



**Brighton
Council**

**Finance
Committee
Agenda**

14 March 2023

Name:

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Finance Committee: 14 March 2023

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Brighton Council

Council Representatives: Cr Curran (Chairperson); Cr A De La Torre (Deputy Chairperson); Cr L Gray; Cr P Geard; Cr P Owen & Cr M Whelan

NOTICE OF MEETING

Dear Councillor,

Notice is hereby given that the next **Finance Committee Meeting** will be held in the Council Chambers, Council Offices, Old Beach at 5.15 p.m. on **Tuesday, 14 March 2023**, to discuss business as printed below.

QUALIFIED PERSON CERTIFICATION

I HEREBY CERTIFY that in accordance with Section 65 of the Local Government Act 1993, any advice, information and recommendation contained in the reports related to the Agenda have been prepared by persons who have the qualifications or experience necessary to give such advice, information and recommendations.

Dated at Old Beach this **9th** day of **March 2023**.

A handwritten signature in black ink, appearing to read 'James Dryburgh', written in a cursive style.

James Dryburgh

GENERAL MANAGER

AGENDA

1. Acknowledgement of Country

Brighton Council acknowledges the palawa/pakana (Tasmanian Aboriginal) community as the traditional and original owners of the skies, land and water of lutruwita (Tasmania) and forward our respect to their elders both past and present.

Brighton Council acknowledges the continued connection the Tasmanian Aboriginal people still have to the skies, land and water of lutruwita that provides them with the food, medicine and craft celebrated through ceremony today.

2. Apologies

Cr Curran has requested leave of absence.

3. Public Question Time and Deputations

4. Declaration of Interest

In accordance with the requirements of Part 2 Regulation 8 of the *Local Government (Meeting Procedures) Regulations 2015*, the chairperson of a meeting is to request Councillors to indicate whether they have, or are likely to have, a pecuniary interest or conflict of interest in any item on the Agenda.

In accordance with Section 48(4) of the *Local Government Act 1993*, it is the responsibility of councillors to then notify the general manager, in writing, the details of any interest(s) that the councillor has declared within 7 days of the declaration.

5. Business

5.1 Monthly Finance Report - February 2023

Attachment: February 2023 Monthly Financial Report (see pages 10-25)

Author: Corporate Executive (Ms G Browne)

Background

The attached monthly report is for consideration.

They comprise the Comprehensive Income statement for the first eight months of the 2022/2023 financial year.

Consultation

Nil

Risk Implications

Nil.

Financial Implications

Not Applicable

Strategic Plan

S4.1 – Ensure Financial & Risk Sustainability

Social Implications

Not Applicable.

Environmental or Climate Change Implications

Not Applicable.

Economic Implications

Not Applicable.

Other Issues

Nil.

Assessment

Nil

Options

1. As per the recommendation.
 2. Not receive the reports.
-

RECOMMENDATION:

That the reports be received.

DECISION:

5.2 Audit Panel Chairperson

Attachment: Potential applicant submissions

Author: Corporate Executive (Ms G Browne)

Background

The Audit Panel is required under Section 85 (1) of the *Local Government Act 1993* and as directed under the *Local Government (Audit Panels) Order 2014*. Councils audit panel charter states that “The membership of the Panel will comprise of three (3) members, whereby one (1) member must be an Independent Person.”

In July 2022 Geoff Dodge resigned as Chairperson of Councils Audit Panel. The decision was made to hold off advertising for another Chairperson until after the Council elections.

In December 2022 an advertisement was taken out in The Mercury newspaper however Council received no applications. In February 2023 another advertisement was taken out in The Mercury newspaper and three applications were received.

Consultation

General Public

Risk Implications

Nil.

Financial Implications

The Audit Panel is set up to serve as an independent and objective party to review all financial information presented to the local community. Failure to not have an independent audit chair will reflect Council not showing due diligence being observed.

Strategic Plan

Goal 4 - Ensure a progressive, efficient, and caring Council.

S4.4.4 - Ensure financial and risk sustainability

Social Implications

Not Applicable.

Environmental or Climate Change Implications

Not Applicable.

Economic Implications

Not Applicable.

Other Issues

Nil.

Assessment

Staff assessments of the applications have found that all applicants addressed the selection criteria and have necessary professional and work experience in the audit field.

Ric De Santi is recommended as the preferred Chairperson based on his experience as a current audit panel chair and audit panel member of a number of other Councils.

Options

1. As per the recommendation.
 2. Select an alternative candidate.
-

RECOMMENDATION:

That Ric De Santi be appointed as the Brighton Council Audit Panel Chairperson.

DECISION:



Brighton Council

ATTACHMENTS

Finance Committee

14th March 2023





Brighton Council

Monthly Report February 2023





We acknowledge the traditional owners who once walked this country: the Mumirimina people.

The Mumirimina belonged to the Oyster Bay tribe. This was the largest tribe in Tasmania and covered 8000 square kilometres. kutalayna levee in Brighton was a significant meeting place where hundreds of generations of Aboriginal families hunted, gathered, corroboreed, camped and traded.

In the course of colonisation, dispossession of the Mumirimina was early, rapid and extensive.

We acknowledge the Tasmanian Aboriginal Community today as the continuing custodians of this land, and pay our respects to Elders past and present. Through our words and actions we strive to build a community that reflects and respects the history and hopes for all the people of Brighton.



Brighton Council
Financial Report
Statement of Comprehensive Income to 28th February 2023

	Note	2023 Budget	YTD Budget	YTD Actual	Variance
Operating Revenue					
Rates and Grants	1	12,479,126	12,375,950	12,460,581	84,631
Statutory Fees and Fines	2	803,950	535,944	596,223	60,279
User Fees	3	836,700	518,298	649,489	131,191
Grants	4	2,188,877	741,358	747,988	6,630
Contributions	5	175,000	50,000	118,500	68,500
Interest	6	28,000	18,664	134,751	116,087
Commercial Income	7	2,492,971	693,069	1,002,814	309,745
Investment revenue from Water Corporation	8	739,200	308,000	308,000	-
Total Operating Revenue		19,743,824	15,241,283	16,018,344	777,061
Operating Expenses					
Employee Benefits	9	-4,891,132	-3,249,656	-3,315,354	-65,698
Materials & Services	10	-6,890,207	-4,679,705	-4,620,053	59,652
Contributions	11	-1,273,997	-694,984	-691,843	3,141
Commercial Activities	12	-29,000	-19,320	-24,356	-5,036
Depreciation and amortisation	13	-3,461,668	0	-961	-961
Other Expenses	14	-523,463	-360,424	-372,029	-11,605
Total Operating Expenses		-17,069,467	-9,004,089	-9,024,598	-20,509
Net Operating Surplus/(Deficit)		2,674,357	6,237,194	6,993,747	756,553
Capital Income					
Contributions - non-monetary assets	15	-	-	-	-
Net gain/(loss) on disposal of property	16	-	-	373,663	373,663
Capital Grants received specifically for new or upgraded assets	17	4,119,191	745,762	2,345,762	1,600,000.00
Total Capital Income		4,119,191	745,762	2,719,425	1,973,663
Total Surplus/(Deficit)		6,793,548	6,982,956	9,713,172	2,730,216

Operating Revenue

During February year to date actual operational revenue was \$16,018,344 compared to year to date budgeted operational revenue of \$15,241,283. This represents a favourable result of \$777,061 or 5.09% against budget. Explanations have been given on the areas that have seen an increase of 10% above or below budget estimates and \$10,000.

Note 1 - Rates Revenue

In line with budget.

Note 2 – Statutory Fees and Fines

Favourable to budget by \$60,279 due to plumbing, building and planning fees.

Note 3 – User Fees

Favourable to budget by \$131,191 or 25.31%. Of note is the timing of the State Government Verge contract invoicing, the Interim WSUD Contribution and an increase in revenue from Engineering Fees and dog licences.

Note 4 – Grants

In line with budget.

Note 5 – Contributions

Favourable to budget by \$68,500 due to \$71,000 being collected since January in Public Open Space contributions.

Note 6 – Interest

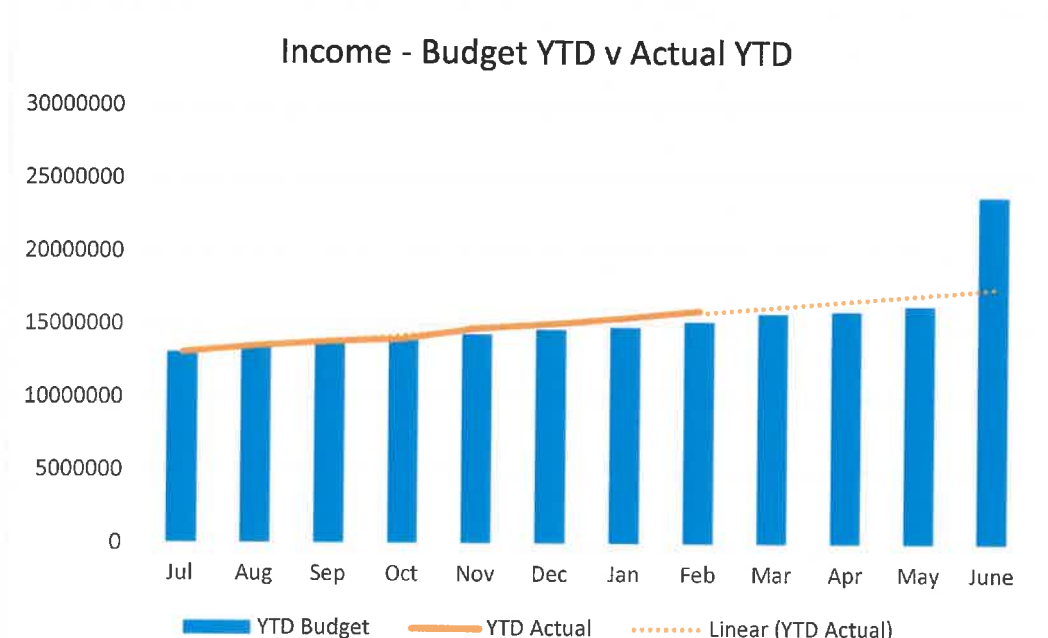
Favourable to budget by \$116,087 due to Term Deposit interest rates rising substantially since the budget was compiled.

Note 7 – Commercial Income

Favourable to budget by \$309,745 due to additional Jobs Hub funding.

Note 8 – Investment revenue from Water Corporation

In line with budget.



Operating Expenditure

Year-to-date operational expenditure is \$9,024,598 compared to budgeted year-to-date expenditure of \$9,004,089. This is \$20,509 or .22% greater than budgeted estimates and materially in line with Budget. Explanations have been provided below on areas that are 10% above or below budgeted estimates and \$10,000.

Note 9 – Employment Benefits

Materially in line with budget.

Note 10 – Materials & Services

In line with budget

Note 11 – Contributions

In line with budget

Note 12 – Commercial Activities

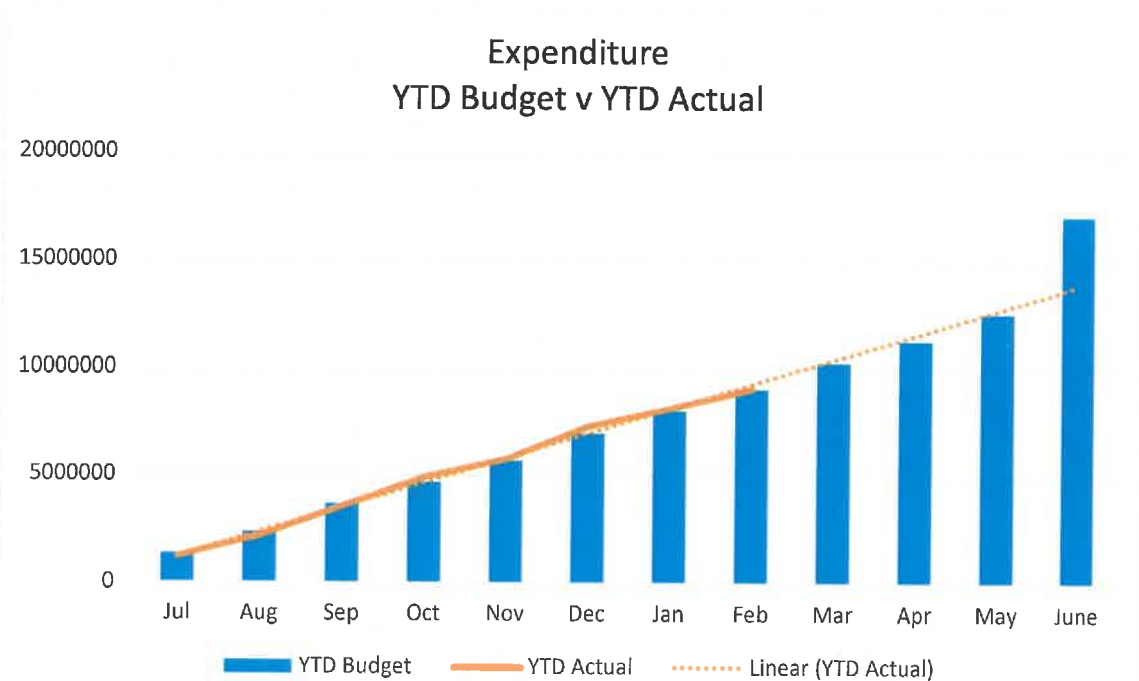
Expenditure is \$5036 lower than expected due to professional services and private works not being utilised by other organisations.

Note 13 – Depreciation and Amortisation

Depreciation and amortisation will be journalled at the end of year.

Note 14 – Other Expenses

In line with budget.



Non-Operating Revenue

Note 15 – Contributions – non-monetary assets

This item is calculated at year end and is made up of transfer of road assets from subdivisions.

Note 16 – Net gain/(loss) on disposal of property

Favourable to budget by \$373,663. This is represented by the sale of Lot 974 & Lot 975 Scott Road, Bridgewater and the sale of plant items.

Note 17 – Capital Grants received specifically for new or upgraded assets

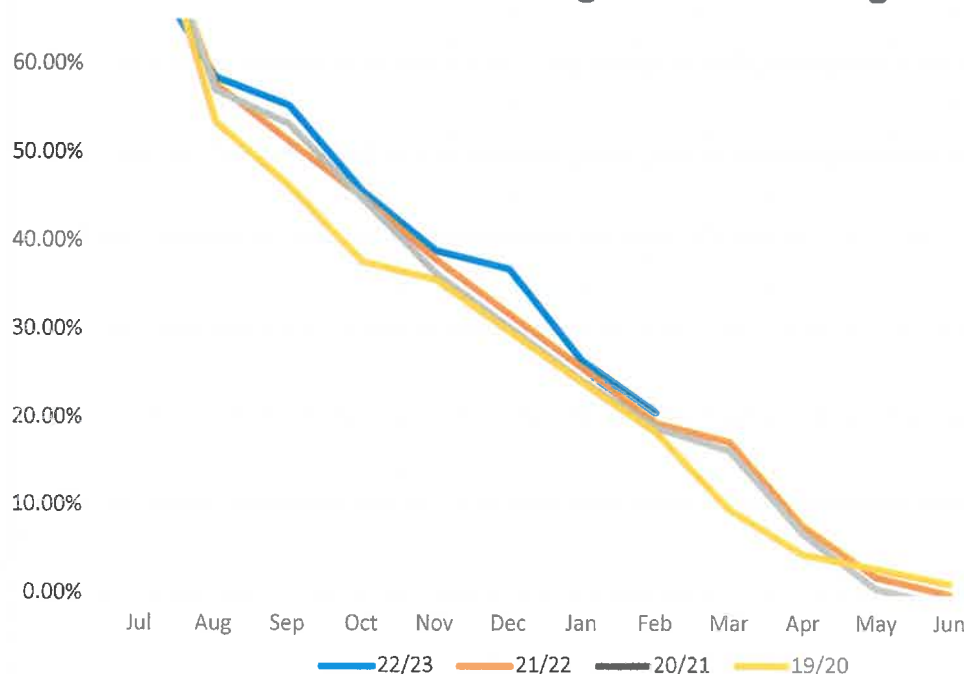
Favourable to budget by \$1,600,000 due to the grant received for the building of the medical centre.

Capital Works

Year-to-date Capital Works expenditure is \$2,4,89,644 represented by \$805,118 for Physical Services expenditure and \$1,684,526 for other capital expenditure including work in progress that was carried forward from the 21/22 financial year. During this period several plant items have been replaced including the backhoe which was carried over from the prior financial year, and the ride on wicket roller. Various capital works were commenced which are included in the Asset Managers monthly report. The monthly year to date capital budget figures are based on a straight line expenditure of one-twelfth of the annual budget. Council was previously estimating \$ 4,119,191 in capital grant revenue which will now be increased by the \$1,600,000 grant that was received for the medical centre in February.

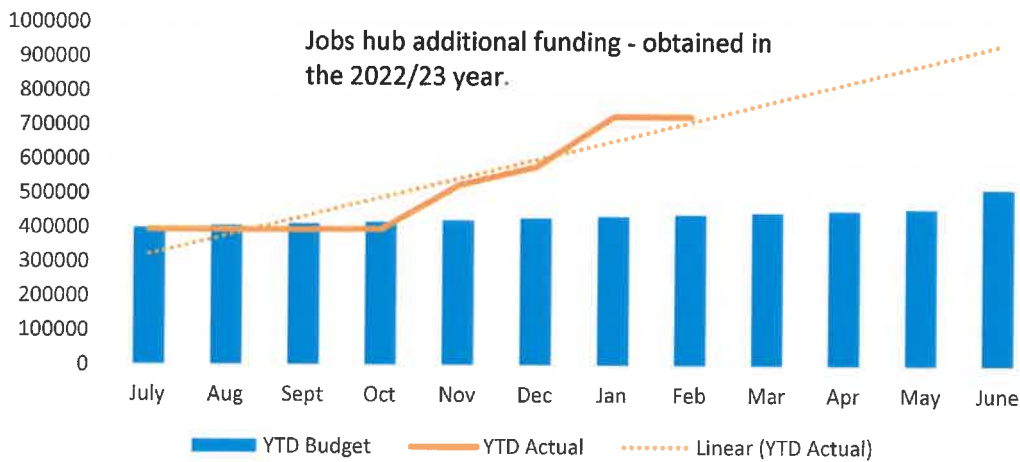
Rates & Grants Financial Report Statement of Comprehensive Income to 28th February 2023					
	2023 Budget	YTD Budget	Actual	Variance	
Operating Revenue					
Rates and Grants	12,479,126	12,375,950	12,460,581	84,631	
Grants	2,133,877	692,358	698,987	6,629	
Interest	18,000	12,000	14,862	2,862	
Investment revenue from Water Corporation	739,200	308,000	308,000	-	
Total Operating Revenue	15,370,203	13,388,308	13,482,429	94,121	
Operating Expenses					
Other Expenses	-50,000	-	-	-	
Total Operating Expenses	-50,000	-	-	-	
Net Operating Surplus/(Deficit)	15,320,203	13,388,308	13,482,429	94,121	
Capital Income					
Contributions - non-monetary assets	-	-	-	-	
Net gain/(loss) on disposal of property	-	-	373,663	373,663	
Capital Grants received specifically for new or upgraded assets	4,119,191	2,345,762	2,345,762	-	
Total Capital Income	4,119,191	2,345,762	2,719,425	373,663	
Total Surplus/(Deficit)	19,439,394	15,734,070	16,201,854	467,784	

Percentage of Rates Owing

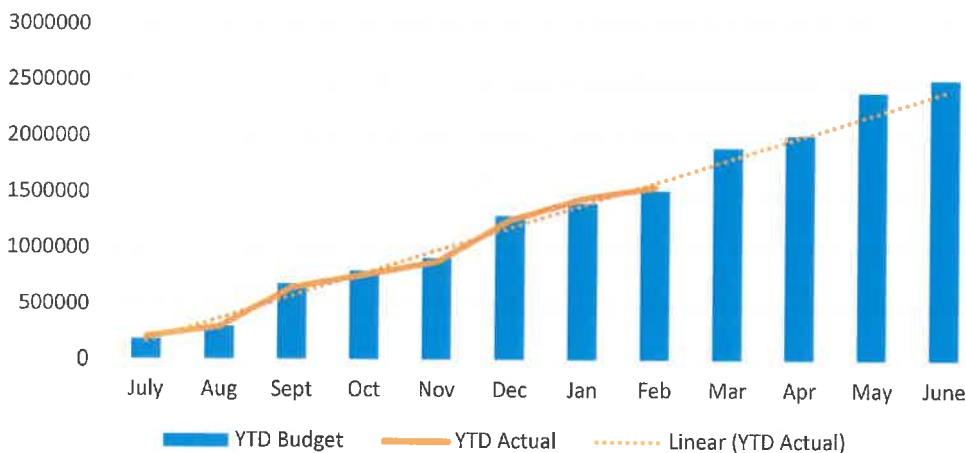


General Management Financial Report Statement of Comprehensive Income to 28th February 2023					
	2023 Budget	YTD Budget	YTD Actual	Variance	
Operating Revenue					
Commercial Income	517,715	442,253	729,069	286,816	
Total Operating Revenue	517,715	442,253	729,069	286,816	
Operating Expenses					
Employee Benefits	-745,000	-434,560	-478,701	-44,141	
Materials & Services	-262,000	-152,803	-189,294	-36,491	
Contributions	-1,147,997	-609,151	-607,167	1,985	
Other Expenses	-364,023	-256,074	-279,412	-23,338	
Total Operating Expenses	-2,519,020	-1,452,588	-1,554,573	-101,985	
Net Operating Surplus/(Deficit)	-2,001,305	-1,010,335	-825,504	184,831	
Total Surplus/(Deficit)	-2,001,305	-1,010,335	-825,504	184,831	

General Management Income

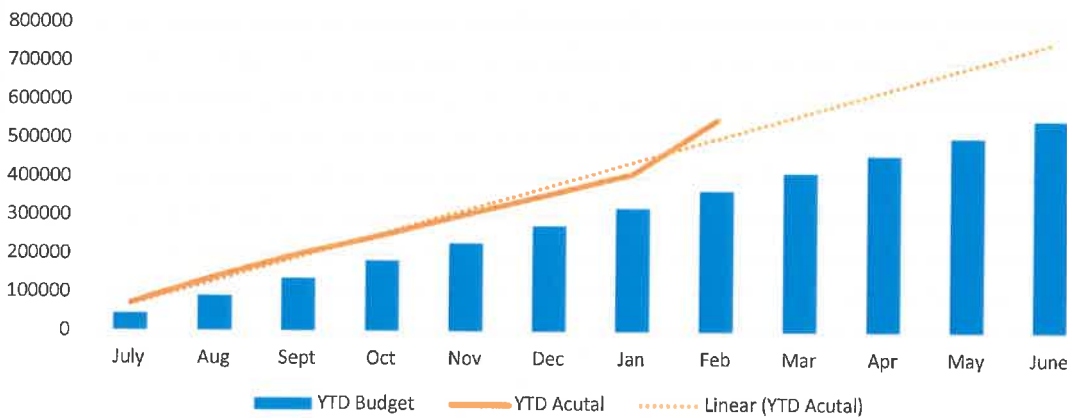


General Management Expense

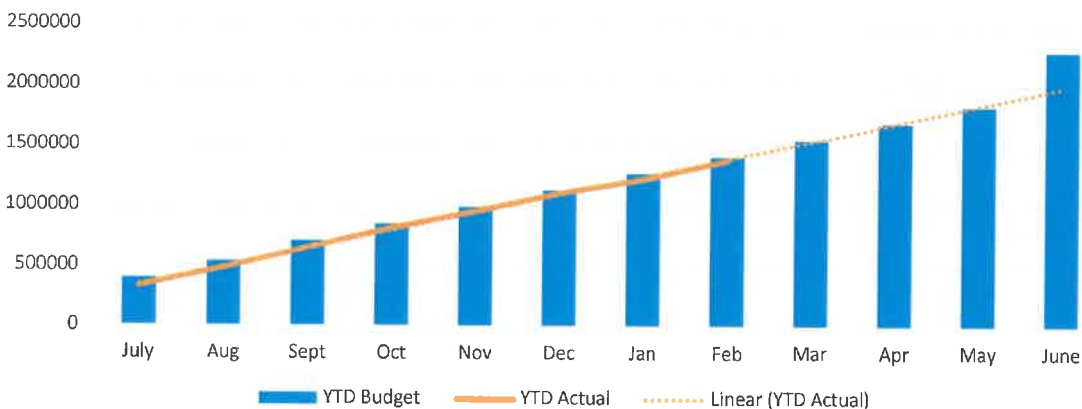


Corporate Services Financial Report Statement of Comprehensive Income to 28th February 2023					
	2023 Budget	YTD Budget	YTD Actual	Variance	
Operating Revenue					
Statutory Fees and Fines	140,000	93,328	74,295	-19,033	
User Fees	92,000	61,320	46,238	-15,082	
Contributions	75,000	50,000	118,500	68,500	
Interest	10,000	6,664	119,889	113,225	
Commercial Income	234,832	156,552	193,021	36,469	
Total Operating Revenue	551,832	367,864	551,942	184,078	
Operating Expenses					
Employee Benefits	-1,070,503	-708,400	-757,118	-48,718	
Materials & Services	-812,689	-626,685	-538,064	88,621	
Contributions	-60,000	-40,000	-47,380	-7,380	
Depreciation and amortisation	-308,441	-	-961	-961	
Other Expenses	-32,440	-31,440	-36,979	-5,539	
Total Operating Expenses	-2,284,073	-1,406,525	-1,380,501	26,024	
Net Operating Surplus/(Deficit)	-1,732,241	-1,038,661	-828,559	210,102	
Total Surplus/(Deficit)	-1,732,241	-1,038,661	-828,559	210,102	

Corporate Services Income



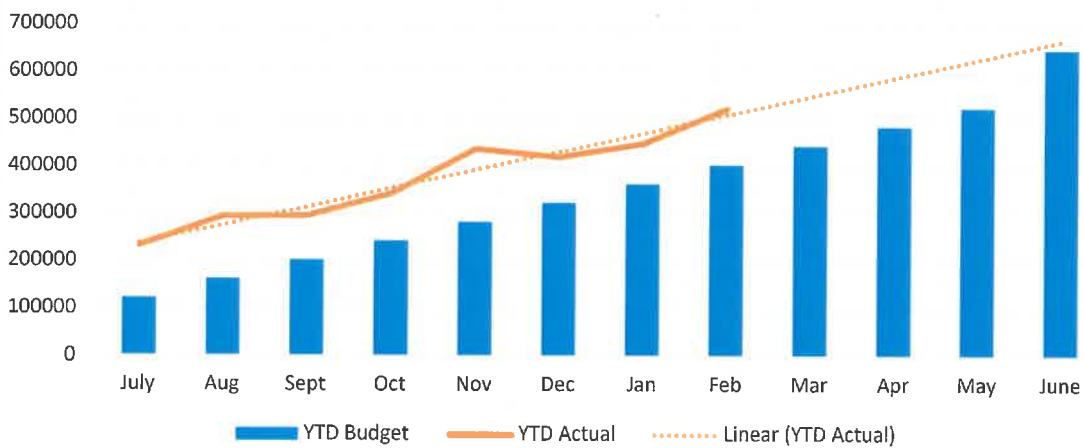
Corporate Services Expense



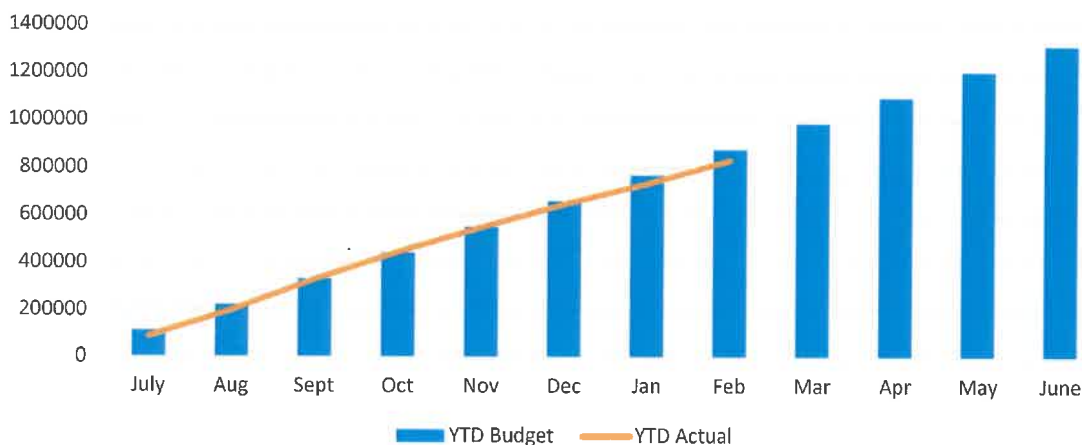
**Governance & Regulatory Services
Financial Report
Statement of Comprehensive Income to 28th February 2023**

	2023 Budget	YTD Budget	YTD Actual	Variance
Operating Revenue				
Statutory Fees and Fines	360,950	240,616	302,183	61,567
User Fees	238,200	131,268	195,931	64,663
Commercial Income	47,992	31,992	24,918	-7,074
Total Operating Revenue	647,142	403,876	523,032	119,156
Operating Expenses				
Employee Benefits	-1,010,869	-673,888	-678,232	-4,344
Materials & Services	-162,000	-107,952	-62,062	45,890
Contributions	-66,000	-45,000	-37,297	7,703
Other Expenses	-77,000	-51,328	-55,639	-4,311
Total Operating Expenses	-1,315,869	-878,168	-833,229	44,939
Net Operating Surplus/(Deficit)	-668,727	-474,292	-310,197	164,095
Total Surplus/(Deficit)	-668,727	-474,292	-310,197	164,095

Governance & Regulatory Services Income

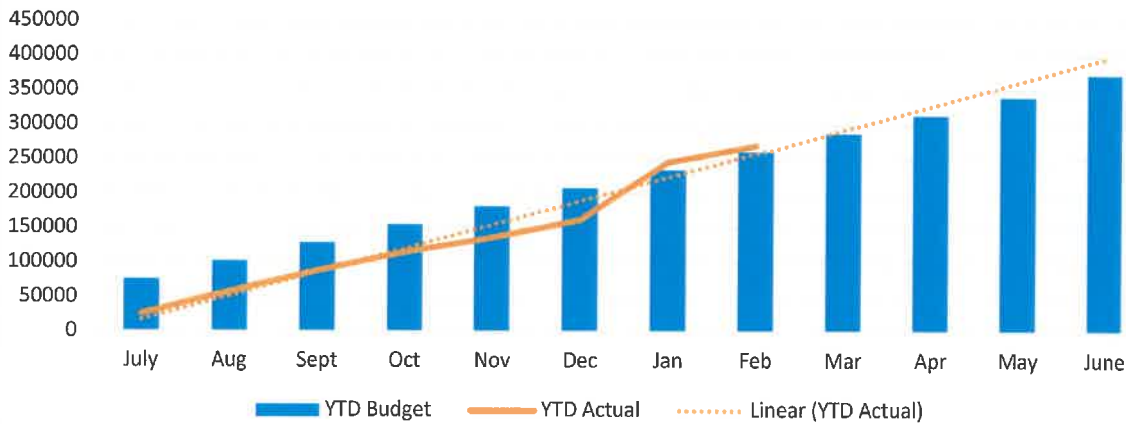


Governance & Regulatory Services Expense

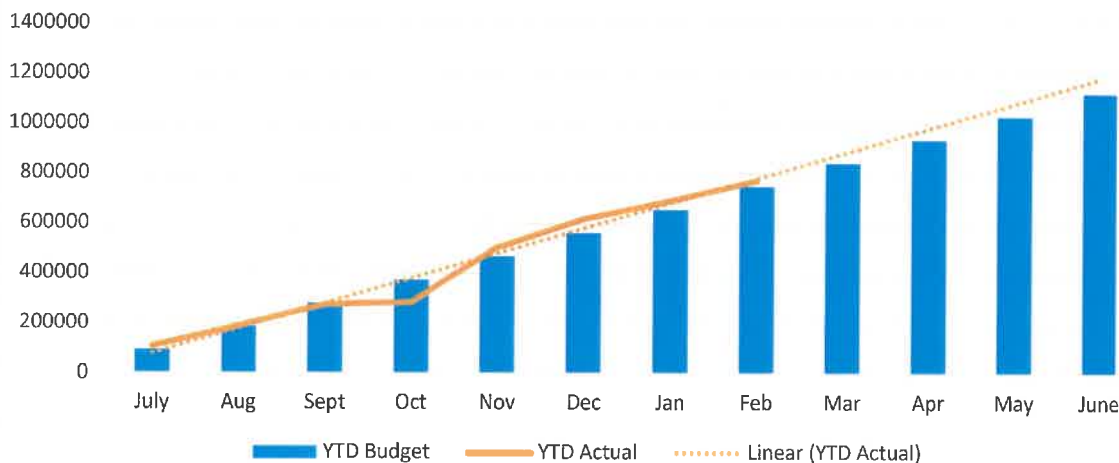


Development Services Financial Report Statement of Comprehensive Income to 28th February 2023					
	2023 Budget	YTD Budget	YTD Actual	Variance	
Operating Revenue					
Statutory Fees and Fines	303,000	202,000	219,744	17,744	
User Fees	15,000	9,992	1,670	-8,322	
Grants	55,000	49,000	49,000	-	
Total Operating Revenue	373,000	260,992	270,414	9,422	
Operating Expenses					
Employee Benefits	-866,637	-577,736	-582,175	-4,439	
Materials & Services	-258,500	-172,304	-192,344	-20,040	
Total Operating Expenses	-1,125,137	-750,040	-774,519	-24,479	
Net Operating Surplus/(Deficit)	-752,137	-489,048	-504,105	-15,057	
Total Surplus/(Deficit)	-752,137	-489,048	-504,105	-15,057	

Development Services Income

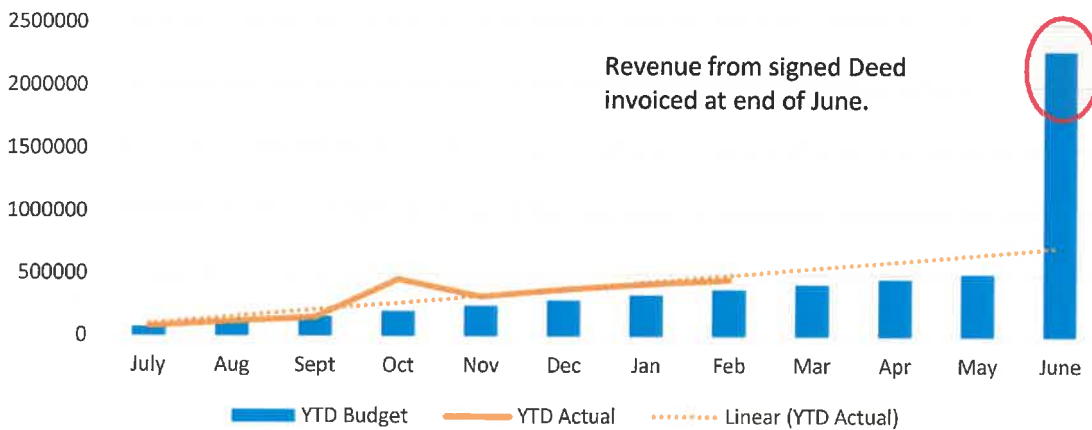


Development Services Expense

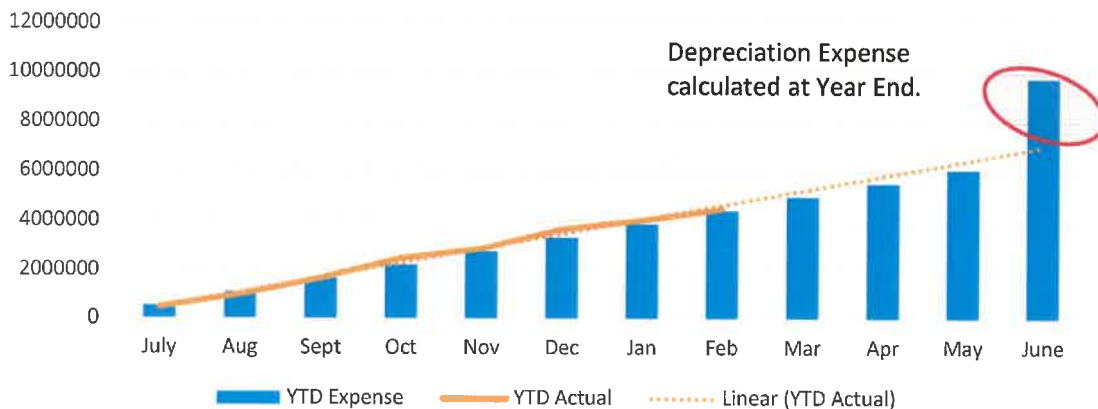


Asset Services Financial Report Statement of Comprehensive Income to 28th February 2023					
	2023 Budget	YTD Budget	Actual	Variance	
Operating Revenue					
User Fees	491,500	315,718	405,651	89,933	
Contributions	100,000	-	-	-	
Commercial Income	1,692,432	62,272	55,806	-6,466	
Total Operating Revenue	2,283,932	377,990	461,457	83,467	
Operating Expenses					
Employee Benefits	-1,198,123	-792,992	-819,129	-26,137	
Materials & Services	-5,395,018	-3,598,132	-3,638,289	-40,157	
Commercial Activities	-29,000	-19,320	-24,356	-5,036	
Depreciation and amortisation	-3,153,227	-	-	-	
Total Operating Expenses	-9,775,368	-4,410,444	-4,481,775	-71,331	
Net Operating Surplus/(Deficit)	-7,491,436	-4,032,454	-4,020,318	12,136	
Total Surplus/(Deficit)	-7,491,436	-4,032,454	-4,020,318	12,136	

Asset Services Income



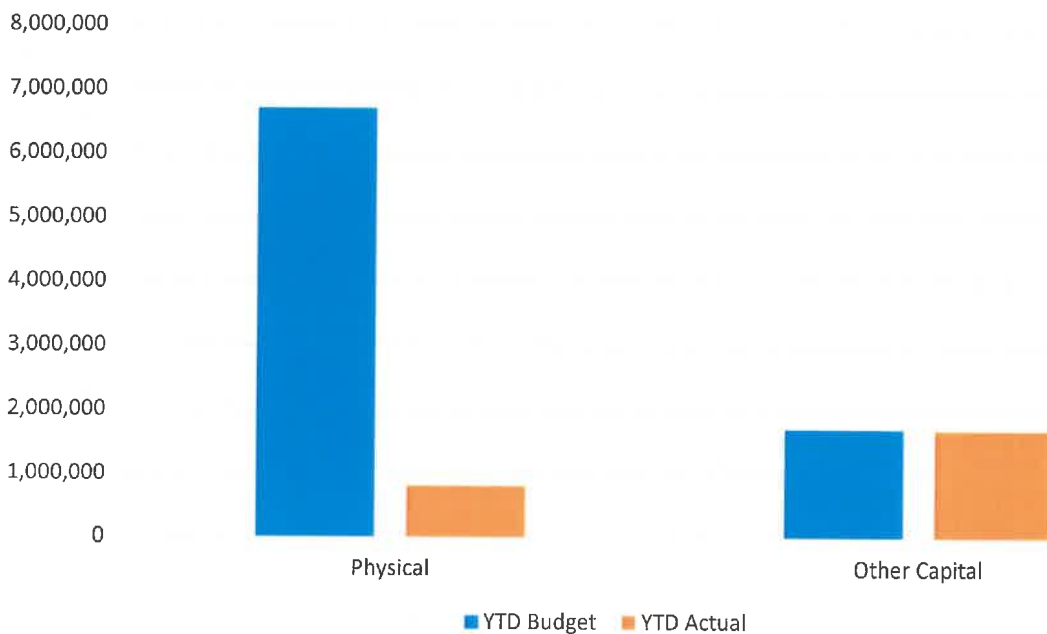
Asset Services Expense



**Capital Works Program
Financial Report
Statement of Comprehensive Income at 28th February 2023**

	2023 Budget	YTD Budget	Actual	Variance
Physical Services Capital				
Roads	4,412,010	2,941,340	386,565	-2,554,775
Bridges	102,000	68,000	-	-68,000
Reserves	5,310,698	3,540,465	206,243	-3,334,222
Buildings	240,000	160,000	212,310	52,310
Total Physical Services Capital	10,064,708	6,709,805	805,118	-5,904,687
Other Capital				
Work in Progress Carried Forward	2,292,753	1,528,502	1,489,197	-39,305
Property	-	-	-	-
Plant & Vehicles	205,500	137,000	195,329	58,329
Furniture & Equipment	50,000	33,333	-	-33,333
Total Other Capital	2,548,253	1,698,835	1,684,526	-14,310
Total Capital Expenditure	12,612,961	8,408,641	2,489,644	-5,918,996

**Capital Expenditure
Budget YTD to Actual**



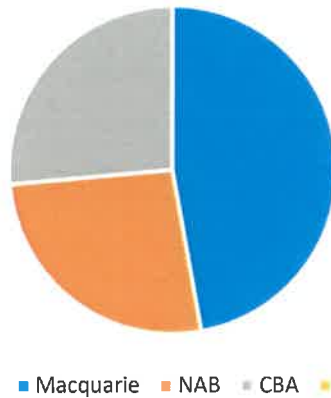
Investment

The following pie charts represent the Agencies and Investment by credit rating of Councils investments. All Council funds have been invested in accordance with the Investment policy. Further investment will be undertaken with funds in the coming month.

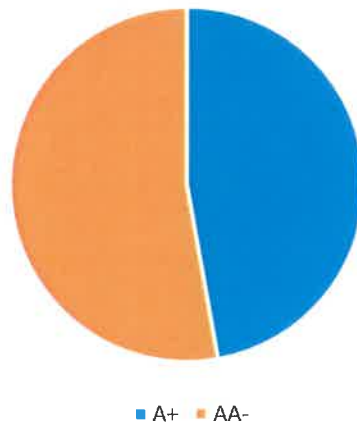
Council currently has the following investments

Agency	Rate	Investment	Maturity Date
Macquarie	3.83%	\$500,000	6/3/23
Macquarie	4.26%	\$750,000	29/5/23
NAB	3.50%	\$700,000	7/3/2023
CBA	4.10%	\$700,000	3/5/2023

Investment by Agency



Investment by Credit Rating



Brighton Council		As at 31st January 2023	
Land Movements			
	Estimated Price	Actual Price	Notes
Land Sales			
32 Crooked Billet Dr Brighton		\$310,000	
329 Cove Hill Rd		\$12,000	
48A Albion Rd Bridgewater		\$39,000	
236 Midland Hwy Pontville		\$10,000	
14 Mayfield Cres Bridgewater		\$58,000	
13B Yellow Brick Road		\$10,000	
12 Mayfield Cres Bridgewater		\$55,000	
25A Eddington Street Bridgewater		\$60,000	
2A Thompson Cres Bridgewater		\$61,000	
7A Collis Crt		\$90,000	
17A Melissa		\$185,000	
10 Mayfield Cres Bridgewater		\$56,000	
275 Baskerville Rd		\$120,000	
7 Collis Crt		\$100,000	
203 Natlee Cres Old Beach		\$90,160	
Lot 9 Eaton Place Bridgewater		\$160,000	
10 Howlett Court		\$70,000	
7a Roslyn Court		\$96,000	
Lot 2, 46 Blackstone Drive Old Beach		\$122,000	
Lot 1, 46 Blackstone Drive Old Beach		\$128,000	
Taylor Cres		\$130,000	
23 Menin Drive	\$325,000		
203 Brighton Road			
209 Brighton Road			
2 Downie	\$330,000		Awaiting action from Rotary
Lot 974 & Lot 975 Scott Road		\$520,000	Sold 17th October 2022
Lot 100 Childs Drive Old Beach	\$250,000		On hold until stormwater diversion
Lot 1 Viola Crescent			As per Jan 23 Finance - Waiting on Valuation
Total	\$905,000	\$2,482,160	
Land Purchases			
		Purchase Price	
Lot 5 Childs Drive Old Beach		\$251,000	Community enhancement
1 Bedford Street Brighton		\$350,000	Medical Centre
21 Melissa Street Brighton		\$83,000	Community enhancement
84 Jetty Rd Old Beach		\$750,000	Community enhancement
Lot 21 Greenbanks Road		\$380,000	
Lot 20 Greenbanks Road		\$500,000	
203 Brighton Road		\$203,000	
Total	\$0	\$2,517,000	

Cash Flow Trends

The following chart monitors the cashflow trend over the previous four years. It is noted that cash has increased steadily over this period. The main increase being in July when rate notices are issued. Cash increased substantially during February due to receiving \$1,600,000 for a Capital grant. It is anticipated that work in progress that has been carried over will be undertaken during the 22/23 period and therefore this will be reflected in a drop in the excess cash.

