

JULY 2023



MAYOR'S MESSAGE

The last financial year has been another positive year for the Quilpie Shire. The shire's business community has had a pretty good year with a good season experienced by most and commodities, although down, still providing excellent returns. Our resource industry has had even better commodity prices but there are storm clouds hovering regarding the ongoing development and prosperity of the sector which concerns me greatly. The tourism industry continues to develop and mature and, although numbers were down on the buoyant 2021-22 season, the spend per visitor was up and that is more important than actual visitation.

I am concerned about the future of the oil and gas industries because the ideological push by the present governments, state and federal, to phase out fossil fuels is far outpacing the capability of industry and society to deliver. Having a "plan" or "strategy" doesn't actually make something happen if it is not logistically possible to do it. I am not sure that there are any engineers sitting in the cabinet room when these grand strategies are hatched! This extreme uncertainty makes it very difficult for our resource industry to invest with any confidence in the future. This will impact on council's bottom line in the future as well as economic activity across the shire.

OVERALL POSITION

Council has had another solid year with many projects completed on time and at cost with the highlight being the delivery of three new homes to the shire (one in Eromanga and two in Quilpie) and two more arriving in Quilpie at the start of this new financial year. We have completed the year with a significant operating surplus of \$3.5M bolstered by prepayment of our financial assistance grants (FAGs) from the Federal Government. The timing of payment of these grants has been a lottery in recent years and it certainly creates some headaches for our financial services staff regarding budgets as you could have two years payments in one FY or none at all! The \$7.46M allocation for the 2023-24 year has also been increased by nearly \$1M from the 2022-23 budget – a welcome development.

This substantial operating surplus has carried across to an increase of \$5.5M in our cash position to take us to \$37M at the end of June although, as mentioned above, at least \$6.1M of this is prepaid funds which must be spent this year – in other words it is not "unencumbered" cash. This strong cash position, however, does allow us to source funding like the State Government contribution for the townhouse build as you generally have to contribute at least 50% of the project cost and this will be a project cost in excess of \$7M. Being in a strong cash position allows us the flexibility to partner with other levels of government for major projects.

CAPITAL WORKS

Our capital works for last year was around \$5.8M, well below what was originally planned, but this was due to the delay in timing of three major projects – the new Toompine artesian bore, the refurbishment of the Quilpie airport runway and the Quilpie townhouse project totalling over \$10M. All these projects should go ahead in the 2023-24 FY.

The new FY should see these three projects either completed or well advanced, as well as a new pool planned for Eromanga, two new houses for Quilpie and a multitude of road, street and council facility upgrades and maintenance projects.

I must also highlight that we are spending around \$2M/annum on plant replacement and we continue to maintain our council fleet in an enviable position.

The shire's consultants, the Proterra Group, have also successfully submitted claims for \$17M of flood repairs to be spent on shire roads over the next financial year.

MAYOR'S MESSAGE (cont) RATES AND CHARGES

Everyone will no doubt be aware of the higher inflation environment we now live in. For those of us who have been around for a while, although it is higher, it is not at all unusual and has been higher in the past. It is just that we have been in an unusually long period of very low inflation and, consequently, low interest rates. Where we are now is a much more "normal" situation for interest rates but we do need to see inflation come down. This is already impacting on council's costs and our decision to increase general rates by 5% across the rural and resources sectors is a direct reflection of that.

We have increased residential and commercial rates by 10% as, after comparison with other like shires across the state, we feel that general rates for our urban rate payers is falling behind the benchmark levels. We have also increased the minimum rate by \$100 for the same reason. If your increase is more than 10% it means you were on the minimum or lowest rate previously. We feel that paying the new minimum rate of \$488/annum (up by \$100) is a small price to pay for the quality of facilities available across the shire's towns.

Thankfully there has been no change in valuations so most rate payers should only see that 5% rise or, in urban areas 10% or \$100. Our CPI increase is actually around 7% so we are not recovering the whole extra cost burden experienced by council.

There are some changes in the water charges due to a review facilitated by council recently. The water charges have not been reviewed for some time and it is good practice to do this at regular intervals. We don't have water meters and have no desire to which means we have to use other criteria to ascertain your estimated usage. It is not perfect but it is, we believe, the most accurate method we can use. The residential blocks won't see change except for the 5% increase but the industrial and business users will see some change. Some will see substantial increase and some will see substantial decrease. This is to correct some of the apparent anomalies in the previous setting of water charges. All those affected have been sent explanatory letters. We apologise to those with the increases but we believe it is now a fairer system.

One example of an anomaly identified as part of the review was some ratepayers were not being charged the appropriate allocation as per the Revenue Statement. This was highlighted with many trucking yards being charged 30 units, instead of the appropriate allocation of 100 units, which has now been corrected.

Another anomaly picked up, interestingly, was that council wasn't paying water charges for Council owned facilities like the depot, some halls and recreational ovals. You might think that is irrelevant as we are just paying ourselves but we try to ensure that service delivery (water, garbage and sewerage) is cost neutral which means our revenue, from charges paid, covers the cost incurred by council to provide the service. If council facilities aren't charged for the service they receive then our overall revenue figures aren't accurate and ratepayers could be charged more than is appropriate.

SUMMARY

The 2023-24 FY was another successful one for the Quilpie Shire Council and we look forward to similar results in the upcoming twelve months. The only negative was the failure to deliver on the three major projects outlined above, however, timing of projects has been difficult to predict in recent years with supply shortages or delays, and planning requirements proving difficult to complete on time because of staff and external expertise operating under personnel and time constraints. These projects will be delivered, just later than anticipated.

I would like to congratulate all our staff on their ongoing commitment, diligence and expertise which, once again, manifests itself at year's end by delivering a balanced budget, constant upgrade and maintenance of the shire's critical infrastructure and the continual deliverance of forward looking, opportunistic outcomes for the community ensuring a positive future for all.

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

Kind regards,

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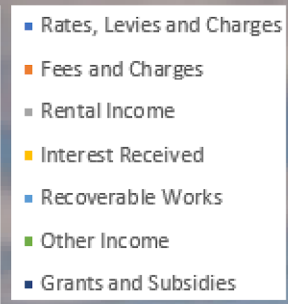
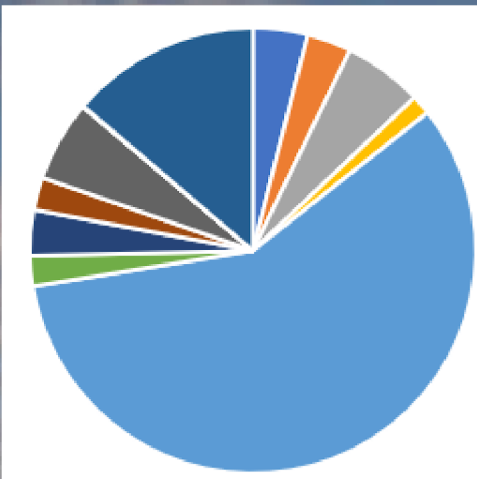
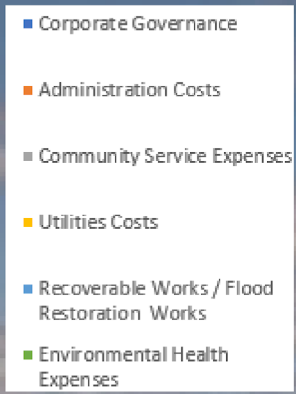
2022-2023 ACHIEVEMENTS

- Quilpie Adavale Road - 7km sealed
- Quarrion Street water main renewed - 400m
- Cooma Road - 5 concrete floodways
- 5km of road resealed
- New pathways at Eromanga Natural History Museum
- Asset upgrades:
2 Rollers, Prime Mover, Grader, Works Truck
- 1 house built in Eromanga
- 2 houses built in Quilpie

The table below outlines the overall change for a Quilpie Residential Category ratepayer on the minimum general rate. Approximately 78% of all residential ratepayers are on the minimum.

	Units	6 Months	Annual	6 Months	Annual
General Rates (min)	\$13,200.00	\$194.06	\$388.12	\$244.00	\$488.00
Water	30	\$237.60	\$475.20	\$249.45	\$498.90
Sewerage	30	\$227.40	\$454.80	\$238.80	\$477.60
Waste Bin Collection	1	\$288.50	\$577.00	\$323.00	\$646.00
State Government Charge - Emergency Management Levy (per parcel)	1	\$57.60	\$115.20	\$59.50	\$119.00
		\$1,005.16	\$2,010.32	\$1,114.75	\$2,229.50
		\$94.76	\$189.51	\$105.53	\$211.05
	Total	\$910.40	\$1,820.81	\$1,009.23	\$2,018.45
This represents an increase of \$3.80 per week			Increase	\$98.82	\$197.64

Council has increased pensioner concession from \$450 to \$550 per annum.



Capital Budget Highlights 2023-2024

- \$1.2M - Eromanga Pool
- \$250,000 - sealing of road to Adavale Transfer Station and ancillary works
- \$2.04M - renewing our existing fleet assets as part of an \$2.14M Plant and Equipment Program (including a new vacuum excavator and trailer for grid maintenance)
- \$1.2M - road reseals (including Adavale Black Road, Coonaberry Creek Road, Deacon Street, Eulo Road, Quarrion Street and Mr Margaret Road)
- \$140,000 - resealing Broлга Street carparking lanes to coincide with DTMR resealing works
- \$62,300 - seal the Quilpie Truck Pad
- \$330,000 - upgrade the water mains on Sommerfield Road – Stage 1
- \$250,000 - refurbishment of Gyrica Gardens Unit 3 and 4
- \$7.8M - Townhouse Estate Development -
- \$90,00 - upgrades to Adavale, Eromanga and Cheepie Work Camps
- \$50,000 - Adavale Town Hall Grounds Upgrade
- \$275,000 - completion of the Opalopolis Park Upgrade
- \$65,000 - completion of the Toompine, Eromanga and Adavale Transfer Stations
- \$30,000 - entrance to Bulloo Park
- \$50,000 - Quilpie Footpath – complete missing link on Jabiru Street
- \$1,607,708 - completion of the Quilpie Aerodrome pavement reconstruction and relocation of the refueling facility
- \$15,100 - seal land adjacent to Mural Park
- \$718,252 - completion of the Toompine Bore Replacement project
- \$461,401 - completion of the Quilpie Sewerage Treatment Plan Design project
- \$14,180 - Quilpie SES Shed Extension