



LATE ITEMS SPECIAL MEETING

AGENDA

19 DECEMBER 2019

Your attendance is required at a Special meeting of Council to be held in the Council Chambers, 4 Lagoon Place, Yeppoon on 19 December 2019 commencing at 1pm for transaction of the enclosed business.

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.

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11 REPORTS

11.3 MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 30 NOVEMBER 2019

File No: FM12.14.1

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

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Priscilla Graham - Coordinator Revenue

SUMMARY

Presentation of the Livingstone Shire Council Monthly Financial Report for the period ending 30 November 2019 by the Chief Financial Officer.

RECOMMENDATION

THAT the Livingstone Shire Council Monthly Financial Report for the period ending 30 November 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 30 November 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.

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 30 November 2019 shows an operating surplus of approximately \$4.8 million compared to a budgeted year to date operating surplus of approximately \$0.7 million.

Total operational expenditure is \$1.5 million below the year to date budget due in part to the non-accrual of all materials and services expenditure on a monthly basis. Operational revenue is ahead of the year to date budget.

Financial Performance Summary to 30 November 2019					
	20Q1YTD Revised Budget (\$m)	Actuals (\$m)	Variance (\$m)	Variance %	Status
Operating Revenue	\$37.7	\$40.3	\$2.6	7%	✓
Operating Expense	(\$37.0)	(\$35.5)	\$1.5	(4%)	✓
<i>Net Operating Result</i>	\$0.7	\$4.8	\$4.1	555%	
Capital Grants	\$4.4	\$3.6	(\$0.8)	(18%)	✗
Capital Expenditure	(\$16.9)	(\$9.2)	(\$7.7)	(45%)	✓

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. All other operational revenue budget items are in close proximity to budget with the exception of interest revenue.

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. Council has two (2) term deposits invested as at the end of November. 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.

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 4%, which excludes \$12.8 million in committed expenditure. An employee wages accrual for the fortnight ending Sunday 1 December of approximately \$1.2 million has been included within the year to date employee benefits expenditure line item.

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.

	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	\$2,104	\$1,281	\$3,551	59.3%
Urban Maintenance	\$863	\$955	\$2,206	39.1%

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 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 \$9.2 million. There is approximately \$7.1 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 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 at month end.

Statement of Cash Flows

The statement of cash flows provided in Table C in Attachment 1 shows Council's cash flows year to date to the end of November in comparison to the year to date budget. The cash position remains sound with cash totalling approximately \$44.9 million.

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 December. Council has not accessed the approved 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. First quarter 2019-20 water consumption notices were issued on 30 October 2019 and are due for payment on 4 December 2019. 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 \$4.1m, which is 11.6% of rates levied. (November 2018 11.9% and November 2017 13.0%).

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 875 assessments out of all 17,564 rateable assessments (4.9%).
- There are 503 current proposals to pay (October: 456) in place totalling \$586,872.
- There are 114 assessments (October: 112) under long-term arrangements (agreements to pay) with a total of \$439,138 with varying settlement periods.
- The in-house collection process has concluded. However, following the Cobraball Bush Fire event (November 2019) and with the upcoming Christmas period, referrals and legal action are currently on hold and will be delicately monitored for those affected suburbs into the new calendar year.
- Council's debt collection agency is currently managing 258 assessments (October: 287), representing \$1,044,151 (October: \$1,339,396). Compared to November 2018, there are 259 less assessments under a debt management arrangement; this is a decrease in the total value under management by \$919,204.
- Twenty (20) Pre-Land Sale letters have issued at the end of October. Eighteen (18) properties remain that meet the criteria identifying as eligible for land sale. The total value of these assessment balances is currently \$438,870 including water accounts. Further detail is provided in a confidential report under a separate heading in the meeting agenda for the 9 December 2019 briefing session.

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 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 have been deemed not suitable.

Contract – contract issued by letter of award.

Summary of current tenders:

Evaluation	
1026T	Invitation To Tender - Preferred Supplier Arrangement for Provision of Compliance & WHS Training
Contract Award	
1007T	Invitation To Tender - Registered Pre-Qualified Suppliers for Real Estate Agency Services
1019T	Invitation To Tender - Registered Pre-Qualified Suppliers for Trade Services
Non -Award	
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 30 November 2019.

11.3 - MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 30 NOVEMBER 2019

Monthly Finance Report - November 2019

Meeting Date: 19 December 2019

Attachment No: 1



Livingstone
SHIRE COUNCIL

**Monthly Financial Report
for period ending
30/11/2019**

Contents

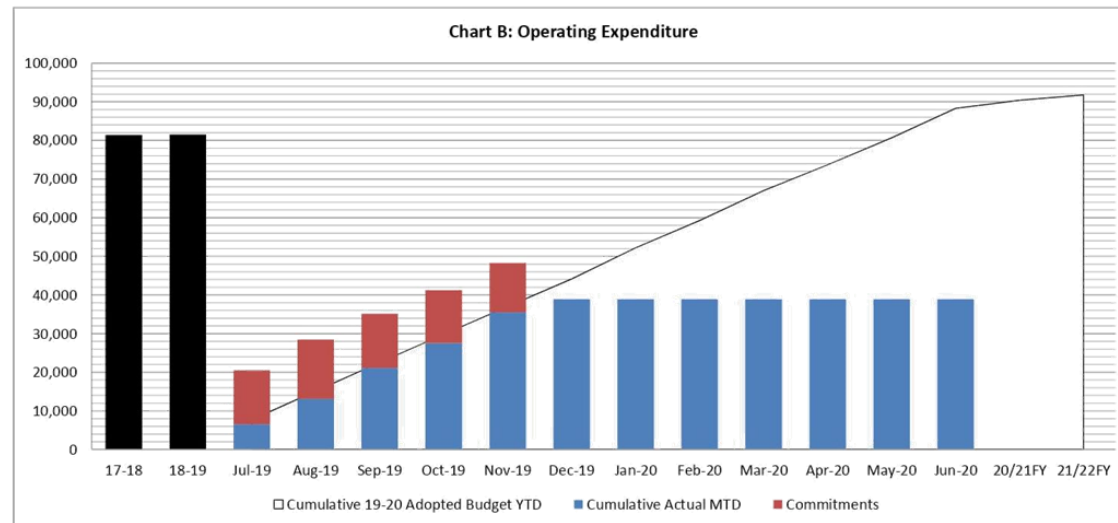
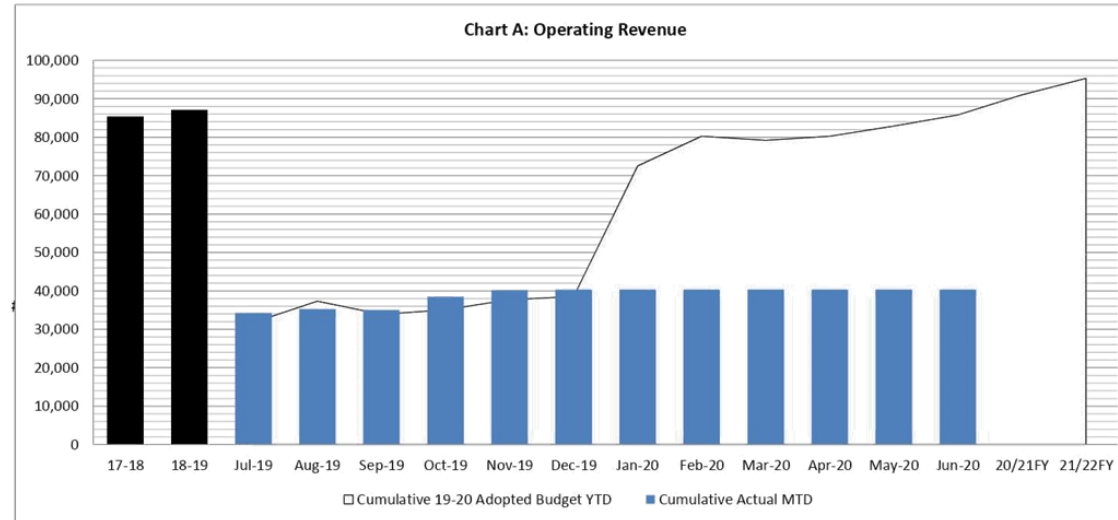
Financial Health Indicators

- 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: 30/11/2019					
Operating performance					
	Target Benchmark	1920 Q1 Budget	YTD Actual	Status	Commentary
Operating surplus ratio Operating surplus/operating revenue	0-10%	-2.6%	11.8%	✓	The operating surplus and operating efficiency ratios are above the target range. This is mostly due to the settlement date of the Capricorn Coast Homemaker Centre being later than the anticipated timeframe incorporated into the 2019-20 budget. This is a budget timing variance as at the time of adopting the 2019-20 budget it was anticipated that settlement would occur in September 2019. It is also expected that both ratios will continue to move closer towards their respective budgeted positions as operational expenditure is incurred over coming months until the next general rates notices are levied early next calendar year.
Operating efficiency ratio Operating revenue/operating expense	110%	97.5%	113.4%	✓	
Fiscal flexibility					
	Target Benchmark	1920 Q1 Budget	YTD Actual		Commentary
Net financial liabilities ratio (Total liabilities - current assets) / operating revenue	<60%	61.5%	91.9%	✗	The Net Financial Liabilities Ratio is above the 20Q1 revised budgeted position and target benchmark. The Net Financial Liability ratio has moved higher since the end of October as there has been a net decrease in total current assets during the month of November. The own-source operating revenue ratio is well ahead of the target benchmark as general rates and utility charges have been recorded as revenue in July relative to other sources of operational revenue received to end of November.
Own-source operating revenue ratio Own source/operating revenue	>60%	92.3%	93.1%	✓	
Interest cover ratio Net Interest Expense / Total Operating Revenue	0% - 5%	4.6%	4.2%	✓	
Liquidity					
	Target Benchmark	1920 Q1 Budget	YTD Actual		Commentary
Cash balances - Cash capacity in months Cash at bank/cash operating expense	3.0	2.4	9.1	✓	The year to date cash expense cover indicates that Council has sufficient cash to meet current cash operating expenses for approximately 9.1 months. This is above the target benchmark as Council's closing cash position at 30 November 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	4.1	✓	
Asset sustainability					
	Target Benchmark	1920 Q1 Budget	YTD Actual		Commentary
Asset Sustainability Ratio Renewal expenditure/depreciation	90%	50.8%	21%	✗	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 30/11/2019

A. Summary of financial results

A. Income Statements

	Year-to-date 2019-20 Q1		Variance		Status	Comments
	Budget	Actual				
	(\$m)	(\$m)	\$	%		
Own-source Revenues	36.91	37.50	0.59	1.6%	✓	The own-source operating revenue ratio is well ahead of the target benchmark as general rates and utility charges have been recorded as revenue in July relative to other sources of operational revenue received to end of November. Another contributing factor to total revenues being above budget is the timing of grants receipts. Total employee expenses are in close proximity to the 20Q1 revised budget given a change to incorporate monthly payroll accruals of employee benefits.
Total Revenues	37.72	40.27	2.55	6.8%	✓	
Employee Expenses	(13.82)	(13.31)	0.50	-3.7%	✓	
Total Expenses	(37.00)	(35.52)	1.48	-4.0%	✓	
Operating Result	0.73	4.75	4.03	555%		

B. Balance Sheet

	Year-to-date 2019-20 Q1		Variance		Status	Comments
	Budget	Actual				
	(\$m)	(\$m)	\$	%		
Cash and Cash Equivalents	35.41	44.88	9.46	26.7%	✓	Cash balances and total current assets are well ahead of the budgeted position at the end of November mostly due to year to date underspend in capital expenditure. All other balance sheet items are in relatively close proximity to the year to date 20Q1 budgeted position.
Current Assets	38.66	65.29	26.63	68.9%	✓	
Current Liabilities	14.25	15.90	1.66	11.6%	■	
Non-Current assets	987.24	975.93	(11.31)	-1.1%	■	
Borrowings	80.64	79.95	(0.69)	-0.9%	✓	
Non-Current Liabilities	87.82	86.37	(1.45)	-1.6%	✓	
Net Assets	923.83	938.94	15.11	2%		

C. Cash flows

	Year-to-date 2019-20 Q1		Variance		Status	Comments
	Budget	Actual				
	(\$m)	(\$m)	\$	%		
Net Operating	20.38	16.12	(4.26)	-21%	✗	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 November. The capital works delivery program will be reviewed as part of the 20Q2 quarterly budget review.
Net Investing	(10.84)	(9.78)	1.06	-10%	✗	
Net Financing	(1.25)	(1.22)	0.03	-2%	✓	
Closing Cash Balance	35.41	44.88	9.46	27%		

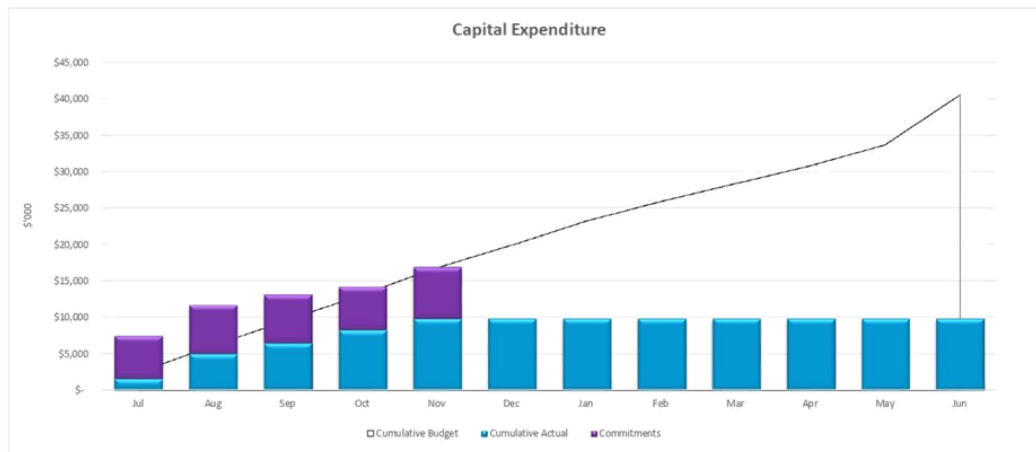
D. Capital program

	Year-to-date 2019-20 Q1		Variance		Status	Comments
	Budget	Actual				
	(\$m)	(\$m)	\$	%		
Renewal	4.36	1.96	(2.40)	-55%	✗	Total capital expenditure is below budget to the end of November. The 20Q2 budget review will consider the progress and timing of capital renewal works undertaken during the remainder of the 2019-20 financial year.
New/Upgrade	12.51	7.24	(5.27)	-42%	✗	
Total Capital Program	16.87	9.20	(7.67)	-45%		

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% ✗

Table D.3 Capital Expenditure

Capital Expenditure for the Period Ending
30/11/2019

	Annual 20Q1 Budget (\$'000)	YTD 20Q1 Budget (\$'000)	YTD Actual (\$'000)	YTD Variance (\$'000)	YTD Variance %
Capitalised goods and services	37,496	\$ 15,589	7,227 -	8,362	-54%
Capitalised employee costs	3,076	\$ 1,279	1,076 -	203	-16%
Total	40,572	16,868	8,303 -	8,565	

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	34,369	35,034	665	2%	73,538
User Fees & Charges	2,133	2,031	(102)	-5%	4,996
Operating Grants	1,884	1,822	(62)	-3%	5,968
Interest	432	281	(151)	-35%	1,036
Sales Revenue	(1,506)	663	2,168	-144%	(398)
Other	409	438	29	7%	941
Total operating revenues	37,721	40,268	2,547	7%	86,081
Expenses					
Employee Benefits	(13,817)	(13,312)	505	-4%	(32,269)
Materials & Services	(11,795)	(10,768)	1,027	-9%	(28,556)
Depreciation	(9,276)	(9,276)	(0)	0%	(22,263)
Interest	(1,664)	(1,690)	(26)	2%	(3,996)
Other	(444)	(470)	(26)	6%	(1,215)
Less: Total operating expenses	(36,996)	(35,515)	1,480	-4%	(88,299)
Net operating result	725	4,753	4,028	555%	(2,218)
Capital Income					
Capital Grants	4,419	3,197	(1,223)	-28%	10,607
Developer Contributions	625	1,409	784	125%	1,500
Other Capital Income	0	266	266	0%	0
Less: Restoration Provision Capital Expense	(61)	0	61	-100%	(146)
Net Capital Income	4,984	4,871	(112)	-2%	11,961
Total comprehensive income	5,709	9,624	3,915	69%	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	35,415	44,877	9,462	27%	29,651
Inventory	744	445	(299)	-40%	4,284
Receivables:					
Trade & Other Receivables	2,117	5,862	3,745	177%	8,354
Land - for resale	13,786	17,915	4,129	30%	3,812
Infrastructure:					
PPE	973,452	937,107	(36,345)	-4%	997,677
Capital WIP	-	35,012	35,012	0%	-
Other assets	388	4	(383)	-99%	1,031
Total Assets	1,025,901	1,041,222	15,321	1%	1,044,809
Liabilities					
Employee benefits	8,255	10,424	2,169	26%	3,011
Trade creditors and accruals	722	779	57	8%	5,254
Borrowings:					
Short-term	5,270	4,583	(687)	-13%	5,270
Long-term	75,370	75,370	0	0%	70,260
Other liabilities	12,452	11,122	(1,330)	-11%	12,452
Total Liabilities	102,069	102,278	209	0%	96,247
Current assets	38,663	65,291	26,627	69%	43,320
Current liabilities	14,247	15,904	1,657	12%	13,535
Non-current assets	987,238	975,931	(11,307)	-1%	1,001,489
Non-current liabilities	87,822	86,373	(1,449)	-2%	82,712
Net community assets	923,832	938,944	15,112	2%	948,562

C: Monthly summary cash flow report

	1920 Q1 Budget	Year-to-date			Full year
		Actual	Variance	Variance	2019-20 Q1 Budget
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)
Operating Cashflows					
<i>Cash inflows from operations</i>					
Rates & utility charges	35,930	34,956	(975)	-3%	76,316
User fees and charges	2,225	2,758	533	24%	5,018
Operating grants	2,883	1,773	(1,109)	-38%	5,967
Interest	451	281	(170)	-38%	1,036
Other	947	1,423	476	50%	0
Proceeds from sale of land inventory	8,696	0	(8,696)	-100%	8,696
Total operating cash inflows	51,133	41,191	(9,942)	-19%	97,032
<i>Cash outflows from operations</i>					
Employee entitlements	(14,176)	(12,060)	2,116	-15%	(37,819)
Payments to suppliers	(14,665)	(11,997)	2,668	-18%	(33,281)
Borrowing costs & bank charges	(1,784)	(1,005)	779	-44%	(3,845)
Other operating cash outflows	(125)	0	125	-100%	(300)
Payments for land inventory	0	(10)	(10)	0%	(88)
Total operating cash outflows	(30,750)	(25,071)	5,678	-18%	(75,333)
Net cash flows from operations	20,383	16,120	(4,263)	-21%	21,699
Investing cash flows					
Proceeds on disposal of assets	0	235	235	0%	1,600
Capital grants & infrastructure charges	4,980	5,023	43	1%	12,107
Acquisition of assets	(15,818)	(15,035)	783	-5%	(40,484)
Other investing activities	0	0	0	0%	(30)
Net investing cash flows	(10,838)	(9,777)	1,061	-10%	(26,807)
Financing cash flows					
Repayments on borrowings	(1,250)	(1,224)	26	-2%	(4,999)
Net financing cash flows	(1,250)	(1,224)	26	-2%	(4,999)
Net combined cash flows	8,295	5,119	(3,177)	-38%	(10,107)
Add: Opening cash balance	27,119	39,758	12,639	47%	39,758
Closing cash balance	35,414	44,877	9,462	27%	29,651

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

	1920 Q1 Budget	Year-to-date			Full year
		Actual	Variance	Variance	2019-20 Q1 Budget
	(\$'000)	(\$'000)	(\$'000)	%	(\$'000)
Renewal of existing assets					
Capital grants and contributions	(260)	(480)	(220)	84%	(625)
Renewal expenditure	4,359	1,961	(2,399)	-55%	11,305
New assets/upgrade of existing assets					
Capital grants and contributions	(4,159)	(3,133)	1,026	-25%	(9,982)
New/upgrade expenditure	12,509	7,241	(5,268)	-42%	29,267
Total					
Capital grants and contributions	(4,419)	(3,614)	806	-18%	(10,607)
Renewal, upgrade and acquisition	16,868	9,201	(7,667)	-45%	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	117	213	97	83%	180
Buildings					
Capital grants and contributions	(479)	(500)	(21)	4%	(1,150)
Renewal, new/upgrade	1,471	172	(1,299)	-88%	2,603
Plant & Equipment					
Capital grants and contributions	(18)	(33)	(14)	80%	(43)
Renewal, new/upgrade	1,243	528	(715)	-58%	2,432
Roads & Drainage					
Capital grants and contributions	(1,496)	(2,133)	(637)	43%	(3,590)
Renewal, new/upgrade	6,184	3,932	(2,252)	-36%	15,410
Bridges					
Capital grants and contributions	-	-	-	0%	-
Renewal, new/upgrade	65	8	(57)	-88%	68
Water					
Capital grants and contributions	-	-	-	0%	-
Renewal, upgrade and acquisition	2,296	726	(1,570)	-68%	4,558
Sewerage					
Capital grants and contributions	(817)	(140)	677	-83%	(1,960)
Renewal, upgrade and acquisition	3,090	2,447	(643)	-21%	7,387
Site Improvements					
Capital grants and contributions	(1,610)	(807)	802	-50%	(3,863)
Renewal, upgrade and acquisition	2,380	1,083	(1,297)	-54%	6,726
Land Development					
Capital grants and contributions	-	-	-	0%	-
Renewal, upgrade and acquisition	24	24	0	1%	88
ICT					
Capital grants and contributions	-	-	-	0%	-
Renewal, upgrade and acquisition	-	68	68	0%	1,120

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	9	9	0	0	0	3,010
988173 Capricorn Coast Cemetery - Internal works	30%	Mon 02/07/18	Fri 20/12/19	502	34	229	263	852	852	536	536
1110324 Capricorn Coast Cemetery - Internal R&D works	100%	-	2018-19	2,146	2	10	12	0	0	0	2,148
Subtotal				5,668	36	248	284	852	852	5,704	6,850
Emu Park Village & Foreshore Revitalisation											
1097725 Emu Park Village & Foreshore - Emu Park Foreshore PPP	0%	-	-	75	0	0	0	0	0	0	75
1100767 Emu Park Village & Foreshore	85%	Mon 02/07/18	Fri 20/12/19	2,087	642	1,106	1,749	1,728	1,728	2,729	2,729
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	0	8	8	0	0	0	231
1108479 Emu Park Village & Foreshore - Water Main Replacement Emu Street	100%	-	2017-18	141	0	0	0	0	0	0	141
Subtotal				3,359	642	1,114	1,756	1,728	1,728	4,002	5,520
1115392 ICT Strategy	6%	Mon 02/07/19	Tue 30/06/20	4	68	106	174	1,120	1,120	72	2,120
CP440 Fleet Renewal Program	20%	Mon 02/07/19	Tue 30/06/20	0	461	1,289	1,750	2,023	2,339	461	2,023
Road & Drainage											
CP422 Gravel Resheet Annual Program	23%	Mon 02/07/18	Tue 30/06/20	76	160	97	257	0	0	236	0
1017252 Matthew Flinders Drive - Scenic Highway to Gregory Street	0%	27/11/2019	21/07/2020	7	70	2	72	1,500	1,500	77	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	425	411	836	1,300	1,300	428	1,300
1108378 Barmayee Rd-Oaks Village - Neil's Road	10%	18/11/2019	05/05/2020	4	36	240	276	880	880	40	880
1113798 Whitman St - Morris to Arthur Streets	0%	19/03/2020	28/07/2020	18	3	0	3	625	625	21	635
Subtotal				425	695	750	1,444	5,225	5,225	1,120	5,835
Major Projects											
1115553 Cooe Bay Pool- W4Q Round 3	4%	Mon 29/07/19	30/09/2020	0	19	0	19	1,200	1,200	19	1,200
959072 Sewer Treatment Plant Yeppoon - Augmentation Design & Construction	99%	Thu 22/03/18	Fri 29/11/19	14,157	2,185	351	2,536	2,444	2,444	16,342	16,601
1110848 Yeppoon Water Recycling Augmentation	10%	Mon 01/07/19	Fri 18/12/20	10	14	22	36	1,900	1,900	24	1,900
Subtotal				14,167	2,219	373	2,592	5,544	5,544	16,386	19,701
Water and Waste Operations											
1100809 Yeppoon Landfill entry works - Planning and Design	5%	06/04/2020	08/09/2020	0	30	11	41	2,000	2,000	30	2,000
1116575 Reservoir West Emu Park	0%	Mon 02/07/19	30/04/2020	0	1	5	5	2,200	2,200	1	2,200
1065688 Arthur St Yeppoon Trunk Sewer	0%	10/02/2020	21/05/2020	6	12	1	13	919	919	18	919
Subtotal				6	42	16	59	5,119	5,119	48	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	16,732	6,567	(10,166)	-61%	9,676	5,009	(4,667)	-48%	6,204	3,124	(3,080)	-50%	41,073	20,334	(20,739)	-50%	73,538	35,034	(38,502)	-52%
User fees & charges	231	102	(129)	-56%	170	76	(94)	-55%	1,981	576	(1,404)	-71%	2,615	1,278	(1,337)	-51%	4,996	2,031	(2,965)	-59%
Operating grants	0	(8)	(8)	0%	0	0	0	0%	0	0	0	0%	5,968	1,829	(4,139)	-69%	5,968	1,822	(4,147)	-69%
Interest	0	0	0	0%	0	0	0	0%	0	0	0	0%	889	281	(608)	-68%	1,036	281	(608)	-68%
Sales revenue	140	26	(114)	-82%	60	60	(0)	0%	0	0	0	0%	(598)	577	1,175	-196%	(398)	663	1,061	-266%
Other	0	18	18	0%	0	(0)	(0)	0%	216	43	(173)	-80%	724	377	(348)	-48%	941	438	(503)	-53%
Total operating revenues	17,103	6,704	(10,398)	-61%	9,906	5,144	(4,762)	-48%	8,401	3,744	(4,656)	-55%	50,671	24,675	(25,996)	-51%	86,081	40,268	(45,813)	-53%
Expenses																				
Employee benefits	(2,458)	(766)	1,692	-69%	(1,432)	(460)	971	-68%	(454)	(110)	344	-76%	(27,924)	(11,976)	15,948	-57%	(32,269)	(13,312)	18,955	-59%
Materials & services	(7,649)	(3,063)	4,586	-60%	(2,915)	(1,203)	1,712	-59%	(5,581)	(1,363)	4,219	-76%	(12,412)	(5,139)	7,273	-59%	(28,556)	(10,768)	17,789	-62%
Depreciation	(4,138)	(1,724)	2,414	-58%	(2,315)	(965)	1,350	-58%	(635)	(264)	371	-58%	(15,175)	(6,324)	8,852	-58%	(22,263)	(9,276)	12,987	-58%
Interest	(548)	(233)	315	-57%	(682)	(289)	393	-58%	(578)	(246)	332	-57%	(2,188)	(921)	1,266	-58%	(3,996)	(1,690)	2,306	-58%
Other	0	(4)	(4)	0%	(0)	(81)	(81)	0%	(10)	(12)	(2)	22%	(1,207)	(373)	834	-69%	(1,215)	(470)	747	-61%
Less: Total operating expenses	(14,793)	(5,790)	9,002	-61%	(7,344)	(2,998)	4,346	-59%	(7,258)	(1,995)	5,262	-73%	(58,906)	(24,733)	34,173	-58%	(88,299)	(35,516)	52,784	-60%
Net operating result	2,310	914	(1,396)	-60%	2,562	2,146	(416)	-16%	1,143	1,749	606	53%	(8,235)	(57)	8,178	-99%	(2,218)	4,752	6,971	-314%

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	13,156	4,977	12,391	14,351	35,415	44,877	9,462	27%	17,630
Inventory	0	0	0	451	744	445	(299)	-40%	3,485
Trade & Other Receivables	1,580	468	252	3,561	2,117	5,862	3,745	0%	8,335
Land - for resale	0	0	0	17,915	13,786	17,915	4,129	30%	2,923
Infrastructure:	0	0	0	0	0	0	0	0%	0
PPE	193,907	116,385	8,939	617,876	973,452	937,107	(36,345)	-4%	995,051
Capital WIP	1,341	16,748	69	16,854	0	35,012	35,012	0%	0
Other assets	0	(0)	0	4	388	4	(383)	0%	930
Total Assets	209,985	138,579	21,651	671,013	1,025,901	1,041,222	15,321	1%	1,028,354
Liabilities									
Employee benefits	664	646	674	9,117	8,255	10,424	2,169	26%	4,782
Trade creditors and accruals	14	21	95	522	722	779	57	8%	3,487
Borrowings:									
Short-term	675	777	672	2,459	5,270	4,583	(687)	-13%	5,270
Long-term	9,225	15,281	9,739	41,126	75,370	75,370	0	0%	70,260
Other liabilities	3	0	9,893	547	12,452	11,122	(1,330)	-11%	11,659
Total Liabilities	10,581	16,726	21,074	53,771	102,069	102,278	209	0%	96,458
Current assets	14,736	5,446	12,643	32,471	38,663	65,291	26,627	69%	30,380
Current liabilities	1,334	1,426	1,442	11,576	14,247	15,904	1,657	12%	13,539
Non-current assets	195,249	133,133	9,008	638,542	987,238	975,931	(11,307)	-1%	997,974
Non-current liabilities	9,247	15,300	19,632	42,195	87,822	86,373	(1,449)	-2%	81,919
Net community assets	199,404	121,853	577	617,242	923,832	938,944	15,112	2%	932,896



Total cash held at 30 November 2019 was \$44877 (\$'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 1.66% p.a with the QTC and Council has two (2) Term Deposits invested at 2.35% p.a and 1.90% p.a with both of these term deposits of varying maturity terms.

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, however, from September 2019 QTC was offering a slightly higher interest return than what was achievable from Council's general banker. Accordingly cash surplus to needs was invested with the QTC. 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	1,634
Total debt service payments made YTD	- 2,211
Total Debt held as at 30 November 2019	79,953

In line with Council's debt policy, a debt service payment of \$2,211,013 (being approximately \$1.25m repayment of principal and \$960k 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 30 November 2019 the weighted average interest rate of all Council debt is 4.35%.

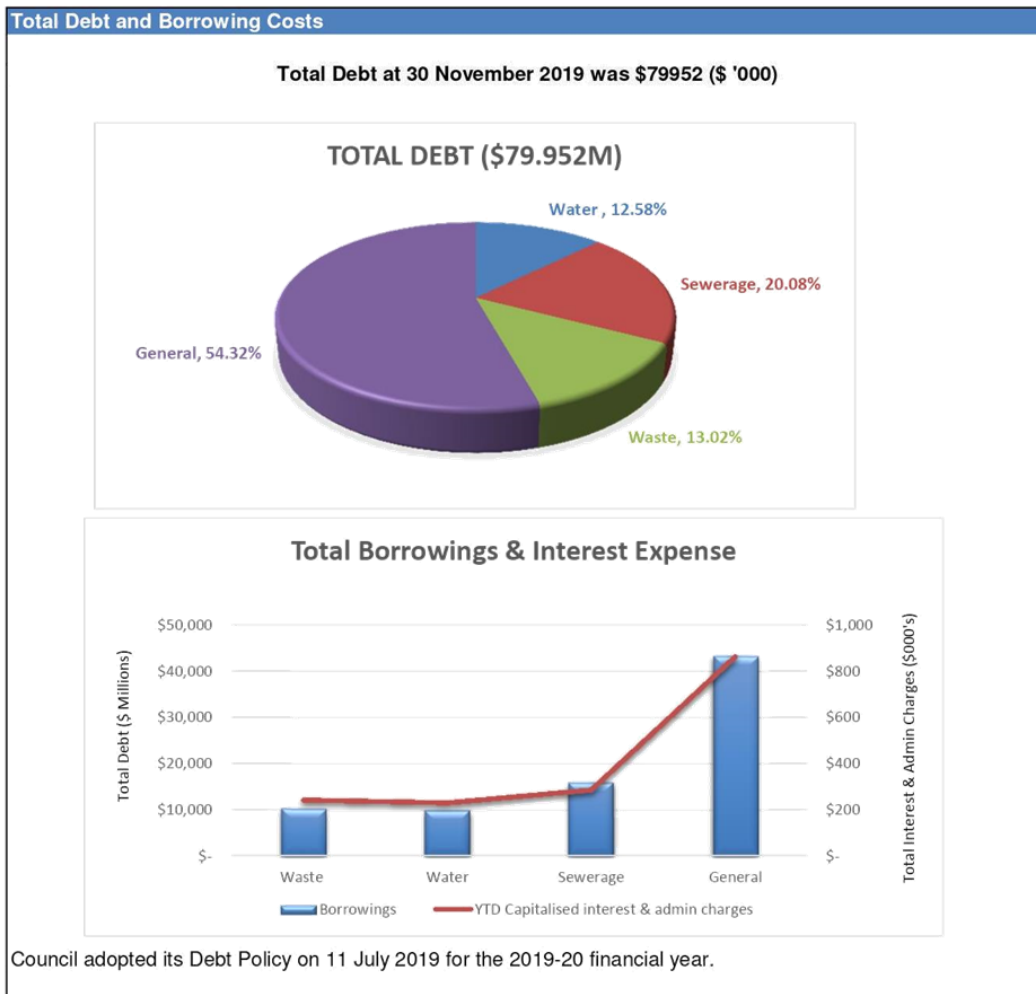
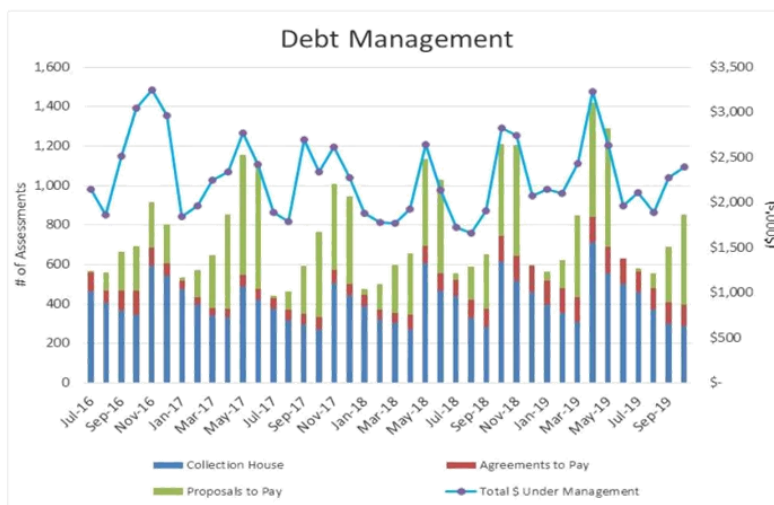
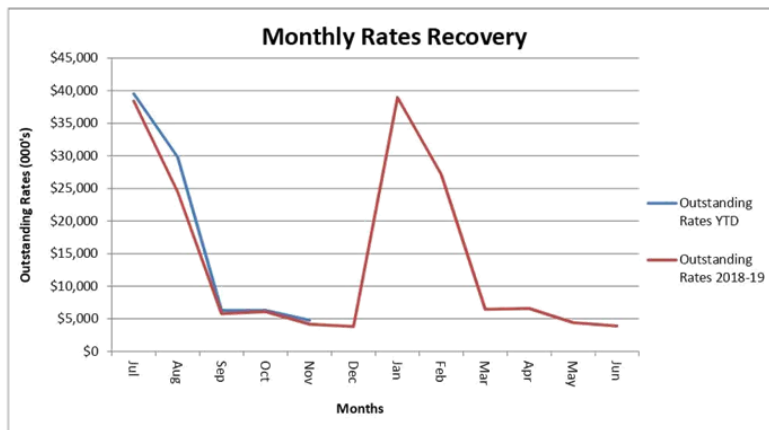


Table E.4: Additional Information

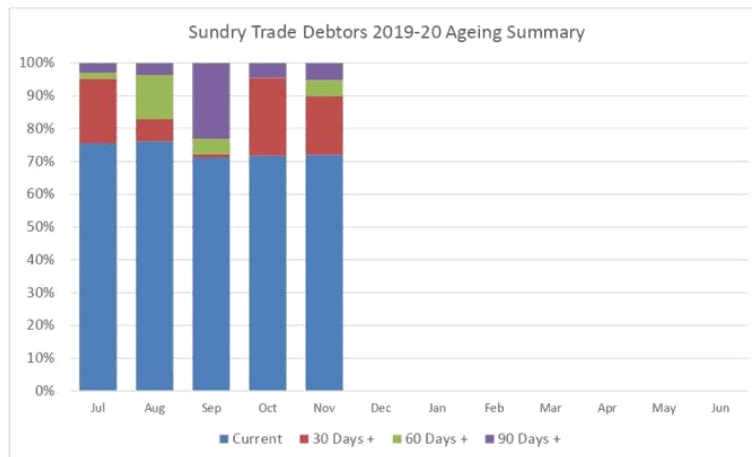
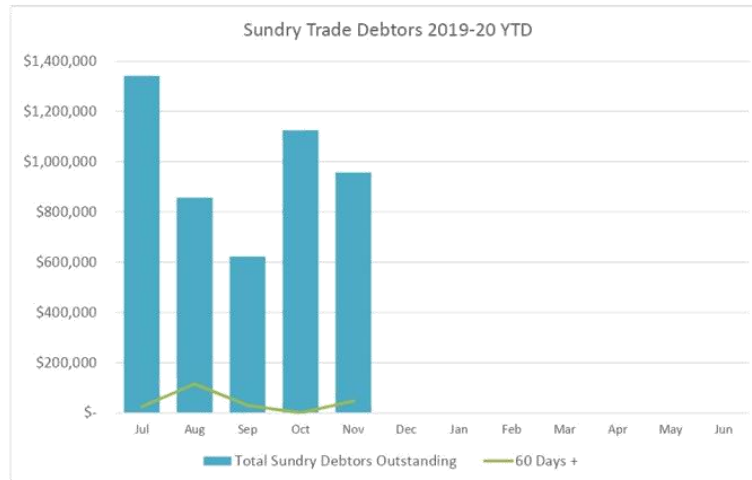
Outstanding Rates

Ageing of Rates Receivable at 30 November 2019			
Aging Period	Arrears (before deducting prepaid rates)	balance	% of total eligible for collection
Current	\$2,709,719		56.72%
1 years	\$1,176,800		24.63%
2 years	\$395,990		8.29%
3 years	\$253,490		5.31%
4 years	\$90,091		1.89%
5 years	\$150,898		3.16%
TOTAL	\$4,776,988		100%



Outstanding Sundry Trade Debtors

Total Sundry Trade Debtors Outstanding at Month End: \$957,074



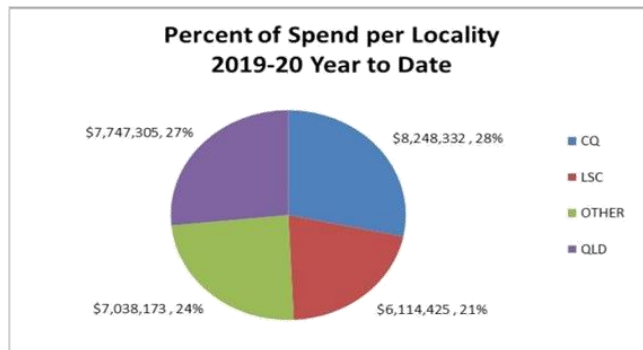
Procurement

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 21% or \$6.1 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.

