

9.1 Financial Position Update Report

Council Meeting: 21 July 2020

Department: Finance

Author: Stephen Harbort, Chief Finance Officer

Purpose

The purpose of this document is to provide Council with an update on our current financial position.

Recommendation

- *That Council receive and note this report*

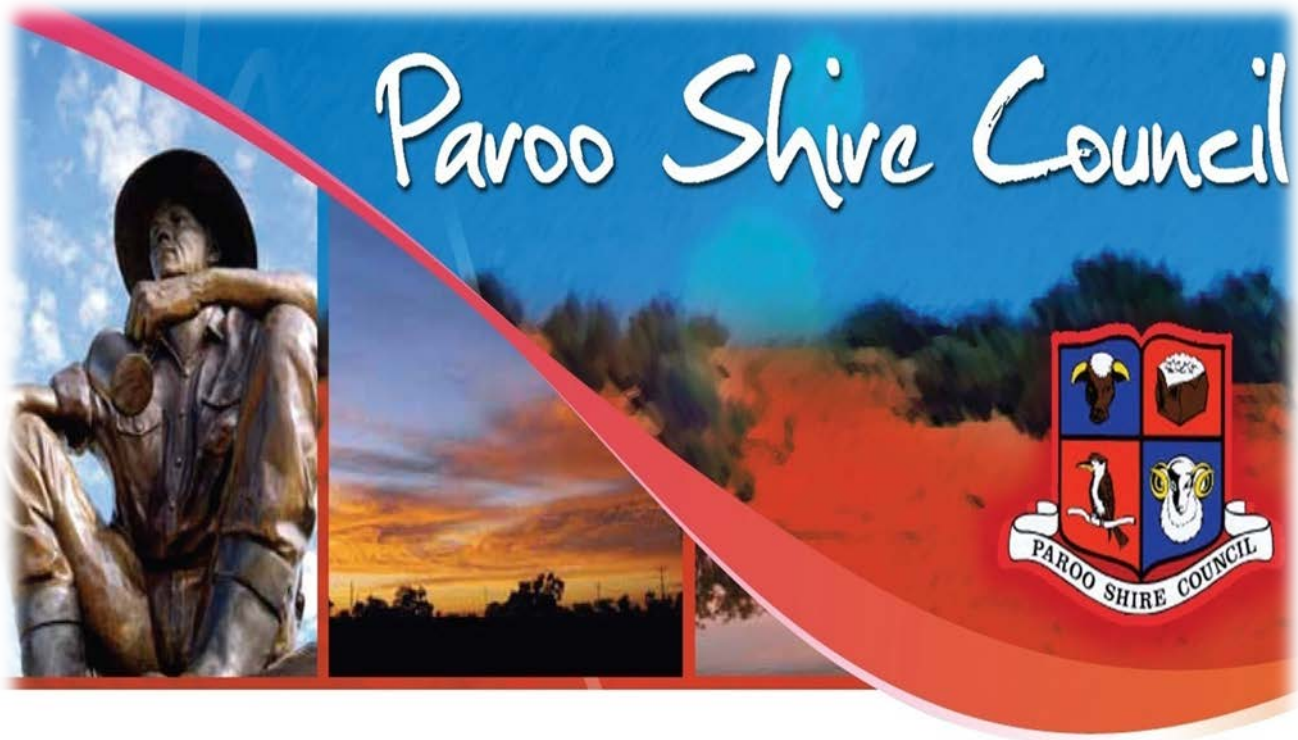
Discussion

Monthly Financial Report

Attachment List

- Partial monthly Financial Report for the month of June 2020

NB Due to the end of year processes still occurring coupled with the process to reinstate the full assets data bases and run depreciation for the full year. Detailed financials will not be available to early August.



MONTHLY FINANCIAL REPORT
June 2020

Contents

1 Executive Summary - to be supplied in August

- 1.1 Capital Performance
- 1.2 Financial Position
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2 Capital Analysis

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- 2.2 Capital Expenditure Analysis

3 Financial Position

- 3.1 Cash and Investments
- 3.2 Rates and Charges
- 3.3 Sundry Debtors
- 3.4 Borrowings

Appendix A – To be supplied in August

- Statement of Comprehensive Income 2019/20
- Statement of Financial Position 2019/20
- Finance Actions

Indicator Legend:

		% Variance to Budget
No action required		0 – 5%
Requires active monitoring		5% - 10%
Immediate action required		>10%

1. EXECUTIVE SUMMARY

1.1 Capital Performance

1.2 Financial Position

1.3 Financial Sustainability Indicators

2. Capital Analysis

2.1 Capital Revenue

2.2 Capital Expenditure Analysis

Summary of Capital Works Expenditure

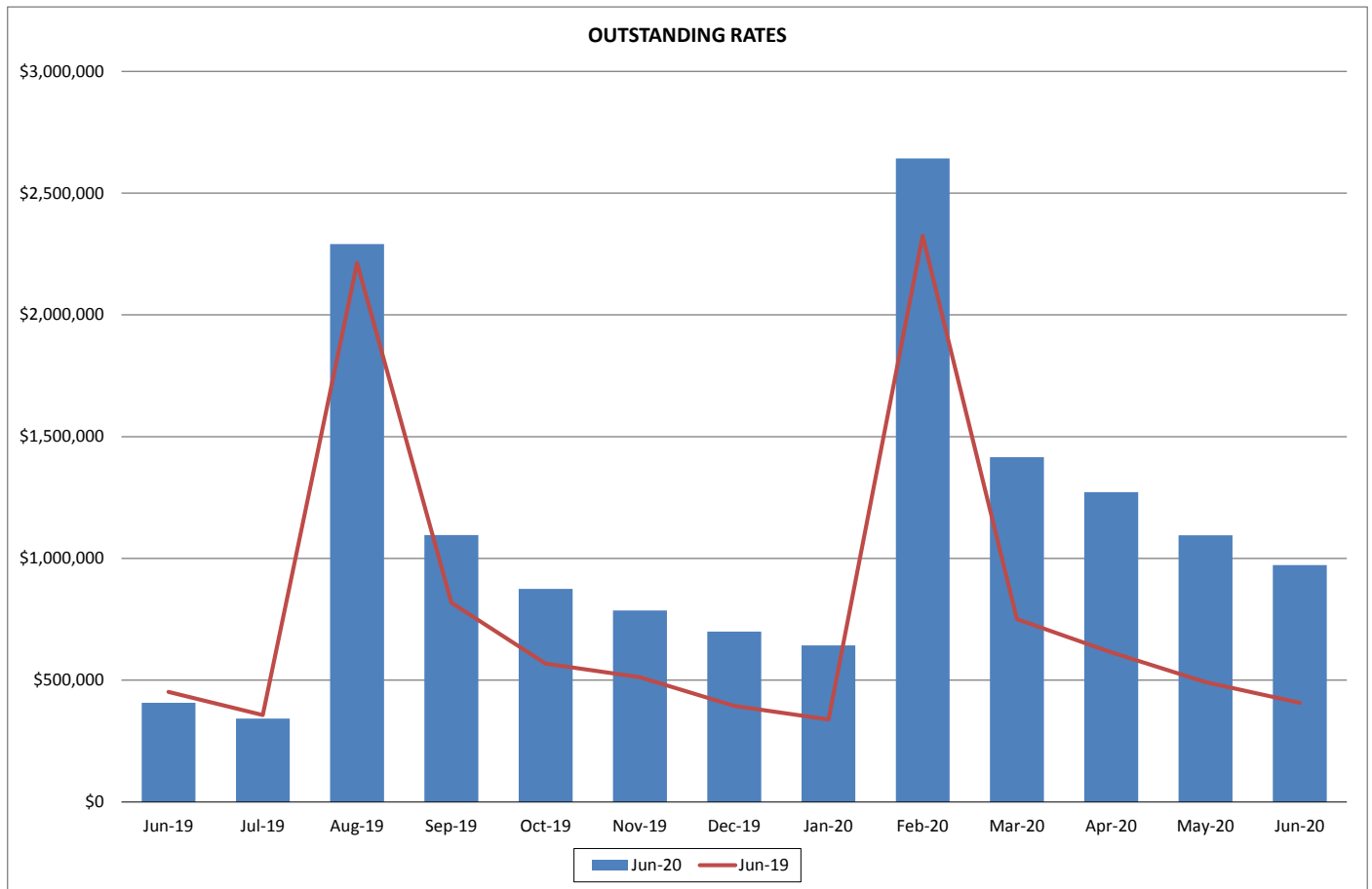
Particulars	Original Budget	YTD Expenditure	% Spent	Committed	Spent and Committed	% Spent and Committed
Information Technology	1,000,000.00	127,738.18	26%	413,294.15	541,032.33	54%
Disaster Management	104,000.00	78,630.48	77%	1,860.00	80,490.48	77%
Council Buildings	1,972,826.16	1,217,988.32	105%	6,057.09	1,224,045.41	62%
Airport	554,485.00	827,970.84	116%	-	827,970.84	149%
Parks and Gardens	330,000.00	127,438.25	44%	11,126.61	138,564.86	42%
Plant Operations	1,000,000.00	359,976.73	36%	724,583.09	1,084,559.82	108%
Road Construction - Shire Program	3,133,332.35	2,602,792.06	107%	357,198.18	2,959,990.24	94%
Roads to Recovery	973,400.00	167,369.07	11%	800.00	168,169.07	17%
Flood Damage	-	661,514.31	126%	1,120,291.95	1,781,806.26	0%
Water	210,000.00	144,752.69	31%	5,000.00	149,752.69	71%
Wastewater	9,012,357.60	5,862,859.95	111%	2,907,115.40	8,769,975.35	97%
W4Q2	70,000.00	513,797.50	211%	-	513,797.50	734%
W4Q3	1,180,000.00	530,738.47	51%	664,682.87	1,195,421.34	101%
Total	19,540,401.11	13,223,566.85	87%	6,212,009.34	19,435,576.19	128%

The above Capital Expenditure is at 30 June 2020. Accruals will be processed to these items and balances will change until the end of August 2020.

3.1

3.2 Rates and Charges as at June 2020

Rates Outstanding June 2020



Comparison June 20				
Summary of Rates in Arrears (General & Services)				
Balance of Rates Arrears outstanding				
Differential Rate Category:	Jun-19	May-20	Jun-20	Yr on Yr Variance
Urban - General Rates	81,568	152,960	134,642	53,074
Urban - Services	141,719	682,249	600,544	458,826
Rural	160,431	236,117	213,729	53,298
Mining Claims	7,102	8,363	7,715	613
Mining Leases	16,454	15,810	15,810	- 644
	407,273	1,095,499	972,439	565,166
Rates in Arrears as a % of Billing Feb 20				
Differential Rate Category:	2019-20 Billed	Jun 20 Arrears	% in Arrears	
Urban - General Rates	403,518	134,642	33.37%	
Urban - Services	1,799,811	600,544	33.37%	
Rural	1,970,451	213,729	10.85%	
Mining Claims	10,352	7,715	74.52%	
Mining Leases	39,911	15,810	39.61%	
	4,224,042	972,439		

Rates Billed for the Financial Year 2019-2020

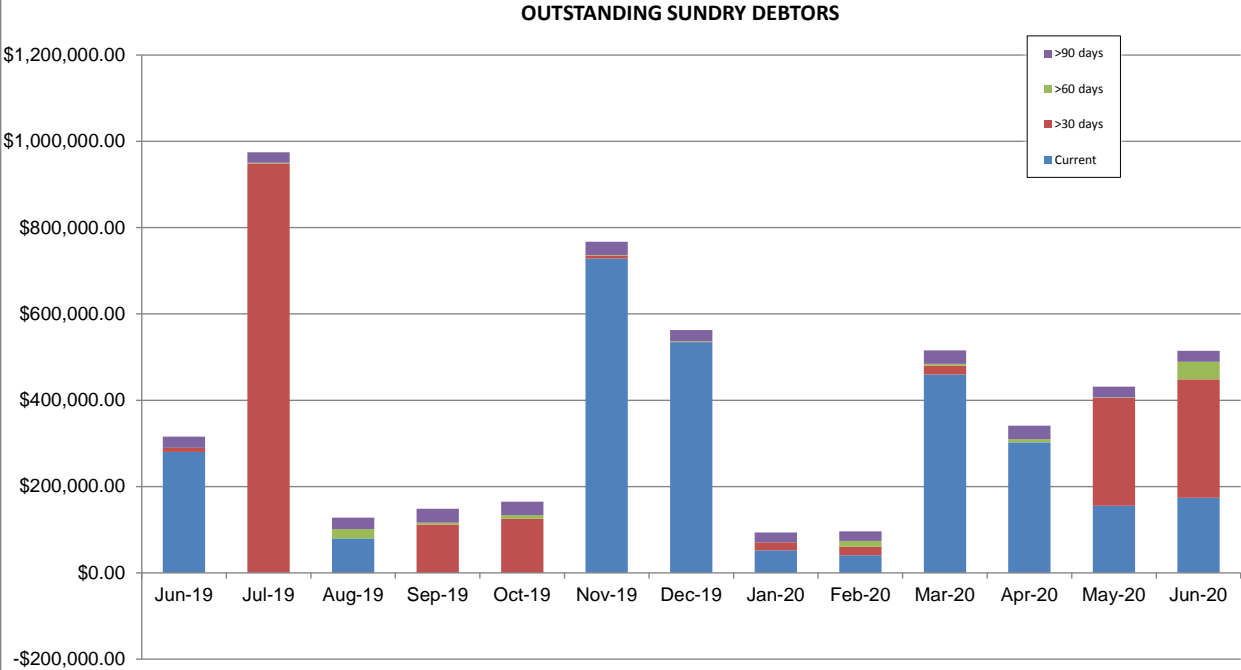
Current Rates Outstanding	Jun 20
Balance brought forward (including interest) - Arrears	555,287
General Rates, municipal and garbage charges	4,055,088
State Government Emergency Management Levy/Env Levy	128,465
Rural Fire Service Levy	3,725
Dingo Barrier State	36,765
Supplementary Assessments (Inc. Excess Water Charges)	12,940
Interest	46,305
Less Pensioner Rebates	-31,633
To be collected	4,806,941
Collected	-3,672,059
Discount Allowed	-157,210
Write Offs	-5,233
Percentage collected to date	-76.39%
Actual Balance outstanding at 30 June 2020	972,439
Forecast balance outstanding at 30 June 2020	400,000

3.3 Sundry Debtors

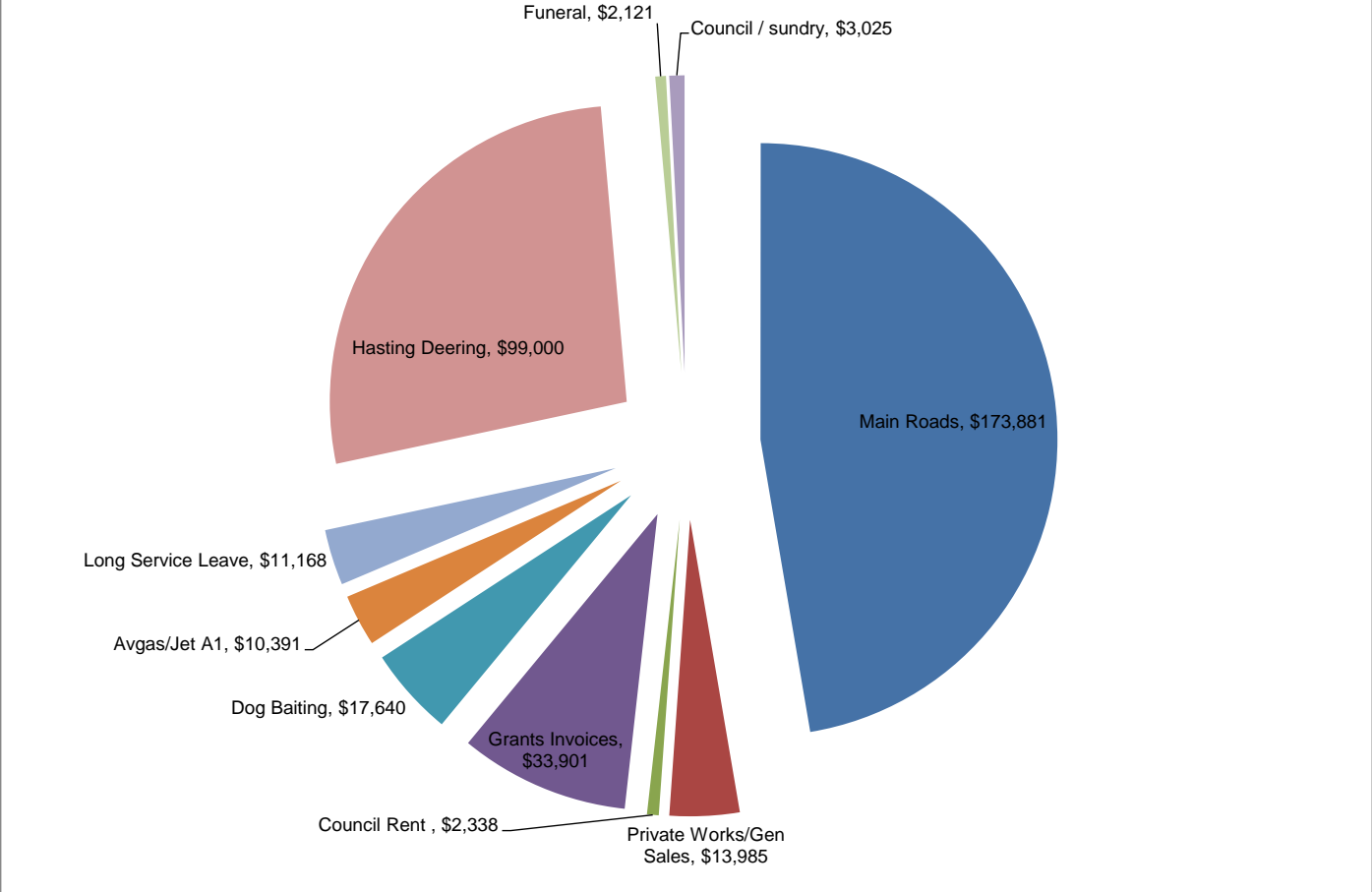
Debtor profile as at 30 June 2020

Summary of Outstanding Debtors as at 30 June 2020	
Category:	June 20
Current	\$243,234
>30 days	\$99,596
>60 days	\$164
>90 days	\$24,456
Total	\$367,459

Debtor aging as at 30 June 2020



Debtor analysis by major debtor as at 30 June 2020



3.4 Borrowings

Outstanding balances of loans for the period ending 30 June 2020 are as follows:-

Loan Description	QTC Book Value Amount	Maturity Date	Interest Rate (inc Adminstration)
Depot Extension 2012	\$283,080	15/12/2031	5.7660%
Depot Building 06/07	\$248,588	15/12/2024	7.0770%
Depot Building 05/06	\$370,400	15/06/2026	7.2980%
Eulo Water	\$185,200	15/06/2026	7.2980%
SCAP Water (Cunnamulla)	\$158,726	15/06/2025	7.1670%
Museum/Art Gallery	\$119,044	15/06/2025	7.1670%
Total	\$1,365,038		

The next repayment of \$69,749 will fall due 15 September 2020. QTC loans are paid once per quarter and were last payment was made on 15 June 2020.

Financial Actions In Progress

- Revaluation of Road Assets In progress
 - All assets cleared from the system and reloaded with full segment information as required by Audit
 - Practical finalising the system verification and depreciation expected to be run month by month during the week of the Council meeting
 - External Audit briefing and review programed in for 22 July 2020.
- Rates debt collection – Meeting occurred and debt collector ready to progress.
- Debtors and Creditors master data completed.
- The External Audit report received and will be tabled at the next workshop.
- End of year reporting preparation has commenced with review of ledger accounts.

Financial Future Actions

- Sentencing of records scheduled to commence by end of July
- Set up electronic storage of Financial Records to reduce paper retention- Scanning of records on an ongoing basis has commenced.
- Indepth training in rates has occurred including correction of numerous issues in the system.

Asset Management Actions

- CEO House repairs to structure completed but not to standard required. Builder to carry out correction to his cost.
- Damage issue still occurring in Apex and Centenary.
- Guttering materials purchased and builder should commence mid August.
- John Kerr Park safety screens installed around gas units and air conditioners
- Full servicing of Council air conditioners is completed

Asset Management Strategy

- Updated policies sent to Sheppard Services and will be tabled at the next workshop
- Strategic Plan to be tabled in the July workshop meeting.
- SWRRTG are assessing geo spacial systems to for use within the group.

9.2 Notice of Intention to sell land

Council Meeting: 21 July 2020

Department: Finance

Author: Stephen Harbort – Chief Finance Officer

Purpose

The purpose of this document is for Council to resolve to sell land for overdue rates or charges outstanding for a period greater than three (3) years.

Recommendation

- That Council resolves under Section 140 & 142 of the Local Government Regulation 2012 to commence proceedings to sell land for overdue rates or charges outstanding for a period greater than three (3) years.*
- Council resolves to issue notice of intention to sell land for:*

Assessment	Name	Property Address	Description	Area
00374-00000-000	DANIEL S VELLA	2 KING STREET CUNNAMULLA QLD 4490	LOT 6 PLAN RP51981	1012 M2
00966-06000-000	DAVID G TAYLOR	HUMEBURN ROAD CUNNAMULLA QLD 4490	LOT 1 PLAN MLG60170	23.639 Ha
01202-06000-000	DAVID G TAYLOR & GEOFFREY K SWAN	MINING LEASE	LOT 1 PLAN MLG60136	9 Ha
00296-00000-000	ESTATE OF STEVEN G TRAILL C/- TANYA KING	16 EMMA ST CUNNAMULLA QLD 4490	LOT 6 PLAN RP68094	1012 M2
00203-56000-000	FRANCIS J. LEWIS	62 WEIR ROAD CUNNAMULLA QLD 4490	LOT 7 PLAN WN228	2.9 Ha
01417-05000-000	HEIDI RITSCHARD C/- UWE BARFUSS	MINING LEASE	LOT 1 PLAN MLG3179	9141 M2
00893-00000-000	KAYLA B WHITE	6-10 MOODY ST WYANDRA QLD 4489	LOT 902-903, LOT 907-909 PLAN W4776	2023 M2 Ea
00326-00000-000	LARRY L McKELLAR	76 EMMA STREET CUNNAMULLA QLD 4490	LOT 2 PLAN RP82642	809 M2
00193-00000-000	LEESA J SMITH	24 GARDEN ST CUNNAMULLA QLD 4490	LOT 1 RP93735	1017 M2
00254-00000-000	LYNETTE R & VERA A NIXON	50 JOHN ST CUNNAMULLA QLD 4490	LOT 804 PLAN C1465	4047 M2
01096-08000-000	PHILLIP B POPE	MINING LEASE	LOT 1 PLAN MLG60370	1.5832 Ha
00396-00000-000	ROBERT J VELLA	50 KING STREET CUNNAMULLA QLD 4490	LOT 15 PLAN RP82642	898 M2
00096-60000-000	SEAN W VISSER	32 ALICE ST CUNNAMULLA QLD 4490	LOT 2 PLAN RP184310	848 M2
00960-80000-000	SIMON B BEEL	BOLLON CUNNAMULLA RD, CUNNAMULLA QLD 4490	LOT 2 PLAN C5320	667.7313 Ha
00128-00000-000	THE SOUTH WEST QUEENSLAND ABORIGINAL CO-OP COMMUNITY ADVANCEMENT SOCIETY LTD	29 JANE ST CUNNAMULLA QLD 4490	LOT 1,4 PLAN RP46755	1364 M2
00212-00000-000	THE SOUTH WEST QUEENSLAND ABORIGINAL CO-OP COMMUNITY ADVANCEMENT SOCIETY LTD	29 JANE ST CUNNAMULLA QLD 4490	LOT 3 PLAN RP90964, LOT 1 PLAN RP93210	513 M2
01417-01100-000	VEJSIL JAHIC	17 BLUEBONNET BOULEVARD, YOWAH VIA CUNNAMULLA QLD 4490	LOT 2, PLAN MPH40328	2396 M2
00911-00000-000	ROBERT J & LINDA TUNNADINE	9-11 WARREGO ST, WYANDRA QLD 4490	LOT 4-5 PLAN RP6098	1753 M2
00396-10000-000	PAUL M NICHOLLS	52 KING STREET, CUNNAMULLA QLD 4490	LOT 16 PLAN RP82642	898 M2
01417- 00600-000	ESTATE OF JOHN KOVAC	46 MATRIX DRIVE, YOWAH VIA CUNNAMULLA QLD 4490	LOT 50 PLAN MPH40328	802 M2
01417-01300-000	PETER A BROOME	68 MATRIX DRIVE, YOWAH VIA CUNNAMULLA QLD 4490	LOT 12 PLAN MPH40328	1808 M2

Discussion

Rates or charges levied by the Council on the above properties are at least 3 years overdue. Where rates or charges on a property are more than 3 years overdue, the Council may sell the properties at Public Auction and use the proceeds to discharge the overdue rates and charges.

Council is required to give a final notice to the property owner giving details of its decision and giving the owner the final opportunity to pay the overdue rates or charges. If the overdue or charges are not paid within 3 months of the notice, the Council will commence proceedings to sell the land under the Section 142 of the Local Government Act 2012. The sale proceedings will be discontinued if the amount of all overdue rates and charges levied on the land, and all expenses incurred by Council for the intended sales, are paid to it.

Notification has been sent to the identified rates payers informing them that this resolution will be tabled at the Council Meeting of 21st July 2020.

Four notifications were unable to be delivered due to correspondence returned to sender.

Attachments

A. Letter of notification of Resolution to be tabled at Council Meeting.

Our Ref: SGH:kg: –67/6
Your Ref:

14 July 2020

ADDRESS

Dear Rate Payer

NOTICE OF RESOLUTION FOR INTENTION TO SELL LAND FOR OVERDUE RATES OR CHARGES

OUTSTANDING RATES: \$
ASSESSMENT NO: 001
PROPERTY ADDRESS:
PROPERTY DESCRIPTION:

On the 20th January, 2020 the Council wrote to you and requested that you pay your outstanding rates or if you were unable to pay in full that you contact the Council to enter into a written payment commitment to clear the rates balances over a period of time.

On 14th February, 2020 the Council wrote to you again confirming that our records show that neither of these options have been put into place and no contact has been made with Council officers to discuss a process to resolve the outstanding debt.

Council's records indicate that an amount of \$ still remains outstanding on your property for rates and charges.

This notice is to inform you that at the Council meeting of 21st July 2020 a resolution will be tabled for the Council to issue a Notice of Intention to Sell Land for overdue rates or charges which includes your property.

If you wish to make the necessary payment to avoid the commencement of sale proceedings, please contact Council's Finance Officer, Katheryn Guttie on (07) 4655 8400 and make the required payment or put a payment arrangement in place.

Yours faithfully

Sean Rice
A/ Chief Executive Officer

9.3 Submission of Motion to 2020 LGAQ Conference

Council Meeting: 21 July 2020

Department: Community Support & Engagement

Author: Tony Koch

Purpose

The purpose of this document is to provide Council with the proposed motion to be submitted to the LGAQ Conference proceedings.

Recommendation

That Council receive and note the proposed Motion and move that the motion be submitted to LGAQ for inclusion in the proceedings of the 2020 Conference.

2020 Annual Conference - Motions Template

Please note that this template should assist you with the preparation of the motion.

Submission of the motion can be done via a submission form* on [LG Online](#).

*Unfortunately we cannot accept images, tables or documents - this document is for preparation purposes only.

Submitting Council (required)	Paroo Shire Council
Supporting ROC (if applicable)	SWRED (District 5)
Category (required)	Infrastructure, Economics and Regional Development
Council resolution # (required)	TBC
Date of council resolution (required)	TBC
Title of motion (required)	Carbon Farming Initiative – Amendments to address local government issues
Motion (required)	<p>That the LGAQ lobby ...</p> <p>State and Federal Government to provide adequate financial support that addresses the declines in population, local economic activity, community participation and landscape management effort due to large tracts of rural land being committed to Carbon farming contracts.</p>
Background (required) 350 character limit	<p>The South West Regional Economic Development (SWRED) area(Comprising of the Maranoa, Balonne, Murweh, Paroo, Quilpie and Bulloo shires) is hosting a disproportionate number of the nation's Carbon Farming Initiative's (CFI) contracts aimed at sequestering carbon through native vegetation management. These contracts are best described, for this report, as "carbon areas".</p> <p>Background context:</p> <p>The measure of a carbon unit are referred to as, Australian Carbon Credit Units (ACCU). These ACCUs accumulate in</p>

	<p>“carbon areas” across the landscape.</p> <p>There are 3 primary CFI methodologies used throughout SWRED to define carbon areas, with the <i>CFI Human induced regeneration of a permanent even aged native forest 1.1 methodology determinations</i> being the most dominant.</p> <p>In its most practical sense, the establishment of carbon areas by pastoralists on a portion of their land has the opportunity to provide for another income stream, free up capital for reinvestment in the productivity of the rest of the property, and in some instances, assist with cash flow and balance sheet repair during and following years of drought. These carbon areas are not the issue.</p> <p>The significant issue facing SWRED is the dedication by special interest groups that are committing entire properties and pastoral aggregations to carbon areas. Resulting in the extinction of any pastoral activity (sheep, cattle, goats) on these properties.</p> <p>The farms and pastoral stations with a bit of carbon area for some diversification of income is not the burning issue.</p> <p>To place the situation on a national and state level for comparison, within the SWRED area, the Paroo Shire is carrying the highest landscape percentage of carbon areas:</p> <p>Carbon areas using the CFI methodology:</p> <ul style="list-style-type: none"> • Nationally, there is 44,483,043 ACCU issued • State-wide, there is 11,233,895 ACCU issued • Paroo Shire there is 3,572,904 ACCU issued. <p>Therefore, the Paroo shire is holding 8% of the national ACCUs issued and close on 32% of the ACCU issued in QLD, a big ask from a remote community with a population of 1,586 to bear the unintended consequence of a national policy, with no means of redress.</p> <p>To further emphasise the above, and describe the impact of carbon areas in the SWRED region, SWRED is holding:</p> <ul style="list-style-type: none"> • Close on 20% of the national CFI vegetation carbon areas. • Approx. 98% of Queensland’s CFI projects that are sequestering carbon using regeneration of native
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forest

- Approximately 5 million ha of landscapes in SWRED are designated as carbon areas

So what does this mean on a landscape scale for agricultural productivity in the Paroo shire?

- The 3,572,904 ACCU issued in Paroo shire has resulted in 1.53 million ha of landscape under carbon areas
- Assuming a conservative carrying capacity, in dry sheep equivalents (dse) of 0.3 dse/ha, Paroo shire has begun losing and is likely to lose in totality:
 - ✓ Over 450,000 sheep/goats (equivalents) from the shire, which would have supported up to 38 FTE jobs in rangeland grazing activities (from a community of approx. 1,500 people)
 - ✓ Loss of supportive industries such as shearing teams, contract musters, livestock transport and regional spending for fuel, groceries, farm inputs and other consumables.
 - ✓ The loss of community family members that are migrating elsewhere for employment opportunities.
 - ✓ The loss of social cohesion through the reduction of people throughout the Paroo landscape.

These *carbon areas* are, in the main, about turning pastoral grazing land with a history of vegetation management and pasture development into native forests (mulga dominant regional ecosystems). These re-vegetating pastoral production areas are being taken out of the agricultural and local economies of South West Queensland. The carbon income, secured by the aforementioned special interest group investment models, is also lost to the local economy.

Reducing the pastoral activity on these large swathes of land has many adverse impacts on the local people and economy such as;

- Depopulation as farm owners and employees are no longer needed to tend stock and maintain the pastoral capacity of the farms
- Investment in pastoral operational expenditure and capital improvements is no longer spent in the local economy
- Landscape management priorities are changed, and the emphasis on weed, feral pest and fire control is no

	<p>longer a priority compared to the grazing fraternity</p> <ul style="list-style-type: none"> - The removal of livestock from these carbon areas also means that the requirements for fencing and good neighbourly cooperation is eroded - Coordinated campaigns for pest management (e.g. wild dog baiting) and landscape infrastructure (e.g. cluster fencing) becomes difficult, to nigh on impossible, to foster - Local government is still obliged to deliver services (roads, stock routes, disaster management, etc) into these areas, but with little to no return to the local economy.
<p>What is the desired outcome sought? (required) 350 character limit</p>	<p>As a result of LGAQ's lobbying efforts, it is hoped that;</p> <ol style="list-style-type: none"> 1. An investment is made into a comprehensive investigation of the socio-economic impacts of carbon farming in the SWRED area and its individual shire members. This research would expand on the mainly anecdotal evidence gathered to date. This investment will establish some key baseline data and explore the impacts and opportunities for change. 2. The impact on regional employment, investment, land use, and the impact on local people is recognised in a dedication of funding to assist the community with implementing the adjustments required to cope with the perverse outcomes of large tracts of land being turned into carbon areas. 3. An exploration of mechanisms local government might implement in managing for changes in the rates base and the decline in local economic activity as the pastoral areas used for agricultural production shrink. 4. Federal and State Governments recognise the paucity of investment into landscape management and cooperative infrastructure in these carbon areas and remediate the market failure.

9.5 Artesian Hot Springs and Riverwalk Project: Planning Meeting Minutes

Council Meeting: 21 July 2020

Department: Project Management

Author: Chris Safonoff

Purpose

The purpose of this document is to provide Council with the Artesian Hot Springs and Riverwalk Project: Planning Meeting Minutes.

Recommendation

That Council receive and note the minutes.

Artesian Hot Springs and Riverwalk Project: Planning Meeting

Meeting Minutes

Tuesday 14th July, 2020

Meeting Opened at 1:00pm

Present: Cr Rick Brain (Deputy Mayor), Cr Jo Woodcroft, Tony Koch, Rodney (Jock) Jones, Barbara Mason, Chris Safonoff
Next meeting: TBA

1. Expressions of Interest

- Chris Safonoff gave an in-depth explanation of how the weightings for the Expressions of Interest were developed and how they were applied to each applicant. Council received 33 Expressions of Interest, which were all high calibre. Chris, Tony and Barb have reviewed all EOI's and whittled them down to a top 10, then a top 3; and 3 runner ups for recommendation to Council.
- Discussions were held to include a 4th participant to the top 3 from the runner up list to add someone who has undertaken works in the immediate areas for a competitive comparison.
- Once Council has approved, Chris will then invite the proposed top 4 to visit Cunnamulla for a site inspection and presentation.

Action Item: Chris to submit recommendation to next Council Meeting

2. Available development space

- Discussion around available space for the actual build, the block that the current visitors centre is located is all freehold. This extends into Centenary Park. There is a road reserve on the Francis street side of Centenary Park that could be included. Need to check the zoning of the actual levy bank. Discussions around purchasing the two residential blocks on that face Francis Street and back on to the visitors centre. The group are keenly aware of not imposing any influences on the design aspect of the firms when they visit.

Action Item – Chris to liaise with Town Planner to clarify all available space prior to onsite visit of selected Architectural firms.

3. Onsite presentation

- Chris and Barb to develop a presentation for the onsite visit. This will include physically walking the Riverwalk section and viewing all available space. Once this has been collated it is to be shared with Working group and Steering committee for review before distributing.

Action Item: Barb and Chris to develop and distribute

4. Date of next meeting

TBC.

5. Meeting Closed

Meeting declared closed at 2:30pm

9.7 Bad Debt Write-Off

Council Meeting: 21 July 2020

Department: Finance

Author: Stephen Harbort, Chief Finance Officer

Purpose

To write off interest associated with outstanding rates levied on public housing to Department of Housing and Public Works, Queensland Government.

Recommendation

- 1. That the Council resolves to write off the interest debt owing by Department of Housing and Public Works, Queensland Government to the value of \$7,033 to 30 June 2020 and*
- 2. Delegate to the CEO authority to write off any further interest that will accrue until the rates are paid.*

Background

Council levies Government Departments for rates and services to varying levels. Rates for public housing were levied and mailed to Department of Housing and Public Works for payment. After investigating why the rates remain outstanding it was discovered that Department of Housing and Public Works requires a specific file to be saved and emailed to the department before the rates can be paid. Due to staff turnover this part of the process was overlooked. These files have now been sent to the department and payment will be made once they upload the files into their accounts payable system.

The rates system automatically levies interest to all outstanding rates. As the department will not pay the interest on the outstanding rates a request is made for the Council to write off the interest debt.