Playgroup
01628-00000-000	SCOUT	The Mount Isa Scout Group
04243-00000-000	MEALS	Meals on Wheels
04391-70011-000	IRISH	Mount Isa Irish Club Assn. Sports Ground
04391-88000-000	RESTOR	Mount Isa Restored Car Club
05671-40000-000	POTTER	Mount Isa Potters Group (Arts on Alma)
05671-42000-000	FOLK	Isa Folk Club Inc
06275-30000-000	THEATR	Mount Isa Theatrical Society
03743-00000-000	GIRL	Girl Guides Queensland
05671-41000-000	CANCER	Mount Isa Cancer House
05671-43000-000	LAPIDARY	Mount Isa Lapidary Club Inc
07041-00000-000	GOLF	Mount Isa Golf Club

# 3 Services

## Services 2023-24

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, and 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 2023-24 budget.

Compared to 2022-23, Council's total operating budget decreases by \$3.032 million in operating expenditure.

**Table 2: Operating Expenditure by Service**

	2023-2024 Budget	2022-2023 Budget
Batch Plant	\$2,026,587	\$1,913,670
Asset Management	\$376,982	\$405,615
Facilities Management (including cemetery)	\$1,116,222	\$935,905
Governance	\$2,577,385	\$2,571,380
Land Use and Town Planning	\$1,488,801	\$1,302,335
Economic and Community Development	\$5,391,880	\$5,735,493
Environmental and Regulatory Services	\$2,782,345	\$2,339,946
Corporate Services	\$19,310,559	\$21,668,515
Waste Management	\$7,032,070	\$6,711,395
Water and Sewerage	\$18,170,518	\$15,804,102
Major Projects	\$1,562,057	\$1,393,828
Parks and Gardens	\$4,041,869	\$3,663,223
Roads Maintenance	\$3,090,407	\$7,447,904
Fleet Management	\$2,775,579	\$2,882,396
<b>Grand Total</b>	<b>\$71,743,261</b>	<b>\$74,775,707</b>

To deliver the catalogue of services provided by the Council, a total of 212.42 Full-Time Equivalent (FTE) positions are included in the 2023/24 budget.

DEPARTMENT	Total
Asset Management and Records	3.00
Facilities Management	5.00
Economic & Community Development	21.92
Environment, Regulatory Services and Land Use	27.53
Executive Services	2.00
Corporate Services	27.00
Governance	4.00
Infrastructure Services	2.00
Major Projects	9.00
People, Culture and Safety	6.00
Water, Sewer and Waste Services	39.07
Works & Operations (Road maintenance, batch plant, fleet)	40.19
Parks & Gardens	25.71
<b>Grand Total</b>	<b>212.42</b>

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

Recurrent Expenditure	2023-24 Budget	2022-23 Budget
Employee Benefits	\$22,276,691	\$20,919,543
Materials and services*	\$34,643,789	\$39,170,433
Finance costs	\$1,121,597	\$1,285,238
Depreciation	\$13,701,184	\$13,400,492
<b>Total</b>	<b>\$71,743,261</b>	<b>\$74,775,707</b>

\*QRA works not included; yet to be finalised.

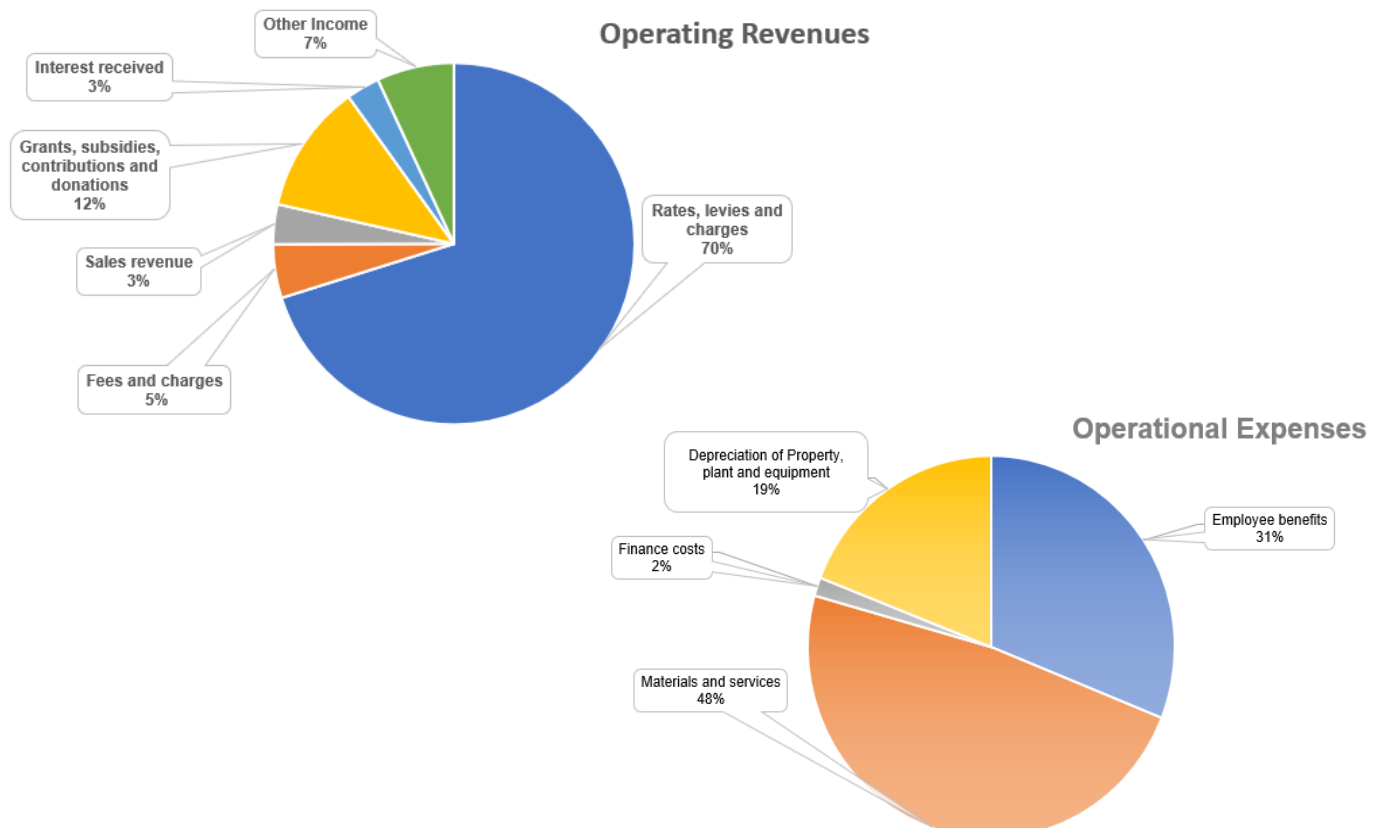
**Source of funds 2023-24**

The Council's total budget of \$71.863 million is funded from various revenue sources. Revenue figures are lower in the 2023/24 budget compared to the 2022/23 budget mainly due to the Disaster Recovery Funding Arrangements event for Northern and Central Queensland Monsoon and Flooding, 20 December 2022 – March 2023, which is yet to be finalized.

The following table provides a breakdown of the major sources of funding used to underpin the Council's 2023-24 budget:

**Table 4: Source of funds**

	2023-24	2022-23
General Rates (net)	\$18,882,000	\$17,315,374
Water, Sewerage and Cleansing Charges	\$31,025,000	\$29,543,210
Other Rates and Cleansing Charges	\$509,000	\$464,620
Fees and Charges	\$3,449,910	\$3,123,693
Grants and Subsidies	\$8,322,218	\$14,108,543
Other (interest, rental and sales income)	\$4,711,567	\$4,461,567
Water Dividend and Sundry Income	\$4,962,724	\$5,275,254
<b>Total</b>	<b>\$71,862,419</b>	<b>\$74,292,261</b>



# 4 Capital Works

Capital works planned for 2023-2024 include new projects and carryover projects not completed in the 2022-2023 financial year.

For 2023-2024, Council will deliver a \$43,251,511 capital works program, which comprises almost \$21,309,471 in new projects.

Council actively pursues Queensland and Federal Government funding opportunities to assist in funding projects for our communities. The budget includes capital grants of \$19,894,178.

Total Capital Budget	State/Federal Funding	Council Funding
<b>\$43,251,511</b>	<b>\$19,894,178</b>	<b>\$23,357,332</b>

## Strategic Priority

In line with the City's Corporate Plan 2020-2025 strategic priorities, the following Capital Works Projects will be undertaken in 2023-2024.

### • Healthy Environment

Project Name	Classification	Amount	State / Federal Funding	Council Funding
(WM1) Works to New Transfer Station	Upgrade	\$350,000	-	\$350,000
(WM2) Upgrade of Maintenance Bay	Upgrade	\$35,000	-	\$35,000
(WM5) WMF Road construction and upgrades	Upgrade	\$50,000	-	\$50,000
100,000 Trees	New	\$150,000	-	\$150,000
Environment Services / Biosecurity Storage and Lab Space	Upgrade	\$150,000	-	\$150,000
Materials Recovery Facility (MRF)	New	\$14,355,571	\$6,645,098	\$7,710,472
<b>TOTAL</b>		<b>\$15,090,571</b>	<b>\$6,645,098</b>	<b>\$8,445,472</b>

### • People & Communities

Project Name	Classification	Amount	State / Federal Funding	Council Funding
Buchanan Park Safety Upgrades	Renewal	\$250,000	-	\$250,000
Cemetery Upgrade	New	\$200,000	\$200,000	-
Splashes Carpark and Shade Structure	Upgrade	\$50,000	-	\$50,000
Splashes Water Play	New	\$1,383,900	\$996,408	\$387,492
<b>TOTAL</b>		<b>\$1,883,900</b>	<b>\$1,196,408</b>	<b>\$687,492</b>

- Prosperous & Supportive**

Project Name	Classification	Amount	State / Federal Funding	Council Funding
Centennial Place	New	\$3,150,000	\$3,150,000	-
Install fishing pontoon at Lake Moondarra	New	\$120,000	\$50,000	\$70,000
Transport Logistic Centre - Detailed Design Works	New	\$200,000	-	\$200,000
<b>TOTAL</b>		<b>\$3,470,000</b>	<b>\$3,200,000</b>	<b>\$270,000</b>

- Services & Infrastructure**

Project Name	Classification	Amount	State / Federal Funding	Council Funding
AFL QLD Sporting Upgrade	New	\$150,000	\$150,000	-
AMF pump out and rising main	Upgrade	\$150,000	\$37,500	\$112,500
Animal Management Facility	Upgrade	\$30,000	-	\$30,000
Animal Management Residence Renovation	Renewal	\$80,000	-	\$80,000
Back Up Server Room	Upgrade	\$275,000	-	\$275,000
Building Condition Assessment for Library, Civic Center and Administration Building	New	\$50,000	-	\$50,000
Camooweal Aerodrome Upgrade	Upgrade	\$1,900,000	\$950,000	\$950,000
City Street Rehabilitation TIDS & R2R	Renewal	\$2,400,000	\$715,000	\$1,685,000
Civic Centre - Airconditioning upgrade	Upgrade	\$500,000	-	\$500,000
Construction of Carpark and Access Road at Telstra Hill	Upgrade	\$300,000	\$300,000	-
Curry Road Main Replacement	Renewal	\$50,000	-	\$50,000
Depot Residence Renovation	Renewal	\$60,000	-	\$60,000
Duchess Road Main Extension	New	\$500,000	-	\$500,000
Footpath rehabilitation	Renewal	\$500,000	-	\$500,000
Gunpowder Road Renewal	Renewal	\$2,000,000	\$2,000,000	-
Hydrant testing and replacement	Renewal	\$60,000	-	\$60,000
Installation of solar panels on the Council office building and Civic Center	Upgrade	\$300,000	\$178,800	\$121,200
IT Security Upgrades	Upgrade	\$50,000	-	\$50,000
Kitchen Upgrade - Civic Centre	Upgrade	\$200,000	-	\$200,000
Line lagoons at STP	Renewal	\$100,000	-	\$100,000
Manhole inspection and refurbishment	Renewal	\$275,000	-	\$275,000
Mobile Plant Replacement Program	Renewal	\$2,500,000	-	\$2,500,000
Network reconfiguration to remove direct pumping into network	Upgrade	\$2,000,000	\$2,000,000	-
Parks upgrades	Upgrade	\$800,000	-	\$800,000
PCNP shared Pathways	Renewal	\$667,040	\$667,040	-
Petroleum and gas safety upgrade	Upgrade	\$50,000	-	\$50,000
Provision of mobile data for Fulcrum	Upgrade	\$30,000	-	\$30,000
Reconfigure reservoir inlet/outlet	Renewal	\$300,000	-	\$300,000
Renewals at STP/Clarifier	Renewal	\$1,000,000	\$600,000	\$400,000
Replace SPS9	Renewal	\$350,000	-	\$350,000



- Services & Infrastructure (Continuation)

Project Name	Classification	Amount	State / Federal Funding	Council Funding
Road Culvert Rehabilitation	Renewal	\$1,000,000	\$582,313	\$417,687
SCADA upgrades replacement	Upgrade	\$250,000	-	\$250,000
Septage receipt	Upgrade	\$50,000	-	\$50,000
Sewer model preparation	New	\$150,000	-	\$150,000
Sewer odour treatment	Renewal	\$100,000	-	\$100,000
Sewer relining	Renewal	\$400,000	-	\$400,000
Sewer Rising main inspection and replacement	Renewal	\$200,000	-	\$200,000
Smart meters	Upgrade	\$50,000	\$50,000	-
Splasherz Residence Renovation	Renewal	\$30,000	-	\$30,000
SPS generator provision	New	\$50,000	-	\$50,000
SPS pump replacements	Renewal	\$100,000	-	\$100,000
SPS Refurbishment	Renewal	\$200,000	-	\$200,000
SPS switchboard upgrades	Renewal	\$100,000	-	\$100,000
Stormwater Repair and replacement	Renewal	\$500,000	-	\$500,000
Stormwater Upgrade Enid Street	Renewal	\$500,000	\$150,000	\$350,000
STP Residence Renovation	Renewal	\$50,000	-	\$50,000
Valve replacements	Renewal	\$150,000	-	\$150,000
Water and Sewer Service Replacements	Renewal	\$600,000	\$209,519	\$390,481
Water Treatment at Camooweal	New	\$400,000	\$200,000	\$200,000
West and Alma Street Intersection Upgrade	Upgrade	\$200,000	\$62,500	\$137,500
Wright Road Footpath - Design	New	\$100,000	-	\$100,000
<b>TOTAL</b>		<b>\$22,807,040</b>	<b>\$8,852,672</b>	<b>\$13,954,368</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.

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

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 (\$2 million);
- Upgrade library completed by 2029 (\$15 million);

**Parks and Reserves**

- Upgrade of Lookout and carpark to be completed by 2025 (\$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 carpark and access road completed by 2025 (\$800,000);
- Renew stormwater infrastructure 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 clarifiers at STP 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.

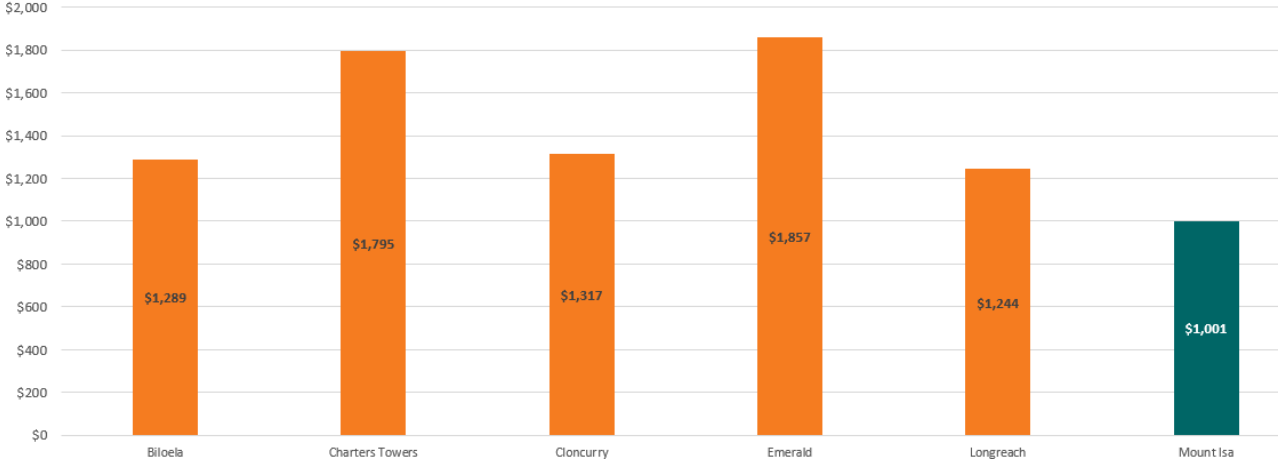
### Competitive rating levels and user pay charges

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

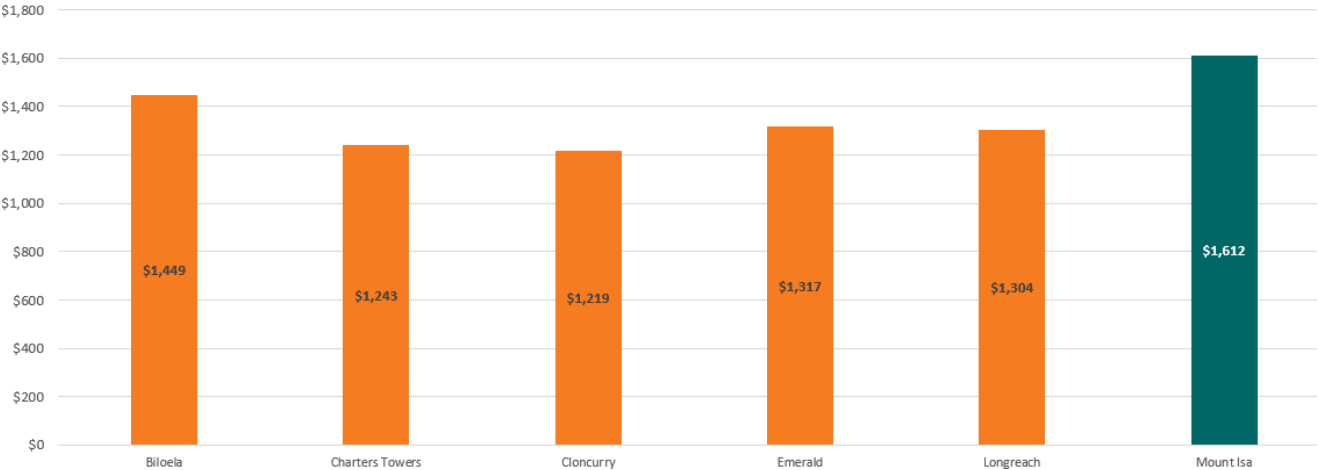
Council	Town Pop. 2020	Council Pop. 2018	Council Category	Town	General Rates (2021-22)	Valuation (2021/22)	Special (2021/22)	Water 1 (2021-22)	Sewerage (2021-22)	Cleansing (2021/22)
Banana	5,722	14,291	1	Biloela	\$1,289	\$62,658	\$110	\$1,449	\$685	\$437
Burdekin	8,238	17,077	1	Ayr	\$1,503	\$78,998	\$30	\$679	\$560	\$478
Burke	171	352	1	Burketown	\$1,139	\$30,580	\$0	\$978	\$641	\$472
Carpentaria	534	1,974	1	Karumba	\$777	\$55,396	\$0	\$1,098	\$1,161	\$410
Central Highlands	14,290	28,645	3	Emerald	\$1,857	\$84,404	\$0	\$1,317	\$730	\$525
Charters Towers	7,873	11,850	1	Charters Towers	\$1,795	\$68,512	\$0	\$1,243	\$884	\$209
Cloncurry	2,274	3,091	1	Cloncurry	\$1,317	\$57,990	\$0	\$1,219	\$584	\$341
Isaac	8,732	20,934	3	Moranbah	\$855	\$44,266	\$26	\$1,329	\$688	\$472
Longreach	2,598	3,530	1	Longreach	\$1,244	\$28,209	\$118	\$1,304	\$711	\$279
Mareeba	8,275	22,517	2	Mareeba	\$1,785	\$130,765	\$0	\$1,017	\$946	\$176
Mount Isa	18,310	18,878	2	Mount Isa	\$1,001	\$42,674	\$59	\$1,612	\$664	\$345
Tablelands	7,311	25,541	3	Atherton	\$1,349		\$0	\$839	\$836	\$563
Whitsunday	9,106	35,050	3	Bowen	\$1,018	\$75,807	\$0	\$1,017	\$875	\$455

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

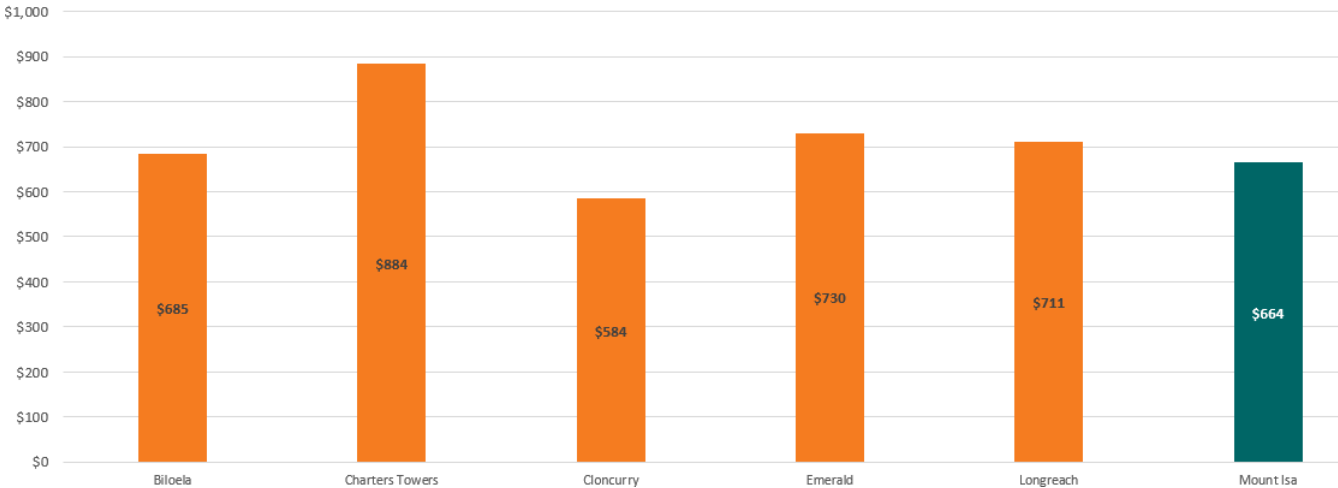
Typical Residential General Rates (2021/22)



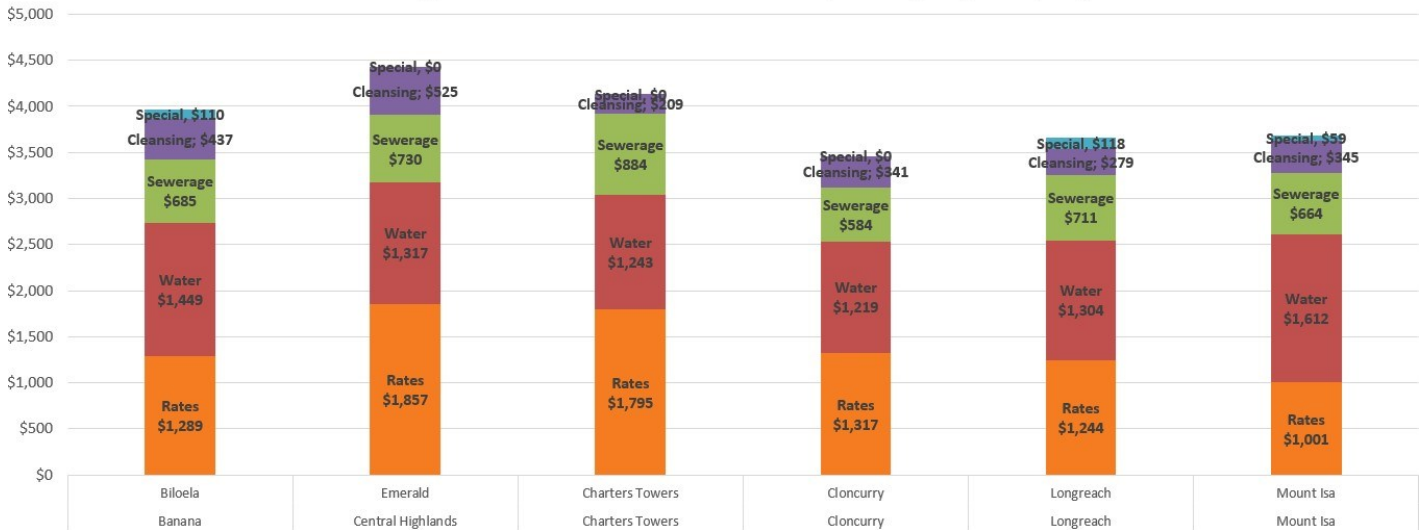
Typical Residential Water Charge (2021/22)



Typical Residential Sewerage Charge (2021/22)



Typical Residential Rates & Utility Charges (2021/22)



**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

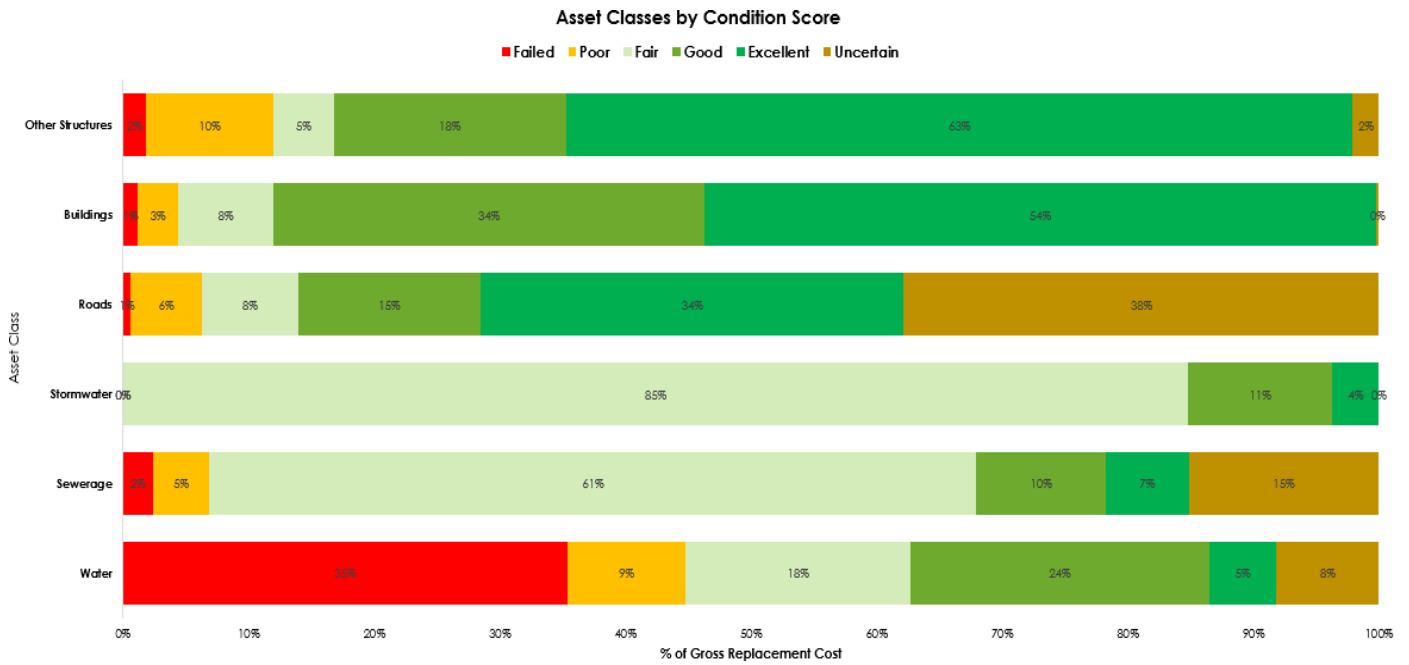
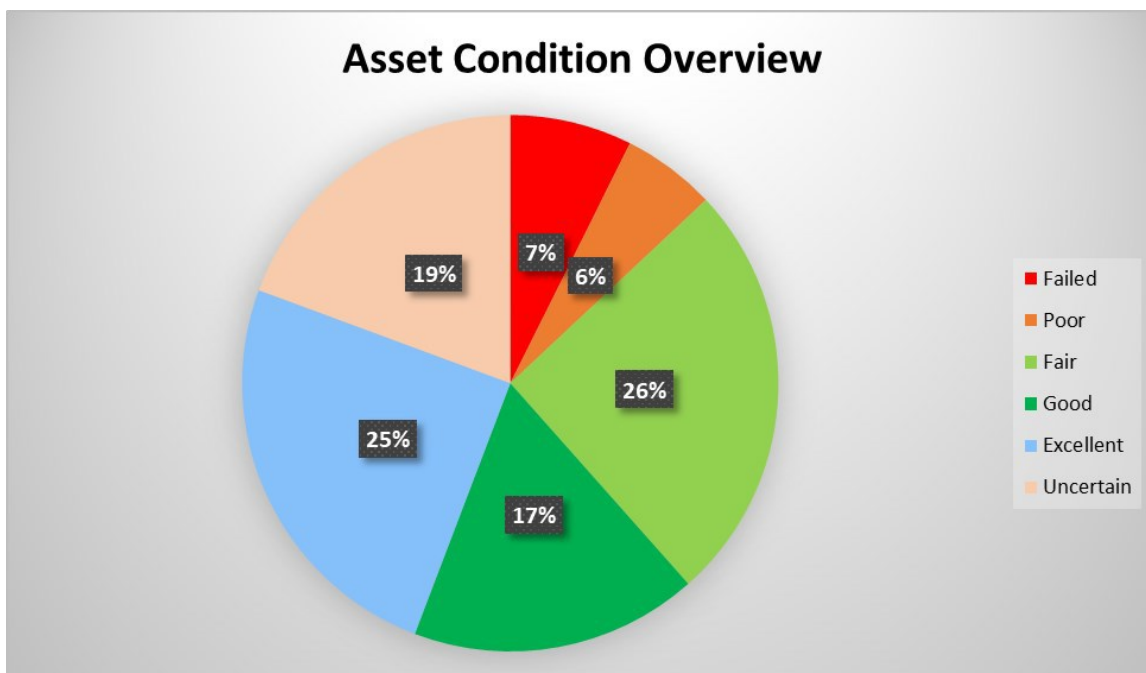


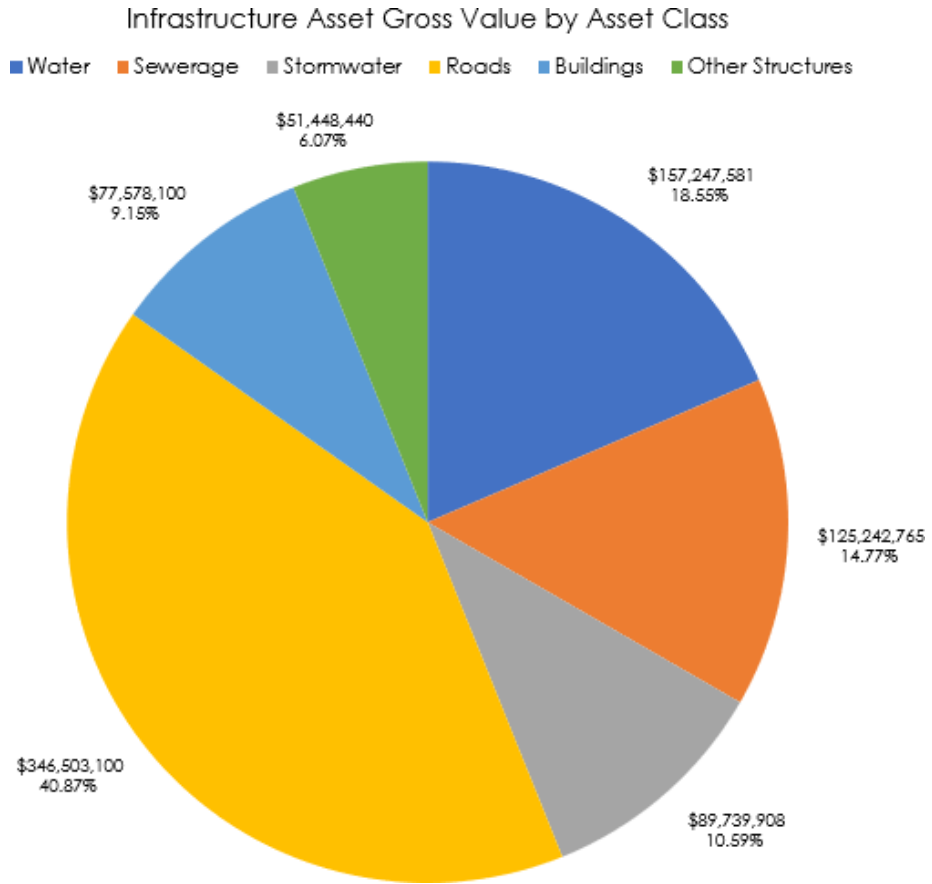
Figure 2: Overall condition of City infrastructure assets



**Adoption of the Total Asset Management Plan**

The outputs of each of the Asset Management Plans inform the budget process and are integrated into the Long-Term Financial Forecast.

Figure 3: Infrastructure Assets by Asset Class





# 7 Financial Sustainability Indicators

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

\*Key changes in the 2022 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:

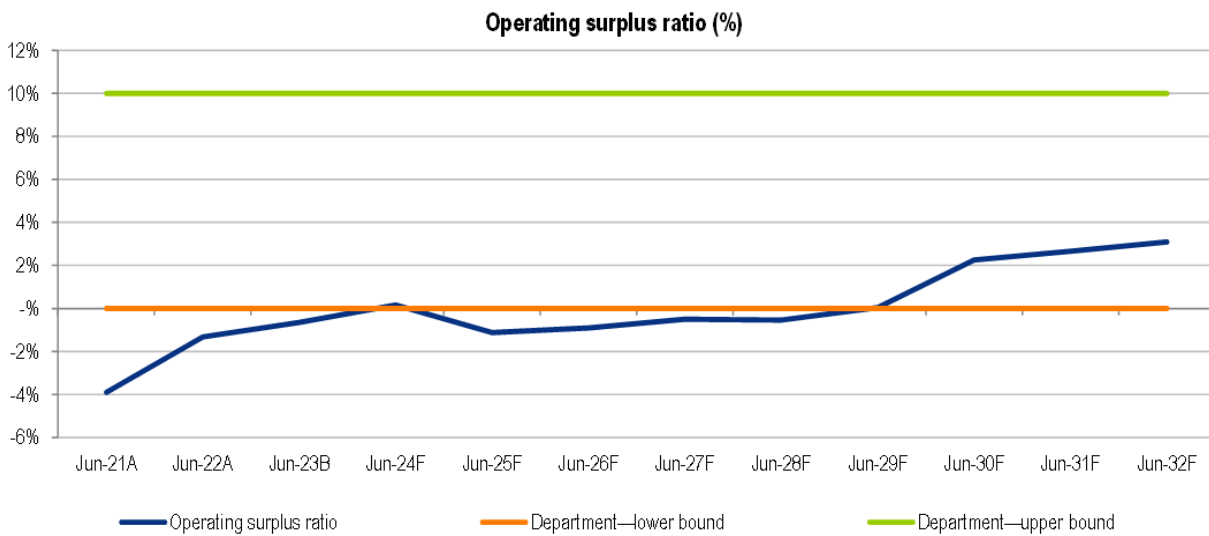
#	Type	Measure	Rationale
1	Financial Capacity	Council Controlled Revenue Ratio <sup>^</sup>	Capacity to generate revenue internally
2	Revenue Ratio	Population Growth Ratio <sup>*i,ii</sup>	Population growth/decline pressures on council
3	Operating Performance	Operating Surplus Ratio	Holistic overview 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 <sup>**^</sup>	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>

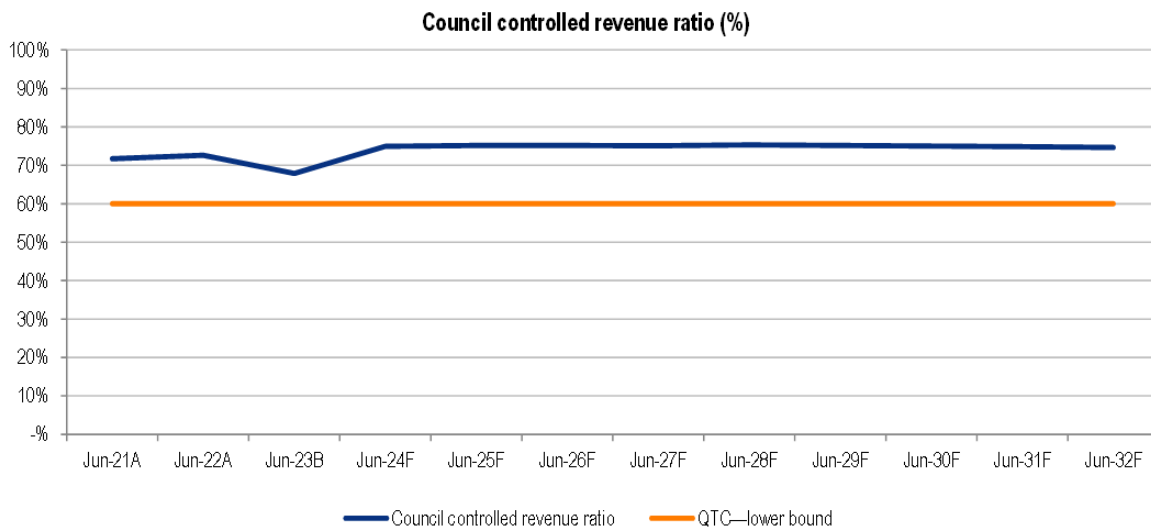
Management of operating position

Table 5: Operating ratios

<b>Ratio</b>	<p><b>Operating Surplus Ratio – (0.2%) for 2023-24</b>                  Provides a holistic overview of council operating performance.  <i>Formula = operating result / operating revenue</i></p>
<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>



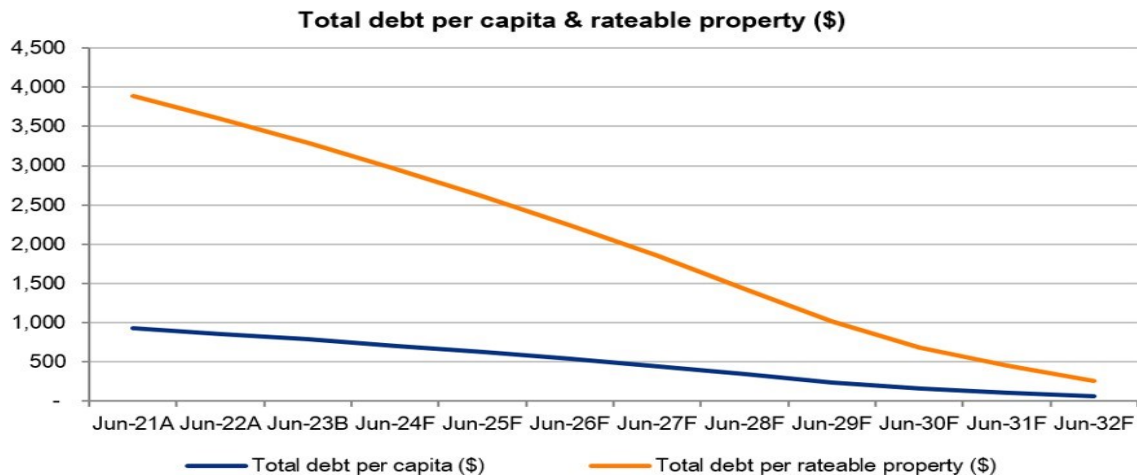
<b>Ratio</b>	<p><b>Council Controlled Revenue Ratio – (73%) for 2023-24</b>                  Assess the capacity to generate revenue internally.  <i>Formula = Internal Council-controlled revenue / operating revenue</i></p>
<b>Key Details</b>	<ul style="list-style-type: none"> <li>• No changes to ratio calculation.</li> <li>• Minimum targets -60%</li> </ul>



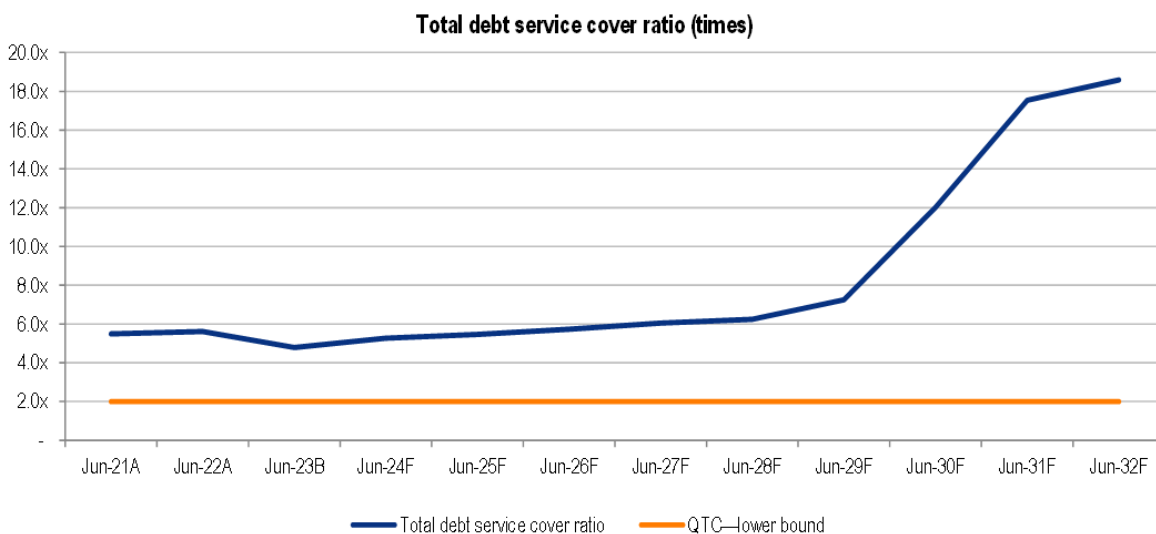
Management of debt

Table 6: Debt ratios

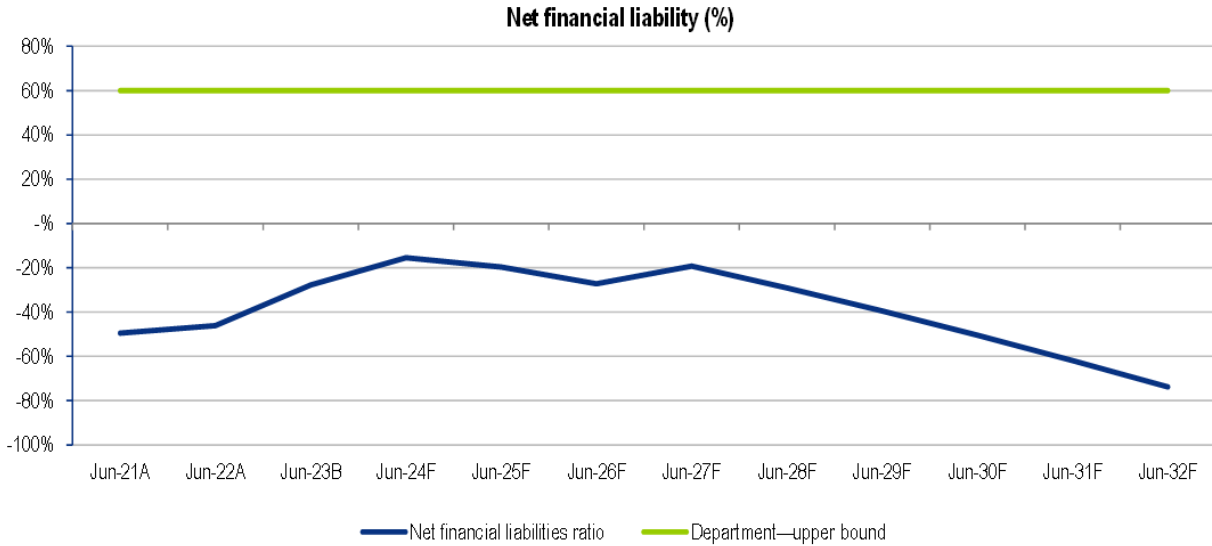
<b>Ratio</b>	<p><b>Debt per Capita - \$708 for 23-24 budget</b>  <i>Formula = book value of debt / estimated resident population</i></p>
<b>Key Details</b>	<ul style="list-style-type: none"> <li>• This new ratio is an indicator of the suitability of a council’s borrowings relative to the size of its population base.</li> <li>• A council will need a defensible estimate of its population as at the reporting date to serve as the denominator for the calculation.</li> <li>• A benchmark target of less than \$4,000 per person.</li> </ul>



<b>Ratio</b>	<p><b>Debt Service Cover Ratio – 5 times for 23-24</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></p>
<b>Key Details</b>	<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>



<b>Ratio</b>	<b>Net Financial Liabilities Ratio – (-18%) for 2023-24</b> <i>Formula = Total liabilities less current assets / total operating revenue</i>
<b>Key Details</b>	<ul style="list-style-type: none"> <li>Indicates the extent to which a council’s operating revenues (including grants and subsidies) can cover its net financial liabilities.</li> <li>A benchmark target of not greater than 60%.</li> </ul>

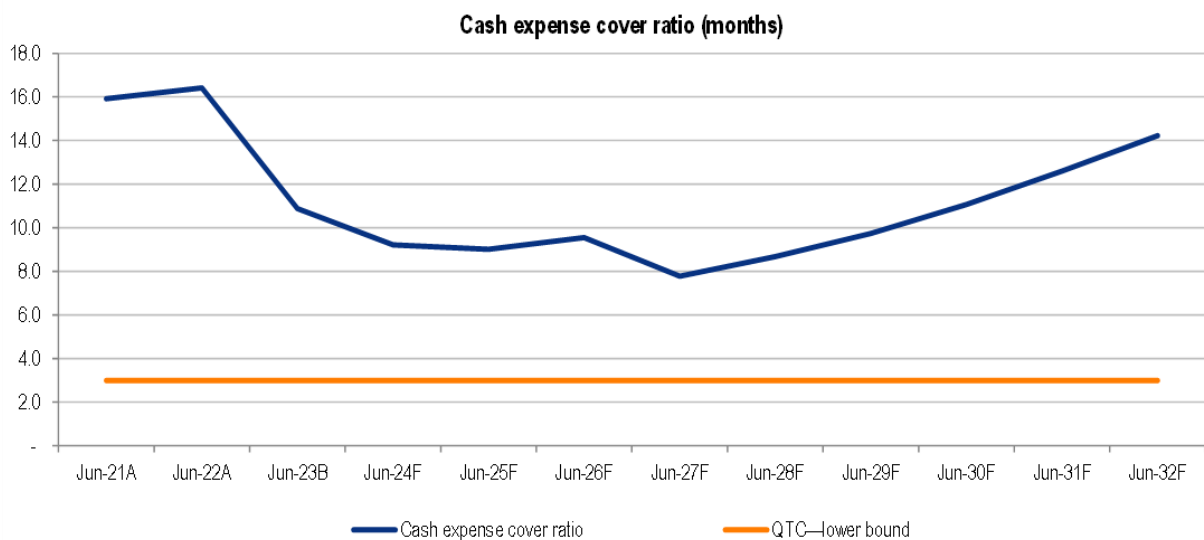


The three ratios above provide an indication as to whether debt is being responsibly managed. Council sits comfortably within the required benchmarks for the forecast period.

Through prudent debt management, Council maintains the flexibility to utilise debt funding should it need to do so in the future.

**Management of liquidity**

<b>Ratio</b>	<b>Unrestricted Cash Expense Cover Ratio – 9.5 months for 2023-24</b> <i>Formula = (cash and equivalents + current investments + available ongoing QTC working capital facility limit - externally restricted cash) / (operating expenses - depreciation/amortisation - 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>



## Management of infrastructure assets

**Table 7: Asset sustainability ratios**

<b>Ratio</b>	<b>Asset Sustainability Ratio – 105% for 2023-24</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>

