



SUPPORTING INFORMATION

for respective items considered at

General Meeting

19 November 2019

SUPPORTING INFORMATION

Ref: [A16452725](#)

The following list of supporting information is provided for:

ITEM 1.1

ADOPTION OF COUNCIL POLICY - REGIONAL

#1 Conflict of Interest Policy 2150-011

ITEM 1.1 - ADOPTION OF COUNCIL POLICY - REGIONAL - A19337427 (Cont.)

#1 Conflict of Interest Policy 2150-011



Policy: 2150-011

Conflict of Interest

Head of Power

Local Government Act 2009
Local Government Regulation 2012

Related legislation

Public Sector Ethics Act 1994
Crime and Corruption Act 2001

Objective

To assist employees of Moreton Bay Regional Council (Council) manage instances where their private or personal interests may be contrary to those of the organisation or have the capacity to conflict with the employee's duty to act in the public interest.

This Policy defines Council's commitment to assist employees to identify and manage conflicts of interest and to foster:

- a) integrity and impartiality;
- b) promoting the public good;
- c) commitment to the system of government; and
- d) accountability and transparency.

Definitions

Conflict of Interest - A conflict of interest involves a **potential, perceived** or **actual** conflict between an employee's official duties and responsibilities in serving the public interest and their private interests. A conflict of interest can arise from avoiding personal losses as well as gaining a personal advantage - whether financial or otherwise. This includes advantages to relatives, friends and business associates.

A conflict of interest can occur when an employee has, or is seen to have, a private interest, either pecuniary or non-pecuniary, which interferes, or may appear to interfere, with the discharge of the employee's duties.

Types of conflict of interest include:

- An **actual** conflict of interest exists where the actions of an employee, at the present time, could be influenced by the employee's private interests.
- A **perceived** conflict arises where it appears that decisions that an employee makes in the course of their employment may be influenced by the employee's private interests, whether or not this is in fact the case.
- If an employee is employed in a role where their future decision making may be influenced by their private interests, the employee has a **potential** conflict of interest.

Employee means all employees of Council, whether employed on a permanent, temporary, or part-time basis. This definition also includes volunteers and employees of businesses and entities contracted to provide services to, or on behalf of, Council.

Interest means anything that can have an impact on an individual or group. It includes anything that can bring a benefit or disadvantage to an employee, or others an individual may wish to benefit or disadvantage.

ITEM 1.1 - ADOPTION OF COUNCIL POLICY - REGIONAL - A19337427 (Cont.)



Policy: 2150-011 - Conflict of Interest

Interests may be pecuniary or non-pecuniary:

- **Non-pecuniary interest** - do not have a financial component but may arise from personal or family relationships or involvement in sporting, social, community or cultural activities. They include any tendency toward favour or prejudice resulting from friendship, animosity or other personal involvement that could bias an employee's judgment or decisions.
- **Pecuniary interest** - involves an actual or potential financial gain or loss. It may result from the employee or related party owning property, holding shares or a position in a company bidding for government work, accepting gifts or hospitality, or receiving an income from a second job. Money does not have to change hands for an interest to be pecuniary.

Private or Personal interests means private, professional or business interests that can benefit or disadvantage employees, or others an individual may wish to benefit or disadvantage. They also include the personal, professional and business interests of individuals or groups with whom employees associate. Private interests include a wide range of external activities including financial and economic interests, family or private businesses and interest groups and involvement in other employment.

Public interest means the collective interest of the entire community, not the sum of individual interests nor the interest of a particular group.

Application

This policy applies to all employees.

Policy Statement

Council is committed to ensuring that the conduct of all employees is beyond reproach and that appropriate processes are in place to assist employees to act impartially and in accordance with the public interest at all times. This accords with Section 6 of the *Public Sector Ethics Act 1994* which establishes that the primary obligation of a government employee is to always act in the public interest.

All employees **must** place the public interest above their private or personal interests when carrying out their official duties. Employees achieve this by, among other things:

- Carrying out official duties in accordance with the ethical and local government legislative principles as outlined in the *Moreton Bay Regional Council Employee Code of Conduct*;
- Assessing their private and personal interests as to whether they conflict, or have the potential to conflict, with their employment at Council;
- Proactively identifying and declaring any conflicts of interest;
- Avoiding, where possible, situations that may give rise to a conflict of interest;
- Managing conflicts of interest in accordance with any agreed resolution or management plan; and
- Notifying Council of any change in circumstances that may impact on a conflict of interest.

Managers and Supervisors **must**:

- Encourage a culture of disclosure;
- Model compliance and appropriate behavior in relation to Council's conflict of interest policy;
- Educate employees about Council's conflict of interest policy and procedure;
- Regularly remind employees of the obligation to identify and declare any conflict of interest;
- Work together with employees to manage and resolve conflicts of interest;
- Monitor the work of employees and the risks to which they are exposed in order to develop adequate controls to minimise conflicts occurring;

ITEM 1.1 - ADOPTION OF COUNCIL POLICY - REGIONAL - A19337427 (Cont.)



Policy: 2150-011 - Conflict of Interest

- Monitor employees in adhering to agreed conditions in the management plan;
- Keep conflict of interest declarations confidential; and
- Take appropriate action in circumstances where employees do not appear to have responded to the obligation of working in the public interest and where there are continuing unresolved conflicts of interest.

Related Documents

This Policy complements and is to be implemented in conjunction with other Council policies, directives and relevant documents published by other agencies including, but not limited to:

MBRC Employee Code of Conduct
Policy Directive 2160-020 - Conflict of Interest

Review Triggers

This Policy will be reviewed for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents. Reviews of this policy will occur as required, or at least once every two years.

Responsibility

This Policy is to be:

- (1) implemented by the Chief Executive Officer.
- (2) reviewed and amended in accordance with the "Review Triggers" by the Manager Human Resources.

Policy: 2150-011		Official Version: A4535237	
Conflict of Interest			
Document Control			
Version / Reviewed	Version Adoption (Council meeting / Minute Page) Reviewed (revision comment)	Date	Word version reference
Version 1	Coordination Committee (10/362-363)	2.3.2010	A4535237
Version 2	Legislation amendment only (Whistleblowers Protection Act 1994 amended to Public Interest Disclosure Act 2010)	3.3.2012	A4535237 (version of PDF)
Version 3	Coordination Committee (16/642)	3.5.2016	A10650826
Version 4	DRAFT	xx.xx.2019	A16452725

SUPPORTING INFORMATION

Ref: [A19333651](#)

The following list of supporting information is provided for:

ITEM 3.1

MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL

#1 Monthly Financial Report - 31 October 2019

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

#1 Monthly Financial Report - 31 October 2019

Moreton Bay Regional Council

Monthly Financial Report

Year to date result as at: 31 October 2019

Contents	Page No
Financial Statements	1 to 3
Statement of Sources and Application of Capital Funding	4
Segment Analysis	5
Commentary on Financial Results and Graphs	6 to 9
Treasury Report	10

Moreton Bay Regional Council

GENERAL MEETING - 495
19 November 2019

PAGE 8
Supporting Information

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

Moreton Bay Regional Council STATEMENT OF COMPREHENSIVE INCOME For the period ended 31 October 2019

33% of the year
elapsed

	2019/20 Original Budget \$'000	2019/20 Amended Budget \$'000	2019/20 YTD Actuals \$'000	Actuals to Amended Budget 2019/20
Revenue				
Operating Revenue				
Rates and utility charges	313,151	313,151	160,146	51.14%
Fees and charges	37,272	37,272	14,868	39.89%
Grants, subsidies and contributions	20,149	20,149	8,654	42.95%
Interest revenue	45,426	45,426	13,596	29.93%
Other revenue	39,452	39,452	13,049	33.08%
Share of profit of associate	72,000	72,000	24,000	33.33%
Total Operating Revenue	527,449	527,449	234,313	44.42%
Expenses				
Operating Expenses				
Employee benefits	(140,406)	(140,406)	(47,114)	33.56%
Materials and services	(190,790)	(190,790)	(55,445)	29.06%
Depreciation and amortisation	(97,721)	(97,721)	(34,515)	35.32%
Finance costs	(22,409)	(22,409)	(7,591)	33.88%
Total Operating Expenses	(451,326)	(451,326)	(144,666)	32.05%
Operating Result	76,122	76,122	89,647	117.77%
Capital Revenue	96,868	96,868	38,850	40.11%
Capital Expenses	-	-	(4,746)	No Budget
NET RESULT	172,991	172,991	123,750	71.54%
Other Comprehensive Income				
Items that will not be reclassified to net result				
Increase/(decrease) in asset revaluation surplus	-	-	-	No Budget
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	15	No Budget
Total other comprehensive income for the year	-	-	15	No Budget
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	172,991	172,991	123,765	71.54%

Moreton Bay Regional Council

GENERAL MEETING - 495
19 November 2019

PAGE 9
Supporting Information

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

Moreton Bay Regional Council STATEMENT OF FINANCIAL POSITION As at 31 October 2019

	2019/20 Budget as at 30 June 2020 \$'000	2019/20 YTD Actual \$'000
Assets		
Current Assets		
Cash and cash equivalents	330,445	395,130
Trade and other receivables	48,848	55,949
Inventories	1,081	1,180
Total Current Assets	380,374	452,259
Non-Current Assets		
Trade and other receivables	677,576	677,594
Investments	1,357,637	1,354,434
Property, plant and equipment	4,837,717	4,887,724
Total Non-Current Assets	6,872,930	6,919,751
Total Assets	7,253,304	7,372,010
Liabilities		
Current Liabilities		
Trade and other payables	44,918	40,531
Borrowings	37,334	26,403
Provisions	12,888	14,060
Other	21,427	7,548
Total Current Liabilities	116,567	88,542
Non-Current Liabilities		
Borrowings	332,801	344,307
Provisions	43,841	59,269
Total Non-Current Liabilities	376,642	403,576
Total Liabilities	493,209	492,117
NET COMMUNITY ASSETS	6,760,095	6,879,893
Community Equity		
Retained surplus	5,889,554	5,943,136
Asset revaluation surplus	870,541	936,757
TOTAL COMMUNITY EQUITY	6,760,095	6,879,893

Moreton Bay Regional Council

GENERAL MEETING - 495
19 November 2019

PAGE 10
Supporting Information

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

Moreton Bay Regional Council STATEMENT OF CASH FLOWS For the period ended 31 October 2019

	2019/20 Budget as at 30 June 2020 \$'000	2019/20 YTD Actuals \$'000
Cash flows from operating activities		
Receipts from customers	413,708	165,139
Payments to suppliers and employees	(341,034)	(133,296)
Interest received	45,426	19,351
Non capital grants and contributions	20,567	8,654
Borrowing costs	(20,379)	(6,984)
Net cash inflow/(outflow) from operating activities	118,288	52,864
Cash flows from investing activities		
Payments for property, plant and equipment	(227,389)	(55,502)
Payments for investment property	-	(76)
Proceeds from sale of property, plant and equipment	21,800	1,227
Net movement in loans to community organisations	-	(50)
Grants, subsidies and contributions	56,868	43,506
Net cash inflow/(outflow) from investing activities	(148,721)	(10,895)
Cash flows from financing activities		
Proceeds from borrowings	25,000	-
Repayment of borrowings	(33,916)	(8,283)
Net cash inflow/(outflow) from financing activities	(8,916)	(8,283)
Net increase/(decrease) in cash held	(39,349)	33,686
Cash and cash equivalents at the beginning of the financial year	369,794	361,444
Cash and cash equivalents at the end of the period	330,445	395,130

Moreton Bay Regional Council

GENERAL MEETING - 495
19 November 2019

PAGE 11
Supporting Information

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

Moreton Bay Regional Council STATEMENT OF SOURCES AND APPLICATIONS OF CAPITAL FUNDING For the period ended 31 October 2019

	Original Budget 2019/20 \$'000	Amended Budget 2019/20 \$'000	YTD Actuals 2019/20 \$'000
<u>Capital Funding Sources</u>			
Cash Utilised	203,011	203,011	52,796
Capital Grants and Subsidies received	33,368	33,368	12,636
Contributed Assets and assets not previously recognised	40,000	40,000	6,543
Loans received	25,000	25,000	-
Total Capital Funding Sources	301,380	301,380	71,975
<u>Capital Funding Applications</u>			
Capital Expenditure	227,464	227,464	57,149
Contributed Assets and assets not previously recognised	40,000	40,000	6,543
Loan Redemption	33,916	33,916	8,283
Total Capital Funding Applications	301,380	301,380	71,975

Moreton Bay Regional Council

GENERAL MEETING - 495
19 November 2019

PAGE 12
Supporting Information

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

Analysis of Results by Segment

For the period ended 31 October 2019	Operating Revenue \$'000	Operating Expenses \$'000	Operating Result \$'000	Capital Revenue \$'000	Capital Expenses \$'000	Net Result \$'000
Operational Plan						
Engineering, Construction & Maintenance	29,653	(49,969)	(20,316)	4,151	443	(15,723)
Community & Environmental Services	13,748	(19,888)	(6,140)	-	700	(5,440)
Governance and Corporate Services	170,208	(70,780)	99,428	43,532	(5,889)	137,072
Planning	3,371	(4,030)	(659)	8,500	-	7,841
Total Council	216,980	(144,666)	72,314	56,183	(4,746)	123,750

Analysis of Results by Entity

For the period ended 31 October 2019	Operating Revenue \$'000	Operating Expenses \$'000	Operating Result \$'000	Capital Revenue \$'000	Capital Expenses \$'000	Net Result \$'000
Entity						
General	188,539	(129,726)	58,813	55,999	(4,664)	110,149
Waste	28,441	(14,940)	13,501	184	(83)	13,602
Total Council	216,980	(144,666)	72,314	56,183	(4,746)	123,750

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

The Performance at a Glance **as at 31 October 2019**

Synopsis

- * 33% of the financial year is complete.
- * The operating result is \$89.65 million.

Operating Revenue

- * Rates and Utility Charges are slightly above budget following the second quarterly rates levy.
- * Fees and Charges are tracking above budget due to animal registrations and health and environmental license fees being issued for the year and a significant portion of these fees have been received. Development application fees, and building and plumbing fees are tracking to budget.
- * Operating Grants and Subsidies are above budget at this time of year.
- * Interest revenue is tracking below budget while all other revenue categories are performing closely to budget at this time of the year.

Operating Expenditure

- * Employee Expenses are aligning to budget at this point in the year while Materials and Services are tracking below budget.
- * Finance Costs are tracking to budget at this time of the year.
- * Depreciation is slightly over budget and is expected to continue to exceed budget.

Capital Revenue

- * Infrastructure cash contributions are tracking well above the budget at this stage.
- * Contributed Assets are tracking below budget, however it is expected this will increase in the coming months.
- * Capital grants and subsidies are tracking above budget at this time of year.

Capital Expenditure

- * To date \$46.89 million has been spent on capital works, (which represents 29.78% of the capital program). This excludes the University project costs.

Moreton Bay Regional Council

GENERAL MEETING - 495
19 November 2019

PAGE 14
Supporting Information

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

Moreton Bay Regional Council

Comparative Table 2017/18 and 2018/19 to 2019/20*

Year to date result as at: 31 October 2019

33% of the year elapsed

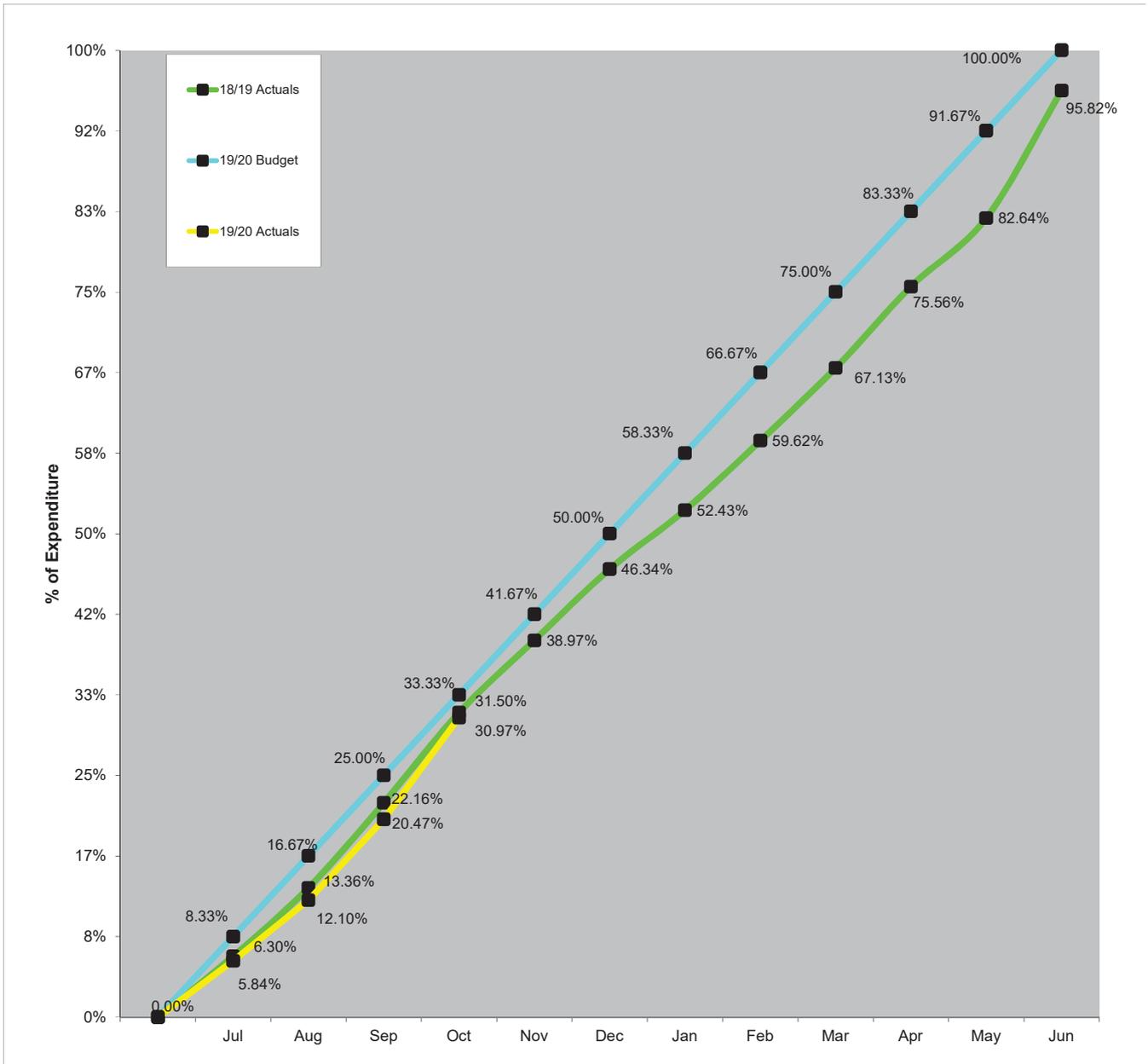
	Budget 2019/20 \$'000	YTD Actuals 2019/20 \$'000	Actuals to Budget 2019/20 %	Actuals to Budget 2018/19 %	Actuals to Budget 2017/18 %	Comments
Operating Revenue						
Rates & Utility Charges	313,151	160,146	51%	49%	49%	Revenue is slightly above target after the second quarter rates levy.
User Fees & Charges	37,272	14,868	40%	44%	45%	Revenue is tracking over budget but is below the previous years.
Interest Revenue	45,426	13,596	30%	31%	34%	The % for 2019/20 is tracking below budget and is consistent with the previous year.
Operating Expenses						
Employee Expenses & Material and Services	331,196	102,560	31%	31%	28%	Expenditure is tracking below budget and is consistent with the previous year.
External Loan Interest Expense	20,379	6,984	34%	35%	35%	Expenditure is tracking to budget and is comparable to previous years.
Capital Revenues						
Infrastructure Cash Contributions	23,500	19,671	84%	63%	76%	Infrastructure cash contributions are tracking above the previous years and exceeding budget.
Contributed Assets	40,000	6,543	16%	45%	0%	All contributed assets have been recognised to date.
Grants & Subsidies	33,368	12,636	38%	12%	26%	The % of grants and subsidies received is tracking above budget and is above the prior year.
Capital Expenditure						
Total Capital Expenditure**	157,464	46,893	30%	20%	22%	Capital expenditure remains behind budget.
<p>* The data presented reflects the position of Council as at 31 October 2019 compared to the position of Council as at 31 October 2018 and 31 October 2017. ** Capital Expenditure excludes the University Projects.</p> <p>The table focuses on key items of revenue and expenses across the comparative period and is useful guide in understanding what may have changed with regard to</p>						

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

Operating Expenditure

This graph compares the major components of operating expenditure (being employee expenses plus materials and services) on a percentage expended basis for the 2019/20 and 2018/19 years. The graph includes continuing service delivery expenses and operating initiative expenses.

The budgeted expenditure trend is set at 8.33% for each month. The cumulative actual expenditure trend for each month is graphed alongside the budget expenditure.

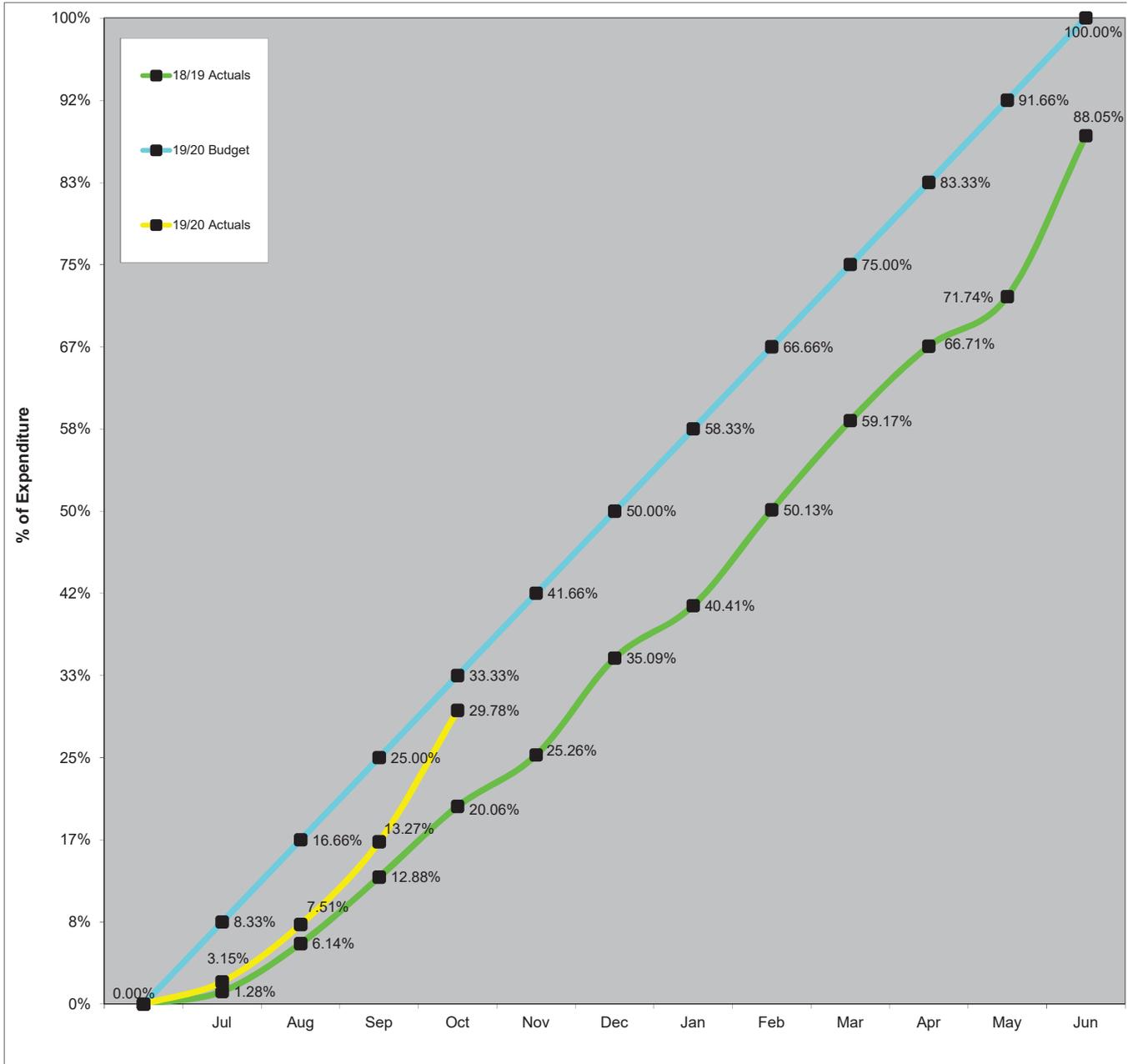


	Budget \$'000	Actuals to October \$'000	Actuals to Budget % spent
2018/19	296,916	93,521	31.50%
2019/20	331,196	102,560	30.97%

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

Capital Expenditure

This graph compares the capital percentage expended for the 2019/20 and 2018/19 years. The budgeted expenditure trend is set at 8.33% for each month. The cumulative actual expenditure trend for each month is graphed alongside the budget expenditure. The graph excludes capital expenditure associated with the University Project.



	Budget \$'000	Actuals to October \$'000	Actuals to Budget % spent
2018/19	186,374	37,387	20.06%
2019/20	157,464	46,893	29.78%

ITEM 3.1 - MONTHLY REPORTING PACKAGE - OCTOBER 2019 - REGIONAL - A19332544 (Cont.)

TREASURY REPORT

The Treasury Report highlights key areas of performance and compliance relating to Council's cash, investments and borrowings.

Investments

As at 31 October 2019 all of Council's investments are in accordance with the approved Investment Policy. As at this date Council held 69.95% of funds outside of the Queensland Treasury Corporation (QTC).

Investment Portfolio - Summary of Cash and Investments Held

Current Cash Investments						
Short Term Rating	Institution	Return	Term	Cash and Investment balance as at 31 October 2019	Interest earned YTD	
A1+	Qld Treasury Corp*	1.49%	Short Term (45 days)	120,012,828	663,466	
A1+	ANZ	1.22%	At Call	11,511,065	55,887	
A1+	National Australia Bank	1.25%	At Call	108,056,083	44,367	
A1+	ANZ	2.02% to 2.7%	124 to 364 days	40,550,035	303,197	
A1+	Bankwest				65,342	
A1+	National Australia Bank	1.7% to 2.77%	91 to 357 days	30,000,000	245,893	
A1+	Westpac	1.6% to 2.77%	210 to 364 days	40,000,000	453,455	
A1	Suncorp				21,781	
A2	Bank of Queensland	1.7% to 2.75%	180 to 279 days	30,000,000	239,342	
A2	IMB	1.6%	92 days	5,000,000	44,363	
A2	AMP Bank	2% to 2.8%	180 to 272 days	10,000,000	88,110	
	Petrie Paper Mill Site Funds Trust Investments				49,586	
					60,799	
				*		
				395,130,011	2,335,588	

* The QTC rate presented is the annualised interest rate for the month as provided by the Queensland Treasury Corporation.

Council has achieved a weighted average interest rate on all cash held of 1.65% pa in 2019/20.

Non-Current Investments				
Institution	Product	Term	Invested Value \$'000	Realisable Value \$'000
Queensland Investment Corporation	QIC Growth Fund	Greater than 5 years	100,000	108,621

Performance to Budget - Year to Date (YTD) Summary

33% of the year has elapsed

	Original Budget \$'000	Amended Budget \$'000	Actual YTD \$'000	Actual % Achieved \$'000	Comments
Interest Revenue on Investments	10,391	10,391	2,336	22%	Interest rates are very low
Interest on Debt held in Unitywater	34,000	34,000	10,968	32%	Tracking as per Budget
Total Investment Income	44,391	44,391	13,303	30%	

Borrowings

Debt Position	\$ '000
Debt held as at 1 July 2019	378,992
New borrowings	0
Borrowings repaid	(8,283)
Debt held as at 31 October 2019	370,710

As at 31 October 2019 the weighted average interest rate of all Council debt is 5.61%