



## **ORDINARY MEETING**

### **AGENDA**

**19 FEBRUARY 2019**

*Your attendance is required at an Ordinary meeting of Council to be held in the Council Chambers, 4 Lagoon Place, Yeppoon on 19 February 2019 commencing at 8.30am for transaction of the enclosed business.*

A handwritten signature in dark ink, appearing to read "Alan Jackson", is positioned above the title of the Chief Executive Officer.

**CHIEF EXECUTIVE OFFICER**  
15 February 2019

Next Meeting Date: 04.03.19

**Please note:**

In accordance with the *Local Government Regulation 2012*, please be advised that all discussion held during the meeting is recorded for the purpose of verifying the minutes. This will include any discussion involving a Councillor, staff member or a member of the public.

## TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	OPENING.....	3
2	ATTENDANCE.....	3
3	LEAVE OF ABSENCE / APOLOGIES .....	4
	NIL .....	ERROR! BOOKMARK NOT DEFINED.
4	CONFIRMATION OF MINUTES OF PREVIOUS MEETING.....	5
5	DECLARATION OF INTEREST IN MATTERS ON THE AGENDA.....	6
6	PUBLIC FORUMS/DEPUTATIONS .....	7
6.1	9AM DEPUTATION - YEPPOON ROTARY BIRDWOOD ESTATE BENEVOLENT FUND - OUTSTANDING INFRASTRUCTURE CHARGES.....	7
7	BUSINESS ARISING OR OUTSTANDING FROM PREVIOUS MEETINGS .....	8
7.1	BUSINESS OUTSTANDING TABLE FOR ORDINARY COUNCIL MEETING .....	8
7.2	LIFTING MATTERS LAYING ON THE TABLE .....	27
8	PRESENTATION OF PETITIONS.....	28
	NIL .....	28
9	MAYORAL MINUTE .....	29
9.1	MAYORAL MINUTE - MOTION FOR ALGA REGARDING FEDERAL ASSISTANCE GRANTS .....	29
10	COUNCILLOR/DELEGATE REPORTS .....	31
	NIL .....	31
11	AUDIT, RISK AND BUSINESS IMPROVEMENT COMMITTEE REPORTS.....	32
	NIL .....	32
12	REPORTS.....	33
12.1	COUNCILLOR AGENDA ITEM REQUESTS .....	33
12.2	PROPOSED PERMANENT ROAD CLOSURE ADJOINING LOT 134 ON LN1363 - WEDGE ISLAND, THE KEPPELS .....	35
12.3	PROPOSED PERMANENT ROAD CLOSURE ADJOINING LOT 1 ON RP605702 .....	44
12.4	SALE OF 18 SCHOOL STREET, MOUNT CHALMERS .....	49
12.5	MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 JANUARY 2019.....	55
12.6	QUARTERLY BUDGET REVIEW (19Q2) .....	74

---

<b>13</b>	<b>CLOSED SESSION .....</b>	<b>91</b>
14.1	OUTSTANDING INFRASTRUCTURE CONTRIBUTIONS FOR MULTIPLE DWELLING UNITS (SEVEN (7) UNITS) AT 16-24 BIRDWOOD AVENUE, YEPPON	
14.2	ACQUISITION OF EASEMENT FOR WATER SUPPLY PURPOSES - IRONPOT	
<b>14</b>	<b>CONFIDENTIAL REPORTS.....</b>	<b>92</b>
14.1	OUTSTANDING INFRASTRUCTURE CONTRIBUTIONS FOR MULTIPLE DWELLING UNITS (SEVEN (7) UNITS) AT 16-24 BIRDWOOD AVENUE, YEPPON.....	92
14.2	ACQUISITION OF EASEMENT FOR WATER SUPPLY PURPOSES - IRONPOT .....	93
<b>15</b>	<b>URGENT BUSINESS/QUESTIONS .....</b>	<b>94</b>
<b>16</b>	<b>CLOSURE OF MEETING.....</b>	<b>95</b>



**1 OPENING**

**2 ATTENDANCE**

Members Present:

Deputy Mayor, Councillor Nigel Hutton (Chairperson)  
Councillor Adam Belot  
Councillor Pat Eastwood  
Councillor Jan Kelly  
Councillor Glenda Mather  
Councillor Tom Wyatt

Officers in Attendance:

Mrs Chris Murdoch – Chief Executive Officer  
Mr Brett Bacon – Executive Director Liveability and Wellbeing  
Mr Dan Toon – Executive Director Infrastructure  
Mrs Andrea Ellis – Chief Financial Officer  
Mr Matthew Willcocks - Chief Technology Officer  
Mr Nick Sheehan - Chief Human Resources Officer

Apologies:

Mayor, Councillor Bill Ludwig

### **3 LEAVE OF ABSENCE / APOLOGIES**

Councillor Bill Ludwig - Apology

#### **4      CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

Minutes of the Ordinary Meeting held 5 February 2019.

## **5      DECLARATION OF INTEREST IN MATTERS ON THE AGENDA**

## **6 PUBLIC FORUMS/DEPUTATIONS**

### **6.1 9AM DEPUTATION - YEPPOON ROTARY BIRDWOOD ESTATE BENEVOLENT FUND - OUTSTANDING INFRASTRUCTURE CHARGES**

**File No:** D-71-2011  
**Attachments:** Nil  
**Responsible Officer:** Dan Toon - Executive Director Infrastructure Services  
**Author:** Lucy Walker - Executive Support Officer

---

#### **SUMMARY**

*Robert Harris, Chairman of the Trustees of Yeppoon Rotary Birdwood Estate Benevolent Fund, has requested a deputation to seek Council support for waiving the outstanding infrastructure charges for a unit development (7 units) at 16-24 Birdwood Avenue, Yeppoon. Mr Harris will be accompanied by Mr John Barnes and Mrs Karen Higgins.*

#### **OFFICER'S RECOMMENDATION**

THAT Council receive the deputation.

#### **LOCAL GOVERNMENT PRINCIPLES**

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

## **7 BUSINESS ARISING OR OUTSTANDING FROM PREVIOUS MEETINGS**

### **7.1 BUSINESS OUTSTANDING TABLE FOR ORDINARY COUNCIL MEETING**

**File No:** GV13.4.1

**Attachments:** 1. **Business Outstanding Table 19 February 2019**[↓](#)

**Responsible Officer:** Dan Toon - Acting Chief Executive Officer

---

#### **SUMMARY**

*The Business Outstanding table is used as a tool to monitor outstanding items resolved at previous Council or Committee Meetings. The current Business Outstanding table for the Ordinary Council Meeting is presented for Councillors' information.*

#### **OFFICER'S RECOMMENDATION**

THAT the Business Outstanding table for the Ordinary Council Meeting be received.

## **7.1 - BUSINESS OUTSTANDING TABLE FOR ORDINARY COUNCIL MEETING**

### **Business Outstanding Table 19 February 2019**

**Meeting Date: 19 February 2019**

**Attachment No: 1**

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
07 February 2017	Outstanding Policy Documents	<p>THAT the following policies be adopted:</p> <ol style="list-style-type: none"> <li>1. Encroachment on Public Land Policy;</li> <li>2. Equal Employment Opportunity Policy;</li> <li>3. Failure to Renew Licence Response Policy;</li> <li>7. Telecommunications Facilities on Council Land Policy; and</li> <li>8. Unlicensed Premises Response Policy.</li> </ol> <p>With policies 4, 5 and 6 to be further reviewed.</p>	Governance Officer	30/06/2019	<p>02 Aug 2018 - 8:49 AM – Governance Officer</p> <p>Three policies still under review and will be re-submitted back to Council once finalised.</p>
15 August 2017	Resident Maintenance and Enhancement of Council Land	<p>THAT Council implement a permit process for residents to undertake unsupervised work within Council controlled reserves, foreshore and park areas. Individuals will sign an Indemnity Agreement with conditions and Council will cover public liability insurance for the individual.</p>	Senior Land Protection Officer	31/03/2019	<p>15 Nov 2018 – 1:52 PM – Support Services Officer</p> <p>Still awaiting tablets from IT so that we can proceed to sign up residents as volunteers via survey 1-2-3.</p>
15 August 2017	Acquisition of Land for Road Purposes - Wildin Way, Mulambin	<p>THAT Council:</p> <ol style="list-style-type: none"> <li>1. Discontinue discussions with the owners of Lot 43 SP202178 regarding the acquisition of land for road purposes;</li> <li>2. Commence negotiations with the owner of Lot 4 RP620054 to acquire a portion of their property as a 10m wide road reserve along the southern boundary; and</li> <li>3. Endorse the submission of an Application to Dedicate State Land as Road to the Department of Natural Resources &amp; Mines as shown on Drawing No 17-006-51.</li> </ol>	Policy and Planning Officer	31/03/2019	<p>11 Feb 2019 – 6.05 AM – Policy and Planning Officer</p> <p>Waiting on consent from owners mortgagee</p>



Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
07 November 2017	Petition from Graham Miller, Milman – The Caves Square and Public Amenities	THAT the petition requesting maintenance of The Caves Square and public amenities be received.	Executive Director Infrastructure	31/03/2019	<p>13 Feb 2019 – 8.51 AM - Executive Director Infrastructure</p> <p>A report is being prepared for presentation to Council for the next Briefing Session on 4 March 2019.</p>
5 December 2017	Regulated Car Parking Yeppoon Foreshore and Town Centre	<p>THAT Council resolve to:</p> <p>1) Declare a Traffic Area having a default parking limit of one hour, with the inclusion of two and three hour designations being established in specific precincts as supported by Attachment Four Community Engagement WrAPup Car Parking Strategy Yeppoon CBD and as shown in Attachment One (Schedule One - Declaration of Traffic Area);</p> <p>(2) Endorse and enact the regulated parking strategy once the changes to the Subordinate Local Law No. 5 (Parking) 2011 Schedule One and Schedule Two take effect and regulated parking signage is in place;</p> <p>(3) Once enacted adequately inform the community of the regulated parking areas (via engagement, media and signage). An initial warning period of one month will be afforded to motorists found overstaying the timed period. After one month the monetary value of an infringement will resume;</p> <p>(4) Consider a budget allocation at the 17/18 Quarter Two Budget review for updated parking signage in the amount of \$30,000;</p> <p>(5) Endorse the installation of smart parking beacons and technology to the designated one hour regulated traffic area to be funded</p>	Manager Engineering Services	31/03/2019	<p>15 Jan 2019 – 10:34 AM – Manager Engineering Services</p> <p>Awaiting outcome of Q2 Budget Review to initiate procurement process for necessary signs etc.</p>

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
		<p>from the Yeppoon Town Centre Smart Lighting Project;</p> <p>(6) Amend Subordinate Local Law No. 5 (Parking) 2011 Schedule One Declaration of traffic area to define a Traffic Area for Yeppoon as shown in Attachment One (Schedule One - Declaration of Traffic Area);</p> <p>(7) Amend Subordinate Local Law No. 5 (Parking) 2011 Schedule Two Declaration of off-street regulated parking areas to include off-street regulated parking for Queen Street (Lot 10 on Y17136), the Yeppoon Town Centre Car Park (Lot 10 on SP289416) and the Yeppoon Foreshore (part of Lot 65 on SP234671); and</p> <p>(8) Amend Subordinate Local Law No. 5 (Parking) 2011 Schedule Two Declaration of off-street regulated parking areas to rescind all reference and plans associated with the region of Rockhampton Regional Council.</p>			
18 December 2017	Request to Consider Balance of Outstanding Water Consumption	<p>a) In view of the information provided in the request letter, and taking into account the endeavours of the rate payer to address the debt, Council resolves to adopt option 2 as presented in the report.</p> <p>b) Council also refers this matter to a future workshop as a case study for the development of a future policy in relation to hardship matters.</p>	Coordinator Revenue	31/03/2019	<p>11 Dec 2018 - 10:27 AM – Coordinator Revenue</p> <p>Internal deadline March.</p>

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
17 July 2018	Draft Fig Tree Creek Masterplan	THAT Council endorse the Fig Tree Creek Master Plan for further public consultation and integration into the Council's Strategic Planning Framework.	Coordinator Natural Resource Management	31/03/2019	<p>15 Nov 2018 - 1:43 PM – Support Services Officer – Community Wellbeing</p> <p>Figtree Creek Working Group met on 5 Nov. Fact sheets, based on the 6 key elements for a strategic plan, are now being drafted by the group to provide more detail and to accompany the draft Masterplan on the web page.</p>
07 August 2018	Distribution of Records	THAT Council resolves to send this matter to relevant advisory committee for further information.	Chief Technology Officer	31/03/2019	<p>13 Feb 2019 – 11.45am – Chief Technology Officer</p> <p>Information Technology have sourced three quotes. Report coming back to future briefing session.</p>
04 September 2018	Amendment - Subordinate Local Law (Parking) 2018	THAT Council: 1) review draft amendments to Subordinate Local Law No 5 (Parking) 2018; and 2) resolve to propose to make Parking (Amendment No.2) Subordinate Local Law (No. 5) 2018.	Coordinator Public Environments	31/03/2019	<p>13 Nov 2018 - 4:06 PM - Jo McLennan</p> <p>Advertising period for the public notification will commence 14 November 2018 for 21 days.</p>
18 September 2018	Opening of Road – Gunder Road, The Caves	THAT Council authorise the Chief Executive Officer to commence negotiations with the owners of Lot 69 RP891987 to open new road as shown on Drawing No. 17-112-04.	Policy and Planning Officer	31/03/2019	<p>11 Feb 2019 – 6.03 AM – Policy and Planning Officer</p> <p>Instructed by Manager Construction and Maintenance to take no action until further advised.</p>

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
18 September 2018	Properties Eligible for Land Sale	<p>THAT (a) pursuant to section 140(2) of the Local Government Regulation 2012 Council proceed with action to sell the land listed below, and also detailed in attachment 1 to the report for overdue rates and charges; and (b) that Council delegate to the Chief Executive Officer the power to take all further steps under Chapter 4, Part 12, Division 3 of the <i>Local Government Regulation 2012</i> to effect sale of the land (including, for avoidance of doubt, the power to end sale procedures).</p> <p>127881 - L31 E 15616 140365 - L3 RP 614619  129980 - L15 RP 61840640394 - L15 RP 613481  130164 - L4 BUP 60007 141203 - L4 SP 223821  130381 - L80 SP 140933 141607 - L53 SP 167021  133658 - L15 RP 608960142478 - L110 SP187967  134346 - L42 RP 602148143907 - L179 SP 217255  136948 - L1 RP 612575 303528 - L51 SP 239036  137355 - L4 RP 618814 131688 - L1 RP 609496  137839 - L34 RP 860164138232 - L124 RP 842258</p>	Coordinator Revenue	31/03/2019	<p>11 Dec 2018 - 10:21 AM – Coordinator Revenue</p> <p>Total of 18 properties included in the resolution to sell. Summary as at 09.01.19</p> <p>5 paid in full.</p> <p>One reduced balance below three years of arrears and continuing to make regular payments. No formal arrangement forms have been received as at 09.01.19.</p> <p>Twelve to potentially escalate to Auction Notices being issued.</p>

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
16 October 2018	Proposed Trustee Leases – Capricorn Tourism and Economic Development Limited and Keppel Coast Arts Council Inc.	<p>THAT Council resolve to:</p> <p>1) apply the exception mentioned in Section 236(1)(b)(ii) of the <i>Local Government Regulation 2012</i> to its dealings with Capricorn Tourism and Economic Development Limited and Keppel Coast Arts Council Incorporated for issue of Trustee Leases over land currently described as Lot 2 on Survey Plan 104438, Merv Anderson Park Yeppoon; and</p> <p>2) provide Trustee Leases over land currently described Reserve for Recreation, Public Boat Ramp, Jetties and Landing Place over Lot 2 on Survey Plan 104438 to:</p> <p>(a) Capricorn Tourism and Economic Development Limited for a term of 20 years for operation of the Capricorn Coast Visitor Information Centre and Shell World; and</p> <p>(b) Keppel Coast Arts Council Incorporated for a term of 5 years for operation of the Artship.</p>	Property Officer	31/03/2019	<p>11 Dec 2018 – 7:57 AM – Property Officer</p> <p>Draft documents being prepared however execution of some cannot occur until the new title is registered over the land. Council is unable to proceed with this matter until notification of registration is received from DNRME.</p>
16 October 2018	Potential Sale of Lots 2 and 3 - The Gateway Business and Industry Park	<p>THAT Council:</p> <p>1. reconfirms its previous decision on 1 May 2018, to sell Lots 2 and 3, known as 3 and 5 Pineapple Drive, Hidden Valley, within Stage One of The Gateway Business and Industry Park, at the nominated offer and acknowledges the new entity (purchaser) listed in this report;</p> <p>2. confirms its preparedness to accept the option two payment terms and conditions for Lots 2 and 3, outlined in this report, and if deemed acceptable to the purchaser through further negotiation;</p> <p>3. confirms in lieu of discounting infrastructure charges, it would favourably</p>	Director Strategic Growth and Development	31/03/2019	<p>08 Feb 2019 – 12.44 PM – Project Support Officer</p> <p>The purchasers of Lots 2 and 3 at The Gateway Business and Industry Park have been presented with the updated contract of sale and Council are awaiting the return of the executed contract</p> <p>Action reassigned to Brett Bacon by: Elle Wallin</p>

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
		consider entering into an infrastructure agreement for the deferred payment of infrastructure charges, in accordance with the general terms prescribed by Council's <i>Development Incentive Policy for Reconfiguring a Lot</i> , based on the terms outlined in this report; and if deemed acceptable to the purchaser through further negotiations; 4. authorises the Chief Executive Officer to finalise negotiations with the purchaser, taking into consideration the terms and conditions outlined in this report, and execute a contract of sale for Lots 2 and 3, having due regard to the provisions for the disposal of non-current assets contained in the <i>Queensland Local Government Regulation 2012</i> and Livingstone Shire Council's Procurement Policy;			
16 October 2018	Negotiation of Tenancy – Centre of Excellence for Disaster Management, Innovation and Community Resilience (The Hub)	THAT Council resolve that the exception mentioned in Section 236(1)(b)(i) of the <i>Local Government Regulation 2012</i> may apply in its dealing with The State of Queensland (represented by the Department of Housing and Public Works) on the lease of a tenancy at the Centre of Excellence for Disaster Management, Innovation and Community Resilience (The Hub).	Director Strategic Growth and Development	31/03/2019	<p>8 Feb 2019 - 2:56 PM – Project Support Officer</p> <p>Council provided comment to the Department on its offer on 18 December 2018.</p> <p>A detailed response is yet to be received from the Department.</p> <p>Action allocated to Mark McLean.</p>



Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
16 October 2018	Proposed Lease of Land at Barmaryee to the Yeppoon and District Show Society Inc.	<p>THAT Council resolve to:</p> <p>1) apply the exception mentioned in Section 236(1)(b)(ii) of the <i>Local Government Regulation 2012</i> to its dealings with the Yeppoon and District Show Society Inc. for the issue of a lease over Lot 11 on Registered Plan 848831; and</p> <p>2) provide the Yeppoon and District Show Society Inc. with a five (5) year lease over Lot 11 on Registered Plan 848831 for the purpose of undertaking due diligence on the site in relation to its possible future use as the location of the Yeppoon Showgrounds and an Equestrian Centre of Excellence; and</p> <p>3) delegate to the Chief Executive Officer to negotiate the terms of the lease to the Yeppoon and District Show Society Inc. over Lot 11 on Registered Plan 848831; and</p> <p>4) agree in principle to a possible further lease of Lot 11 on Registered Plan 848831 to the Yeppoon and District Show Society Inc. for the primary purposes of a showground for the conduct of the Yeppoon and District Agricultural Show and an Equestrian Centre of Excellence; and</p> <p>5) indicate to the Yeppoon and District Show Society Inc. that it provides agreement in principle to a suite of secondary uses (such as that mentioned in the report), which would be subject to all relevant approvals, under any further lease of Lot 11 on Registered Plan 848831.</p>	Principal Property Officer	31/03/2019	<p>11 Dec 2018 - 7:57 AM – <i>Principal Property Offer</i></p> <p>Principal Property Officer has spoken to Mr Landsberg who advised that the draft lease was being considered by the Society's solicitor.</p>

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
06 November 2018	Mayoral Minute - Keppel Sands pathway to E.R. Larcombe Memorial Hall	THAT Council resolves to seal or concrete the existing pathway in the un-named laneway that connects E.R. Larcombe Memorial Hall to Roden Street as a consideration in the Q2 budget revision.	Executive Director Infrastructure	31/03//2019	13 Feb 2019 – 9.08 AM – Executive Director Infrastructure  Business case submitted to Project Management Business Unit for adoption into Q2 budget.
06 November 2018	Mayoral Minute - Taylor Street Keppel Sands	THAT Council resolves to: 1. Address as a priority, the hazards and safety issues in relation to pedestrian traffic along Taylor Street between the Keppel Sands Caravan Park and Roden Street with the possibility of forming a dedicated pedestrian track / footpath. This will require consideration in the Q2 budget review. 2. Address the identified lack of lighting along Taylor Street between the Keppel Sands Caravan Park and Roden Street and facilitate safer pedestrian access at night. This will require consideration in the Q2 budget review. 3. Send a direction to the appropriate department to look at interim measures in relation to items 1 and 2.	Executive Director Infrastructure	31/03/2018	13 Feb 2019 – 9.12 AM – Executive Director Infrastructure  Fencing erected in December 2018 to prevent egress from the culvert headwall. Path and lighting project to be considered by Council in early 2019 as part of the Works for QLD Program.
06 November 2018	Notice of Motion - Councillor Adam Belot - Wreck Point Pathway	THAT LSC review the current design of the proposed walking path from Cooe Bay to Lammermoor Beach including: Consideration of redesigning path alignment/direction b) Design that will best accommodate users of all abilities	Executive Director Infrastructure Services	31/03/2019	13 Feb 2019 – 10.26 AM – Executive Director Infrastructure  Options currently being investigated.



Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
20 November 2018	Mayoral Minute - Bicentennial Oval, Emu Park	THAT Council resolves to: 1) conclude Emu Park Sport and Recreation Association's current tenure agreement Lot 1 on LN813152, Bicentennial Oval, Emu Park; 2) apply the exception mentioned in Section 236(1)(b)(ii) of the <i>Local Government Regulation 2012</i> to its dealings with the Emu Park Sport and Recreation Association for issue of a Trustee Permit over land currently described as Lot 1 on LN813152, Bicentennial Oval, Emu Park; and 3) provide a three (3) year Trustee Permit over Lot 1 on LN813152, Bicentennial Oval, Emu Park on mutually agreeable terms.	Senior Sport and Education Officer	31/03/2019	<i>11 Dec 2018 – 12:06 PM – Senior Sport and Education Officer</i>  All operational teams advised of outcome from council meeting and requisite activities have been scheduled.
20 November 2018	Yeppoon Surf Life Saving Club – Renewal of Tenure Agreement	THAT Council resolve to: 1) apply the exception mentioned in Section 236(1)(b)(ii) of the <i>Local Government Regulation 2012</i> to its dealings with the Yeppoon Surf Life Saving Club Incorporated for issue of a Reserve Lease over Lot 74 on SP234671; and 2) provide a ten (10) year Reserve Lease to the Yeppoon Surf Life Saving Club Incorporated over Lot 74 on SP234671.	Senior Sport and Education Officer	31/03/2019	<i>12 Feb 2019 – 9.58AM – Senior Sport and Education Officer</i>  Lease with Club for review/ signing.

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
20 November 2018	Ogmore Community and Recreation Committee Incorporated Request for Tenure over a Portion of Lot 8 07508 (Bicentennial Park)	<p>THAT Council resolves to</p> <p>1) apply the exception mentioned in Section 236(1)(b)(ii) of the <i>Local Government Regulation 2012</i> to its dealings with the Ogmore Community and Recreation Committee Incorporated for issue of a Reserve Lease over a portion of land currently described as Lot 8 on O7508, Bicentennial Park Ogmore; and</p> <p>2) provide a one (1) year Reserve Lease over a portion of Bicentennial Park, Lot 8 on O7508 to the Ogmore Community and Recreation Committee Incorporated to enable it to seek opportunities to further develop the site as a public space for the Ogmore community and its visitors.</p>	Community Development Officer	31/03/2019	
20 November 2018	Notice of Motion - Councillor Adam Belot - Keppel Sands Laneway	<p>THAT LSC resolve to:</p> <p>1. Undertake to name the unnamed laneway that connects the E.R Larcombe Memorial Hall to Roden Street by using LSC Naming of Infrastructure Assets Policy.</p> <p>2. Subject to consultation outcomes, resolve to proceed with the naming of the unnamed lane as per Keppel Sands community feedback.</p>	Executive Director Infrastructure	31/03/2019	<p>13 Feb 2019 – 9.07 AM – Executive Director Infrastructure</p> <p>Community consultation feedback received and currently being compiled for assessment in accordance with Policy and Procedure.</p>

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
20 November 2018	GKI Village Waste Removal	<p>THAT Council resolve to approve the alternative waste service arrangement for Great Keppel Island Holiday Village subject to:</p> <p>(a) All necessary permits for the transport of waste being in place and;</p> <p>(b) Should any waste from this business be disposed in public bins, the 7 Waste and 7 Recycling bins with associated charges of \$4,560 (as per previous Council resolution) be reapplied.</p> <p>Further, should it be proven that waste from other businesses with alternative waste service arrangements is being deposited in public bins, the services and charges as per previous resolution be reapplied to the offending business.</p>	EA to Executive Director Infrastructure	31/01/2019	<p>12 Feb 2019 – 11.27 AM – EA Team Leader Administration</p> <p>Correspondence to affected customers sent 19/12/18.</p>
04 December 2018	Acquisition of Easements for Drainage Purposes - Zilzie	THAT Council resolve to authorise the Chief Executive Officer to commence negotiations with the owners of Lot 70 RP604071 and Lot 71 RP604071 to dedicate drainage easements as shown on Drawing No 18-093-01.	Policy and Planning Services	31/03/2019	<p>11 Feb 2019 - 11:07 AM – Policy and Planning Services</p> <p>Negotiations progressing.</p>
18 December 2018	Councillor Portfolios	That the matter lay on the table pending further discussion and return to a Council Meeting in 2019.	Senior Investigations Officer	31/03/2019	
18 December 2018	Tookers Road - Request from Cr Mather for Upgrading	THAT Council resolve to consider upgrading of Tookers Road in accordance with the adopted Upgrading of Unsealed Rural Roads to Sealed Standard Policy and Procedure	Executive Director Infrastructure	30/06/2019	<p>13 Feb 2019 - 9:00 AM – Executive Director Infrastructure</p> <p>Traffic counters have been placed on Tookers Road to allow priority assessment in accordance with the Procedure framework.</p>

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
18 December 2018	Request for views – application for the conversion of term lease 232503 over lot 25 on PS97 to freehold tenure	<p>THAT Council resolves to object to the conversion of Term Lease 232503 over Lot 25 on PS97 to freehold tenure for the following reasons:</p> <ol style="list-style-type: none"> <li>the significance of the environmental attributes of the site (the site borders the Corio Bay Declared Fish Habitat Area and the internationally listed <i>Shoalwater and Corio Bays Area Ramsar</i> internationally important wetland) and the constraints which are required to support the management of land in this vicinity;</li> <li>the lot does not have legal access; and</li> <li>Council cannot guarantee that the required planning, building or plumbing approvals, as mentioned above, would be granted if the conversion of Lot 25 were to occur.</li> </ol>	Property Officer	31/03/2019	<p>07 Jan 2019 - 2:42 PM – Property Officer</p> <p>Response provided to Department of Natural Resources, Mines and Energy 19 December 2018 - ECM: 8275812</p>
22 January 2019	Proposed permanent road closure adjoining Lot 1 on RP605702	<p>THAT Council give further consideration to a request for the closure of a section of road adjoining Lot 1 on RP605702, known as 47 Cliff Street, Yeppoon, subject to the following conditions:</p> <ol style="list-style-type: none"> <li>the area of closed road must not exceed 10 metres from the western boundary of Lot 1 RP 605702 (note: this provides sufficient area to contain the existing concrete access),</li> <li>a public utility easement for sewerage purposes must be registered in favour of Livingstone Shire Council over any part of the sewerage infrastructure which is within the area of closed road. The easement must be a minimum of four (4) metres wide</li> </ol>	Executive Director Liveability and Wellbeing	31/03/2019	<p>08 Feb 2019 - 11:52 AM – Property Officer</p> <p>This matter was to lay on the table until Mayor had the opportunity to meet with the petitioners to discuss the alternative road closure options. This meeting occurred on 30 January 2019 and a report will be taken to the Ordinary Meeting on 19 February 2019 for final resolution of this matter.</p>

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
		and Council's new Standard Easement Terms dealing number 718630483 must be used; and 3) the area of closed road must be amalgamated with Lot 1 RP605702.			
22 January 2019	Mayoral Minute – Lagoon Precinct parking 30 December 2018 – 13 January 2019	<p>THAT in relation to the parking fines which were issued within the vicinity of the Yeppoon Lagoon during the period of 30 December 2018 to 13 January 2019 (inclusive), Council resolves to:</p> <p>1) acknowledge the efforts of staff in appropriately and correctly enforcing the parking laws;</p> <p>2) note the desired effect of the enforcement of the parking laws, with the obvious reduction in people parking in inappropriate and/or hazardous locations;</p> <p>3) waive the fines as a one-off gesture of goodwill (which includes refunding those fines which have already been paid); and</p> <p>4) note that this gesture of goodwill will not be repeated, as the public can now consider itself sufficiently warned of the ramifications of ignoring the parking laws.</p>	Executive Director Liveability and Wellbeing	31/03/2019	

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
05 February 2019	Mayoral Minute – Capricorn Coast International Women's Day event committee contribution to a shade structure for the Yeppoon Lagoon	<p>THAT Council resolves to:</p> <p>1) recognise the generous offer from the Capricorn Coast International Women's day event committee to raise funds for the erection of shade structures within the Yeppoon Lagoon precinct and offer its support to the committee in its endeavours;</p> <p>2) recognise that the Capricorn Coast International Women's day event committee may undertake fund raising over a two-year period; and</p> <p>3) give consideration to the inclusion of additional shade structures in the capital works programme for the relevant financial year as well as seeking matching funding from all appropriate State and Federal funding streams.</p>	Executive Director Liveability and Wellbeing	31/03/2019	
05 February 2019	Proposed permanent road closure adjoining Lot 50 on E15610 - 37-39 Thomas Street, Emu Park	THAT Council resolve to offer no objection to the proposed permanent road closure adjoining Lot 50 on E15610, known as 37-39 Thomas Street, Emu Park.	Property Officer	31/03/2019	<p>08 Feb 2019 - 11:50 AM – Property Officer</p> <p>Applicant has been notified that Council offers no objection to the proposed closure of road reserve adjoining Lot 50 on E15610 and that he may now contact the Department of Natural Resources, Mines and Energy to commence his application. Action complete.</p>



Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
05 February 2019	Projects for the 2019-21 Local Government Grants and Subsidies Program (LGGSP) Application	<p>THAT Council resolves that:</p> <ol style="list-style-type: none"> <li>1. The CEO is authorised to make application via the Grants and Subsidies Portal (as outlined in the attached LGGSP 2019-21 Guidelines) for subsidy funding for the projects identified in this report, with the priority as listed, to the Department of Infrastructure, Local Government and Planning for the 2019-21 Grants and Subsidies Program.</li> <li>2. It acknowledges that the submission of the Funding Application does not guarantee funding approval for either all or part of the funding being sought and that Council will need to deliver the projects by 30 June 2021 if successful.</li> <li>3. It acknowledges that should this application be successful, that the projects will not commence until funding has been approved and funding arrangements have been entered into with the Department.</li> </ol>	Executive Director Infrastructure	31/03/2019	<p>13 Feb 2019 - 8:53 AM - Executive Director Infrastructure</p> <p>Application submitted on 6 February 2019 via the Grants and Subsidies Portal for subsidy funding for the projects identified.</p>
05 February 2019	Amendment to Declaration of Service Area - Yeppoon East & Yeppoon West	<p>THAT pursuant to s 161(3) of the <i>Water Supply (Safety &amp; reliability) Act 2008</i>, Council resolves to:</p> <ol style="list-style-type: none"> <li>1. Amend its previous declaration of the Sewerage Service Area by adding the parts of Yeppoon which are defined on:: <ol style="list-style-type: none"> <li>a) Map 10 'Sewerage Service Area Yeppoon East'; and</li> <li>b) Map 12 'Sewerage Service Area Yeppoon West'</li> </ol> </li> <li>2. Amend its previous declaration of the Water Service Area by adding parts of Yeppoon which are defined on:</li> </ol>	Graduate Engineer	19/02/2019	<p>12 Feb 2019 - 7:40 AM - Chris Wright</p> <p>Contacted our Council's Communications and Marketing Team to:</p> <ol style="list-style-type: none"> <li>1- Place the amended Declared Service Maps on Council's website.</li> <li>2 - Place a public notice on Council's website about the new amendment to Declared Service Area Maps; and</li> <li>3 - Place a public notice in the</li> </ol>

Date	Report Title	Resolution	Responsible Officer	Due Date	Comments
		a) Map 11 'Water Service Area Yeppoon East'; and b) Map 13 'Water Service Area Yeppoon West'.			Bulletin about the new amendment to the Declared Service Area. After a visual conformation of the Published Public Notice in the Bulletin, finalisation of this item will occur.
05 February 2019	Establishment of Tenure Agreement - Capricorn Coast Landcare Incorporated and NAG Broadcasting Association	THAT Council resolves to enter individual tenure agreements with Capricorn Coast Landcare Incorporated and NAG Broadcasting Association Incorporated over the shared space known as Room D within the Education Centre (78 John Street, Yeppoon) for a period of one (1) year with an option to renew for a further three (3) year period.	Administration Supervisor	31/03/2019	



**7.2 LIFTING MATTERS LAYING ON THE TABLE**

**File No:** GV13.4.1  
**Attachments:** Nil  
**Responsible Officer:** Nicole Robertson - Coordinator Executive Support  
**Author:** Lucy Walker - Executive Support Officer

---

**SUMMARY**

*This report is being presented to Council in order for the stated matters to be formally lifted from the table prior to being dealt with during this meeting of 19<sup>th</sup> February 2019.*

**OFFICER'S RECOMMENDATION**

THAT the following matter/s, that Council resolved to 'Lay on the Table' at a previous meeting, be lifted from the table to be dealt with later during this meeting:

- Proposed Permanent Road Closure Adjoining Lot 1 on RP605702 – 22 January 2019.

**PREVIOUS DECISIONS**

This matter was presented to the Council meeting held on Tuesday 22 January 2019. Council resolved to lay the matter on the table to allow petitioners against the application the right of response to the appeal.

**CORPORATE/OPERATIONAL PLAN**

**Corporate Plan Reference:** Strategy GO4: Provide transparent and accountable decision making reflecting positive leadership to the community.

**LOCAL GOVERNMENT PRINCIPLES**

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

**CONCLUSION**

That the matter is to be lifted from the table and dealt with.

## **8 PRESENTATION OF PETITIONS**

Nil

## 9 MAYORAL MINUTE

### 9.1 MAYORAL MINUTE - MOTION FOR ALGA REGARDING FEDERAL ASSISTANCE GRANTS

**File No:** GV13.4.1  
**Attachments:** Nil  
**Responsible Officer:** Bill Ludwig - Mayor

---

#### SUMMARY

*At the Local Government Association of Queensland (LGAQ) Regional Organisation of Councils (ROC) held on 7 February, the issue of Federal Assistance Grants was discussed.*

#### RECOMMENDATION

THAT

1. Council formally lodge its support of the joint campaign by the Australian Local Government Association (ALGA) and LGAQ to increase the percentage of federal taxation revenue available to Local Councils through Federal Assistance Grants to at least 1%; and
2. the Mayor write to the appropriate Federal Ministers advising of Council's support of the campaign; and to all federal election candidates for the seat of Capricornia seeking their commitment to this objective.

#### BACKGROUND

##### ROC Communique – 7 February 2019

This Assembly of Queensland's Regional Organisations of Councils (ROCs) reaffirms the pressing need for Federal Financial Assistance Grants, the mechanism used to return some of the Commonwealth's taxation revenue back to local communities, to be restored to at least 1 percent of that revenue. Thirty-three percent of the nation's public infrastructure is delivered by local councils yet through rates they are only able to access 3% of total government taxation revenue. The federal government, of both sides of politics, over the last two decades have diminished their contribution to this task.

ROCs express concern at the reluctance of both the Federal Government and Opposition to recognise the importance of a properly funded grants program to the delivery of well-maintained, well-resourced infrastructure to local communities.

We acknowledge the call to effectively double the level of untied grants under this program is a political challenge. However, we also acknowledge the need for a step change in political and policy thinking to help restore public trust in government, particularly at a federal level.

Local councils can and do partner with both federal and state governments to implement vital policy programs that create jobs, build more liveable cities, assist communities cope with drought and natural disaster, protect our unique natural assets such as the Great Barrier Reef and help Close the Gap in relation to indigenous disadvantage.

All these are admirable policy goals, but just as vital is an ongoing commitment to providing the services and infrastructure local communities cherish and use every day. Councils understand this more than any other level of government, and appeal to all parties contesting the federal election to work with them to deliver what local communities need by using just 1 percent of the total taxes Australians pay Canberra.

##### Comments from LGAQ ROC Assembly

Mayor David O'Loughlin, President of the Australian Local Government Association (ALGA) spoke about the upcoming Australian Government Election, anticipated to be held on either

---

the 11<sup>th</sup> or 18<sup>th</sup> of May, with the expectation of an April budget, allowing a five to six week campaign period.

He articulated the ALGA 'All politics is local' (also attached) campaign focus areas:

1. Repair federal funding to local government
2. Release the productive potential of Australia's freight routes
3. Boost safety on local roads
4. Promote equitable access to community services
5. Protect communities from the impact of natural disasters
6. Support communities with the climate change response
7. Promote healthier communities
8. Foster indigenous well-being and prosperity
9. Support communities on their digital transformation journeys
10. Strengthen Australia's circular economy
11. Support local government current work in addressing affordable housing and homelessness issues
12. Address the South Australian road funding anomaly
13. Constitutional recognition of local government

He spoke passionately about the importance of growing the funding pool for local government through 1% of the federal taxation revenue being allocated to FAGS (Federal Assistance Grants). He encouraged councils to proactively talk about the fundamental importance of FAGS so that federal government representatives understand the importance of these untied grants. Strong messages about the viability, the health and prosperity of communities must find their way to our political leaders and the parties. He recommended that we make it clearly known that this is one level of government trying to do our best, which is just not possible with one hand tied behind our back.

## **10 COUNCILLOR/DELEGATE REPORTS**

Nil

**11    AUDIT, RISK AND BUSINESS IMPROVEMENT COMMITTEE  
      REPORTS**

Nil

## 12 REPORTS

### 12.1 COUNCILLOR AGENDA ITEM REQUESTS

**File No:** GV13.4.1  
**Attachments:** Nil  
**Responsible Officer:** Dan Toon - Acting Chief Executive Officer  
**Author:** Nicole Robertson - Coordinator Executive Support

#### SUMMARY

*This report is to provide information in relation to Councillor requests for agenda items.*

#### OFFICER'S RECOMMENDATION

THAT Council receive the report.

#### BACKGROUND

The information contained in the commentary of this report is provided in accordance with Council's *Meeting Procedures Policy* s2.9.2, Request by a Councillor to Place an Item on the Agenda.

#### COMMENTARY

The following table provides details of the requests received by the Chief Executive Officer.

Councillor	Subject	Decision
Councillor Belot	Beach accesses - review of positioning, functionality and construction standards	The matter has been included on the agenda for the Briefing Session scheduled for Monday the 18 <sup>th</sup> of February 2019.
Councillors Mather, Eastwood, Wyatt and Belot	The Non-Principle Place of Residence Differential Rate.	The matter has been included on the agenda for the Budget 2019-20 Workshop scheduled for Monday the 25 <sup>th</sup> of February 2019.

#### CORPORATE/OPERATIONAL PLAN

**Corporate Plan Reference:** Strategy GO4: Provide transparent and accountable decision making reflecting positive leadership to the community.

#### LOCAL GOVERNMENT PRINCIPLES

The local government principles are –

- (a) Transparent and effective processes, and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure, and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, local government; and
- (e) Ethical and legal behaviour of councillors and local government employees.

**CONCLUSION**

This report, presented in accordance with the *Meeting Procedures Policy*, is provided for the information of Councillors.



---

**12.2 PROPOSED PERMANENT ROAD CLOSURE ADJOINING LOT 134 ON LN1363 - WEDGE ISLAND, THE KEPPELS**

**File No:** GR14.4.2

**Attachments:**

1. Letter from the Department of Natural Resources, Mines and Energy [↓](#)
2. Aerial [↓](#)

**Responsible Officer:** David Mazzaferri - Manager Disaster Management, Recovery and Resilience  
Brett Bacon - Executive Director Liveability and Wellbeing

**Author:** Maddie Crigan - Property Officer

---

**SUMMARY**

*The purpose of this report is to provide information in relation to an application submitted by the lessee of Lot 134 on LN1363 – Wedge Island, The Keppels for closure of part of the road reserve adjoining his lease area.*

**OFFICER'S RECOMMENDATION**

THAT Council resolve to advise the Department of Natural Resources, Mines and Energy that it does not object to the application to permanently close approximately 414 square metres of road reserve adjoining Lot 134 on LN1363 - Wedge Island, The Keppels.

**BACKGROUND**

On 31 January 2019, Council received a request from the Department of Natural Resources, Mines and Energy (the Department) for its views on an application to permanently close approximately 414 square metres of road reserve adjoining Lot 134 on LN1363 - Wedge Island, The Keppels (refer to Attachment One for a copy of the letter).

Wedge Island is located approximately six kilometres east of the town of Emu Park, and has a thirty (30) metre wide esplanade (road reserve) running the perimeter of the island.

**COMMENTARY**

The Department of Natural Resources, Mines and Energy has advised that the applicant is seeking an additional lease from the State for the purpose of constructing a jetty. Under the *Land Act 1994*, the Department may deal in priority with an applicant applying for a State lease, if the applicant is the owner or lessee of an adjoining parcel of land.

At present, the applicant's existing lease area (Lot 134 on LN1363) and the area on which the applicant wishes to construct the jetty are separated by the road reserve. An aerial showing the area in which the proposed road closure is located is at Attachment Two. In order for the Department of Natural Resources, Mines and Energy to deal in priority with the applicant, the proposed road closure must be undertaken and the land incorporated into the applicant's existing lease area.

As part of the Department of Natural Resources, Mines and Energy's application assessment process, it is seeking Council's views on the application. Comment was sought from Council's Development Assessment section, Infrastructure Portfolio, Natural Resource Management section and Community Partnerships section. No objections were raised, however, the following comments have been provided in relation to the closure.

Comments from Development Assessment

Pursuant to Schedule 8 Table 2, item 1(c) of the *Planning Regulation 2017*, the Local Government is the assessment manager for a development application for prescribed tidal works completely in the tidal area for a single local government area.

Pursuant to Schedule 10, Part 17, Division 1, section 28, of the *Planning Regulation 2017*, operational work that is tidal works or work in a coastal management district, such as the construction of a new jetty/pontoon is assessable development and requires a code assessable application to be made to Council.

Table one requires the local government to assess the works against Schedule 3 of the Coastal Regulation.

Please note, the jetty will also require an application for Building Works (certification).

#### Comments from Engineering Services

The subject application seeks to permanently close a small piece of esplanade (road) on Wedge Island in the locality of The Keppels. Wedge Island is an island that is located approximately six kilometres east of the town of Emu Park and has a thirty (30) metre wide esplanade running the full 2.5 kilometre perimeter of the island.

The area the subject of the application is located on the western extremity of the island and appears to coincide with the current access from the occupied part of the island with the boat landing area.

Council has no infrastructure on Wedge Island and there are no plans for Trunk Infrastructure associated with the island identified in the *Local Government Infrastructure Plan*. The proposed road closure does not negatively impact upon the current or future use or requirements for the esplanade.

Engineering Services offers no objection to the proposed permanent road closure and has no requirements.

#### Comments from Community Partnerships

Community Partnerships requests that the Department of Natural Resources, Mines and Energy consult with, and consider the interests of, the Woppaburra Land Trust in relation to this proposed road closure.

### **PREVIOUS DECISIONS**

There has been no previous Council decision relating to this matter.

### **BUDGET IMPLICATIONS**

There are no known budget implications associated with the consideration of this matter.

### **LEGISLATIVE CONTEXT**

The disposal of public land is undertaken in accordance with the provisions of the *Land Act 1994*.

### **LEGAL IMPLICATIONS**

There are no known legal implications associated with the consideration of this matter.

### **STAFFING IMPLICATIONS**

There are no known staffing implications associated with the consideration of this matter.

### **RISK ASSESSMENT**

The risks associated with allowing this section of road reserve to be closed are low. Although the closure will allow the lessee to restrict access to others, a significant area of the esplanade will remain available for use by the community should they wish to access same.

### **CORPORATE/OPERATIONAL PLAN**

Strategy AM4 of Council's Corporate Plan states: '*Operate, maintain and use Council assets to deliver efficient and cost effective services to the community.*'

### **LOCAL GOVERNMENT PRINCIPLES**

The local government principles are –

- (a) *Transparent and effective processes, and decision-making in the public interest; and*
- (b) *Sustainable development and management of assets and infrastructure, and delivery of effective services; and*
- (c) *Democratic representation, social inclusion and meaningful community engagement; and*
- (d) *Good governance of, and by, local government; and*
- (e) *Ethical and legal behaviour of councillors and local government employees.*

**CONCLUSION**

The Department of Natural Resources, Mines and Energy is seeking Council's views on an application to close approximately 414 square metres of road reserve adjoining Lot 134 on LN1363 – Wedge Island, The Keppels, so it may be included into the existing term lease held over Lot 134. An assessment of the proposed closure has not identified any practical or philosophical reason to oppose the request.

**12.2 - PROPOSED PERMANENT ROAD  
CLOSURE ADJOINING LOT 134 ON  
LN1363 - WEDGE ISLAND, THE  
KEPPELS**

**Letter from the Department of Natural  
Resources, Mines and Energy**

**Meeting Date: 19 February 2019**

**Attachment No: 1**

Author Shirley Pitson  
Ref number 2018/001937  
Unit State Land Asset Management  
Phone (07) 48373408

31 January 2019

Livingstone Shire Council  
PO Box 2292  
YEPPOON QLD 4703

Dear Sir/Madam



Department of  
Natural Resources,  
Mines and Energy

**PROPOSED PERMANENT ROAD CLOSURE OVER AREA OF  
ESPLANADE ADJOINING LOT 134 ON LN1363**

The department has received the above application. The proposed use of the land is to construct a jetty and would be included into the applicants lease being Lot 134 on LN1363. A drawing is attached for your reference.

Please advise the department of your views or requirements including any local non-indigenous cultural heritage values that the department should consider when assessing this application.

Objections to the application, and any views or requirements that may affect the future use of the land should be received by close of business on 28 February 2019. If you offer an objection to the application, a full explanation stating the reason for the objection should be forwarded to this Office.

If you wish to provide a response but are unable to do so before the due date, please contact the author before the due date to arrange a more suitable timeframe. An extension to this due date will only be granted in exceptional circumstances.

If a response is not received by the due date and no alternative arrangements have been made, it will be assumed you have no objections or requirements in relation to this matter.

This information has been provided to you in confidence for the purpose of seeking your views on this matter. It is not to be used for any other purpose, or distributed further to any person, company, or organisation, without the express written permission of the department unless required.

If you wish to discuss this matter please contact Shirley Pitson on (07) 48373408.

---

Postal :  
DNRME Rockhampton  
PO Box 1762  
Rockhampton  
4700 QLD

Telephone : (07) 48373300  
Fax: (07) 48373421

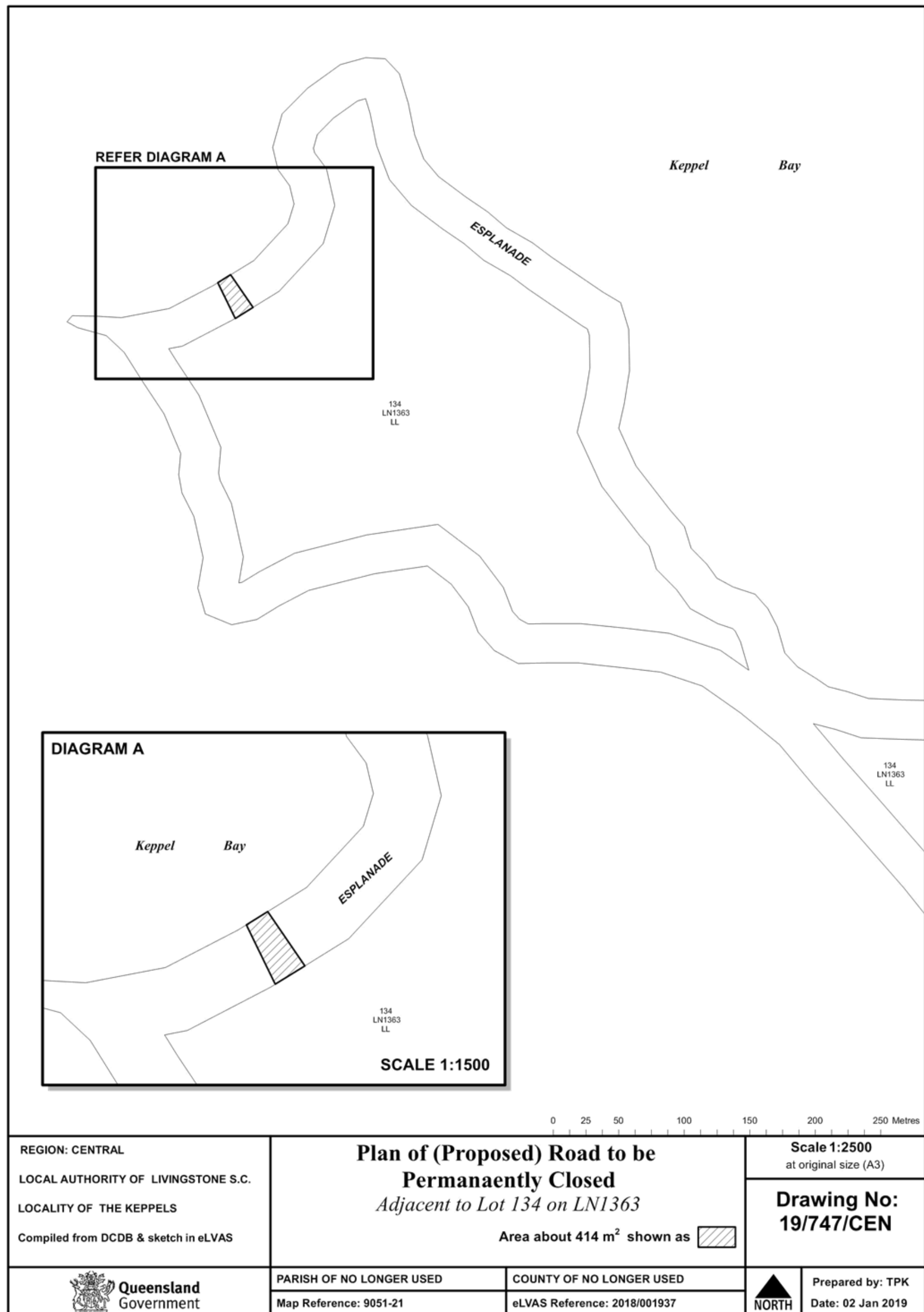
All future correspondence relative to this matter is to be referred to the contact Officer at the address below or by email to [SLAM-Rockhampton@dnrme.qld.gov.au](mailto:SLAM-Rockhampton@dnrme.qld.gov.au). Any hard copy correspondence received will be electronically scanned and filed. For this reason, it is recommended that any attached plans, sketches or maps be no larger than A3-sized.

Please quote reference number 2018/001937 in any future correspondence.

Yours sincerely



Shirley Pitson  
Land Officer  
State Land Asset Management  
Central Region, Rockhampton Office



# **12.2 - PROPOSED PERMANENT ROAD CLOSURE ADJOINING LOT 134 ON LN1363 - WEDGE ISLAND, THE KEPPELS**

## **Aerial**

**Meeting Date: 19 February 2019**

**Attachment No: 2**





---

**12.3 PROPOSED PERMANENT ROAD CLOSURE ADJOINING LOT 1 ON RP605702****File No:** GR14.4.2**Attachments:** 1. letter on behalf of residents, dated 30 January 2019 [↓](#)**Responsible Officer:** Mark McLean - Principal Property Officer  
David Mazzaferri - Manager Disaster Management,  
Recovery and Resilience  
Brett Bacon - Executive Director Liveability and  
Wellbeing**Author:** Maddie Crigan - Property Officer

---

**SUMMARY**

*A report pertaining to a proposed road closure adjoining Lot 1 on RP605702, known as 47 Cliff Street, Yeppoon, was presented to the Council meeting of 22 January 2019 and it was resolved that '...the matter lay on the table to allow petitioners against the application the right of response to the appeal and to return to a future Council Meeting.' Subsequent to a meeting with petitioners on 30 January 2019, the matter is now presented to Council for its consideration.*

**OFFICER'S RECOMMENDATION**

THAT Council give further consideration to a request for the closure of a section of road adjoining Lot 1 on RP605702, known as 47 Cliff Street, Yeppoon, subject to the following conditions:

- 1) the area of closed road must not exceed 10 metres from the western boundary of Lot 1 RP 605702 (note: this provides sufficient area to contain the existing concrete access),
- 2) a public utility easement for sewerage purposes must be registered in favour of Livingstone Shire Council over any part of the sewerage infrastructure which is within the area of closed road. The easement must be a minimum of four (4) metres wide and Council's new Standard Easement Terms dealing number 718630483 must be used; and
- 3) the area of closed road must be amalgamated with Lot 1 RP605702.

**BACKGROUND**

At the Ordinary Meeting on 22 January 2019, Council considered a report which outlined two alternative options proposed by the applicant for a permanent road closure adjoining Lot 1 on RP605702, known as 47 Cliff Street, Yeppoon. These options were submitted after Council had lodged a formal objection to the Department of Natural Resources, Mines and Energy to the proposed road closure (refer to Attachment One for a copy of the report).

At the same meeting, Council resolved to let the matter lay on the table to allow petitioners against the application the right of response to the appeal and to return to a future Council Meeting.

**COMMENTARY**

On 30 January 2019, the Mayor met with three of the petitioners to discuss the alternative options provided in the 22 January 2019 report. At that meeting, there was some discussion to allow Option B on the basis that the applicant, at his cost, constructs a concrete path from Cliff Street to Beak Street for use by the community. Council's Engineering Services Business Unit has estimated the cost of a concrete path (1.5 metres wide) at \$25,000.

The rationale for requesting a pathway is that residents in the general area have been using the driveway servicing 47 Cliff Street as a pathway and its inclusion within private property would preclude this from continuing. It must be noted that Council officers do not support the construction of a pathway in this vicinity, as it does not connect any existing network(s).

On 4 February 2019, the Mayor received a letter from one of the petitioners, on behalf of residents affected by the proposed road closure, advising that *"...after much discussion with numerous residents around the land in question we are unanimously against any change to the current use of the land, including the purchase of any portion of said land."* (A copy of that letter is at Attachment Two).

As identified in the report of 22 January 2019, Council had previously objected to the proposed road closure on the basis that it preferred the existing road reserve to remain intact. The original application proposed to close the majority of the road reserve on the eastern side of the road. The two alternatives, subsequently lodged in response to Council's objection, represent less than half the original claim.

Council could still maintain its position of objection, however, it is suggested that many of the concerns can be addressed by either of the two alternatives proposed. Both leave sufficient room for pedestrian access (the proposed boundary would be approximately fourteen metres from the edge of the road) and there is still space for informal recreation.

After meeting with representatives of adjoining properties, it had been thought that community concerns may have been alleviated through Option B and the construction of a footpath. However, subsequent correspondence indicates continued opposition to any portion of the road reserve being sold.

### **PREVIOUS DECISIONS**

On 20 November 2018, Council resolved to lodge a further formal objection to the Department of Natural Resources, Mines and Energy for the proposed road closure stating that Council would prefer that the current road reserve remain intact and available for community access and use.

On 22 January 2019, Council resolved *'...the matter lay on the table to allow petitioners against the application the right of response to the appeal and to return to a future Council Meeting.'*

### **BUDGET IMPLICATIONS**

There are no known budget implications relating to this matter.

### **LEGISLATIVE CONTEXT**

The disposal of public land is undertaken in accordance with the provisions of the *Land Act 1994*.

### **LEGAL IMPLICATIONS**

There are no known legal implications relating to this matter.

### **STAFFING IMPLICATIONS**

There are no staffing implications associated with the consideration of this matter.

### **RISK ASSESSMENT**

There are no identifiable risks if Council were to approve the closure as proposed and the same was undertaken in accordance with the requirements specified by Council's Infrastructure Portfolio.

### **CORPORATE/OPERATIONAL PLAN**

Strategy AM4 of Council's Corporate Plan states: *'Operate, maintain and use Council assets to deliver efficient and cost effective services to the community.'*

### **LOCAL GOVERNMENT PRINCIPLES**

The local government principles are –

---

- (a) *Transparent and effective processes, and decision-making in the public interest; and*
- (b) *Sustainable development and management of assets and infrastructure, and delivery of effective services; and*
- (c) *Democratic representation, social inclusion and meaningful community engagement; and*
- (d) *Good governance of, and by, local government; and*
- (e) *Ethical and legal behaviour of councillors and local government employees.*

**CONCLUSION**

Alternative options relating to the proposed road closure adjoining Lot 1 on RP605702, known as 47 Cliff Street, Yeppoon, have been provided to Council for its consideration.



**12.3 - PROPOSED PERMANENT ROAD  
CLOSURE ADJOINING LOT 1 ON  
RP605702**

**letter on behalf of residents, dated 30  
January 2019**

**Meeting Date: 19 February 2019**

**Attachment No: 1**

Doc#8984355

[REDACTED]  
[REDACTED]  
[REDACTED]

January 30, 2019

Handed over counter 4/2/19

LSC Records Management	
File No:	CC 2.13.19
Doc No:	
4 FEB 2019	
Action Officer:	Mayor's PA
Retention:	Yrs Box

Dear Mayor Bill Ludwig

With regard to your meeting with community representatives about the proposed purchase and or reuse of Lot 1 on RP605702 located on the corners of Beak St, Mount St and Cliff St in Yeppoon, please be aware after much discussion with numerous residents around the land in question we are unanimously against any change to the current use of the land including the purchase of any portion of said land.

Having had the opportunity to discuss this matter with both Council representatives and residents affected by the potential sale, it should be noted that we can see no purpose or advantage for the proposed purchase of this site and certainly no assistance to those of us in the community who currently utilise the site for safe public access.

The proposed purchaser already has access to his property via this public land and copious additional parking adjoining his block which he already takes full advantage of.

Purchasing a portion of the vacant land beside his property which he is already using, is of no benefit to the proposed purchaser or the community.

We see no reason why he cannot fence his current block with a gate for access as most residents living in the shire generally do. This will in no way disadvantage this resident.

The site is currently used by local residents as a safe pedestrian thoroughfare due to the existing blind spots associated with the steep topography of the area and no footpath available on that side of Mount Street.

The land has been used as a community space for decades by local families and their children for recreational purposes as well as safe access.

If any change of use should occur, we as residents would prefer the site be converted to parkland for public use with a pathway offering safe access and shade trees sourced from Council nursery.

Kind Regards

[REDACTED]

[REDACTED]

On behalf of residents affected by the proposed sale of road reserve land Lot 1 on RP605702

**12.4 SALE OF 18 SCHOOL STREET, MOUNT CHALMERS**

**File No:** ED8.5.5  
**Attachments:** 1. **Proposal Plan for 18 School Street, Mount Chalmers**[↓](#)  
**Responsible Officer:** Brett Bacon - Executive Director Liveability and Wellbeing  
**Author:** Elle Wallin - Project Support Officer

---

**SUMMARY**

*This report seeks Council's approval to undertake a two-stage Expression of Interest and Invitation to Tender process for the disposal of proposed Lot 10, known as 18 School Street, Mount Chalmers.*

**OFFICER'S RECOMMENDATION**

THAT Council resolves to:

- 1) adopts a two stage Expression of Interest and Invitation to Tender process, in accordance with section 228(2)(b) of the *Local Government Regulation 2012*, for the sale of proposed Lot 10, known as 18 School Street, Mount Chalmers, acknowledging the reason for adopting the two-stage process is to gauge market interest and achieve the best possible outcome for Council and the Community; and
- 2) delegate authority to the Chief Executive Officer to enter into negotiations with the potential purchasers.

**BACKGROUND**

In 2014, Council acquired the former Mount Chalmers State School site from the Queensland Government for \$227,020. The Mount Chalmers School comprises the following precincts:

- 1) the principal's residence;
- 2) the oval sub-precinct; and
- 3) the Mount Chalmers State School.

Two entities have leased components of the site; however, only one continues to occupy a section of the site.

Council undertook an investigation into consolidating the uses on the site and maximising its benefits to the community. The overall outcome from a community meeting (held 11 June 2017) was to sell the old school building and re-invest funds from the sale into the remaining site (which includes the oval). Council would keep and provide the oval for park and recreation use.

The Mount Chalmers community responded with overwhelming support for the sale of the old school building and reinvestment of funds from the sale into the land being retained within public ownership. Community members identified a preference for infrastructure to be established around the oval, to support and enable participation in active and healthy lifestyles.

A commitment was given to the community at the meeting that any income generated from the sale of the old school and its associated curtilage would be invested in the retained public land, for the benefit of the local community.

Gideon Town Planning was engaged by Council to submit an application to reconfigure 18 School Street, Mount Chalmers into two lots as per the attached Survey Plan (refer Attachment One). Council provided a conditioned approval which requires each lot to have a

new on-site wastewater system designed by a suitably qualified on-site sewerage facilities designer and installed by a licensed drainer, all drainage pipework to be located on the lot which it serves and each proposed lot requires one access.

### **COMMENTARY**

While it is difficult to determine what the future use of the property will be, it is recommended that Council wait until there is a perspective buyer prior to progressing with any onsite sewerage and access works.

Therefore, it is recommended that a two-stage Expression of Interest and Invitation to Tender process be undertaken for the disposal of proposed Lot 10, known as 18 School Street, Mount Chalmers (formerly the Mount Chalmers State School). It is intended that the property be marketed for sale directly off the plan, as this will provide Council with an opportunity to facilitate an appropriate Material Change of Use, should it be required, to achieve the best outcome prior to spending additional funds without knowing what the eventual use will be. This will also ensure that Council minimises its out of pocket expenses.

### **PREVIOUS DECISIONS**

At its ordinary meeting of 7 March 2017, Council resolved to *'excise and sell part of Lot 3 on SP155342 being the 'old' Mount Chalmers School, generally in accordance with the plan depicted in Attachment One.'*

At its ordinary meeting of 18 July 2017, Council resolved that *'proceeds from the sale of the 'old' Mount Chalmers School be reinvested back into the retained public land in line with community consultation.'*

### **BUDGET IMPLICATIONS**

There is currently no 2018/19 budget allocation to undertake the suggested works required to reconfigure one lot into two. However, until it is identified what the future use of the proposed Lot 10 will be it is difficult to identify what costs will be involved.

The recommendation to go to market prior to undertaking the required works ensures Council will have no out of pocket expenses, should there be no interest in the purchase of the land.

If Council were to receive a satisfactory offer and agree to proceed with the sale, a report will be prepared for Council's consideration and appropriate budget allocation.

### **LEGISLATIVE CONTEXT**

Section 228(2)(b) of the *Local Government Regulation 2012* allows for Council to invite expressions of interest before considering whether to invite written tenders, which occur pursuant to section 228(6)(b) the *Local Government Regulation 2012*.

### **LEGAL IMPLICATIONS**

There are no foreseeable legal implications for Council associated with the Expression of Interest and Invitation to Tender process. It is standard practice to engage solicitors to undertake the conveyancing on all disposals.

### **STAFFING IMPLICATIONS**

The co-ordination of the reconfiguration and sale of this property will be managed within existing staff workloads.

### **RISK ASSESSMENT**

Council has sufficient property and procurement procedures for the management of associated risks relating to the Expression of Interest and Invitation To Tender process.

### **CORPORATE/OPERATIONAL PLAN**

Strategy EC1 of Council's Corporate Plan states: *'Identify and capitalise on economic opportunities for the benefit of the community.'*



**LOCAL GOVERNMENT PRINCIPLES**

The local government principles are –

- (a) *Transparent and effective processes, and decision-making in the public interest; and*
- (b) *Sustainable development and management of assets and infrastructure, and delivery of effective services; and*
- (c) *Democratic representation, social inclusion and meaningful community engagement; and*
- (d) *Good governance of, and by, local government; and*
- (e) *Ethical and legal behaviour of councillors and local government employees.*

**CONCLUSION**

Options have been investigated to reconfigure 18 School Street, Mount Chalmers into two lots. The intention is to undertake a two-stage Expression of Interest and Invitation to Tender process to dispose of the proposed Lot 10 and achieve the best possible outcome for the use of the former Mount Chalmers School.

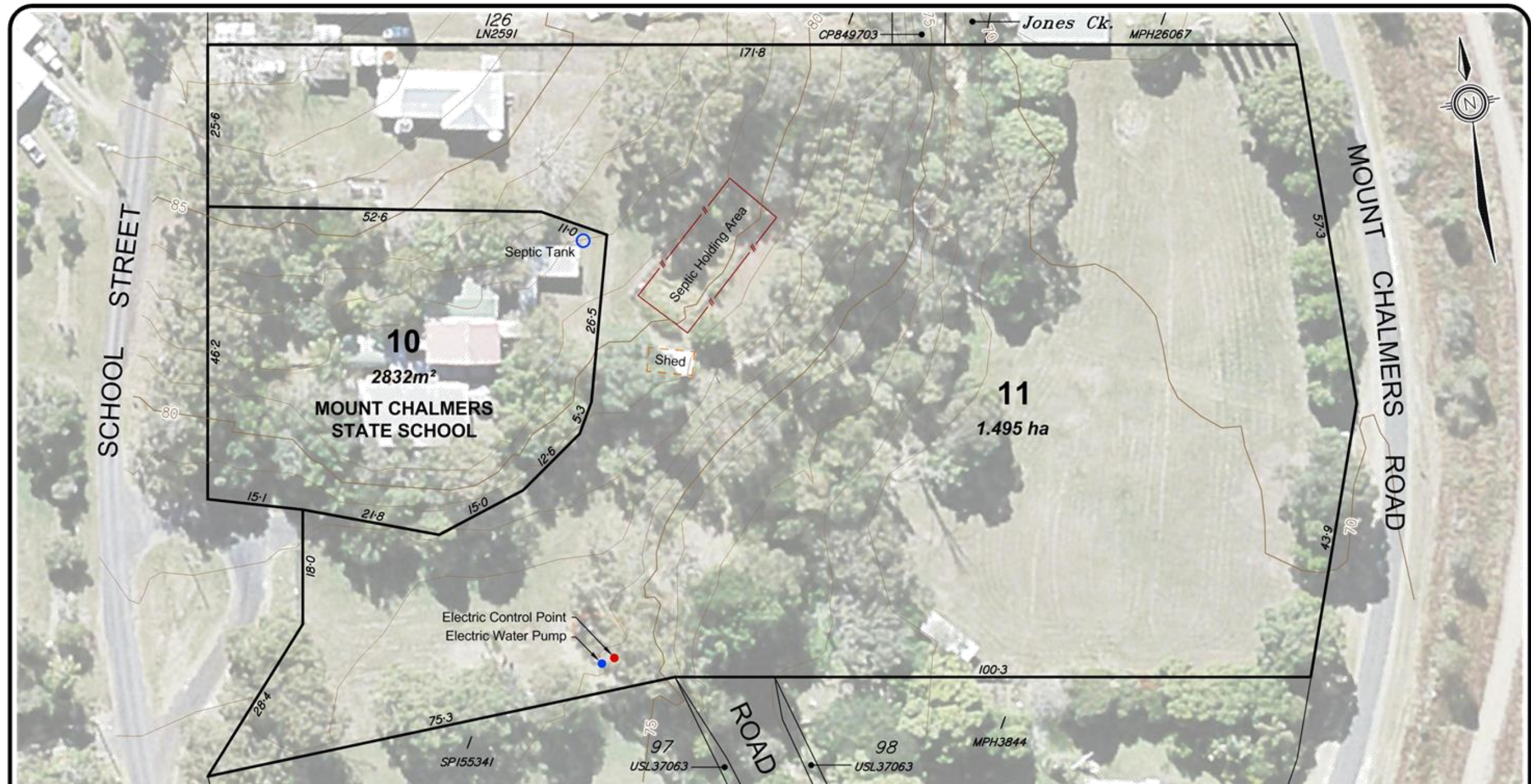
## **12.4 - SALE OF 18 SCHOOL STREET, MOUNT CHALMERS**

### **Proposal Plan for 18 School Street, Mount Chalmers**

**Meeting Date: 19 February 2019**

**Attachment No: 1**





Scale 1:600 - Lengths are in Metres.

**IMPORTANT NOTE**  
DIMENSIONS AND AREAS ARE APPROXIMATE  
ONLY AND ARE SUBJECT TO FINAL SURVEY  
AND LOCAL AUTHORITY APPROVAL.

## PROPOSAL PLAN

**PROJECT:** Proposed Subdivision - One (1) Lot into Two (2) Lots

**LOCATION:** 18 School Street, Mount Chalmers

Real Property Description: Lot 3 on SP155342

**CLIENT:** Livingstone Shire Council

Horiz. Datum: MGA 94 Zone 56

Vert. Datum: AHD

Local Authority: Livingstone Shire

Contour Interval: 1m



Airlie Beach | Mackay | Townsville | Rockhampton | Brisbane | Gold Coast

E : admin@visionsurveysqld.com.au

P : 13000VISION

Scale: 1 : 600 @ A3

Drawing No: 17342-PP-01

Drawn: AD

Sheet: 1 of 1

Surveyor: LT

Revision: A

Rev	Description	AD	LT	Date
A	Original Issue			29/06/2017

This plan was prepared as a proposed subdivision and should not be used for any other purpose. The dimensions, areas and total number of lots shown hereon are subject to field survey and also to the requirements of Council and any other authority which may have requirements under any relevant legislation. In particular, no reliance should be placed on the information on this plan for any financial dealing involving the land. This note is an integral part of the plan.

Image: © 2017 Google, © State of Queensland 2017.

Contours: © Livingstone Shire Council 2017, © The State Government of Queensland (Dept. of Natural Resources and Mines) 2013.



**12.5 MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 JANUARY 2019****File No:** FM12.14.1**Attachments:** 1. Monthly Financial Report - January 2019 [↓](#)**Responsible Officer:** Andrea Ellis - Chief Financial Officer**Author:** Damien Cross - Coordinator Accounting Services

---

**SUMMARY**

*Presentation of the Livingstone Shire Council Monthly Financial Report for the period ending 31 January 2019 by the Chief Financial Officer.*

**OFFICER'S RECOMMENDATION**

THAT the Livingstone Shire Council Monthly Financial Report for the period ending 31 January 2019 be received.

**BACKGROUND**

The attached Financial Report has been compiled from information within Council's Finance One and Pathway systems. The report presented includes:

1. Key Strategic Financial Indicators
2. Summary of Financial Results
3. Detailed Statements

The attached financial information presents a snapshot of the month (January) and year-to-date position of Council's financial performance for the 2018-19 financial year.

Commitments are excluded from the reported operating & capital expenditures.

All variances are reported against the 19Q1 Revised Budget as adopted by Council on 6 November 2018. All budgets have been developed on a monthly basis. The 19Q2 Revised Budget is being presented to Council for consideration as part of a separate report to the 18 February 2019 briefing session. The attached reports show the business units segregated revenue and expenditure statements and balance sheets.

**COMMENTARY**

The Financial Report compares actual performance to date with Council's 19Q1 revised budget and identifies significant variances or areas of concern. It also provides information about additional areas of financial interest to Council and reinforces sound financial management practices throughout the organisation. This information is provided through the attached monthly financial report.

## Financial Performance

The operating performance for the financial year to 31 January 2019 shows an operating surplus of approximately \$29.6 million compared to a budgeted operating surplus of approximately \$27.1 million.

Financial Performance Summary to 31 January 2019					
	YTD 19Q1 Revised Budget (\$m)	YTD Actual (\$m)	Variance (\$m)	Variance YTD %	Status
Operating Revenue	\$78.9	\$76.9	(\$2.0)	(3%)	■
Operating Expense	(\$51.8)	(\$47.3)	\$4.5	(9%)	✓
<i>Operating Surplus</i>	\$27.1	\$29.6	\$2.5	9%	✓
Capital Revenue	\$6.6	\$7.2	\$0.6	8%	✓
Capital Expenditure	(\$35.9)	(\$20.0)	(\$15.9)	(44%)	✓

Note: Actual results exclude purchase order commitments.

Status Legend:

- Above budgeted revenue or under budgeted expenditure ✓
- Below budgeted revenue or over budgeted expenditure <10% ■
- Below budgeted revenue or over budgeted expenditure >10% ✗

## Operating Revenue

The year to date operating revenue is below the year-to-date budget. The second half-yearly rates & utility charges and second quarter water consumption notices were generated with an issue date of 30 January 2019 and a due date of 6 March 2019.

Table A.1 in the Monthly Financial Report (Attachment 1) shows operating revenue by major category of actuals to budget variances by line item.

## Operating Expenses

Year to date operating expenditure is below budget by \$4.5 million which excludes \$8.4 million in commitments. Table A.1 in the Monthly Financial Report (Attachment 1) reports operating expenditure by major category of actuals to budget variances by line item.

Total operating expenses are under budget mostly due to an underspend of \$2.2M in materials & services and \$1.9 million in employees benefits with a number of vacant positions currently being at various stages of recruitment and other non-wage employee expenditures being below budget.

A snapshot of the expenditure on the rural and urban roads maintenance programs in comparison to both the 19Q1 year to date revised budget and the full year 19Q1 revised budget is outlined below:

	YTD Actual (\$000's)	YTD Revised Budget (\$000's)	Full Year Revised Budget (\$000's)	% Full Year Revised Budget Spent
Rural Maintenance	\$2,029	\$2,441	\$4,351	46.6%
Urban Maintenance	\$945	\$1,285	\$2,206	42.8%

Note: Actual results exclude purchase order commitments.

**Capital Revenue**

Total capital revenue is ahead of budget by approximately \$0.6 million. This is mostly due to the early receipt of several capital grants including a \$1 million payment from the Queensland Reconstruction Authority for the Statue Bay Reconstruction Project.

The 19Q1 capital revenue budget for developer contributions is \$1.82 million and the trend to the end of January is strongly indicating that this budget item will finish the financial year under budget. This budget variance has been assessed in the 19Q2 budget review and is proposed to be decreased. Year to date developer's contributions are \$416k.

**Capital Expenditure**

Capital expenditure incurred as at 31 January 2019 is summarized in Table D.1 and D.2 in Attachment 1. The 19Q1 year to date total capital expenditure is approximately \$35.9 million with YTD actuals of \$20 million with a further \$20.4 million in committed expenditure. Capital Expenditure has been closely reviewed as part of the 19Q2 Budget review process.

Table D.3 highlights the significant capital works projects with a revised expenditure budget greater than \$1 million and includes the YTD actuals and project life-to-date costs in comparison to budget.

**Statement of Financial Position as at 31 January 2019**

A detailed balance sheet is provided in Table B in Attachment 1 as at 31 January 2019.

The balance sheet shows a low level of total liabilities in comparison to total assets and consists predominantly of trade & other payables, other provisions and loan borrowings.

Council's total loan balances are approximately \$83.3 million with the first and second quarterly repayments having been made to the Queensland Treasury Corporation (QTC) during September and December 2018. Council has not accessed the approved working capital facility.

Interest on long term borrowings range from 3.123% to 5.554% with the average cost of capital being 4.35%.

**Statement of Cash Flows**

The statement of cash flows provided in Table C in Attachment 1 shows Council's expected cash flows for the financial year and the actual cash flows. The cash position remains sound with cash totaling approximately \$30 million at 31 January 2019.

Available cash is either invested with the Queensland Treasury Corporation (QTC) Capital Guaranteed Cash Fund or held in fixed term deposits with financial institutions. The annual effective interest rate for the QTC Capital Guaranteed Cash Fund at 31 January 2019 was 2.71% p.a. Interest rates for Council's current term deposit is 2.70% and reflects the fixed interest rate for the term of the investment.

Interest earned on cash and investments for the month of January was \$77K.

**Outstanding Sundry Debtors**

At 31 January 2019, outstanding sundry debtors stand at \$2,157,392 and of this balance \$781,292 is current.

There are 26 accounts which are over 60 days totaling \$344,710 which represents approximately 34% of total outstanding sundry debtors.

**Outstanding and Overdue Rates and Charges**

The total rates debtor balance at 31 January 2019 stands at \$38,962,211. There is \$517,829 in prepaid rates as at the 31 January, with net rates outstanding being \$38,444,381 as at 31 January. The second half year general rates and the second quarter water consumption notices were issued on the 30 January.

The KPI target for outstanding rates is to reduce rates receivables to less than 5% of total rates outstanding prior to the next six monthly billing cycle. Whilst the collection process of

overdue rates receivables is proceeding, total rates receivables as at 31 January 2019 eligible for collection (excluding the current levy) is \$3,383,476 which is 4.6% of rates levied.

The following table analyses this overdue amount by age of debt.

<b>Aging Period</b>	<b>Arrears balance (before deducting prepaid rates)</b>	<b>% of eligible total for collection</b>
<b>Current</b>	\$37,117,964	95.27%
<b>1 years</b>	\$868,898	2.23%
<b>2 years</b>	\$488,856	1.25%
<b>3 years</b>	\$223,007	0.57%
<b>4 years</b>	\$147,723	0.38%
<b>5 years</b>	\$115,763	0.30%
<b>TOTAL</b>	\$38,962,211	100%

Council offers a direct debit facility with 2,646 direct debits totaling \$210,571.80 processed in January.

### **Debt Management**

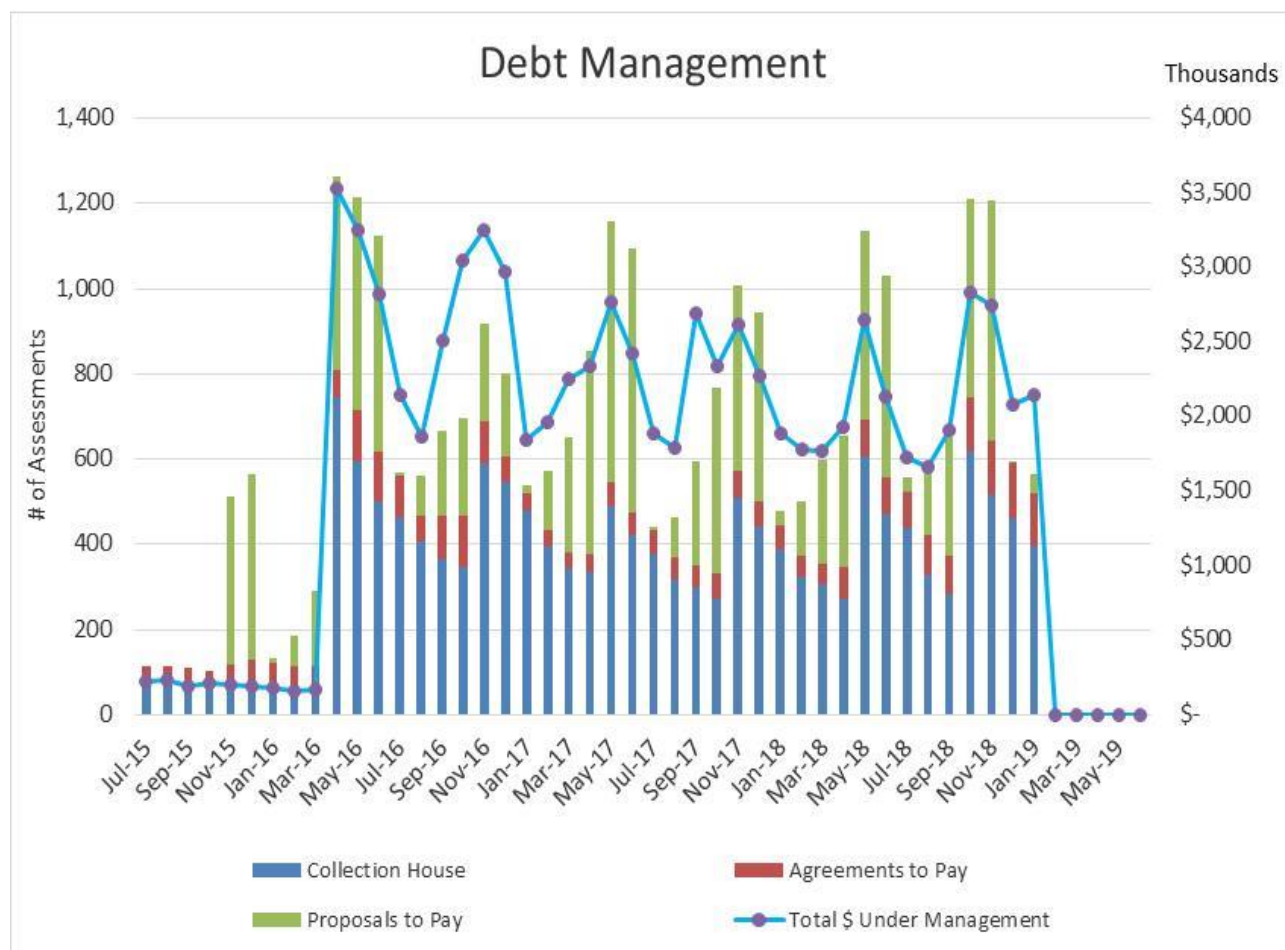
Ratepayers always have the option to enter into formal payment arrangements, which prevents legal action being progressed by Council's debt collection agency. Council resolved to reduce the overdue interest from 10% to 7% per annum in 2018-19, applied monthly, on all overdue balances, including those under a formal payment agreement.

In total, 44% of the overdue balances are under management, this reflects 564 assessments out of all (17,517) rateable assessments (3.2%).

Proposals to pay require all current arrears to be paid in full prior to the next rating period. Therefore, proposals to pay made prior to December 2018 have been cancelled and 44 proposals are now in place as of 31 January 2019 representing a total of \$88,530.

There are 125 (December: 132) assessments under long term arrangements (agreements to pay) with a total of \$556,779 with varying settlement periods.

A total of 395 (December: 461) assessments, representing \$1,503,112 (December: \$1,712,989) are currently being managed by Council's debt collection agency. Compared to January 2018, there are 7 more assessments under a debt management arrangement but a decrease in the total value under management by \$54,687.



### Procurement Activities

Council strongly supports locally-owned and operated businesses, including those with an office or branch in our region. Council is able to report on direct local spend for both operational and capital expenditure in addition to employee salaries & wages. The data provided is only reflective of the payments made through Accounts Payable and via corporate purchase cards and does not make any consideration for other economic impacts.

LSC = Businesses located within the shire boundaries.

CQ = Business completely set up and run outside of LSC boundaries but within the Central Queensland.

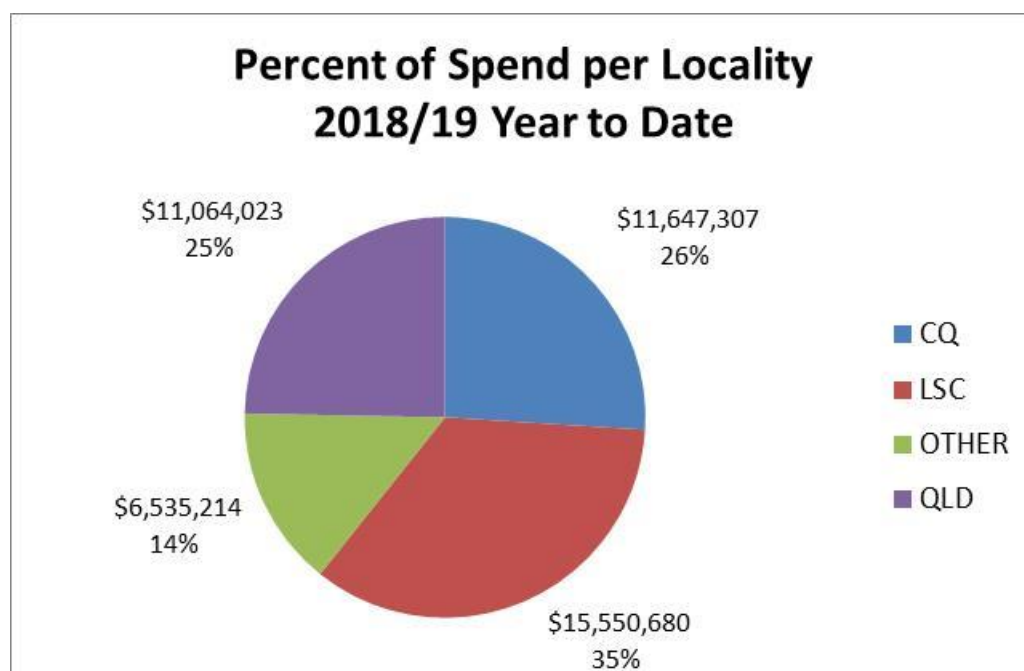
QLD = Business based outside of Central Queensland but within Queensland

OTHER = Business based outside of Queensland.

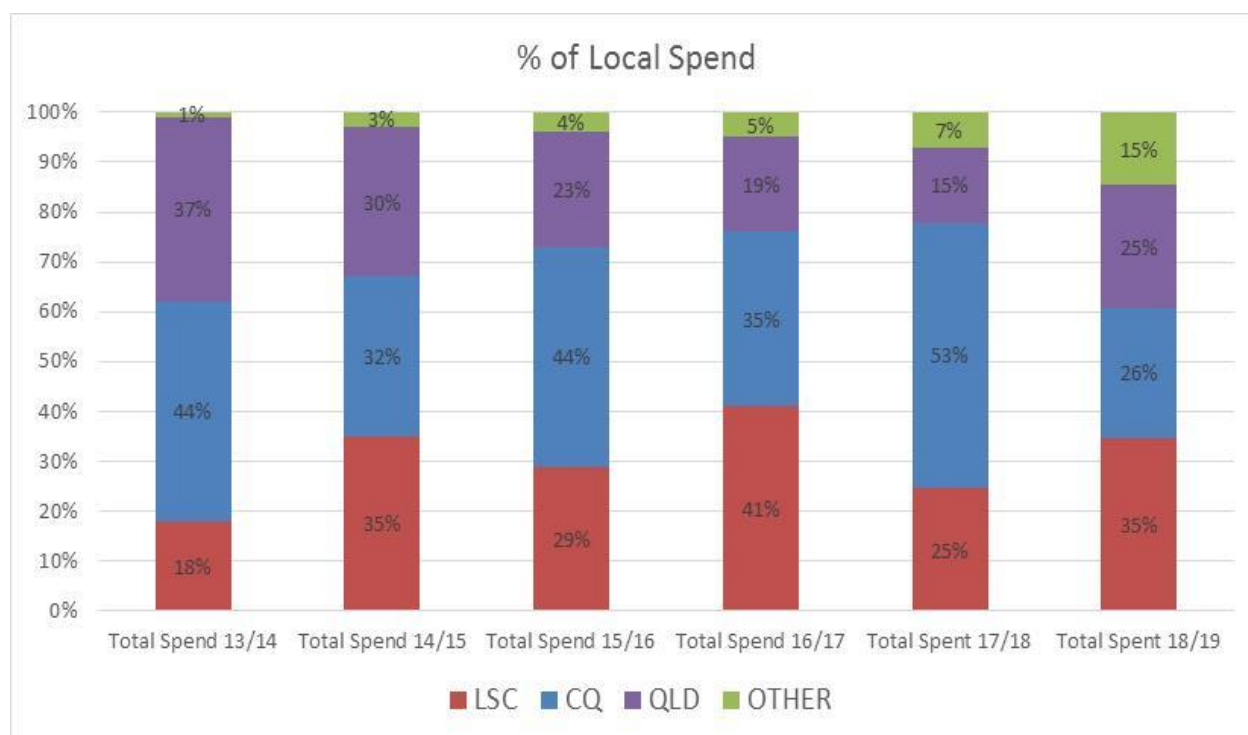
The following pie chart illustrates the total dollars spent this financial year by geographical categories.

The total spend on businesses located within the Shire boundaries was 35% or \$15.6 million. For the financial year to 31 January 2019, Council has purchased more of its materials and services from businesses and industries that are located within the Shire boundaries.





The bar graph below summarises the allocation by local spend categories per financial year since 2013-14. Council procures, on average, 69% of materials & services from within the greater Central Queensland area, which includes Livingstone Shire Council.



## PREVIOUS DECISIONS

Council adopted the 2018-19 Budget on 24 July 2018. The 19Q1 Revised Budget was adopted by Council on 6 November 2018. The 19Q2 Revised Budget is being presented to Council for consideration as part of a separate report to the 18 February 2019 briefing session.

**BUDGET IMPLICATIONS**

The Monthly Financial Report shows Council's financial position in relation to the 19Q1 revised budget.

**LEGISLATIVE CONTEXT**

In accordance with Section 204 of the *Local Government Regulation 2012*, a Financial Report is to be presented to Council on at least a monthly basis.

**LEGAL IMPLICATIONS**

There are no legal implications as a result of this report.

**STAFFING IMPLICATIONS**

There are no staffing implications as a result of this report.

**RISK ASSESSMENT**

Regular robust reporting of Council's financial results assists in creating a framework of financial responsibility within the Council and providing sound long term financial management of Council's operations.

**CORPORATE/OPERATIONAL PLAN**

Corporate Plan Reference: Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.

**CONCLUSION**

The Financial Report provides information about Council's financial performance and position for the month ending 31 January 2019. The attached financial results are indication of Council's financial results in 2018-19 in comparison to the 19Q1 Revised Budget.

## **12.5 - MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 JANUARY 2019**

### **Monthly Financial Report - January 2019**

**Meeting Date: 19 February 2019**

**Attachment No: 1**



**Livingstone**  
SHIRE COUNCIL

**Monthly Financial Report  
for period ending  
31/01/2019**

**Contents**

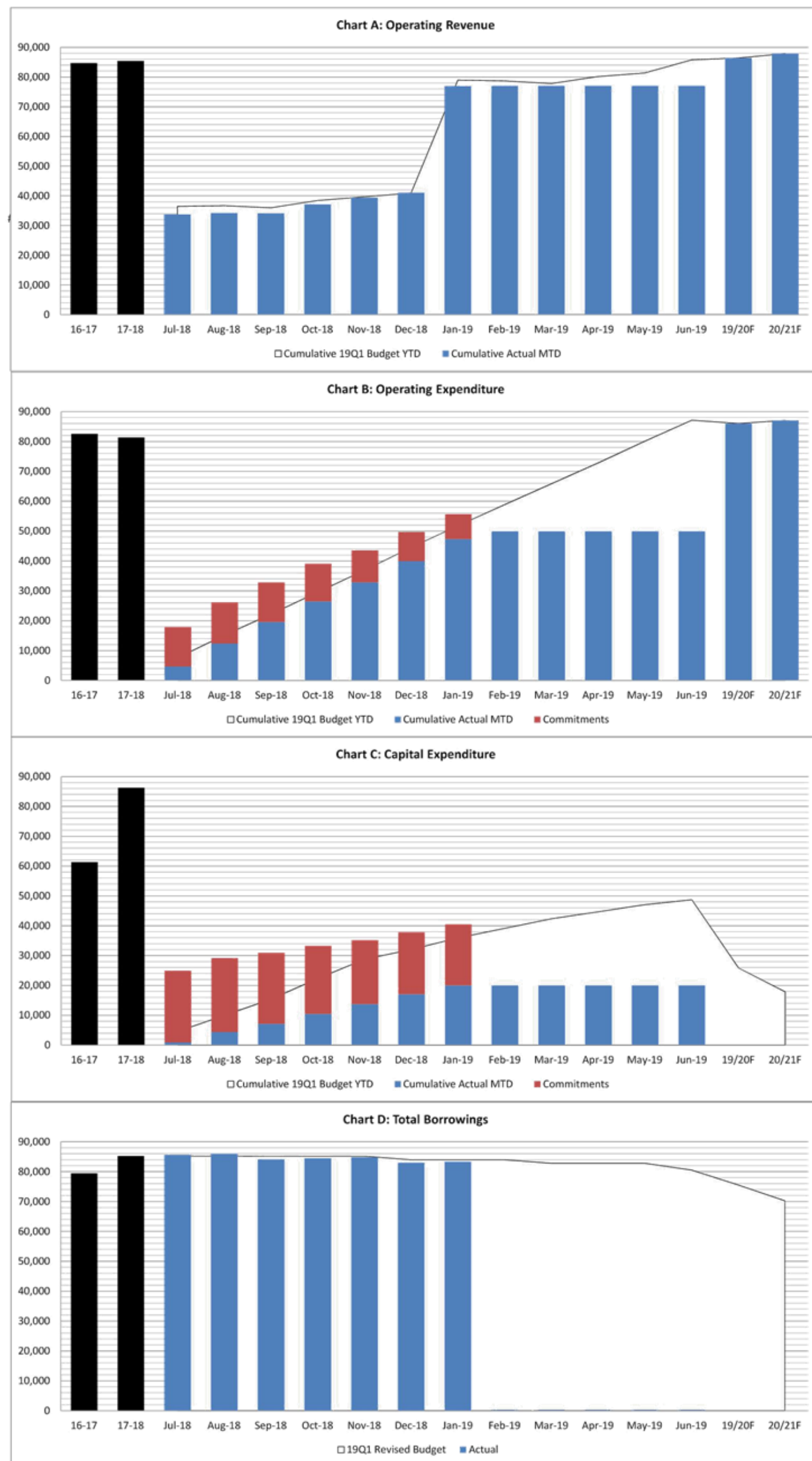
**Financial Health Indicators**

- Key strategic financial indicators
- Summary financial statements

**Attachments: Detailed financial statements**

## Financial Health Indicators

## Key strategic financial indicators: trend analysis



Key strategic financial indicators as at: 31/01/2019					
Operating performance					
	Target Benchmark	19Q1 Revised Budget	YTD Actual	Status	Commentary
<b>Operating surplus ratio</b>					
Operating surplus/operating revenue	10%	-1.6%	38.5%	✓	The operating surplus and operating efficiency ratios are well ahead of the target benchmark due to the levy half-yearly General Rates during January. These ratios indicate that operating revenue is greater than operating expenses and this assists with funding capital expenditure.
<b>Operating efficiency ratio</b>					
Operating revenue/operating expense	110%	98%	163%	✓	
Fiscal flexibility					
	Target Benchmark	19Q1 Revised Budget	YTD Actual		Commentary
<b>Net financial liabilities ratio</b>					
Total liabilities - current assets / operating revenue	<60%	70%	35%	✓	The Net Financial Liabilities and Own-Source Operating Revenue ratios are favourable due to levy of half-yearly General Rates in January. Second quarter water consumption notices have also been levied and issued in January.
<b>Own-source operating revenue ratio</b>					
Own source/operating revenue	>60%	87.7%	95%	✓	
<b>Interest cover ratio</b>					
Net Interest Expense / Total Operating Revenue	0% - 5%	6.2%	3.3%	✓	The interest cover ratio is within the target range.
Liquidity					
	Target Benchmark	19Q1 Revised Budget	YTD Actual		Commentary
<b>Cash balances - Cash capacity in months</b>					
Cash at bank/cash operating expense	3.0	3.0	6.7	✓	The YTD cash expense cover indicates that Council has sufficient cash to meet current cash operating expenses for 6.7 months.
<b>Ability to pay our bills - Current Ratio (times)</b>					
Current assets/current liabilities	2.0	3.2	6.7	✓	The current ratio is well above the target benchmark of 2.0 due to total cash held being approximately \$4M ahead of the budgeted position at the end of January.
Asset sustainability					
	Target Benchmark	19Q1 Revised Budget	YTD Actual		Commentary
<b>Asset Sustainability Ratio</b>					
Renewal expenditure/depreciation	90%	51.5%	18%	✗	Asset sustainability ratio will remain lower than the 90% target benchmark due to the large proportion of new assets not requiring renewal at this stage. Approximately only 21% of the capital renewal budget undertaken as at the end of January.
Status Legend					
KPI target (budget) achieved or exceeded		✓	KPI target (budget) not achieved		
			✗		



Summary financial statements for the year to date ending  
31/01/2019

A. Summary of financial results

A. Income Statements

	Year-to-date 19Q1 Revised		Variance		Status	Comments
	Budget	Actual				
	(\$m)	(\$m)	\$	%		
Own-source Revenues	74.20	73.10	(1.10)	-1%	■	Own source revenues are slightly behind the YTD 19Q1 revised budget with the half yearly general rates and the second quarter water consumption notices having been issued in January. Employee expenses are below YTD budget due to a number of vacant positions currently being recruited. A YTD underspend in operational materials & services expenditure of approximately \$2.2m is contributing to the favourable variance in total expenses.
Total Revenues	78.99	76.93	(2.06)	-3%	■	
Employee Expenses	(18.78)	(16.82)	1.97	-10%	✓	
Total Expenses	(51.85)	(47.32)	4.53	-9%	✓	
<b>Operating Result</b>	<b>27.14</b>	<b>29.60</b>	<b>2.47</b>	<b>9%</b>		

B. Balance Sheet

	Year-to-date 19Q1 Revised		Variance		Status	Comments
	Budget	Actual				
	(\$m)	(\$m)	\$	%		
Cash and Cash Equivalents	26.02	30.07	4.05	16%	✓	Cash balances and total current assets are well ahead of the budgeted position at the end of January due to the drawdown of loans funds in June 2018 for the Yeppoon Sewerage Treatment Plant Augmentation Project and also due to YTD underspends in both total operational expenditure & and total capital expenditure. Borrowings are reported as slightly below budget following with the first two quarter repayments of Council's loan portfolio with the Queensland Treasury Corporation during September and December .
Current Assets	64.26	75.35	11.09	17%	✓	
Current Liabilities	9.98	11.28	1.30	13%	✗	
Non-Current assets	966.75	966.09	(0.66)	0%	✓	
Borrowings	83.99	83.31	(0.68)	-1%	✓	
Non-Current Liabilities	89.19	91.15	1.96	2%	■	
<b>Net Assets</b>	<b>931.84</b>	<b>939.01</b>	<b>7.16</b>	<b>1%</b>		

C. Cash flows

	Year-to-date 19Q1 Revised		Variance		Status	Comments
	Budget	Actual				
	(\$m)	(\$m)	\$	%		
Net Operating	12.50	4.15	(8.35)	-67%	✗	Net Operating Cash Flows are under budget for the seven months to the end of January. There are a number of timing variances which are contributing to this variance, with the proposed deferral of the proceeds of land development to next financial year as part of the 19Q2 budget, being a contributing factor. Net Investing Cash Flows are under budget YTD mostly due to total capital expenditure being behind the YTD budget.
Net Investing	(27.30)	(14.96)	12.33	-45%		
Net Financing	(2.38)	(2.31)	0.06	-3%	■	
<b>Closing Cash Balance</b>	<b>26.02</b>	<b>30.07</b>	<b>4.05</b>	<b>16%</b>		

D. Capital program

	Year-to-date 19Q1 Revised		Variance		Status	Comments
	Budget	Actual				
	(\$m)	(\$m)	\$	%		
Renewal	7.38	2.41	(4.97)	-67%	✗	Whilst the capital program costs are significantly lower than the YTD budget it needs to be recognised that a further \$20.4m in capital expenditure commitments have been raised relating to the 2018-19 capital program. The capital budget has been aligned to the delivery program prepared as part of budget, however this is subject to change during the year, and has been reviewed in detail as part of the 19Q2 revised budget for Council's consideration.
New/Upgrade	28.59	17.61	(10.98)	-38%	✗	
<b>Total Capital Program</b>	<b>35.97</b>	<b>20.01</b>	<b>(15.95)</b>	<b>-44%</b>		

Status Legend:

Above budgeted revenue or under budgeted expenditure  
Below budgeted revenue or over budgeted expenditure <10%  
Below budgeted revenue or over budgeted expenditure >10%



## Attachments

## A.1: Monthly Summary revenue and expenditure report (by line item)

YTD

58%

	This period				Year-to-date				Adopted Budget	Full year 19Q1	
	19Q1 Revised Budget	Actual	Variance	Variance	19Q1 Revised Budget	Actual	Variance	Variance		19Q1 Revised Budget	Variance
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)
<b>Revenues</b>											
Rates & Utility Charges	37,341	35,149	(2,192)	-6%	71,580	70,420	(1,160)	-2%	71,498	71,498	0
User Fees & Charges	310	312	2	1%	2,192	2,080	(112)	-5%	3,714	3,714	(0)
Operating Grants	81	117	35	44%	2,241	2,197	(44)	-2%	6,009	6,009	0
Interest	113	77	(36)	-32%	803	618	(185)	-23%	1,347	1,347	0
Sales Revenue	111	116	5	5%	1,739	1,011	(728)	-42%	2,448	2,448	0
Other	54	66	12	22%	430	600	170	40%	747	747	0
<b>Total operating revenues</b>	<b>38,010</b>	<b>35,837</b>	<b>(2,174)</b>	<b>-6%</b>	<b>78,985</b>	<b>76,926</b>	<b>(2,059)</b>	<b>-3%</b>	<b>85,765</b>	<b>85,765</b>	<b>0</b>
<b>Expenses</b>											
Employee Benefits	(2,662)	(1,938)	724	-27%	(18,784)	(16,817)	1,967	-10%	(31,729)	(31,715)	15
Materials & Services	(2,208)	(3,169)	(961)	44%	(16,465)	(14,248)	2,217	-13%	(27,075)	(27,089)	(15)
Depreciation	(1,898)	(1,898)	0	0%	(13,288)	(13,288)	0	0%	(22,777)	(22,777)	0
Interest	(356)	(354)	3	-1%	(2,495)	(2,509)	(14)	1%	(4,275)	(4,275)	0
Other	(102)	(20)	82	-80%	(817)	(459)	358	-44%	(1,264)	(1,264)	0
<b>Less: Total operating expenses</b>	<b>(7,227)</b>	<b>(7,379)</b>	<b>(152)</b>	<b>2%</b>	<b>(51,849)</b>	<b>(47,321)</b>	<b>4,528</b>	<b>-9%</b>	<b>(87,120)</b>	<b>(87,120)</b>	<b>(0)</b>
<b>Net operating result</b>	<b>30,783</b>	<b>28,458</b>	<b>(2,325)</b>		<b>27,136</b>	<b>29,605</b>	<b>2,469</b>	<b>9%</b>	<b>(1,355)</b>	<b>(1,355)</b>	<b>0</b>
<b>Capital Income</b>											
Capital Grants	2,620	531	(2,089)	-80%	5,583	5,308	(275)	-5%	10,335	12,376	2,041
Developer Contributions	152	275	124	81%	1,063	416	(647)	-61%	1,823	1,823	0
Other Capital Income	0	0	0	0%	(37)	1,228	1,265	-3418%	(37)	(37)	-
<b>Less: capital expenses</b>	<b>12</b>	<b>0</b>	<b>(12)</b>	<b>-100%</b>	<b>83</b>	<b>0</b>	<b>(83)</b>	<b>-100%</b>	<b>(143)</b>	<b>(143)</b>	<b>-</b>
<b>Net Capital Income</b>	<b>2,784</b>	<b>807</b>	<b>(1,977)</b>	<b>-71%</b>	<b>6,693</b>	<b>6,952</b>	<b>259</b>	<b>4%</b>	<b>11,978</b>	<b>14,019</b>	<b>2,041</b>
<b>Total comprehensive income</b>	<b>33,567</b>	<b>29,264</b>	<b>(4,303)</b>		<b>33,829</b>	<b>36,557</b>	<b>2,728</b>	<b>8%</b>	<b>10,623</b>	<b>12,664</b>	<b>2,041</b>

## A.2: Monthly Summary revenue and expenditure report (by program)

YTD

58%

	This period				Year-to-date				Adopted Budget	Full year 19Q1	
	19Q1 Revised Budget	Actual	Variance	Variance	19Q1 Revised Budget	Actual	Variance	Variance		19Q1 Revised Budget	Variance
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)
<b>Office of the CEO</b>											
Revenue	10	9	(1)	-12%	106	196	90	85%	188	188	0
Expenses	(931)	(1,339)	(408)	44%	(7,738)	(7,051)	687	-9%	(12,275)	(12,275)	0
<b>Liveability and Wellbeing</b>											
Revenue	265	309	44	16%	1,867	2,399	532	29%	3,627	3,627	0
Expenses	(1,540)	(1,100)	441	-29%	(10,416)	(9,229)	1,186	-11%	(17,332)	(17,332)	0
<b>Infrastructure</b>											
Revenue	15,688	16,473	785	5%	32,471	32,834	363	1%	36,834	36,834	0
Expenses	(4,712)	(4,912)	(200)	4%	(33,266)	(30,759)	2,506	-8%	(56,566)	(56,566)	0
<b>Central Funds</b>											
Revenue	22,047	19,046	(3,001)	-14%	44,541	41,497	(3,044)	-7%	45,116	45,116	0
Expenses	(44)	(28)	16	-37%	(430)	(282)	148	-34%	(946)	(946)	0



**B: Monthly summary of assets and liabilities report**

YTD

58%

	19Q1 Revised Budget	Year-to-date				Adopted Budget	Full year 19Q1	
		Actual	Variance	Variance			Revised Budget	Variance
	(\$'000)	(\$'000)	(\$'000)	%		(\$'000)	(\$'000)	(\$'000)
<b>Assets</b>								
Cash and cash equivalents	25,018	29,069	4,050	16%		13,945	21,984	8,039
Investments	1,000	1,000	0	0%		1,000	1,000	0
Inventory	900	435	(465)	-52%		1,511	2,855	1,344
Trade & Other Receivables	37,341	37,682	341	1%		8,069	8,069	0
Land - for resale	6,514	13,788	7,274	112%		6,967	6,514	(453)
Infrastructure:								
PPE	960,234	905,176	(55,058)	-6%		1,026,838	974,063	(52,775)
Capital WIP	-	51,597	51,597	0%		-	-	0
Other assets	-	2,690	2,690	0%		1,374	930	(444)
<b>Total Assets</b>	<b>1,031,008</b>	<b>1,041,437</b>	<b>10,429</b>	<b>1%</b>		<b>1,059,704</b>	<b>1,015,415</b>	<b>(44,289)</b>
<b>Liabilities</b>								
Employee benefits	4,777	7,527	2,750	58%		4,810	4,777	(33)
Trade creditors and accruals	504	1,691	1,187	236%		4,116	4,181	65
Borrowings:								
Short-term	4,695	2,937	(1,758)	-37%		4,989	4,989	0
Long-term	79,290	80,370	1,080	1%		75,527	75,541	14
Other liabilities	9,898	9,905	7	0%		10,606	9,898	(708)
<b>Total Liabilities</b>	<b>99,164</b>	<b>102,429</b>	<b>3,265</b>	<b>3%</b>		<b>100,048</b>	<b>99,386</b>	<b>(662)</b>
<b>Current assets</b>	<b>64,260</b>	<b>75,350</b>	<b>11,091</b>	<b>17%</b>		<b>32,610</b>	<b>39,590</b>	<b>6,980</b>
<b>Current liabilities</b>	<b>9,976</b>	<b>11,281</b>	<b>1,305</b>	<b>13%</b>		<b>12,125</b>	<b>12,191</b>	<b>66</b>
<b>Non-current assets</b>	<b>966,748</b>	<b>966,087</b>	<b>(661)</b>	<b>0%</b>		<b>1,027,094</b>	<b>975,825</b>	<b>- 51,269</b>
<b>Non-current liabilities</b>	<b>89,188</b>	<b>91,149</b>	<b>1,961</b>	<b>2%</b>		<b>87,923</b>	<b>87,195</b>	<b>- 728</b>
<b>Net community assets</b>	<b>931,844</b>	<b>939,007</b>	<b>7,164</b>	<b>1%</b>		<b>959,656</b>	<b>916,029</b>	<b>- 43,627</b>

**C: Monthly summary cash flow report**

YTD

58%

	This period				Year-to-date				Adopted Budget	Full year 19Q1	
	19Q1 Revised Budget	Actual	Variance	Variance	19Q1 Revised Budget	Actual	Variance	Variance		Revised Budget	Variance
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)
<b>Cash inflows from operations -</b>											
Rates & utility charges	3,212	1,254	(1,958)	0%	39,187	37,915	(1,272)	0%	73,749	72,421	(1,328)
User fees and charges	293	480	187	64%	2,486	3,385	899	36%	3,996	3,996	0
Operating grants	81	117	35	44%	3,114	2,128	(985)	-32%	6,009	6,009	0
Interest	101	77	(25)	-24%	719	618	(101)	-14%	1,207	1,207	(0)
Other	51	890	839	1645%	1,046	(902)	(1,948)	-186%	1,445	1,445	0
Proceeds from sale of land inventory	0	0	0	0%	6,847	230	(6,617)	-97%	7,824	7,824	0
<b>Total operating cash inflows</b>	<b>3,739</b>	<b>2,818</b>	<b>(922)</b>	<b>-25%</b>	<b>53,399</b>	<b>43,375</b>	<b>(10,024)</b>	<b>-19%</b>	<b>94,230</b>	<b>92,902</b>	<b>(1,328)</b>
<b>Cash outflows from operations -</b>											
Employee entitlements	(2,662)	(1,938)	724	-27%	(18,784)	(16,775)	2,009	-11%	(31,729)	(31,573)	156
Payments to suppliers	(2,239)	(4,894)	(2,656)	119%	(17,180)	(17,802)	(622)	4%	(27,386)	(28,504)	(1,118)
Borrowing costs & bank charges	(356)	(354)	3	-1%	(2,495)	(2,509)	(14)	1%	(4,275)	(4,109)	166
Other	(102)	(26)	76	-75%	(655)	(679)	(24)	4%	(1,669)	(9,706)	(8,037)
Payments for land inventory	(350)	(275)	75	-21%	(1,790)	(1,464)	326	-18%	(1,860)	(2,040)	(180)
<b>Total operating cash outflows</b>	<b>(5,709)</b>	<b>(7,487)</b>	<b>(1,778)</b>	<b>31%</b>	<b>(40,903)</b>	<b>(39,228)</b>	<b>1,675</b>	<b>-4%</b>	<b>(66,919)</b>	<b>(75,932)</b>	<b>(9,013)</b>
<b>Net cash flows from operations</b>	<b>(1,970)</b>	<b>(4,669)</b>	<b>(2,700)</b>	<b>137%</b>	<b>12,495</b>	<b>4,147</b>	<b>(8,349)</b>	<b>-67%</b>	<b>27,311</b>	<b>16,970</b>	<b>(10,341)</b>
<b>Investing cash flows -</b>											
Proceeds on disposal of assets	0	0	0	0%	233	380	147	63%	233	233	0
Capital grants & infrastructure charges	2,772	807	(1,965)	-71%	6,647	6,564	(83)	-1%	12,158	14,199	2,041
Acquisition of assets	(3,536)	604	4,140	-117%	(34,178)	(21,908)	12,270	-36%	(46,410)	(46,673)	(263)
Other investing activities	0	0	0	0%	0	0	0	0%	(191)	(191)	0
<b>Net investing cash flows</b>	<b>(764)</b>	<b>1,411</b>	<b>2,175</b>	<b>-285%</b>	<b>(27,298)</b>	<b>(14,964)</b>	<b>12,334</b>	<b>-45%</b>	<b>(34,210)</b>	<b>(32,432)</b>	<b>1,778</b>
<b>Financing cash flows</b>											
Repayments on borrowings	0	0	0	0%	(2,376)	(2,312)	64	-3%	(4,751)	(4,751)	0
<b>Net financing cash flows</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>(2,376)</b>	<b>(2,312)</b>	<b>64</b>	<b>-3%</b>	<b>(4,751)</b>	<b>(4,751)</b>	<b>0</b>
<b>Net combined cash flows</b>	<b>(2,734)</b>	<b>(3,258)</b>	<b>(525)</b>	<b>19%</b>	<b>(17,179)</b>	<b>(13,129)</b>	<b>4,049</b>	<b>-24%</b>	<b>(11,650)</b>	<b>(20,213)</b>	<b>(8,563)</b>
<b>Add: Opening cash balance</b>	<b>28,752</b>	<b>33,327</b>	<b>4,575</b>	<b>16%</b>	<b>43,197</b>	<b>43,198</b>	<b>1</b>	<b>0%</b>	<b>26,595</b>	<b>43,197</b>	<b>16,602</b>
<b>Closing cash balance</b>	<b>26,018</b>	<b>30,069</b>	<b>4,050</b>	<b>16%</b>	<b>26,018</b>	<b>30,069</b>	<b>4,050</b>	<b>16%</b>	<b>14,945</b>	<b>22,984</b>	<b>8,039</b>

**D.1: Monthly summary capital revenue and expenditure report by category (all projects)**
YTD 58%

	This period				Year-to-date				Adopted Budget	Full year 19Q1	
	19Q1 Revised Budget	Actual	Variance	Variance	19Q1 Revised Budget	Actual	Variance	Variance		19Q1 Revised Budget	Variance
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)
<b>Renewal of existing assets -</b>											
Capital grants and contributions	0	0	0	0%	(231)	(300)	(69)	30%	(958)	(763)	195
Renewal expenditure	840	512	(328)	-39%	7,378	2,406	(4,972)	-67%	11,528	11,204	(324)
<b>New assets/upgrade of existing assets</b>											
Capital grants and contributions	(2,772)	(805)	1,967	-71%	(6,379)	(6,857)	(478)	7%	(11,163)	(13,399)	(2,236)
New/upgrade expenditure	3,047	2,506	(541)	-18%	28,590	17,607	(10,983)	-38%	36,742	37,508	766
<b>Total</b>											
<b>Capital grants and contributions</b>	<b>(2,772)</b>	<b>(805)</b>	<b>1,967</b>	<b>-71%</b>	<b>(6,610)</b>	<b>(7,157)</b>	<b>(547)</b>	<b>8%</b>	<b>(12,121)</b>	<b>(14,162)</b>	<b>(2,041)</b>
<b>Renewal, upgrade and acquisition</b>	<b>3,887</b>	<b>3,019</b>	<b>(868)</b>	<b>-22%</b>	<b>35,968</b>	<b>20,014</b>	<b>(15,954)</b>	<b>-44%</b>	<b>48,270</b>	<b>48,712</b>	<b>442</b>

**D.2: Monthly summary capital revenue and expenditure report by asset class (all projects)**
YTD 58%

	This period				Year-to-date				Adopted Budget	Full year 19Q1	
	19Q1 Revised Budget	Actual	Variance	Variance	19Q1 Revised Budget	Actual	Variance	Variance		19Q1 Revised Budget	Variance
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)
<b>Land</b>											
Capital grants and contributions	-	-	-	0%	37	(251)	(288)	-778%	37	37	-
Renewal, new/upgrade	9	6	(3)	-33%	70	84	14	20%	100	113	13
<b>Buildings</b>											
Capital grants and contributions	-	(20)	(20)	0%	-	(20)	(20)	0%	-	(3)	(3)
Renewal, new/upgrade	75	114	39	52%	960	382	(578)	-60%	777	980	203
<b>Plant &amp; Equipment</b>											
Capital grants and contributions	-	-	-	0%	-	(194)	(194)	0%	-	-	-
Renewal, new/upgrade	170	182	12	7%	1,364	814	(550)	-40%	2,138	2,164	26
<b>Roads &amp; Drainage</b>											
Capital grants and contributions	(1,196)	(639)	557	-47%	(3,239)	(4,630)	(1,391)	43%	(6,892)	(8,310)	(1,418)
Renewal, new/upgrade	1,516	2,098	582	38%	17,810	12,074	(5,736)	-32%	17,967	22,986	5,020
<b>Bridges</b>											
Capital grants and contributions	-	-	-	0%	-	-	-	0%	0	0	-
Renewal, new/upgrade	-	-	-	0%	79	3	(76)	-96%	1,048	79	(969)
<b>Water</b>											
Capital grants and contributions	(51)	(79)	(28)	55%	(355)	(146)	209	-59%	(611)	(610)	1
Renewal, upgrade and acquisition	227	77	(150)	-66%	1,118	456	(662)	-59%	2,100	2,131	31
<b>Sewerage</b>											
Capital grants and contributions	(1,518)	(42)	1,476	-97%	(1,626)	(63)	1,563	-96%	(3,213)	(3,215)	(2)
Renewal, upgrade and acquisition	1,206	232	(974)	-81%	8,938	3,221	(5,717)	-64%	14,380	13,419	(961)
<b>Site Improvements</b>											
Capital grants and contributions	(7)	(25)	(18)	257%	(1,426)	(1,623)	(197)	14%	(1,442)	(2,061)	(619)
Renewal, upgrade and acquisition	333	35	(298)	-89%	3,838	1,532	(2,306)	-60%	7,900	4,799	(3,101)
<b>Land Development</b>											
Capital grants and contributions	-	-	-	0%	-	(230)	(230)	0%	-	-	-
Renewal, upgrade and acquisition	351	275	(76)	-22%	1,791	1,448	(343)	-19%	1,860	2,041	181



## D.3: Summary capital expenditure report by project (&gt;\$1 million)

	% Project Complete	Project Dates		WIP B/F FY 17/18	Project Costs YTD FY18/19			Project EOFY Forecast Cost	Budget FY18/19	Project Life Costs	
		Planned Start Date*	Planned Completion Date*		Actual	Commitments	Total Project Costs		19Q1 Revised Budget	Project LTD Costs	Project Life Budget
<b>Major projects (&gt;\$1m)</b>				(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<u>Capricorn Coast New Cemetery</u>											
988058 (N) Capricorn Coast Cemetery Roadworks	100%	8/05/17	9/11/18	1,933	729	158	886	627	627	2,662	2,500
988173 (N) Capricorn Coast New Cemetery Internal	49%	16/04/18	28/06/19	130	186	182	368	1,770	1,770	316	1,770
1110324 (N) Cap Coast New Cemetery Internal R&D works PCL-530	86%	6/08/18	4/03/19	0	1,464	638	2,101	1,600	1,600	1,464	1,730
Subtotal of Capricorn Coast New Cemetery				2,063	2,379	977	3,356	3,997	3,997	4,442	6,000
<u>Emu Park Village &amp; Forshore Revitalisation</u>											
1097725 (N) EPV&FR-Emu Park Foreshore Pre-project Plan	10%		15/03/19	75	0	0	0	0	0	75	0
1100767 (N) EPV&FR Emu Park Village & Foreshore detailed design	70%	3/07/17	30/05/19	406	1,311	640	1,952	3,259	3,259	1,717	4,500
1105254 (U) EPV&FR Kerr Park Carpark (SLSC)	100%	6/11/17	6/11/17	805	0	0	0	0	0	805	0
1105255 (U) EPV&FR Tennent Memorial Dr	100%	4/12/17	31/05/18	17	0	0	0	0	0	17	0
1105256 (U) EPV&FR Emu St Stg1 Plans B to E	100%	4/12/17	15/03/19	63	152	13	165	0	0	215	0
1108479 (R) EPV&FR water main replacement Emu St	100%	15/03/18	16/05/18	0	0	0	0	0	0	0	0
Subtotal of Emu Park Village & Forshore Revitalisation				1,366	1,464	653	2,117	3,259	3,259	2,830	4,500
<u>Homemaker Centre</u>											
1067267 (N) Homemaker Centre Demolition & Site F	98%	1/11/17	1/03/19	442	0	0	0	0	0	442	0
1067268 (N) Homemaker Centre General	94%	1/03/15	31/05/19	88	127	23	150	0	0	215	0
1067269 (N) Homemaker Centre Land Development	94%	1/03/15	31/05/19	1,298	71	58	129	2,000	2,000	1,370	6,930
1108266 (N) Homemaker Centre Service Relocation	100%	1/10/17	30/11/18	1,122	31	25	56	0	0	1,153	0
1108267 (R) Homemaker Centre SPS replacement	98%	1/11/17	1/03/18	220	0	1	1	0	0	220	0
1108268 (N) Homemaker Centre Earthworks	98%	1/10/17	1/03/19	2,279	58	57	116	0	0	2,338	0
1108269 (N) Homemaker Centre SRM 300mm trunk sew	98%	1/01/18	1/03/19	53	1	2	3	0	0	54	0
1113203 (N) Homemaker Centre Civil Works	70%	1/07/18	31/05/19	0	1,145	30	1,175	0	0		
Subtotal of Homemaker Centre				5,502	1,434	196	1,630	2,000	2,000	5,791	6,930
1066964 (N) UEC-NC-Intersection Taranganba Rd at	55%	30/10/18	11/04/19	39	403	439	841	1,300	1,300	441	1,300
1108790 (N)-RC-NC-Nerimbera Boat Ramp Car-traile	75%	23/10/18	1/02/19	0	537	130	667	1,200	1,200	538	1,200
1108221 (N)-RC-RC-Svendsen Road-Sealed Road Construction	100%	4/06/18	28/09/18	200	715	0	715	700	700	915	700
966564 (N)-UC-NC-R'ton Rd (Barmaryee & Condon Drive Intersection)	90%	27/04/18	7/02/19	668	1,615	391	2,066	1,630	1,630	2,283	1,630
(N)-UC-PW-Scenic Hwy Statue Bay to Kemp Beach Rosslyn St to											
1104375 Wildin Way	15%	8/10/18	30/06/20	35	416	599	1,015	2,607	2,607	451	2,607
959072 (U)-SP-SEW-33 STP YPN Augmentation Design & Construction	45%	12/06/17	30/08/19	2,050	2,787	10,141	12,928	12,950	12,950	4,837	15,000
1105687 (U)-RC-RC-St Christopher Chapel Rd	91%	20/11/17	31/01/19	11	650	328	978	1,000	1,000	661	1,000
1070087 (R)-WC-W-Main Replacement Reticulation V	40%	1/07/18	30/06/19	0	5	1	7	1,230	1,230	5	1,230
CP428 (R)-UEC-RS-AS/SS/SLS-Road Resurfacing Annual Program	2%	1/07/18	30/06/19	0	1	0	1	1,000	1,000	1	1,000
CP422 (R)-REC-GR-Gravel Resheet Program A	23%	1/07/18	30/06/19	0	342	69	411	1,100	1,100	342	1,100
CP427 (R)-UC-PR-Sealed Pavement Renewals AMP annual program	0%	1/07/18	30/06/19	0	3	716	720	1,000	1,000	3	1,000
CP440 (R)-Fleet Renewal Program	58%	1/07/18	30/06/19	0	635	62	697	1,900	1,900	635	1,900

E.1: Business Unit summary revenue and expenditure report (by line item)																	YTD					58%
	Water				Sewer				Waste				Council				Consolidated					
	19Q1 Revised Budget	YTD Actual	Variance	Variance	19Q1 Revised Budget	YTD Actual	Variance	Variance	19Q1 Revised Budget	YTD Actual	Variance	Variance	19Q1 Revised Budget	YTD Actual	Variance	Variance	Adopted Budget	19Q1 Revised Budget	Actual	Variance	Variance	
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	(\$'000)	%	
Rates & Utility Charges	16,075	14,015	(2,060)	-13%	9,436	10,238	802	8%	5,966	6,291	325	5%	40,021	39,877	(144)	0%	71,498	71,498	70,420	(1,078)	-2%	
User fees & charges	347	103	(244)	-70%	138	133	(5)	-4%	1,021	510	(510)	-50%	2,208	1,333	(875)	-40%	3,714	3,714	2,080	(1,635)	-44%	
Operating grants	0	0	0	0%	0	0	0	0%	0	(0)	(0)	0%	6,009	2,197	(3,813)	-63%	6,009	6,009	2,197	(3,813)	-63%	
Interest	0	0	0	0%	0	0	0	0%	0	0	0	0%	1,347	618	(729)	-54%	1,347	1,347	618	(729)	-54%	
Sales revenue	200	92	(108)	-54%	70	28	(42)	-60%	0	0	0	0%	2,178	891	(1,286)	-59%	2,448	2,448	1,011	(1,437)	-59%	
Other	19	1	(17)	-93%	7	(31)	(38)	-559%	40	15	(25)	-62%	681	615	(67)	-10%	747	747	600	(148)	-20%	
Total operating revenues	16,641	14,211	(2,430)	-15%	9,651	10,367	717	7%	7,026	6,816	(210)	-3%	52,446	45,531	(6,915)	-13%	85,765	85,765	76,926	(8,839)	-10%	
Expenses																						
Employee benefits	(2,385)	(1,300)	1,086	-46%	(1,472)	(689)	783	-53%	(367)	(180)	187	-51%	(27,490)	(14,648)	12,842	-47%	(31,729)	(31,715)	(16,817)	14,898	-47%	
Materials & Services	(7,481)	(4,143)	3,338	-45%	(2,697)	(1,644)	1,054	-39%	(4,385)	(2,190)	2,194	-50%	(12,527)	(6,272)	6,255	-50%	(27,075)	(27,089)	(14,248)	12,841	-47%	
Depreciation	(4,884)	(2,849)	2,035	-42%	(2,959)	(1,726)	1,233	-42%	(780)	(455)	325	-42%	(14,154)	(8,257)	5,897	-42%	(22,777)	(22,777)	(13,288)	9,489	-42%	
Interest	(587)	(350)	237	-40%	(376)	(428)	(52)	14%	(620)	(370)	251	-40%	(2,691)	(1,361)	1,330	-49%	(4,275)	(4,275)	(2,509)	1,766	-41%	
Other	0	0	0	0%	(0)	32	32	0%	(10)	(4)	6	-61%	(1,254)	(488)	767	-61%	(1,264)	(1,264)	(459)	805	-64%	
Less: Total operating expenses	(15,338)	(8,642)	6,696	-44%	(7,504)	(4,455)	3,049	-41%	(6,162)	(3,199)	2,963	-48%	(58,116)	(31,025)	27,091	-47%	(87,120)	(87,120)	(47,321)	39,799	-46%	
Net operating result	1,303	5,570	4,266	327%	2,147	5,913	3,766	175%	864	3,617	2,752	318%	(5,670)	14,506	20,176	-356%	(1,355)	(1,355)	29,605	30,960	-2285%	

E.2: Business Unit summary of assets and liabilities report										YTD		58%
	Water	Sewerage	Waste	Council	Year-to-date				Full year			
					19Q1 Revised Budget	Actual	Variance	Variance	Adopted Budget	19Q1 Revised Budget		
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)		
<b>Assets</b>												
Cash and cash equivalents	17,812	8,743	8,986	(5,473)	26,018	30,069	4,050	16%	14,945	22,984		
Inventory	0	0	0	435	900	435	(465)	-52%	1,511	2,855		
Trade & Other Receivables	7,668	5,179	3,319	21,517	37,341	37,682	341	0%	8,069	8,069		
Land - for resale	0	0	0	13,788	6,514	13,788	7,274	112%	6,967	6,514		
Infrastructure:	0	0	0	0	0	0	0	0%	0	0		
PPE	194,596	115,534	8,873	586,173	960,234	905,176	(55,058)	-6%	1,026,838	974,063		
Capital WIP	1,043	5,988	37	44,530	0	51,597	51,597	0%	0	0		
Other assets	0	(0)	(0)	2,690	0	2,690	2,690	0%	1,374	930		
<b>Total Assets</b>	<b>221,119</b>	<b>135,444</b>	<b>21,215</b>	<b>663,659</b>	<b>1,031,008</b>	<b>1,041,437</b>	<b>10,429</b>	<b>1%</b>	<b>1,059,704</b>	<b>1,015,415</b>		
<b>Liabilities</b>												
Employee benefits	703	684	55	6,084	4,777	7,527	2,750	58%	4,810	4,777		
Trade creditors and accruals	798	48	21	824	504	1,691	1,187	236%	4,116	4,181		
Borrowings:												
Short-term	402	477	427	1,631	4,695	2,937	(1,758)	-37%	4,989	4,989		
Long-term	9,988	16,138	10,505	43,739	79,290	80,370	1,080	1%	75,527	75,541		
Other liabilities	0	0	9,416	490	9,898	9,905	7	0%	10,606	9,898		
<b>Total Liabilities</b>	<b>11,892</b>	<b>17,347</b>	<b>20,424</b>	<b>52,767</b>	<b>99,164</b>	<b>102,429</b>	<b>3,265</b>	<b>3%</b>	<b>100,048</b>	<b>99,386</b>		
<b>Current assets</b>	<b>25,480</b>	<b>13,922</b>	<b>12,305</b>	<b>23,643</b>	<b>64,260</b>	<b>75,350</b>	<b>11,091</b>	<b>17%</b>	<b>32,610</b>	<b>39,590</b>		
<b>Current liabilities</b>	<b>1,862</b>	<b>1,167</b>	<b>503</b>	<b>7,749</b>	<b>9,976</b>	<b>11,281</b>	<b>1,305</b>	<b>13%</b>	<b>12,125</b>	<b>12,191</b>		
<b>Non-current assets</b>	<b>195,638</b>	<b>121,522</b>	<b>8,910</b>	<b>640,017</b>	<b>966,748</b>	<b>966,087</b>	<b>(661)</b>	<b>0%</b>	<b>1,027,094</b>	<b>975,825</b>		
<b>Non-current liabilities</b>	<b>10,030</b>	<b>16,180</b>	<b>19,921</b>	<b>45,019</b>	<b>89,188</b>	<b>91,149</b>	<b>1,961</b>	<b>2%</b>	<b>87,923</b>	<b>87,195</b>		
<b>Net community assets</b>	<b>209,227</b>	<b>118,097</b>	<b>791</b>	<b>610,892</b>	<b>931,844</b>	<b>939,007</b>	<b>7,164</b>	<b>1%</b>	<b>959,656</b>	<b>916,029</b>		



**12.6 QUARTERLY BUDGET REVIEW (19Q2)****File No:** FM12.5.2**Attachments:**

1. 2018-19 Revised Budget Statements (19Q2) [↓](#)
2. 2018-19 Revised Budget (19Q2) Measures of Financial Sustainability [↓](#)
3. 2018-19 Revised Budget (19Q2) Estimated Activity Statements [↓](#)

**Responsible Officer:** Dan Toon - Acting Chief Executive Officer**Author:** Andrea Ellis - Chief Financial Officer

---

**SUMMARY**

*The Quarterly Budget Review (19Q2) is presented to Council for adoption recognising changes to the financial position since the 2018-19 Revised Budget was adopted on 6 November 2018. The second quarter budget review for 2018-19 has been input into the Long Term Financial Forecast. Impacts on this and future financial years have been reviewed and some of the forecast settings been amended.*

**OFFICER'S RECOMMENDATION**

THAT Council resolve to adopt, pursuant to Section 107A of the *Local Government Act 2009* and Sections 169 and 170 of the *Local Government Regulation 2012*, the Quarter 2 Revised Budget (19Q2) for the financial year 2018-19 and the Long Term Financial Forecast for the financial years 2018-19 to 2027-28 as contained in the document entitled 2018-19 Revised Budget and Long Term Financial Forecast (Attachment 1) and set out in the pages contained therein:

- i. Statement of Financial Position (Attachment 1);
- ii. Statement of Cash Flows (Attachment 1);
- iii. Statement of Income and Expenditure (Attachment 1);
- iv. Statement of Changes in Equity (Attachment 1);
- v. Long-Term Financial Forecast (Attachment 1);
- vi. Relevant Measures of Financial Sustainability (Attachment 2);
- vii. Total Value of change in the rates and charges expressed as a percentage (Attachment 2);
- viii. Revised estimated business activity costs for the period ending 30 June 2019 (Attachment 3).

**BACKGROUND**

Council from time to time reviews its adopted budget and makes appropriate adjustments to promote transparent financial management. Council has committed to establishing rigour into its financial management and reporting process by undertaking quarterly budget reviews.

Quarterly budget reviews should act as a barometer of Council's financial health during the year. The scope of each quarterly budget review will differ, depending on where the organisation is at in the overarching planning and budget cycle.

The intent of the second quarter budget review is to undertake comprehensive review of both operating and capital budgets.

It is a legislated requirement for an amended Budget to include all items listed in Section 169 of the *Local Government Regulation 2012*. However, whilst Section 169 of the *Local*

---

*Government Regulation 2012* also requires a budget to include a Revenue Statement and a Revenue Policy, Section 170 of the of the *Local Government Regulation 2012* stipulates that a Local Government may only decide the rates and charges to be levied for a financial year at the Budget meeting for the financial year. The Revenue Policy and Revenue Statement adopted by Council on the 24 July 2018, can therefore not be amended during a year and not required to be adopted as part of any revised budget resolution.

## COMMENTARY

The overall outcome is that there is an improvement to the operating result and the overall fiscal position has marginally improved. Cash flows remain adequate to meet the planned operational and capital expenditure for the balance of this year.

### Financial Position

The net impact of the proposed second quarter revisions is that the forecast Net Assets of the Council which is also referred to as (Total Community Equity) has increased from \$916.03 million in the first quarter revised budget to \$917.30 million in the proposed second quarter revised budget (see Statement of Financial Position for more details).

### Cash Flows

The net impact of the proposed second quarter budget revision is that the estimated cash balance at 30 June 2019 will decrease from \$22.98 million to \$12.85 million in the second quarter revised budget. The decrease in cash holdings is an adjustment to the timing of the receipt of funds for land proceeds (-\$7.57 million) to the following financial year, and a net increase in cash flows relating to capital activities of \$3.27 million (See Statement of Cash Flows for more details)

### Income and Expenditure

Overall, the forecast Operating Deficit has improved from the first quarter revised budget to a deficit of \$253k. Council has received an advance payment from the State Government for \$804k to offset the waste levy for residential waste prior to the commencement of the scheme in 1 July 2019. Over the long term, Council maintains the ability to achieve the operating surplus efficiency target range of between 0% & 10%.

Capital Income is forecast to increase from the first quarter revised budget of \$14.16 million to \$14.33 million. The reduction in contributions from developers is offset by an increase in expected capital grants & subsidies.

### Capital Projects

Forecast expenditure on capital projects has increased slightly by \$3.45 million and is predominately related capital that has external funding. The revised capital project budget was \$48.71 million with \$12.38 million in capital grants and subsidies to be received. The second quarter revised capital project budget is proposed to be \$52.15 million with \$13.78 million expected to be received in capital grants and subsidies.

### Financial Sustainability

Under the *Local Government Regulation 2012*, Council must prepare an accrual based budget for each financial year which is consistent with the 5-year Corporate Plan and Annual Operational Plan. To comply with the *Local Government Regulation 2012*, Council must also publish results against a series of measures of financial sustainability for the budget year and the next nine (9) years. Amended (revised) budgets must also comply with these requirements.

The 2018-19 Revised Budget (19Q2) results against each measure of financial sustainability are compared to the current adopted budget and given in the following table:

Relevant Measure of Financial Sustainability	Adopted Budget	Revised Budget (19Q1)	Revised Budget (19Q2)	Recommended Target
<b>Asset Sustainability Ratio</b>	51.5%	51.2%	55.9%	Greater than 90%
<b>Net Financial Liabilities Ratio</b>	78.6%	69.7%	79.5%	Less than 60%
<b>Operating Surplus Ratio</b>	-1.6%	-1.6%	-0.3%	Between 0% and 10%

The Asset Sustainability Ratio remains less than the recommended target, this is mainly due to the value of new infrastructure required to be constructed as existing assets have reached capacity (Yeppoon Sewerage Treatment Plant and Yeppoon Cemetery). This ratio is not proposed to materially change with the proposed revised budget

Whilst the Net Financial Liabilities Ratio is greater than the recommended target, this remains forecast to fall below the upper level target by 2020-21. This ratio has worsened with the proposed revised budget largely due to the lower closing cash balances forecast for 30 June 2019.

Whilst the Operating Surplus Ratio is less than the recommended range for 2018-19, it is forecast to remain within the target parameters for the next nine (9) years. The operating surplus ratio has improved with the 19Q2 revised budget.

The results of the full ten years are shown in the Measures of Financial Sustainability and show that on average the Net Financial Liabilities Ratio and the Operating Surplus Ratio are within the indicators over the long term. The Asset Sustainability Ratio improves over the long term and is forecast to achieve the recommended target in 2025-26.

#### Estimated Activity Statements

Pursuant to Section 34 of the *Local Government Regulation 2012*, the estimated activity statements for the business activities of Waste & Sewerage Operations, Building Certification activities, Waste and Caravan Parks Operations are presented in Attachment 3 to this report.

#### **PREVIOUS DECISIONS**

The 2018-19 Budget was adopted at the Special Council Meeting held on the 24 July 2018.

The 2018-19 Revised Budget was adopted at the Ordinary Meeting held on 6 November 2018.

#### **BUDGET IMPLICATIONS**

The budgeted operating deficit is largely contingent upon containing estimated costs within the budgeted amount. Despite a significant improvement in the operating deficit, there is limited scope for new projects and additional funding for services in the short term whilst working towards achieving a balanced budget in 2019-20. Should the need arise for additional funds during the year, offset savings and re-prioritisation of resources will be required and these will be addressed through regular budget reviews.

The use of Council's day labour on capital projects will need to be maintained and any diversion from capital projects to operational projects will impact on the operating result.

If Council can contain its costs and maintain revenue at the level outlined in the 2018-19 Revised Budget (19Q2) and forward estimates, Council is forecasted to maintain operating surpluses for the life of the long term financial forecast.

Changes in accounting standards which come into effect over the next three financial years will impact on the timing of revenues being brought to account.. Under the new standards the revenue will need to be treated as received in advance and therefore a timing issue will arise in the first year.

**LEGISLATIVE CONTEXT**

*Local Government Act* Section 104 (2), 110

*Local Government Regulation 2012* Sections 169 and 170.

In accordance with Section 34 of the *Local Government Regulation 2012*, Council's Budget is required to contain an estimated activity statement of each business activity.

**LEGAL IMPLICATIONS**

The revised budget complies with *Local Government Regulation 2012*, Sections 169 and 170 and is therefore valid.

**STAFFING IMPLICATIONS**

Matters arising from this report will be dealt with in accordance with existing delegations.

**RISK ASSESSMENT**

Expenditure can only be incurred if Council has provided for it in an adopted or amended budget. From a governance perspective it would be prudent for Council to amend the budget and through that process, give direction to all staff responsible for the budget.

Council manages financial risk by:

- the use of planning, project and program management and risk management methodologies;
- developing and maintaining operational plans for the delivery of projects and services;
- regular reporting on all key projects funded by the Annual Operational Plan and Budget;
- monitoring the efficiency and effectiveness of services delivered within the Annual Operational Plan and Budget both quarterly and annual reporting by the CEO to Council;
- monthly reporting on financial position and performance on operating activities and capital projects to Councillors, executives and staff.
- ensuring executives and staff within Council are both appropriately skilled and accountable for identifying and effectively managing costs within their area of responsibility; and
- providing tools, training and advice to the Organisation to ensure effective management of costs and financial obligations.

**CORPORATE/OPERATIONAL PLAN**

**Corporate Plan Reference:**     **Strategy GO3: Pursue financial sustainability through effective use of the Council's resources and assets and prudent management of risk.**

**LOCAL GOVERNMENT PRINCIPLES**

The Local Government principles are –

- (a) Transparent and effective processes and decision-making in the public interest; and
- (b) Sustainable development and management of assets and infrastructure and delivery of effective services; and
- (c) Democratic representation, social inclusion and meaningful community engagement; and
- (d) Good governance of, and by, Local Government; and



(e) Ethical and legal behaviour of Councillors and Local Government employees.

## **CONCLUSION**

Section 107A of the *Local Government Act 2009* and Sections 169 and 170 of the *Local Government Regulation 2012*, prescribe the requirements for the adoption of Council's amended (revised) budget. This report complies with the requirements of the regulation.

Council regularly reviews its adopted and revised budgets and makes appropriate adjustments to promote transparent financial management. Council is committed to establishing rigour into its financial management and reporting process by undertaking quarterly budget reviews. Quarterly budget reviews act as a barometer of Council's financial health during the year. Quarterly Budget Reviews, in conjunction with regular reporting on financial position and performance on both operating activities and capital projects to Councillors, executives and staff, promotes a culture of prudent financial management.

## **12.6 - QUARTERLY BUDGET REVIEW (19Q2)**

### **2018-19 Revised Budget Statements (19Q2)**

**Meeting Date: 19 February 2019**

**Attachment No: 1**

STATEMENT OF FINANCIAL POSITION																		
2018-19 REVISED BUDGET (19Q2) AND LONG TERM FINANCIAL FORECAST 2019 TO 2028																		
	Original Budget 2018-19 \$'000	Approved Changes 19Q1 \$'000	Revised Budget (19Q1) 2018-19 \$'000	Recommended Changes \$'000	Proposed Budget (19Q2) 2018-19 \$'000	Variance from Original Budget \$'000	%	Note		Forecast (19Q2) 2019-20 \$'000	Forecast (19Q2) 2020-21 \$'000	Forecast (19Q2) 2021-22 \$'000	Forecast (19Q2) 2022-23 \$'000	Forecast (19Q2) 2023-24 \$'000	Forecast (19Q2) 2024-25 \$'000	Forecast (19Q2) 2025-26 \$'000	Forecast (19Q2) 2026-27 \$'000	Forecast (19Q2) 2027-28 \$'000
Asset																		
Current Assets																		
Cash and Cash equivalents	14,945	8,039	22,984	(10,139)	12,845	(2,099)	-14.0%	(a)		21,361	24,964	24,941	19,567	16,558	12,770	13,364	14,724	17,558
Trade and other receivables	8,069	-	8,069	219	8,287	219	2.7%			8,420	8,619	8,958	9,216	9,235	9,580	10,099	10,452	10,593
Inventories	8,222	(615)	7,607	-	7,607	(615)	-7.5%	(b)		6,931	5,980	4,638	4,638	4,638	4,638	4,638	4,638	4,638
Other current assets	1,374	(444)	930		930	(444)	-32.3%	(c)		930	930	930	930	930	930	930	930	930
Total Current Assets	32,609	6,980	39,589	(9,920)	29,670	(2,940)	-9.0%			37,643	40,492	39,468	34,351	31,361	27,918	29,032	30,744	33,719
Non-current assets																		
Land held for development or sale	256	1,506	1,762		7,552	9,314	9,058	3538.3%	(b)	2,184	2,184	2,184	2,184	2,184	2,184	2,184	2,184	2,184
Property, plant & equipment	1,026,380	(52,317)	974,063	3,746	977,809	(48,571)	-4.7%	(d)	980,244	978,569	997,754	1,030,730	1,033,874	1,040,002	1,047,031	1,072,892	1,105,032	
Other non-current assets	458	(458)	-	-	-	(458)	-100.0%	(c)		-	-	-	-	-	-	-	-	-
Total non-current assets	1,027,094	(51,269)	975,825	11,298	987,123	(39,971)	-3.9%		982,428	980,753	999,938	1,032,914	1,036,058	1,042,186	1,049,215	1,075,076	1,107,216	
TOTAL ASSETS	1,059,703	(44,289)	1,015,414	1,378	1,016,792	(42,911)	-4.0%		1,020,070	1,021,245	1,039,406	1,067,265	1,067,419	1,070,104	1,078,246	1,105,820	1,140,935	
Liabilities																		
Overdraft	-	-	-	-	-	-	0.0%		-	-	-	-	-	-	-	-	-	-
Current liabilities																		
Trade and other payables	4,070	-	4,070	110	4,180	110	2.7%	(c)	4,218	4,215	4,326	4,401	4,501	4,643	4,777	4,919	5,052	
Borrowings	4,989	-	4,989	(1)	4,989	(1)	0.0%		5,260	5,536	5,827	6,125	6,455	6,863	7,224	7,600	8,005	
Provisions	3,020	-	3,020	(0)	3,020	(0)	0.0%		4,789	5,614	5,982	3,160	3,163	3,166	3,169	3,172	3,170	
Other current liabilities	46	65	111	1	111	65	141.3%	(c)	111	111	111	111	111	111	111	111	111	
Total current liabilities	12,126	65	12,190	109	12,300	174	1.4%		14,378	15,476	16,245	13,798	14,230	14,783	15,281	15,803	16,337	
Non-current liabilities																		
Trade and other payables	351	(219)	132	-	132	(219)	-62.4%	(c)	132	132	132	132	132	132	132	132	132	
Borrowings	75,527	14	75,541	-	75,541	14	0.0%		70,281	64,745	58,918	52,793	46,338	41,436	34,212	26,612	18,607	
Provisions	12,044	(522)	11,522	-	11,522	(522)	-4.3%	(c)	10,049	7,744	5,084	5,259	5,444	5,639	5,844	6,059	6,276	
Total non-current liabilities	87,922	(727)	87,195	-	87,195	(727)	-0.8%		80,462	72,621	64,134	58,184	51,914	47,207	40,188	32,803	25,015	
TOTAL LIABILITIES	100,048	(662)	99,386	109	99,495	(553)	-0.6%		94,840	88,097	80,379	71,982	66,144	61,990	55,469	48,605	41,352	
NET COMMUNITY ASSETS	959,655	(43,626)	916,029	1,268	917,297	(42,358)	-4.4%		925,230	933,148	959,027	995,283	1,001,275	1,008,114	1,022,777	1,057,215	1,099,583	
Community Equity																		
Retained surplus	918,695	(21,706)	896,989	1,269	898,257	(20,438)	-2.2%		19,040	21,965	41,728	70,690	70,690	70,690	74,099	97,114	129,112	
Asset revaluation surplus	40,960	(21,920)	19,040	-	19,040	(21,920)	-53.5%	(b)	906,190	911,183	917,299	924,593	930,585	937,424	948,678	960,101	970,471	
TOTAL COMMUNITY EQUITY	959,655	(43,626)	916,029	1,269	917,297	(42,358)	-4.4%		925,230	933,148	959,027	995,283	1,001,275	1,008,114	1,022,777	1,057,215	1,099,583	

## Notes

- (a) Adjustment for opening balances based on audited financial statements for period ending 30 June 2018 (2017-18)(+ \$6.7m) offset by timing adjustment for proceeds from land sales (-\$7.1m) and net movement in capital grants and expenditure (- \$1.4m).
- (b) Adjustment for opening balances based on audited financial statements for period ending 30 June 2018 (2017-18) and timing adjustment for disposal of land held for sale.
- (c) Adjustment for opening balances based on audited financial statements for period ending 30 June 2018 (2017-18)
- (d) Adjustment for opening balances based on audited financial statements for period ending 30 June 2018 (2017-18) and changes to gross capital expenditure (excluding land held for sale).

STATEMENT OF CASH FLOWS 2018-19 REVISED BUDGET (19Q2) AND LONG TERM FINANCIAL FORECAST 2019 TO 2028																	
	Original Budget 2018-19 \$'000	Approved Changes 19Q1 \$'000	Revised Budget (19Q1) 2018-19 \$'000	Recommended Changes \$'000	Proposed Budget (19Q2) 2018-19 \$'000	Variance from Original Budget \$'000	%	Note	Forecast (19Q2) 2019-20 \$'000	Forecast (19Q2) 2020-21 \$'000	Forecast (19Q2) 2021-22 \$'000	Forecast (19Q2) 2022-23 \$'000	Forecast (19Q2) 2023-24 \$'000	Forecast (19Q2) 2024-25 \$'000	Forecast (19Q2) 2025-26 \$'000	Forecast (19Q2) 2026-27 \$'000	Forecast (19Q2) 2027-28 \$'000
<b>Cash Flows from Operating Activities</b>																	
Receipts from customers	78,053	(305)	77,748	1,033	78,781	728	0.9%		80,664	82,318	85,599	88,249	89,643	92,609	97,717	101,420	103,256
Payments to suppliers and employees	(59,951)	(9,832)	(69,783)	(1,148)	(70,931)	(10,980)	18.3%	(a)	(61,625)	(61,726)	(63,222)	(64,220)	(65,806)	(67,620)	(69,540)	(71,566)	(73,671)
Payments for land held as inventory	(1,860)	(180)	(2,040)	-	(2,040)	(180)	9.7%	(b)	-	-	-	-	-	-	-	-	-
Proceeds from sale of land held as inventory	7,824	-	7,824	(7,573)	251	(7,573)	-96.8%	(c)	8,395	1,012	2,034	-	-	-	-	-	-
Interest received	1,347	-	1,347	(210)	1,137	(210)	-15.6%		920	1,133	1,184	1,138	1,056	987	1,019	1,068	1,151
Borrowing costs	(4,109)	-	(4,109)	(0)	(4,109)	(0)	0.0%		(3,871)	(3,600)	(3,324)	(3,033)	(2,735)	(2,452)	(2,143)	(1,782)	(1,405)
Payment of landfill provision	-	-	-	-	-	-	0.0%		-	(1,789)	(2,614)	(2,982)	(160)	(163)	(166)	(169)	(172)
Non-capital grants and contributions	6,006	(23)	5,983	1,027	7,010	1,004	16.7%		7,210	7,320	7,438	7,556	6,860	6,898	7,032	7,173	7,320
<b>Cash inflow/(outflow) from Operating Activities</b>	<b>27,311</b>	<b>(10,341)</b>	<b>16,970</b>	<b>(6,871)</b>	<b>10,099</b>	<b>(17,212)</b>	<b>-63.0%</b>		<b>31,694</b>	<b>24,669</b>	<b>27,094</b>	<b>26,708</b>	<b>28,857</b>	<b>30,260</b>	<b>33,921</b>	<b>36,144</b>	<b>36,479</b>
<b>Cash flows from Investing Activities</b>																	
Payments for property, plant and equipment	(46,410)	(262)	(46,673)	(3,433)	(50,106)	(3,695)	8.0%	(d)	(25,696)	(19,258)	(23,866)	(29,548)	(29,940)	(31,561)	(29,734)	(29,816)	(28,435)
Grants and contributions received	12,158	2,041	14,199	165	14,364	2,206	18.1%	(e)	7,508	3,452	2,285	3,292	4,199	2,007	3,270	2,255	2,391
Proceeds from the sale of assets	233	-	233	-	233	-	0.0%		-	-	-	-	-	-	-	-	-
Other investing activities	(191)	-	(191)	-	(191)	-	0.0%		-	-	-	-	-	-	-	-	-
<b>Cash inflow/(outflow) from Investing Activities</b>	<b>(34,210)</b>	<b>1,778</b>	<b>(32,432)</b>	<b>(3,268)</b>	<b>(35,700)</b>	<b>(1,490)</b>	<b>4.4%</b>		<b>(18,189)</b>	<b>(15,806)</b>	<b>(21,581)</b>	<b>(26,256)</b>	<b>(25,741)</b>	<b>(29,554)</b>	<b>(26,464)</b>	<b>(27,561)</b>	<b>(26,044)</b>
<b>Cash flows from Financing Activities</b>																	
Proceeds from borrowings	-	-	-	-	-	-	0.0%		-	-	-	-	-	2,000	-	-	-
Repayment of borrowings	(4,751)	-	(4,751)	-	(4,751)	-	0.0%		(4,989)	(5,260)	(5,536)	(5,827)	(6,125)	(6,494)	(6,863)	(7,224)	(7,600)
<b>Cash inflow/(outflow) from Financing Activities</b>	<b>(4,751)</b>	<b>-</b>	<b>(4,751)</b>	<b>-</b>	<b>(4,751)</b>	<b>-</b>	<b>0.0%</b>		<b>(4,989)</b>	<b>(5,260)</b>	<b>(5,536)</b>	<b>(5,827)</b>	<b>(6,125)</b>	<b>(4,494)</b>	<b>(6,863)</b>	<b>(7,224)</b>	<b>(7,600)</b>
<b>Net increase/(decrease) in Cash Held</b>	<b>(11,650)</b>	<b>(8,563)</b>	<b>(20,213)</b>	<b>(10,139)</b>	<b>(30,352)</b>	<b>(18,701)</b>	<b>160.5%</b>		<b>8,516</b>	<b>3,602</b>	<b>(22)</b>	<b>(5,374)</b>	<b>(3,009)</b>	<b>(3,788)</b>	<b>594</b>	<b>1,360</b>	<b>2,835</b>
<b>Cash at the beginning of the financial year</b>	<b>26,595</b>	<b>16,602</b>	<b>43,197</b>	<b>-</b>	<b>43,197</b>	<b>16,602</b>	<b>62.4%</b>	(c)	<b>12,845</b>	<b>21,361</b>	<b>24,964</b>	<b>24,941</b>	<b>19,567</b>	<b>16,558</b>	<b>12,770</b>	<b>13,364</b>	<b>14,724</b>
<b>Cash at the end of the financial year</b>	<b>14,945</b>	<b>8,039</b>	<b>22,984</b>	<b>(10,139)</b>	<b>12,845</b>	<b>(2,099)</b>	<b>-14.0%</b>		<b>21,361</b>	<b>24,964</b>	<b>24,941</b>	<b>19,567</b>	<b>16,558</b>	<b>12,770</b>	<b>13,364</b>	<b>14,724</b>	<b>17,558</b>
<b>Notes</b>																	
(a) Accrued creditors (invoices relating to 2017-18) higher than previously forecast,																	
(b) Increase in budget allowance required to complete the Homemaker development.																	
(c) Proceeds from sales of land development to be received in 2019-20.																	
(d) Adjustment for updating capital expenditure.																	
(e) Reduction in anticipated developer contributions (-\$1.2m), offset by increase in expected capital grants & subsidies (\$3.4m)																	
(d) Adjustment for opening balances based on audited financial statements for period ending 30 June 2018 (2017-18)																	

STATEMENT OF INCOME AND EXPENDITURE 2018-19 REVISED BUDGET (19Q2) AND LONG TERM FINANCIAL FORECAST 2019 TO 2028									
	Original Budget 2018-19 \$'000	Approved Changes 19Q1 \$'000	Revised Budget (19Q1) 2018-19 \$'000	Recommended Changes \$'000	Proposed Budget (19Q2) 2018-19 \$'000	Variance from Original Budget \$'000	%	Note	
									Forecast (19Q2) 2019-20 \$'000
									Forecast (19Q2) 2020-21 \$'000
									Forecast (19Q2) 2021-22 \$'000
									Forecast (19Q2) 2022-23 \$'000
									Forecast (19Q2) 2023-24 \$'000
									Forecast (19Q2) 2024-25 \$'000
									Forecast (19Q2) 2025-26 \$'000
									Forecast (19Q2) 2026-27 \$'000
									Forecast (19Q2) 2027-28 \$'000
<b>Operating Income</b>									
Gross rates and utility charges	77,763		77,763	162	77,925	162	0.2%		80,546
Less: discounts & remissions	(6,264)		(6,264)	0	(6,264)	0	0.0%		(6,617)
Net rates and utility charges	71,498	-	71,498	162	71,660	162	0.2%		73,928
Fees and charges	3,714		3,714	14	3,728	14	0.4%		4,849
Rental Income	339		339	-	339	-	0.0%		398
Interest revenue	1,347		1,347	(210)	1,137	(210)	-15.6%	(a)	920
Sales revenue	2,448		2,448	917	3,364	917	37.4%	(b)	1,702
Operational grants and subsidies	6,009		6,009	1,049	7,059	1,049	17.5%	(c)	7,224
Other income	408		408	117	526	117	28.7%	(d)	539
<b>Total Operating Income</b>	<b>85,764</b>	<b>-</b>	<b>85,764</b>	<b>2,049</b>	<b>87,813</b>	<b>2,049</b>	<b>2.4%</b>		<b>89,560</b>
									<b>91,075</b>
									<b>95,299</b>
									<b>97,249</b>
									<b>97,626</b>
									<b>100,890</b>
									<b>106,342</b>
									<b>110,069</b>
									<b>111,925</b>
<b>Capital Income</b>									
Contributions from developers	1,823		1,823	(1,241)	582	(1,241)	-68.1%	(e)	1,500
Capital grants and subsidies	10,335	2,041	12,376	1,406	13,782	3,447	27.9%	(f)	6,008
Donated assets	-		-	-	-	-	0.0%		-
Other capital income	(37)		(37)	-	(37)	-	0.0%		-
<b>Total Capital Income</b>	<b>12,121</b>	<b>2,041</b>	<b>14,162</b>	<b>165</b>	<b>14,327</b>	<b>2,206</b>	<b>15.6%</b>		<b>7,508</b>
									<b>3,452</b>
									<b>2,285</b>
									<b>3,292</b>
									<b>4,199</b>
									<b>2,007</b>
									<b>3,270</b>
									<b>2,255</b>
									<b>2,391</b>
<b>Total Income</b>	<b>97,885</b>	<b>2,041</b>	<b>99,926</b>	<b>2,214</b>	<b>102,140</b>	<b>4,255</b>	<b>4.3%</b>		<b>97,068</b>
									<b>94,527</b>
									<b>97,584</b>
									<b>100,541</b>
									<b>101,825</b>
									<b>102,897</b>
									<b>109,612</b>
									<b>112,325</b>
									<b>114,316</b>
<b>Operating expenses</b>									
Employee benefits	31,729	(15)	31,714	(216)	31,498	(231)	-0.7%		30,774
Materials and services	27,075	15	27,090	1,438	28,528	1,453	5.4%	(g)	29,685
Depreciation and amortisation	22,777		22,777	(313)	22,464	(313)	-1.4%		23,262
Finance Costs	165		165	0	165	0	0.0%		170
External loan interest expense	4,109		4,109	-	4,109	-	0.0%		3,871
Other operating expenses	1,266		1,266	37	1,303	37	2.9%		1,227
<b>Total Operating Expenses</b>	<b>87,121</b>	<b>-</b>	<b>87,121</b>	<b>946</b>	<b>88,067</b>	<b>946</b>	<b>1.1%</b>		<b>88,989</b>
									<b>89,385</b>
									<b>91,316</b>
									<b>93,092</b>
									<b>95,675</b>
									<b>95,897</b>
									<b>98,195</b>
									<b>100,735</b>
									<b>103,779</b>
<b>Capital Expenses</b>									
Restoration and rehabilitation provision	143		143	-	143	-	0.0%		146
<b>Total Capital Expenses</b>	<b>143</b>	<b>-</b>	<b>143</b>	<b>-</b>	<b>143</b>	<b>-</b>	<b>0.0%</b>		<b>146</b>
									<b>149</b>
									<b>152</b>
									<b>155</b>
									<b>158</b>
									<b>161</b>
									<b>164</b>
									<b>167</b>
<b>Net Result</b>	<b>10,621</b>	<b>2,041</b>	<b>12,662</b>	<b>1,268</b>	<b>13,930</b>	<b>3,309</b>	<b>26.1%</b>		<b>7,933</b>
									<b>4,993</b>
									<b>6,116</b>
									<b>7,294</b>
									<b>5,992</b>
									<b>6,839</b>
									<b>11,254</b>
									<b>11,423</b>
									<b>10,370</b>
<b>Operating Result</b>	<b>(1,357)</b>	<b>-</b>	<b>(1,357)</b>	<b>1,104</b>	<b>(253)</b>	<b>1,104</b>	<b>-81.3%</b>		<b>572</b>
									<b>1,690</b>
									<b>3,983</b>
									<b>4,157</b>
									<b>1,951</b>
									<b>4,993</b>
									<b>8,148</b>
									<b>9,334</b>
									<b>8,147</b>

## Notes

- (a) Adjustment to reflect lower anticipated position due to lower cash balances held during the financial year.  
 (b) Recognition of revenue from private works, will be offset by increase in expenditure. Net return of \$165k.  
 (c) Council has received \$847k from the State to offset the waste levy for residential waste prior to commencement of the waste levy scheme on 1 July 2019.  
 (d) Recognition of movement in recoverable costs (legal fees +\$60k)  
 (e) Reduction of infrastructure charges to reflect current conditions. Reduction of anticipated infrastructure charges forecast over the long term.  
 (f) Adjustment to reflect expected capital grants & subsidies to be received in 2018-19 based on current funding approvals and submissions.  
 (g) Increase in private works expenditure (refer to Note B), offset by reduction in internal overhead allocation to operational activities.

STATEMENT OF CHANGES IN EQUITY 2018-19 REVISED BUDGET (19Q2) AND LONG TERM FINANCIAL FORECAST 2019 TO 2028																	
	Original Budget 2018-19 \$'000	Approved Changes 19Q1 \$'000	Revised Budget (19Q1) 2018-19 \$'000	Recommended Changes \$'000	Proposed Budget (19Q2) 2018-19 \$'000	Variance from Original Budget \$'000	%	Note	Forecast (19Q2) 2019-20 \$'000	Forecast (19Q2) 2020-21 \$'000	Forecast (19Q2) 2021-22 \$'000	Forecast (19Q2) 2022-23 \$'000	Forecast (19Q2) 2023-24 \$'000	Forecast (19Q2) 2024-25 \$'000	Forecast (19Q2) 2025-26 \$'000	Forecast (19Q2) 2026-27 \$'000	Forecast (19Q2) 2027-28 \$'000
<b>Retained Surplus</b>																	
Opening balance	908,073	(23,746)	884,327	-	884,327	(23,746)	-2.6%	(a)	898,257	906,190	911,183	917,299	924,593	930,585	937,424	948,678	960,101
Net Result	10,622	2,040	12,662	1,269	13,930	3,308	31.1%	(b)	7,933	4,993	6,116	7,294	5,992	6,839	11,254	11,423	10,370
<b>Closing Balance</b>	<b>918,695</b>	<b>(21,706)</b>	<b>896,989</b>	<b>1,269</b>	<b>898,257</b>	<b>(20,438)</b>	<b>-2.2%</b>		<b>906,190</b>	<b>911,183</b>	<b>917,299</b>	<b>924,593</b>	<b>930,585</b>	<b>937,424</b>	<b>948,678</b>	<b>960,101</b>	<b>970,471</b>
<b>Asset Revaluation Surplus</b>																	
Opening balance	40,960	(21,920)	19,040	-	19,040	(21,920)	-53.5%	(a)	19,040	19,040	21,965	41,728	70,690	70,690	70,690	74,099	97,114
Change in asset revaluation surplus	-	-	-	-	-	-	0.0%		-	2,925	19,763	28,962	-	-	3,409	23,016	31,997
<b>Closing Balance</b>	<b>40,960</b>	<b>(21,920)</b>	<b>19,040</b>	<b>-</b>	<b>19,040</b>	<b>(21,920)</b>	<b>-53.5%</b>		<b>19,040</b>	<b>21,965</b>	<b>41,728</b>	<b>70,690</b>	<b>70,690</b>	<b>70,690</b>	<b>74,099</b>	<b>97,114</b>	<b>129,112</b>
<b>Total Community Equity</b>	<b>959,655</b>	<b>(43,626)</b>	<b>916,029</b>	<b>1,269</b>	<b>917,297</b>	<b>(42,358)</b>	<b>-4.4%</b>		<b>925,230</b>	<b>933,148</b>	<b>959,027</b>	<b>995,283</b>	<b>1,001,275</b>	<b>1,008,114</b>	<b>1,022,777</b>	<b>1,057,215</b>	<b>1,099,583</b>
<b>Notes</b>																	
(a) Adjustment for opening balances based on audited financial statements for period ending 30 June 2018 (2017-18)																	
(b) Improved net result due to adjustments made in to the Statement of Income and Expenditure.																	

## **12.6 - QUARTERLY BUDGET REVIEW (19Q2)**

### **2018-19 Revised Budget (19Q2) Measures of Financial Sustainability**

**Meeting Date: 19 February 2019**

**Attachment No: 2**



## MEASURES OF FINANCIAL SUSTAINABILITY

## 2018-19 REVISED BUDGET (19Q2) AND LONG TERM FINANCIAL FORECAST 2019 TO 2028

In accordance with section 169 of the Local Government Regulation 2012, the Council is required to disclose in the budget certain measures of financial sustainability.

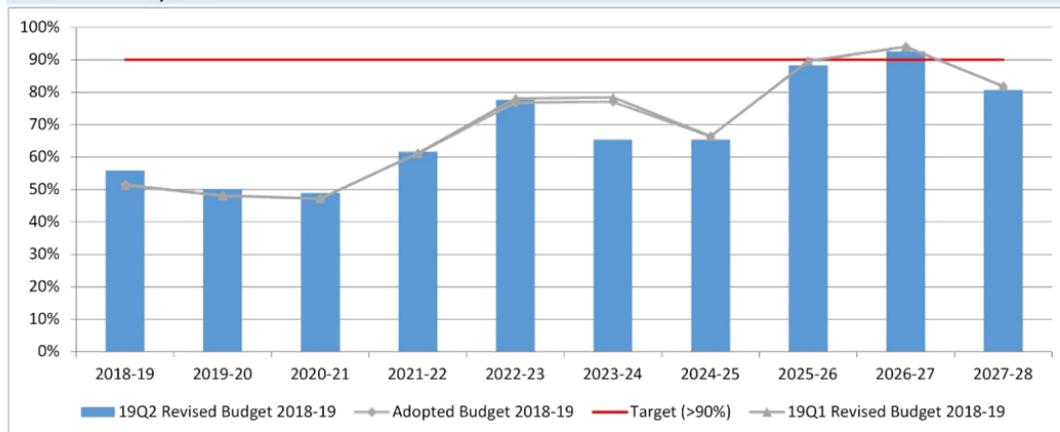
The Queensland Government defines a sustainable local government as being 'able to maintain its financial capital and infrastructure capital over the long term' (Local Government Act 2009, section 104(2)).

To ensure the Council continues along the path of financial sustainability into the future, key long term strategic plans are developed and integrated, demonstrating a strategy is in place to manage the financial implications of its long term planning.

The three financial sustainability measures cover the period of the annual budget plus the next nine financial years (10 years in total).

The target indicated in each graph are sourced from the 'Financial management (sustainability) guideline 2013' which is available from the website of The Department of Local Government, Racing and Multicultural Affairs.

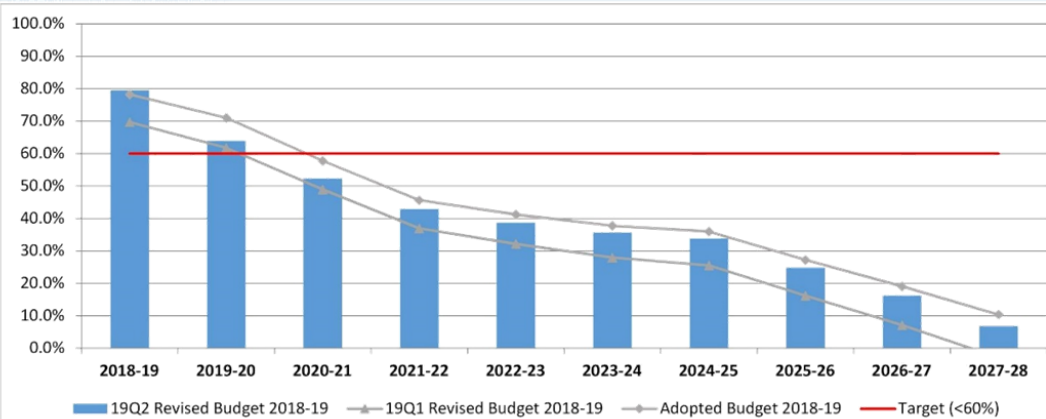
## Asset Sustainability Ratio



Description	Measure	Target
Demonstrates the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.	Capital expenditure on replacement assets Depreciation expense	Greater than 90% (on average over the long term)
<b>Commentary</b> Capital expenditure can broadly be classified as New (building something entirely new) or renewal (replacing an old asset with a new one). This ratio measures how much capital expenditure goes toward replacing existing assets each year when divided by depreciation expense. As the ten year forecast indicates Council's ratio is below the target of 90% or better improves significantly which reflects Councils commitment to investing in existing assets over new assets.		



## Net Financial Liabilities Ratio

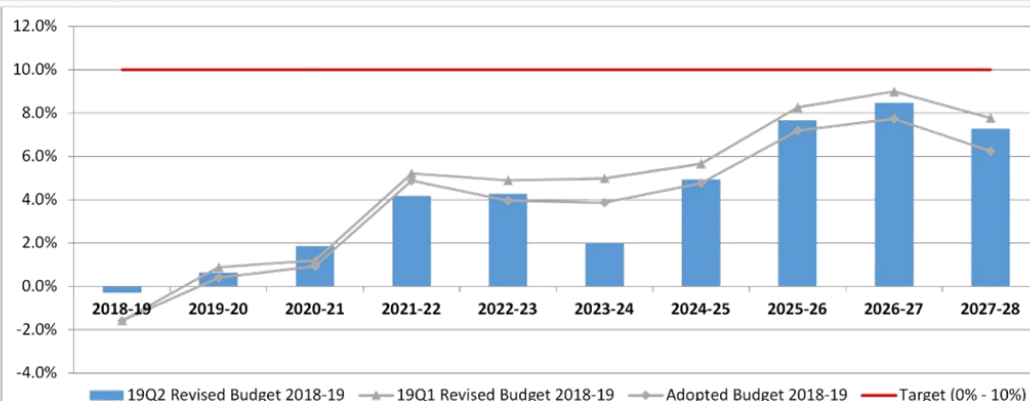


Description	Measure	Target
Demonstrates the extent to which the net financial liabilities of Council can be serviced by its operating revenues.	$\frac{\text{Total Liabilities less Current Asset}}{\text{Operating Revenue}}$	Not greater than 60% (on average over the long term)

## Commentary

Council is forecasting high (greater than 60%) for the first three (3) years in the ten year forecast period. This is indicative of the significant reduction in planned borrowings that Council had previously forecast and a transition towards using its own cash to fund capital projects. The timing variance from the proceeds of land development sales, in conjunction with downgraded forecasts from infrastructure has increased this ratio for the 19Q2 Revised Budget. Council remains on track to achieve the target of less than 60% in 2020-21.

## Operating Surplus Ratio



Description	Measure	Target
Demonstrates the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes	$\frac{\text{Net operating surplus/(deficit)}}{\text{Operating Revenue}}$	Between 0 & 10% (on average over the long term)

## Commentary

Council is forecasting a positive (greater than 0%) operating surplus ratio in nine (9) out of the ten years taking into consideration a

slight decline in operating result performance as a result of the second quarter budget review for 2018-19. A positive ratio indicates that recurring operating revenue exceeds recurring operating expenses and this assists in funding capital expenditure. This can result in less reliance on borrowing money to fund capital expenditure and thus reduces Council debt. The positive operating surplus ratio of Council for the majority of the ten year period is a good indicator of long term sustainability. The operating surplus ratio was improved in 19Q2 Revised Budget with the receipt of the waste levy paid in advance for residential waste prior to the 1 July commencement date of the waste levy scheme. This advance payment will offset the cost of the levy for residential waste to the landfill only.

**TOTAL VALUE OF CHANGE IN RATES AND CHARGES LEVIED FROM 2017-18  
2018-19 REVISED BUDGET (19Q2) AND LONG TERM FINANCIAL FORECAST 2019 TO 2028**

In accordance with section 169 of the *Local Government Regulation 2012*, the Council is required to report the total value of the change, expressed as a percentage in the rates and utility charges levied for the financial year (2018-19) compared with the rates and utility charges levied in the previous budget (2017-18). Council has also included the total value of change based on the actual results for 2017-18. The calculation of this percentage for a financial year excludes rebates and discounts applicable on rates and utility charges.

	2017-18 Original Budget	2017-18 Actual	2018-19 Proposed Budget (19Q2)	2017-18 Original vs 2018-19 Proposed Budget (19Q2)		2017-18 Actual Results vs 2018-19 Proposed Budget (19Q2)	
	\$000	\$000	\$000	Variance \$000	Variance %	Variance \$	Variance %
General Rates	32,176	32,561	31,934	(242)	(0.8%)	(627)	(1.9%)
Separate Charges	10,430	10,242	11,057	626	6.0%	815	8.0%
Special Charges	162	404	386	224	137.8%	(18)	(4.5%)
Water Utility and consumption charges	15,518	16,299	17,102	1,584	10.2%	803	4.9%
Waste charges	6,288	6,316	6,644	357	5.7%	328	5.2%
Sewerage Charges	10,291	10,175	10,802	511	5.0%	627	6.2%
<b>Total Rates and Charges Levied</b>	<b>74,864</b>	<b>75,997</b>	<b>77,925</b>	<b>3,061</b>	<b>4.1%</b>	<b>1,928</b>	<b>2.5%</b>

## **12.6 - QUARTERLY BUDGET REVIEW (19Q2)**

### **2018-19 Revised Budget (19Q2) Estimated Activity Statements**

**Meeting Date: 19 February 2019**

**Attachment No: 3**

## 2018-19 QUARTER 2 REVISED ESTIMATED ACTIVITY STATEMENTS

Council has decided by resolution that the Code of Competitive Conduct is to be applied to the following Business Activities for the 2018-19 Financial Year:

	SIGNIFICANT BUSINESS ACTIVITY	OTHER BUSINESS ACTIVITIES			
Budget Report	Water & Sewerage Operations \$	Waste Operations \$	Building Certification \$	Caravan Parks	\$
Operational Revenues for services provided to Council	\$16,000	\$300,000	\$0		\$0
Operational Revenues for services provided to External Clients	\$26,507,194	\$7,884,724	\$220,000		\$322,010
Community Service Obligations	\$0	\$294,500	\$0		\$0
Total Operational Revenue	\$26,523,194	\$8,479,224	\$220,000		\$322,010
Less: Operational Expenditure	\$22,328,833	\$7,027,503	\$159,489		\$341,009
Estimated Operational Surplus/(Deficit)	<b>\$4,194,361</b>	<b>\$1,451,721</b>	<b>\$60,511</b>		<b>-\$18,999</b>
<b>List of Community Service Obligations (CSO)</b>					
Charity Waste and Green Waste Disposal Vouchers	\$0	\$294,500	\$0		\$0
<b>Total</b>	<b>\$0</b>	<b>\$294,500</b>	<b>\$0</b>		<b>\$0</b>

The CSO value is determined by Council and represents an activity's costs which would not be incurred if the activity's primary objective was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council. The 2018-19 Quarter 2 Revised Budget provides \$294,500 of CSO's by Council to the Waste Operations Business Activity comprised as follows:

Disposal of unwanted materials by approved charities at Council's waste facilities	\$20,000
Green waste disposal vouchers provided to residential ratepayers for disposal of eligible green waste materials at Council's waste facilities	\$274,500
	<b>\$294,500</b>

## 13 CLOSED SESSION

In accordance with the provisions of section 275 of the *Local Government Regulation 2012*, a local government may resolve to close a meeting to the public to discuss confidential items, such that its Councillors or members consider it necessary to close the meeting.

### RECOMMENDATION

THAT the meeting be closed to the public to discuss the following items, which are considered confidential in accordance with section 275 of the *Local Government Regulation 2012*, for the reasons indicated.

**14.1 Outstanding infrastructure contributions for Multiple dwelling units (seven (7) units) at 16-24 Birdwood Avenue, Yeppoon**

This report is considered confidential in accordance with section 275(1)(g), of the *Local Government Regulation 2012*, as it contains information relating to any action to be taken by the local government under the Planning Act, including deciding applications made to it under that Act.

**14.2 Acquisition of Easement for Water Supply Purposes - Ironpot**

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

## 14 CONFIDENTIAL REPORTS

### 14.1 OUTSTANDING INFRASTRUCTURE CONTRIBUTIONS FOR MULTIPLE DWELLING UNITS (SEVEN (7) UNITS) AT 16-24 BIRDWOOD AVENUE, YEPPON

**File No:** D-71-2011

**Attachments:**

1. Locality Plan
2. Decision Notice and Approved Plans

**Responsible Officer:** Erin McCabe - Co-ordinator Development Assessment  
David Battese - Manager Strategy & Development

**Author:** Jenna Brosseuk - Senior Planning Officer

This report is considered confidential in accordance with section 275(1)(g), of the *Local Government Regulation 2012*, as it contains information relating to any action to be taken by the local government under the Planning Act, including deciding applications made to it under that Act.

---

#### SUMMARY

*This report provides seeks Councils decision on a request made by Robert Harris, the Chairman of Trustees for the Yeppoon Rotary Birdwood Estate Benevolent Fund, to waive payment of outstanding contributions for a unit development at 16-24 Birdwood Avenue, Yeppoon.*

**14.2 ACQUISITION OF EASEMENT FOR WATER SUPPLY PURPOSES - IRONPOT****File No:** 5.2.4-001**Attachments:**

1. SP213739
2. Drawing No 19-091-01 and 19-091-02

**Responsible Officer:** Dan Toon - Acting Chief Executive Officer**Author:** Carrie Burnett - Policy & Planning Officer

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating to other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

---

**SUMMARY**

*This report relates to the acquisition of a water supply easement at Yeppoon Road Ironpot.*



**15 URGENT BUSINESS/QUESTIONS**

*Urgent Business is a provision in the Agenda for members to raise questions or matters of a genuinely urgent or emergent nature, that are not a change to Council Policy and can not be delayed until the next scheduled Council or Committee Meeting.*

## **16 CLOSURE OF MEETING**