



BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 28 November 2018
1pm

at

Tingha

Members

Councillor Simon Murray (Mayor)
Councillor Dorothy Robinson (Deputy Mayor)
Councillor Peter Bailey
Councillor Jon Galletly
Councillor Diane Gray
Councillor Libby Martin
Councillor Andrew Murat
Councillor Debra O'Brien
Councillor Margaret O'Connor
Councillor Ian Tiley
Councillor Bradley Widders

SUPPLEMENTARY AGENDA

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Item: L.1 **Ref:** AINT/2018/25590
Title: FOR DECISION: Recognition of the late Joseph George **Container:**
ARC16/0001-3
Author: Simon Murray, Mayor
Attachments: Nil

RECOMMENDATION:

That Council recognise the contribution of the late Joseph “Joe” George to the former Guyra Shire Council and the Guyra community.

Background

Joseph Merchard “Joe” George died on 9 November 2018, aged 98 years. He served on the Guyra Shire Council for many years and was Deputy President in 1989. He was awarded Citizen of the Year in 1994 in recognition of his service to the community.

Item: 9.3 **Ref:** AINT/2018/25567
Title: FOR DECISION: 2018/19 First Quarter Budget Review **Container:**
ARC17/2467
Author: Kelly Stidworthy, Service Leader - Finance
Attachments: 1. 2018/19 First Quarter Budget Review⇒

RECOMMENDATION:

- a) That Council note the 2018/19 First Quarter Budget Review.
- b) That Council resolve to amend the 2018/19 budget in accordance with the Quarterly Budget Review Statement for the period 1 July 2018 to 30 September 2018 tabled at the attachment.

Background:

Section 203(1) of the *Local Government (General) Regulation 2005* requires Council's responsible accounting officer to prepare and submit a quarterly budget review statement within 2 months of the end of each quarter.

The financial statements for the 2017-18 financial year have recently been finalised and, due to Council's low unrestricted cash position, the 2018/19 First Quarter Budget Review was seen as an important trigger to revise the budget to ensure that Council sets a path towards long term financial sustainability.

A key issue for Council was the forecast for an ongoing operating deficit in 2018/19 and future years. The financial impact of not addressing Council's operating deficit will be to erode funding available for capital works to sustain the operating position.

Council also had a significant funded and unfunded capital program, which required prioritisation and reallocation of funds in order to determine a capital program for 2018/19 which remained affordable.

As such, a key focus for Council over the past 4 weeks has been to review all program areas with the aim of identifying and securing savings across Council's budget.

The original 2018/19 forecast operating result was a deficit of \$3.8m. Savings have predominantly been identified in the general fund, which is the source of unrestricted cash. After recognising carry forward unspent grant amounts of \$1.3m, Council's revised operating deficit is \$394k on a consolidated basis. The general fund operating result improves from a deficit of \$3.5m to \$785k.

While an operating surplus was aimed for during the budget review, the impact of unspent grant funds, including some merger funds, meant that this has a substantial impact on budgeted operational expenditure. However, work will continue through the 2018/19 financial year to improve the result where possible.

As a result of the above improvement, unrestricted cash improves from a forecast of \$1.5m to \$4.8m. The unrestricted cash position is critical to ensure that Council has a buffer against financial risk and unexpected events such as natural disasters. Prior to the budget review, the forecast for unrestricted cash was the same as it was as at 30 June 2018 as Council had adopted a balanced cash budget for 2018/19. However, an unrestricted cash level of \$1.5m is too low

and leaves Council exposed to cashflow risks. For example, if the Federal Government does not pay the financial assistance grant in advance in 2018/19 this would deteriorate Council's unrestricted cash position by around \$3.3m as this has been assumed in the budget.

Work is also continuing on a range of projects within Council to improve Council's financial position and increase funding available for unrestricted cash, internal cash reserves and capital projects. These include projects such as the land divestment strategy. As these projects produce further yields these returns will be recognised in subsequent budget reviews.

The Quarterly Budget Review Statement for the period 1 July 2018 to 30 September 2018 tabled at the attachment contains the revised 2018/19 budget as outlined above.

Key Issues and Risks

While the improvement in the 2018/19 First Quarter Budget Review is significant, the budget is a forecast and identified savings must be realised through actions taken throughout the 2018/19 financial year.

Risks remain in relation to unexpected events and over expenditure on projects. While these are carefully managed, Council is delivering a range of projects and there is always a risk that project overruns and scope creep will occur.

Integrated Planning and Reporting Framework

Community Strategic Plan – Leadership for the Region

L2 – Council exceeds community expectations when managing its budget and operations.

L2.1 – Financial sustainability is maintained through effective short and long term financial management

L2.1.3 – Develop effective financial management systems

Stakeholder Engagement

Senior Leadership Team

Program Leaders

Financial Implications

The 2018/19 First Quarter Budget Review contains an improvement in the forecast consolidated operating result from a deficit of \$3.5m to \$0.8m and an improvement in the unrestricted cash forecast from \$1.5m to \$4.8m.

Next Steps

Update the 2018/19 budget with the attached estimates and continue to monitor budget performance.

Item: 11.2 **Ref:** AINT/2018/25593
Title: FOR DECISION: Consideration of Draft EcoARC (Greenprint) at a
Councillor Workshop **Container:** ARC17/2304
Author: Ambrose Hallman, Service Leader Sustainability and Development
Attachments: Nil

RECOMMENDATION:

That the Draft EcoARC (Greenprint) be considered at a Councillors Workshop.

Background:

Further information about this item is included under item 11.1.