



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

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

On Tuesday 25 October 2022

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 4 OCTOBER 2022

Responsible Officer: Chief Executive Officer

Council Meeting Date: 25 October 2022

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 4 October 2022.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 4 October 2022 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 4 October 2022

Tabled Items:

Nil

Report Prepared by: Executive Secretary

G/3. OFFICERS' REPORTS

G/3.1. SIX-MONTHLY UPDATE OF STATUTORY DELEGATIONS

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 25 October 2022

File Ref: CM9.2

Purpose:

This report seeks Council review of statutory delegations to the Chief Executive Officer as a result of legislative change made during the period February 2022 to August 2022.

Officer's Recommendation:

That the powers contained in Attachment 1 to this report be delegated by Council to the Chief Executive Officer pursuant to Section 257 of the *Local Government Act 2009*.

Background:

There are many pieces of legislation that Council has an obligation to administer or enforce either in whole or in part. In many instances the power to make decisions under legislation is given to 'Local Government' or 'Council' or 'the entity'. Where a power is given in this way, it is expected that the power is to be exercised by the elected body of Council (i.e. via Council resolution at a Council Meeting). Council can share in the exercise of its powers through delegation to the Chief Executive Officer who may further sub-delegate to other positions within the organisation (except where legislation specifically prohibits delegation and sub-delegation).

It is important to note that Council as an elected body is not giving away this power by delegating; it can still exercise any power in its own right. The process of Council sharing its legislative powers through delegation and sub-delegation allows staff to administer legislative responsibilities and make timely decisions without the need for a Council resolution.

The Local Government Association of Queensland has advised of several legislative changes in the period from February 2022 to August 2022 as assessed by King and Company Solicitors who carry out the six-monthly review. These changes are presented in Attachment 1. The entries in the rows coloured red are new, amended or deleted provisions. The black text is the current wording of existing delegations.

A summary of the changes is provided below:

1. **Building Act 1975:** These changes involve a minor correction to BA80 relating to the legislative reference for this power and the separation of the delegations under Section 256(2)(k) to firstly delegate the power to the CEO to make a complaint, with the second part allowing the CEO to also delegate to particular Officers to raise complaint matters to the relevant bodies (ie. such as QBCC) where it is warranted. The complaint matters referenced in these sections vary and relate to offences involving certificates of occupancy, restrictions on use of buildings, fire safety, pool safety, etc.
2. **Environmental Protection Act 1994:** These changes are largely around the removal of provisions or changed provisions in the legislation and one correction to a legislative reference (EPA132).

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3. **Local Government Act 2009** and **Justices Act 1886**: These changes relate to the removal of the reference to the *Justices Act 1886* from the *Local Government Act 2009* (LGA121) which has resulted in the need to have delegations directly under the *Justices Act 1886*.
4. **Public Health (Infection Control for Personal Appearance Services) Act 2003**: These are new provisions relating to restoring licenses which has not been provided for previously under the Act.
5. **Retail Shop Leases Act 1994**: These changes primarily relate to a title change from 'chief executive' to 'commissioner' and a new provision providing for the commissioner to be party to mediation.
6. **State Penalties Enforcement Act 1999**: Section 57(5) has been removed from the Act and consolidated into Section 57(4). The conditions for referring a fine to SPER for recovery have also been more clearly defined and are now referenced in Section 33(1)(a) to (d).
7. **Transport Operations (Road Use Management – Vehicle Registration) Regulation 2021**: This change updates the legislative reference which allows Council to access vehicle registration information.
8. **Working with Children (Risk Management and Screening) Act 2000**: This is a new register that King and Company have included in the Delegations Register Service provided to the Local Government Association of Queensland. It is recommended due to the operational nature of the powers, that all powers be delegated to the Chief Executive Officer.

Options, Risk and Opportunity Analysis:

Option 1 – Recommendation

The risk of not amending delegations to the CEO is that if the amended power is exercised administratively, the decision could be considered invalid. The opportunity associated with this option is that all delegations are current and therefore decisions made under the delegations are legally exercised.

Option 2 – Amend the Delegations presented in Attachment 1

Should Council elect not to delegate all the amended powers listed in Attachment 1 to the Chief Executive Officer, Council can pass an alternative resolution which excludes some powers. The resolution to give this option effect would be:

'That subject to the exclusion of the following powers:

1. *Insert power to be excluded*
2. *Insert power to be excluded*

the remaining powers contained in Attachment 1 to this report be delegated by Council to the Chief Executive Officer pursuant to Section 257 of the *Local Government Act 2009*.'

Communication and Consultation:

Council's Governance Team review legislative delegation updates as produced by King and Company under contract to the Local Government Association of Queensland. Once the amended delegation register is prepared it is reviewed by the General Manager Finance Governance and Risk and the Executive Team as part of the agenda review process. The Governance Team will undertake further consultation once this report has been considered by Council, in relation to sub-delegations from the Chief Executive Officer to other positions.

Legal Strategy and Policy Implications:

Section 257 of the *Local Government Act 2009* allows Council to delegate powers to the Chief Executive Officer, who may further delegate under Section 259 with the exception of those powers that legislatively cannot be further delegated, or that Council has requested not be further sub-delegated.

Financial and Resource Implications:

There are no direct costs to Council in delegating statutory powers to the Chief Executive Officer. Delegating powers to the Chief Executive Officer results in time and resource savings in the operations of Council as it allows those matters that Council is comfortable being managed operationally, to be actioned in a timely way.

Summary:

Under Section 257 of the *Local Government Act 2009* in order for Council to share its legislative powers it may delegate its powers to the Chief Executive Officer. This report recommends the delegation of powers to the Chief Executive Officer as a result of recent legislative changes.

Anticipated Resolution Completion Date:

31 October 2022

Attachments:

1. Extract from Statutory Delegations Register – Changes to August 2022 – Council to CEO

Tabled Items:

Nil

Report Prepared by: Governance Business Partner

G/3.2. GLADSTONE AIRPORT CORPORATION - APPOINTMENT OF THREE NON-EXECUTIVE DIRECTORS

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 25 October 2022

File Ref: FM19.1

Purpose:

To allow Council to consider the appointment of three non-executive directors to the Gladstone Airport Corporation Board of Directors.

Officer's Recommendation:

That Council:

1. Appoint Dayna Field to the Gladstone Airport Corporation Board of Directors commencing 1 November 2022 for an initial term of 2 years;
2. Appoint Kieran Donovan to the Gladstone Airport Corporation Board of Directors commencing 1 July 2023 for an initial term of 2 years; and
3. Appoint Anthony Groen-Int-Woud to the Gladstone Airport Corporation Board of Directors commencing 1 July 2023 for an initial term of 2 years, subject to Mr Groen-Int-Woud completing the Company Directors Course prior to the commencement of the appointment.

Background:

At Council's Special Meeting on 28 June 2022, Council resolved (viz resolution s/22/476):

That:

1. *Dr Bradley Bowes' appointment to the Board of the Gladstone Airport Corporation be extended to 30 June 2023; and*
2. *Council proceeds with the recruitment of two new directors with the appointment of one director to commence 1 September 2022 and the second to commence 1 July 2023 both for an initial period of two years.*

Officers engaged Directors Australia to assist Council with the recruitment of the two new directors and Directors Australia undertook the following process:

1. Conduct initial briefing and finalise the timeline;
2. Develop position descriptions;
3. Undertake search process for suitable candidates;
4. Undertake preliminary interviews of strong candidates;
5. Preparation of Shortlisting for interview panel;
6. Selection Panel interviews (the panel consisted of Gladstone Regional Council Mayor and Chief Executive Officer as well as Chairperson of Gladstone Airport Corporation);
7. Reference and credential checking of preferred candidates; and
8. Support preferred candidates' due diligence process.

Three preferred candidates have been identified by the panel as suitable for the position of non-executive directors on the Gladstone Airport Corporation Board.

Options, Risk and Opportunity Analysis:

The current composition of the Gladstone Airport Corporation Board is as follows:

Director	Commencement Date	Current Appointment End Date
Adrienne Ward, Chairperson	20 September 2016	30 June 2026
Dr Bradley Bowes	1 July 2012	30 June 2023
Cr Rick Hansen	5 April 2016	Not applicable
Tina Zawila	1 July 2017	30 June 2023
Graeme Kanofski	1 July 2017	30 June 2023

Clause 3.1 of the Constitution of Gladstone Airport Corporation (“the Constitution”) provides that the number of Directors must be not less than five. The Constitution does not establish a minimum or maximum tenure of a director.

Good governance advocates for the consideration of the composition of a board of directors in terms of skill set but also tenure. The Corporate Governance Principles and Recommendations set out by the Australian Stock Exchange (ASX) Corporate Governance Council (noting these only formally apply to ASX listed companies) suggest that a balance is required between new members (to ensure independence from the entity and maintain engagement, relevance and rigour) and long-serving members (who protect the corporate memory of the board). It also recommends consideration of the independence of any board member who has served more than 10 years to ensure that he or she hasn’t become too close to management to be considered independent.

Candidates shortlisted by Directors Australia were interviewed by the Selection Panel against the Position Description in Attachment 1.

Upon completion of the selection interviews of the shortlisted candidates, the Selection Panel identified three suitable candidates. Resumes for each of the suitable candidates (Attachments 2 to 4) are attached as confidential attachments for Council’s consideration.

With three directors tenures due to expire on 30 June 2023, the panel saw this as an opportunity use the current recruitment process to appoint an additional director to commence 1 July 2023. This will provide a level of certainty for the functioning of the GAC Board should Council elect to not renew Ms Zawila or Mr Kanofski’s tenure or alternatively, should Mr Zawila and Mr Kanofski’s tenure be renewed, to provide additional depth to the board.

While the Officer’s Recommendation reflects the Selection Panel’s recommendation, Council may elect not to proceed with the appointment of an additional director.

Each of the suitable candidates have undertaken due diligence and have indicated that they will accept an appointment.

While Mr Groen-Int-Woud has board experience, he has not completed a Company Directors Course. In the interests of good governance, the Selection Panel have recommended that it be a condition of his appointment that he complete the Company’s Directors Course prior to commencement. Mr Groen-Int-Woud has agreed to this requirement.

Communication and Consultation:

This report has been prepared in consultation with the Chief Executive Officer and Mayor.

Legal Strategy and Policy Implications:

Gladstone Airport Corporation was established by Gladstone Regional Council under the provisions of the Local Government (Beneficial Enterprises and Business Activities) Regulation 2010. Gladstone Regional Council is the sole shareholder of Gladstone Airport Corporation and sets the strategic and performance expectations of the board through a Statement of Corporate Intent as per s92 of the Local Government (Beneficial Enterprises and Business Activities) Regulation 2010.

Gladstone Airport Corporation's Board is governed by the Constitution of the Gladstone Airport Corporation.

Financial and Resource Implications:

Each director of Gladstone Airport Corporation receives a salary of \$20,000 as well as additional payments participating in the various committees and reimbursement of costs associated with attending meetings. Gladstone Airport Corporation's operational budget will be required to be adjusted to accommodate the additional director. Gladstone Airport Corporation's chairman is supportive of the appointment of three directors.

Summary:

Following a recruitment process facilitated by Directors Australia, Council is asked to consider the appointment of three non-executive directors to the Gladstone Airport Corporation's Board of Directors.

Anticipated Resolution Completion Date:

1 November 2022

Attachments:

1. Gladstone Airport Corporation Non-Executive Director Position Description.
2. CONFIDENTIAL ATTACHMENT – Resume – Dayna Field;
3. CONFIDENTIAL ATTACHMENT – Resume – Kieran Donovan; and
4. CONFIDENTIAL ATTACHMENT – Resume – Anthony Groen-Int-Woud.

Tabled Items:

Nil

Report Prepared by: Manager Governance & Risk

G/3.3. APPOINTMENT OF COUNCILLOR TO AUDIT RISK AND IMPROVEMENT COMMITTEE

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 25 October 2022

File Ref: CM26.2

Purpose:

To allow Council to consider a rotation of councillor representation on Council's Audit Risk and Improvement Committee.

Officer's Recommendation:

That Council:

1. Accepts Councillor O'Grady's resignation as member of the Audit Risk and Improvement Committee; and
2. That Council appoint Cr _____ as a member of the Audit Risk and Improvement Committee; and
3. That Council appoint Cr _____ as an alternate member of the Audit Risk and Improvement Committee.

Background:

Council's Audit Risk and Improvement Committee (ARIC) Policy requires Council to appoint two councillors to the ARIC on a voluntary rotational basis with a minimum appointment period of 18 months.

In addition, the policy states that there is benefit in elected member representation being a mix of new and experienced councillors where practical, and will rotate councillor appointments in the middle of an election term.

With 18 months remaining of the current term, it is now prudent for Council to consider if a rotation of councillor members should occur. A rotation at this time would also be timely given the recent appointment of a new chair and member of the ARIC.

Options, Risk and Opportunity Analysis:

Council may choose to rotate both councillor members or only one. It has been past practice that only one member councillor is rotated at one time to provide continuity for the committee. Further, councillor members have been appointed from the nominated councillor alternate members. If Council appoints a new member from the alternate members, it will be necessary to appoint a replacement alternate member.

The Officer's Recommendation supports an alternate member replacing Cr O'Grady and the appointment of a new alternate member.

Councillor O'Grady, having been a member of the Audit Risk and Improvement Committee since April 2020, has expressed a desire to resign from the Audit Risk and Improvement Committee to give another Councillor the opportunity to be involved in the audit committee.

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Below is a summary of the current councillor appointments to the Audit Risk and Improvement Committee:

Member	Alternate Member Appointment	Member Appointment
Cr Desley O'Grady	November 2018 – April 2020	April 2020 – Current
Cr Natalia Muszkat	May 2020 – January 2022	January 2022 – Current
Cr Darryl Branthwaite	April 2020 – Current	Nil.
Cr Chris Cameron	January 2022 – Current	Nil.

Below is a summary of previous appointments to the audit committee:

- Cr Goodluck – August 2018 to December 2021
- Cr Hansen – Member April 2016 to April 2020
- Former Cr Sobhanian – Member
- Former Cr Masters – Alternate

Communication and Consultation:

Nil

Legal Strategy and Policy Implications:

Gladstone Regional Council by virtue of s105(2) of the *Local Government Act 2009* is required to establish an Audit Committee.

The Audit Committee is required to monitor and review:

- (a) the integrity of financial documents; and
- (b) The internal audit function; and
- (c) The effectiveness and objectivity of the local government's internal auditors,

and makes recommendations to the local government about any matters that the audit committee considers need action or improvement.

Council's *Audit Risk and Improvement Committee Policy P-2020-15* makes the following provision for councillor appointments:

"Council will nominate two (2) Councillor appointments on a voluntary rotational basis with a minimum appointment period of 18 months. In addition, Council will nominate two (2) proxy members to attend on behalf of a current Councillor representative who is unable to attend. It is desirable and beneficial for proxy members to always attend and observe meetings for continuity of knowledge if required to participate due to an absence. Council considers there is benefit in elected member representation being a mix of new and experienced Councillors where practical and accordingly will rotate Councillor appointments in the middle of an election term."

Financial and Resource Implications:

There are no financial and resource implications associated with councillor appointments to the Audit Risk and Improvement Committee.

Summary:

N/A

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Anticipated Resolution Completion Date:

Within one month of resolution. It is anticipated that the new members will participate in the next Audit Risk and Improvement Committee meeting.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Manager Governance and Risk

G/3.4. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 25 October 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 30 September 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 30 September 2022 as required under Section 204 Local Government Regulation 2012.

Background:

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

Comparatives in both the Statement of Income and 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 30 September 2022 is 25.21%.

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	\$44.5m	
Budget	\$210.9m	21.10%
Forecast	\$210.9m	21.10%

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Of note:

Net rates and utility charges	2022-23	Actual as %
Actual	\$37.1m	
Budget	\$170.5m	21.73%
Forecast	\$170.5m	21.73%

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	\$0.5m	
Budget	\$1.3m	36.09%
Forecast	\$1.3m	36.09%

Interest revenue at a rate of 2.18% has been received from Queensland Treasury Corporation for the month of September. 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 recognised after the end of each quarter.

General purpose grants	2022-23	Actual as %
Actual	\$0.5m	
Budget	\$8.2m	6.66%
Forecast	\$8.2m	6.66%

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Council has received confirmation of the Financial Assistance Grant allocations for the 2022-23 year.

The budget was 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 2023-24 allocation in the final quarter of 2023-24.

The actual allocation for 2022-23 has increased by \$0.4m on the 2021-22 allocation. This will be adjusted in the next forecast.

The first quarterly payment of \$0.5m was received in August.

Capital Revenue

Capital grants revenue	2022-23	Actual as %
Actual	\$0.4m	
Budget	\$12.4m	3.18%
Forecast	\$12.4m	3.18%

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	\$51.5m	
Budget	\$210.5m	24.49%
Forecast	\$210.5m	24.49%

Of note:

Employee benefits	2022-23	Actual as %
Actual	\$17.4m	
Budget	\$67.4m	25.87%
Forecast	\$67.4m	25.87%

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 average vacancy rate year to date is 9.3%.

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Overtime expenses year to date are \$0.4m, compared to a full year budget of \$0.9m. It is likely that overtime will need to be increased in the next forecast.

Contractors and consultants	2022-23	Actual as %
Actual	\$5.1m	
Budget	\$26.9m	19.09%
Forecast	\$26.9m	19.09%

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

Fuel	2022-23	Actual as %
Actual	\$0.6m	
Budget	\$1.7m	34.43%
Forecast	\$1.7m	34.43%

Fuel usage across Council is down compared to the same period last year, however fuel prices remain volatile.

Insurance	2022-23	Actual as %
Actual	\$0.3m	
Budget	\$2.5m	13.70%
Forecast	\$2.5m	13.70%

Year to date insurance spend is below the pro-rata budget due to the annual invoice for Workcover being received and processed in October.

Motor vehicle expenses	2022-23	Actual as %
Actual	\$0.5m	
Budget	\$1.4m	35.41%
Forecast	\$1.4m	35.41%

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The cost of repairs and maintenance is exceeding the pro-rata budget due to logistical issues with the replacement of an aging fleet. As items are replaced, these maintenance costs should reduce.

Other materials and services	2022-23	Actual as %
Actual	\$2.6m	
Budget	\$8.3m	31.28%
Forecast	\$8.3m	31.28%

Actuals include a bill for debt recovery services that was not budgeted for \$0.3m. This amount is fully recoverable and is reflected in fees and charges income.

Staff & Council associated Expenses	2022-23	Actual as %
Actual	\$0.4m	
Budget	\$2.3m	15.84%
Forecast	\$2.3m	15.84%

Year to date spending has been lower than anticipated for training and development, but is expected to increase as the year progresses.

Recruitment costs are also expected to rise as the year progresses, with the high vacancy rate and tight labor market.

Statement of Financial Position

	Current Value	Budget	Variance (Actual to Budget)	Forecast	Variance (Actual to Forecast)
Year-to-date Assets	\$2.8b	\$2.6b	8.03%	\$2.6b	8.02%
Year-to-date Liabilities	\$325.3m	\$143.1m	127.34%	\$143.1m	127.34%
Year-to-date Liabilities (excl. unearned rates revenue)	\$201.9m	\$143.1m	41.07%	\$143.1m	41.07%

The forecast for assets and 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.

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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 and 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

Capital Expenditure

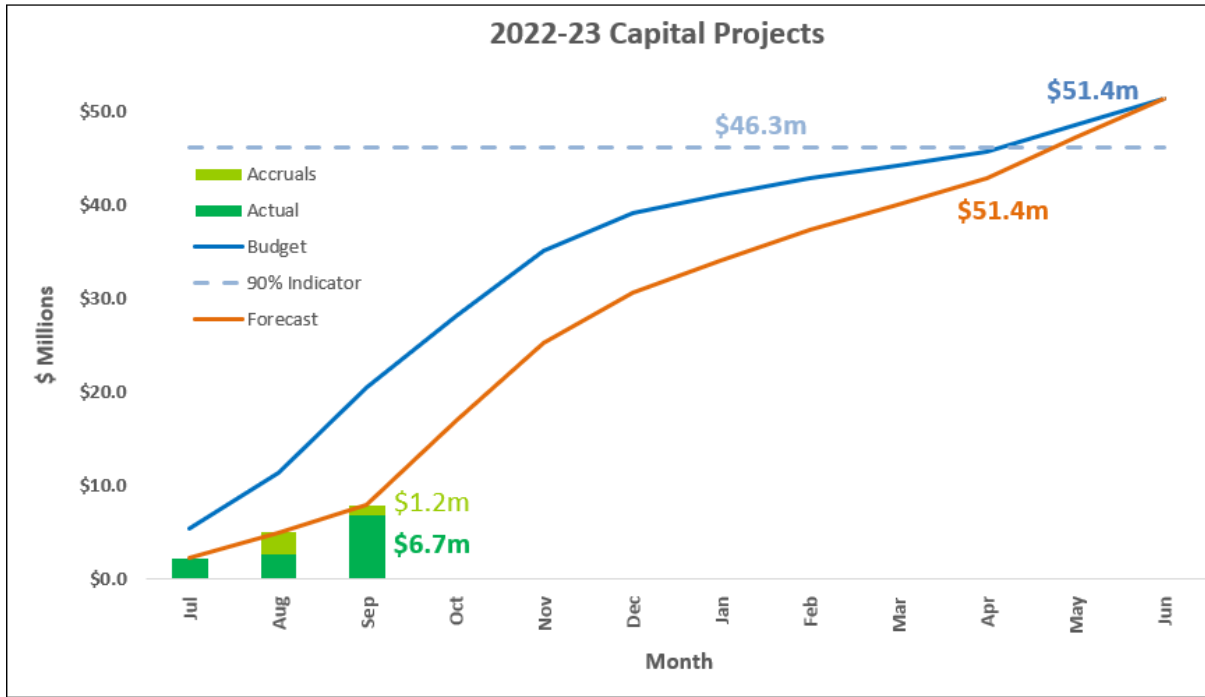
	Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Year to date capital expenditure	\$7.9m	\$51.4m	15.36%	\$51.4m	15.36%
Commitments (open purchase orders)	\$12.8m				
Total	\$20.7m		40.34%		40.34%

Of the \$12.8m in commitments, \$3.7m relates to the Stockbridge Road bridge renewal, \$1.9m relates to Bindaree Road investigation and design work and \$1.4m relates to capping of cell 2 at the Benaraby Landfill.

Accrual estimates of \$1.2m have been included in the actuals, to account for major claims relating to September 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	\$3.4m	\$8.6m	\$21.4m	16%	\$21.4m	16%
Sewerage Assets	\$1.6m	\$1.3m	\$9.9m	16%	\$9.9m	16%
Delivery Support and Performance	\$0.1m	\$0.7m	\$6.0m	1%	\$6.0m	1%
Property Assets	\$1.4m	\$0.2m	\$4.1m	33%	\$4.1m	33%
Asset Governance			\$1.0m	0%	\$1.0m	0%
Waste Assets	\$0.7m	\$1.4m	\$2.1m	35%	\$2.1m	35%
Parks & Environment Assets	\$0.1m	\$0.0m	\$1.7m	4%	\$1.7m	4%
Property Services	\$0.2m	\$0.2m	\$1.4m	13%	\$1.4m	13%
Community Development & Events			\$1.1m	0%	\$1.1m	0%
Water Assets	\$0.2m	\$0.1m	\$1.0m	24%	\$1.0m	24%
Strategic Projects			\$0.9m	0%	\$0.9m	0%
Other	\$0.2m	\$0.3m	\$0.7m	32%	\$0.7m	32%
Total	\$7.9m	\$12.8m	\$51.4m	15%	\$51.4m	15%



The Works Planning & Scheduling team continue to monitor changes to the expected capital position for 2022-23. An updated financial forecast will be included in the quarter 1 review, however the most current information indicates that the capital spend will be \$58.6m.

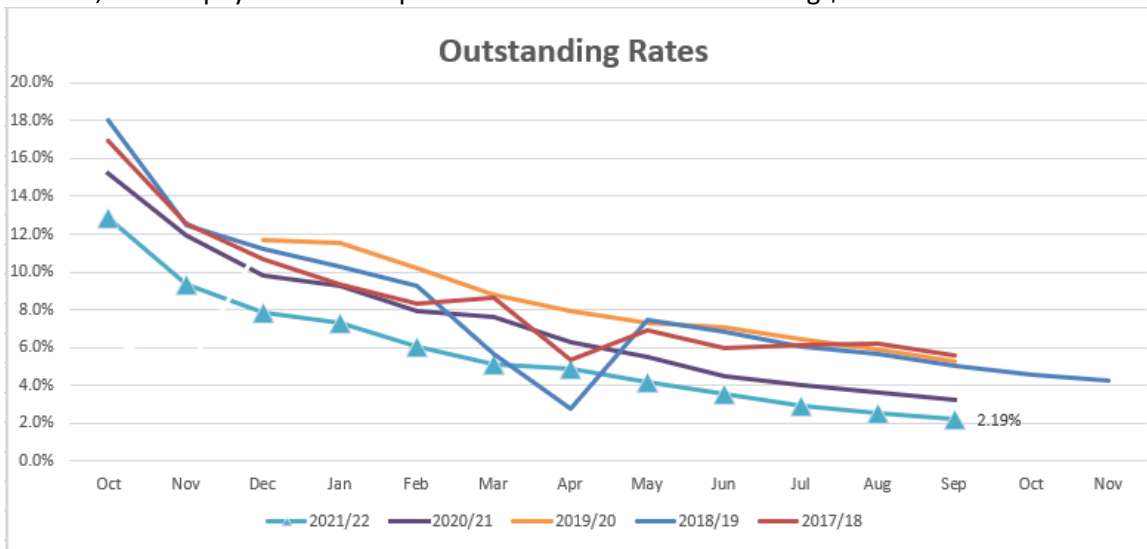
Outstanding Rates

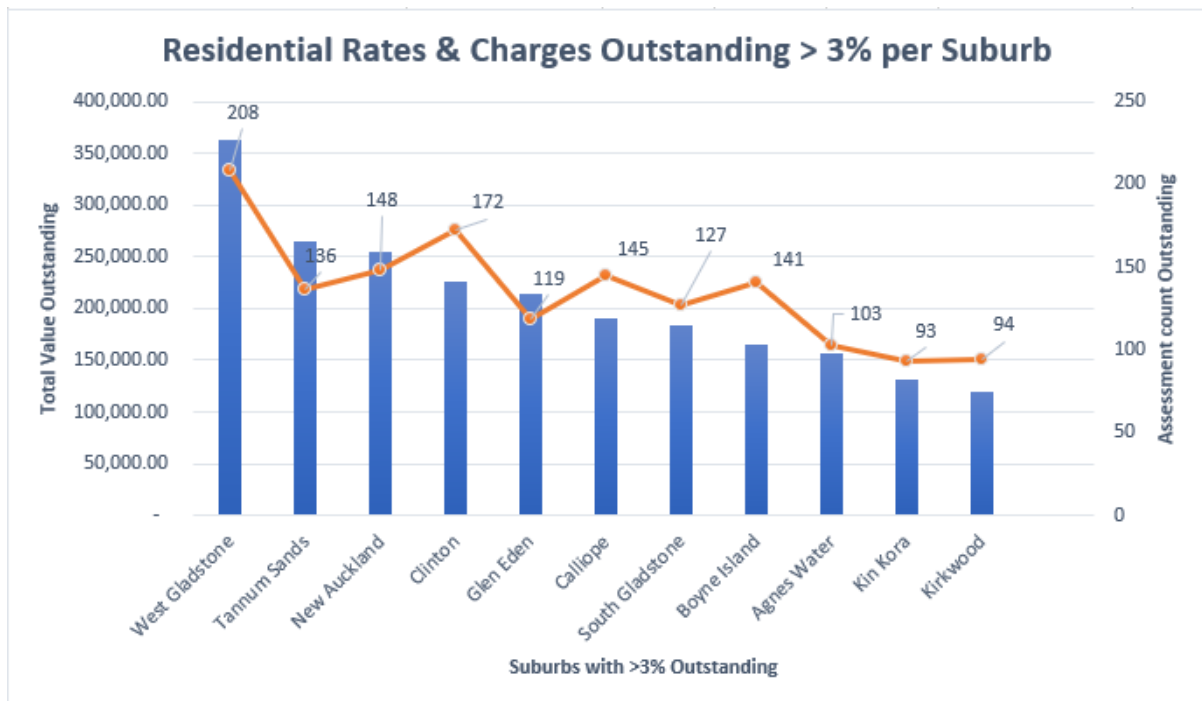
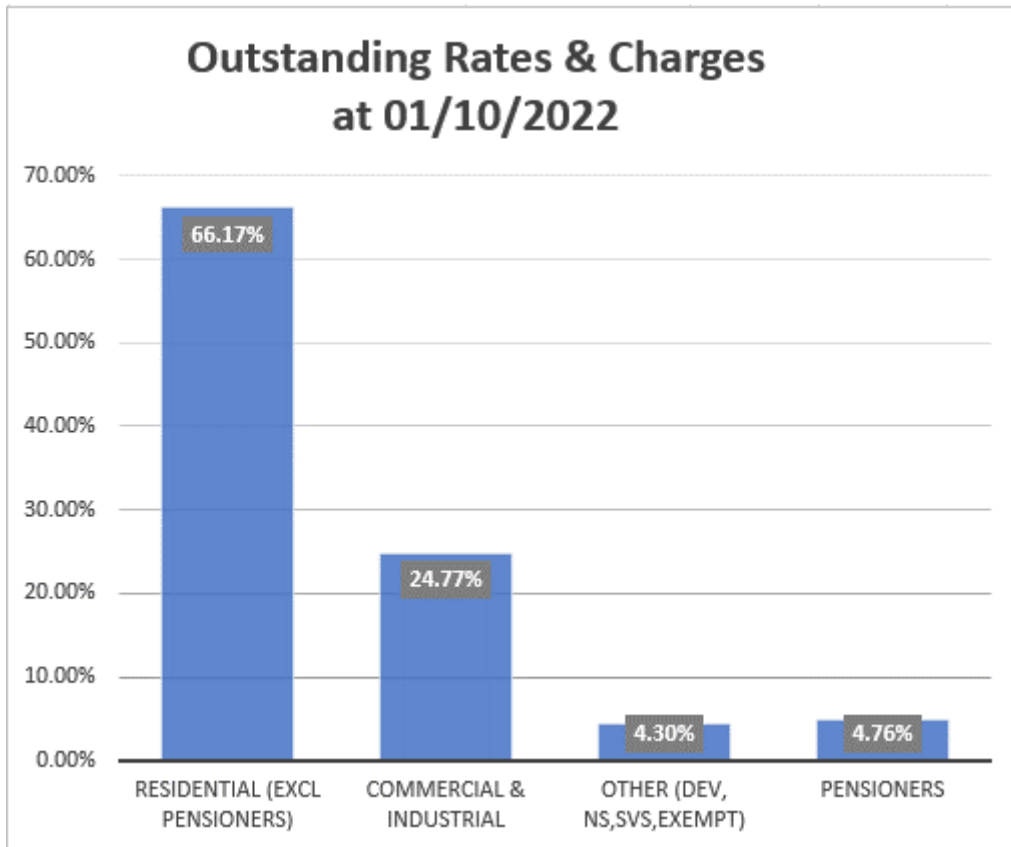
Outstanding rates, as a percentage of gross rates levied 2021-2022, and collectible, is at 2.19% at the end of September 2022, compared to 3.26% for the same period last year 2020-2021.

Of the \$4.08m of outstanding rates 24.77% relates to commercial / industrial assessments and 75.23% represents residential assessments.

These figures include \$4.5m of rates that are currently being repaid under an authorised payment plan, for which there were 32 commercial/industrial assessments and 912 residential assessments. A total of 944 assessments, which is an increase from 650 assessments in August 2022 (this movement is a result of new arrangement entered into since rates notices issued).

There were 3,100 ratepayers who had paid their rates in advance totalling \$2.9m.





Sustainability Ratios

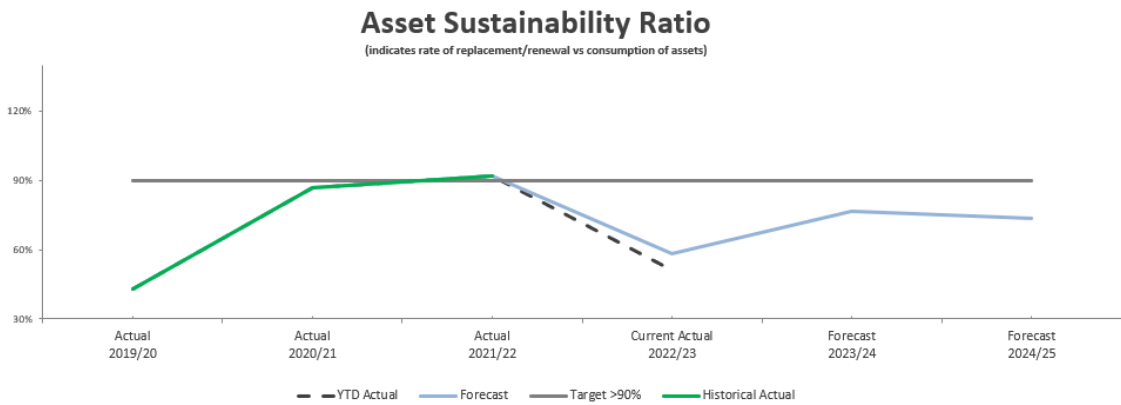
Financial ratios provide a useful snapshot of Council’s financial status and emerging trends. Individual ratios do not provide enough information to form a comprehensive opinion of Council's financial position and performance, but when the right mix of ratios are considered together, they become a valuable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

Infrastructure renewals have accounted for 73.17% of capital expenditure with the balance on new and upgrade projects.

Asset Sustainability Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
51.24%	58.30%	58.30%	>90%



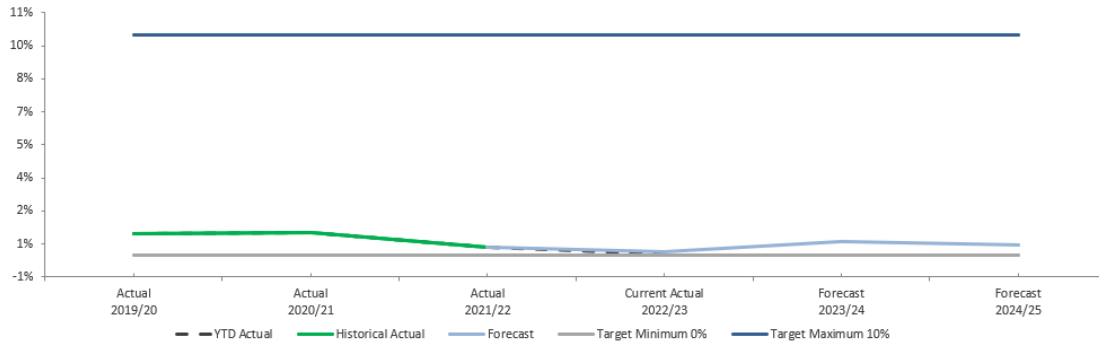
Interest Coverage Ratio

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
0.02%	0.15%	0.15%	0 - 10%

Interest Coverage Ratio

(indicates extent of commitment of revenue to interest payments)



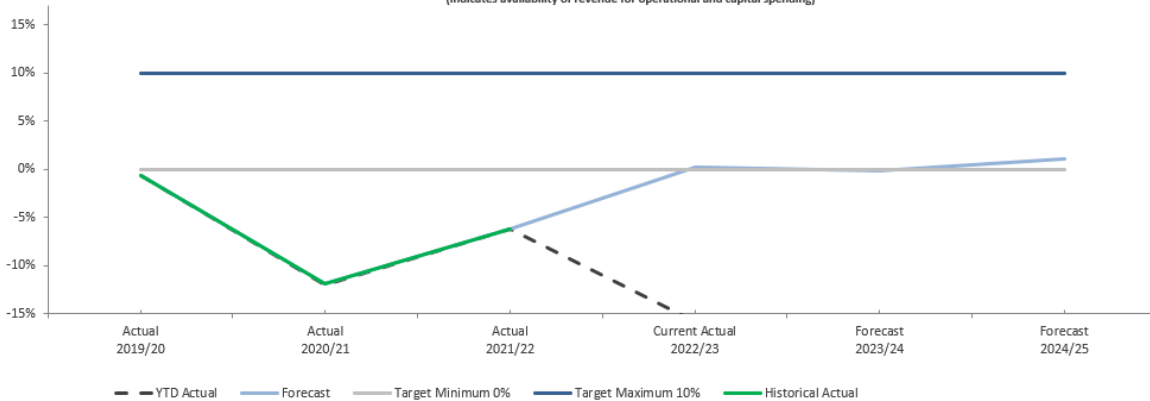
Operating Surplus Ratio

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
(15.81%)	0.22%	0.22%	0 - 10%

Operating Surplus Ratio

(indicates availability of revenue for operational and capital spending)



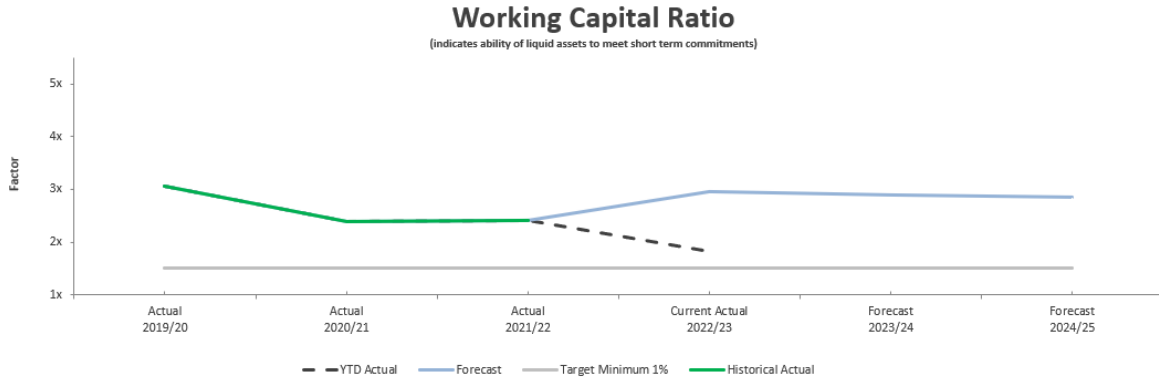
Working Capital Ratio

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 Statement of Comprehensive Income.

GENERAL MEETING AGENDA 25 OCTOBER 2022

Working Capital Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
1.31x	2.45x	2.45x	Greater than 1:1
Working Capital Ratio (excl. unearned rates revenue)			
4.03x			



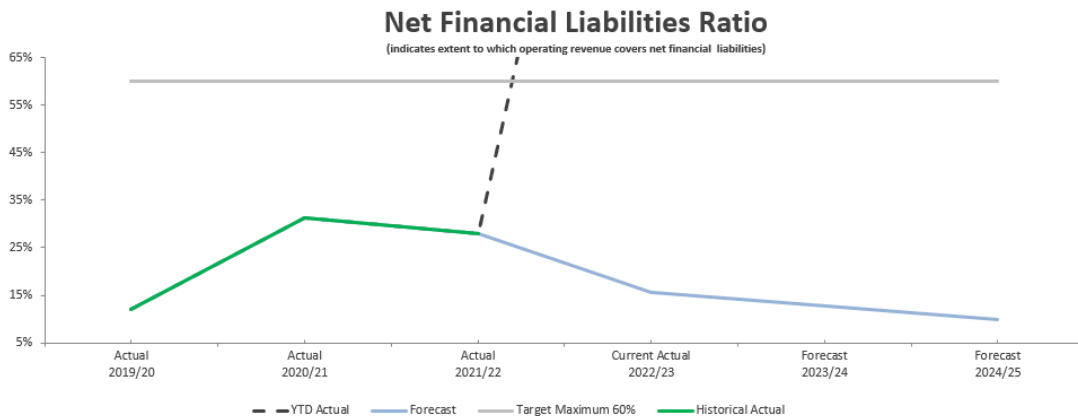
Net Financial Liabilities Ratio

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 Statement of Comprehensive Income.

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.

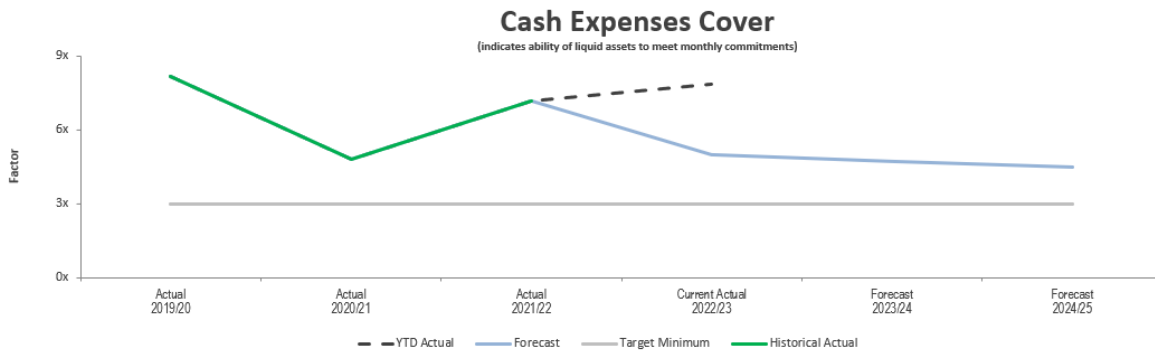
Net Financial Liabilities Ratio			
CURRENT YTD	BUDGET	FORECAST	TARGET
191.50%	15.58%	15.58%	< 60%
Net Financial Liabilities Ratio (excl. unearned rates revenue)			
(22.76%)			



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
7.85x	5.00x	5.00x	> 3x



Options, Risk and Opportunity Analysis:

Nil

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

GENERAL MEETING AGENDA 25 OCTOBER 2022

Anticipated Resolution Completion Date:

25 October 2022

Attachments:

1. Monthly Financial Statements for the period ending 30 September 2022
2. Operating Statements for the month end September

Tabled Items:

Nil

Report Prepared by: Cost Analyst

G/4. DEPUTATIONS

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS