



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

**TO BE HELD AT THE COUNCIL CHAMBERS – CIVIC CENTRE
101 GOONDOON STREET, GLADSTONE**

On Tuesday 16 August 2022

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

Table of Contents

ITEM	PAGE
G/1. MAYORAL STATEMENT OF CURRENT ISSUES.....	3
G/2. CONFIRMATION OF MINUTES.....	4
G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 2 AUGUST 2022.....	4
G/3. DEPUTATIONS	5
G/3.1. SUNSHINE HYDRO	5
G/4. OFFICERS' REPORTS	6
G/4.1. 2021/22 OPERATIONAL PLAN - QUARTER FOUR REPORT.....	6
G/4.2. EXPENDITURE APPROVAL - INSURANCE SERVICES.....	11
G/4.3. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 JULY 2022.....	13
G/5. COUNCILLORS REPORT.....	25
G/6. URGENT BUSINESS.....	25
G/7. NOTICE OF MOTION	25
G/8. CONFIDENTIAL ITEMS	25

G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 2 AUGUST 2022

Responsible Officer: Chief Executive Officer

Council Meeting Date: 16 August 2022

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 2 August 2022.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 2 August 2022 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 2 August 2022.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

G/3. DEPUTATIONS

G/3.1. SUNSHINE HYDRO

Responsible Officer: Chief Executive Officer

Council Meeting Date: 16 August 2022

File Ref: CM7.6

Purpose:

Sunshine Hydro will provide an update to Council on the Flavian Pumped Hydro Superhybrid Project.

Officer's Recommendation:

That the deputation from Sunshine Hydro be received.

Background:

Deputation details are as follows:

Time of Presentation	9:15am
Duration of Presentation plus question time	15 mins
Speakers to present	Dan Raymond, Director of Projects
Is the matter currently or has previously been subject to legal proceedings?	No
Matter for information only	Yes

Attachments:

1. Sunshine Hydro Presentation

Tabled Items:

Nil.

Reported Prepared by: Executive Secretary

G/4. OFFICERS' REPORTS

G/4.1. 2021/22 OPERATIONAL PLAN - QUARTER FOUR REPORT

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 16 August 2022

File Ref: CM14.2

Purpose:

To present Council with the fourth and final quarterly performance report for the 2021/22 Operational Plan.

Officer's Recommendation:

That Council endorse the 2021/22 Operational Plan Quarter Four Report.

Background:

The Operational Plan 2021/22 was endorsed on 15 June 2021 and identifies 14 initiatives to progress delivery of the Gladstone Regional Council Corporate Plan 2021-26.

The attached report provides an update on Council's progress regarding the activity identified in the 2021/22 Operational Plan as of the quarter, and year ending, 30 June 2022.

The 2021/22 Operational Plan has been 71 per cent delivered, with average progress of 93 per cent. Incomplete initiatives have reported as 'on-track' with their endorsed, extended completion dates.

Initiative	Progress	Status
Community Profiling	60%	Incomplete
Residential Water Security	100%	Complete
Website Security	100%	Complete
Trade Waste Management Plan	100%	Complete
BackflowID Tag and System	70%	Incomplete
Works Delivery	100%	Complete
Waste Management Resource Recovery Business Case	80%	Incomplete
Lessee Service Model	100%	Complete
Hydrogen Ecosystem	100%	Complete
Transport Strategy	100%	Complete
Transition Economy	95%	Incomplete
Performance Plans	100%	Complete
Leadership Capability Framework	100%	Complete
Injury Risk Mitigation & Controls	100%	Complete

On Track – Reaching all milestones as planned

Concern – Issues are affecting delivery, but they are manageable within the project team

Action Needed – Issues are affecting delivery and require Executive support

Complete – Indicates output has been 100 per cent delivered and no longer requires updates

Amended – This activity has been revised due to a change in priority or a shift in targets for the activity

Options, Risk and Opportunity Analysis:

Ten (71 per cent) of the initiatives are complete, having been delivered by 30 June 2022.

- **Residential Water Security:** Water security for Bororen and Miriam Vale was investigated, with results indicating the Bororen community has a sufficient supply of water into the foreseeable future. Miriam Vale was found to have an insufficient supply of water for the future and alternative sources have been explored and recommended.
- **Works Delivery:** This multi-year initiative facilitated three key projects over the year completing a review of our capital works projects, developing Asset Data Standards to guide how we collect, store and use asset data, and working with teams to better understand and document how we do maintenance at Council. The initiative has also supported a number of improvements to make it easier for our front-line teams.
- **Lessee Service Model:** Customers can now access information on Council's website about new leases (eligibility, how to obtain a lease, etc.) as well as information for current lessees (obtaining, maintaining, renewing, or terminating a lease). Additionally, new processes mean that more enquiries can be resolved at first point for our customers when they phone Council.
- **Trade Waste Management Plan:** This new plan was adopted on 7 June 2022 and enables us to better protect our environment against pollution, with enhanced permitting and monitoring of the discharge of trade waste. New processes make it easier for our people to serve our community and reduce the administrative burden for some categories of customers.
- **Website Security:** The new Gladstone Entertainment Convention Centre (GECC) website has been developed and launched. The website is now hosted on the same platform as our other websites, making it easier for us to manage, improving data security and making it a better experience for our customers.
- **Hydrogen Ecosystem:** By partnering with and being an active member within the Central Queensland Hydrogen (CQH2) Alliance and CQH2 Technology Cluster, Council has supported the development of a hydrogen ecosystem master plan and supporting documentation to promote and position the Gladstone Region as a world-class hydrogen production and export hub. This is a long-term initiative, with work continuing beyond the end of this reporting period.
- **Transport Strategy:** The new Transport Strategy identifies and sets the goals, roles and objectives for Council as the local road authority to support the region's community, resilience, economic and safety needs. It also effectively supports our region's growth and productivity, outlining a series of short-term, and medium to long-term actions to prioritise and manage the region's road network.
- **Injury Risk Mitigation and Controls:** The main causes of injury at Council were identified and analysed, followed by comprehensive engagement with our people to understand options for mitigation control. Mitigation controls have been identified, endorsed and entered our safety system for action and tracking.
- **Performance Plans:** Performance and Development Plans have been finalised for Executive and Management groups, with tools and resources implemented across the business to support clearer understanding of how our people contribute to the delivery of services. Processes have been implemented to ensure this work continues as part of normal operations and provides ongoing value for our people.
- **Leadership Capability Framework (LCF):** The LCF has been developed and released to our people, providing a common language of what a strong leader looks like at Council. The LCF defines five core competencies that support leaders to perform their roles effectively however serves all staff by encouraging a constructive culture that supports success at the individual and organisational levels.

Four (29 per cent) of the initiatives are incomplete as of 30 June 2022. All incomplete initiatives will continue to be outworked in 2022/23 and have reported as 'on-track' with their endorsed, extended completion dates.

GENERAL MEETING AGENDA 16 AUGUST 2022

- **Community Profiling:** This initiative progressed 60 per cent, with over 20 sets of Census data alongside a range of Council data being collected, collated and analysed for inclusion in drafted Community Profiles. Completion of this initiative has been extended to 31 December 2022 to allow the inclusion of the most recent Census data so we can provide more current and richer data about our communities within these profiles.
- **Waste Management and Resource Recovery Business Case:** This initiative has progressed 80 per cent, with viable options being identified and consulted on for food organics and green organics (FOGO) collection and disposal, recycling services and delivery of waste education. Completion of this initiative has been extended to 30 September 2022.
- **BackflowID App and Tag System:** Customers can now access more information about backflow prevention on Council's website and processes are being established to improve how we manage water network compliance. Completion of this initiative has been extended to 30 September 2022.
- **Transition Economy:** Outcomes from consultation and engagement with the community, key stakeholders and industry groups have informed and guided the development our Transition Plan and a draft roadmap that will continue to support the region as it navigates changes in the energy sector. Completion of this initiative has been extended to 31 October 2022.

Delivering our Corporate Plan

The 2021/22 Operational Plan included 14 initiatives that progressed four out of five of our corporate goals. Looking forward, the 2022/23 Operational Plan includes eight initiatives that progress all five of our corporate goals.

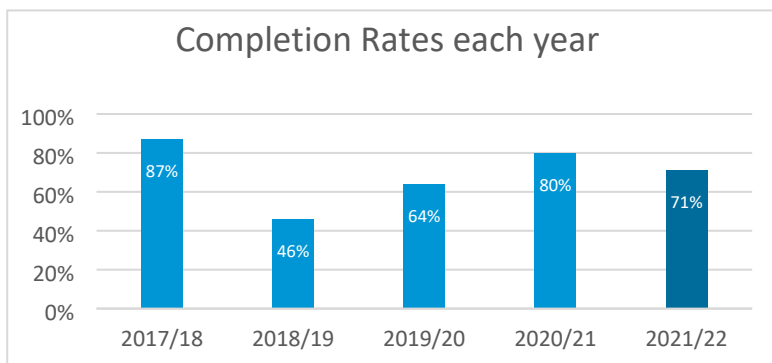
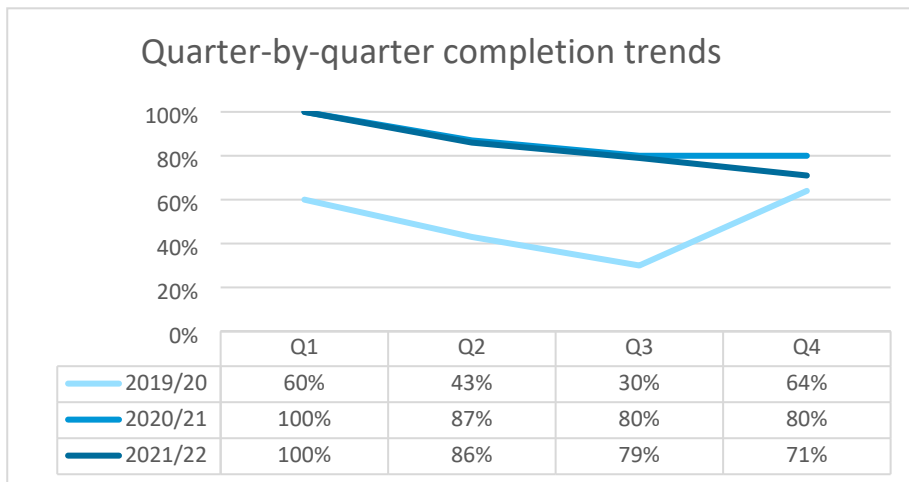
Looking forward, a Corporate Plan roadmap is currently being developed by the business to provide oversight into what we have delivered, and what work is needed to deliver the remainder of our Corporate Plan. Operational Plan initiatives and other key internal projects will support the business to deliver the 2021-26 Corporate Plan. A review of the 2021-26 Corporate Plan is planned for 2023, as we reach the halfway mark, to ensure we are on track to deliver on the promises made to our community in this document.

2021/22 Trends

Despite the challenges brought about by COVID-19 and resource availability, we have elected not to sacrifice community input or product value for the purpose of reaching the 30 June deadline on some initiatives. While it is important to us that we deliver what we promise, when we've promised it, we will continue to strive for the best value outcomes for our community and be transparent in our journey getting there.

Year-on-year Trends

Over the past few years, it has been typical to see a continued decline in initiatives reporting as 'on-track' in quarters two and three, followed by an increase in quarter four (see chart below). This year, the trend saw a continual decline in initiatives reporting as 'on-track' throughout the year. This has been observed as teams have felt the pressures of low team and resource availability in response to dealing with the impacts of the ongoing COVID-19 situation and industry-wide high turnover rates. It is expected that our continued efforts in building project management capability of our people will improve how we plan and deliver work and improve these trends over the coming years.



End of year completion rates have steadily been increasing since 2018/19, as the business has refined how we prioritise initiatives and increase focus on this work. As a result, we have typically seen higher success rates and greater improvement from this focused effort. As noted in the trends for this year, outside forces have delayed four out of 14 of our initiatives and as a result, for the first time in four years we have seen a minimal decline in completion rates.

Communication and Consultation:

Initiative Leads provide status updates and comments against each Operational Plan initiative within the attached report. Highlights from core services are provided by subject matter experts from across the business to celebrate the achievements of our teams.

Following Council endorsement, the Quarter Four Report will be published on our website and shared with our community on Facebook and LinkedIn. The outcomes of the report will also be shared internally with our people to show how we delivered our 2021/22 Operational Plan.

A continued effort has been made this year to enhance readership and engagement of quarterly reports. To improve our reach to our community and more responsively spread the message about the services we provide, we have introduced social media posts, media releases and other communications such as a story in Council’s Connect flyer following the endorsement of each quarterly report. Additionally, internal communications have been delivered to improve visibility of work delivered and improve understanding of how we are progressing on the commitments made in our Operational Plan and Corporate Plan.

Legal Strategy and Policy Implications:

Section 174(3) Local Government Regulation 2012 (Preparation and adoption of annual operational plan) states that:

“The Chief Executive Officer must present a written assessment of the local government’s progress towards implementing the annual operational plan at meetings of the local government held at regular intervals of not more than 3 months”.

Each year Council develops an Annual Report to close out the financial year. The Annual Report provides greater detail on the achievements of the business for the year and includes information about Council’s performance, governance, risk management, operations and finances. The 2021/22 Annual Report is currently in development and is anticipated to be released in November 2022 following the finalisation of audited 2021/22 Financial Statements.

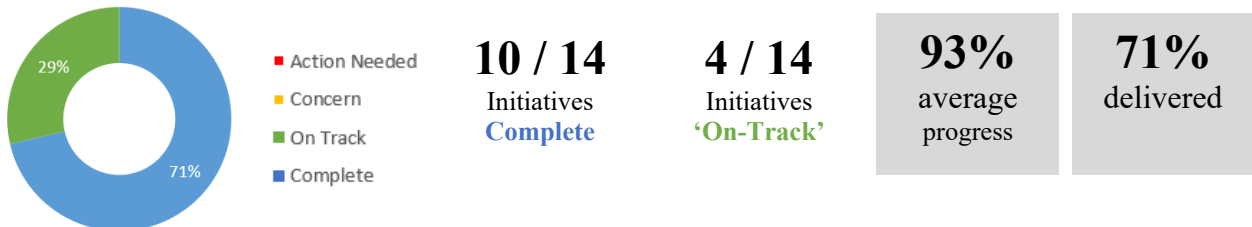
Section 181(3) Local Government Regulation 2012 (Preparation of annual report) states that:

“A local government must prepare an annual report for each financial year”.

Financial and Resource Implications:

Through sourcing work internally, creating efficiencies and reallocating savings from across projects, the business has been able to deliver the 2021/22 Operational Plan significantly under budget. While values are still being calculated to be captured in our final financial statements, it is estimated that over \$500,000 was able to be saved throughout the year.

Summary:



Initiatives that were incomplete on 30 June 2022 will continue to report on their progress against their endorsed, extended deadlines, to the Executive Leadership Team monthly and Council quarterly until they are finalised.

Anticipated Resolution Completion Date:

N/A

Attachments:

1. 2021-22 Operational Plan – Quarter Four Report

Tabled Items:

Nil

Report Prepared by: Manager Strategy and Improvement

G/4.2. EXPENDITURE APPROVAL - INSURANCE SERVICES

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 16 August 2022

File Ref: PE1.1

Purpose:

This report seeks resolution from Council, in accordance with Council's Register of Financial Delegations, to approve expenditure for annual insurance services.

Officer's Recommendation:

That Council Approve the expenditure of \$516,670.38 ex GST for 2022-23 Insurance Services.

Background:

Council is a member of the Local Government Mutual (LGM) Scheme. LGM provides members with the following annually renewed asset insurances:

- Engineering;
- Personal Accident;
- Voluntary Workers;
- Marine Hull;
- Motor Vehicle; and
- Property Protection.

The renewal notice for 2022-23 has been received and the property protection policy has increased in costs above the Chief Financial Officer's financial delegation to approve. This expense is contained within the 22/23 budget.

Options, Risk and Opportunity Analysis:

LGM Assets is an entity entirely owned and operated by the Queensland Local Government and is therefore a Local Government arrangement which is exempt from a quote or tender process in accordance with s234 of the *Local Government Regulation 2012*. Council can engage LGM Assets directly without the requirement of a competitive process.

A failure of Council to renew or negotiate new insurance policies prior to the expiration of the current policies, would leave Council without insurance coverage and represents an Extreme Risk for Council, far beyond Councils Risk Appetite.

Communication and Consultation:

Nil

Legal Strategy and Policy Implications:

Council's approval of this expenditure is in accordance with the Financial Delegation Register.

GENERAL MEETING AGENDA 16 AUGUST 2022

Financial and Resource Implications:

The expenditure of \$516,670.38 ex GST is contained within the proposed budget for 2022-23.

Summary:

N/A

Anticipated Resolution Completion Date:

This expenditure is anticipated to be completed by 31 August 2022.

Attachments:

Nil

Tabled Items:

Nil

Report Prepared by: Manager Contracts and Procurement

G/4.3. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 JULY 2022

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 16 August 2022

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the 2022-23 year to date, for the period ended 31 July 2022.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2022-23 year to date, for the period ended 31 July 2022 as required under Section 204 Local Government Regulation 2012.

Background:

The 2022-23 budget was adopted on 25 July 2023, with an operating surplus of \$0.5m.

Comparatives in both the Statement of Income & Expenditure and Statement of Financial Position are reflecting 30 June 2021. These figures will be updated to reflect 30 June 2022 upon completion of the end of year audit and sign-off of the annual Financial Statements in October 2022.

To allow for greater transparency and scrutiny of Councils operating position throughout the year, annual rating revenue and service charges have been applied across the year rather than in the period of the rates generation. This represents a significant change to the way that these reports have previously been presented, but will allow for more meaningful analysis.

The percentage of year passed (pro-rata rate) as at 31 July 2022 is 8.49%.

Major movements and variances from budget are as follows:

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2022-23	Actual as %
Actual	\$14.7m	
Budget	\$210.9m	6.98%
Forecast	\$210.9m	6.98%

GENERAL MEETING AGENDA 16 AUGUST 2022

Of note:

Net rates and utility charges	2022-23	Actual as %
Actual	\$12.5m	
Budget	\$170.5m	7.31%
Forecast	\$170.5m	7.31%

Council's primary source of recurrent revenue is the generation of annual rates, along with access charges for water, sewerage and waste. This generation was completed in July, with notices to be issued to ratepayers in August and a payment due date of 26 October 2022. These charges have been split across the course of the year, to align with the delivery of these services.

Water consumption revenue for 2022-23 will be raised upon completion of the water meter reading cycles during the year.

The total budget for discounts in 2022-23 is \$13.8m.

Total interest revenue	2022-23	Actual as %
Actual	\$0.2m	
Budget	\$1.3m	15.09%
Forecast	\$1.3m	15.09%

Interest revenue at a rate of 1.89% has been received from Queensland Treasury Corporation for the month of July. The budget for interest revenue was prepared with conservative estimates, due to ongoing economic uncertainty. If interest rates continue to rise, it is likely that interest revenue will exceed the budgeted amount.

Income tax equivalents	2022-23	Actual as %
Actual	\$0.0m	
Budget	\$5.2m	-
Forecast	\$5.2m	-

The budget for 2022-23 includes \$5.0m from the Gladstone Area Water Board, which is generally confirmed and paid in the final quarter of the year.

The remaining budget relates to income tax equivalents from the Gladstone Airport Corporation, which are received and recognized at the end of each quarter.

General purpose grants	2022-23	Actual as %
Actual	-	
Budget	\$8.2m	-
Forecast	\$8.2m	-

GENERAL MEETING AGENDA 16 AUGUST 2022

Council is still awaiting confirmation of the Financial Assistance Grant allocations for the 2022-23 year. The budget has been prepared based on advice received in December 2021 that Council should expect a 4% decrease in its allocation from the State Government.

A further assumption has been made that Council will receive 75% of the 2023-23 allocation in the final quarter of 2023-24.

Capital Revenue

Capital grants revenue	2022-23	Actual as %
Actual	\$0.0m	
Budget	\$12.4m	0.20%
Forecast	\$12.4m	0.20%

Capital grants revenue is recognised as project milestones are met. Therefore, the revenue recognised on the Statement of Income and Expenditure does not necessarily reflect the funding received during the year. Where milestones are still to be achieved, revenue is recognised as a contract liability on the Statement of Financial Position.

Minimal capital revenue has been recognised for the year to date.

Expenditure

Recurrent expenditure

Total recurrent expenditure	2022-23	Actual as %
Actual	\$15.6m	
Budget	\$210.5m	7.40%
Forecast	\$210.5m	7.40%

Of note:

Employee benefits	2022-23	Actual as %
Actual	\$5.6m	
Budget	\$67.4m	8.31%
Forecast	\$67.4m	8.31%

Employee benefits are the largest component of Councils recurrent expenditure. A vacancy rate of 7.5% has been factored into the 2022-23 budget. The vacancy rate for July is 8.0%.

Contractors & consultants	2022-23	Actual as %
Actual	\$1.0m	
Budget	\$26.9m	3.56%
Forecast	\$26.9m	3.56%

GENERAL MEETING AGENDA 16 AUGUST 2022

Spending on contractors and consultants typically lags throughout the year. Due to the variety of areas in Council that utilise these services, only major invoices are accrued at month end. This results in a timing difference during the year that generally corrects when year-end accruals are undertaken.

Activities with significant consulting budgets include:

- Asset management - \$2.0m
- Systems support - \$1.0m

Activities with significant contractor budgets include:

- Water & sewerage - \$6.7m
- Waste - \$5.1m
- Parks & cemeteries - \$3.1m
- Roads - \$2.8m

Donations and sponsorships	2022-23	Actual as %
Actual	\$0.5m	
Budget	\$2.9m	16.79%
Forecast	\$2.9m	16.79%

Sporting body concessions for water and sewerage access charges of \$0.5m have been granted in July. Other donations have been minimal for the year to date.

Insurance expenses	2022-23	Actual as %
Actual	\$0.1m	
Budget	\$2.5m	2.88%
Forecast	\$2.5m	2.88%

Insurance is recognised over the period to which the policies apply. Following receipt of the invoice for Workcover insurance, actuals will reflect the pro-rata rate.

Staff and Councillor associated expenses	2022-23	Actual as %
Actual	\$0.1m	
Budget	\$2.3m	2.92%
Forecast	\$2.3m	2.92%

The budget for staff & Councillor associated expenses includes:

- Training & travel - \$1.0m
- Recruitment costs - \$0.3m
- Uniforms & protective equipment \$0.3m
- Staff medicals - \$0.2m

Costs across all categories have been minimal for the year to date.

GENERAL MEETING AGENDA 16 AUGUST 2022

Finance costs	2022-23	Actual as %
Actual	\$0.2m	
Budget	\$1.6m	14.99%
Forecast	\$1.6m	14.99%

The Gladstone Airport Corporation makes quarterly contributions to cover the interest on the runway loan held by Council. These payments are received at the end of each quarter and will reduce the actual cost to be in line with pro-rata.

Statement of Financial Position

	Current Value	Budget	Variance (Actual to Budget)	Forecast	Variance (Actual to Forecast)
Year-to-date Assets	\$2.7b	\$2.6b	5.72%	\$2.6b	5.72%
Year-to-date Liabilities	\$313.0m	\$143.1m	118.73%	\$149.3m	118.73%
Year-to-date Liabilities (excl. unearned rates revenue)	\$160.6m	\$143.1m	12.26%	\$149.3m	12.26%

The forecast for assets & liabilities reflect the expected positions at 30 June 2023.

Due to the change in reporting for unearned rates revenue, liabilities have been presented both including and excluding this line item. The two will converge and be the same by June 2023, as all rates revenue is recognised on the profit and loss.

Significant balance sheet movement is still expected to occur throughout the year:

- Cash to decrease as expenses are incurred and loan repayments are made
- Receivables to decrease as rates and other debts are paid
- Property, plant & equipment to increase as the capital program is delivered, and decrease through depreciation
- Unearned rates revenue to decrease as recognised on the profit and loss each month
- Borrowings to decrease as loan repayments are made

GENERAL MEETING AGENDA 16 AUGUST 2022

Capital Expenditure

	Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Year to date capital expenditure	\$2.2m	\$51.4m	4.31%	\$51.4m	4.31%
Commitments (open purchase orders)	\$4.1m				
Total	\$6.3m		12.24%		12.24%

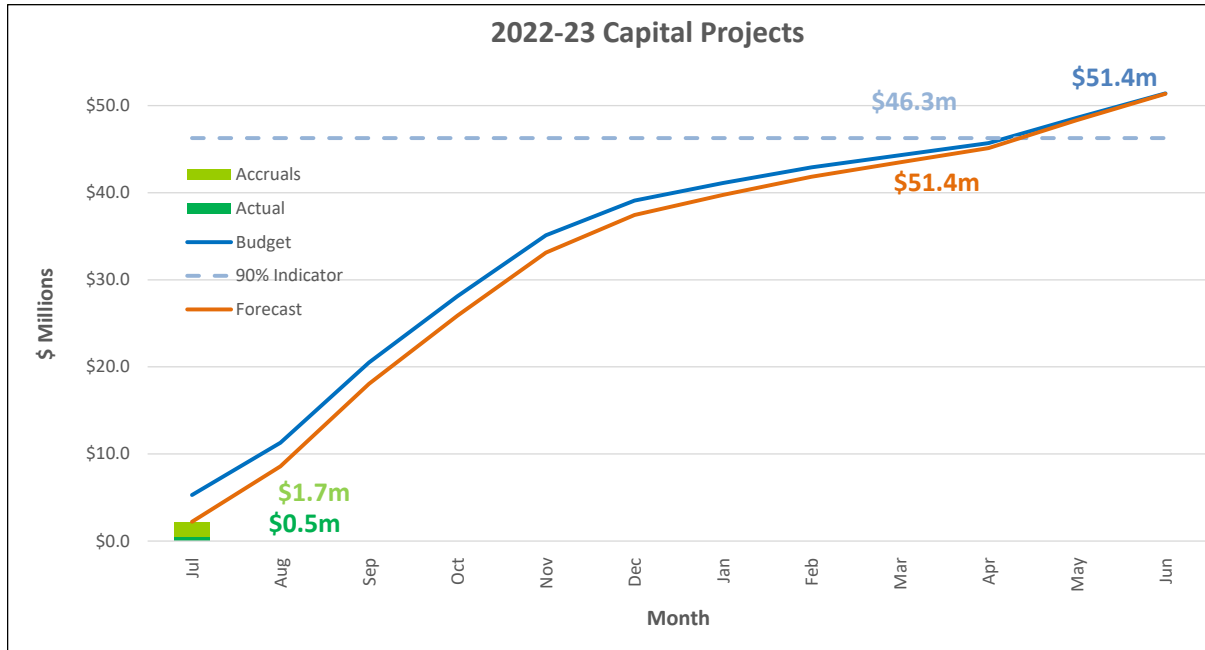
Of the \$4.1m in commitments, \$0.7m relates to the Gladstone Aquatic Centre Upgrade (Stage 3) and \$0.5m relates to gravel resheets on Langmorn Road.

Accrual estimates of \$1.7m have been included in the actuals, to account for major claims relating to July work.

Capital expenditure against groups with significant capital expenditure budgets are shown in the table below:

Group	YTD Actual	Commitments	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Road Assets	\$1.1m	\$2.3m	\$21.4m	5%	\$21.4m	5%
Sewerage Assets	\$0.6m	\$0.7m	\$9.9m	6%	\$9.9m	6%
Delivery Support and Performance		\$0.1m	\$6.0m	0%	\$6.0m	0%
Property Assets	\$0.4m	\$0.7m	\$4.1m	10%	\$4.1m	10%
Asset Governance			\$1.0m	0%	\$1.0m	0%
Waste Assets	\$0.0m	\$0.1m	\$2.1m	0%	\$2.1m	0%
Parks & Environment Assets	\$0.0m		\$1.7m	0%	\$1.7m	0%
Property Services	\$0.0m	\$0.1m	\$1.4m	3%	\$1.4m	3%
Community Development & Events	\$0.0m		\$1.1m	1%	\$1.1m	1%
Water Assets	\$0.0m	\$0.1m	\$1.0m	4%	\$1.0m	4%
Strategic Projects			\$0.9m	0%	\$0.9m	0%
Other	\$0.0m	\$0.0m	\$0.7m	0%	\$0.7m	0%
Total	\$2.2m	\$4.1m	\$51.4m	4%	\$51.4m	4%

GENERAL MEETING AGENDA 16 AUGUST 2022



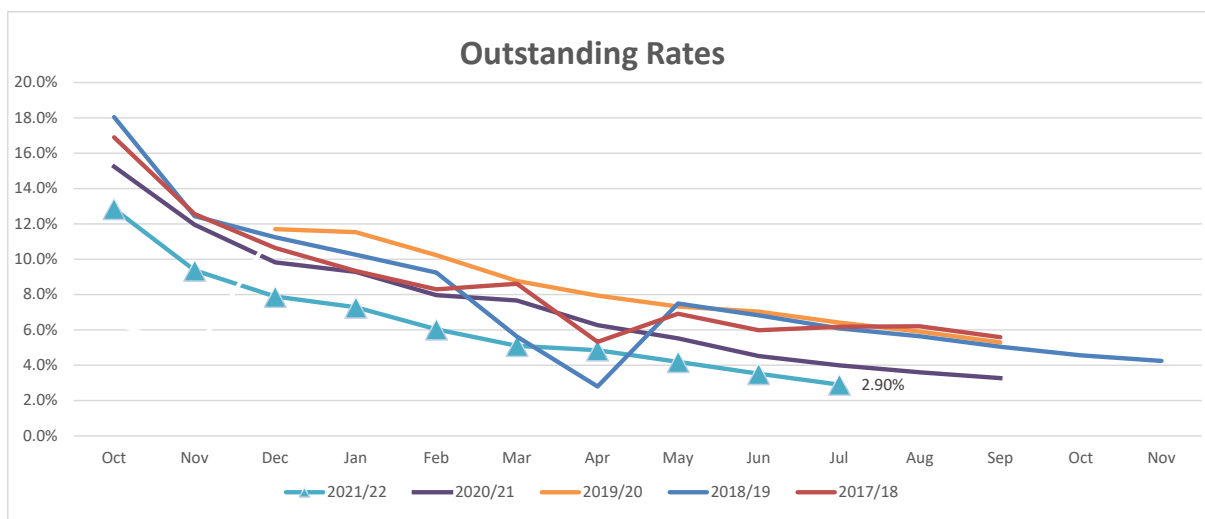
Outstanding Rates

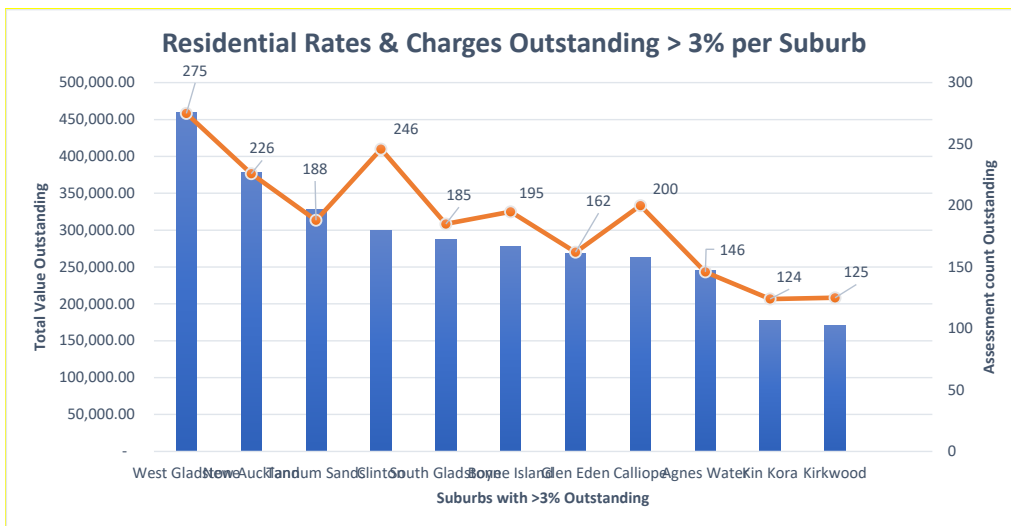
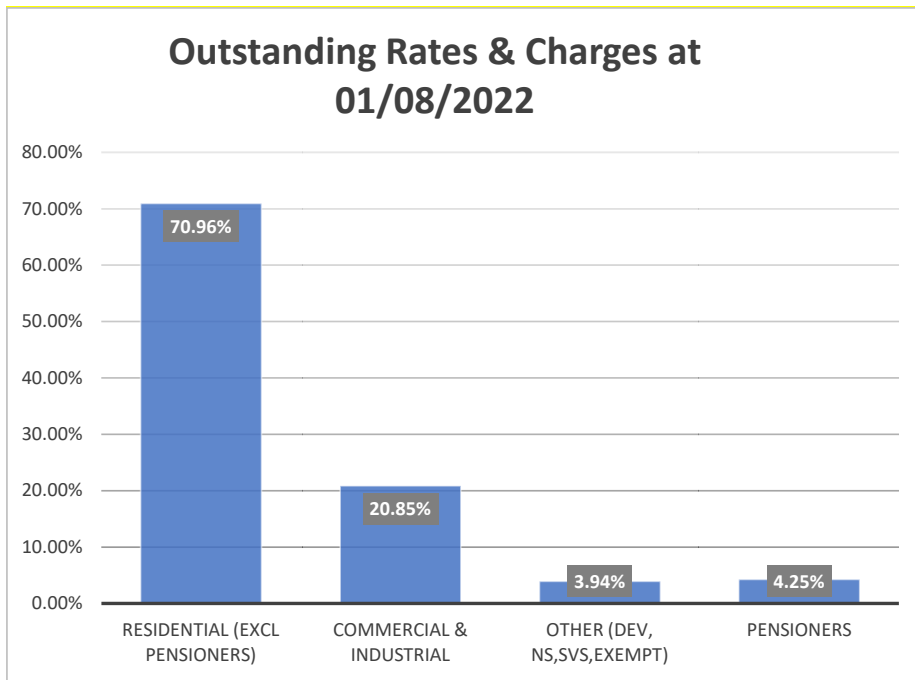
Outstanding rates, as a percentage of gross rates levied for 2021-22, and collectible, is at 2.90% at the end of July 2022, compared to 3.99% for the same period last year.

Of the \$5.4m of outstanding rates 20.85% relates to commercial/industrial assessments and 79.15% represents residential assessments.

These figures include \$0.3m of rates that are currently being repaid under an authorised payment plan, for which there were 3 commercial/industrial assessments and 32 residential assessments. A total of 35 assessments, which is a decrease from 1,042 assessments in June 2022. This movement is a result of removal of arrangements on sold property, default arrangements and paid-up arrangements

There were 1,315 ratepayers who had paid their rates in advance totalling \$1.6m.





Sustainability Ratios

Financial ratios provide a useful snapshot of Council’s financial status and emerging trends. Individual ratios do not provide enough information to form a comprehensive opinion of Council's financial position and performance, but when the right mix of ratios are considered together, they become a valuable tool in analysing Council's overall financial performance.

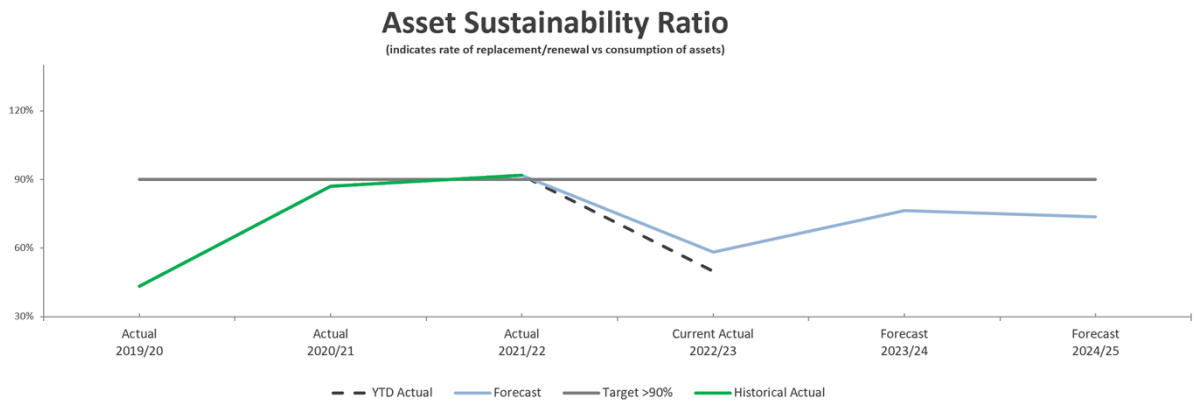
Asset Sustainability Ratio

This ratio compares Council's expenditure on capital renewal assets with the rate at which our assets are depreciating. As Council invests in the renewal of its asset base on a rolling cycle, the expected results can vary from year to year. The results for a single year are dependent on the delivery of renewal projects in the capital program.

GENERAL MEETING AGENDA 16 AUGUST 2022

Infrastructure renewals have accounted for 84.76% of capital expenditure with the balance on new and upgrade projects. The ratio is reflecting low, as capital expenditure has been low when compared to depreciation. This is not unusual for July, due to the thorough end of year accruals process.

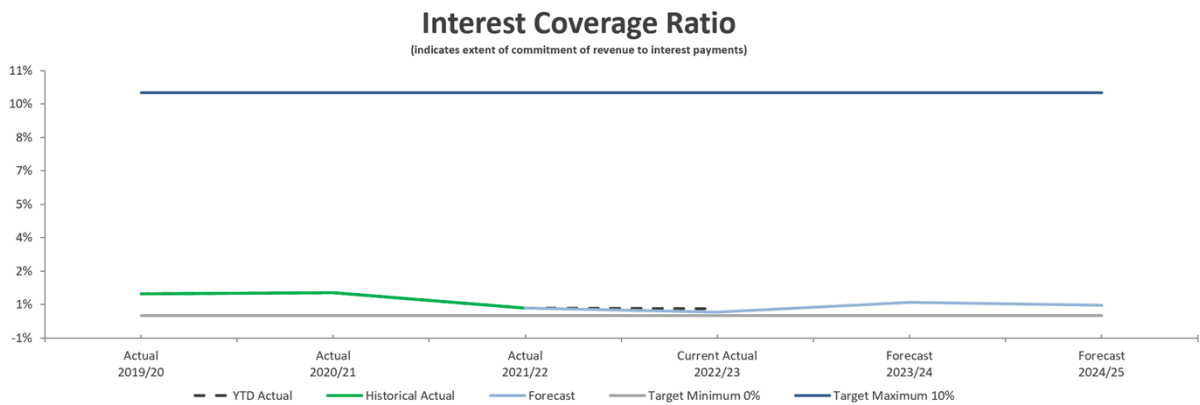
Asset Sustainability Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
49.92%	58.30%	58.30%	>90%



Interest Coverage Ratio

This ratio indicates the percentage of operating revenue required to cover net interest costs. The results of this ratio indicate that Councils interest costs do not place an excessive burden on its recurrent revenue.

Interest Coverage Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
0.32%	0.15%	0.15%	0 - 10%



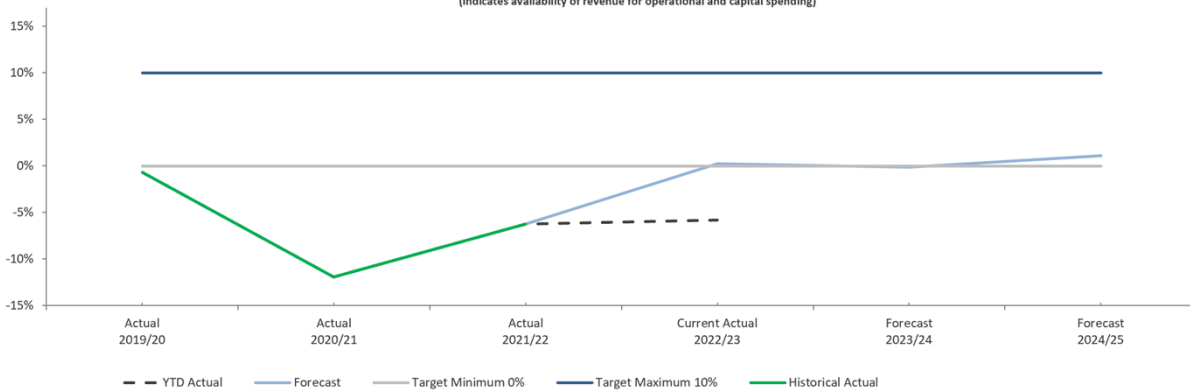
Operating Surplus Ratio

A positive result for this ratio indicates that operating revenue can be used to fund capital expenditure, on top of the operational costs of Council. The results are negative due to the year to date operating deficit.

Operating Surplus Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
(5.81%)	0.22%	0.22%	0 - 10%

Operating Surplus Ratio

(indicates availability of revenue for operational and capital spending)



Working Capital Ratio

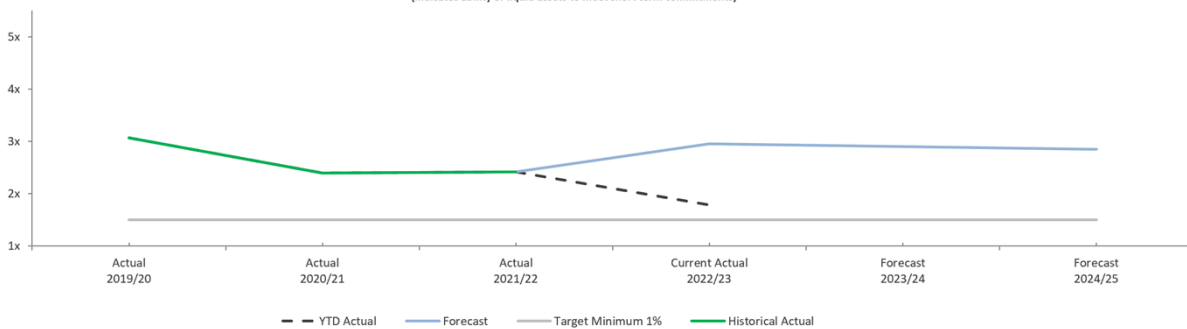
The working capital ratio shows the ability of Councils current assets, to cover the commitments of its current liabilities. Following the rates generation, Council has a significant balance of receivables, causing this ratio to reflect favorably.

To account for the change in reporting of rates revenue, the ratio has also been presented excluding the liability for unearned rates revenue, as this does not recognise an obligation to pay, simply an accounting adjustment for reporting. The two will converge and be the same by June 2023, as all rates revenue is recognised on the profit and loss.

Working Capital Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
1.29x	2.45x	2.45x	Greater than 1:1
Working Capital Ratio (excl. unearned rates revenue)			
4.82x			

Working Capital Ratio

(indicates ability of liquid assets to meet short term commitments)



Net Financial Liabilities Ratio

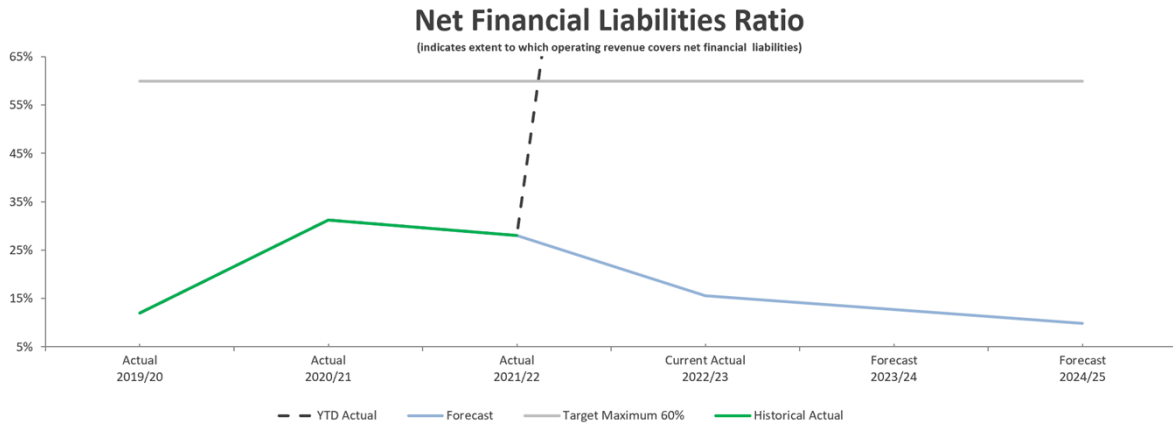
The ratio shows the extent to which operating revenue covers net financial liabilities.

To account for the change in reporting of rates revenue, the ratio has also been presented excluding the liability for unearned rates revenue, as this does not recognise an obligation to pay, simply an accounting adjustment for reporting. The two will converge and be the same by June 2023, as all rates revenue is recognised on the profit and loss.

GENERAL MEETING AGENDA 16 AUGUST 2022

Excluding unearned rates revenue provides a clearer picture, showing that the target ratio has been well exceeded. This is to be expected at this time of year, when Council holds a large receivables balance following the rates generation.

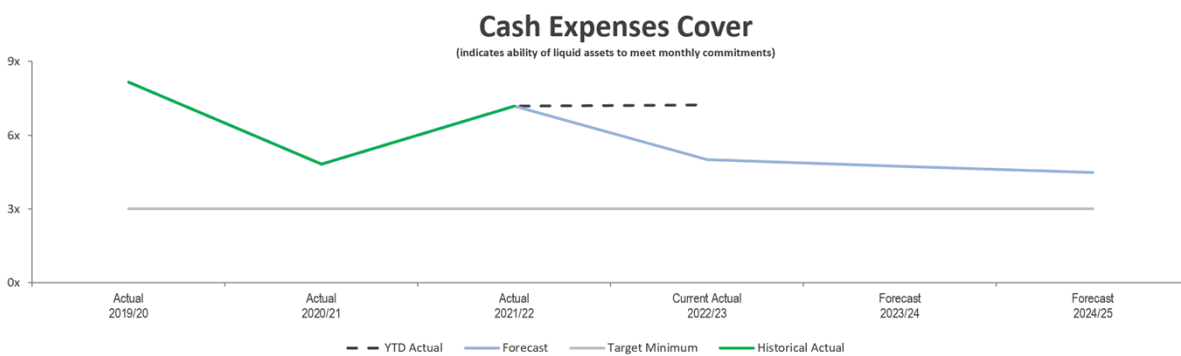
Net Financial Liabilities Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
308.00%	15.58%	15.58%	< 60%
Net Financial Liabilities Ratio (excl. unearned rates revenue)			
(727.45%)			



Cash Expenses Cover Ratio

This ratio indicates the number of months that Councils cash balance could cover its monthly cash expenses. The current result reflects a continuing strong cash position proportional to operating costs.

Cash Expenses Cover Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
7.23x	5.00x	5.00x	> 3x



Options, Risk and Opportunity Analysis:

Nil

GENERAL MEETING AGENDA 16 AUGUST 2022

Communication and Consultation:

The report seeks specialist input from the following internal sources:

Investing activity – Team Leader Financial Operations
Procurement and supply – Manager Contracts and Procurement
Vacancies – Recruitment, Remuneration and Benefits Business Partner
Capital expenditure – Manager Works Planning and Scheduling
Outstanding rates and prepaid rates – Manager Revenue Services.

Legal Strategy and Policy Implications:

Council is required to receive an update at least monthly relative to its financial position, *Section 204 Local Government Regulation 2012*.

Financial and Resource Implications:

Nil

Summary:

Nil

Anticipated Resolution Completion Date:

16 August 2022

Attachments:

1. Monthly Financial Statements for the period ending 31 July 2022
2. Operating Statements for month end July

Tabled Items:

Nil

Report Prepared by: Systems Modelling & Metrics Specialist

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS