



# **ATTACHMENTS TO MINUTES GENERAL COUNCIL MEETING**

**29 APRIL 2020**



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11.5	Third Quarter Budget Review 2019/2020	
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**Southern Downs Regional Council  
2019/20 Operating Budget**

Current Actual to end of March \$	Description	Adopted Current Budget 2019-20 \$	Proposed Budget 2019-20 \$	Change \$ (Proposed less Current)	Change% (Proposed less Current)	Notes
<b>Revenue</b>						
<b>Operating revenue</b>						
<b>Rates and Utility Charges</b>						
32,694,096	General rates	32,673,450	32,693,450	20,000	0.1%	Budget adjusted to reflect estimated full year actuals
(1,291,012)	Invasive Pest Control Separate Rate	(882,900)	(1,382,900)	(500,000)	56.6%	Water Tank Rebates
5,847,115	Water	11,873,617	11,873,617	0	0.0%	
4,709,244	Waste water	9,249,527	9,249,527	0	0.0%	
4,614,549	Waste management	4,613,976	4,614,549	573	0.0%	Budget adjusted to reflect estimated full year actuals
273,853	Rural fire brigade levy	274,000	274,000	(1,000)	-0.4%	Budget adjusted to reflect estimated full year actuals
<b>46,847,845</b>	<b>Total rates and utility charges</b>	<b>57,802,670</b>	<b>57,322,243</b>	<b>(480,427)</b>	<b>-0.8%</b>	
<b>(1,916,685)</b>	<b>Less: Discount</b>	<b>(1,912,169)</b>	<b>(1,916,300)</b>	<b>(4,131)</b>		Budget adjusted to reflect estimated full year actuals
<b>44,931,160</b>	<b>Net rates and utility charges revenue</b>	<b>55,890,501</b>	<b>55,405,943</b>	<b>(484,558)</b>	<b>-0.9%</b>	
<b>Other Operating Revenue</b>						
<b>4,210,091</b>	<b>Fees and charges</b>	<b>5,507,585</b>	<b>5,254,395</b>	<b>(253,190)</b>	<b>-4.6%</b>	See Note 1 below
<b>817,499</b>	<b>Interest income</b>	<b>1,397,650</b>	<b>1,253,200</b>	<b>(144,450)</b>	<b>-10.3%</b>	Budget adjusted to reflect current investment market
<b>446,001</b>	<b>Leasing and rent</b>	<b>503,523</b>	<b>508,013</b>	<b>4,490</b>	<b>0.9%</b>	Budget adjusted to reflect estimated full year actuals
<b>6,784,357</b>	<b>Operating grants and subsidies</b>	<b>13,989,887</b>	<b>15,024,964</b>	<b>1,035,077</b>	<b>7.4%</b>	See Note 2 below
<b>892,629</b>	<b>Recoverable works</b>	<b>2,441,813</b>	<b>2,618,684</b>	<b>176,871</b>	<b>7.2%</b>	See Note 3 below
<b>569,052</b>	<b>Other revenue</b>	<b>892,022</b>	<b>1,064,153</b>	<b>172,131</b>	<b>19.3%</b>	See Note 4 below
<b>4,172,523</b>	<b>Internal Revenue</b>	<b>5,563,362</b>	<b>5,563,362</b>	<b>0</b>	<b>0.0%</b>	
<b>62,823,312</b>	<b>Total operating revenue</b>	<b>86,186,343</b>	<b>86,692,714</b>	<b>506,371</b>	<b>0.6%</b>	
<b>Operating expenses</b>						
<b>19,849,131</b>	<b>Employee costs</b>	<b>25,820,492</b>	<b>26,157,896</b>	<b>337,404</b>	<b>1.3%</b>	Employee costs re-assessed at 31 March based on current FTE
<b>(666,800)</b>	<b>Employee oncosts / (recoveries)</b>	<b>(1,291,025)</b>	<b>(1,308,414)</b>	<b>(17,389)</b>	<b>1.3%</b>	Employee costs re-assessed at 31 March
<b>636,061</b>	<b>Councillors' Expenses</b>	<b>790,818</b>	<b>786,212</b>	<b>(4,606)</b>	<b>-0.6%</b>	Councillors' Expenses re-assessed at 31 March
<b>10,039,787</b>	<b>Contracts and Services</b>	<b>20,927,071</b>	<b>20,648,291</b>	<b>(278,780)</b>	<b>-1.3%</b>	See Note 5 below
<b>11,229,936</b>	<b>Materials</b>	<b>16,478,374</b>	<b>15,869,679</b>	<b>(608,695)</b>	<b>-3.7%</b>	See Note 6 below
<b>855,767</b>	<b>Community Grants</b>	<b>1,112,431</b>	<b>938,620</b>	<b>(173,811)</b>	<b>-15.6%</b>	See Note 7 below
<b>327,091</b>	<b>Rates on Council Properties</b>	<b>666,555</b>	<b>668,551</b>	<b>1,995</b>	<b>0.3%</b>	Budget adjusted to reflect estimated full year actuals
<b>410,443</b>	<b>Other Expenses</b>	<b>340,000</b>	<b>1,130,500</b>	<b>790,500</b>	<b>232.5%</b>	See Note 8 below
<b>(1,197,127)</b>	<b>Plant Hire / (recoveries)</b>	<b>(1,892,679)</b>	<b>(1,893,565)</b>	<b>(886)</b>	<b>0.0%</b>	Budget adjusted to reflect estimated full year actuals
<b>1,015,852</b>	<b>Finance Costs</b>	<b>1,475,983</b>	<b>1,457,262</b>	<b>(18,721)</b>	<b>-1.3%</b>	Budget adjusted to reflect estimated full year actuals
<b>12,455,920</b>	<b>Depreciation and amortisation</b>	<b>16,092,561</b>	<b>16,597,590</b>	<b>505,028</b>	<b>3.1%</b>	Budget adjusted to reflect estimated full year actuals
<b>4,172,523</b>	<b>Internal Charges</b>	<b>5,563,362</b>	<b>5,563,362</b>	<b>0</b>	<b>0.0%</b>	
<b>59,128,586</b>	<b>Total operating expenses</b>	<b>86,083,943</b>	<b>86,615,983</b>	<b>532,039</b>	<b>0.6%</b>	
<b>3,694,726</b>	<b>Operating Surplus / (Deficit)</b>	<b>102,400</b>	<b>76,731</b>	<b>(25,668)</b>	<b>-25.1%</b>	
<b>Capital amounts</b>						
10,706,875	Capital grants	18,931,937	15,998,217	(2,933,720)	-15.5%	Details are contained in the Capital Works notes attached
308,283	Capital contributions	847,800	807,800	(40,000)	-4.7%	Details are contained in the Capital Works notes attached
(2,952,396)	Profit / (Loss) on disposal	674,000	674,000	0	0.0%	
<b>8,062,822</b>	<b>Total of capital amounts</b>	<b>20,453,737</b>	<b>17,480,017</b>	<b>(2,973,720)</b>	<b>-14.5%</b>	
<b>11,757,548</b>	<b>Net Result surplus / (Deficit)</b>	<b>20,556,136</b>	<b>17,556,748</b>	<b>(2,999,388)</b>	<b>-14.6%</b>	

**Notes to QTR 3 Proposed Operating Budget for 2019/20**

**Note 1: Fees and charges**  
S:\Shared All\Info\Council\Attachments\461\4486\Attachment 1 - 3rd Quarter Budget Review - Proposed Operating Budget.xlsx  
Planning Applications  
Change \$ (117,000)  
Change % -2%

Reduction due to drought and covid-19

27/04/2020

Building and Plumbing Applications	(219,540)	-35%	Reduction due to drought and covid-19
Water Sales	(81,460)	-8%	Reduction due to covid-19
Fitness/After School Care Centres	(96,905)	-24%	Reduction due to covid-19 closure
Recreational Reserves	(21,267)	-45%	Reduction due to covid-19 closure
Waste Disposal Fees	929,650	28%	
<b>Note 2: Operating grants and subsidies</b>			
Bushfire Response Assistance	1,900,000	100%	Southern Queensland Bushfires September 2019
Asset Management	(226,974)	-56%	LGSP Grant to be deferred to 2020/21 FY
Diesel Fuel Grant	(50,000)	-23%	
Trainee Subsidies	(80,500)	-28%	
Pest Animal Control	160,000	95%	Dept of Agriculture & Fisheries Feral Pest Initiative \$140,000
Environmental Local Laws	(75,000)	-100%	Community Environment Program - Deer Project - \$20,000
			BBR Funding to be deferred to 2020/21 FY
<b>Note 3: Recoverable works</b>			
Premix and Emulsion Supply	92,500	1300%	
Road Maintenance Performance Contracts	110,809	5%	Qld Department of Main Roads
Private Works	41,562	95%	Fire recovery
<b>Note 4: Other revenue</b>			
Waste Facilities	203,175	127%	Transportation of Recyclables Grant \$225,000
Warwick Aerodrome	(32,120)	-29%	Container Refund Scheme Contributions \$(21,825)
			Sale of Fuel reduction due to less traffic
<b>Note 5: Contract and Services</b>			
Changes by Department			
Corporate and Community Services	(380,798)	-46%	Asset Management - reduction in Professional Fees \$(380,798) - LGSP Grant expenditure to be deferred to 2020/21
Corporate and Commercial Services	(264,539)	-15%	Complaints Investigations \$(19,508)
			Asbestos Contamination Issues \$(10,000)
			WIRAC reduction in contractual payments due to covid-19 \$(200,000)
			Allora and Stanthorpe Pools \$18,411
			Insurance \$(50,000)
Finance and Information Technology	(73,530)	-13%	Financial Services - reduction in Professional Fees \$(70,830)
CEO Office	(19,035)	-7%	Miscellaneous reductions in Legal Fees, Professional Fees and Contractors
Strategic Planning and Prosperity	(62,883)	-11%	Planning Scheme Preparation & Amendments - reduction in Contractors \$(42,870)
			Strategic Planning & Land Use Policy - reduction in Contractors \$(30,000)
Park and Operations	(135,441)	-11%	Property Maintenance Program - reduction in Contractors \$(50,000)
			Cemeteries - reduction in Contractors \$(25,000)
			Park Maintenance - reduction in Contractors \$(50,000)
			Park Maintenance - increase in Hire Expenses \$17,000
			Plant Operating & Maintenance - reduction in Contractors \$(50,000)
			Plant Operating & Maintenance - increase in Hire Expenses \$24,000
Works	223,932	15%	Private Works - increase in Contractors \$14,900
			Road Maintenance & Performance Contracts - increase in Contractors \$245,758
			Footpaths - increase in Professional Fees - assessment of footpaths \$16,000
			Special Maintenance - reduction in Contractors \$(36,000)
			Road Maintenance - increase in Contractors \$50,000
			Road Maintenance - reduction in Hire Expenses \$(30,746)
			Bridges - reduction in Contractors - bridge inspections \$(40,000)
Environmental and Regulatory Services	49,800	8%	Pest Animal Control - increase in Contractors \$55,000
			Pest Animal Control - increase in Pest Control \$20,000
			Exclusion Fencing - increase in Contractors (project management fees, cluster monitoring, aerial bating, training workshops) \$70,000
			Pest Plant Control - reduction in Contractors \$(21,000)
			Environmental Local Laws - reduction in Contractors - defer Sustainability Strategy \$(75,000)

			Waste & Recycling North - increase in Contractors \$520,000 Waste Facility Administration - increase in Contractors - audits, payment of civil asbestos claim and payouts \$200,000 Allora Transfer Station - increase in Contractors - asbestos remediation \$140,000 Maryvale Transfer Station - reduction in Contractors \$(14,000) Killarney Transfer Station - increase in Contractors - asbestos rehabilitation \$194,277 Pratten Transfer Station - reduction in Contractors \$(22,000) Leyburn Transfer Station - reduction in Contractors \$(20,000) Karara Bin Compound - reduction in Contractors \$(17,800) Warwick Waste Management Facility - reduction in Contractors \$(30,000) Stanthorpe Waste Management Facility - reduction in Contractors \$(40,000) Regional Recycling Stations - increase in Contractors \$30,000 Waste & Recycling South - reduction in Contractors \$(500,000) The Summit Bin Compound - reduction in Contractors \$(27,000) Ballandean Bin Compound - increase in Contractors \$17,000 Glen Aplin Bin Compound - increase in Contractors \$12,500
<b>Note 6: Materials</b>	<b>Change \$</b>	<b>Change %</b>	
Changes by Department			
Community and Cultural Services	(151,402)	-29%	Libraries - reduction in Electricity, Computer Expenses \$(74,219) Stanthorpe Art Gallery - reduction in Electricity \$(29,419) Youth Development - reduction in Other Expenses \$(30,147)
Corporate and Commercial Services	31,689	3%	Saleyard Operations - reduction in operational costs \$(90,531) Fred Rogers Camp - Storm King Dam - reduction in operational costs \$(13,926) Fitness Centres - reduction in operational costs \$(11,949) Corporate Administration - reduction in insurance excess \$(10,500) Insurance - increase in Premiums \$92,628 Stanthorpe Pensioner Units - increase in repairs & maintenance \$10,067
Finance and Information Technology	52,909	3%	Information Technology - increase in Lease Fees \$34,306 Contracts Administration - reduction in Subscription Fees \$(11,870) Premix - increase in supply \$25,000
Strategic Planning and Prosperity	(96,725)	-27%	Festival & Carnivals - reduction in operational costs \$(14,362) Tourism - reduction in Advertising & Promotion \$(67,530) Economic Development - reduction in Advertising & Promotion \$(11,745)
Park and Operations	(435,892)	-10%	Property Maintenance Program - reduction in Electricity \$(372,537) Property Maintenance Program - increase in Building Repairs & Maintenance \$30,000 Stanthorpe Cemetery - reduction in Hardware and Landscaping Materials \$(20,000) Plant Operating & Maintenance - reduction in miscellaneous operational costs \$(224,880) Plant Operating & Maintenance - increase in Insurance Premiums \$172,612 Workshop Operating - reduction in miscellaneous operational costs \$(13,535)
Water	359,411	10%	Reduction in Chemicals \$(147,780) Increase in Materials - Other \$72,036 Increase in Hardware \$56,764 Increase in Tools \$16,055 Increase in Diesel \$14,694 Increase in Electricity \$225,217 Reduction in Subscriptions \$(32,400) Increase in Other Expenses \$65,549 Increase in Laboratory Testing \$78,701
Works	(416,696)	-22%	Reduction in Materials Other \$(105,498) Reduction in Emulsion \$(87,343) Reduction in Gravel \$(128,670) Reduction in Premix \$(124,195) Reduction in Screenings \$(13,650) Increase in Asphalt \$45,000 Reduction in Electricity \$(44,410) Increase in Other Expenses \$52,012
Environmental and Regulatory Services	(11,557)	-2%	Pest Animal Control - reduction in Materials Other \$(15,000) Pest Plant Control - increase in Chemicals \$10,000
Waste Services	67,996	4%	Waste Facility Administration - increase in Levy Expenses \$(80,000)
<b>Note 7: Community grants</b>	<b>Change \$</b>	<b>Change %</b>	
RADF Program	(18,310)	-15%	
Fast Grant	(10,000)	-14%	
Warwick Rodeo	(10,000)	-100%	
Jumpers & Jazz	(20,000)	-100%	
Warwick River Improvement Trust	(112,750)	-100%	Warwick Shire River Improvement Trust did not apply for precept

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**Note 8: Other Expenses**

**Change \$** **Change %**

27/04/2020

Water Tank Reimbursement	115,000	100%	
			Warwick Water \$80,000
			Killarney Water \$10,000
			Yangan Water \$5,000
			Stanthorpe Water \$20,000