



ORDINARY MEETING

AGENDA

4 FEBRUARY 2020

Your attendance is required at an Ordinary meeting of Council to be held in the Council Chambers, 4 Lagoon Place, Yeppoon on 4 February 2020 commencing at 9.00am for transaction of the enclosed business.

Brett Bacon
ACTING CHIEF EXECUTIVE OFFICER
30 January 2020

Next Meeting Date: 18.02.20

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	4
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	9.00AM - DEPUTATION - LEGACY ROCKHAMPTON & CENTRAL QUEENSLAND	7
7	BUSINESS ARISING OR OUTSTANDING FROM PREVIOUS MEETINGS	8
7.1	LIFTING MATTERS LAYING ON THE TABLE - BANGALEE BEACH ACCESS.....	8
7.2	LIFTING MATTER LAYING ON THE TABLE - PROPOSED TOURIST PARK	10
8	PRESENTATION OF PETITIONS.....	12
	NIL	12
9	MAYORAL MINUTE	13
	NIL	13
10	COUNCILLOR/DELEGATE REPORTS	14
	NIL	14
11	AUDIT, RISK AND BUSINESS IMPROVEMENT COMMITTEE REPORTS.....	15
11.1	AUDIT, RISK AND BUSINESS IMPROVEMENT COMMITTEE MEETING - 2 DECEMBER 2019	15
12	REPORTS.....	18
12.1	MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 DECEMBER 2019	18
12.2	QUARTERLY BUDGET REVIEW (20Q2)	40
12.3	PROPOSED TOURIST PARK AT 176 COBRABALL ROAD BONDOOLA	57
12.4	CYCLE NETWORK LOCAL GOVERNMENT GRANTS PROGRAM 2020/21 - SHARED PATH FUNDING	64
13	QUESTIONS/STATEMENT/MOTIONS ON NOTICE FROM COUNCILLORS	69

13.1	NOTICE OF MOTION - COUNCILLOR ADAM BELOT - BANGALEE BEACH ACCESS CONSULTATION.....	69
13.2	QUESTIONS ON NOTICE - COUNCILLOR GLENDA MATHER - GREAT KEPPEL ISLAND REVITALISATION PROJECT	73
14	URGENT BUSINESS/QUESTIONS	76
15	CLOSED SESSION	77
16.1	POTENTIAL SALE OF LOT 18 ON SURVEY PLAN 296924 AT THE GATEWAY BUSINESS AND INDUSTRY PARK	
16.2	PROPERTIES ELIGIBLE FOR SALE OF LAND FOR RATE ARREARS	
16.3	ACQUISITION OF LAND	
16	CONFIDENTIAL REPORTS.....	78
16.1	POTENTIAL SALE OF LOT 18 ON SURVEY PLAN 296924 AT THE GATEWAY BUSINESS AND INDUSTRY PARK.....	78
16.2	PROPERTIES ELIGIBLE FOR SALE OF LAND FOR RATE ARREARS	79
16.3	ACQUISITION OF LAND	80
17	CLOSURE OF MEETING.....	81

1 OPENING

Acknowledgement of Country

"I would like to take this opportunity to respectfully acknowledge the Darumbal People. The traditional custodians and elders past, present and emerging of the land on which this meeting is taking place today."

2 ATTENDANCE

Members Present:

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

Officers in Attendance:

Mr Brett Bacon – Acting Chief Executive Officer
Mr Dan Toon – Executive Director Infrastructure
Mrs Andrea Ellis – Chief Financial Officer
Mr Matthew Willcocks - Chief Technology Officer
Mrs Belinda Housman – Acting Chief Human Resources Officer

3 LEAVE OF ABSENCE / APOLOGIES

Nil

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Minutes of the Special Meeting held 17 January 2020

Minutes of the Ordinary Meeting held 21 January 2020

5 DECLARATION OF INTEREST IN MATTERS ON THE AGENDA

6 PUBLIC FORUMS/DEPUTATIONS

6.1 9.00AM - DEPUTATION - LEGACY ROCKHAMPTON & CENTRAL QUEENSLAND

File No: GV13.4.3
Attachments: Nil
Responsible Officer: Brett Bacon - Acting Chief Executive Officer
Author: Justine Schofield - Administration Officer

SUMMARY

Mr Brendan Cox, Chief Executive Officer of the Legacy Club of Brisbane and Mrs Carol Gorton, Community Engagement Volunteer Legacy Rockhampton and Central Queensland, will address Council to provide information regarding the work of Legacy in regional Queensland and more specifically, within the Livingstone Shire.

OFFICER'S RECOMMENDATION

THAT the deputation be received.

BACKGROUND

Representatives of Legacy met with Councillor Hutton, Councillor Kelly and a Council officer on 29 October 2019, at which time they provided a brief on the revival of Legacy on the Capricorn Coast. At that meeting, it was suggested that the Legacy Representatives may like to provide a formal presentation at a Council meeting in 2020. A formal request for a deputation was subsequently received.

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 LIFTING MATTER LAYING ON THE TABLE - BANGALEE BEACH ACCESS

File No: GV13.4.1
Attachments: Nil
Responsible Officer: Brett Bacon - Acting Chief Executive Officer
Author: Nicole Robertson - Coordinator Executive Support

SUMMARY

This report is being presented to Council in order for the stated matter to be formally lifted from the table prior to being dealt with at this meeting.

OFFICER'S RECOMMENDATION

THAT Council resolve that the report *Notice of Motion - Councillor Adam Belot – Bangalee Beach Access Consultation*, which is currently 'laying on the table' within the Business Outstanding Table awaiting return to a Council meeting, be lifted from the table to be dealt with later in this meeting.

BACKGROUND

At Council's Ordinary Meeting of 3 December 2019, Cr Belot proposed the following Notice of Motion:

'THAT Livingstone Shire Council undertake meaningful community consultation with the Bangalee community and (any other key stakeholders) to determine their level of support for the following in relation to vehicle access onto Farnborough Beach

1/ Do you support Council investigating an alternate northern vehicle beach access point accessing onto Farnborough Beach.'

In response to the Notice of Motion, Council resolved:

'That pursuant to s2.19.1(d) and s2.19.6 of Livingstone Shire Council's Meeting Procedures Policy the matter lay on the table pending further discussion and to return to a future Council Meeting.'

COMMENTARY

In accordance with the resolution of Council, the Notice of Motion which was laid upon the Council table at its Ordinary Meeting of 3 December 2019 is now brought back for discussion and consideration.

PREVIOUS DECISIONS

At its ordinary meeting of 3 December 2019, Council resolved:

'That pursuant to s2.19.1(d) and s2.19.6 of Livingstone Shire Council's Meeting Procedures Policy the matter lay on the table pending further discussion and to return to a future Council Meeting.'

BUDGET IMPLICATIONS

The budget implications associated with any alternative vehicular access to Farnborough Beach cannot be quantified until the options are known.

At this juncture, there is no project listed for upgrading the beach access ramp in the adopted Capital Works Programme. Maintenance and repair activities associated with the current access are accommodated in the recurrent operational budget.

Consultation associated with the alternative accesses could be accommodated within existing budget allocations.

LEGISLATIVE CONTEXT

Any new access will be subject to considerable development approval processes due to the location.

LEGAL IMPLICATIONS

The consideration of alternative access will need to ensure that proposed options provide lawful access to Farnborough Beach.

STAFFING IMPLICATIONS

Any community consultation associated considering options could be accommodated within existing staffing resources.

RISK ASSESSMENT

Hazards associated with use of the existing ramp are primarily related to driver inexperience and unfamiliarity with the unique prevailing driving conditions on the beach. Council Officers are aware of this deficiency and are currently working on new information signage, Community awareness opportunities and holding an information day at the ramp to enhance driver appreciation of the risks associated with beach driving.

CORPORATE/OPERATIONAL PLAN

Strategy AM2 of Council's Plan states: '*Identify infrastructure and asset requirements through community consultation and technical expertise.*'

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

At its Ordinary Meeting of 3 December 2019, Council resolved to defer consideration of a Notice of Motion. This reports returns that Notice of Motion for Council's consideration.

7.2 LIFTING MATTER LAYING ON THE TABLE - PROPOSED TOURIST PARK

File No: GV13.4.1
Attachments: Nil
Responsible Officer: Brett Bacon - Acting Chief Executive Officer
Author: Nicole Robertson - Coordinator Executive Support

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 at this meeting.

OFFICER'S RECOMMENDATION

THAT Council resolve that the report *Proposed Tourist Park at 176 Cobraball Road, Bondoola*, which is currently 'laying on the Table' within the Business Outstanding Table awaiting return to a Council meeting, be lifted from the table to be dealt with later in this meeting.

BACKGROUND

At Council's Ordinary Meeting of 19 November 2019, Council considered report pertaining to a proposed tourist park at 176 Cobraball Road, Bondoola. The officer's recommendation was:

THAT Council not waive or reduce the development application fees or infrastructure charges for the Tourist park development at 176 Cobraball Road, Bondoola, known as Savannah Park.

In response to the recommendation, Council resolved:

'That pursuant to s2.19.1(d) and s2.19.6 of Livingstone Shire Council's Meeting Procedures Policy the matter lay on the table pending further discussion and to return to the future Council Meeting.'

COMMENTARY

In accordance with the resolution of Council, the matter which was laid upon the Council table at its Ordinary Meeting of 19 November 2019 is now brought back for discussion and consideration.

PREVIOUS DECISIONS

At its Ordinary Meeting of 19 November 2019, Council resolved:

'That pursuant to s2.19.1(d) and s2.19.6 of Livingstone Shire Council's Meeting Procedures Policy the matter lay on the table pending further discussion and to return to the future Council Meeting.'

CORPORATE/OPERATIONAL PLAN

Strategy GO4 of Council's Corporate Plan states: *'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 matters are to be lifted from the table and dealt with.

8 PRESENTATION OF PETITIONS

Nil

9 MAYORAL MINUTE

Nil

10 COUNCILLOR/DELEGATE REPORTS

Nil

11 AUDIT, RISK AND BUSINESS IMPROVEMENT COMMITTEE REPORTS

11.1 AUDIT, RISK AND BUSINESS IMPROVEMENT COMMITTEE MEETING - 2 DECEMBER 2019

File No: GV13.4.2

Attachments:

Responsible Officer: Andrea Ellis - Chief Financial Officer

Author: Tanya Callaghan - Support Services Officer

SUMMARY

The Audit, Risk and Business Improvement Committee met on 2 December 2019 and this report provides the recommendations from the Committee for consideration and adoption by Council. The reports from the meeting are available for viewing by Councillors on the ARaBIC and Councillor Portals.

OFFICER'S RECOMMENDATION

THAT the unconfirmed minutes of the Audit, Risk and Business Improvement Committee held on 2 December 2019 be received and the following recommendations contained within those minutes be adopted.

3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

10 THAT the minutes of the Audit, Risk and Business Improvement Committee held on October 2019 be taken as read and adopted as a correct record.

7.1 COMMITTEE WORK PROGRAM STATUS

THAT the Committee receives the status of the Annual Work Program.

7.2 CFO UPDATE

THAT the Committee receive the Chief Financial Officer's update.

7.3 INTERNAL AUDIT METHODOLOGY

THAT the Committee receive this report on the Internal Audit Methodology.

7.4 UPDATES TO ARaBIC AND INTERNAL AUDIT POLICIES

THAT the draft changes to the ARaBIC and Internal Audit Policies and related documents be endorsed for consideration by Council.

7.5 INTERNAL AUDIT UPDATE

THAT the Committee receive the report on Internal Audit.

7.6 OVERVIEW OF POLICY FRAMEWORK

THAT the Committee receive the overview of the Policy Framework, with further documentation in regards to the summary of the statutory policy review to be presented at the March ARaBIC meeting in 2020.

Business Continuity and Disaster response related policies to be provided as part of the General Risk Management Report in the March ARaBIC meeting in 2020.

7.7 OPERATIONAL RISK REPORT FBE UPDATE

& THAT the Committee receive the update of the Operational Risk Register – Finance Business Excellence

7.8 BUSINESS TRANSFORMATION TEAM WORKS PROGRAMME HIGHLIGHTS

AND UPDATES

THAT the Audit, Risk and Business Improvement Committee receive this report.

7.9 ARABIC 2020 MEETING DATES

THAT the Audit, Risk and Business Improvement Committee endorses proposed schedule of committee meeting dates:

- 2nd March 2020
- 18th May 2020
- 15th June 2020
- 17th August 2020
- 12th October 2020
- 30th November 2020

7.10 EXTERNAL AUDIT UPDATE

THAT the Audit Risk and Business Improvement Committee:

- a) receive the update from the External Auditors;
- b) note the finalisation of the 2018-19 General Purpose Financial Statements and the unmodified audit opinion issued by the Queensland Audit Office on the 15 October 2019 has been presented to the Audit, Risk and Business Improvement Committee; and
- c) endorse the 2018-19 Final Management Report for Livingstone Shire Council dated 25 October 2019

7.11 REVIEW OF EXTERNAL AUDITOR EFFECTIVENESS

THAT it be noted that a discussion considering the effectiveness of the external audit has occurred.

7.12 SUMMARY OF QAO REPORT: MANAGING THE SUSTAINABILITY OF LOCAL GOVERNMENT SERVICES (REPORT 2: 2019-20)

THAT the Audit, Risk and Business Improvement Committee receive this report on the QAO Report 2: 2019-20 "Managing the Sustainability of Local Government Services".

7.13 CEO UPDATE ON EMERGING ISSUES

THAT the Committee receive the verbal update provided by the Chief Executive Officer on emerging issues.

7.14 EXECUTIVE LEADERSHIP TEAM UPDATE TO THE COMMITTEE

THAT the Committee receives the verbal updates provided by the Leadership Team on key activities or issues.

L1 MANAGING CYBER SECURITY RISKS (REPORT 3: 2019-20)

THAT the Audit, Risk and Business Improvement Committee receive this report on the *Queensland Audit Office Report "Managing cyber security risks (Report 3: 2019–20)"*.

12.1 RISK MANAGEMENT UPDATE

THAT the Committee receive the Risk Management Report for information.

BACKGROUND

The Audit, Risk and Business Improvement Committee (ARaBIC) operates in accordance with the ARaBIC Policy and ARaBIC Terms of Reference.

COMMENTARY

Not applicable.

PREVIOUS DECISIONS

Not applicable, each report on a Committee meeting is considered separately from previous reports.

BUDGET IMPLICATIONS

There are no budget implications as a result of the Committee meeting.

LEGISLATIVE CONTEXT

Section 105 of the *Local Government Act* 2009 requires Council to establish an Audit Committee. Section 211 of the *Local Government Regulations* 2012 requires this report to be presented to Council following each meeting of the Committee.

LEGAL IMPLICATIONS

There are no legal implications arising from the operation of the Committee.

STAFFING IMPLICATIONS

There are no staffing implications as a result of the Committee meeting.

RISK ASSESSMENT

The Audit, Risk and Business Improvement Committee is a key part of the governance structures established by Council that help ensure there is effective ongoing risk management.

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy GO2: Develop strategic plans and policies to address local and regional issues and guide service provision.

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

Council is demonstrating strong governance responsibilities by enabling independent oversight of the: management of risk; compliance with legislation and standards; internal audit function and external audit and reporting requirements.

12 REPORTS

12.1 MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 DECEMBER 2019

File No: FM12.14.1

Attachments: 1. Monthly Finance Report - December 2019 [↓](#)

Responsible Officer: Andrea Ellis - Chief Financial Officer

Author: Damien Cross - Coordinator - Accounting Services
Rachel Jackson - Coordinator Procurement

SUMMARY

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

RECOMMENDATION

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

BACKGROUND

The attached Financial Report is collated financial data 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 the year-to-date position of Council's financial performance to the 31 December 2019. Commitments are excluded from the reported operating & capital expenditures.

All variances are reported against the 2019-20 Quarter 1 (20Q1) Revised Budget as adopted by Council on the 22 October 2019. Budgets have been developed on a monthly basis. The attached report shows the business activities (water, sewerage & waste) segregated revenue and expenditure statements and balance sheets. Council finance officers have been simplifying the presentation of this report over recent months to enhance the readability and relevance of the information contained within. Further improvements to the presentation and readability of this report are expected to be made over coming months.

COMMENTARY

The Financial Report compares actual performance to date with Council's 20Q1 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.

Financial Performance

The operating performance for the financial year to 31 December 2019 shows an operating surplus of approximately \$0.75 million compared to a budgeted year to date operating deficit of approximately \$4.5 million.

Total operational expenditure is \$2.6 million below the year to date budget. Operational revenue is \$2.5 million above of the year to date budget.

Financial Performance Summary to 31 December 2019					
	20Q1YTD Revised Budget (\$m)	Actuals (\$m)	Variance (\$m)	Variance %	Status
Operating Revenue	\$39.7	\$42.3	\$2.6	7%	✓
Operating Expense	(\$44.1)	(\$41.5)	\$2.6	(6%)	✓
<i>Net Operating Result</i>	(\$4.5)	\$0.7	\$5.2	117%	✓
Capital Grants	\$5.3	\$3.9	(\$1.4)	(26%)	✗
Capital Expenditure	(\$20.0)	(\$11.5)	(\$8.5)	(43%)	✓

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

Year to date operating revenue is ahead of the year to date 20Q1 revised budget position mostly due to a variance in the sales revenue budget line item. This is a budget timing variance as the settlement of the Capricorn Coast Homemaker Centre land parcel is later than the anticipated settlement timeframe which was incorporated into the 2019-20 budget. This settlement once realised is expected to move the sales revenue budget line item closer towards budget.

Interest revenue is below the year to date budget given recent decreases in the Reserve Bank of Australia underlying cash rate, which has decreased the interest rate Council earns on its cash invested with the Queensland Treasury Corporation. One of Council's term deposits matured during December with one (1) term deposit still invested at month end. Council officers will investigate further term deposit investments opportunities in the short term future in accordance with Council's investment policy. Interest revenue will be reviewed as part of the 20Q2 revised budget and it is likely that interest revenue will fall short of the 2019-20 full year budget of approximately \$1 million.

Operational grants are ahead of the year to date budget mostly due to the receipt of funding from the Queensland Reconstruction Authority for day labour costs incurred by Council in relation to the March-April 2017 Natural Disaster Event. This funding was not incorporated into the 2019-20 budget as operational revenue.

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

Operating Expenditure

Year to date operating expenditure is below the year to date 20Q1 revised budget by approximately 6%, which excludes \$12.1 million in committed expenditure. This variance is due in part to the non-accrual of all materials and services expenditure on a monthly basis.

Employee wages and salaries have been accrued into the month of December up to the fortnight ending Sunday 29 December.

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

Below is a snapshot of the expenditure on the rural and urban roads maintenance programs in comparison to the 20Q1 Revised Budget. Rural roads maintenance is higher than the YTD budget due to extra costs incurred for water cartage to complete maintenance works.

	YTD Actuals (\$000's)	20Q1 YTD Budget (\$000's)	Full Year 20Q1 Revised Budget (\$000's)	% Full Year 20Q1 Revised Budget Spent (\$000's)
Rural Maintenance	\$2,552	\$1,615	\$3,551	71.9%
Urban Maintenance	\$1,145	\$1,141	\$2,206	51.9%

Note: Actual results exclude purchase order commitments.

Capital Revenue

Total capital grants and contributions are behind the year to date budget. A detailed listing of capital grants received to date in comparison to the 20Q1 revised budget is provided as part of Attachment 2 to this report.

The 20Q1 revised capital revenue budget for developer contributions is \$1.5M. Total year to date developer's contributions received are approximately \$1.4 million. The monthly budget phasing of developers contributions is difficult to predict given a number of factors determine the timing of the receipt of the contributions. Developer contributions are a factor in determining the funding mix of Council's capital works programme requiring Council officers to monitor the total funding received as the financial year progresses. The developer contributions budget is being evaluated by Council officers as part of the 20Q2 budget review process.

Capital Expenditure

Capital expenditure incurred is summarised in Table D.1 and D.2 in Attachment 1. The 2019-20 full year 20Q1 budgeted capital expenditure is approximately \$40.6 million with actuals of approximately \$11.5 million. There is approximately \$6.5 million of capital expenditure commitments at month end that predominately relates to work to be undertaken over the balance of the 2019-20 financial year.

Table D.3 highlights the significant capital works projects with 20Q1 revised budget expenditure budget greater than \$800,000 and includes the year to date actuals and project life-to-date costs in comparison to budget.

Statement of Financial Position

A detailed balance sheet as provided in Table B in Attachment 1.

Statement of Cash Flows

The statement of cash flows provided in Table C in Attachment 1 shows Council's cash flows year to date in comparison to the year to date budget. The cash position remains sound with cash totalling approximately \$38.5 million. Total operating cash flows are below the year to date budget, mostly due to a budget timing variance in regards to the proceeds to be received from the sale of the Capricorn Coast Homemaker Centre.

Investments and Borrowings

Information in relation to year to date interest revenue earnings and borrowings are outlined in Table E.3 of Attachment 1. The next quarterly repayment on Council's loan portfolio held with the Queensland Treasury Corporation is scheduled to occur in March 2020. Council has not accessed the approved \$20 million working capital facility.

Outstanding Rates and Trade Debtors

Information in relation to outstanding rates and trade debtors are outlined in Table E.4 of Attachment 1. Table E.4 also outlines aged rates and trade debtor's balances.

Debt Management Statistics

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 eligible for collection (excluding the current levy) are \$3.8m, which is 10.7% of rates levied. (December 2018 was 10.8% of rates levied).

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 charge 7% per annum on overdue rates and utility charges in 2019-20, applied monthly, on all overdue balances, including those under a formal payment agreement.

- 25% of overdue balances are under management; this reflects 350 assessments out of all 17,564 rateable assessments (2%).
- There are no current proposals to pay (November: 503) as following the conclusion of the first half-year rating period for 2019-20, all proposals to pay are reviewed by Council officers.
- There are 103 assessments (November: 114) under long-term arrangements (agreements to pay) with a total of \$412,454 with varying settlement periods.
- The in-house collection process has concluded. Following the Cobraball Bush Fire event in November 2019 and the recent Christmas period, referrals and legal action are currently on hold for those affected suburbs and will be delicately monitored by Council officers.
- Council's debt collection agency is currently managing 247 assessments (November: 258), representing \$959,034 (November: \$1,044,151). Compared to December 2018, there are 214 less assessments under a debt management arrangement; this is a decrease in the total value under management by \$753,955.

Procurement**Local Content**

Council strongly supports locally owned and operated businesses, including those with an office or branch in our region. Table E.4 of Attachment 1 outlines the total year to date spend (inclusive of both operational and capital expenditure) with businesses located both within and outside of Council's boundaries. A second graph is included outlining the historical spend since 1 January 2014.

Current Tenders

The summary of current tenders facilitates oversight of the progress by Councillors. Council applies best practice with tender evaluation undertaken at officer level by way of membership on an evaluation panel and with Councillors not being involved in the tender evaluation process.

Status Legend:

Open – tender has been publicly advertised and suppliers are preparing and submitting tender responses. Officers and Councillors are to apply probity by directing all enquiries to the procurement team while the tender is open.

Evaluation – the tender is under evaluation by the tender evaluation panel. Officers outside of the evaluation panel and Councillors are restricted from this process.

Contract Award – the evaluation process is completed and approval process to award contract is underway.

Non-Award – a decision is made not to award the contract, as the submission/s received has been deemed not suitable.

Contract – contract issued by letter of award.

Summary of current tenders:

Open	
1026T	Invitation To Tender - Provide Contract Cleaning Services
1031T	Invitation To Tender - Management Agreement - Keppel Sands Caravan Park

PREVIOUS DECISIONS

Council adopted the 2019-20 Adopted Budget on 11 July 2019 and the 20Q1 revised budget on 22 October 2019.

BUDGET IMPLICATIONS

The Monthly Financial Report shows Council's financial position in relation to the 20Q1 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 anticipated legal implications because of this report.

STAFFING IMPLICATIONS

There are no staffing implications because 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.

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 financial report provides information about Council's financial performance and position for the month ending 31 December 2019.

12.1 - MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 DECEMBER 2019

Monthly Finance Report - December 2019

Meeting Date: 4 February 2020

Attachment No: 1



Livingstone
SHIRE COUNCIL

**Monthly Financial Report
for period ending
31/12/2019**

Contents

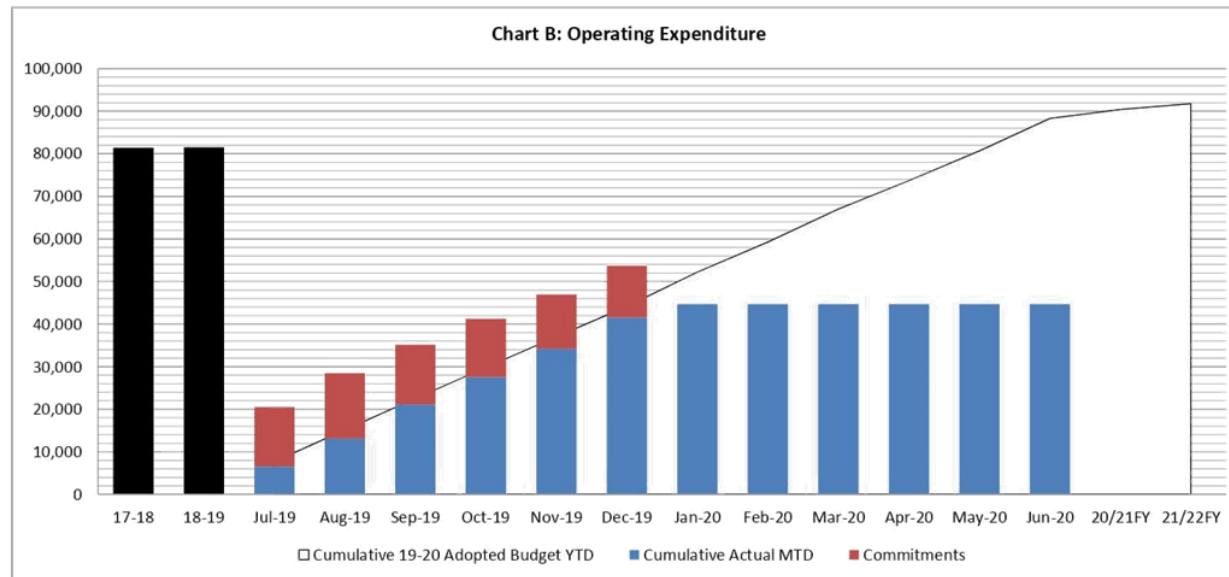
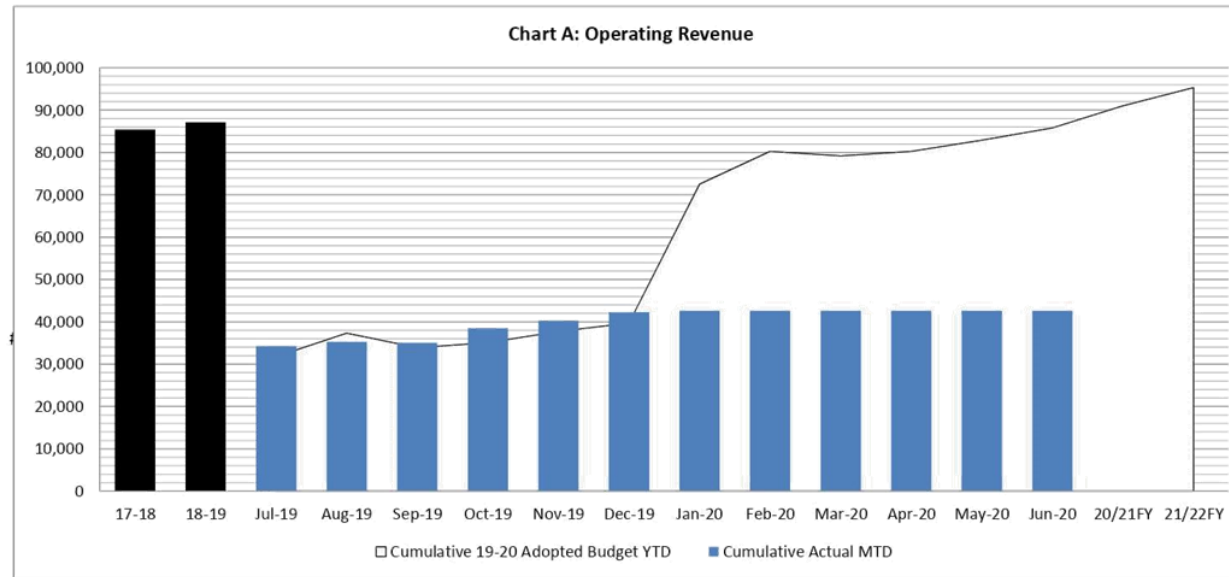
Financial Health Indicators

- 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:
31/12/2019**

Operating performance					
	Target Benchmark	1920 Q1 Budget	YTD Actual	Status	Commentary
Operating surplus ratio					
Operating surplus/operating revenue	0-10%	-2.6%	1.8%	✓	The operating surplus ratio is within the target range. This is mostly due to the later than anticipated settlement timeframe of the Capricorn Coast Homemaker Centre. This is a budget timing variance as at the time of the 2019-20 budget adoption settlement was anticipated to occur during September 2019. It is also expected that both ratios will continue to move closer towards their respective budgeted positions as operational expenditure is incurred during January until the next general rates notices are levied.
Operating efficiency ratio					
Operating revenue/operating expense	110%	97.5%	101.8%	✓	
Fiscal flexibility					
	Target Benchmark	1920 Q1 Budget	YTD Actual		Commentary
Net financial liabilities ratio					
(Total liabilities - current assets) / operating revenue	<60%	61.5%	93.2%	✗	The Net Financial Liabilities Ratio is above the 20Q1 revised budgeted position and target benchmark. It is anticipated that this ratio will move back towards the target benchmark following the second levy of bi-annual general rates during January 2020. The own-source operating revenue ratio is well ahead of the target benchmark, as the vast majority of Council's total operating revenue is from general rates and fees & charges with operational grants approximately only 6% of total operating revenue earned year to date.
Own-source operating revenue ratio					
Own source/operating revenue	>60%	92.3%	91.5%	✓	
Interest cover ratio					
Net Interest Expense / Total Operating Revenue	0% - 5%	4.6%	4.8%	✓	
Liquidity					
	Target Benchmark	1920 Q1 Budget	YTD Actual		Commentary
Cash balances - Cash capacity in months					
Cash at bank/cash operating expense	3.0	2.9	8.1	✓	The year to date cash expense cover indicates that Council has sufficient cash to meet current cash operating expenses for approximately 8.1 months. This is above the target benchmark as Council's closing cash position at 31 December is well ahead of the budgeted position at this same date. The current ratio is above the target benchmark of 2.0 also due to the same reasoning above.
Ability to pay our bills - Current Ratio (times)					
Current assets/current liabilities	2.0	3.2	5.2	✓	
Asset sustainability					
	Target Benchmark	1920 Q1 Budget	YTD Actual		Commentary
Asset Sustainability Ratio					
Renewal expenditure/depreciation	90%	50.8%	22%	✗	The asset sustainability ratio will stay lower than the 90% target benchmark due to the large proportion of new assets not requiring renewal at this stage. The 20Q2 budget review will consider the progress and timing of capital renewal works undertaken for the remainder of the 2019-20 financial year.
Status Legend					
KPI target (budget) achieved or exceeded		✓	KPI target (budget) not achieved		
			✗		

Summary financial statements for the year to date ending 31/12/2019

A. Summary of financial results

A. Income Statements					
	Year-to-date 2019-20 Q1		Variance		Status
	Budget	Actual			
	(\$m)	(\$m)	\$	%	
Own-source Revenues	38.49	38.70	0.20	0.5%	✓
Total Revenues	39.71	42.30	2.59	6.5%	✓
Employee Expenses	(16.38)	(15.35)	1.03	-6.3%	✓
Total Expenses	(44.15)	(41.55)	2.61	-5.9%	✓
Operating Result	(4.45)	0.75	5.20	-117%	
The own-source operating revenue ratio is well ahead of the target benchmark, as the vast majority of Council's total operating revenue is from general rates and fees & charges with operational grants approximately only 6% of total operating revenue earned year to date. Employee wages and salaries have been accrued up to the fortnight ending Sunday 29 December. As part of the 20Q2 budget review, the relatively small variance in employee expenses will be considered by Council officers.					

B. Balance Sheet					
	Year-to-date 2019-20 Q1		Variance		Status
	Budget	Actual			
	(\$m)	(\$m)	\$	%	
Cash and Cash Equivalents	26.79	38.45	11.66	43.5%	✓
Current Assets	29.09	58.17	29.08	100.0%	✓
Current Liabilities	10.58	11.21	0.63	6.0%	✗
Non-Current assets	983.37	951.37	(32.00)	-3.3%	✗
Borrowings	79.39	78.07	(1.32)	-1.7%	✓
Non-Current Liabilities	86.74	86.38	(0.36)	-0.4%	✓
Net Assets	915.14	911.95	(3.19)	0%	
Cash balances and total current assets are well ahead of the budgeted position at the end of December mostly due to some identified budget timing variances and year to date underspends in both operational and capital expenditures. All other balance sheet items are in relatively close proximity to the year to date 20Q1 budgeted position.					

C. Cash flows					
	Year-to-date 2019-20 Q1		Variance		Status
	Budget	Actual			
	(\$m)	(\$m)	\$	%	
Net Operating	15.36	13.00	(2.36)	-15%	✗
Net Investing	(13.19)	(11.85)	1.34	-10%	✗
Net Financing	(2.50)	(2.46)	0.04	-2%	✓
Closing Cash Balance	26.79	38.45	11.66	44%	
Net operating cash flows are below budget position mainly due to the settlement date of the Capricorn Coast Homemaker Centre being later than the anticipated timeframe incorporated into the 2019-20 budget. Total net cash outflows from investing activities is below budget due to total capital expenditure being under budget year to date to end of December.					

D. Capital program					
	Year-to-date 2019-20 Q1		Variance		Status
	Budget	Actual			
	(\$m)	(\$m)	\$	%	
Renewal	5.12	2.42	(2.70)	-53%	✗
New/Upgrade	14.85	9.06	(5.79)	-39%	✗
Total Capital Program	19.97	11.47	(8.50)	-43%	
Total capital expenditure is below budget to the end of December. The 20Q2 budget review will consider the progress and timing of capital renewal works undertaken during the remainder of the 2019-20 financial year.					

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: Monthly Summary revenue and expenditure report (by line item)

	Year-to-date				Full year
	1920 Q1 Budget	Actual	Variance	Variance	2019-20 Q1 Budget
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)
Revenues					
Rates & Utility Charges	35,471	35,723	252	1%	73,538
User Fees & Charges	2,543	2,393	(149)	-6%	4,996
Operating Grants	2,045	2,444	399	19%	5,968
Interest	518	336	(182)	-35%	1,036
Sales Revenue	(1,349)	824	2,173	-161%	(398)
Other	479	580	102	21%	941
Total operating revenues	39,707	42,301	2,594	7%	86,081
Expenses					
Employee Benefits	(16,376)	(15,346)	1,030	-6%	(32,269)
Materials & Services	(14,133)	(12,523)	1,609	-11%	(28,556)
Depreciation	(11,131)	(11,132)	(0)	0%	(22,263)
Interest	(1,997)	(2,022)	(25)	1%	(3,996)
Other	(517)	(525)	(8)	1%	(1,215)
Less: Total operating expenses	(44,154)	(41,548)	2,606	-6%	(88,299)
Net operating result	(4,447)	753	5,200	-117%	(2,218)
Capital Income					
Capital Grants	5,303	3,511	(1,792)	-34%	10,607
Developer Contributions	750	1,428	678	90%	1,500
Other Capital Income	0	380	380	0%	0
Less: Restoration Provision Capital Expense	(73)	0	73	-100%	(146)
Net Capital Income	5,980	5,319	(661)	-11%	11,961
Total comprehensive income	1,534	6,072	4,539	296%	9,743

B: Monthly summary of assets and liabilities report

	Year-to-date				Full year
	1920 Q1 Budget	Actual	Variance	Variance	2019-20 Q1 Budget
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)
Assets					
Cash and cash equivalents	26,792	38,454	11,662	44%	29,651
Inventory	818	465	(354)	-43%	4,284
Receivables:					
Trade & Other Receivables	1,014	5,141	4,126	407%	8,354
Land - for resale	6,514	17,915	11,401	175%	3,812
Infrastructure:					
PPE	976,856	910,277	(66,579)	-7%	997,677
Capital WIP	-	37,286	37,286	0%	-
Other assets	465	4	(461)	-99%	1,031
Total Assets	1,012,459	1,009,541	(2,918)	0%	1,044,809
Liabilities					
Employee benefits	4,755	8,628	3,873	81%	3,011
Trade creditors and accruals	722	440	(282)	-39%	5,254
Borrowings:					
Short-term	5,100	2,699	(2,401)	-47%	5,270
Long-term	74,290	75,370	1,080	1%	70,260
Other liabilities	12,452	10,449	(2,003)	-16%	12,452
Total Liabilities	97,319	97,587	268	0%	96,247
Current assets	29,089	58,167	29,078	100%	43,320
Current liabilities	10,577	11,208	631	6%	13,535
Non-current assets	983,370	951,374	(31,996)	-3%	1,001,489
Non-current liabilities	86,742	86,379	(363)	0%	82,712
Net community assets	915,140	911,954	(3,186)	0%	948,562

C: Monthly summary cash flow report

	Year-to-date				Full year
	1920 Q1 Budget	Actual	Variance	Variance	2019-20 Q1 Budget
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)
Operating Cashflows					
<i>Cash inflows from operations</i>					
Rates & utility charges	36,472	36,638	166	0%	76,316
User fees and charges	2,515	2,319	(197)	-8%	5,018
Operating grants	3,213	2,384	(829)	-26%	5,967
Interest	543	336	(206)	-38%	1,036
Other	995	1,219	224	22%	0
Proceeds from sale of land inventory	8,696	1,016	(7,680)	-88%	8,696
Total operating cash inflows	52,434	43,912	(8,522)	-16%	97,032
<i>Cash outflows from operations</i>					
Employee entitlements	(16,622)	(15,419)	1,203	-7%	(37,819)
Payments to suppliers	(18,166)	(13,500)	4,666	-26%	(33,281)
Borrowing costs & bank charges	(2,139)	(1,982)	157	-7%	(3,845)
Other operating cash outflows	(150)	0	150	-100%	(300)
Payments for land inventory	0	(10)	(10)	0%	(88)
Total operating cash outflows	(37,077)	(30,910)	6,166	-17%	(75,333)
Net cash flows from operations	15,358	13,002	(2,356)	-15%	21,699
Investing cash flows					
Proceeds on disposal of assets	0	256	256	0%	1,600
Capital grants & infrastructure charges	6,036	5,412	(624)	-10%	12,107
Acquisition of assets	(19,222)	(17,516)	1,705	-9%	(40,484)
Other investing activities	0	0	0	0%	(30)
Net investing cash flows	(13,186)	(11,848)	1,337	-10%	(26,807)
Financing cash flows					
Repayments on borrowings	(2,500)	(2,458)	42	-2%	(4,999)
Net financing cash flows	(2,500)	(2,458)	42	-2%	(4,999)
Net combined cash flows	(328)	(1,304)	(976)	298%	(10,107)
Add: Opening cash balance	27,119	39,758	12,639	47%	39,758
Closing cash balance	26,791	38,454	11,663	44%	29,651

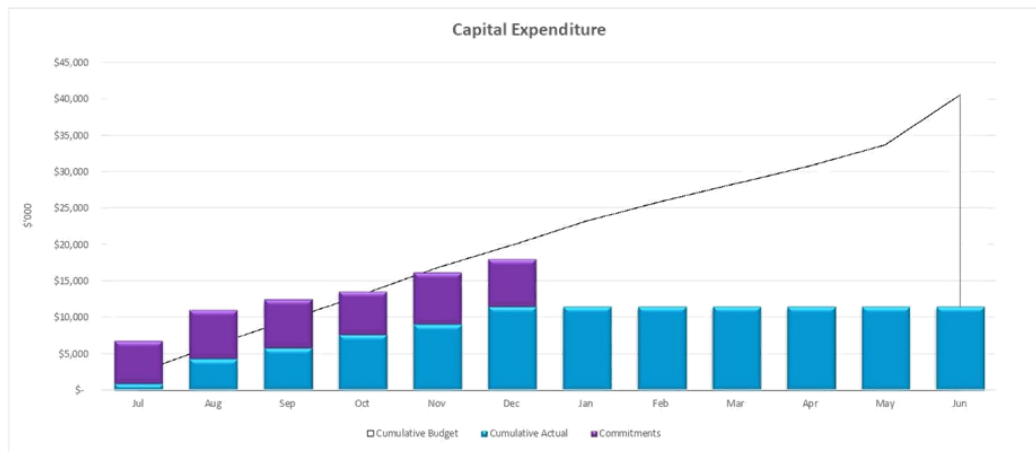
D.1: Monthly summary capital revenue and expenditure report by category (all projects)

	Year-to-date				Full year
	1920 Q1 Budget	Actual	Variance	Variance	2019-20 Q1 Budget
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)
Renewal of existing assets					
Capital grants and contributions	(312)	(480)	(168)	54%	(625)
Renewal expenditure	5,121	2,417	(2,705)	-53%	11,305
New assets/upgrade of existing assets					
Capital grants and contributions	(4,991)	(3,448)	1,543	-31%	(9,982)
New/upgrade expenditure	14,853	9,058	(5,795)	-39%	29,267
Total					
Capital grants and contributions	(5,303)	(3,928)	1,375	-26%	(10,607)
Renewal, upgrade and acquisition	19,974	11,474	(8,499)	-43%	40,572

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

	Year-to-date				Full year
	1920 Q1 Budget	Actual	Variance	Variance	2019-20 Q1 Budget
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)
Land					
Capital grants and contributions	-	-	-	0%	-
Renewal, new/upgrade	125	213	88	71%	180
Buildings					
Capital grants and contributions	(575)	(500)	75	-13%	(1,150)
Renewal, new/upgrade	1,839	239	(1,600)	-87%	2,603
Plant & Equipment					
Capital grants and contributions	(22)	(33)	(11)	50%	(43)
Renewal, new/upgrade	1,421	582	(838)	-59%	2,432
Roads & Drainage					
Capital grants and contributions	(1,795)	(2,447)	(652)	36%	(3,590)
Renewal, new/upgrade	7,194	5,087	(2,106)	-29%	15,410
Bridges					
Capital grants and contributions	-	-	-	0%	-
Renewal, new/upgrade	65	8	(57)	-87%	68
Water					
Capital grants and contributions	-	-	-	0%	-
Renewal, upgrade and acquisition	2,727	749	(1,978)	-73%	4,558
Sewerage					
Capital grants and contributions	(980)	(140)	840	-86%	(1,960)
Renewal, upgrade and acquisition	3,747	2,672	(1,075)	-29%	7,387
Site Improvements					
Capital grants and contributions	(1,931)	(807)	1,124	-58%	(3,863)
Renewal, upgrade and acquisition	2,823	1,772	(1,052)	-37%	6,726
Land Development					
Capital grants and contributions	-	-	-	0%	-
Renewal, upgrade and acquisition	33	24	-9	-27%	88
Information Communication Technology					
Capital grants and contributions	-	-	-	0%	-
Renewal, upgrade and acquisition	-	126	126	0%	1,120

Table D.3 Capital Expenditure

Capital Expenditure for the Period Ending
31/12/2019

	Annual 20Q1 Budget (\$'000)	YTD 20Q1 Budget (\$'000)	YTD Actual (\$'000)	YTD Variance (\$'000)	YTD Variance %
Capitalised goods and services	37,496	\$ 15,589	9,714 -	5,875	-38%
Capitalised employee costs	3,076	\$ 1,279	1,761	482	38%
Total	40,572	16,868	11,475 -	5,393	

D.4: Summary capital expenditure report by project (>\$800,000)

	Project Dates			Project Costs YTD FY19/20					Project Life Costs		
	% Project Complete	Planned Start Date	Planned Completion Date	WIP B/F from PY	Actual	Commitments	Total Project Costs	2019-20 Adopted Budget	2019-2020 Q1 Budget	Project LTD Costs	Project Life Budget
Capricorn Coast New Cemetery											
580906 Capricorn Coast Cemetery - Initial Planning	0%	-	-	10	0	0	0	0	0	0	10
988058 Capricorn Coast Cemetery - Roadworks	100%	00/01/1900	2018-19	3,010	0	0	0	0	0	0	3,010
988173 Capricorn Coast Cemetery - Internal works	30%	Mon 02/07/18	Fri 20/12/19	502	38	220	258	852	852	540	540
1110324 Capricorn Coast Cemetery - Internal R&D works	100%	-	2018-19	2,146	2	10	12	0	0	0	2,148
Subtotal				5,668	40	230	270	852	852	5,708	6,850
Emu Park Village & Foreshore Revitalisation											
1097725 Emu Park Village & Foreshore - Emu Park Foreshore	0%	-	-	75	10	0	10	0	0	0	85
1100767 Emu Park Village & Foreshore	85%	Mon 02/07/18	Fri 20/12/19	2,087	1,268	598	1,866	1,728	1,728	3,355	3,355
1101161 Emu Park Village & Foreshore - CWA Rotunda Emu Park	0%	-	-	2	0	0	0	0	0	0	2
1105254 Emu Park Village & Foreshore - Kerr Park Carpark (SLSC)	100%	-	2018-19	805	0	0	0	0	0	0	805
1105255 Emu Park Village & Foreshore - Tennent Memorial Dr Stage 1 Planning	100%	-	2018-19	18	0	0	0	0	0	0	18
1105256 Emu Park Village & Foreshore - Emu Street Stage 1 Plans B to E	100%	-	2018-19	231	1	7	8	0	0	0	232
1108479 Emu Park Village & Foreshore - Water Main Replacement Emu Street	100%	-	2017-18	141	0	0	0	0	0	0	141
Subtotal				3,359	1,279	605	1,884	1,728	1,728	4,639	5,520
1115392 ICT Strategy	11%	Mon 02/07/19	Tue 30/06/20	4	126	61	188	1,120	1,120	130	2,120
CP440 Fleet Renewal Program	22%	Mon 02/07/19	Tue 30/06/20	0	515	1,252	1,767	2,023	2,339	515	2,023
Road & Drainage											
CP422 Gravel Resheet Annual Program	15%	Mon 02/07/18	Tue 30/06/20	76	197	59	256	1,300	1,300	273	1,300
1017252 Matthew Flinders Drive - Scenic Highway to Gregory Street	0%	27/11/2019	21/07/2020	7	81	7	88	1,500	1,500	88	1,500
1066965 Frangipani Drive Extension & Taranganba School Bus Setdown	0%	01/07/2020	20/10/2020	318	0	0	0	920	920	318	1,520
1114438 Adelaide Pk Road - St Brendan's Gate 1 to Gate 2	60%	09/09/2019	30/01/2020	2	764	323	1,088	1,300	1,300	766	1,300
1108378 Barmayee Rd-Oaks Village - Neil's Road	10%	18/11/2019	05/05/2020	4	133	221	354	880	880	136	880
1113798 Whitman St - Morris to Arthur Streets	0%	19/03/2020	28/07/2020	18	7	0	7	625	625	25	635
Subtotal				425	1,181	611	1,792	6,525	6,525	1,607	7,135
Major Projects											
1115553 Cooe Bay Pool- W4Q Round 3	4%	Mon 29/07/19	30/09/2020	0	21	0	21	1,200	1,200	21	1,200
959072 Sewer Treatment Plant Yeppoon - Augmentation Design & Construction	99%	Thu 22/03/18	Fri 29/11/19	14,157	2,254	352	2,607	2,444	2,444	16,411	16,601
1110848 Yeppoon Water Recycling Augmentation	10%	Mon 01/07/19	Fri 18/12/20	10	42	339	381	1,900	1,900	52	1,900
Subtotal				14,167	2,318	691	3,009	5,544	5,544	16,485	19,701
Water and Waste Operations											
1100809 Yeppoon Landfill entry works - Planning and Design	5%	06/04/2020	08/09/2020	0	39	10	49	2,000	2,000	39	2,000
1116575 Reservoir West Emu Park	0%	Mon 02/07/19	30/04/2020	0	2	4	6	2,200	2,200	2	2,200
1065688 Arthur St Yeppoon Trunk Sewer	0%	10/02/2020	21/05/2020	6	16	1	16	919	919	22	919
Subtotal				6	57	14	71	5,119	5,119	63	5,119

E.1: Business Unit summary revenue and expenditure report (by line item)																				
	Water				Sewer				Waste				Council				Consolidated			
	1920 Q1 Budget	YTD Actual	Variance	Variance	1920 Q1 Budget	YTD Actual	Variance	Variance	1920 Q1 Budget	YTD Actual	Variance	Variance	1920 Q1 Budget	YTD Actual	Variance	Variance	1920 Q1 Budget	Actual	Variance	Variance
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)	(\$'000)	(\$'000)	%
Rates & utility charges	16,701	6,568	(10,134)	-61%	9,660	5,009	(4,652)	-48%	6,193	3,125	(3,068)	-50%	40,984	21,022	(19,962)	-49%	73,538	35,723	(37,816)	-51%
User fees & charges	231	119	(111)	-48%	170	80	(90)	-53%	1,981	683	(1,298)	-66%	2,615	1,511	(1,103)	-42%	4,996	2,393	(2,603)	-52%
Operating grants	0	(8)	(8)	0%	0	0	0	0%	0	0	0	0%	5,968	2,451	(3,518)	-59%	5,968	2,443	(3,525)	-59%
Interest	31	0	(31)	-100%	16	0	(16)	-100%	11	0	(11)	-100%	978	336	(641)	-66%	1,036	336	(699)	-68%
Sales revenue	140	36	(104)	-74%	60	66	6	11%	0	0	0	0%	(598)	721	1,319	-221%	(398)	824	1,222	-307%
Other	(0)	56	56	0%	(0)	(0)	(0)	4%	216	44	(172)	-80%	724	480	(244)	-34%	941	580	(361)	-38%
Total operating revenues	17,103	6,771	(10,331)	-60%	9,906	5,155	(4,751)	-48%	8,401	3,851	(4,549)	-54%	50,671	26,522	(24,149)	-48%	86,081	42,300	(43,782)	-51%
Expenses																				
Employee benefits	(2,458)	(1,040)	1,418	-58%	(1,432)	(584)	848	-59%	(454)	(149)	305	-67%	(27,924)	(13,574)	14,350	-51%	(32,269)	(15,346)	16,921	-52%
Materials & services	(7,649)	(3,419)	4,230	-55%	(2,915)	(1,427)	1,489	-51%	(5,581)	(1,611)	3,971	-71%	(12,412)	(6,067)	6,345	-51%	(28,556)	(12,523)	16,034	-56%
Depreciation	(4,138)	(2,069)	2,069	-50%	(2,315)	(1,158)	1,157	-50%	(635)	(317)	318	-50%	(15,175)	(7,589)	7,587	-50%	(22,263)	(11,132)	11,131	-50%
Interest	(548)	(280)	268	-49%	(682)	(347)	335	-49%	(578)	(295)	282	-49%	(2,188)	(1,099)	1,088	-50%	(3,996)	(2,022)	1,974	-49%
Other	0	(4)	(4)	0%	(0)	(106)	(106)	0%	(10)	(12)	(2)	24%	(1,207)	(402)	805	-67%	(1,215)	(525)	692	-57%
Less: Total operating expenses	(14,793)	(6,812)	7,981	-54%	(7,344)	(3,621)	3,722	-51%	(7,258)	(2,384)	4,873	-67%	(58,906)	(28,730)	30,176	-51%	(88,299)	(41,548)	46,753	-53%
Net operating result	2,310	(41)	(2,350)	-102%	2,562	1,533	(1,029)	-40%	1,143	1,467	324	28%	(8,235)	(2,208)	6,027	-73%	(2,218)	752	2,971	-134%

E.2: Business Unit summary of assets and liabilities report									
	Water	Sewerage	Waste	Council	Year-to-date				Full year
	1920 Q1 Budget	Actual	Variance	Variance	1920 Q1 Budget	Actual	Variance	Variance	1920 Q1 Budget
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)
Assets									
Cash and cash equivalents	12,202	4,364	12,058	9,829	26,792	38,454	11,662	44%	17,630
Inventory	0	0	0	471	818	465	(354)	-43%	3,485
Trade & Other Receivables	853	419	182	3,687	1,014	5,141	4,126	0%	8,335
Land - for resale	0	0	0	17,915	6,514	17,915	11,401	175%	2,923
Infrastructure:	0	0	0	0	0	0	0	0%	0
PPE	193,562	116,192	8,886	616,636	976,856	910,277	(66,579)	-7%	995,051
Capital WIP	1,365	16,973	78	18,869	0	37,286	37,286	0%	0
Other assets	0	(0)	0	4	465	4	(461)	0%	930
Total Assets	207,982	137,949	21,204	667,418	1,012,459	1,009,541	(2,918)	0%	1,028,354
Liabilities									
Employee benefits	650	646	609	6,707	4,755	8,628	3,873	81%	4,782
Trade creditors and accruals	43	28	3	372	722	440	(282)	-39%	3,487
Borrowings:									
Short-term	402	457	383	1,458	5,100	2,699	(2,401)	-47%	5,270
Long-term	9,225	15,281	9,739	41,126	74,290	75,370	1,080	1%	70,260
Other liabilities	9	0	9,893	547	12,452	10,449	(2,003)	-16%	11,659
Total Liabilities	10,328	16,412	20,627	50,211	97,319	97,587	268	0%	95,458
Current assets	13,055	4,783	12,240	28,101	29,089	58,167	29,078	100%	30,380
Current liabilities	1,076	1,112	995	8,016	10,577	11,208	631	6%	13,539
Non-current assets	194,927	133,166	8,965	639,317	983,370	951,374	(31,996)	-3%	997,974
Non-current liabilities	9,253	15,300	19,632	42,195	86,742	86,379	(363)	0%	81,919
Net community assets	197,653	121,537	577	617,207	915,140	911,954	(3,186)	0%	932,896

Table E.3 Investment and Borrowings

Investment Returns for the Period Ending
31/12/2019

Total cash held at 31 December 2019 was \$38454 (\$'000)

Council's investments are held in the Capital Guaranteed Cash Fund and short term investment market. The Capital Guaranteed Cash Fund is operated by the Queensland Treasury Corporation (QTC). Council current interest earning rates are 1.50% p.a with the QTC and Council has one (1) Term Deposit invested at 1.90%.

The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: The Reserve Bank of Australia reduced the cash rate down to 0.75% at their October 2019 board meeting which was on top of a reduction of 0.25% from the September 2019 board meeting.

Cash surplus to day-to-day requirements is deposited with the QTC on a daily basis to earn higher interest. The interest returns are monitored regularly by Council Finance team staff to maximise interest earnings as much as possible.

Term deposit rates are also monitored regularly to identify investment opportunities to ensure Council maximises its interest earnings balanced against the need to invest cash for a fixed term.

Council adopted its Investment Policy on 20 June 2019 for the 2019-20 financial year.

Total Debt and Borrowing Costs

Debt Position	\$'000
Total Debt held as at 1 July 2019	80,530
Budgeted new borrowings in 2019-20	-
Capitalised interest & administrative charges	1,961
Total debt service payments made YTD	- 4,422
Total Debt held as at 31 December 2019	78,069

In line with Council's debt policy, a debt service payment of \$2,211,013 (being approximately \$1.23m repayment of principal and \$977k interest and administrative charges) will be paid quarterly for 2019-20. Interest accrues monthly on a daily basis until the next debt service payment. No new borrowings are budgeted to be drawn down in 2019-20.

As at 31 December 2019 the weighted average interest rate of all Council debt is 4.35%.

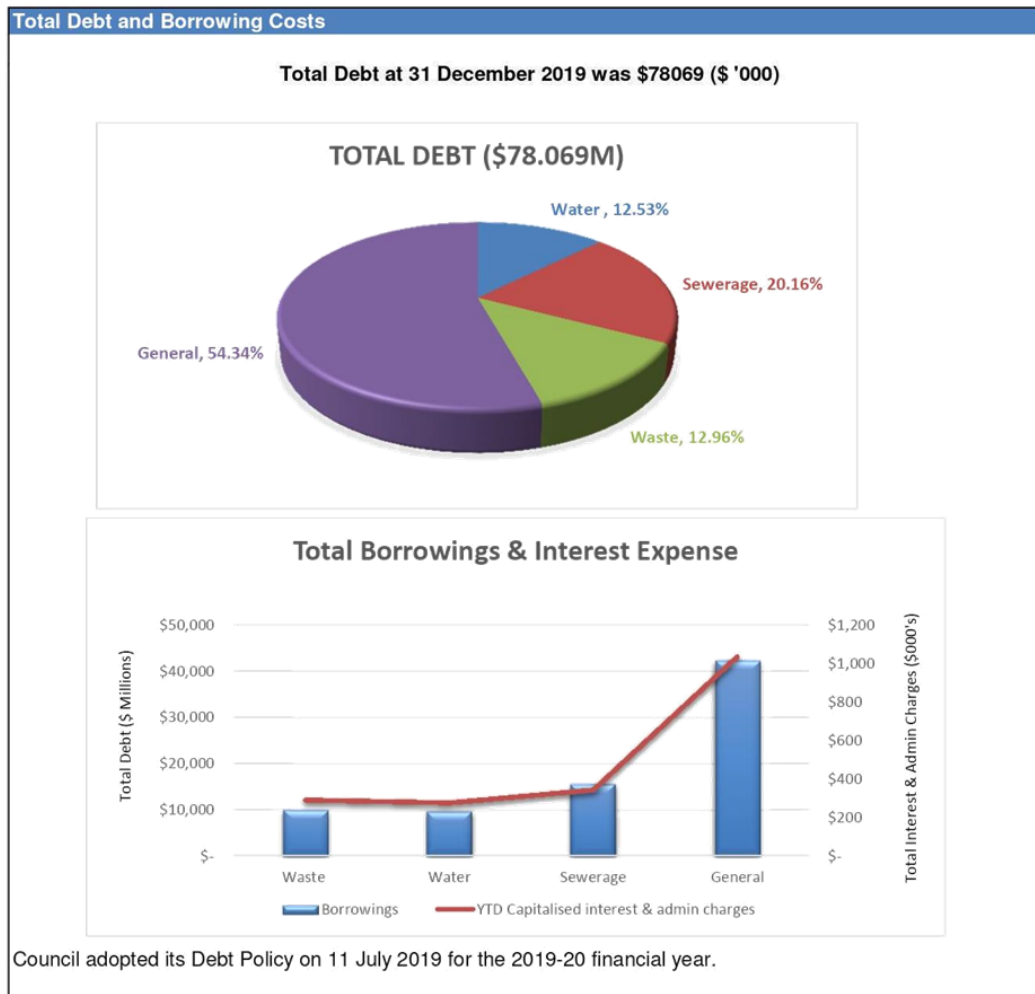
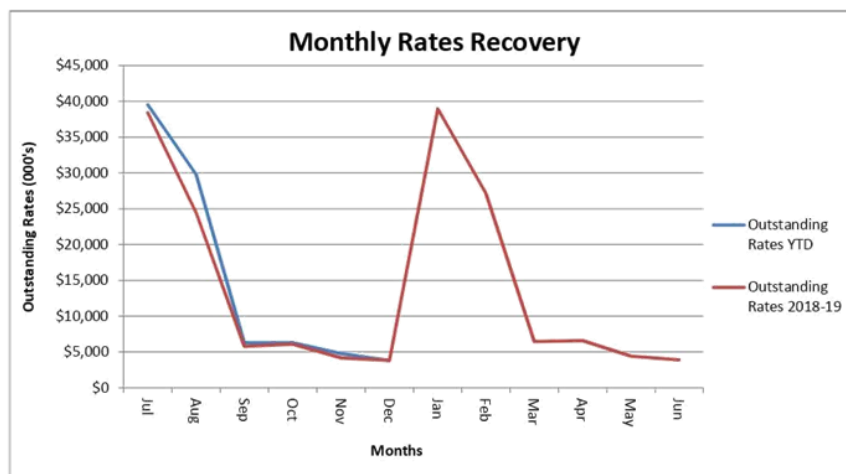


Table E.4: Additional Information

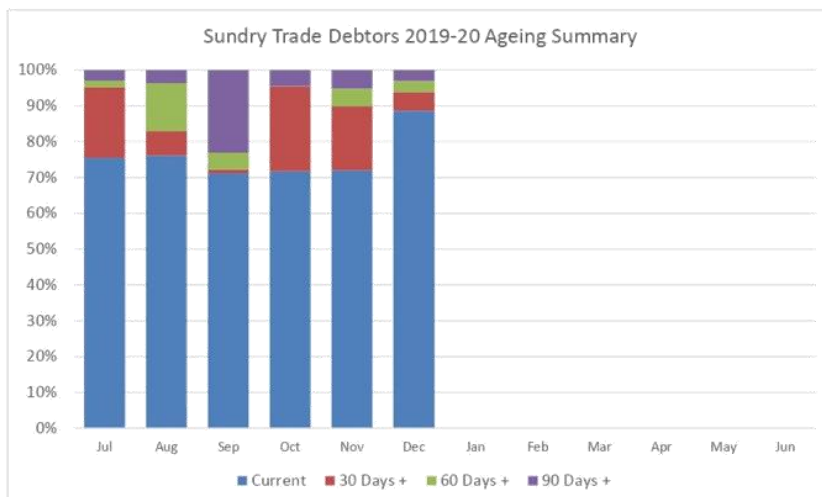
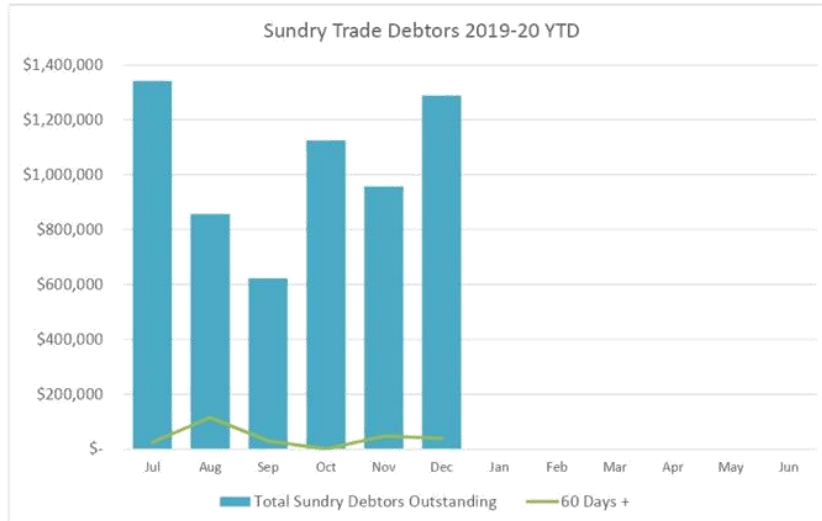
Outstanding Rates

Ageing of Rates Receivable at 31 December 2019			
Aging Period	Arrears (before deducting prepaid rates)	balance	% of total eligible for collection
Current	\$1,855,534		48.70%
1 years	\$1,116,975		29.32%
2 years	\$367,663		9.65%
3 years	\$236,460		6.21%
4 years	\$85,416		2.24%
5 years	\$148,138		3.89%
TOTAL	\$3,810,186		100%



Outstanding Sundry Trade Debtors

Total Sundry Trade Debtors Outstanding at Month End: \$1,289,182



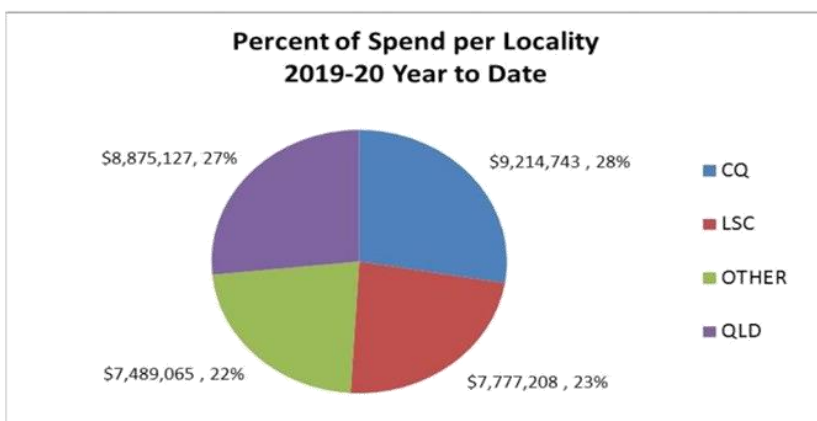
Procurement

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.

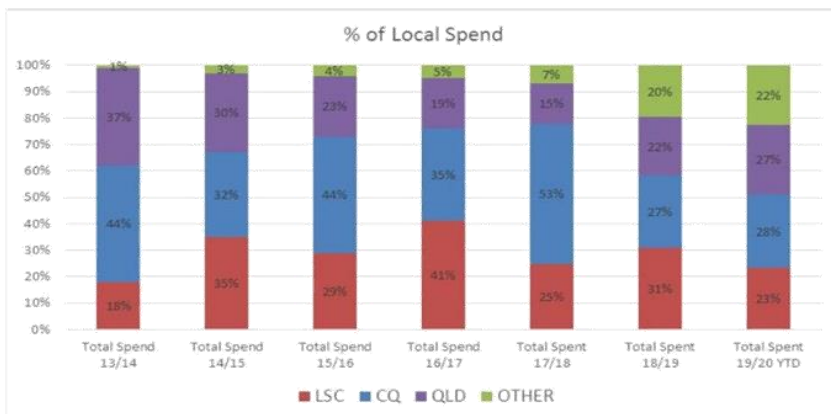
Total expenditure with businesses located within the shire boundaries year to date is 23% or \$7.8 million and illustrated in the following pie chart.

Chart legend:

LSC	Business located within the shire boundaries.
CQ	Business completely set up and run outside of LSC boundaries but within the Central Queensland region.
QLD	Business based outside of Central Queensland but within Queensland.
OTHER	Business based outside of Queensland.



The bar graph below summarises the allocation by local spend categories per financial year since 2013-14. Council has procured, on average, 66% of materials & services from within the greater Central Queensland area, which includes Livingstone Shire Council.



12.2 QUARTERLY BUDGET REVIEW (20Q2)**File No:** FM12.5.2**Attachments:**

1. 20Q2 Budget Review Statements[↓](#)
2. 20Q2 Measures of Financial Sustainability[↓](#)
3. 20Q2 Change in Rates[↓](#)
4. 20Q2 Estimated Activity Statements[↓](#)

Responsible Officer: Brett Bacon - Acting Chief Executive Officer**Author:** Andrea Ellis - Chief Financial Officer

SUMMARY

The Quarterly Budget Review (20Q2) is presented to Council for adoption recognising changes to the financial position since the 2019-20 Revised Budget (20Q1) was adopted on 21 October 2019.

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 (20Q2) for the financial year 2019-20 and the Long Term Financial Forecast for the financial years 2019-20 to 2028-29, as contained within the document entitled 2019-20 Revised Budget and Long Term Financial Forecast (Attachment One) and set out in the pages contained therein:

- 1) Statement of Financial Position (Attachment One);
- 2) Statement of Cash Flows (Attachment One);
- 3) Statement of Income and Expenditure (Attachment One);
- 4) Statement of Changes in Equity (Attachment One);
- 5) Long-Term Financial Forecast (Attachment One);
- 6) Relevant Measures of Financial Sustainability (Attachment Two);
- 7) Total Value of change in the rates and charges expressed as a percentage (Attachment Three); and
- 8) Revised estimated business activity costs for the period ending 30 June 2020 (Attachment Four).

BACKGROUND

Council reviews its adopted budget on a quarterly basis and makes appropriate adjustments to promote transparent financial management. Council has committed to establishing rigour into its financial management and reporting process by undertaking such 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 upon where the organisation is at in the overarching planning and budget cycle. The purpose 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. Consequently, the Revenue Policy and Revenue Statement adopted by Council on the 11 July 2019 cannot be amended during a year and is not required to be adopted as part of any revised budget resolution.

COMMENTARY

The overall outcome is that there is a minor change to the operating result and the overall fiscal position continues to improve. Cash flows continue to remain adequate to meet the planned operational and capital expenditure for the balance of this year.

Underlying Assumptions

No changes were made to the consumer price index (CPI) or Council Cost Index underlying assumptions. Consumer price index (CPI) in the long term financial forecast is two (2) per cent for the 2019-20 financial year which is consistent with the State Government budget forecast. Over the balance of the nine (9) forecast years, consumer price index (CPI) ranges from two (2) per cent to 2.4 per cent and there have been no changes made to these underlying assumptions as part of the 20Q1 revised budget. Consumer price index (CPI) increases were factored into the 20Q1 revised budget for all operating income streams, staff wages and salaries, councillor remuneration and materials and services.

Financial Position

The net impact of the proposed 20Q2 budget review is that the forecast net assets of Council (which is also referred to as Total Community Equity) has increased from approximately \$948.6 million, in the 2019-20 20Q1 Revised Budget, to \$950.99 million in the proposed 20Q2 revised budget (refer to Attachment One, Statement of Financial Position, for more details).

Cash Flows

Cash at 30 June 2020 is anticipated to be approximately \$26.89 million (refer to Attachment One, Statement of Cash Flows, for more details).

Income and Expenditure

The forecast operating deficit of approximately \$2.22 million for the 2019-20 financial year will decrease to a deficit of \$2.07 million due to a comprehensive organisational review of all income and expenditure line items. However, the underlying result (net of profit/loss on sale of land and declared weather events) reflects a significant improved result of \$504,000. Council continues maintains the ability to achieve operating surplus in the target range of between zero (0) per cent and ten (10) per cent in year two (2) onwards of the 10-year long term financial plan (refer to Attachment One, Statement of Income and Expenditure for more details).

Total Comprehensive Income

Total Comprehensive Income, which includes capital income and expenditure, is forecast to increase from the 20Q1 Revised Budget of \$9.74 million to \$10.383 million. This increase of \$641,000 is largely due to an increase in infrastructure charges required to fund the capital cost of investing in future trunk infrastructure (refer to Attachment One, Statement of Income and Expenditure, for more details).

Capital Projects

Forecast expenditure on capital projects has increased by approximately \$1.31 million for 2019-20. Total capital expenditure in the 2019-20 Q1 Revised budget was \$40.57 million, with approximately \$12.1 million in capital grants and subsidies to be received. The 20Q2 revised capital expenditure budget is proposed to be approximately \$41.89 million with \$12.6 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 20Q2 revised budget results against each measure of financial sustainability are compared to the 2019-20 adopted budget and 2019-20 Q1 revised budget are provided in the in the following table:

Relevant Measure of Financial Sustainability	Adopted Budget (2019-20)	Revised Budget (20Q1)	Revised Budget (20Q2)	Recommended Target
Asset Sustainability Ratio	64.9%	64.7%	68.7%	Greater than 90%
Net Financial Liabilities Ratio	75.7%	61.5%	62.7%	Less than 60%
Operating Surplus Ratio	-2.6%	-2.6%	-2.4%	Between 0% and 10%

The Asset Sustainability Ratio is 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 proposed to materially change in future years with the proposed revised budget due to the Stanage Bay Road upgrade federally funded project.

The Net Financial Liabilities Ratio has increase marginally in relation to the 2019-20 Q1 revised budget and remains just above the recommended target. This ratio is forecast to drop below the upper level target in the 2021-22 financial year. This ratio remains fairly consistent with the proposed 20Q1 revised budget largely due to the higher than forecast closing cash balances achieved at 30 June 2019.

Whilst the Operating Surplus Ratio is less than the recommended range for 2019-20, it is forecast to remain within the target parameters for the next nine (9) years. The operating surplus ratio has improved by 0.2 per cent with the 20Q2 revised budget.

The results of the full ten (10) years of the forecast period are shown in Attachment Two to this report and outline that the Net Financial Liabilities Ratio and the Operating Surplus Ratio are within the target range over the long term. The Asset Sustainability Ratio varies over the ten (10) year forecast period and is not expected to be within the target range in any year in the forecast period.

Estimated Activity Statements

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

PREVIOUS DECISIONS

The 2019-20 Budget was adopted at the Special Council Meeting held on the 11 July 2019.

The 20Q1 Revised Budget was adopted at the Ordinary Meeting held on 21 October 2019.

BUDGET IMPLICATIONS

The budgeted operating deficit is largely contingent upon containing estimated costs within the budgeted amount. There is limited scope for new projects and additional funding for services in the short term whilst working towards achieving an operating surplus in the 2020-21 financial year. 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 2019-20 budget and forward estimates, Council is forecasted to maintain operating surpluses for the life of the long term financial forecast.

Changes in accounting standards have come into effect in the 2019-20 financial year which will impact on the timing of revenues being brought to account. The largest impact will be in relation to rates paid in advance which are currently brought to account at the time of receipt. 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:

- 1) the use of planning, project and program management and risk management methodologies;
- 2) developing and maintaining operational plans for the delivery of projects and services;
- 3) regular reporting on all key projects funded by the Annual Operational Plan and Budget;
- 4) 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;
- 5) monthly reporting on financial position and performance on operating activities and capital projects to Councillors, executives and staff.
- 6) ensuring executives and staff within Council are both appropriately skilled and accountable for identifying and effectively managing costs within their area of responsibility; and
- 7) providing tools, training and advice to the organisation to ensure effective management of costs and financial obligations.

CORPORATE/OPERATIONAL PLAN

Strategy GO3 of Council's Corporate Plan states: '*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 budget and makes appropriate adjustments to promote transparent financial management. Council is committed to establishing rigor 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.

12.2 - QUARTERLY BUDGET REVIEW (20Q2)

20Q2 Budget Review Statements

Meeting Date: 4 February 2020

Attachment No: 1

STATEMENT OF FINANCIAL POSITION

2019-20 REVISED BUDGET (20Q2) AND LONG TERM FINANCIAL FORECAST 2020 to 2029

	Original Budget 2019-20	Approved Changes 20Q1	Revised Budget (20Q1) 2019-20	Recommended Changes	Proposed Budget (20Q2) 2019-20	Variance from Original Budget			Forecast (20Q2) 2020-21	Forecast (20Q2) 2021-22	Forecast (20Q2) 2022-23	Forecast (20Q2) 2023-24	Forecast (20Q2) 2024-25	Forecast (20Q2) 2025-26	Forecast (20Q2) 2026-27	Forecast (20Q2) 2027-28	Forecast (20Q2) 2028-29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS																	
Current Assets																	
Cash and Cash equivalents	17,630	12,021	29,651	(2,401)	27,250	9,620	54.6%	(a)	29,826	34,289	27,309	21,764	16,605	17,386	19,540	20,229	22,297
Trade and other receivables	8,335	19	8,354	255	8,609	274	3.3%	(b)	8,791	9,135	9,402	9,449	9,865	10,392	10,761	10,912	11,330
Inventories	3,485	799	4,284	135	4,419	934	26.8%	(c)	3,902	1,489	1,248	1,248	1,248	1,248	1,248	1,248	1,248
Other current assets	930	101	1,031	-	1,031	101	10.9%	(d)	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031
Total Current Assets	30,380	12,940	43,320	(2,011)	41,310	10,929	36.0%		43,549	45,945	38,989	33,492	28,749	30,057	32,579	33,420	35,906
Non-current assets																	
Land held for development or sale	2,923	889	3,812	-	3,812	889	30.4%	(c)	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812
Property, plant & equipment	995,051	2,626	997,677	4,566	1,002,243	7,192	0.7%	(e)	1,012,471	1,032,132	1,041,165	1,042,487	1,057,420	1,060,087	1,074,152	1,080,070	1,081,451
Total non-current assets	997,974	3,515	1,001,489	4,566	1,006,055	8,081	0.8%		1,016,283	1,035,944	1,044,977	1,046,299	1,061,232	1,063,899	1,077,964	1,083,882	1,085,263
TOTAL ASSETS	1,028,354	16,455	1,044,809	2,555	1,047,365	19,010	1.8%		1,059,832	1,081,889	1,083,967	1,079,790	1,089,981	1,093,956	1,110,544	1,117,302	1,121,168
LIABILITIES																	
Current liabilities																	
Trade and other payables	4,220	(15)	4,204	126	4,330	111	2.6%	(f)	4,452	4,544	4,657	4,725	4,918	5,066	5,220	5,364	5,543
Borrowings	5,270	-	5,270	-	5,270	-	0.0%		5,545	5,834	6,132	6,460	6,878	7,236	7,611	8,012	8,239
Provisions	3,011	-	3,011	-	3,011	-	0.0%		3,011	4,671	5,439	5,802	3,177	3,181	3,185	3,189	3,192
Other current liabilities	1,038	12	1,050	-	1,050	12	1.2%		1,020	969	969	12	12	12	12	12	12
Total current liabilities	13,538	(3)	13,535	126	13,661	123	0.9%		14,028	16,017	17,196	17,000	14,986	15,495	16,027	16,577	14,987
Non-current liabilities																	
Trade and other payables	132	219	351	-	351	219	165.9%	(g)	311	271	219	219	219	219	219	219	219
Borrowings	70,260	-	70,260	-	70,260	-	0.0%		64,716	58,882	52,750	46,290	41,367	34,130	26,520	18,507	12,268
Provisions	11,527	574	12,101	-	12,101	574	5.0%	(h)	12,104	10,454	8,044	5,277	5,141	5,008	4,878	4,750	4,625
Total non-current liabilities	81,920	793	82,713	-	82,713	793	1.0%		77,131	69,607	61,013	51,786	46,727	39,357	31,617	23,476	17,112
TOTAL LIABILITIES	95,457	790	96,247	126	96,374	916	1.0%		91,159	85,624	78,210	68,786	61,712	54,853	47,644	40,054	32,098
NET COMMUNITY ASSETS	932,897	15,665	948,562	2,429	950,991	18,094	1.9%		968,673	996,264	1,005,757	1,011,005	1,028,269	1,039,103	1,062,900	1,077,249	1,089,070
COMMUNITY EQUITY																	
Retained surplus	904,840	15,831	920,671	641	921,312	16,472	1.8%	(i)	938,994	955,577	961,695	966,943	973,782	984,616	995,846	1,006,334	1,018,155
Asset revaluation surplus	28,057	(166)	27,891	1,788	29,679	1,622	5.8%	(j)	29,679	40,687	44,062	44,062	54,487	54,487	67,054	70,915	70,915
TOTAL COMMUNITY EQUITY	932,897	15,665	948,562	2,429	950,991	18,094	1.9%		968,673	996,264	1,005,757	1,011,005	1,028,269	1,039,103	1,062,900	1,077,249	1,089,070

Notes

- (a) Adjustment for higher than forecast closing cash balance as reflected in the audited financial statements for period ending 30 June 2019, offset by the net movement in cash requirements for operating and capital activities.
- (b) Accounting adjustment based on increase in sales revenue for private and recoverable works, and receivables and sundry debtors owing to Council at 30 June 2020.
- (c) Increase to the opening value of the Homemaker Centre to account for value of land parcels as reflected in the audited financial statements for the period ending 30 June 2019, offset by timing adjustments for Gateway Industrial Park lot sales.
- (d) Opening balance of software prepayments higher than previously forecast as per audited financial statements for period ending 30 June 2019.
- (e) Combination of movement in asset revaluation surplus for buildings, water and sewerage asset classes in addition to an increase in capital expenditure.
- (f) Accounting adjustment based on the increase in payments to suppliers to reflect a proportionate increase in invoices to be paid at 30 June 2020.
- (g) Opening balance of constrained developer contributions higher than forecast as reflected in the audited financial statements for the period ending 30 June 2019.
- (h) Increase in provision for rehabilitation of Yeppoon landfill of \$343k and employee long service leave \$231k.
- (i) Adjustment for opening balances based on audited financial statements for period ending 30 June 2019 and movement in net community assets.
- (j) Adjustment for opening balances based on audited financial statements for period ending 30 June 2019, and the comprehensive revaluation undertaken for the Building asset class as at 1 July 2019.

STATEMENT OF CASH FLOWS
2019-20 REVISED BUDGET (20Q2) AND LONG TERM FINANCIAL FORECAST 2020 to 2029

	Original Budget 2019-20	Approved Changes 20Q1	Revised Budget (20Q1) 2019-20	Recommended Changes	Proposed Budget (20Q2) 2019-20	Variance from Original Budget			Forecast (20Q2) 2020-21	Forecast (20Q2) 2021-22	Forecast (20Q2) 2022-23	Forecast (20Q2) 2023-24	Forecast (20Q2) 2024-25	Forecast (20Q2) 2025-26	Forecast (20Q2) 2026-27	Forecast (20Q2) 2027-28	Forecast (20Q2) 2028-29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities																	
Receipts from customers	81,312	21	81,334	1,539	82,872	1,560	1.9%	(a)	85,345	88,753	91,493	92,355	95,931	101,184	105,055	107,020	110,658
Payments to suppliers and employees	(62,243)	(8,857)	(71,100)	(1,336)	(72,436)	(10,193)	16.4%	(b)	(64,787)	(65,965)	(67,570)	(68,863)	(71,212)	(73,337)	(75,511)	(77,769)	(80,053)
Payments for land held as inventory	-	(88)	(88)	-	(88)	(88)	0.0%		-	-	-	-	-	-	-	-	-
Proceeds from sale of land held as inventory	8,696	-	8,696	(789)	7,908	(789)	-9.1%	(c)	769	2,817	250	-	-	-	-	-	-
Interest received	1,147	(111)	1,036	(259)	777	(370)	-32.3%	(d)	755	857	875	809	754	749	822	898	977
Borrowing costs	(3,845)	-	(3,845)	-	(3,845)	-	0.0%		(3,574)	(3,299)	(3,010)	(2,713)	(2,413)	(2,094)	(1,735)	(1,361)	(959)
Payment of landfill provision	(300)	-	(300)	-	(300)	-	0.0%		(306)	(312)	(1,977)	(2,752)	(3,122)	(503)	(513)	(524)	(534)
Non-capital grants and contributions	5,766	201	5,967	870	6,837	1,072	18.6%	(e)	6,102	6,124	6,238	6,356	6,476	6,605	6,740	6,881	7,019
Cash inflow from Operating Activities	30,533	(8,834)	21,699	26	21,725	(8,808)	-28.8%		24,302	28,975	26,301	25,192	26,414	32,603	34,857	35,145	37,108
Cash flows from Investing Activities																	
Payments for property, plant and equipment	(36,043)	(4,441)	(40,484)	(1,315)	(41,799)	(5,755)	16.0%	(f)	(33,774)	(32,919)	(30,823)	(27,295)	(29,087)	(28,228)	(27,737)	(29,250)	(29,578)
Grants and contributions received	11,472	635	12,107	489	12,595	1,124	9.8%	(g)	17,387	14,044	3,428	3,646	2,020	3,283	2,270	2,406	2,550
Proceeds from the sale of assets	1,570	30	1,600	(1,600)	-	(1,600)	-100.0%	(h)	-	-	-	-	-	-	-	-	-
Other investing activities	-	(30)	(30)	-	(30)	(30)	0.0%		(70)	(91)	(52)	(957)	-	-	-	-	-
Cash outflow from Investing Activities	(23,002)	(3,805)	(26,807)	(2,426)	(29,234)	(6,232)	27.1%		(16,457)	(18,966)	(27,447)	(24,605)	(27,067)	(24,945)	(25,467)	(26,844)	(27,028)
Cash flows from Financing Activities																	
Proceeds from borrowings	-	-	-	-	-	-	0.0%		-	-	-	-	2,000	-	-	-	-
Repayment of borrowings	(4,999)	-	(4,999)	-	(4,999)	-	0.0%		(5,270)	(5,545)	(5,834)	(6,132)	(6,506)	(6,878)	(7,236)	(7,611)	(8,012)
Cash outflow from Financing Activities	(4,999)	-	(4,999)	-	(4,999)	-	0.0%		(5,270)	(5,545)	(5,834)	(6,132)	(4,506)	(6,878)	(7,236)	(7,611)	(8,012)
Net increase/(decrease) in Cash Held	2,532	(12,639)	(10,107)	(2,401)	(12,508)	(15,040)	-594.0%		2,575	4,464	(6,981)	(5,545)	(5,159)	781	2,153	690	2,068
Cash at the beginning of the financial year	15,098	24,660	39,758	-	39,758	24,660	163.3%	(i)	27,250	29,826	34,289	27,309	21,764	16,605	17,386	19,540	20,229
Cash at the end of the financial year	17,630	12,021	29,651	(2,401)	27,250	9,620	54.6%		29,826	34,289	27,309	21,764	16,605	17,386	19,540	20,229	22,297

Notes

- (a) Increase in cash predominately relates to higher water consumption patterns due to the severe dry weather (\$+1.4m), private and recoverable works (\$+425k) and an increase in building and development fee (\$130k) offset by a reduction in refuse tipping fees (\$100k) and an accounting adjustment to increase accounts receivable to account for balances forecast to be outstanding at 30 June 2020.
- (b) Accrued creditors (invoices relating to 2018-19) higher than previously forecast (\$8.8m), increase in payments for bulk water purchases and operational maintenance requirements.
- (c) Adjustment required for the timing of the sale of land at the Gateway Industrial Park.
- (d) Decrease in interest revenue due to an increase in total cash outflows from investing activities resulting from inclusion of capital carryovers from 2018-19 financial year, in addition to a reduction in the RBA Cash rate.
- (e) Increase in previous budgeted estimate of Financial Assistance Grant following release of approved grant allocations by the Queensland Local Government Grants Commission.
- (f) Adjustment for updating capital expenditure carryovers 2018-19 financial year (\$4.4m Q1), and changes accommodated for in the capital program. The net increase is \$826k.
- (g) Adjustment for capital grants and subsidies carryovers from 2018-19 financial year, accounting adjustments to reflect the correct timing of receipt of funds, and updates to the capital funding for capital projects.
- (h) Accounting adjustment to correct budget for land transferred to inventory in the audited financial statements for period ending 30 June 2019.
- (i) Adjustment for opening balances based on audited financial statements for period ending 30 June 2019.

STATEMENT OF INCOME AND EXPENDITURE

2019-20 REVISED BUDGET (20Q2) AND LONG TERM FINANCIAL FORECAST 2020 to 2029

	Original Budget 2019-20	Approved Changes 20Q1	Revised Budget (20Q1) 2019-20	Recommended Changes	Proposed Budget (20Q2) 2019-20	Variance from Original Budget			Forecast (20Q2) 2020-21	Forecast (20Q2) 2021-22	Forecast (20Q2) 2022-23	Forecast (20Q2) 2023-24	Forecast (20Q2) 2024-25	Forecast (20Q2) 2025-26	Forecast (20Q2) 2026-27	Forecast (20Q2) 2027-28	Forecast (20Q2) 2028-29
	\$'000	\$'000	\$'000	\$'000	\$'000	%	Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income																	
Gross rates and utility charges	80,019	-	80,019	1,363	81,382	1.363	1.7%	(a)	83,995	85,614	88,362	91,200	95,341	98,986	102,870	106,906	111,101
Less: discounts & remissions	(6,481)	-	(6,481)	(1)	(6,483)	(1)	0.0%		(6,848)	(7,206)	(7,609)	(8,039)	(8,538)	(9,073)	(9,643)	(10,249)	(10,894)
Net rates and utility charges	73,538	-	73,538	1,362	74,900	1,362	1.9%		77,147	78,408	80,753	83,161	86,803	89,913	93,227	96,657	100,207
Fees and charges	4,996	-	4,996	(92)	4,904	(92)	-1.8%		5,068	5,267	5,471	5,682	5,906	6,137	6,417	6,708	6,978
Rental Income	382	-	382	-	382	-	0.0%		390	399	408	417	426	436	447	457	468
Interest revenue	1,147	(111)	1,036	(259)	777	(370)	-35.7%	(b)	755	857	875	809	754	749	822	898	977
Sales revenue	(398)	-	(398)	(228)	(626)	(228)	57.2%	(c)	2,643	4,795	4,488	2,479	2,529	4,529	4,619	2,619	2,672
Operational grants and subsidies	5,768	200	5,968	890	6,858	1,090	18.3%	(d)	6,024	6,135	6,249	6,365	6,490	6,617	6,753	6,892	7,034
Other income	559	-	559	79	638	79	14.1%	(e)	654	670	687	704	721	739	758	777	796
Total Operating Income	85,992	89	86,081	1,752	87,833	1,841	2.1%		92,680	96,531	98,932	99,617	103,629	109,120	113,043	115,009	119,133
Capital Income																	
Contributions from developers	1,500	-	1,500	500	2,000	500	33.3%	(f)	1,600	1,696	1,798	1,906	2,020	2,141	2,270	2,406	2,550
Capital grants and subsidies	9,972	635	10,607	(11)	10,595	624	5.9%	(g)	15,787	12,348	1,630	1,740	-	1,142	-	-	-
Total Capital Income	11,472	635	12,107	489	12,595	1,124	9.3%		17,387	14,044	3,428	3,646	2,020	3,283	2,270	2,406	2,550
Total Income	97,464	724	98,188	2,241	100,428	2,965	3.0%		110,067	110,575	102,360	103,263	105,649	112,404	115,313	117,414	121,684
Operating expenses																	
Employee benefits	32,550	(281)	32,269	(234)	32,035	(515)	-1.6%	(h)	32,373	32,499	33,261	34,040	34,892	35,765	36,695	37,649	38,627
Materials and services	28,556	-	28,556	1,669	30,225	1,669	5.8%	(i)	31,315	32,313	33,155	33,600	35,196	36,375	37,596	38,859	40,168
Depreciation and amortisation	21,893	370	22,263	137	22,400	507	2.3%	(j)	23,546	24,267	25,165	25,973	24,578	25,561	26,239	27,193	28,198
Finance Costs	151	-	151	-	151	-	0.0%		156	161	166	171	177	182	188	194	200
External Loan Interest expense	3,845	-	3,845	-	3,845	-	0.0%		3,574	3,299	3,010	2,713	2,413	2,094	1,735	1,361	959
Other operating expenses	1,215	-	1,215	28	1,243	28	2.3%		1,272	1,301	1,331	1,360	1,393	1,427	1,463	1,499	1,537
Total Operating Expenses	88,211	89	88,300	1,600	89,899	1,688	1.9%		92,236	93,840	96,087	97,857	98,649	101,405	103,917	106,756	109,689
Capital Expenses																	
Restoration and rehabilitation provision	146	-	146	-	146	-	0.0%		149	152	155	158	161	164	167	170	173
Total Capital Expenses	146	-	146	-	146	-	0.0%		149	152	155	158	161	164	167	170	173
Total Comprehensive Income	9,107	635	9,742	641	10,383	1,276	13.1%		17,682	16,583	6,118	5,248	6,839	10,834	11,229	10,488	11,821
Operating Result	(2,219)	0	(2,219)	152	(2,066)	153	-6.9%		444	2,691	2,845	1,760	4,981	7,715	9,127	8,252	9,444
Underlying Result	98		98	-	504	406	412.8%		193	2,287	2,836	1,760	4,981	7,715	9,127	8,252	9,444

Not: Notes

- (a) Increase in water consumption revenue estimates (+\$1.4m), the expenditure for bulk water is accounted for in materials and services
- (b) Decrease in interest revenue due to the inclusion of capital carryovers from 2018-19 financial year and a decrease in the Reserve Bank of Australia cash rate down to 0.75% in October 2019.
- (c) Increase in revenue from private/recoverable works and RMPC (TMR), offset by the accounting recognition for the sale of the Homemaker Centre
- (d) Increase in previous budgeted estimate of Financial Assistance Grant following release of approved grant allocations by the Queensland Local Government Grants Commission.
- (e) Increase in fees received to offset recoverable expenditure.
- (f) Increase to reflect additional revenue received this year above budget estimates.
- (g) Adjustment for net movement in timing of when capital grants and subsidies can be recognised for revenue
- (h) Adjustment to budget estimate due to recruitment timeframes for critical positions.
- (i) Increase mainly related to bulk water expenditure (+\$795k), road maintenance due to severe dry weather conditions and other various other maintenance requirements (+\$670k) and insurance premium costs (\$195k) offset by a reduction in ICT due to a review of software licencing fees (-\$370) and various other expenditure items reviews as part of the 20Q2 budget process
- (j) Increase in budgeted amortisation for intangible assets and minor adjustments to other non-current assets classes as a result of capital carryovers from the 2018-19 financial year, in addition to estimated increase in depreciation for the Building Asset class as per the comprehensive revaluation, with a small increase relating to the increase in planned capital expenditure for this financial year.

STATEMENT OF CHANGES IN EQUITY
2019-20 REVISED BUDGET (20Q2) AND LONG TERM FINANCIAL FORECAST 2020 to 2029

	Original Budget 2019-20	Approved Changes 20Q1	Revised Budget (20Q1) 2019-20	Recommended Changes	Proposed Budget (20Q2) 2019-20	Variance from Original Budget			Forecast (20Q2) 2020-21	Forecast (20Q2) 2021-22	Forecast (20Q2) 2022-23	Forecast (20Q2) 2023-24	Forecast (20Q2) 2024-25	Forecast (20Q2) 2025-26	Forecast (20Q2) 2026-27	Forecast (20Q2) 2027-28	Forecast (20Q2) 2028-29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Retained Surplus																	
Opening balance	895,733	15,196	910,929	-	910,929	15,196	1.7%	(a)	921,312	938,994	955,577	961,695	966,943	973,782	984,616	995,846	1,006,334
Net Result	9,107	635	9,742	641	10,383	1,276	14.0%	(b)	17,682	16,583	6,118	5,248	6,839	10,834	11,229	10,488	11,821
Closing Balance	904,840	15,831	920,671	641	921,312	16,472	1.8%		938,994	955,577	961,695	966,943	973,782	984,616	995,846	1,006,334	1,018,155
Asset Revaluation Surplus																	
Opening balance	19,040	69	19,109	-	19,109	69	0.4%		29,679	29,679	40,687	44,062	44,062	54,487	54,487	67,054	70,915
Change in asset revaluation surplus	9,017	(235)	8,782	1,788	10,570	1,553	17.2%	(c)	-	11,008	3,375	-	10,424	-	12,567	3,861	-
Closing Balance	28,057	(166)	27,891	1,788	29,679	1,622	5.8%		29,679	40,687	44,062	44,062	54,487	54,487	67,054	70,915	70,915
Total Community Equity	932,897	15,665	948,562	2,429	950,991	18,094	1.9%		968,673	996,264	1,005,757	1,011,005	1,028,269	1,039,103	1,062,900	1,077,249	1,089,070

Notes

(a) Adjustment for opening balances based on audited financial statements for period ending 30 June 2019 (2018-19)

(b) Improved net result due to adjustments made in to the Statement of Income and Expenditure.

(c) The building asset class was revalued as at 1 July 2019

12.2 - QUARTERLY BUDGET REVIEW (20Q2)

20Q2 Measures of Financial Sustainability

Meeting Date: 4 February 2020

Attachment No: 2

MEASURES OF FINANCIAL SUSTAINABILITY

2019-20 REVISED BUDGET (20Q2) AND LONG TERM FINANCIAL FORECAST 2020 to 2029

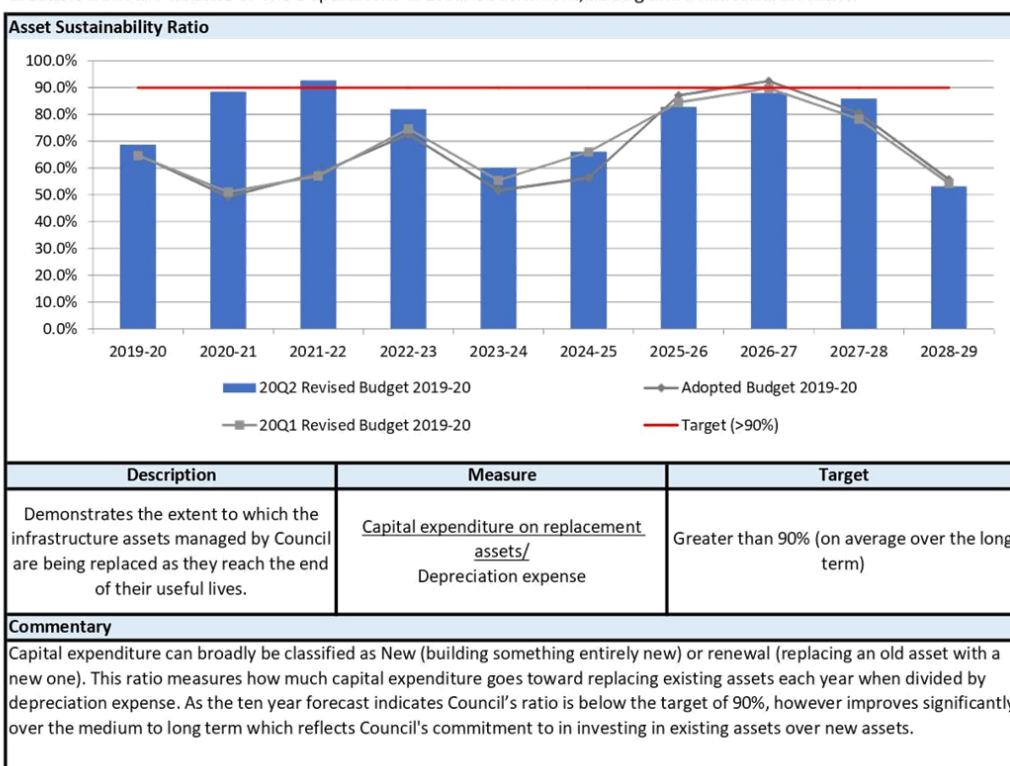
In accordance with section 169 of the *Local Government Regulation 2012*, the Council is required to disclose in the budget certain measures of financial sustainability.

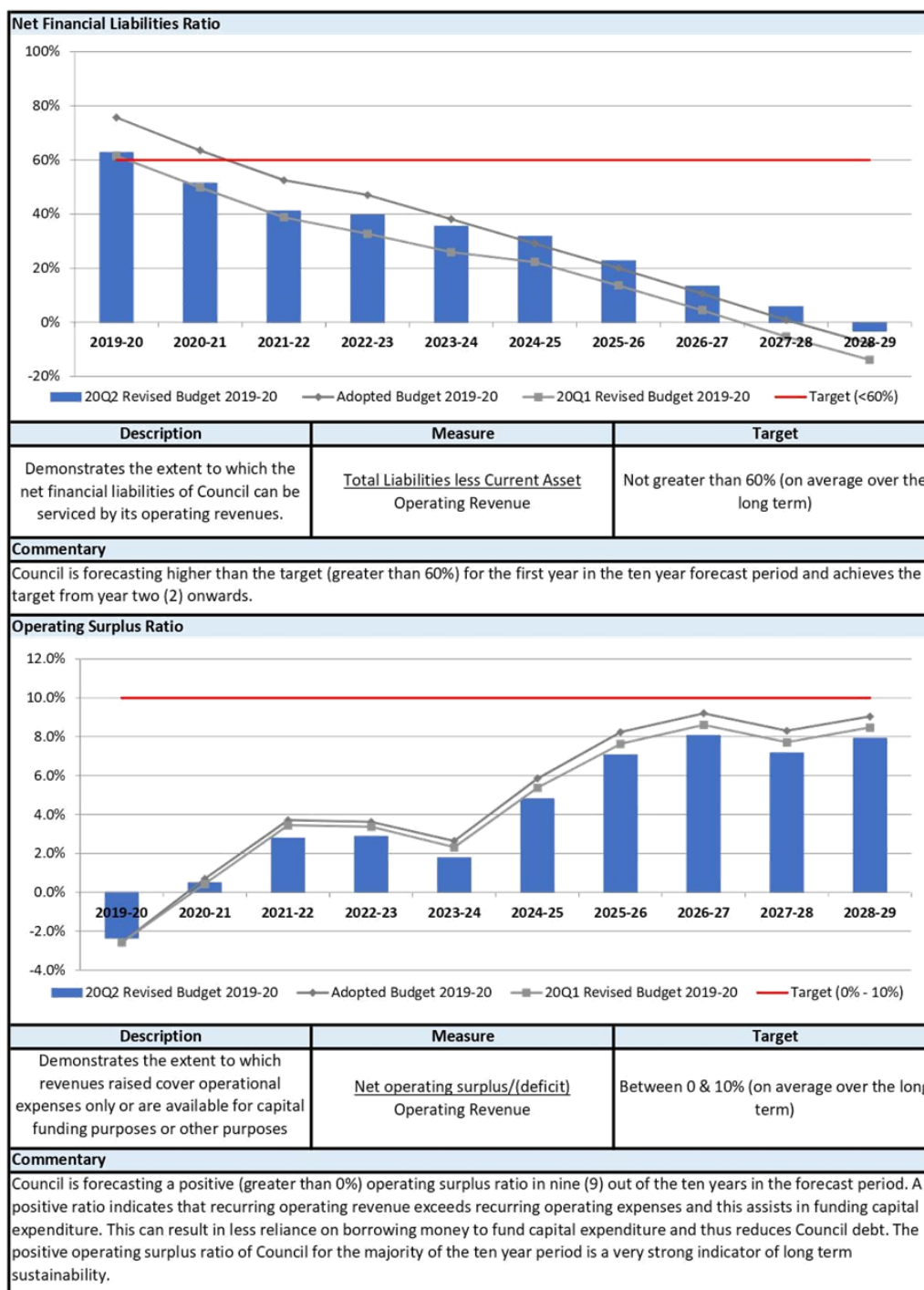
The Queensland Government defines a sustainable local government as being 'able to maintain its financial capital and infrastructure capital over the long term' (*Local Government Act 2009*, section 104(2)).

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.





12.2 - QUARTERLY BUDGET REVIEW (20Q2)

20Q2 Change in Rates

Meeting Date: 4 February 2020

Attachment No: 3

**TOTAL VALUE OF CHANGE IN RATES AND CHARGES LEVIED FROM 2018-19
2019-20 REVISED BUDGET (20Q2) AND LONG TERM FINANCIAL FORECAST 2020 to 2029**

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 (2019-20) compared with the rates and utility charges levied in the previous original adopted budget (2018-19). Council has also included the total value of change based on the actual results for 2018-19. The calculation of this percentage for a financial year excludes rebates and discounts applicable on rates and utility charges.

	2018-19 Original Budget	2018-19 Actual	2019-20 Revised Budget (20Q2)	2018-19 Original vs 2019-20 Revised Budget (20Q2)		2018-19 Actual vs 2019-20 Revised Budget (20Q2)	
	\$000	\$000	\$000	Variance \$000	Variance %	Variance \$000	Variance %
General Rates	31,772	32,936	32,411	639	2.0%	(525)	(1.6%)
Separate Charges	11,292	11,038	11,385	93	0.8%	348	3.1%
Special Charges	151	380	390	239	158.1%	10	2.6%
Water Utility and consumption charges	17,102	18,030	19,162	2,060	12.0%	1,132	6.3%
Waste charges	6,644	6,601	6,916	272	4.1%	315	4.8%
Sewerage Charges	10,802	10,744	11,118	316	2.9%	374	3.5%
Total Rates and Charges Levied	77,763	79,729	81,382	3,619	4.7%	1,653	2.1%

12.2 - QUARTERLY BUDGET REVIEW (20Q2)

20Q2 Estimated Activity Statements

Meeting Date: 4 February 2020

Attachment No: 4

2019-20 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 2019-20 Financial Year:

	SIGNIFICANT BUSINESS ACTIVITY	OTHER BUSINESS ACTIVITIES		
	Water & Sewerage Operations \$	Waste Operations \$	Building Certification \$	Caravan Parks \$
Operational Revenues for services provided to Council	\$22,000	\$320,000	\$0	\$0
Operational Revenues for services provided to External Clients	\$28,748,385	\$8,295,139	\$240,000	\$333,410
Community Service Obligations	\$0	\$326,500	\$0	\$0
Total Operational Revenue	\$28,770,385	\$8,941,639	\$240,000	\$333,410
Less: Operational Expenditure	\$23,537,297	\$7,807,068	\$166,546	\$307,936
Estimated Operational Surplus	\$5,233,088	\$1,134,571	\$73,454	\$25,474
List of Community Service Obligations (CSO)				
Charity Waste and Waste Disposal Vouchers	\$0	\$326,500	\$0	\$0
Total	\$0	\$326,500	\$0	\$0

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 Council. The 2019-20 revised budget provides \$326,500 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
Waste disposal vouchers provided to residential ratepayers for disposal of eligible waste materials at Council's waste facilities	\$306,500
	<u>\$326,500</u>

12.3 PROPOSED TOURIST PARK AT 176 COBRABALL ROAD BONDOOLA**File No:** CR 515016**Attachments:** 1. Attachment one - Locality Plan [↓](#)
2. Attachment two - Site layout [↓](#)**Responsible Officer:** David Battese - Manager Liveability**Author:** Michelle Ballenger - Principal Planning Officer**SUMMARY**

This matter was presented at the Council meeting held on 19 November 2019 and was laid on the table. The matter is now presented to be lifted from the table and dealt with.

The report seeks to provide information to Council in regards to the Tourist park operating on the property at 176 Cobraball Road, Bondoola, known as Savannah Park.

OFFICER'S RECOMMENDATION

THAT Council;

- (1) not waive or reduce the development application fees for the Tourist park development at 176 Cobraball Road, Bondoola, known as Savannah Park; and
- (2) postpone the decision to waive or reduce the Infrastructure Charges until the internal review of Infrastructure Charges is completed.

BACKGROUND

It came to Council's attention through a related plumbing application made over the site that Savannah Park, located at 176 Cobraball Road, Bondoola, did not hold land use approval to operate from the subject property. The park has been operational since the late 1990's and over time, the operations have grown. On the site, there is the primary Dwelling house, twenty one (21) camping sites, one (1) cabin, amenities and a communal area.

The property is in the Rural Zone under the *Livingstone Planning Scheme 2018* and at the time, it was established, under the 1991 Planning Scheme, the operation required land use approval. Due to the uniqueness and services offered, the proposal presented is suitable to occur in the Rural zone. Regardless, the land use remains assessable development for which the requisite permit has not been obtained. It is noted that the primary consideration of the planning assessment will pertain to on-site infrastructure provision and bushfire hazard mitigation.

Council's planning officers and development compliance officer have met with the landowners on a number of occasions to assist in the preparation of the requisite development application. The land owners are in the process of preparing development applications (for town planning and building works) based on meetings and discussions with Council officers.

COMMENTARY

The land owner has expressed concern in regards to the cost of preparing the development application, the development application fee and infrastructure charges.

Application fees

The development involves the following prescribed fees in accordance with the Fees and Charges Schedule for the current financial year:

Land use	Definition	Fee calculation
Tourist Park	<i>Premises used to provide for</i>	\$1,673.00 plus \$183.00 per cabin

(cabin and camping)	<i>accommodation in caravans, self-contained cabins, tents and similar structures for the public for short term holiday purposes. The use may include, where ancillary, a manager's residence and office, kiosk, amenity buildings, food and drink outlet, or the provision of recreation facilities for the use of occupants of the tourist park and their visitors, and accommodation for staff.</i>	and/or \$38.00 per van or tent site Caravan/tent sites: twenty one (21) - \$798.00 Cabins: one (1) cabins - \$183.00 = \$2,654.00
Total:		\$2,654.00

Due to the commercial nature of the business, officers are not supportive to reduce the application fee. In addition, it is noted that the above fee prescribed is based on the cost recovery principle which is considered appropriate for an impact assessable land use involving planning officer and other internal officers' assessment.

Infrastructure Charges

The site is located outside of the priority infrastructure area and only has access to Transport (fifty (50) per cent) and Parks and Community facilities (nine (9) per cent) trunk network. The Infrastructure Charges are applicable in accordance with the *Adopted Infrastructure Charges Resolution (No. 3) 2018*, as follows:

Land use	Charge methodology/rate	Charge calculation
Tourist Park (cabins and camping)	Proportional split applied in accordance with Table 6: \$5,900.00 per 1 or 2 tent/caravan sites; or \$8,260.00 per 3 tent/caravan sites; \$5,900.00 per 1 or 2 bedroom cabin; or \$8,260.00 per 3 or more bedroom cabin.	Caravan/tent sites: Twenty one (21) - \$57,820.00 Cabins: one (1) cabin - \$5,900.00 Manager's residence – nil charge = \$63,720.00
Sub Total:		\$63,720.00
Less Credit for the primary Dwelling house which will become an ancillary manager's residence for the Tourist park:		\$15,250.00
Total:		\$48,470.00

Officers do not recommend to waive or reduce Infrastructure Charges at this point of time. Infrastructure Charges should be determined through the assessment, including the applicable credit, based on what is applied for in the development application and what demand the development will have on the trunk infrastructure network.

PREVIOUS DECISIONS

There are no previous decisions specifically relevant to this request, nor in relation to reduction or waiver of application fees or infrastructure charges for similar land uses.

BUDGET IMPLICATIONS

Council must be cognisant of the fact that the budget has been developed based upon the need to recuperate the operating costs associated with the administration of the development assessment process and recuperate the cost to provide trunk infrastructure. A decision by Council to waive infrastructure charges will have an impact on Council's budget

LEGISLATIVE CONTEXT

A future application will be made pursuant to the *Planning Act 2016* and will be decided in accordance with the relevant provisions of the Act as well as Council's Planning Scheme and Infrastructure Charges Resolution current at the time of lodgement.

LEGAL IMPLICATIONS

Legal implications are not applicable to the determination of a fee reduction. Legal implications may be applicable at the time a decision is made if it is decided to reduce or waive Infrastructure Charges through the appeal process.

STAFFING IMPLICATIONS

Staffing implications are not likely to occur as a result of the request or outcome of the recommendation.

RISK ASSESSMENT

A financial risk applies to this request in terms of not recuperating the full fee as prescribed under the fees and charges and not recouping the full Infrastructure Charge as prescribed under the Adopted Infrastructure Charges Resolution, and possible precedent set by such a determination.

There is also a risk to Council's reputation associated with waiving infrastructure charges as it undermines Council's position on collecting contributions and charges on current and future development. There is also a financial risk to Council of not collecting monies for trunk infrastructure which may translate to budget implications.

CORPORATE/OPERATIONAL PLAN

The Corporate Plan Reference applicable to this matter relates to Strategy GO5 to deliver customer focused and responsive services efficiently and effectively. The request must also be considered with reference to Strategy GO4 to 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

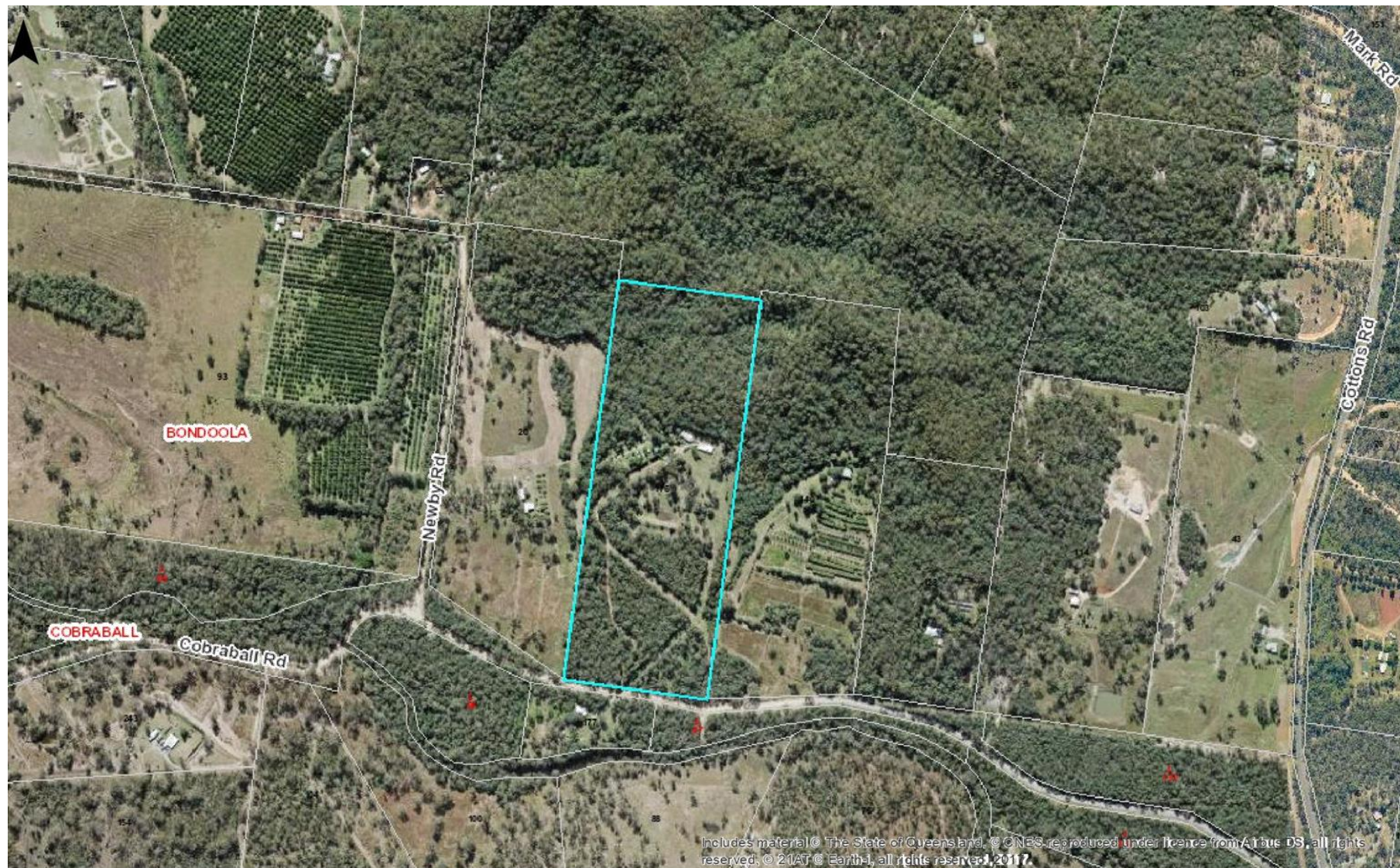
Further to discussions with the operators of Savannah Park, the proposal is suitable on the subject site due to the uniqueness and services offered, subject to a Development Permit for a Material change of use. Officers do not recommend to reduce or waive the application fees or Infrastructure Charges for the reasons outlined in the report. The development application is recommended to go through the assessment process, as would any Development Application for a Tourist park to ensure consistent and transparent decision making in accordance with Council's Corporate Plan and the statutory responsibilities under the *Planning Act 2016*.

12.3 - PROPOSED TOURIST PARK AT 176 COBRABALL ROAD BONDOOLA

Attachment one - Locality Plan

Meeting Date: 4 February 2020

Attachment No: 1



176 Cobrabbell Road, Bondoola

Map Created by: Web AppBuilder for ArcGIS



Printed from ArcPortal on 1/11/2019

12.3 - PROPOSED TOURIST PARK AT 176 COBRABALL ROAD BONDOOLA

Attachment two - Site layout

Meeting Date: 4 February 2020

Attachment No: 2

Overview of proposed site layout.



12.4 CYCLE NETWORK LOCAL GOVERNMENT GRANTS PROGRAM 2020/21 - SHARED PATH FUNDING

File No: TT30.8.5
Attachments: Nil
Responsible Officer: Dan Toon - Executive Director Infrastructure
Author: Amal Meegahawattage - Co-ordinator Infrastructure Planning

SUMMARY

The purpose of this report is to gain endorsement for design and construction of shared path links that have been applied for funds under the Cycle Network Local Government Grants Program 2020-21.

RECOMMENDATION

THAT Council endorses implementation of following two (2) projects under the Cycle Network Local Government Grants Program 2020/21, subjected to receiving approval for 50% State funding:

- Taranganba Road West shared path; and
- Hartley Street shared path upgrade.

BACKGROUND

In early 2016 Council endorsed Principal Cycle Network Plans (PCNP) prepared by Department of Transport and Main Roads (DTMR). These plans identify a number of key cycling connections within the shire.

DTMR also provides 50% funding to upgrade or construct new shared paths and cycling facilities through their Cycle Network Local Government Grants Program (Cycle Grants)

The Department of Transport and Main Roads called for nominations for the 2020/21 Cycle Grants funding program. Accordingly, following a Briefing Session Report on 12 December 2019, following two funding applications were submitted by close of business on Friday, 20 December 2019:

- Taranganba Road West shared path, 50% State Contribution; and
- Hartley Street shared path upgrade, 50% State Contribution.

COMMENTARY

Project nominations for the 2020/21 Cycle Grants program were selected and prioritised based on the following criteria:

- a) Shared path links that extend existing pathways within Principal Cycle Network Plan (PCNP) and provides efficient connectivity between origins and destinations; and
- b) Projects that have been initiated based on community enquiries in relation to safety concerns.

It was proposed to seek funds for the following two (2) projects under the 2020/21 Cycle Grants program.

Project 1: Taranganba Road West Shared Path

Council is currently constructing a new shared path on the eastern end of Taranganba Road under the 2019/20 Cycle Grants program. DTMR is also undertaking a project to construct a continuous shared path on Tanby Road (from Yeppoon Road roundabout to Taranganba Road intersection).

Upon completion of the above-mentioned projects, the only missing link on Taranganba Road will be the section between Carige Boulevard and Tanby Road.

Construction of this missing link will enable safer and more efficient connectivity between the residential areas along Tanby Road and the trip destinations on Taranganba Road, including Taranganba State School, the kindergarten and child care facilities. This link will also provide necessary connectivity between the residential areas surrounding Taranganba Road and Yeppoon CBD.

Under this project, it proposed to design and construct a new shared path from Carige Boulevard to Tanby Road.

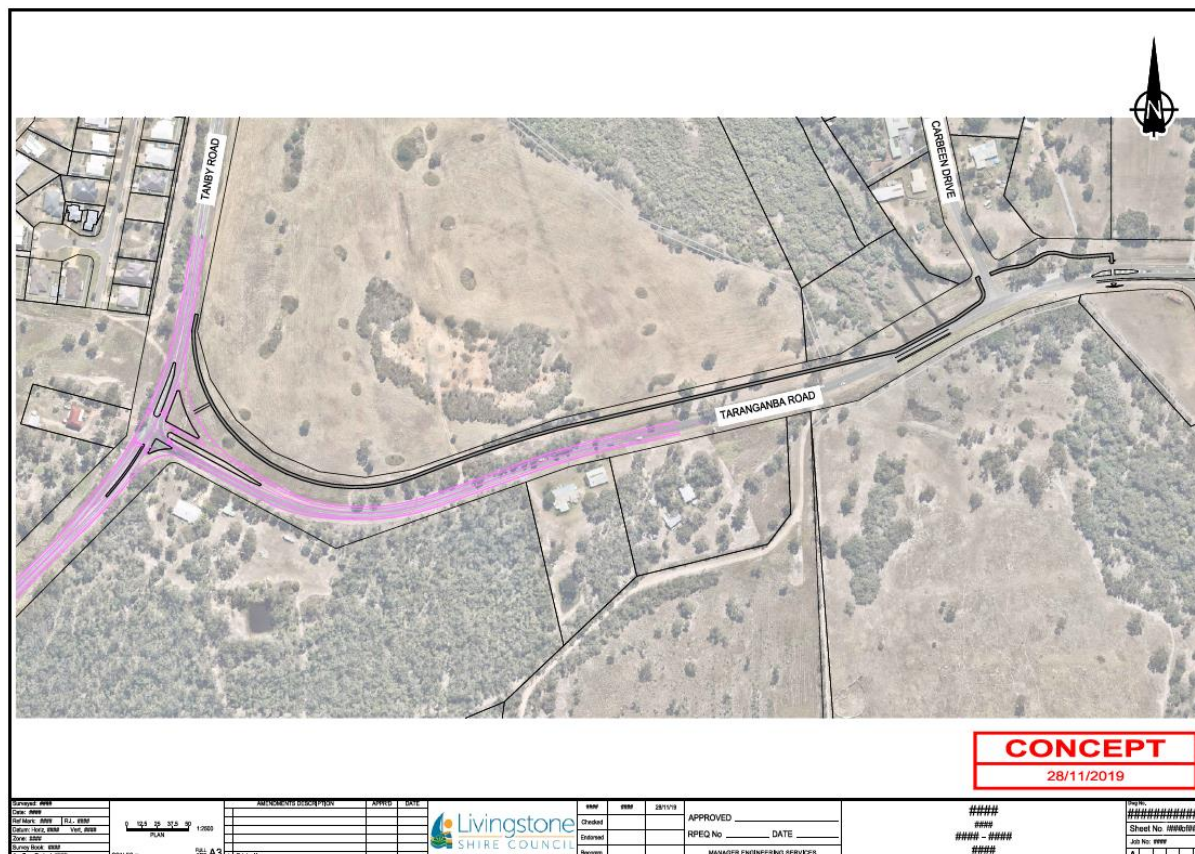


Figure 1: Indicative works proposed for Taranganba Road West Shared Path

The pathway is approximately 850m long and has a budget estimate of \$550,000 including construction cost for a culvert extension at Ross Creek.

This project is currently included in the FWP as follows:

- Taranganba Road – extend shared path along northern side 900m, \$581,250, FY 26/27

Other related projects in the FWP are:

- Taranganba Road / Carige Boulevard intersection upgrade, \$1.26M (22/23, proposed 21/22)
- Taranganba Road, Ross Creek culvert upgrade, T28, \$4.5M (originally 17/18, now 31/32)

Project 2: Hartley Street Shared Path Upgrade

In 2019, Council received a number of customer requests from the community regarding the adequacy of the existing crossing facilities on Hartley Street, just south of the Richard Street intersection in Emu Park.

Following investigations, Council officers presented a Briefing Session report on 9 September 2019 which included options to improve safety of the pedestrians and cyclists.

Subsequently, Council officers have forwarded these options to DTMR in order for them to consider in their ongoing planning project for Emu Park cycle ways. However, to date, no progress has been advised by DTMR in regard to progressing their project from concept stage to a business case.

Therefore, Council officers expect to nominate a new project to undertake required shared path infrastructure upgrade on Hartley Street to improve safety of pedestrians and cyclists.

Of the five (5) options Council officers presented in their Briefing Session report (dated 9 September 2019) option 1 is considered the most suitable solution to mitigate safety issues at this location.

Preferred Option: It is proposed to provide a mid-block crossing facility approximately 75m to the south, and construct a new section of shared path on the eastern side of Hartley Street to connect to existing footpath at Richard Street.

Furthermore, the proposed project will include improvements to shared path geometry to mitigate other risks associated with the safety of the pedestrians and cyclists.



Figure 2 – Indicative Upgrade works on Hartley Street Shared Path

The pathway is approximately 200m long and has a budget estimate of \$130,000.

PREVIOUS DECISIONS

Council officers presented a Briefing Session report on 12 December 2019, which included two recommended projects to be applied for 50% State contribution under the 2020/21 Cycle Grants program.

BUDGET IMPLICATIONS

The total estimated cost of the two (2) projects proposed for the 2020/21 Cycle Grants funding program is approximately \$680,000. If both applications are successful, State Government will fund 50% of the total project costs. Both projects are not included in the current Forward Works Program and Council will have to source the balance of \$340,000 approximately, which could be spread across the 2020/21 and 2021/22 financial years.

LEGISLATIVE CONTEXT

All the proposed shared pathways are located within road reserve areas where Council is authorised to undertake works under the Local Government Act.

LEGAL IMPLICATIONS

There are no known legal issues

STAFFING IMPLICATIONS

Design and construction would be undertaken by Council staff in accordance with relevant QA procedures.

RISK ASSESSMENT

Risks identified and the mitigation measures are explained below.

#	Risk	Measures to mitigate
1	Inadequate budget: Current cost estimates at planning stage involve a greater risk than detailed costing at detailed design or tendering stages. Planning estimates use standard unit rates and have a higher contingency allowance than that of the detailed design costing stage. Also, current FWP does not include any of the nominated projects. Therefore, there is a risk that Council will not be able source full or part of funds required for the Council's 50% contribution.	<ul style="list-style-type: none"> - Review the cost estimates at early stages of the projects and inform management / Council for the required additional funds - Liaise with DTMR for scope reduction - Differ 100% Council funded projects and utilise those funds for these 50% externally funded projects to achieve best value for money - Construct projects across two financial years
2	Inadequate budget: DTMR may propose changes that could incur additional costs to the Council	<ul style="list-style-type: none"> - Liaise with DTMR to reduce scope to suit budgetary constraints - Defer 100% Council funded projects and utilise those funds for these 50% externally funded projects to achieve best value for money - Construct projects across two financial years - Stage works
3	Project 2: If funding application is unsuccessful, it might result in pressure from the community to undertake some works utilising 100% Council funds	<ul style="list-style-type: none"> - Liaise with DTMR to incorporate some works in their Emu Park cycle ways project - Reduce the scope to undertake

#	Risk	Measures to mitigate
		minimal works and deliver under 100% council funds
4	Project 1: DTMR might propose to construct a pedestrian bridge across Ross Creek which is likely to be very costly. It would be very difficult to source additional contributions by the Council.	<ul style="list-style-type: none"> - Liaise with DTMR to explore alternative solutions or staged construction - Bring forward Ross Creek drainage upgrade project - Withdraw the funding application

CORPORATE/OPERATIONAL PLAN

Corporate Plan Reference: Strategy AM3: Design and implement practical infrastructure solutions.

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

Following shared path projects are recommended to construct under the Cycle Network Local Government Grants Program 2020/21, with 50% State funds:

- 1 Taranganba Road West shared path; and
- 2 Hartley Street shared path upgrade.

13 QUESTIONS/STATEMENT/MOTIONS ON NOTICE FROM COUNCILLORS

13.1 NOTICE OF MOTION - COUNCILLOR ADAM BELOT - BANGALEE BEACH ACCESS CONSULTATION.

File No: GV13.4.4

Attachments: 1. Notice of Motion [↓](#)

Responsible Officer: Brett Bacon - Acting Chief Executive Officer

SUMMARY

Councillor Adam Belot indicated his intention to move the attached Notice of Motion at the Council Meeting 3 December 2019.

COUNCILLOR'S RECOMMENDATION

THAT Livingstone Shire Council undertake meaningful community consultation with the Bangalee community and (any other key stakeholders) to determine their level of support for the following in relation to vehicle access onto Farnborough Beach

1/ Do you support Council investigating an alternate northern vehicle beach access point accessing onto Farnborough Beach.

BACKGROUND

At Council's Ordinary Meeting of 3 December 2019, Cr Belot proposed the following Notice of Motion:

'THAT Livingstone Shire Council undertake meaningful community consultation with the Bangalee community and (any other key stakeholders) to determine their level of support for the following in relation to vehicle access onto Farnborough Beach

1/ Do you support Council investigating an alternate northern vehicle beach access point accessing onto Farnborough Beach.'

In response to the Notice of Motion, Council resolved:

'That pursuant to s2.19.1(d) and s2.19.6 of Livingstone Shire Council's Meeting Procedures Policy the matter lay on the table pending further discussion and to return to a future Council Meeting.'

COMMENTARY

In accordance with the resolution of Council, the Notice of Motion which was laid upon the Council table at its Ordinary Meeting of 3 December 2019 is now brought back for discussion and consideration. The Notice of Motion and supporting information, as presented to the meeting of 3 December 2019, is contained within Attachment One.

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

At its Ordinary Meeting of 3 December 2019, Council resolved to defer consideration of a Notice of Motion. This reports returns that Notice of Motion for Council's consideration.

**13.1 - NOTICE OF MOTION -
COUNCILLOR ADAM BELOT -
BANGALEE BEACH ACCESS
CONSULTATION.**

Notice of Motion

Meeting Date: 4 February 2020

Attachment No: 1

To the Chief Executive officer of Livingstone Shire Council,

I Cr Adam Belot hereby submit the following Notice of Motion for inclusion into a future Ordinary Meeting of Council.

RECOMMENDATION:

1 That Livingstone Shire Council undertake meaningful community consultation with the Bangalee community and (and other key stakeholders) to determine their level of support for the following in relation to vehicle access onto Farnborough Beach.

1/ do you support Council investigating an alternate northern vehicle beach access point accessing onto Farnborough Beach.

Background

Essentially, Farnborough Beach is gaining significant popularity as a destination to enjoy a range of coastal activities like; surfing, fishing, swimming and lazy days under a shady spot. Recent traffic counts have seen as many as 800 plus vehicle movements in one day, all traversing the Bangalee ramp often in close proximity to families/individuals utilising the beach from neighbouring properties.

It is reasonable to believe that vehicle movements will continue to increase over time and this increase will have a significant impact on the liveability and amenity for beach users. Whilst there has been unsuccessful attempts in the past to look for alternate entry points onto Farnborough beach with little success, I believe the time is right to revisit this issue and consultation with those directly affected should be undertaken to ascertain current community attitudes.

Regards,

Cr Adam Belot

25/11/19

13.2 QUESTIONS ON NOTICE - COUNCILLOR GLENDA MATHER - GREAT KEPPEL ISLAND REVITALISATION PROJECT**File No:** GV13.4.4**Attachments:** 1. QoN - Great Keppel Island Revitalisation Project [↓](#)**Responsible Officer:** Brett Bacon - Acting Chief Executive Officer

SUMMARY

Councillor Glenda Mather submitted the attached 'Questions on Notice' for inclusion on the Council meeting agenda of 4 February 2020.

RECOMMENDATION

THAT the 'Questions on Notice' be received and a report providing a response to the questions be brought to a future Council meeting.

BACKGROUND

Councillor Mather has submitted three 'Questions on Notice' (refer to Attachment One for a copy of the questions) in relation to Great Keppel Island Revitalisation Project.

**13.2 - QUESTIONS ON NOTICE -
COUNCILLOR GLENDA MATHER -
GREAT KEPPEL ISLAND
REVITALISATION PROJECT**

**QoN - Great Keppel Island
Revitalisation Project**

Meeting Date: 4 February 2020

Attachment No: 1

PO Box 5186
Red Hill PO Q 4701
28 January 2020

Acting Chief Executive Officer
Livingstone Shire Council
Yeppoon Q 4703

Questions on Notice
Great Keppel Island Revitalisation Project

Dear Mr Bacon,

With reference to the Ordinary Agenda of 21 January 2020 (Item 12.1) relating to the Great Keppel Island Revitalisation Project, I wish to formally place the following Questions on Notice, and request that they be included in the Ordinary Meeting of 3 February 2020.

- Q 1 What investigations or enquires were undertaken to identify the number of islands off the Queensland coast or elsewhere around Australia, to determine which, if any, are supplied with mainland power and/or water?
- Q 2 If applicable, was any detail derived from these enquiries which would provide information regarding actual costings, the degree of difficulty, or other, which may assist this Council in its deliberations on this subject?
- Q3 Again if applicable, would you provide a list of the serviced islands from the mainland?
- Q4 Was any other information sought as to the alternative means of providing water and power supply to the islands which did *not* have the mainland connection?

Many thanks,
Glenda Mather Cllr

14 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

15 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.

16.1 Potential Sale of Lot 18 on Survey Plan 296924 at The Gateway Business and Industry Park

This report is considered confidential in accordance with section 275(1)(e), of the *Local Government Regulation 2012*, as it contains information relating to contracts proposed to be made by Council.

16.2 Properties Eligible for Sale of Land for Rate Arrears

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.

16.3 ACQUISITION OF LAND

This report is considered confidential in accordance with section 275(1)(e), of the *Local Government Regulation 2012*, as it contains information relating to contracts proposed to be made by Council.

16 CONFIDENTIAL REPORTS

16.1 POTENTIAL SALE OF LOT 18 ON SURVEY PLAN 296924 AT THE GATEWAY BUSINESS AND INDUSTRY PARK

File No: ED8.5.2

Attachments: 1. Concept Plan of Stage Two, The Gateway Business and Industry Park

Responsible Officer: Brett Bacon - Acting Chief Executive Officer
Jan Anfruns - Manager Economy and Places

Author: Elle Wallin - Project Support Officer

This report is considered confidential in accordance with section 275(1)(e), of the *Local Government Regulation 2012*, as it contains information relating to contracts proposed to be made by Council.

SUMMARY

An investor has expressed interest in purchasing a parcel of land at The Gateway Business and Industry Park described as Lot 18 on Survey Plan 296924.

16.2 PROPERTIES ELIGIBLE FOR SALE OF LAND FOR RATE ARREARS**File No:** FM12.1.9**Attachments:**

1. Table of Properties
2. Sale of Land - Workflow

Responsible Officer: Andrea Ellis - Chief Financial Officer**Author:** Priscilla Graham - Coordinator Revenue

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

Under the provisions of the Local Government Regulation 2012 Council has the authority to recover outstanding rates and charges through a land sale process where the amounts have been overdue for three or more years. The attachment (1), there are twelve (12) properties that have both, received the pre land sale correspondence and meet the criteria being eligible for land sale. The total value of the assessment balances is now \$356,409 including water accounts. This represents 18 accounts and 9% of the total Rates & Utilities overdue.

16.3 ACQUISITION OF LAND**File No:** ED8.5.12

Attachments:

1. Section of land proposed to be sold to Council
2. Report to Ordinary Council Meeting of 20 August 2019
3. Report to Ordinary Council Meeting of 5 November 2019

Responsible Officer: Brett Bacon - Acting Chief Executive Officer**Author:** Brett Bacon - Acting Chief Executive Officer

This report is considered confidential in accordance with section 275(1)(e), of the *Local Government Regulation 2012*, as it contains information relating to contracts proposed to be made by Council.

SUMMARY

This report considers a potential acquisition of land.

17 CLOSURE OF MEETING