

# QUILPIE SHIRE COUNCIL 2021-22 MAYOR'S BUDGET MESSAGE



The last financial year has, generally speaking, been a pretty positive year for the Council and the Quilpie Shire. We have avoided most of the downturn and disruption that much of Australia has experienced and have actually been the beneficiary of some Covid induced benefits.

Although by no means a "big wet", the summer produced a good average season across most of the shire and this has been followed by some useful winter rain to put the shire in pretty good shape.

We are also seeing, in my opinion, the best markets for our rural commodities for 30 years going back to the wool boom of the 1980s. There is a definite spring in the step of our rural sector.

The Quilpie Shire Council has had a pretty busy and industrious twelve months and has achieved the vast majority of what we set out to do in that period. We started the year planning on spending over \$11M on capital works and completed most of that. Through our consultants, Proterra, we have also seen a pretty major road restoration program undertaken as well, right across the shire.

At July 2020 the Council estimated a small surplus in our operating budget of \$318,000 but a drop in our overall cash position of \$4.64M. This was off a very high cash position of \$25.4M, a figure inflated by a high number of pre-paid grants. At the end of June 2021 Council had cash reserves of \$21.2M, better than budgeted originally with our operating surplus also higher than originally estimated.



*A resurgence in the world oil price is driving a slow pickup in activity in our resource sector and we are probably experiencing the Quilpie Shire's best ever tourist season at the moment.*

*This is being driven by increased domestic tourism, predominately by people who would normally be travelling overseas but, because of restricted borders due to the Covid pandemic, are instead visiting their own country.*

*The shire is also offering a significant increase in high quality tourism "product" now, opportunistically leveraging off the increased traffic.*

As I have stated in the past, the Council continues to plan and then deliver on our budgets with very few surprises coming in at the end of each financial year. When you do this year after year you really can plan ahead with confidence.

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## RATES AND CHARGES

Setting our rates for the next financial year presented some challenges due to the re-valuation across the shire which affect all our rate settings across all sectors. It is very important to stress that the Quilpie Shire Council, certainly in the last twenty years, has always set our rates on a sector basis. So if we take X amount of dollars out of a sector, whether rural, resources, etc., we will decide each year, sector by sector, if we take more, less, or, as is often the case, increase the take by the CPI increase which is basically allowing for inflation.

Rates are charged based on the property valuation but, as outlined above, an increase in the property valuation does not automatically mean the rates will rise because we are keeping the take from the sector the same. We adjust the cent in the dollar figure to allow for the higher valuation to keep the rates the same. If every valuation went up the same amount no one would see any change to their rates. Sadly this never happens.

This year the urban valuations actually went down in most cases and were fairly consistent so there won't be a lot of change in the urban rates. This is not to be confused with service charges which will see an increase of, on average, about 1%, a CPI increase.

The rural valuations did go up a lot, on average about 110% across the shire. If everyone went up 110% it wouldn't be a problem but while everyone did go up, the increase ranges from 36% to 160%. We looked at every possible tool at our disposal to try and even things up but couldn't find anything that would work so, as outlined above, we have kept the total take from the sector the same and reduced the cent in the dollar accordingly. This means that many people will have a rate rise but many will have a rate drop. There are some properties (a couple) that have a huge increase and we have put a 100% cap on so their rates will double but no worse than that. These abnormal results are not just due to valuation rises but also because of the use of a low cap (10%) in previous years which can have unintended consequences if left on for too long.

Valuation increase and potential lease amalgamations have also created some challenging anomalies in our resource sector rates as well. Again we chose not to increase the total take out of the sector but, like the rural sector, there will be winners and losers. Except for a couple of exceptions most companies won't see a lot of change in their total rates bill although individual lease rates will vary noticeably.



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## CAPITAL WORKS

We are looking at a substantially reduced capital budget this next financial year at around \$6M. It was \$11.5M last year although that was inflated by two building grants that Council had received totalling over \$4M for the Eromanga Natural History Museum and the Gyrica Gardens multi-purpose centre. We don't have those sort of projects happening this year. Probably the highlight of the capital budget is the plan to build three new homes across the Shire (two in Quilpie and one in Eromanga) using the Queensland Government's Works for Qld funding.

The plant replacement budget of \$2.3M is quite high but we believe in maintaining our plant fleet at a high level. Holding on to plant too long to save yourself some money in the short term generally ends up proving to be costly in the longer term.

Like our plant I believe our community assets across the Shire are at a pretty high standard and the challenge is always to maintain them at that standard year after year. I feel we are achieving that reasonably well. Asset management is one of council's most important priorities and is a key segment of our budgeting every year. The condition and quality of our community assets is probably the most obvious visual indicator of how a council is travelling both in an administrative and a financial sense and I am pretty comfortable with where we are at.



*In summary, there has been a zero general rate rise across the shire but many ratepayers, mainly in the rural and resource sector, will see significant change, up and down, to their individual rate bill, in essence, because the valuation changes were so broad and variable that we couldn't find any other solution. As stated earlier service charges for water, sewerage and garbage have risen by 1%.*

*I would like to congratulate our staff on what they have achieved through the last twelve months, as budgeted, and look forward to another rewarding year ahead while maintaining our financial health and stability.*

*As always, I am happy to discuss the budget anytime.*

*Kind regards  
Stuart Mackenzie  
Mayor*



# QUILPIE SHIRE COUNCIL 2021-2022 BUDGET HIGHLIGHTS



## Rates and Charges

The Valuer-General decided to undertake an annual valuation for the Quilpie Shire Council in 2021, with an effective date of 1 July 2021. This valuation resulted in an increase in land values of 85% across the Shire, with the Grazing and Agriculture sector incurring increase up to 160%. Council has attempted to equalize the rates for each sector to minimise the valuation swings experienced across the Shire.

For those Rate Payers who utilise Council's Water, Sewerage and Garbage Services, all utilities have incurred a 1% increase, for the average household, this equates to less than \$15 per year.

Council has also commenced weekly Garbage collections from Eromanga starting in July. Those Rate Payers who receive this service will incur the first Waste Management Charge in their August/September 2021 Rates Notice.

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## Special Projects

Council has allocated funding in the operational budget to undertake a number of 'Special Projects' throughout the next financial year, including:

- Development of the Quilpie Aquatic Centre Master Plan
  - Development of a Public Wifi and CCTV Master Plan
  - Development of an Energy Management Plan
  - Refresh of Councils Style Guide
  - Restructure of Councils Financial Management System
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## Department of Transport and Main Roads

On top of the annual funding received through TMR under the TIDS Program, Council have also managed to secure an additional \$2.725 Million for widening of the Diamantina Development Road.

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## Wild Dog Exclusion Fencing

Council are committed to support the Agriculture Industry with an extension of the Council funded Wild Dog Exclusion Fencing program, Council have allocated a total of \$420,000, with \$170,000 rolling over from the 2020/2021 period and an additional \$250,000 of unallocated funds approved for the 2021/2022 period.

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## Shop Front Upgrade Program

After the success of the first Shop Front Upgrade Program, Council have elected to continue this program by funding an additional \$50,000 worth of Shop Front Upgrades.

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## Capital Works Program

Council has approved a total of \$6.188 Million in Capital Works projects, with \$2.587 Million funded through State and Federal Government Funding.

Projects approved include, but not limited too:

- 2 X 4 Bedroom Houses in Quilpie and 1 x 3 Bedroom House in Eromanga;
- Baldy Top Beautification;
- Toompine Playground & Shade Structure;
- Adavale Museum Upgrade;
- Plant Replacement Program (\$2.2 Million);
- Upgrades to Roads including Kyabra Rd, Mt Margaret Rd, Old Charleville Rd, Stanlet St (Toompine), Jabiru St & Onion Creek Rd.