



SPECIAL MEETING

AGENDA

18 JUNE 2024

Your attendance is required at a Special meeting of Council to be held in the Council Chambers, 232 Bolsover Street, Rockhampton on 18 June 2024 commencing at 1:00 PM for transaction of the enclosed business.

A handwritten signature in black ink, appearing to be "C. P.", is positioned above the printed name of the Chief Executive Officer.

CHIEF EXECUTIVE OFFICER
11 June 2024

Next Meeting Date: 25.06.24

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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1 OPENING

2 PRESENT

Members Present:

The Mayor, Councillor A P Williams (Chairperson)
Deputy Mayor, Councillor M D Wickerson
Councillor S Latcham
Councillor E W Oram
Councillor C R Rutherford
Councillor M A Taylor
Councillor G D Mathers

In Attendance:

Mr E Pardon – Chief Executive Officer

3 APOLOGIES AND LEAVE OF ABSENCE

Councillor Neil Fisher - Leave of Absence from 15 May 2024 to 30 June 2024

4 DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

5 OFFICERS' REPORTS

5.1 MAY MONTHLY BUDGET REVIEW

File No: 8785
Attachments: Nil
Authorising Officer: Ross Cheesman - Deputy Chief Executive Officer
Author: Marnie Taylor - Chief Financial Officer

SUMMARY

Chief Financial officer presenting updated budget estimates to 31 May 2024.

OFFICER'S RECOMMENDATION

THAT the report be received and the budget estimate changes be endorsed.

COMMENTARY

The Monthly Budget Review to 31 May 2024 provides updated budget estimates for the 2023/2024 financial year.

The May Monthly Budget Review comprises some material changes to the Operating Budget. In addition, some revised budget estimates have been made at "Whole of Council" level rather than for each individual Section or Unit.

The Capital Budget review is mainly comprised of budget reallocations between projects.

Operational Budget Estimate Changes

The major operational budget movements are:

- Decrease in Rates & Utility Charges - \$900k due to a combination of reduced water consumption, small improvement in general rates and savings in remissions.
- Increase in Fees & Charges revenue by \$2.7M due to better than forecasted
 - Airport Fees
 - Waste & Recycling Fees
 - Customer Service Fees
 - Development Approval Fees
- Increase in Private & Recoverable Works Revenue - \$391k
- Decrease in Grant Revenue - \$770k mainly due to delays in meeting milestones for a small number of projects. The related progress claims will move to next financial year.
- Increase in Interest Revenue - \$200k
- Increase in Other Income by \$600k mainly due to car rental and other concessions income from Airport.
- Increase in Sponsorship revenue by \$66k
- Decrease in Employee Costs by \$784k due to below budget expenditure across the whole of Council.
- Decrease in Contractors & Consultants by \$1.6M due to below budget expenditure across the whole of Council.
- Materials & Plant recorded an increase of \$2.68M due to cost escalations in

- Fitzroy River Water – an increase of \$1.65M
- Rest of Council – an increase of \$1.03M
- Administrative Expenses – a decrease of \$1.20M
- Increase in Depreciation Expenses by \$4.75M due to changes in estimates for various asset classes
 - Buildings – a decrease \$1.08M
 - Plant & Equipment – an Increase of \$363k
 - Roads - an Increase of \$1.85M
 - Water - an Increase of \$1.67M
 - Sewerage - an Increase of \$1.37M
 - Airport – a decrease of \$73k
 - Site Improvements - an Increase of \$104k
 - Bridges - an Increase of \$50k
 - Landfill - an Increase of \$261k
 - Stormwater - an Increase of \$241k
- Accounting Adjustment – an increase of \$435k to provision for doubtful debts due to the collapse of Bonza Airlines.
- Overhead Allocations – an improvement of \$1.5M

Total Operational Budget changes result in the net operating deficit for 2023/2024 increasing by \$486k (from \$897k to \$1.38M).

Capital Budget Estimate Changes

The Capital Budget has been updated to reflect budget reallocations between projects and the timing of some projects across the current and next two financial years.

Capital Revenue budgets across the current and next two financial years have increased by \$16.65M, whilst Capital Expenditure budgets have increased by \$12.68M. Therefore, the net budget impact across the three financial years from the October Revised Budget is an improvement of \$3.97M.

A listing by Section of the Capital Budget changes is following for information. The major movements from the October Revised Budget are:

Chief Executive Officer

A new allocation of \$30K for the purchase of visual and streaming equipment for council chambers.

Corporate Services

Fleet Services expenditure budget changes comprised of budget reallocations between projects with an increase of \$619K over the three years.

Communications & Information Technology expenditure was decreased by \$669K based on reduction in forecast of software upgrade-based projects.

Airport expenditure budget has increased by \$4.29M, major changes include \$3M towards a commercial precinct and the purchase of land for \$1M.

Regional Services**Civil Operations**

Civil Operations' budget was increased by \$13.86M based on a revision of trunk infrastructure expenditure as well as the inclusion of grant funding for some new and existing projects. A complete review of Civil Operations was undertaken to analyse the project cost, resourcing and viability resulting in allocations revised based on the same.

Infrastructure Planning

Infrastructure Planning's expenditure budget has decreased by \$184K and the changes comprised of budget reallocations between projects as well as the reduction of \$165K budget for Disaster Management.

Waste & Recycling Services

Waste & Recycling Services' expenditure budget changes comprise of budget reallocations between projects as well as changes to timing of delivery resulting in an overall decrease of \$779K.

FRW

FRW's expenditure budget was decreased by \$9.50M over the three financial years. Budget changes comprised of budget reallocations between projects as well as inclusion of new projects over three financial years with additional expenditure included in the following years.

Project Delivery

Project Delivery's changes to the budget comprise the movement of budget allocations to future years based on the current status of the projects as well as future projections, resulting in a reduction by \$12.87M over the current and the next two financial years with further costs forecast in future years. The change in forecast is mostly represented by the North Rockhampton Sewerage Treatment Plant and Kershaw Gardens Waterfall Structure Repairs.

Communities**CAF**

Community Assets and Facilities' expenditure budget has increased by \$5.85M over the three financial years mainly due to the inclusion of \$4.4M Pilbeam Roof Renewal. The expenditure budget changes also comprised of budget reallocations between projects.

Communities & Culture

Communities & Culture's expenditure budget was increased by \$745k. Budget changes comprised of budget reallocations between projects as well as inclusion of new projects over three financial years such as \$345k for acquisition of land and \$150k for turfing and drainage works of the Showgrounds Centre Ring.

Parks

Parks' expenditure budget was reduced by \$1.60M and comprised of reallocation between projects. Inclusion of revenue and expenditure budgets for the North Rockhampton Sporting Precinct and Zoo Enclosure Renewals are the main factors for the allocation reduction over the three financial years.

Planning and Regulatory Services

Planning and Regulatory Services' expenditure budget was reduced by \$5k and mainly comprised of reallocation between projects.

PREVIOUS DECISIONS

The budget for 2023/2024 was adopted on 04 July 2023 and the October Revised Budget was adopted on 11 December 2023.

BUDGET IMPLICATIONS

This report provides estimated budget changes for the current financial year and next two financial years. The impact of these changes on future financial years will be modelled in the Long-Term Financial Forecast for the 2024/25 Adopted Budget.

LEGISLATIVE CONTEXT

There are no legislative implications as this report is not a budget amendment in accordance with the *Local Government Regulation 2012*, section 170 *Adoption and amendment of budget*.

LEGAL IMPLICATIONS

No related issues.

STAFFING IMPLICATIONS

No related issues.

RISK ASSESSMENT

The control of monthly oversight and reporting of expenditure against budget significantly reduces the risk of unplanned expenditure impacting on Council's financial position.

CORPORATE/OPERATIONAL PLAN

The Operational Plan outlines activities and actions Council will undertake for the financial year in accordance with the adopted budget. This report provides estimated budget changes for the current and two future financial years for Council's endorsement.

CONCLUSION

Total Operational Budget adjustments result in the net operating deficit increasing by \$486k (from \$897K to \$1.38M).

The Capital Budget has been updated to reflect budget reallocations between projects and the timing of projects across the current and next two financial years. The net budget impact across the three financial years from the October Revised Budget is an improvement of \$3.97M to the budget bottom-line over the three financial years.

6 CLOSED SESSION

In accordance with the provisions of section 254J(3) of the *Local Government Regulation 2012*, a local government may resolve to close a meeting to the public to discuss confidential items, such that its Councillors or members consider it necessary to close the meeting.

RECOMMENDATION

THAT the meeting be closed to the public to discuss the following items, which are considered confidential in accordance with section 254J(3) of the *Local Government Regulation 2012*, for the reasons indicated.

7.1 2024/2025 Budget Briefing

In accordance with section 254J(3)(c) of the *Local Government Regulation 2012* it is considered necessary to close the meeting to discuss the local government's budget.

7 CONFIDENTIAL REPORTS

7.1 2024/2025 BUDGET BRIEFING

File No: 8785
Attachments: Nil
Authorising Officer: Ross Cheesman - Deputy Chief Executive Officer
Author: Marnie Taylor - Chief Financial Officer

In accordance with section 254J(3)(c) of the *Local Government Regulation 2012* it is considered necessary to close the meeting to discuss the local government's budget.

SUMMARY

This report will provide an update to Council on the final stages of compilation of the 2024/2025 Budget.

8 CLOSURE OF MEETING