



# 2022/23 Annual Report

**Proudly GRC**





## OUR FRONT COVER

We launched our #ProudlyGRC campaign to align with the theme of our 2022/23 Operational Plan, as well as our 2021-2026 Corporate Plan goal – *Our People: We look after our people, so they look after you.*

The concept was a series of unscripted, authentic and genuine stories from our people about why they are proud to work at Council.

Featuring the people involved in the campaign on our front cover is another way to acknowledge them for participating and continuing to deliver for our region.

## GET IN TOUCH

**Call us:** (07) 4970 0700

For hearing and speech difficulties contact Council through the National Relay Service:

Speak and Listen: 1300 555 727

Type and Listen: 133 677

Internet Relay users: [www.relayservice.gov.au](http://www.relayservice.gov.au)

**Email us:** [info@gladstone.qld.gov.au](mailto:info@gladstone.qld.gov.au)

**Visit our website:**

[www.gladstone.qld.gov.au](http://www.gladstone.qld.gov.au)

**Follow us on:**

Facebook

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YouTube

**Send us mail:**

Gladstone Regional Council

PO Box 29

Gladstone QLD 4680

## VISIT US

**Agnes Water Rural Transaction Centre**

71 Springs Road, Agnes Water Qld 4677

Ph: (07) 4902 1515

Open Monday to Friday - 9am to 4.30pm  
(cashiers close at 4.30pm daily)

**Boyne Tannum Community Centre**

Cnr Wyndham & Hayes Avenues,

Boyne Island Qld 4680

Ph: (07) 4971 9700

Open Monday to Friday - 9am to 5.30pm  
(cashiers close at 4.45pm daily)

(Library and Lilley's Beach permits available  
Saturday 9am to 3.30pm)

**Calliope Library and Transaction Centre**

3 Don Cameron Drive, Calliope Qld 4680

Ph: (07) 4975 8105

Open Monday to Friday – 8.30am to 5pm  
(cashiers close at 4.45pm daily)

(Library available Saturday 9am to 12pm)

**Gladstone Office**

101 Goondoon Street, Gladstone Qld 4680

Ph: (07) 4970 0700

Open Monday to Friday – 8.30am to 5pm  
(cashiers close at 4.45pm daily)

**Miriam Vale Office**

41 Blomfield Street, Miriam Vale Qld 4677

Ph: (07) 4970 0700

Open Monday to Friday – 8.30am to 5pm  
(cashiers close at 4.45pm daily)

**Mount Larcom Rural Transaction Centre**

47 Raglan Street, Mount Larcom Qld 4695

Ph: (07) 4975 1205

Open Monday to Friday - 9am to 1pm and  
2pm to 5pm

## WE'RE LISTENING

We want to hear your thoughts about this Annual Report.

Have we produced a report that reflects what you want to know?

Help us improve by sharing your feedback.

Scan me



*While care has been taken to ensure content is complete and accurate, Gladstone Regional Council provides no guarantee that this report is without error. Certain statements are forward looking based on internal expectations and assumptions which may be affected by the continually changing environment in which Council operates. These statements do not guarantee future performance and undue reliance should not be placed on them. None of the material in this publication may be reproduced without the permission of the Chief Executive Officer. © 2023 Gladstone Regional Council.*



## ACKNOWLEDGEMENT OF COUNTRY

Gladstone Regional Council would like to acknowledge the traditional custodians of this land, the Bailai, the Gurang, the Gooreng Gooreng and the Taribelang Bunda people.

We pay respect to their Elders past, present and emerging.

Gladstone Regional Council is committed to cultivating a culture of inclusion and connectedness, acknowledging that our communities are richer when diversity is embraced.

## ACKNOWLEDGEMENT OF A WELCOMING CITY

Gladstone Regional Council is actively aligning with best practice multiculturalism as identified in the National Welcoming Cities Standards and declares itself a welcoming community. We embrace diversity, foster social cohesion and are focused on building economic success.

Council endeavours to use a whole of community approach to not only embrace diversity, but also harness its strength and identify opportunities to enhance our multicultural focus. As a Council, we will benchmark cultural diversity and inclusion policies and practices across the organisation and continue to identify how further efforts can be directed.

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## MAJOR SECTIONS OF THIS REPORT



### 1. INTRODUCTION AND HIGHLIGHTS

This section introduces the Gladstone Region; where it is, who lives and works here and how history has forged its identity. It provides insight into Gladstone Regional Council as a local government authority serving a dynamic part of Queensland.



### 2. OUR COUNCIL

This section introduces our organisation. It details the role and contributions of our Mayor and Councillors. It also introduces our Chief Executive Officer and Executive Leadership Team and provides summaries of each of our business units for 2022/23.



### 3. OUR PERFORMANCE OUTCOMES

This section details Council's performance in delivering the 2022/23 Operational Plan. This is the second annual Operational Plan outworked from Council's 2021-26 Corporate Plan and details the initiatives and core services in place to meet our goals and our corporate vision.



### 4. STATUTORY REPORTING

This section outlines the annual statutory reporting requirements that have not already been included elsewhere in the Annual Report. It includes information about how we respond to complaints and requests for information, details our investment into our community and discloses key information about our business operations.



### 5. OUR FINANCIAL PERFORMANCE

This section highlights our financial performance in our Community Financial Report which provides an overview of our key financial outcomes. It also includes our consolidated financial statements.



### 6. REFERENCES

This section provides context for the terminology used throughout the report with a glossary of terms and a list of acronyms and abbreviations. It also includes a legislative index to guide readers to key facts throughout the report.

## MESSAGE FROM OUR MAYOR



The 2022/23 Financial Year was another positive year for the region that saw us tick off many goals and achieve outcomes that will guide our thinking across the coming years.

We are now two years into our 2021 – 2026 *Corporate Plan*, a plan

that defines our strategic direction through our vision, values and goals.

A piece of work that came to fruition in 2022/23 and one that will guide our decision making over the next decade was the launch of the *Gladstone Region Economic Transition Roadmap (2022-2032)* in November 2022.

The Gladstone Region Economic Transition Roadmap identifies what is required to adapt to a rapidly changing energy sector and support a positive economic transition for our community.

Developed over two years with extensive community engagement, this Roadmap positions the Gladstone Region to capitalise on the economic opportunities of new energy industries, while also ensuring our region maintains its industrial heritage and community togetherness.

We continued to progress our vision by exploring opportunities for affordable housing solutions at Philip Street Communities and Families Precinct, made significant progress regarding the Boyne Tannum Aquatic Recreation Centre, held the inaugural Gladstone Region Youth Summit, introduced the Mayor's Community Champion Award as part of Australia Day celebrations, employed a First Nations Fire Officer and so much more.

We also made some fantastic progress in terms of understanding the future waste needs of our region.

The Gladstone Region Waste Plan was finalised in June 2023 and was developed to understand and meet the needs of our community and deliver the best value waste management service into the future.

Actions from the Gladstone Region Waste Plan will feed into day-to-day operations for our people, as we continue sustainable waste management for our region.

We also continue to collaborate with Central Queensland Region of Councils to implement

the Central Queensland Regional Waste Management Plan.

The 2022/23 Financial Year saw Council deliver a budget surplus despite cost pressures associated with a 20-year high in inflation.

Delivering a surplus budget is crucial and helps maintain our position as a sustainable Council while ensuring our region remains ready to capitalise on future opportunities.

I am proud that we were able to deliver on our Capital Works Program and the infrastructure needs of our communities, despite these cost pressures.

“ I am proud that we were able to deliver on our Capital Works Program and the infrastructure needs of our communities... ”

Our Transformation Team led foundational work this year to enable us to continue to deliver value and improve our approach to delivering maintenance.

This work involved people from across the business and was truly a collective effort.

As the multi-year Works Delivery initiative continues, we look forward to making it easier for

our people to do maintenance. This will ensure we provide infrastructure to our community that is available, in acceptable condition and meets the needs of our community.

Community once again played a significant role in what we do with many considerable milestones achieved.

The Philip Street Communities and Families Precinct celebrated its first birthday, more than 25,000 people attended *Luminous*, *Grease the Musical* was a huge success, Easter in Gladstone and Festival of Summer were popular events and more than \$123,000 was raised for three local beneficiaries at the 2023 Mayor's Charity Ball.

I would like to thank my fellow Councillors, Chief Executive Officer Leisa Dowling, the Executive Leadership Team and all Council employees for your hard work and dedication towards driving the Gladstone Region forward.

We have been able to achieve some fantastic outcomes during 2022/23 and I have no doubt we will carry over this work into an exciting future.

**Mayor Matt Burnett**  
Gladstone Regional Council

## MESSAGE FROM OUR CEO



I am proud to announce that Council successfully delivered on all eight 2022/23 Operational Plan initiatives and core services, making significant strides in addressing our corporate risks.

This year, inflation increased our expenses for managing our \$2.9 billion worth of assets, particularly in water, waste and sewerage. We also faced supply chain disruptions through material shortages which created workflow disruptions.

Our agile teams responded by adapting procurement processes to minimise these impacts. Industry wide high turnover and resulting job vacancies created operational challenges, however, our people remained resilient in delivering for our community.

As a business, we moved towards our desired culture with a positive shift confirmed in our 'Culture Pulse Survey' in May 2022. It is pleasing to see improvements across all culture measures through a continued focus on our people and building a constructive culture at Council.

The health, safety and wellbeing of our people, both physically and mentally, continues to be a top priority for us. As we closed out the 2022/23 financial year, our Lost Time Injury Frequency Rate (LTIFR) sat at 5.26 per cent, a 33 per cent decrease from last year's rate of 7.86 per cent. We are taking further steps to improve our safety and reduce our LTIFR to ensure all our people return home safely.

In May 2023, we launched a business wide survey to identify the factors contributing to psychosocial hazards and risks at our workplaces. I am pleased that overall, our results indicated a low psychosocial stress workplace. Introducing strategies and training to mitigate or eliminate these factors will continue to be a focus in the coming year with a dedicated 'psychosocial safety initiative' included in our 2023/24 Operational Plan.

Our safety focus has extended to cyber security to keep our business and community safe. We delivered training and programs to provide our people with the knowledge and tools required to safeguard our platforms. We have also enhanced our firewall which has subsequently blocked over 8.83 million cyber threats.

As we complete year two of our five-year 2021-2026 Corporate Plan, I am proud of the progress we have made towards our goals. We have successfully sourced over \$33 million in funding reducing our reliance on ratepayer revenue and ensuring we are well positioned to help our beautiful region prosper.

Finally, I would like to thank our people for the work you do each day to achieve our vision to connect, innovate and diversify.

“  
Collectively delivering  
for Council and our  
community remains  
our focus and makes us  
feel Proudly GRC.”

A handwritten signature in black ink that reads "L. A. Dowling". The signature is fluid and cursive.

**Leisa Dowling**

*Chief Executive Officer, Gladstone Regional Council*

# 1 INTRODUCTION AND HIGHLIGHTS

This section introduces the Gladstone Region; where it is, who lives and works here and how history has forged its identity.

It provides insight into Gladstone Regional Council as a local government authority serving a dynamic part of Queensland.

This section also includes a summary of our finances, performance and operations.



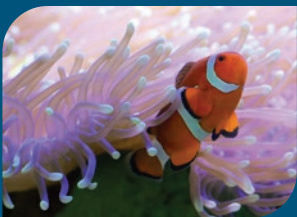




# OUR REGION



**10,489KM<sup>2</sup>**  
 Gladstone Regional Council  
 Local Government Area



Southernmost coral cay of the Great Barrier Reef



Pristine coasts and islands



Beautiful parklands and forests



Diverse habitats ready to explore



## OUR REGION

From Kroombit Tops in the west to the coral lagoons of the Southern Great Barrier Reef, the Gladstone Region's landscape is as varied as its capacity for economic development.

The region has a population of about 65,000 people and covers 10,500 square kilometres.

It has a strong record of job creation and investment opportunities, with relaxed living, recreational and tourism options enhancing its liveability and potential for future growth.

In recent decades, the economy has been built around heavy industry with access to a deep-water harbour for import and export trade.

The region has two of the world's largest alumina refineries, an aluminium smelter and the Liquefied Natural Gas (LNG) industry on nearby Curtis Island.

After a period of economic slowdown and the world-wide pandemic, the region is now looking to recover and revive its communities for a brighter future.

Industry, along with an engaged community, will be at the centre of this revival. Several renewable energy projects embracing hydrogen, biofuels, solar energy and new waste management practices have been proposed for the Gladstone State Development Area.

Their go-ahead would position the city of Gladstone as a renewable energy hub, taking the economy in an exciting, new direction.

Away from industry, the Gladstone Region features plenty of green open space, including the nationally recognised Gladstone Tondoon Botanic Gardens, award-winning playgrounds, and other coastal locations where sailing and boating activities are popular.

Residents and visitors can see historical sites, go bush walking, mountain climbing or snorkelling along the reef to experience the outdoor environment.

The region's strength is a great sense of community with a 'can do' attitude. This, combined with well-developed infrastructure and services, supports our local communities to thrive.

# OUR REGION



The traditional custodians of the lands that make up the Gladstone Region are the Bailai, the Gurang, the Gooreng Gooreng and the Taribelang Bunda people, dating back 60,000 years.

## OUR REGION

1802      1863      1854      1873      1896      1906      1961

- In **1802**, English navigator Captain Matthew Flinders recorded the first European sighting of Gladstone Harbour. The settlement was named after the British Chancellor of the Exchequer, William Ewart Gladstone, when it became a municipality in **1863**.
- Miriam Vale was the administrative centre of the former Miriam Vale Shire and was named after a pastoral leasehold first occupied in **1854** by Arthur Chauvel. He named the property after his sister, Miriam Sally Emily.
- Calliope started as Queensland's first officially proclaimed goldfield in **1863**.
- Agnes Water was named after a coastal schooner, the Agnes, lost at sea in **1873**.
- For more than a century, the city of Gladstone has grown and prospered around different industries. These included the early meatworks in **1896**, the Port Curtis Dairy Cooperative in **1906**, the first coal exports in **1961** and the establishment of Queensland Alumina Limited's (QAL) alumina refinery on the old meatworks' site in **1963**.
- The deepwater port facilities' expansion through the **1970's** and **1980's** launched an era of industrial development and economic prosperity. This involved a range of exports, including coal and aluminium, and from **2010** onwards, the development of the Liquefied Natural Gas (LNG) industry.



1963

1970'S

1976

1980'S

2008

2010

2017

- The Gladstone Region Local Government Area (LGA) includes the city of Gladstone (proclaimed in **1976**), nearby rural townships of Calliope, Mount Larcom and Miriam Vale, and the coastal locations of the twin towns of Boyne Island and Tannum Sands and the surf towns of Agnes Water and Seventeen Seventy. The diverse region also extends inland to the Boyne Valley area and includes the localities of Nagoorin, Ubobo, Builyan and Many Peaks.
- The LGA is also gateway to the famous Heron Island, Lady Musgrave Island, Lady Elliot Island and has residents on Curtis and Facing Islands. There are also many smaller localities including Ambrose, Baffle Creek, Benaraby, Bororen, Lowmead, Raglan, Rosedale, Rules Beach, Targinnie, Turkey Beach and Yarwun.
- In **2008**, three Local Government Areas – Gladstone City, Calliope Shire and Miriam Vale Shire – amalgamated to form Gladstone Regional Council.
- In November **2017**, the Federal Court of Australia recognised the area's Traditional Owners as the true custodians of over 420,594 hectares of lands and waters in the Gladstone and Bundaberg regions, through the Native Title Consent Determination.
- In 2017, GRC entered into an Indigenous Land Use Agreement (ILUA) and our first Reconciliation Action Plan in May 2018.
- In 2021, Council endorsed the Uluru Statement from the Heart in the continued pursuit of demonstrating strong leadership in support of First Nations people and culture.



## OUR POPULATION



**65,431**

residents. 2.4% of Regional QLD's total population



**38.2 years**

median resident age



**13.3%**

people born overseas



**6.2%**

Aboriginal and/or Torres Strait Islander population



**5.8%**

population requiring daily assistance due to disability



**0.06**

persons per hectare (density)



**14,012**

number of children in the region (0-14 years old)



**41.7%**

of families are couples with children



**83%**

of dwellings accessing the internet



**16.2%**

residents volunteer



**13.4%**

residents aged over 65



**75,327**

expected population by 2041



## OUR ECONOMY HIGHLIGHTS



**\$5.9B**

in Gross Regional Product (GRP)



**27,958**

regional jobs



**20.6%**

of workforce are technicians or trades workers



**566,000**

average visitors to the region per annum



**4200**

manufacturing jobs



**3924**

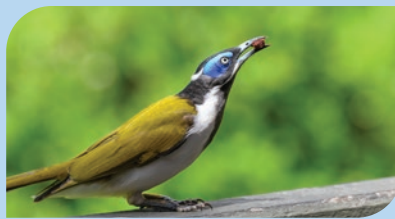
local businesses

## OUR REGION IS HOME TO



**865**

native animal species



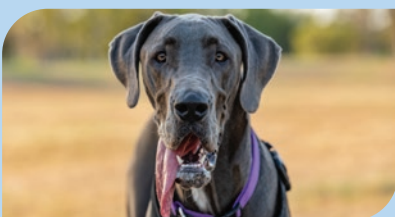
**429**

native bird species



**62**

rare or threatened animal species



**15,465**

domestic pets  
(2684 cats and 11,915 dogs)



**3000**

native plant species



**13**

conservation parks

## ABOUT GLADSTONE REGIONAL COUNCIL

**9**

elected members

**774**

employees

**7.14**

average years  
of service

**38**

trainees and  
apprentices

**263**

vacant positions  
filled in 2022/23

**\$2.9B**

of assets managed

**\$261.9M**

total revenue

**\$238.9M**

total expenditure

**\$33.1M**

in funding sourced  
in 2022/23





## SERVICE DELIVERY SNAPSHOTS



**369,073**  
items loaned from libraries  
(hard copies and digital loans)



**234,990**  
visitors to our  
regional libraries



**33**  
exhibitions shown at Council  
facilities in 2022/23



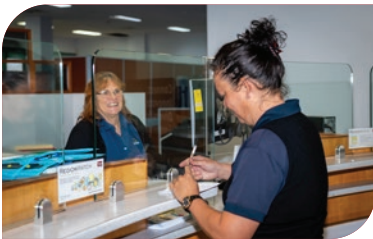
**378**  
lost animals reunited  
with families



**4953**  
mega litres of  
sewerage processed



**23,038**  
tonnes of waste  
collected kerbside



**113,652**  
customer interactions by  
phone and in person



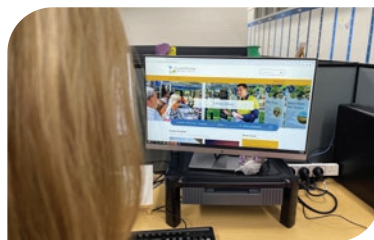
**8.4M**  
cyber security  
threats blocked



**7107**  
tonnes of asphalt  
used to maintain roads



**150**  
parks and open  
spaces maintained



**31,091**  
conversations  
engagement site visits



**991**  
signs repaired  
or maintained



**918,470**  
GRC website visits



**200,344**  
landfill and transfer  
station visits



**2197**  
potholes repaired

# OUR VISION AND VALUES



## VISION

**Connect. Innovate. Diversify.**

## VALUES

### Safe

We are uncompromising in our commitment to safety, which is reflected in our attitude, our decisions and our actions.

### Ethical

We operate with transparency, openness and accountability at the fore.

### Responsive

We respond by being present, proactive and solutions-focused, and we deliver on our commitments.

### Visionary

We plan as future-thinkers and opportunity-seekers and we have the courage to shape a better future for our community.

### Inclusive

We create and value diversity and we actively demonstrate our commitment to equality and inclusivity.

### Community

We care about each other and our environment and we recognise that community is the core of our business.

### Efficient

We deliver; we challenge the status quo and we continually find better ways to reduce cost and improve services.



## COUNCIL PLANS



### Corporate Plan

The 2021-26 Corporate Plan sets out Council's medium-term commitment to a proud and resilient future built on our vision to Connect, Innovate and Diversify. It serves as the primary strategic planning document to guide Council in achieving realistic outcomes for our community, customers and people.



### Operational Plan

The 2022/23 Operational Plan is a 12-month action plan that progresses the 2021-26 Corporate Plan. It details Council's core services and presents eight key initiatives that enable the organisation to deliver our Corporate Plan and is set against the landscape of our vision.

Detailed performance on these plans can be found from page 48.

## OUR FINANCIAL SUMMARY

Detailed financial information can be found in the Community Financial Report on pages 84-89 and Financial Statements on pages 90-165.



Council made no new borrowings and decreased existing debt by \$6.5 million.

### PERFORMANCE HIGHLIGHTS

Delivered  
**\$62.5M**  
capital works program

**116%**  
of the target for  
financial completion

**5 out of 6**  
sustainability targets met.

Please refer to page 84  
for further details

#### Where the money was spent

Total expenditure in 2022/23 was \$238.9M. This included \$70.6M in employee benefits - predominantly wages and superannuation costs, \$100.8M in materials and services for our operational and maintenance works, \$3.0M in finance costs and \$54.8M for depreciation and amortisation. \$62.5M was also expended on our Capital Works Program, including \$1.4M at Gladstone Airport Corporation.

#### Where the money came from

Total revenue in 2022/23 was \$261.9M, with \$168.4M generated from rates and charges, \$26.7M in fees and charges, \$29.5M from Federal and State Government grants and subsidies, \$18.4M from State Government entity income tax equivalents and \$18.9M from other sources.

**Council is committed to the responsible use of funds to meet community needs and maintain and enhance the region now and into the future.**

### Looking forward to 2023/24

Council continues to review and actively manage costs to minimise the impact on ratepayers in the current challenging inflationary environment.

Our existing stable financial position has allowed us to respond to community needs through a \$333M Budget.

## MAJOR PROJECTS AND PROGRAMS IN 2022/23



**\$3.8M**  
Fleet Replacement



**\$3.6M**  
Bindaree Road  
Bridge Upgrade



**\$3.5M**  
Upgrade To Sewerage  
Pump Station A05



**\$2.5M**  
Stockbridge Road  
Bridge Renewals



**\$2.4M**  
Benaraby Landfill  
Cell Two Capping



**\$2.2M**  
Gladstone Waste Water  
Treatment Plant Upgrades



**\$2.1M**  
Stockbridge Road Lowmead  
Bridge Renewal



**\$2.1M**  
Toolooa Street Gladstone  
Pavement Renewal

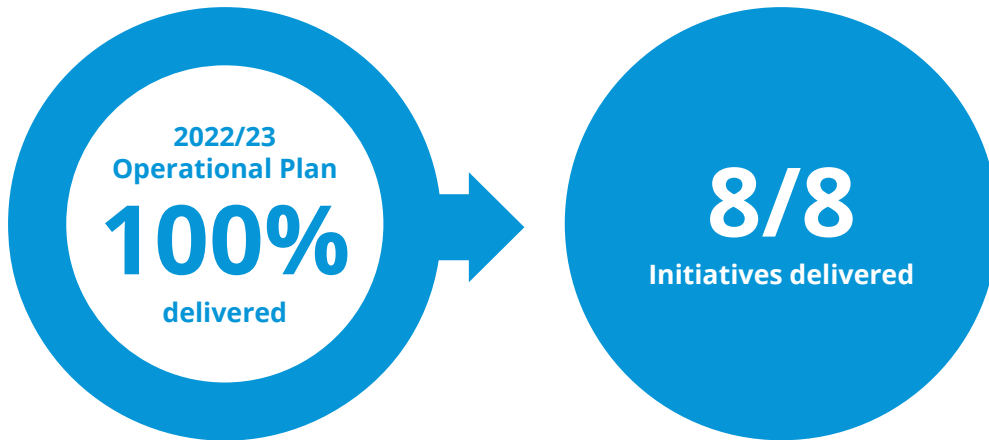


**\$1.9M**  
Mount Alma Road  
Gravel Resheeting



# OUR PERFORMANCE OVERVIEW

## 2022/23 PERFORMANCE SUMMARY



Each year the delivery of our Operational Plan moves us closer to achieving the goals set out in our Corporate Plan. The 2022/23 year delivered the second Operational Plan outworked from our 2021-26 Corporate Plan and included eight initiatives.

The below table summarises our performance for 2022/23. Detailed performance outcomes can be found on pages 48-75.

GOAL	INITIATIVE	Progress	Status
Connecting Communities	Community Profiling	100%	●
Delivering Value	Works Delivery	100%	●
	Understanding Future Waste Needs for our Region	100%	●
Resilient Economy	Enabling Future Industries with our Infrastructure	100%	●
Our People	Creating Constructive Culture	100%	●
Accountable Council	Enabling Future Financial Sustainability	100%	●
	Records Management	100%	●
	Stretch Reconciliation Action Plan	100%	●

● Achieved ● Not achieved

At 30 June 2022, four previous initiatives from our 2021/22 Operational Plan were incomplete. These initiatives were continued and completed in 2022/23:

- Community Profiling ●
- BackflowID App and Tag System ●
- Waste Management and Resource Recovery Business Case ●
- Transition Economy ●

# AWARDS AND COMMENDATIONS

## Excellence in Leadership and Management

Our CEO, Leisa Dowling, was named 2022 'Manager of the Year' by Local Government Managers Australia (LGMA) Queensland in September 2022. Leisa received the *Manager of the Year* award for leadership and management excellence at the LGMA Annual Local Government Conference. This award is presented to senior local government employees who make outstanding contributions to their council and communities, and the business is proud to celebrate this moment with Leisa.

Upon receiving the Manager of the Year award, Leisa said:

*"I am humbled and honoured to receive this recognition, which I was genuinely not expecting! This award reinforces what I try to achieve every day by being your CEO at GRC, and that is to create a kind and supportive workplace where we collectively deliver on our goals.*

*This is a 'Proudly GRC' moment for me."*

## Excellence in Collaboration

In May 2023, Council won the LGMA Queensland Award for Excellence in Collaboration for our Gladstone Region Economic Transition Roadmap 2022-2032.

The roadmap was developed in partnership with regional economic development agency, The Next Economy, and is a result of two years of research and extensive engagement involving 220 community, government, and industry stakeholders. This included First Nations people, energy system workers, unions and educational institutions.

Council thanks everyone who contributed to this piece of work which strongly positions our region to leverage once-in-a-generation opportunities coming out of changes in the energy sector.



## Excellence in Road Safety Infrastructure

In October 2022, our Toolooa Street (Short St-Walsh St) Pavement and Footpath Renewal project won the Institute of Public Works Engineering Australasia (IPWEA) 2022 Excellence Award for Road Safety Infrastructure.

This \$1.5 million project included installation of conduit and stormwater pipes for future water services, upgrades to the road, widening of the footpath, kerb and channel replacement and landscaping. We are proud to share that this project was jointly funded by Council and the Queensland Government through the Transport Infrastructure Development Scheme (TIDS).

We proudly welcomed the recognition of our design, planning and execution of work for the community, which involved several teams from Roads Delivery to Engineering, Design, Strategic Grants, Brand and Communications, Arborists and Works Planning and Scheduling.

## Recognition for our online education

Our Tondoon Botanic Gardens (TBG) Team was recognised by Botanic Gardens Australia New Zealand (BGANZ) for outstanding onsite and online community educations during Botanic Gardens Month in May 2023.

Our TBG and Brand and Communications teams worked together to deliver insightful videos, engaging social media content and welcoming activities onsite for our community.



# OUR RECONCILIATION JOURNEY



Gladstone Regional Council supports an inclusive community and delivers programs to enhance connectivity and partnerships.

## Reconciliation Action Plans (RAP)

Council is proud to deliver its RAP program which supports and advances reconciliation by embedding First Nations considerations in the way we think and work.

Our RAP journey began in 2018 with the introduction of our Reflect RAP 2018/19. This reinforced Council's commitments to building stronger relationships with the Aboriginal and Torres Strait Islander communities in our region. That year also marked the establishment of Council's RAP Reference Group, which provides strategic advice on the views, needs and interests of Aboriginal and Torres Strait Islander peoples.

In 2020, we released our Innovate RAP which offered a two-year plan to support lasting and meaningful relationships, encourage respect and promote opportunities for Aboriginal and Torres Strait Islanders in our region.

In our 2022/23 Operational Plan, we committed to delivering our third RAP. Through consultation with Reconciliation Australia as part of the initiative, it was identified that delivering a second Innovate RAP would

enable us to strengthen our foundations and relationships before we progress to a Stretch RAP. Our 2023-25 Innovate RAP continues the work we began in 2018, offering a two-year view of how we can embrace our rich heritage and strengthen our commitment to reconciliation. More details about the development of our 2023-25 Innovate RAP can be found in the Corporate Performance section of this report on pages 48-75.

We are committed to ensuring our future actions allow us to be aspirational and innovative and help us to better understand our ability to influence and move forward with reconciliation.

Our 2023-25 Innovate RAP can be viewed on our website: [www.gladstone.qld.gov.au/reconciliation-action-plan](http://www.gladstone.qld.gov.au/reconciliation-action-plan)

## RAP Support Groups

Council's Gladstone Region RAP Reference Group, Working Group and employee champions were instrumental in delivering the 2023-25 Innovate RAP which was completed in June 2023, as part of the 2022/23 Operational Plan. We thank each member of these groups for their invaluable contributions that are supporting us to move forward with our reconciliation journey. More information about these groups can be found on our website.





### **National Reconciliation Week**

Each year, from 27 May to 3 June, Council proudly supports this annual event to commemorate the two significant milestones in Australia's reconciliation journey: the successful 1967 referendum and the High Court Mabo decision.

National Reconciliation Week 2023 was led with the theme of *'Be a Voice for Generations.'*, encouraging all Australians to be a voice for reconciliation in tangible ways in our everyday lives – where we live, work and socialise.

### **NAIDOC Week**

NAIDOC Week was held from 3 to 10 July in 2022 with the theme of *'Get Up! Stand Up! Show Up!'* which focused on celebrating the long history of First Nations people rallying together to fight for change.

Events across our region for NAIDOC Week 2022 included an exhibition and digital projects at the Gladstone Regional Art Gallery and Museum (GRAGM), special ticket pricing for The Sapphires show at Gladstone Entertainment Convention Centre (GECC), a NAIDOC Expo at Philip Street Communities and Families Precinct, as well as several children's activities across our region's libraries.

Getting involved in NAIDOC Week is just one of the ways we reaffirm our commitment to preserving and showcasing the rich cultural heritage of our region's Traditional Owners; the Bailai, the Gurang, the Gooreng Gooreng and the Taribelang Bunda people.

### **First Nations Land Management**

This year marked a first for Council with the commencement of a Cultural Burn and Land Management Program, led by a newly created First Nations Fire Officer role. The new role and program were made possible thanks to funding from the Australian Government's Black Summer Bushfire Recovery Grants Program through the National Emergency Management Agency (NEMA).

Australia's First Nations community has been the custodian of country for tens of thousands of years and Council recognises the importance of cultural land management and burning as the most appropriate way to mitigate the effects of bushfires.

As the program continues, Council is inviting First Nations people interested in volunteering to be part of caring for country. Find out more about this program and volunteer opportunities on our website.

[www.gladstone.qld.gov.au/first-nations-fire-officer](http://www.gladstone.qld.gov.au/first-nations-fire-officer)

# 2 OUR COUNCIL

This section introduces our organisation. It details the role and contributions of our Mayor and Councillors. This section also introduces our CEO and Executive Leaders and provides summaries of each of our business units for 2022/23.





**Cr Matt Burnett**  
Mayor

**Cr Kahn Goodluck**

# COUNCILLOR PROFILES



The Gladstone Region is served by nine elected members who represent the entire region, without division. They are responsible for the stewardship and democratic governance of the organisation. Councillors were elected for a four-year term following the election on 28 March 2020.





## MAYOR AND COUNCILLORS



**CR MATT BURNETT  
MAYOR**

**First elected: 2000,  
Mayor 2016 – present**

Mayor Matt Burnett was born and raised in the Gladstone Region with his family's connection to the region extending six generations. He is a former small business operator and qualified journalist, having started his own newspaper, The Port Curtis Post, at age 19.

He has served in local government since 2000, including five years as Deputy Mayor prior to his election as Mayor. During his time in local government, Cr Burnett served as Chairman of Technical Services with Gladstone City Council and as portfolio representative in Technical Services, Infrastructure Services and Town Planning with Gladstone Regional Council after amalgamation in 2008.

Cr Burnett has always had the best interests of the community at heart and, as Mayor, he draws upon the experience he has gathered over his years in Council to ensure those interests remain a key consideration even as the region continues to grow and develop.

Cr Burnett brings an inclusive style of leadership to Council, making sure the thoughts and views of his fellow Councillors, Council officers, business and industry leaders, community groups and organisations and members of the community are all heard and taken into consideration.

Cr Burnett represents Central Queensland on the Local Government Association of Queensland (LGAQ) Policy Executive, is a Director on the LGAQ Board and is Vice President of the Australian Local Government Association.

### Boards, Committees, Groups

- Australian Local Government Association Director and Vice President
- Local Government Association of Queensland Director and Policy Executive Member
- Central Queensland Regional Organisation of Councils Director
- Local Disaster Management Group – Chairman
- Gladstone Foundation Board of Advice – Member.

☎ (07) 4970 0700

✉ Mayor@gladstone.qld.gov.au



**CR KAHN GOODLUCK  
DEPUTY MAYOR**

**First elected: 2016**

Councillor Kahn Goodluck lives in Boyne Island and has three young children. He is a boilermaker by trade and has worked in local industry as well as performing as a musician at events and venues around the region.

Cr Goodluck moved to Gladstone in 2011 after completing his apprenticeship on the Gold Coast. Having lived in both a big city and growing up in Kilkivan, a small country town, he believes the Gladstone Region is the perfect combination of both. It offers the services of a city with the benefits of a country lifestyle – a safe community and the opportunity to enjoy the great outdoors – and is the perfect place to provide a great lifestyle and opportunities for his children.

Cr Goodluck is the President of the Boyne Tannum Arts Business and Community Assoc. Inc. which puts on events like Beach Arts Music and Under The Trees music festival. He has a passion for community-led organisations that provide experiences for locals and visitors and help create memories for families.

Cr Goodluck is the Chair of the Roseberry QLD Gladstone Headspace Consortium and is a volunteer Director on the board of Apprentices and Trainees QLD (formerly GAGAL). As a tradesman, he is proud to be able to give back some time and expertise to this organisation to help others.

Cr Goodluck has been a union delegate and health and safety representative in construction, and through this work, has honed the valuable art of negotiation and compromise to reach positive outcomes. He believes his working-class background brings a different and valuable perspective to Council.

Cr Goodluck is motivated to engage with people throughout the region and ensure everyone gets a fair go. He is passionate about government policy and the impact it has on people's lives. He is outgoing and determined, with a positive attitude and strong work ethic that will serve him well on Council.

**Boards, Committees, Groups**

- Audit Risk and Improvement Committee
- Gladstone Regional Roads and Transport Group
- Central Queensland Regional Organisation of Councils
- Capricorn Pest Management Group
- Inland Queensland Roads Action Project Working Group
- Local Disaster Management Group.

☎ 0433 944 302

✉ Kahn.Goodluck@gladstone.qld.gov.au



**CR CHRIS CAMERON**

**First elected: 2020**

Councillor Chris Cameron moved to Gladstone from Mackay in 1999 to take charge of a joint venture housing development. He has three adult children and

eight grandchildren. His partner, Lenore, is a Gladstone resident of more than 40 years.

Cr Cameron's background is building and property development. He was involved in substantial construction work for mining companies Blair Athol Coal and Oaky Creek Coal in the Central Highlands. Cr Cameron is a Queensland Master Builder member for more than 40 years and a member of the Australian Institute of Building, Queensland Chapter (MAIB), for more than 40 Years.

Since semi-retirement, he has continued to work in the building industry carrying out project management roles, building consultancy work and dispute resolution. Before joining the Councillor team, he supported the building industry as a volunteer judge for the annual Queensland Master Builders Housing and Construction Awards.

Cr Cameron is a proud Rotarian of 27 years, having served as President, Secretary and on various board positions. He was awarded a Paul Harris Fellowship for services to Rotary and the Gladstone community. Further to his Rotary service, he has been involved in Rotary Australia World Community Service Ltd projects overseas, travelling to the Solomon Islands to participate in a humanitarian effort. In his earlier days, he was a past Lions President and a member of Apex.

Cr Cameron has always been highly active and supportive of his local community. Since being elected, he has enjoyed his role as Councillor in the Gladstone Regional Council and being part of the decision-making team to help shape the Gladstone Region into the future.

**Boards, Committees, Groups**

- Education Queensland Industry Partnership
- Port Welfare Committee
- Capricorn Pest Management Group
- Audit Risk and Improvement Committee.

☎ 0474 937 009

✉ Chris.Cameron@gladstone.qld.gov.au



**CR CHRIS TREVOR**

**First elected: 2016**

Councillor Chris Trevor (CT) has lived in the Gladstone Region for more than 50 years.

He was educated at Central State School and

later Rockhampton Grammar School before completing his secondary education at Gladstone State High School.

Cr Trevor is a solicitor of the Supreme Court of Queensland and the High Court of Australia, as well as a Justice of the Peace and Senior Counsellor of the Queensland Law Society.

He is a former Gladstone City Councillor, former Deputy Mayor and was the first ever Federal Member for Flynn in the Australian House of Representatives.

Cr Trevor has dedicated his life to family, the law, public service and both charitable and sporting pursuits throughout Central Queensland.

**Boards, Committees, Groups**

- Gladstone Regional Council SES Management Group
- Gladstone Regional Council Rural Fire Brigades Advisory Group
- Gladstone & District Sports Foundation Trust.

☎ 0437 757 839

✉ Chris.Trevor@gladstone.qld.gov.au



**CR DARRYL BRANTHWAITE**

**First elected: 2020**

Councillor Darryl Branthwaite is originally from Invercargill in the deep south of the South Island in New Zealand. He arrived in Tannum Sands in 1982 where he worked as

a process technician at Boyne Smelters until 1988.

Then, along with family, he purchased the lease of what is now known as Caltex Boyne River at Benaraby. For 22 years, Cr Branthwaite and wife Jenny operated this very successful business, becoming influential within the community through the Boyne Tannum and Benaraby Chamber of Commerce, along with many other community groups.

He was also a founding member of the Boyne Tannum HookUp (1995) which has gone on to become Australia's largest family fishing event. After leaving the business, he went into real estate, selling residential and commercial properties for a further five years within the Gladstone Region.

Cr Branthwaite was also a director on the GAPDL Board for over 20 years before accepting the role of CEO in September 2015. GAPDL was successful in turning the region's tourism around with double-digit growth and more than 30 cruise liners visiting under his leadership.

In June 2019, Cr Branthwaite and Jenny started the tour business Gladstone Region Tours. In 2020, on Australia Day, Cr Branthwaite was awarded Gladstone Region Citizen of the Year.

**Boards, Committees, Groups**

- Audit Risk and Improvement Committee
- Gladstone Regional Roads and Transport Group
- Gladstone Local Marine Advisory Committee
- Gladstone LNG Regional Community Consultative Committee
- Gladstone Healthy Harbour Partnership
- Inland Queensland Roads Action Project Working Group.

☎ 0474 877 363

✉ Darryl.Branthwaite@gladstone.qld.gov.au



**CR DESLEY O'GRADY**

**First elected: 2016**

Councillor Desley O'Grady has lived in the Gladstone Region for more than 35 years and her family history in the region dates back five generations.

Cr O'Grady has been instrumental in getting the Boyne Burnett Inland Rail Trail to the stage to create economic growth for the small communities of the Boyne Valley, increasing tourism visitation to the region and making it a great place that people will want to live, stay and play.

Cr O'Grady was also part of the Calliope Rodeo Association team that raised \$80,000 for the Boyne Valley community through the 2013 Bulls and Bands Flood Appeal, and a committee member for the Gladstone Region 20-year Vision panel.

Since being on Council, she has attended numerous community functions, meetings and has been very passionate about Council's vision to Connect. Innovate. Diversify.

Cr O'Grady loves the Gladstone Region's versatility, from the hinterland to the Southern Great Barrier Reef, and is dedicated to playing a part in its continued growth and prosperity as an elected member.

She has been contributing to the strategic direction of Council and working as a team member with energy and enthusiasm, as well as being a strong and passionate voice for the community.

**Boards, Committees, Groups**

- Saiki Sister City Advisory Committee
- Reconciliation Action Plan Advisory Group
- Rail Trail Australia
- Philip Street Communities and Families Precinct Advisory Committee
- Transport Environment Advisory Group
- Mayor's Ball Committee
- Discovery Coast Community Reference Group
- Gladstone Air Quality Group.

☎ 0437 837 148

✉ Desley.Ogrady@gladstone.qld.gov.au



**CR GLENN CHURCHILL**

FIML, MAICD, MBWA

**First elected: 2016**

Councillor Glenn Churchill has been an active resident of the greater Gladstone Region and Central Queensland for over 30 years. He has gained extensive experience,

knowledge, education and wisdom in 20 years in local government as a Mayor and Councillor.

Cr Churchill has served the business, sporting, NFP (not-for-profit) charity, tourism and communities of our region through many different avenues in public life.

He has been a long-time Chairman of the Gladstone Police Citizens Youth Club (PCYC), Diamond Life member Queensland Police-Citizens Youth Welfare Association, 14 years as appointed GAPDL CEO and State Tourism CEOs forum advocating for our region and an honorary Board Member.

Cr Churchill is the current Chair of the Gladstone Regional Arts Development Fund Board (RADF), appointed Chair of Disaster Recovery Committee (Infrastructure), member of Saiki Sister City Committee, Gladstone Safe Night Precinct, past Chair of our region's Planning and Development Committee and past Director of the Gladstone Airport Corporation Board.

Cr Churchill is also a Life Member and volunteer of various other local community-based charity and NFP organisations. He previously protected the community for 27 years as a Queensland Police Officer and is currently elected Honorary President of the Gladstone Region Queensland Retired Police Association. He strongly believes and advocates in giving back to the community as a volunteer. He is a qualified teaching/percussionist with the International Percussion Society, Gladstone Thistle Pipes and Drums and active in local performing arts with music group SAND.

Cr Churchill strongly believes in working together in harmony to help foster a culture of civic pride in the region and its communities, valuing the contribution of our various industries, community groups and rural producers. He recognises the very vital work Council does every day with support, innovation, connection and diversity for the benefit of the region and communities.

**Boards, Committees, Groups**

- Saiki Sister City Advisory Committee
- Gladstone PCYC Management Committee
- Gladstone Safe Night Precinct Public Consultative Committee
- Regional Arts Development Fund Committee
- Chair Disaster Recovery (Infrastructure).

☎ 0407 289 139

✉ Glenn.Churchill@gladstone.qld.gov.au





### CR NATALIA MUSZKAT

**First elected: 2018**

Councillor Muszkat is an experienced manager, facilitator and community development professional. She moved to the Gladstone Region in 2007 and lives

in Tannum Sands with her partner and two teenage sons.

Cr Muszkat has a great passion for community and social and human services, and in her years in the Gladstone Region, she has been instrumental in delivering a wide range of projects. These include traineeships for disadvantaged job seekers, domestic and family violence prevention programs, literacy initiatives, schools' bursaries, parenting programs and art and culture projects.

She is a proud co-founder of the not-for-profit social enterprise, Strong Communities Ltd, to promote wellness for children, parents, families and organisations in regional and remote communities. Cr Muszkat believes in continued grassroots community engagement, is currently the President of the Queensland Country Women's Association's Tannum Sands branch and contributed to the creation of the Gladstone University of the Third Age.

Cr Muszkat has a Bachelor in Workplace Health and Safety (with Distinction), a Diploma in Business Governance and is a Fellow of the Institute of Community Directors Australia. Cr Muszkat's diverse cultural and professional experience has taught her to always conduct herself with empathy, compassion and respect for all people's ideas and experiences.

#### **Boards, Committees, Groups**

- Audit Risk and Improvement Committee
- Coastal Council Adaptation Taskforce Executive Committee
- Reef Guardian Council Steering Committee
- Gladstone Local Marine Advisory Committee
- Reconciliation Action Plan Reference Group
- Philip Street Communities and Families Precinct Advisory Committee.

☎ 0436 646 201

✉ Natalia.Muszkat@gladstone.qld.gov.au



### CR RICK HANSEN

**First elected: 2006**

Councillor Rick Hansen has lived in Gladstone with his wife Lyndal and family for more than 40 years. Cr Hansen is extremely proud of the region with its blend

of industry, opportunity and environmental commitment.

He believes that we have it all in the Gladstone Region, from the beautiful beaches of Agnes Water/Seventeen Seventy and Tannum Sands to the scenic views of the valleys, mountains and the islands, coupled by the existence and potential of our great harbour. The region has enormous community pride and spirit.

Cr Hansen has been involved in the community extensively, worked in major industry for 19 years, owned and managed a small business for more than 20 years and has extensive knowledge of the small business sector. He has had a range of experience in administration and coaching in both rugby league and basketball. He has represented the community in Council since being first elected in 2006.

Cr Hansen has had various portfolio roles ranging from Infrastructure to Finance and Governance and was a past member of the Audit, Risk and Improvement Committee. He understands the business of Council from strategy and planning to community and finance and has a particular interest in the governance of the organisation.

He is Council's representative on the board of Gladstone Airport Corporation, Traffic Environment Advisory Group, Gladstone Area Promotional Development Limited (GAPDL) and other committees. He is the patron of the Gladstone Tennis and Squash Association, patron/life member of the Gladstone Amateur Basketball Association and is a member of the Gladstone Sunrise Rotary Club.

#### **Boards, Committees, Groups**

- Gladstone Area Promotion and Development Limited
- Gladstone Airport Corporation
- Transport Environment Advisory Group
- Local Authority Waste Management Action Committee Committee Member
- Central Queensland Regional Organisation of Councils Waste Management Committee Member.

☎ 0448 885 047

✉ Rick.Hansen@gladstone.qld.gov.au

## COUNCILLOR GOVERNANCE

Gladstone Regional Council's Mayor and eight Councillors make up the elected body responsible for the good rule and governing of the Gladstone Region.

The primary role for Councillors, as representatives of the overall public interest of the Gladstone Region, is to focus on policy development and strategic delivery of services. Councillors are responsible for planning and developing corporate plans and strategies to deliver outcomes to the community and provide strategic vision and leadership.

Council is constituted in accordance with the *Local Government Act 2009* (the Act) and the *Local Government Regulation 2012* (the Regulation) (collectively the Local Government Legislation) and operates in accordance with the five local government principles established in s4(2) of the Act:

1. Transparent and effective processes and decision-making in the public interest
2. Sustainable development and management of assets and infrastructure and delivery of effective services
3. Democratic representation, social inclusion and meaningful community engagement
4. Good governance of and by local government
5. Ethical and legal behaviour of Councillors, local government employees and council advisors.

Council conducts its business during General Meetings which are held on the first and third Tuesday of each month. On occasion, Special Meetings are held to make decisions on necessary matters such as the adoption of the Annual Budget (25 July 2022 and 20 June 2023).

The Local Government Legislation together with the Councillors Code of Conduct establishes principles and standards of behaviour expected of our Mayor and Councillors when carrying out their roles, responsibilities and obligations.

General Meetings are usually held in Council Chambers at 101 Goondoon Street and are open to the general public. General Meetings are also livestreamed and available for viewing at any time via our website. General Meetings proceed in accordance with our Council Meetings Procedures Policy and the meeting agendas and minutes are available on Council's website.

### COUNCILLOR COMMITTEES

Council has appointed and supports three formal Advisory Committees which are responsible for reporting to Council on specific matters. A summary of these committees is provided below:

*Table: Advisory Committees*

NAME	PURPOSE	FREQUENCY OF MEETINGS
Sister City Advisory Committee	To provide Council with strategic advice and support on ways to enhance the sister city program and relationship.	Once a month from February – November (10 times per year)
Gladstone Region Youth Council	To provide Council with advice on youth related matters within the region.	Once a month from March – December (nine times per year)
Philip Street Communities and Families Precinct Advisory Committee	To provide Council with advice on strategic planning, management and service delivery for the Precinct.	Once a month for a minimum of six times per year.

Council has also established the below groups to support the implementation of Local Government Legislation or Council policies:

- Gladstone Regional Council State Emergency Service Management Group
- Gladstone Regional Council Rural Fire Finance Committee
- Gladstone Regional Council Audit, Risk and Improvement Committee
- Reconciliation Action Plan Reference Group.

## COUNCIL MEETINGS

The *Local Government Act 2009* establishes a number of councillor responsibilities, one of which is the responsibility to participate in Council meetings. Section 186(c) of the Act requires Council to disclose the number of government meetings that each Councillor attended during the financial year.

There were 23 General and two Special Meetings held during 2022/23. Individual Councillor attendance at General and Special Meetings of Council are detailed below:

*Table: Council Meetings*

COUNCILLORS	TOTAL
Branthwaite, Darryl	19
Burnett, Matt (Mayor)	23
Cameron, Chris	25
Churchill, Glenn	25
Goodluck, Kahn (Deputy Mayor)	23
Hansen, Rick	24
Muszkat, Natalia	23
O'Grady, Desley	23
Trevor, Chris	19

## COUNCILLOR REMUNERATION

The Local Government Remuneration and Discipline Tribunal established under the *Local Government Act 2009* is responsible for determining the maximum remuneration payable to the Mayor, Deputy Mayor and Councillors. The total remuneration paid to Councillors for the full year in 2022/23 is detailed below.

*Table: Councillor Remuneration*

COUNCILLOR	DESCRIPTION	SALARY	SUPERANNUATION	TOTAL
Branthwaite, Darryl	Councillor	\$96,916.80	\$11,630.13	\$108,546.93
Burnett, Matt	Mayor	\$168,271.40	\$20,088.15	\$188,359.55
Cameron, Chris	Councillor	\$96,916.80	\$11,630.13	\$108,546.93
Churchill, Glenn	Councillor	\$96,916.80	\$11,630.13	\$108,546.93
Goodluck, Kahn	Deputy Mayor	\$110,134.07	\$11,544.03	\$121,678.10
Hansen, Rick	Councillor	\$96,916.80	\$11,630.13	\$108,546.93
Muszkat, Natalia	Councillor	\$96,916.80	\$11,630.13	\$108,546.93
O'Grady, Desley	Councillor	\$96,916.80	\$11,630.13	\$108,546.93
Trevor, Chris	Councillor	\$96,916.80	\$11,630.13	\$108,546.93

### COUNCILLOR OVERSEAS TRAVEL

Council's Corporate Plan identifies a strong desire to actively promote and support the region and enable its growth and prosperity. Council is required to disclose information about overseas travel of employees or Councillors during 2022/23.

In March 2023, Mayor Burnett was invited to attend the 2023 Smart City Summit and Expo in Taiwan. Attendance at the summit provided an opportunity for the Gladstone Region to seek out regional transition and renewable energy opportunities and to build relationships with key stakeholders.

Table: Councillor Overseas Travel

COUNCILLOR	DESTINATION	PURPOSE	COST
Burnett, Matt (Mayor)	Taiwan	Delegation to Taiwan for the 2023 Smart City Summit and Expo including meetings with key Taiwanese stakeholders	\$4,831.96

### COUNCILLOR EXPENSES AND PROVISION OF FACILITIES

Council's Councillor Expenses Reimbursement and Provision of Facilities Policy P-2021-38 affirms Council's commitment to ensuring that Councillors' business expenses are paid or reimbursed and that Councillors are provided with the necessary facilities to enable them to perform their duties.

Under the policy, payment or reimbursement of expenses and provision of facilities for Councillors is:

1. To occur in accordance with statutory requirements
2. To be open, transparent, prudent and responsible
3. Based on ensuring economy and efficiency
4. Subject to budget provisions.

Total expenses incurred by and facilities provided to Councillors in 2022/23 was \$195,441.54.

Table: Councillor Expenses

COUNCILLOR	TRAVEL AND ACCOMMODATION	HOSPITALITY	SEMINARS AND CONFERENCES	ICT	VEHICLE	PHONE	UNIFORM	TOTAL
Branthwaite, Darryl	\$5,884.85	\$234.28	\$2,900.00		\$14,373.46	\$640.42		\$24,033.01
Burnett, Matt (Mayor)	\$19,794.39	\$1352.57	\$1703.13	\$373.29	\$14,179.71	\$605.04	\$63.09	\$38,071.22
Cameron, Chris	\$4,235.16	\$247.92	\$1604.55		\$14,399.46	\$640.52		\$21,127.61
Churchill, Glenn	\$1,944.49	\$551.91	\$1,413.64		\$14,433.26	\$687.13		\$19,030.43
Goodluck, Kahn (Deputy Mayor)	\$4,838.11	\$553.55	\$1,545.45		\$14,433.26	\$643.64		\$22,014.01
Hansen, Rick	\$409.09				\$14,333.68	\$643.47		\$15,386.24
Muszkat, Natalia	\$3,607.89	\$332.69	\$436.36	\$64.20	\$14,690.40	\$678.56		\$19,810.10
O'Grady, Desley	\$4,561.03		\$2,034.77	\$11.82	\$13,854.76	\$1,028.95		\$21,491.33
Trevor, Chris					\$13,834.22	\$643.37		\$14,477.59

## OUR ORGANISATION STRUCTURE

Councils are made up of elected members (our Mayor and Councillors) and administration (our CEO, executives and employees). Our responsibility to our community is outlined in Section 12 and Section 13 of the *Local Government Act 2009*. Our Mayor and Councillors are responsible for representing the current and future interests of our region's residents and our CEO, executives and employees are responsible for delivering services to our community.

Following the resignation of our General Manager People, Culture and Safety this year, an opportunity was realised to reconsider our Executive Leadership Team structure. Proposed changes included merging two business units - 'Strategy & Transformation' and 'People Culture and Safety' to be a new streamlined 'People and Strategy' business unit, as well as business unit name changes for the 'Community Development and Events' and 'Strategic Asset Performance' to 'Community and Lifestyle' and 'Assets and Environment' respectively. On 22 July these changes were approved by Council to be implemented for the 2023/24 year.



# OUR ORGANISATION

Grounded in our vision to Connect, Innovate and Diversify, the structure of our organisation supports value-for-money service delivery to meet the changing needs of our community.

This is reflected through the structure comprised of seven business units, outlined below.



# EXECUTIVE LEADERSHIP TEAM



**LEISA DOWLING - CEO**

## CHIEF EXECUTIVE OFFICER

Leisa's local government career commenced with Gladstone Regional Council in September 2010 as Director Environment and Recreation. Prior to joining Council, Leisa had a lengthy career in state government, including senior roles in the department of local government. Leisa held the position of General Manager Strategy and Transformation before being appointed Chief Executive Officer (CEO) in November 2018. As CEO, Leisa is responsible for the overall strategic management of Council.

### Qualifications and memberships:

- Graduate Certificate in Public Sector Management
- Bachelor of Leisure Studies (Sports Management)
- Member - Local Government Managers Australia
- Graduate - Australian Institute of Company Directors.

## BUSINESS RESPONSIBILITIES

The CEO is responsible for the strategic management of the organisation.



**KYLIE LEE - General Manager**

## COMMUNITY DEVELOPMENT AND EVENTS

Kylie has more than 20 years' experience in community relations, communications, community engagement, events and investment. Prior to joining Gladstone Regional Council in February 2018, Kylie held leadership roles in a range of industries including ports, construction, mining, entertainment and local government, including eight years at the former Calliope Shire Council. Kylie was appointed General Manager Community Development and Events in February 2018.

### Qualifications and memberships:

- Graduate Diploma (Public Relations)
- Graduate Certificate Leadership (Progressing)
- Member - Local Government Managers Australia.

## SERVICES DELIVERED

We are here to develop strength in our brand and a genuine connection between community and Council, positioning Council as an accountable, transparent business that delivers on its promises. We create experiences that engage and deliver outcomes for the community and Council. We empower our community, embrace diversity and enhance our social landscape.

- **Brand and Communications**
- **Community Events**
- **Community Facility Maintenance**
- **Engagement and Partnerships**
- **Gladstone Entertainment Convention Centre**
- **Gladstone Regional Art Gallery and Museum**
- **Regional Libraries**
- **Tondoon Botanic Gardens**
- **Tourism.**

## EXECUTIVE LEADERSHIP TEAM



**ROB HUTH - General Manager**

### CUSTOMER EXPERIENCE

Rob has more than 35 years of local government experience. Rob commenced his career at the former Calliope Shire Council as a qualified carpenter and then held various positions including Civil Supervisor and Project Manager. In 2008, the greater Gladstone Regional Council was formed and Rob was appointed Manager Construction Projects. Soon after, his portfolio widened to include both construction and operational responsibilities of Council's transport infrastructure as Manager Roads Program Delivery. Rob was appointed General Manager Customer Experience in April 2021.

**Qualifications and memberships:**

- Advanced Diploma (Civil Construction)
- Diploma of Project Management
- Carpentry
- Agile Project Management Practitioner.

### SERVICES DELIVERED

We are here to direct and deliver high quality, low effort, cost effective customer, planning and regulatory services to strengthen customer experience, liveability and sustainable development.

- **Customer Solutions**
- **Development Services**
- **Animal Management**
- **Biosecurity and Environmental Health**
- **Local Law Compliance.**



**MARK HOLMES - General Manager**

### FINANCE, GOVERNANCE AND RISK

Mark has served in local government for 30 years, commencing with a traineeship at the former Dalrymple Shire Council. Mark worked at the former Calliope Shire Council for eight years in the positions of Manager of Finance and Director of Corporate and Community Services. Mark was appointed General Manager Finance, Governance and Risk in January 2018.

**Qualifications and memberships:**

- Certified Practicing Accountant
- Graduate Diploma (Accounting)
- Graduate Diploma (Local Government Management)
- Bachelor of Business (Accounting).

### SERVICES DELIVERED

We are here to build confidence and enable good decisions for a sustainable organisation and community. We also deliver a safe and efficient response to disaster and emergency events.

- **Disaster Management**
- **Contracts and Procurement**
- **Ethics, Integrity and Audit**
- **Financial Operations**
- **Governance and Risk**
- **Legal Services**
- **Revenue Services**
- **Systems Modelling and Metrics.**





**JOHN TUMBERS - General Manager**

## OPERATIONS

John joined Gladstone Regional Council in March 2019. John has a career background in operations and maintenance in the power generation, resources, ports and utilities sectors in New South Wales, South Australia, Western Australia and Queensland. Prior to joining Council, John was the Chief Operating Officer at the Gladstone Area Water Board.

**Qualifications and memberships:**

- Graduate Diploma (Maintenance Management).

### SERVICES DELIVERED

We are here to consistently use the right mix of internal and external resources to safely deliver the program of work on time, within budget and to the required quality.

- **Cemeteries and Crematorium**
- **Parks Program**
- **Quarries**
- **Roads Program**
- **Stores, Facilities and Fleet Management**
- **Waste and Resource Management**
- **Waste Water Program**
- **Water Program**
- **Works Planning and Scheduling.**



**THEUNIS MIENIE - General Manager**

## PEOPLE, CULTURE AND SAFETY

Theunis was appointed as General Manager People, Culture and Safety in November 2019. He has executive human resources experience across diverse sectors including mining, logistics, engineering, utilities and local government. He previously held the role as Chief People Officer at Wyndham City Council. His strengths are in working collaboratively with the Executive Team to develop and implement people and safety strategies and in building constructive organisational culture and capability to safely deliver services to our community.

**Qualifications and memberships:**

- Master of Science (Human Resources)
- Bachelor of Labour Relations Management
- Bachelor of Human Resources Management
- Certificate IV Workplace Health and Safety.

### SERVICES DELIVERED

We are here to build a safe, healthy, high performance culture across our organisation that reflects our community and its spirit, our organisational values and our internal diversity. We enable our organisation's success through partnering with our people to continually develop their capability, talent and performance.

- **Culture and Capability**
- **Health and Safety**
- **Payroll Services**
- **People Services**
- **Recruitment, Remuneration and Benefits**
- **Rehabilitation Health and Wellbeing.**

## EXECUTIVE LEADERSHIP TEAM



**MARK FRANCIS - General Manager**

### STRATEGIC ASSET PERFORMANCE

Mark moved to the region and joined Gladstone Regional Council in 2018. Mark has more than 20 years' experience in customer and community focussed leadership in financial services in Victoria and local government and telecoms sectors in the United Kingdom. He is passionate about making a positive contribution to the community by understanding their needs and delivering services they value. Mark was in the role of General Manager Customer Experience before being appointed General Manager Strategic Asset Performance in September 2020.

**Qualifications and memberships:**

- Master of Arts (Honours)
- Post Graduate Diploma (Business Admin)
- Member – Local Government Managers Australia.

### SERVICES DELIVERED

We are here to strategically manage our assets and level of service to optimise the life cycle costs of our assets. We ensure our services to the community are sustainable, efficient and affordable and that assets are appropriately planned, built, acquired, used, maintained and disposed off.

- **Asset Designs**
- **Asset Governance**
- **Asset Performance and Monitoring**
- **Asset Planning**
- **Engineering Asset Solutions**
- **Environment and Conservation**
- **Strategic Property Management.**



**CARLY QUINN - General Manager**

### STRATEGY AND TRANSFORMATION

Carly has a diverse background across the government, commercial and not-for-profit sectors, with a focus on strategy, change, marketing, events and community development. Carly's strength is in collaborating with multi-functional teams to find practical solutions to complex business problems. Her passion is in building the capability of our people to improve service delivery for our community. Carly was appointed General Manager Strategy and Transformation in September 2018.

**Qualifications and memberships:**

- Graduate Diploma of Strategic Leadership
- Advanced Diploma of Government
- Member - Local Government Managers Australia.

### SERVICES DELIVERED

We are here to develop the business strategy, process, innovation and technology agenda. We deliver change initiatives that enable Council to execute plans with a clear focus, a sense of shared purpose and agreed-upon priorities, as well as a basis for measuring progress and impact (organisationally and within the community). We lead the economic development of the Gladstone Region.

- **Business Improvement**
- **Information, Communication and Technology**
- **Strategic Business Planning**
- **Transformation**
- **Economic Development**
- **Strategic Projects.**



## SENIOR MANAGEMENT REMUNERATION

Senior Management (Council's CEO and General Managers) are engaged under fixed-term, performance-based contracts. The total remuneration packages payable to Council's Senior Management during 2022/23 was \$2,287,405.00 with the following distribution:

*Table: Distribution of Senior Management Remuneration*

REMUNERATION BAND	NUMBER OF SENIOR EXECUTIVES
\$200,000 - \$299,000	7
\$300,000 - \$399,000	0
\$400,000 - \$499,000	1

## EXECUTIVE LEADERSHIP & EMPLOYEE OVERSEAS TRAVEL

Council's Corporate Plan identifies a strong desire to actively promote and support the region and enable its growth and prosperity. Attendance at the World Hydrogen Summit 2023, Smart City Summit and Expo 2023 demonstrates Council's continued commitment towards this.

Attendance reports were presented to Council following each of these events:

- 16 May 2023 General Meeting: G/5.1. 2023 Smart City Summit and Expo
- 2 May 2023 General Meeting: G/4.1. 2023 World Hydrogen Summit – Rotterdam.

Council is required to disclose information about overseas travel for employees during 2022/23.

*Table: Employee Overseas Travel*

EMPLOYEE AND POSITION	DESTINATION	PURPOSE	COST
Economic Development Specialist	Rotterdam, Netherlands	Austrade/Trade and Investment Queensland (TIQ) delegation to the World Hydrogen Summit 2023.	\$8462.38
Economic Development Specialist	Taiwan, China	Delegation to Taiwan for the 2023 Smart City Summit and Expo including meetings with key Taiwanese stakeholders.	\$3390.27

## CORPORATE GOVERNANCE

Good governance is essential for Council to achieve its objectives legally, ethically and responsibly and to drive business improvement. Council has made a commitment to create a culture that minimises risk and maintains compliance by strengthening governance, risk management and compliance awareness processes, reporting and accountability.

### Accountable Council

Our Corporate Plan 2021-26 sets the goal of being an Accountable Council – providing good stewardship built on a foundation of trust. By 2026, Council seeks to have embedded risk management, transparency and accountability into what we do and to achieve five objectives to deliver that outcome:

1. Provide comprehensive risk management strategies for all identified risks
2. Improve decision making based on our risk assessments
3. Ensure we have a framework of policies and standards that continue to raise the bar
4. Ensure we comply with all legislative requirements to maintain community confidence
5. Improve access and visibility of our governance tools to the business.

### The Audit Committee

Gladstone Regional Council's Audit Risk and Improvement Committee (ARIC) is established under section 105(2) of the *Local Government Act 2009*.

In accordance with the *Local Government Regulation 2012*, ARIC in 2022/23 was comprised of three independent members and two Councillors (and two alternate Councillor members).

### Audit Committee Members

For the period 1 July 2022 to 30 June 2023:

- Kerry Phillips, Chair to December 2022 (External member and Financial Expert)
- Stephen Coates, Committee member to December 2023, Chair from January 2023 (External Member)
- Sandra Collins (External Member)
- Peter Sheville from January 2023 (External Member and Financial Expert)
- Councillor Natalia Muszkat (Councillor Representative)

- Councillor Desley O'Grady (Councillor Representative to October 2022 and Alternate Member from November 2022)
- Councillor Chris Cameron (Alternate Member to October 2022 and Councillor Representative from November 2022)

The primary objective of ARIC is to assist Council in fulfilling its oversight responsibilities relating to accounting, auditing and reporting.

ARIC supports Council by:

- Reviewing the financial statements and public accountability performance reporting
- Reviewing effectiveness of governance, risk management and control
- Promoting economic, efficient, effective and ethical culture
- Reviewing reliability of management information
- Monitoring and evaluating internal audit performance
- Reviewing effectiveness of fraud control measures
- Monitoring compliance with laws, regulations, standards and good practice.

ARIC reports to Council and has the authority to make recommendations with respect to matters within its scope of responsibility.

### Internal Audit

Internal audit is a key component of Council's corporate governance. It provides independent assurance that Council's policies, operations, systems and procedures meet appropriate standards of effectiveness, efficiency, propriety, regulatory requirements and good business practice, while adequately recognising and managing risk and complying with internal policies.

The Ethics, Integrity and Audit function operates in accordance with the Ethics, Integrity and Audit Policy and Charter, which is reviewed and endorsed by the ARIC every three years. The policy authorises appropriate access to all functions, records, property and personnel within Council, as well as direct access to the chair and independent members of the ARIC.

All members of Ethics, Integrity and Audit are obliged to apply and uphold the principles of integrity, objectivity, confidentiality and competency under the Institute of Internal Auditors' formal Code of Ethics. Ethics, Integrity and Audit provides a broad range of functions, in line with international standards for the

Professional Practice of Internal Auditing and best practice, including:

- Operational reviews
- Compliance reviews
- Special investigations
- Real-time assurance.

Ethics, Integrity and Audit applies a risk management approach to strategic and project planning, fieldwork and reporting and works closely with the corporate risk management function to ensure appropriate coverage across Council.

Ethics, Integrity and Audit operates independently from the core activities of Council, has a quality improvement program and is accountable to the CEO for its efficient, effective and economical operation. Ethics, Integrity and Audit also coordinates its activities with the external auditors to obtain satisfactory audit coverage and minimise duplication of effort.

During 2022/23, the Ethics, Integrity and Audit function completed nine internal audit reviews, three management requests and provided ad hoc advice to managers on a range of issues.

### List of Registers

Council maintains the following registers:

- Register of Roads
- Register of Assets
- Register of Preferred Supplier Arrangements, Pre-Qualified Suppliers, Long Term Contracts and sole/specialised suppliers
- Register of Offers (medium and large size procurements and successful awards)
- Register of Non-conformance
- Register of Contract Variations
- Register of Cost Recovery Fees
- Register of Local Laws (available on Council's website)
- Register of Contact with lobbyists
- Register of Delegations of Authority – Council to CEO and CEO to officers and/or contractors
- Register of Financial Delegations
- Register of Interests for CEO and Senior Executive Employees
- Register of Interests for Councillors (available on Council's website)
- Register of Councillors' related persons

- Register of Councillor Complaints (available on Council's website)
- Register of Council Owned/Managed Land
- Register of Leases
- Register of Development Assessment Applications, Approvals and Permits (available on Council's website)
- Register of Infrastructure Charges
- Register of Legal Documents
- Register of Backflow Prevention Devices
- Register of Onsite Sewerage
- Register of Trade Waste
- Register of Licensing
- Register of Stock Impoundment
- Register of Licences Under the Food Act 2006
- Register of Licences Under the Public Health (Infection Control and Personal Appearance Services) Act 2003
- Register of Biosecurity Invasive Plants
- Register of Animal Impoundment
- Register of Cats and Dogs
- Register of Abandoned Vehicle Impoundment
- Register of Impounded Animals
- Register of Parking Permits
- Register of Local Law Proactive Patrols.

### Risk Management

Through Council's Risk Management Framework (framework) Council endeavours to lower the likelihood of negative risks materialising, realise opportunities, improve performance, encourage innovation and support the achievement of Council's objectives, adding value for the entire community.

The framework, consisting of Council's Risk Management Policy and supporting Corporate Standards, procedures and tools, is based on AS ISO31000:2018 and provides a consistent approach to the identification, assessment and treatment of corporate, operational and project risks across Council.

During 2022/23, Council continued to mature its risk management practices with risks managed through Council's risk management software Beakon.

Strategically, risk management is considered in the development of Council's Corporate Plan, Operational Plan and Budget and is a key

consideration in Council's Investment Decision Framework. Council's risk profile is reported to the Executive Leadership Team on a monthly basis and Council's Audit Risk and Improvement Committee on a quarterly basis.

### Complaints Management

During 2022/23, our Customer Solutions Team managed 113,652 customer interactions. Customers that are dissatisfied with an act, inaction or decision of Council, can access Council's Complaints Management Process. Council receives various complaints including administrative action complaints, statutory reviews, complaints regarding the conduct of an employee, public interest disclosures, human rights complaints, petitions, competitive neutrality complaints and complaints regarding the CEO and Councillors. Each complaint is managed in accordance with the Complaints Management Process.

### Administrative Action Complaints

An Administrative Action Complaint (AAC) is defined in the *Local Government Act 2009* as a complaint that is about an administrative action of a local government and is made by an "Affected Person", that is, a person who is apparently directly affected by an administrative action of a local government or as defined in s43 of the Act, with respect to competitive neutrality.

AACs are managed in accordance with Council's Complaint Management Policy. Council views the complaints handling process as a valuable tool to identify avenues for continuous improvement and is committed to dealing with AACs in a fair and transparent manner.

In accordance with Council's Complaints Management Policy and procedures, when received, an AAC is recorded in Council's Complaint Management System and assigned a



Case Manager. The Case Manager will work with the relevant subject matter expert to determine an appropriate outcome and response. Where a customer is unsatisfied with an AAC outcome, the AAC will be referred to a Complaint Review Panel and ultimately can be escalated to the Queensland Ombudsman.

From the thousands of customer interactions during 2022/23, Council received 411 AACs and resolved 399. At 30 June 2023, Council had 12 unresolved AACs, each of which were received during 2022/23. Council was able to resolve 97 per cent of AACs received during 2022/23 with an average of 38 days to completion. No AACs received in 2021/22 remained outstanding at 30 June 2023.

### **Human Rights Complaints**

Human Rights Complaints (HRC) are complaints that refer to an act or decision made in a way that is incompatible with human rights or when

making a decision, Council fails to give proper consideration to the human right relevant to the decision. Council did not receive any HRCs during 2022/23.

### **Competitive Neutrality Complaints**

Competitive neutrality refers to the process of identifying and where appropriate, removing any advantages (and disadvantages) that may accrue to a local government business by virtue of its local government ownership so that the business competes on the same basis as its competitors.

No Competitive Neutrality Complaints were received in 2022/23.



# 3 OUR PERFORMANCE OUTCOMES

This section details Council's performance in delivering the 2022/23 Operational Plan. This is the second annual Operational Plan outworked from Council's 2021-26 Corporate Plan and details the initiatives and core services to deliver to meet our goals and our vision to Connect. Innovate. Diversify.

**1. Connecting Communities**

**2. Delivering Value**

**3. Resilient Economy**

**4. Our People**

**5. Accountable Council**





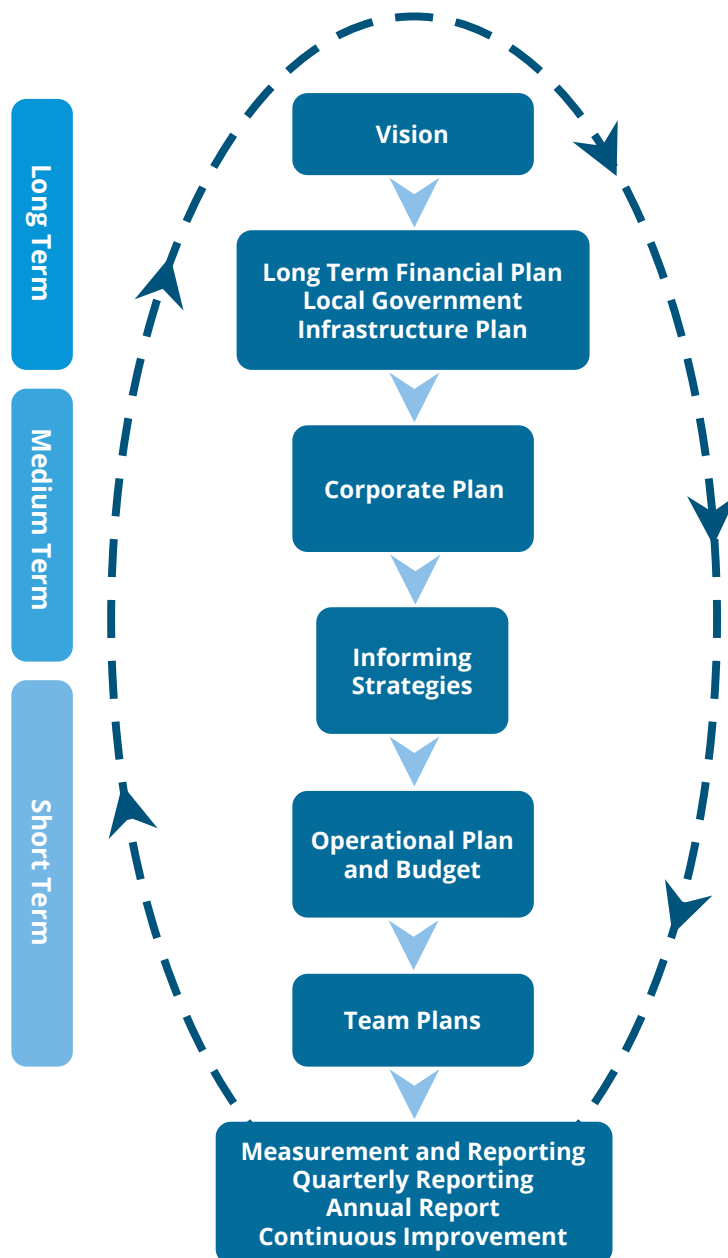
# OUR PERFORMANCE OUTCOMES

## Strategic Planning Framework

Our Strategic Planning Framework presents a systematic and continuous process for supporting Council's strategic direction. It plays an important part in delivering transparent and effective corporate governance and ensures that strategies and financial resources are aligned to achieve Council's corporate vision to **'Connect. Innovate. Diversify.'**

This vision is the element that guides all the work we do. The framework also includes long, medium and short-term plans which set direction for what we do and what we aim to achieve.

The below illustration demonstrates how our five-year Corporate Plan and annual Operational Plan align to the vision and other key strategic planning documents. Each year, we strive to complete initiatives within our annual Operational Plan to progress our Corporate Plan and vision.



## Demonstrated Performance

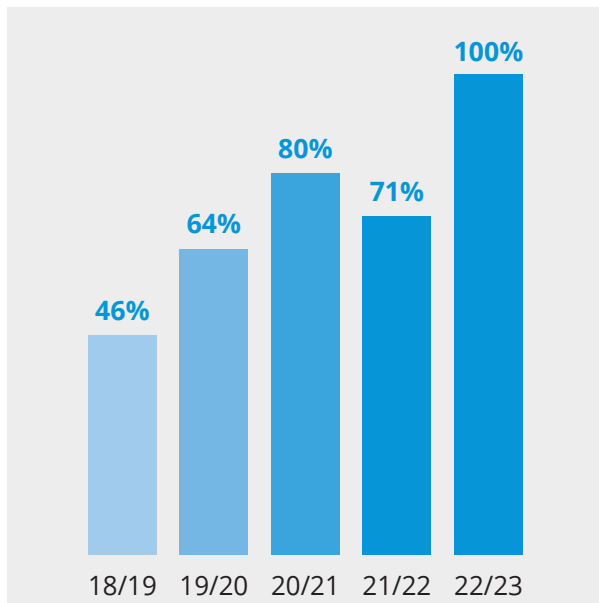
Council has committed to delivering our vision in our 2021-26 Corporate Plan. This includes five goals that filter through to our annual Operational Plan.

This year, our Operational Plan was led with the theme of 'Proudly GRC'.

Progress made over the year in delivering our initiatives supports us to progress our goals and moves us forward to deliver more for our community.



### Five year summary of completed actions



Our progress in achieving the commitments made in the 2022/23 Operational Plan is detailed on the following pages. Outcomes are broken down by each goal from our Corporate Plan, with our achievement status highlighted as below:

- Complete – Indicates that the initiative has been 100 per cent delivered
- Incomplete – Indicates that the initiative has not been 100 per cent delivered

INITIATIVE	Progress	Status
Community Profiling	100%	●
Works Delivery	100%	●
Understanding Future Waste Needs for our Region	100%	●
Enabling Future Industries with our Infrastructure	100%	●
Creating Constructive Culture	100%	●
Enabling Future Financial Sustainability	100%	●
Records Management	100%	●
Stretch Reconciliation Action Plan	100%	●

Reporting on our progress toward implementing our five-year Corporate Plan and annual Operational Plan fulfils our responsibilities under *Section 190 of the Local Government Regulation 2012*, while providing a transparent view of how we are delivering for our community.



# Connecting Communities



## CONNECTING COMMUNITIES

We work with you and for you, supporting the success of our communities.



## SCORECARD OVERVIEW

**1/1**  
**INITIATIVE  
ACHIEVED**

Our 2021-26 Corporate Plan includes two outcomes that progress our goal of connecting communities.

1.1 Communities are well understood with programs and services designed to strengthen our region.

1.2 Communities can influence and actively participate in Council decision-making.

1.05M

SOCIAL MEDIA  
INTERACTIONS

918,470

WEBSITE  
PAGE VIEWS

234,990

VISITS TO OUR  
LIBRARIES

This year we progressed our commitment to connecting communities through nine core services and one initiatives.

**Initiatives:**

- Community Profiling 2.0.

The 2021/22 Operational Plan Initiative, Community Profiling 1.0, was delivered in 2022/23, after being extended so we could capture more recent data released from the 2021 Census.

**Core Services:**

- Brand and Communications
- Community Events
- Community Facility Management
- Customer Solutions
- Development Services
- Engagement and Partnerships
- Gladstone Regional Art Gallery & Museum
- Gladstone Regional Libraries
- Tondoon Botanic Gardens.



# COMMUNITY PROFILING

Develop community snapshots to strengthen the way we deliver our services.



Initiative	Outcome	Status
<p><b>Community Profiling</b></p>	<p>A series of community profiles have been developed that offer rich context about our local communities, enabling us to tailor how we plan for and deliver our services.</p> <p>These profiles serve as a useful tool for Council, investors and our communities, to better understand our region. They combine 10 years of Census data, as well as data sourced from Gladstone Region Engaging in Action Together and Council, to present snapshots of the following areas in our region:</p> <ul style="list-style-type: none"> <li>• Agnes Water and Seventeen Seventy</li> <li>• Baffle Creek, Deepwater and Rules Beach</li> <li>• Benaraby</li> <li>• Boyne Island and Tannum Sands</li> <li>• Boyne Valley</li> <li>• Calliope</li> <li>• Gladstone</li> <li>• Mount Larcom</li> <li>• New Auckland.</li> </ul> <p>We encourage you to visit our website to find out more: <a href="http://www.gladstone.qld.gov.au/demographics">www.gladstone.qld.gov.au/demographics</a></p> <p>The release of these profiles enables Council to progress Objective 1.1.1 of our Corporate Plan 2021-26, by improving our understanding of our communities and customers to enhance the way we design and deliver our services.</p>	<p><b>COMPLETE</b></p>



# Delivering Value



## DELIVERING VALUE

We work efficiently to deliver value for rates.





## SCORECARD OVERVIEW

2/2

INITIATIVES  
ACHIEVED

Our 2021-26 Corporate Plan includes four outcomes that progress our goal of delivering value.

2.1 Asset Management is smart, effective and efficient.

2.2 Capital and maintenance programs are consistently delivered.

2.3 We are easier to work with.

2.4 The way we do business is continuously improving.

# 200,344

VISITS TO OUR  
LANDFILL AND  
TRANSFER STATIONS

# 113,652

CUSTOMER SERVICE  
INTERACTIONS

# 2197

POTHoles  
REPAIRED

This year we progressed our commitment to delivering value through 18 core services and two initiatives.

### Initiatives:

- Works Delivery
- Understanding Future Waste Needs for our Region.

### Core Services:

- Asset Design
- Asset Governance
- Asset Performance and Monitoring
- Asset Planning
- Business Improvement
- Cemeteries and Crematorium
- Engineering Asset Solutions
- Information, Communication and Technology
- Parks Program
- Quarries Roads Program
- Roads Program
- Stores, Facilities and Fleet Management
- Strategic Business Planning
- Transformation
- Waste and Resource Management
- Waste Water Program
- Water Program
- Works Planning and Scheduling.





## GOAL 2 DELIVERING VALUE

# WORKS DELIVERY

Make it easier for our frontline teams to deliver achievable and affordable maintenance works programs to meet our community needs.



Initiative	Outcome	Status
<p><b>Works Delivery</b></p>	<p>The Works Delivery Initiative is a multi-year program focused on improving how we deliver maintenance. Our overall goal is to ensure our assets are available in an acceptable condition and meeting the expectations of our community.</p> <p>This year the Works Delivery initiative has progressed multiple objectives from our Corporate Plan 2021-26. We have developed business processes for transitioning to a single source of truth reliable data (Objective 2.1.2), worked towards implementing of robust workflows for efficient maintenance programs (Objective 2.2.1) and improved business processes and systems to make it easier for our employees to do their work and serve our community in the future (Objective 2.3.2). This initiative involves heavy cross-functional collaboration and while it holds a primary focus on the above noted objectives, it progresses a broad range of objectives throughout our Corporate Plan 2021-26.</p> <p>This initiative delivered foundational work that is critical to enabling on the ground changes throughout 2023/24 and 2024/25.</p>	<p><b>COMPLETE</b></p>

## GOAL 2 DELIVERING VALUE

# UNDERSTANDING FUTURE WASTE NEEDS FOR OUR REGION

Develop a plan to ensure we understand and meet the needs of our community and deliver the best value waste management service into the future.



Initiative	Outcome	Status
<p><b>Understanding Future Waste Needs for our Region</b></p>	<p>We now have a finalised Gladstone Region Waste Plan which details industry context, targets, the current state of Council's waste assets and services, key levers and intervention options. This plan enables Council to have a more informed understanding of our community's needs and sets a direction for the future of sustainable waste management for our business.</p> <p>Actions from the Gladstone Region Waste Plan will feed into day-to-day operations for our people, as we continue sustainable waste management for our region. The <i>2023/24 Operational Plan</i> also captures a piece of this work, through the Community Waste Education initiative. This initiative aims to deliver community education to support behavioural change regarding waste habits, to reduce contamination, positively impact climate change and extend landfill life.</p> <p>In the final months leading up to the close of this initiative, we continued to collaborate with Central Queensland Region of Councils (CQROC) to finalise the Central Queensland Regional Waste Management Plan. This plan sets a strategic direction for future service planning and decision-making at a local level across Central Queensland. This plan also offers insight into Central Queensland's overall and localised needs, which the State Government requires to be able to make informed decisions about funding allocations. This plan has now been endorsed by Council as well as CQROC and will drive continued regional collaboration.</p> <p>Delivery of this initiative progresses Objective 2.1.3 of our Corporate Plan 2021-26, which commits to focusing on proactive and preventative approaches in our asset planning.</p>	<p><b>COMPLETE</b></p>



## RESILIENT ECONOMY

We play our part in supporting the success of our region.



## SCORECARD OVERVIEW

**1/1**  
INITIATIVES  
ACHIEVED

Our 2021-26 Corporate Plan includes two outcomes that progress our goal of resilient economy.

3.1 Support for the region's transition and role as a driver of economic growth.

3.2 Increased liveability and visitation to the region.

**\$33.1M**

IN EXTERNAL  
FUNDING SOURCED  
AND SECURED

**95,290**

PATRONS AT  
GLADSTONE  
ENTERTAINMENT  
CONVENTION CENTRE

**6427**

VISITORS TO OUR  
GRANTGURU WEBSITE

This year we progressed our commitment to fostering a resilient economy through five core services and one initiative.

**Initiative:**

- Enabling Future Industries with our Infrastructure.

**Core services:**

- Disaster Management
- Economic Development
- Gladstone Entertainment Convention Centre
- Strategic Projects
- Tourism.





## GOAL 3 RESILIENT ECONOMY

# ENABLING FUTURE INDUSTRIES WITH OUR INFRASTRUCTURE

Understanding what proponents need, what role Council plays and how Council will deliver.



Initiative	Outcome	Status
<p><b>Enabling Future Industries with our Infrastructure</b></p>	<p>We are pleased to have finalised technical reports and new processes that set us up to enable future industries with our infrastructure. These technical reports and processes provide us with a strong foundation for working with proponents and provide clarity around what the shared infrastructure requirements are within the Gladstone State Development Area (GSDA) and what that means for new investments in that area. The GSDA encompasses the land near Yarwun and Mount Larcom that is governed by the State Government and is zoned for major industrial development.</p> <p>To ensure successful delivery of this project, additional funding was required which was facilitated through reallocation of funds from cost savings in projects undertaken by our Asset Planning Team. These additional funds went towards external resourcing to address an increase in the scope for our technical analysis.</p> <p>The finalised technical reports are being used to facilitate discussions with the State Government and proponents about how to manage waste in the GSDA and the investments that would be required. Throughout the year, we worked closely with the State Government and industry proponents to understand their future needs, which allowed us to build stronger cross industry connections and produce more accurate modelling. We also consulted with water and sewerage providers in other Regional Hydrogen Hubs to help us shape a more informed and considered process.</p> <p>The industry enquiries process has been finalised and will roll into business as usual for our Economic Development Team. As this process is implemented, it will streamline how we engage and communicate with industry proponents looking to invest in our region. It also offers proponents a better understanding of how to engage with us and what the infrastructure requirements are within the GSDA.</p> <p>Delivering this initiative progresses our Corporate Plan 2021-26 commitments to support a diverse economy of existing and emerging industries (Objective 3.1.1), and encourages investment in, delivery of and enabling infrastructure and catalyst project opportunities (Objective 3.1.2).</p>	<p><b>COMPLETE</b></p>



# FOUR

*Our People*



## OUR PEOPLE

We look after our people,  
so they look after you.



## SCORECARD OVERVIEW

**1/1**  
**INITIATIVES  
ACHIEVED**

Our 2021-26 Corporate Plan includes two outcomes that progress our goal of 'Our People'.

4.1 Our people return home safely.

4.2 Our people are proud to work for Council.

**263**  
RECRUITMENTS

**12,242**  
HOURS OF FACE  
TO FACE TRAINING  
COMPLETED

**20**  
WORK EXPERIENCE  
PLACEMENTS

This year we progressed our unwavering commitment to our people through six core services and one initiative.

**Initiatives:**

- Creating Constructive Culture.

**Core Services:**

- Culture and Capability
- Health and Safety
- Payroll Services
- People Services
- Recruitment, Remuneration and Benefits
- Rehabilitation, Health and Wellbeing.



## GOAL 4 OUR PEOPLE

# CREATING CONSTRUCTIVE CULTURE

Collectively work together to deliver the Culture Action Plan.



Initiative	Outcome	Status
<p><b>Creating Constructive Culture</b></p>	<p>We are proud to share that our people have worked together to progress the delivery of our Culture Action Plan, finalising the 12-month view of this multi-year initiative. Our Culture Steering Group and five Working Groups (WGs) completed all the required deliverables for 2022/23 and embedded positive change within the business.</p> <p>Council's Culture Action Plan enables us to look after our people, so they look after you. It has also enabled us to progress towards Council's ideal constructive culture which will ensure an engaged, efficient and productive workforce that is delivering for our community.</p> <p>Our focus areas this year were clarifying our mission, building constructive leaders, celebrating our achievements, making change stick and ensuring we are constructive. As part of our multi-year commitment to improving our culture, this initiative will roll into the <i>2023/24 Operational Plan</i> keeping a focus on clarifying our mission, building constructive leaders and ensuring we are constructive. It will also introduce new focus areas of optimising our decision making and creating career pathways.</p> <p>This year, we have seen a breakdown in barriers, with more cross-functional relationship building, improved communications between our people as well as enhanced engagement, celebration and gratitude. We look forward to continuing our culture journey into the new year.</p> <p>Delivery of this initiative progresses Objective 4.2.5 from our Corporate Plan 2021-26, which commits to further improving employee experience. It also supports us in making Council a place our people are proud to work for, progressing Outcome 4.2 of our Corporate Plan and echoing the 2022/23 Operational Plan theme of #ProudlyGRC.</p>	<p><b>COMPLETE</b></p>



# Accountable Council



## ACCOUNTABLE COUNCIL

We are providing good stewardship built on a foundation of trust.



## SCORECARD OVERVIEW

**3/3**

**INITIATIVES  
ACHIEVED**

5.1 Council has embedded risk management, transparency and accountability into what we do.

5.2 Finances are managed to ensure sustainability.

5.3 The environment is front of mind in what we do.

# 177,944

RECORDS REGISTERED  
IN OUR PRIMARY  
RECORD KEEPING  
SYSTEM

# 5615

TREES AND PLANTS  
PLANTED

# 399

RESOLVED  
ADMINISTRATION  
ACTION COMPLAINTS  
IN 2022/23

This year we progressed our commitment to being an accountable council through 12 core services and three initiatives.

Initiatives:

- Enabling Future Financial Sustainability
- Records Management
- Stretch Reconciliation Action Plan.

Core Services:

- Animal Management
- Biosecurity and Environmental Health
- Contracts and Procurement
- Environment and Conservation
- Ethics, Integrity and Audit
- Financial Operations
- Governance and Risk
- Legal Services
- Local Law Compliance
- Revenue Services
- Strategic Property Management
- Systems Modelling and Metrics.





# ENABLING FUTURE FINANCIAL SUSTAINABILITY

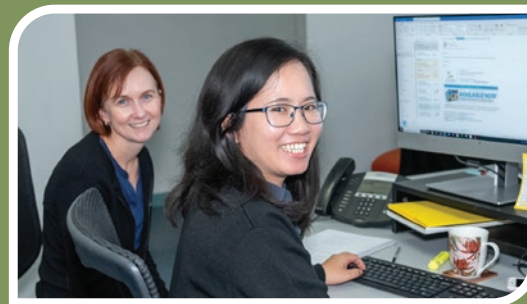
Identify and prioritise current and future opportunities to position Council optimally to deliver sustainable services to the community.



Initiative	Outcome	Status
<p><b>Enabling Future Financial Sustainability</b></p>	<p>We are proud to finalise this initiative with 13 prioritised actions that hold strong potential in positioning Council to deliver financially sustainable services to the community now and into the future. As the prioritised actions are outworked, we expect to see revenue increases, expense decreases and more efficient operations.</p> <p>An approach to outwork the proposed actions has been endorsed by the Executive Leadership Team. Ongoing monitoring and reporting of financial sustainability, including annual reviews, will be undertaken by our Finance, Governance and Risk Business Unit.</p> <p>An Opportunity Schedule was developed as part of the initiative and will continue to be updated as new opportunities arise. It will also be reviewed each year as we prepare for our annual budget.</p> <p>It is important that we manage our finances sustainably and we have made this commitment in our Corporate Plan 2021-26 as Outcome 5.2. Completion of this initiative progresses the objectives that flow out of this, including continued embedding of good financial practices into our decision making (Objective 5.2.1) and improving our long-term asset and financial plans to meet community needs (Objective 5.2.2).</p> <p>The work coming out of this initiative has generated robust discussion across the business and stimulated a high level of interest. Emphasising financial sustainability has allowed us to not only embed good financial decision making but also encouraged it from the ground up in our everyday actions and decisions.</p> <p>In late 2022, resourcing constraints and competing business priorities were impacting the initiative’s delivery, so it was agreed to extend delivery to June 2023 to ensure we could produce meaningful results.</p>	<p><b>COMPLETE</b></p>

# RECORDS MANAGEMENT

Improve record-keeping practices to support transparency and decision making.



Initiative	Outcome	Status
<p><b>Records Management</b></p>	<p>We are proud to report the successful delivery of the Records Management initiative which has improved our record-keeping practices to support transparency and decision making.</p> <p>This initiative has set a foundation and enhanced our record-keeping culture, improving how we manage our records. Our Records Management Framework and Corporate Standard have been updated, making it easier for our people to understand their responsibilities. We completed a comprehensive review of our Records Management Framework which showed we are compliant with regulations and best practice. This process also helped us to identify continuous improvement opportunities for the next three years, as part of our Records Management team's day-to-day operations. We have introduced new software, delivered training to our people, established a group of internal record-keeping advocates and introduced an internal information source on our intranet. These achievements support continued best practice in records management at Council. Embedding good practice into our day-to-day operations will continue business wide.</p> <p>Completion of this initiative progresses Objective 5.1.4 of our Corporate Plan 2021-26, which commits to ensuring we comply with all legislative requirements to maintain community confidence.</p> <p>Appropriate recordkeeping is the cornerstone of good governance. It supports Council to act as good stewards and ensures we meet our legal and ethical responsibilities. Having good record-keeping practices embedded in our business also means that we can easily access trustworthy information, making us more efficient in delivering services to our community.</p>	<p><b>COMPLETE</b></p>

# STRETCH RECONCILIATION ACTION PLAN

Collectively develop Council's third Reconciliation Action Plan (Stretch) to build on our existing reconciliation journey and embed First Nations considerations into the way we work.



Initiative	Outcome	Status
<p><b>Stretch Reconciliation Action Plan</b></p>	<p>Council's third Reconciliation Action Plan (RAP) was finalised in June 2023, marking the completion of this initiative. Our 2023-25 Innovate RAP builds on our existing reconciliation journey and embeds First Nations consideration into the way we work.</p> <p>While we originally anticipated delivery by December 2022, changes to the approach in response to advice from Reconciliation Australia (RA) resulted in extensions to the initiative. In late 2022, RA advised that Council should invest in a second <i>Innovate RAP</i> to strengthen our foundations and relationships before progressing to a Stretch RAP. At this point, we decided to extend delivery of this initiative to 31 March 2023 to account for this change. The community engagement and collaboration with Council's RAP Reference Group and RA in early 2023 provided us with further constructive feedback, allowing us to make additional improvements to the plan. So that we could capture and apply this feedback in a meaningful way, a decision was made to further extend the initiative to 30 June 2023.</p> <p>In early 2023, a decision was made to design the document in house with our Brand and Communications Team, so the allocated funds for this initiative were no longer required. These funds were reallocated to support other reconciliation related initiatives, including the requisition of resources for NAIDOC Week 2023/24. In May 2023, RA conditionally endorsed our <i>2023-25 Innovate RAP</i>. Council endorsed our final product on 20 June 2023, marking finalisation of our <i>Innovate RAP</i> and completion of this initiative.</p> <p>Council's First Nations Liaison Officer will facilitate the implementation of our <i>2023-25 Innovate RAP</i> in partnership with Council's RAP Reference Group, various teams across the organisation and key community groups. We look forward to delivering this plan to ensure continued success in our region's reconciliation journey. You can find out more about our region's reconciliation journey on Council's website at <a href="http://www.gladstone.qld.gov.au/reconciliation-action-plan">www.gladstone.qld.gov.au/reconciliation-action-plan</a></p> <p>Delivering this initiative progresses Objective 5.1.3 of our Corporate Plan 2021-26 which commits to ensuring we have a framework of policies and standards that continues to raise the bar.</p>	<p><b>COMPLETE</b></p>

# 4 STATUTORY REPORTING

This section details the annual statutory reporting requirements that have not already been included elsewhere in the Annual Report.

It includes information about how we respond to complaints and requests for information, details our investment into our community and discloses key information about our business operations.



## GOVERNANCE

### RIGHT TO INFORMATION/INFORMATION PRIVACY

Council is committed to providing the community with open and transparent access to information about Council services, activities and business operations.

In 2022/23 Council received the following formal access requests for information under the *Right to Information Act 2009 (RTI Act)* and the *Information Privacy Act 2009 (IP Act)*:

Table: Requests for Information

APPLICATION TYPE	RECEIVED	WITHDRAWN	FINALISED
Access under the <i>RTI Act</i>	12	2	10
Access under the <i>IP Act</i>	8	0	8

Council works closely with the Office of the Information Commissioner Queensland and adheres to all statutory timeframes with respect to the above applications.

### EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

Section 189 of the *Local Government Regulation 2012* requires Council to provide a summary of the expenditure on grants to community organisations and expenditure from Council's discretionary funds.

### COUNCILLORS DISCRETIONARY FUND - \$189

Gladstone Regional Council no longer offers and operates the Councillors Discretionary Fund.

### DONATIONS

In 2022/23, a total of \$1,819,915 was donated to the community as outlined in the below table:

Table: Community Donations

CATEGORY	AMOUNT
Surf Life Saving	\$381,207
Sporting Body Water Subsidies	\$648,459
Rural Fire Brigade	\$240,500
Port to Park Fund Run	\$8,076
Community Service Obligations	\$32,756
Calliope Country Club	\$20,000
Capricorn Helicopter Rescue	\$25,000
Regional Arts Development Fund	\$116,076
Together Gladstone Fund	\$109,564
Gladstone Harbor Festival	\$74,566
Martin Hanson Awards	\$29,529
Animal Desexing Program & Pound Upgrades	\$20,000
Sister City Relationship / Program	\$4,880
Hydrogen Grand Prix	\$4,545
Skateboarding Festival	\$7,200
Hockey Qld U13 Boys State Championships	\$9,200
Champions League 3x3 Basketball	\$12,200
Best in Business Awards	\$6,000
First Nations Conference	\$4,545
Dolphins Trial game v CQ Capras	\$30,000
Meteors Sporting Club - parking for events	\$6,900
Other Donations & Sponsorships	\$28,712

## COMMUNITY INVESTMENT

In 2022/23, a total of \$937,530 was granted to the community in accordance with Council's Community Investment Policy as outlined below:

### COMMUNITY INVESTMENT PROGRAMS

Table: Community Investment Programs

CATEGORY	AMOUNT
Grassroots Fund	\$123,528
Elevator Fund	\$212,951
Community Hall Subsidy	\$41,100
Gladstone & District Sports Foundation Trust	\$4,000
Charity Waste Fund	\$16,804
Bursary and Scholarship Fund	\$27,200
Strategic Projects Fund	\$73,216
Community Donations Fund	\$5,678

### COMMUNITY CELEBRATION FUND

Table: Community Celebration Fund

CATEGORY	AMOUNT
Ignite Event - Funds up to \$15,000 (0-2,500 people)	\$97,918
Impact Event - Funds up to \$30,000 (2,500 - 5,000 people)	\$125,766
Destination Event - Funds up to \$50,000 (over 5,000 people)	\$58,250
Signature Event	\$144,319
Community Event	\$6,800

### CONCESSIONS FOR RATES AND CHARGES

In 2022/23, Council granted concessions for rates and charges in the following categories:

Table: Concessions for Rates and Charges

CATEGORY	AMOUNT
General Rates Discounts	\$9,185,256.83
Pensioner Remissions	\$1,026,360.65
Concealed Water Leak Concessions (under Policy)	\$42,847.88
Water/Sewer Concessions	Water \$288,803.20 Sewer \$240,097.00 Consumption \$150,037.68 Total Concessions \$678,937.88
Out of Policy Concessions	\$0

## DISCLOSURES

### SIGNIFICANT BUSINESS ACTIVITIES

A Significant Business Activity (SBA) is a business activity of a local government that:

- (a) is conducted in competition or potential competition with the private sector (excluding a building certifying activity, a roads activity or an activity related to the provision of library services); and
- (b) meets the threshold prescribed under a regulation.

During 2022/23, Council undertook the following SBAs to which the code of competitive conduct was applied:

- Water
- Sewerage
- Waste Management
- Plant Operations.

No new SBAs were undertaken in 2022/23.

### PUBLIC BENEFIT - S 46(1)

As there were no new SBAs, Council did not undertake any public benefit assessments during 2022/23.

### COMMERCIAL BUSINESS UNITS - S190(1)

A Commercial Business Unit (CBU) is defined in the *Local Government Act 2009* as a business unit that conducts business in accordance with the key principles of commercialisation, including clarity of objectives, management autonomy and authority, accountability for performance and competitive neutrality.

No CBUs were undertaken by Council in 2022/23.

### JOINT GOVERNMENT ACTIVITY - S109(1)(D)

Council is required to disclose details of any joint local government activities, such as action taken for, and expenditure on a service, facility or activity:

- Supplied by another local government under an agreement for conducting a joint government activity; and
- For which the local government levied special rates or charges for the financial year.

Council did not undertake any joint local government activities in 2022/23.





## BENEFICIAL ENTERPRISES – S41

A beneficial enterprise is an enterprise conducted by Council that Council considers is directed to benefitting, and can reasonably be expected to benefit, the whole or part of the local government area. Gladstone Area Promotion and Development Limited was the only beneficial enterprise conducted by Council in 2022/23.

## INVITATION TO CHANGE TENDERS

In 2022/23, Gladstone Regional Council required changes to tender specifications after the closing date of the tender, in accordance with s228(8) of the *Local Government Regulation 2012*, on only one occasion:

- Tender 79-23 Installation of Precast Concrete Bridge Piles and Headstock at Tom Jeffery Memorial Park.

## ORDERS AND RECOMMENDATIONS

Councillor conduct is governed by the provisions of the *Local Government Act 2009* and *Local Government Regulation 2012* and Council's Councillor Code of Conduct Policy adopted by Council on 19 January 2021 (via resolution GM/20/4420). The Councillor Code of Conduct

Policy confirms Council's commitment to adhere to the standards of behaviour outlined in the Code of Conduct for Councillors in Queensland.

The Act establishes a range of consequences for failing to comply with the Code of Conduct. In 2022/23, there were no decisions, orders or recommendations made under ss150I(2), 150AH(1) or 150AR(1) of the Act against a Councillor.

## COUNCILLOR COMPLAINTS AND MISCONDUCT

The Office of the Independent Assessor (OIA) is responsible for the assessment and investigation of complaints of inappropriate conduct or misconduct of Councillors.

In 2022/23, two complaints against Councillors were assessed by the OIA. Both complaints were dismissed as not raising a reasonable suspicion of inappropriate conduct or misconduct, with no further action being taken with respect to the remaining complaints.

Councillor Complaints are detailed in Council's Councillor Conduct Register available to the public on Council's website.



# 5 OUR FINANCIAL PERFORMANCE

This section highlights our financial performance in our Community Financial Report, which provides an overview of our key financial outcomes. This section also includes our consolidated financial statements.



## COMMUNITY FINANCIAL REPORT

This report provides a summary of the financial position and performance of Council and its controlled entities (consolidated results) for the 2022/23 financial year. It is designed to be easily understood by readers who do not have a financial background. The following presents Council's:

### 1. Financial Sustainability

Evaluation of ratios providing evidence of Council's ability to provide services and to continue operating long term

### 2. Financial Overview

Key financial results, income and expenditure breakdowns, cash flows, refinancing of borrowings and asset review.

### Measures of Sustainability

Council aims to operate in a manner that ensures financial sustainability in the short and long term. Council uses a series of sustainability ratios that collectively act as a guide to understand the health of the organisation.

Ratios are presented monthly to Council to ensure Council is fully informed and in a position to identify any corrective action necessary.

Individually, ratios may not provide enough information to form a full opinion on Council's financial position and performance, however when considered in combination, these ratios combined with financial results, form an important tool to analyse annual results and to compare performance to other Councils. This contributes to good decision making and sustainable use of resources now and into the future.

The following table presents consolidated group results.

● Achieved ● Not achieved but improved from last financial year ● Not achieved

Table: Sustainability Ratios

RATIO	DESCRIPTION	TARGET	STATUS	ACTUAL 2022/23*	FORECAST 2023/24	FORECAST 2024/25
Operating Surplus Ratio	The operating surplus ratio measures the percentage by which our operating revenue varies from our operating expenses. It indicates our financial capacity and ability to fund ongoing operations.	Between 0 and 10%	●	5.4%	2.9%	0.2%

Council made an operating profit of \$13.2M in 2022/23. This result is an increase of \$18.8M from the previous financial year and is predominantly due to a larger than anticipated Gladstone Area Water Board (GAWB) dividend. The operating surplus ratio result is 5.4 per cent. A positive result for this ratio indicates that operating revenue can be used to fund capital expenditure on top of the operational costs of Council.

RATIO	DESCRIPTION	TARGET	STATUS	ACTUAL 2022/23*	FORECAST 2023/24	FORECAST 2024/25
Asset Sustainability Ratio	This ratio indicates whether we are renewing or replacing existing non-financial assets at the same rate that the assets are wearing out.	Greater than 90%	●	88.8%	67.1%	61.7%

Expenditure on asset replacement is expected to decrease in the 2023/24 and 2024/25 years, with an increased focus on new and upgrade works. The 2022/23 result of 88.8 per cent has increased from 62.6 per cent in 2021/22. When considering the renewal of Council's asset base, it is expected that there will be periods of heavier investment. It is important to consider the long-term trends when looking at this indicator as Council's infrastructure assets have lives up to, and in some cases, exceeding 100 years.

RATIO	DESCRIPTION	TARGET	STATUS	ACTUAL 2022/23*	FORECAST 2023/24	FORECAST 2024/25
Net Financial Liabilities Ratio	The net financial liabilities ratio measures Council's ability to pay its obligations by comparing its debt to its assets. It shows our ability to pay off the net amount with operational income if we were called to do so.	Below 60%	●	20.8%	24.5%	34.8%

Council uses the net financial liabilities ratio to monitor the extent to which financial liabilities can be serviced by its operating revenue. A positive value less than 60 per cent indicates that Council has the capacity to fund its liabilities and increase its loan borrowings. The 2022/23 position of 20.8 per cent is within target levels and reflects an ability to service further debt, if necessary.

RATIO	DESCRIPTION	TARGET	STATUS	ACTUAL 2022/23*	FORECAST 2023/24	FORECAST 2024/25
Working Capital Ratio	The working capital ratio measures the ability of Council to meet its short term debt obligations. If the value is greater than one, it means the short term obligations are fully covered. A ratio greater than one also indicates that Council is less likely to fall into financial difficulties.	Greater than 1	●	2.8	3.0	2.5

With a working capital ratio of 2.8 Council is well positioned to continue to fund its short-term obligations. If the value is greater than one, it means Council is in good financial health. These results are strengthened by a healthy cash balance.

RATIO	DESCRIPTION	TARGET	STATUS	ACTUAL 2022/23*	FORECAST 2023/24	FORECAST 2024/25
Net Interest Coverage Ratio	This ratio provides the share of operating revenue that is committed to covering the gap between interest earned and interest paid. It is an indicator of our ability to meet our interest payments. For this ratio a low result is desirable.	Between 0% and 10%	●	-1.1%	-0.5%	-1.1%

This result is under the target range of 0-10 per cent and has significantly reduced as a result of refinancing under lower interest rates in the 2020/21 year along with the current increase in investment interest rates.

RATIO	DESCRIPTION	TARGET	STATUS	ACTUAL 2022/23*	FORECAST 2023/24	FORECAST 2024/25
Debt Service Coverage	This ratio measures the ability of Council to use its operating cash flows to repay its debt obligations.	Greater than 2	●	7.2	6.6	6.7

At the ratio of 7.2 Council is currently well above the target for its debt service coverage ratio indicating Council can service its current debt obligations from its operating result before depreciation. Council's income is utilised to meet debt obligations associated with the borrowings for long term assets such as sewerage treatment plants, trunk water infrastructure and airport infrastructure. No increases in borrowings were incurred during this financial year and are not planned during the forecast period. Overall, Council remains in a sound position to service our community, support its growth and respond to any significant emergent financial impacts.

**FINANCIAL OVERVIEW**

The table below shows Council's key financial performance highlights based on consolidated financial results.

*Table: Consolidated financial results at a glance*

AT A GLANCE	ACTUALS		
	2022/23 \$M	2021/22 \$M	2020/21 \$M
Operating Revenue	\$242.4	\$210.0	\$199.4
Capital Revenue	\$19.6	\$15.2	\$32.6
Total Income	\$261.9	\$225.2	\$232.0
Operating Expenditure	\$229.2	\$215.5	\$258.2
Other Expenditure	\$9.7	\$6.0	\$12.6
Total Expenditure	\$238.9	\$221.6	\$270.8
Operating Result	\$13.2	-\$5.6	-\$58.8
Net Result	\$23.0	\$3.6	-\$38.8

**WHAT WERE THE MAIN SOURCES OF CASH IN AND OUT?**

**The movement of money in and out of Council is presented in the Statement of Cash Flows. The statement excludes noncash movements like accruals and depreciation of assets. See page 157 for further information.**

This year, Council started with a cash balance of \$105.6M and ended with \$128.7M. This is largely attributed to an increased tax equivalent received from GAWB and an increase in cash from operations and reduced borrowing expenses.

The table below compares the main sources of cash receipts and cash payments during the financial years 2020/21, 2021/22 and 2022/23.

*Table: Three-year comparison of main sources of cash receipts and cash payments*

Main sources of cash in and out	2022/23 \$M	2021/22 \$M	2020/21 \$M
Net Cash received from operations (includes rates, fees and charges, offset by employee costs and materials and services)	\$59.0	\$56.0	\$37.0
Purchase and construction of Council assets	\$ 61.0	\$52.0	\$70.6
Interest received from our investments	\$4.6	\$1.3	\$1.9
Non capital grants and contributions	\$14.9	\$21.2	\$5.3
Income tax equivalents	\$18.7	\$8.6	\$2.2
Capital grants, subsidies and contributions	\$15.5	\$15.2	\$25.5
Finance costs (interest charges on our loans with Queensland Treasury Corporation)	\$3.0	\$3.3	\$6.4
Principle repayments made on loans	\$6.6	\$6.0	\$2.1
Early repayment adjustments	\$-	\$-	\$17.0

Figure: Income

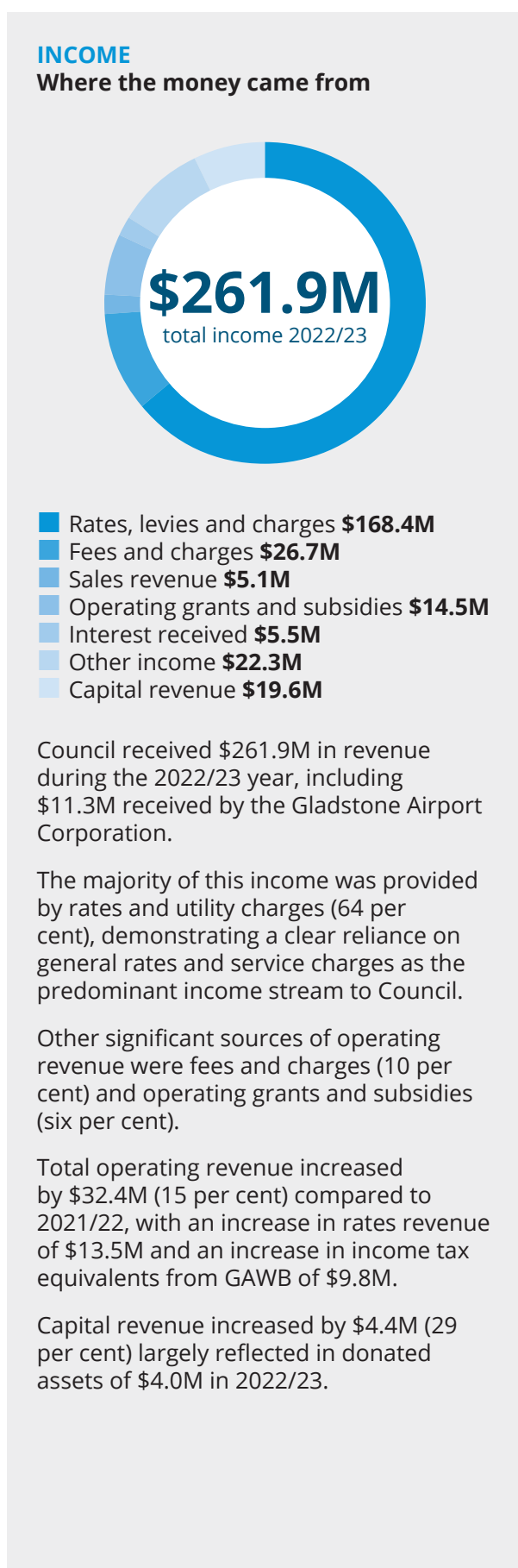


Figure: Expenditure

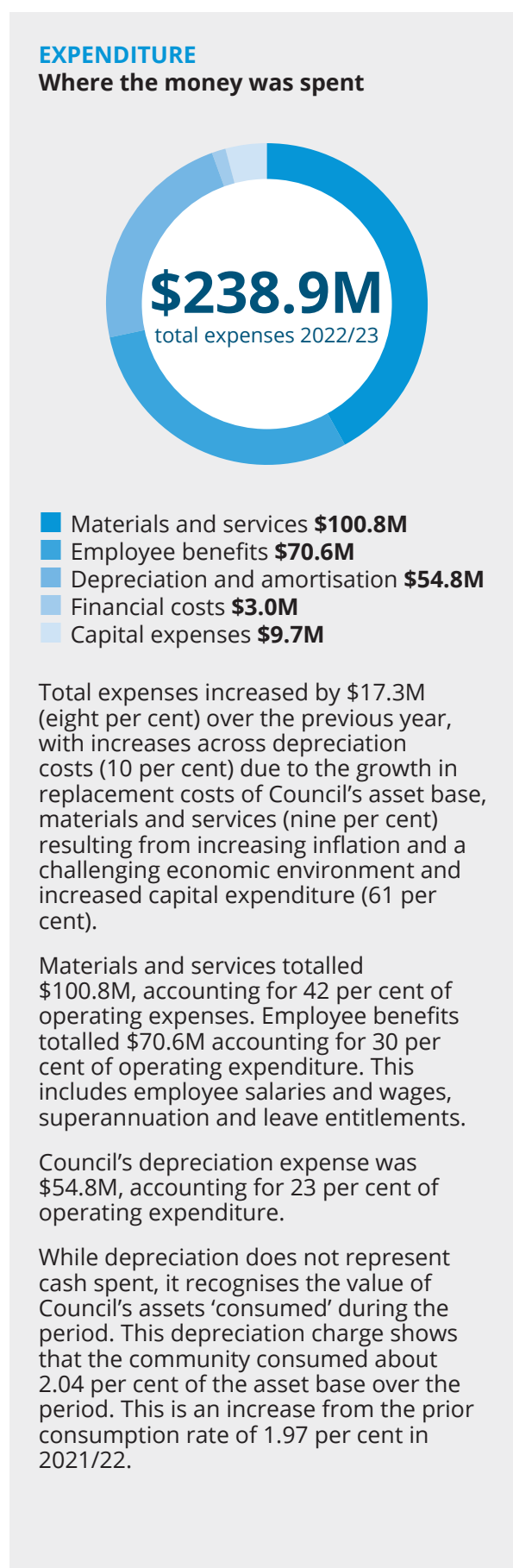


Figure: Assets

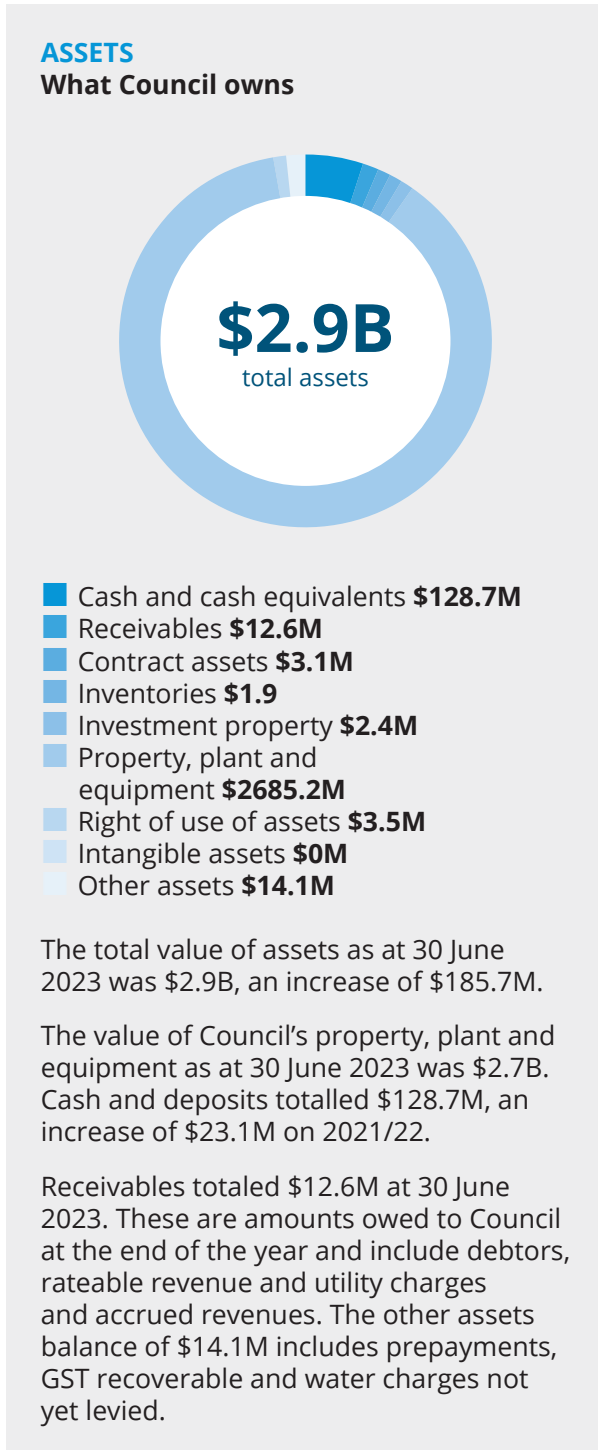


Figure: Total Property, Plant and Equipment

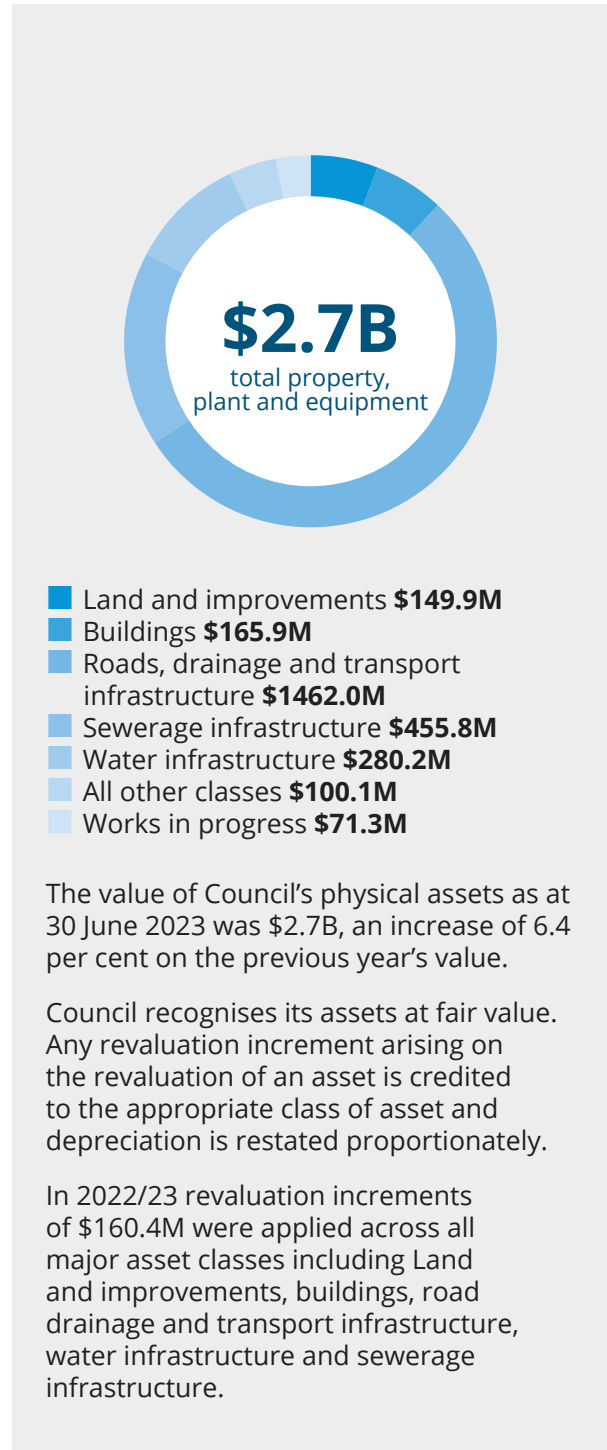




Figure: Liabilities

**LIABILITIES**  
**What Council owes**



- Payables **\$32.3M**
- Borrowings - Interest bearing **\$92.8M**
- Borrowings - Interest free **\$2.7M**
- Other liabilities **\$40.4M**
- Contract liabilities **\$9.4M**
- Lease liabilities **\$3.8M**
- Provisions **\$28.0M**

Council's liabilities comprise of loans, amounts owed to suppliers, lease liabilities, contract liabilities and provisions for employee leave entitlements and restoration of the Benaraby Landfill.

The total liabilities as at 30 June 2023 was \$209.4M compared to the 2021/22 balance of \$203.60M.

In both 2021/22 and 2022/23, Council received payments in advance for the State Government Waste Levy subsidy. These payments covered five years from 2022/23 to 2026/27. The subsidy received for the 2022-23 year is recognised in the income statement as a contra expense. The balance amount of \$6.0M has been included in Council's other liabilities balance as at 30 June 2023.

Council's single largest liability is its interest-bearing loans with Queensland Treasury Corporation. These borrowings have been used to provide community facilities and renewal of infrastructure such as buildings, roads, water and sewerage infrastructure to develop the region. Council did not borrow any funds this year, as was the case for the previous seven years.

Expected final repayment dates vary from 15 March 2028 to 15 June 2041.

**Community Future Vision and Summary**

Council is committed to maintaining a secure financial position to support long-term financial sustainability. Our financial outlook is stable, which ensures that we are in a sound position to deal with any significant emergent financial impacts. Council continuously reviews its financial position and adapts to changes in the economic environment. Council is well equipped to manage the current inflationary challenges.



# CONSOLIDATED FINANCIAL STATEMENT

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## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Notes	Consolidated		Council	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Income</b>					
<b>Revenue</b>					
<b>Recurrent revenue</b>					
Rates, levies and charges	3a	168,363	154,829	168,464	154,920
Fees and charges	3b	26,661	23,932	18,486	17,620
Sales revenue	3c	5,073	3,712	5,129	3,771
Grants, subsidies, contributions and donations	3d	14,477	13,889	14,477	13,889
<b>Total recurrent revenue</b>		<b>214,574</b>	<b>196,362</b>	<b>206,556</b>	<b>190,200</b>
<b>Capital revenue</b>					
Grants, subsidies, contributions and donations	3d	19,516	15,194	17,993	15,194
<b>Total capital revenue</b>		<b>19,516</b>	<b>15,194</b>	<b>17,993</b>	<b>15,194</b>
<b>Other income</b>					
Rental income	17	2,061	1,901	616	786
Interest received	4b	5,471	1,266	5,088	1,191
Other income	4a	20,245	10,428	20,324	10,494
Capital income		60	-	-	-
<b>Total other income</b>		<b>27,837</b>	<b>13,595</b>	<b>26,028</b>	<b>12,471</b>
<b>Total income</b>		<b>261,927</b>	<b>225,151</b>	<b>250,577</b>	<b>217,865</b>
<b>Expenses</b>					
<b>Recurrent expenses</b>					
Employee benefits	5	70,566	69,687	68,709	67,857
Materials and services	6	100,793	92,806	97,933	90,306
Finance costs	7	3,044	3,385	1,634	1,938
Depreciation and amortisation:					
- Property, plant and equipment	15	54,635	49,557	53,081	48,532
- Right of use assets	17	131	110	131	88
<b>Total recurrent expenses</b>		<b>229,169</b>	<b>215,545</b>	<b>221,488</b>	<b>208,721</b>
<b>Other expenses</b>					
Capital expenses	8	9,723	6,023	9,723	5,337
<b>Total other expenses</b>		<b>9,723</b>	<b>6,023</b>	<b>9,723</b>	<b>5,337</b>
<b>Total expenses</b>		<b>238,892</b>	<b>221,568</b>	<b>231,211</b>	<b>214,058</b>
<b>Operating result</b>		<b>13,182</b>	<b>(5,588)</b>	<b>11,096</b>	<b>(6,050)</b>
<b>Net result</b>		<b>23,035</b>	<b>3,583</b>	<b>19,366</b>	<b>3,807</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to net result</b>					
Increase in asset revaluation surplus	15	160,367	140,692	154,730	139,747
Decrease in asset revaluation surplus (change in landfill restoration provision)	20	(3,533)	(278)	(3,533)	(278)
<b>Total other comprehensive income for the year</b>		<b>156,834</b>	<b>140,414</b>	<b>151,197</b>	<b>139,469</b>
<b>Total comprehensive income for the year</b>		<b>179,869</b>	<b>143,997</b>	<b>170,563</b>	<b>143,276</b>

The above statements should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Notes	Consolidated		Council	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	128,662	105,589	116,143	93,153
Receivables	10	11,426	10,692	10,146	9,800
Inventories	11	1,858	2,119	1,858	2,119
Contract assets	16	3,060	2,068	3,060	2,068
Other assets	12	14,083	12,298	13,850	12,193
<b>Total current assets</b>		<b>159,089</b>	<b>132,766</b>	<b>145,057</b>	<b>119,333</b>
<b>Non-current assets</b>					
Receivables	10	1,155	1,320	31,702	32,617
Interests in other entities	13	-	-	17,666	17,666
Investment property	14	2,408	4,942	2,408	4,942
Property, plant and equipment	15	2,685,181	2,524,793	2,643,179	2,488,218
Right of use assets	17	3,541	1,848	3,541	1,848
Intangible assets	10	10	10	10	10
<b>Total non-current assets</b>		<b>2,692,295</b>	<b>2,532,913</b>	<b>2,698,506</b>	<b>2,545,301</b>
<b>TOTAL ASSETS</b>		<b>2,851,384</b>	<b>2,665,679</b>	<b>2,843,563</b>	<b>2,664,634</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Payables	18	32,315	26,454	31,941	24,544
Contract liabilities	16	7,109	5,343	7,016	4,318
Borrowings	19	6,509	6,275	6,509	6,275
Lease liabilities	17	17	40	17	40
Provisions	20	15,008	17,793	14,864	17,608
Other liabilities	21	1,776	1,877	1,776	1,877
<b>Total current liabilities</b>		<b>62,734</b>	<b>57,782</b>	<b>62,123</b>	<b>54,662</b>
<b>Non-current liabilities</b>					
Contract liabilities	16	2,319	-	2,319	-
Borrowings	19	88,983	95,687	88,983	95,687
Lease liabilities	17	3,765	1,921	3,765	1,921
Provisions	20	13,028	9,040	12,997	9,005
Other liabilities	21	38,620	39,166	38,620	39,166
<b>Total non-current liabilities</b>		<b>146,715</b>	<b>145,814</b>	<b>146,684</b>	<b>145,779</b>
<b>TOTAL LIABILITIES</b>		<b>209,449</b>	<b>203,596</b>	<b>208,807</b>	<b>200,441</b>
<b>Net community assets</b>		<b>2,641,935</b>	<b>2,462,083</b>	<b>2,634,756</b>	<b>2,464,193</b>
<b>COMMUNITY EQUITY</b>					
Asset revaluation surplus	22	1,145,689	988,860	1,203,506	1,052,309
Retained surplus/(deficiency)		1,403,477	1,392,302	1,338,481	1,330,963
Reserves	22	92,769	80,921	92,769	80,921
<b>Total community equity</b>		<b>2,641,935</b>	<b>2,462,083</b>	<b>2,634,756</b>	<b>2,464,193</b>

The above statements should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

Consolidated		Asset revaluation surplus \$'000	Retained surplus \$'000	Other reserves \$'000	Total equity \$'000
	Notes				
<b>2023</b>					
<b>Balance as at 1 July 2022</b>		988,860	1,392,302	80,921	<b>2,462,083</b>
Adjustments to opening balance		(5)	(12)	-	(17)
<b>Restated balance as at 1 July 2022</b>		<b>988,855</b>	<b>1,392,290</b>	<b>80,921</b>	<b>2,462,066</b>
<b>Net result</b>		-	23,035	-	<b>23,035</b>
Other comprehensive income for the year					
- Increase/(decrease) in asset revaluation surplus	15	160,367	-	-	<b>160,367</b>
- Decrease in asset revaluations surplus (change in landfill restoration provision)	20	(3,533)	-	-	<b>(3,533)</b>
<b>Other comprehensive income</b>		<b>156,834</b>	-	-	<b>156,834</b>
<b>Total comprehensive income for the year</b>		<b>156,834</b>	<b>23,035</b>	-	<b>179,869</b>
Transfers to reserves		-	(27,918)	27,918	-
Transfers from reserves		-	16,070	(16,070)	-
<b>Balance as at 30 June 2023</b>		<b>1,145,689</b>	<b>1,403,477</b>	<b>92,769</b>	<b>2,641,935</b>
<b>2022</b>					
<b>Balance as at 1 July 2021</b>		848,446	1,384,676	84,964	<b>2,318,086</b>
Correction of prior period reclassification		-	3,307	(3,307)	-
<b>Restated balance at 1 July 2021</b>		<b>848,446</b>	<b>1,387,983</b>	<b>81,657</b>	<b>2,318,086</b>
<b>Net result</b>		-	3,583	-	<b>3,583</b>
Other comprehensive income					
- Increase/(decrease) in asset revaluation surplus	15	140,692	-	-	<b>140,692</b>
- Decrease in asset revaluations surplus (change in landfill restoration provision)	20	(278)	-	-	<b>(278)</b>
<b>Other comprehensive income</b>		<b>140,414</b>	-	-	<b>140,414</b>
<b>Total comprehensive income for the year</b>		<b>140,414</b>	<b>3,583</b>	-	<b>143,997</b>
Transfers to reserves		-	(11,492)	11,492	-
Transfers from reserves		-	12,228	(12,228)	-
<b>Balance as at 30 June 2022</b>		<b>988,860</b>	<b>1,392,302</b>	<b>80,921</b>	<b>2,462,083</b>

The above statements should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

Council		Asset revaluation surplus \$'000	Retained surplus \$'000	Other reserves \$'000	Total equity \$'000
	Notes				
<b>2023</b>					
<b>Balance as at 1 July 2022</b>		1,052,309	1,330,963	80,921	<b>2,464,193</b>
<b>Net result</b>		-	19,366	-	<b>19,366</b>
Other comprehensive income for the year					
- Increase/(decrease) in asset revaluation surplus	15	154,730	-	-	<b>154,730</b>
- Decrease in asset revaluations surplus (change in landfill restoration provision)	20	(3,533)	-	-	<b>(3,533)</b>
<b>Other comprehensive income</b>		<b>151,197</b>	<b>-</b>	<b>-</b>	<b>151,197</b>
<b>Total comprehensive income for the year</b>		<b>151,197</b>	<b>19,366</b>	<b>-</b>	<b>170,563</b>
Transfers to reserves		-	(27,918)	27,918	-
Transfers from reserves		-	16,070	(16,070)	-
<b>Balance as at 30 June 2023</b>		<b>1,203,506</b>	<b>1,338,481</b>	<b>92,769</b>	<b>2,634,756</b>
<b>2022</b>					
<b>Balance as at 1 July 2021</b>		912,841	1,323,112	84,964	<b>2,320,917</b>
Correction of prior period reclassification		(1)	3,308	(3,307)	-
<b>Restated balance at 1 July 2021</b>		<b>912,840</b>	<b>1,326,420</b>	<b>81,657</b>	<b>2,320,917</b>
<b>Net result</b>		-	3,807	-	<b>3,807</b>
Other comprehensive income					
- Increase/(decrease) in asset revaluation surplus	15	139,747	-	-	<b>139,747</b>
- Decrease in asset revaluations surplus (change in landfill restoration provision)	20	(278)	-	-	<b>(278)</b>
<b>Other comprehensive income</b>		<b>139,469</b>	<b>-</b>	<b>-</b>	<b>139,469</b>
<b>Total comprehensive income for the year</b>		<b>139,469</b>	<b>3,807</b>	<b>-</b>	<b>143,276</b>
Transfers to reserves		-	(11,492)	11,492	-
Transfers from reserves		-	12,228	(12,228)	-
<b>Balance as at 30 June 2022</b>		<b>1,052,309</b>	<b>1,330,963</b>	<b>80,921</b>	<b>2,464,193</b>

The above statements should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2023

	Notes	Consolidated		Council	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>					
Receipts from customers		202,170	189,889	193,810	184,292
Payments to suppliers and employees		(177,884)	(176,155)	(170,989)	(172,952)
		24,286	13,734	22,821	11,340
<b>Receipts:</b>					
Interest received		4,599	1,280	4,216	1,205
Rental income		2,267	1,979	677	864
Non capital grants and contributions		14,929	21,239	17,929	26,801
Other		12,953	17,803	11,452	10,828
<b>Payments:</b>					
Nil					
<b>Net cash flow - operating activities</b>	26	<b>59,034</b>	<b>56,035</b>	<b>57,095</b>	<b>51,038</b>
<b>Cash Flows from investing activities</b>					
<b>Receipts:</b>					
Proceeds from sale of property, plant and equipment		610	3,573	535	3,516
Capital grants, subsidies, contributions and donations		15,466	15,194	13,943	15,194
Other investing activity receipts		18,675	8,572	19,395	9,424
<b>Payments:</b>					
Payments for investment property		-	(14)	-	(14)
Payments for property, plant and equipment		(60,957)	(52,013)	(59,581)	(49,387)
<b>Net cash flow - investing activities</b>		<b>(26,206)</b>	<b>(24,688)</b>	<b>(25,708)</b>	<b>(21,267)</b>
<b>Cash flows from financing activities</b>					
<b>Receipts:</b>					
Nil					
<b>Payments:</b>					
Repayment of borrowings		(6,620)	(6,037)	(6,620)	(6,037)
Repayments made on leases		(94)	(110)	(94)	(87)
Borrowing Costs		(3,041)	(3,301)	(1,683)	(1,897)
<b>Net cash flow - financing activities</b>		<b>(9,755)</b>	<b>(9,448)</b>	<b>(8,397)</b>	<b>(8,021)</b>
<b>Net increase/(decrease) for the year</b>		<b>23,073</b>	<b>21,899</b>	<b>22,990</b>	<b>21,750</b>
Plus: cash and cash equivalents - beginning		105,589	83,690	93,153	71,403
<b>Cash and cash equivalents - closing</b>	9	<b>128,662</b>	<b>105,589</b>	<b>116,143</b>	<b>93,153</b>

The above statements should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 1. Information about these financial statements

#### (1.a) Basis of preparation

The Gladstone Regional Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general-purpose financial statements are for the period 1 July 2022 to 30 June 2023. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements complies with Australian Accounting Standards and interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment, land held for sale and investment property.

#### (1.b) Basis of consolidation

Council and its controlled entities together form the consolidated entity. The financial statements of controlled entities are included in the consolidated financial statements where material by size or nature, from the date when control commences until the date when control ceases.

Transactions between Council and entities controlled by Council have been eliminated when preparing consolidated accounts. In addition, the accounting policies of controlled entities have been adjusted on consolidation where necessary, to ensure the financial statements of the consolidated entity are prepared using accounting policies that are consistent with those of the Council. Information on controlled entities that have been consolidated is included in note 13.

#### (1.c) New and revised Accounting Standards adopted during the year

Gladstone Regional Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2022. None of the standards had a material impact on reported position, performance, and cash flows.

#### (1.d) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective

at 30 June 2023, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these statements that could be applicable to Councils.

#### Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2021-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2021-6 and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants)
- AASB 2021-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2021 and Other Amendments
- AASB 2022-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2022-6)
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

#### Effective for NFP annual reporting periods beginning on or after 1 January 2024

- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

#### (1.e) Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 1. Information about these financial statements (continued)

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and assumptions relate to the following items and specific information is provided in the relevant note:

- Valuation of investment in controlled entity - Gladstone Airport Corporation - note 13
- Valuation of investment property - note 14
- Valuation and depreciation of property, plant, and equipment - note 15
- Impairment of property, plant, and equipment - note 15
- Provisions - note 20
- Contingent liabilities - note 24
- Revenue recognition - note 3

The controlled entity of Council pays an income tax equivalent to Council in accordance with the requirements of the *Local Government Act 2009*.

Where an activity of the controlled entity of Council is subject to the tax equivalents regime, the income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income. These transactions are eliminated upon consolidation.

#### (1.f) Rounding and comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless otherwise stated.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard. Comparative information is prepared on the same basis as prior year.

#### (1.g) Volunteer services

Council receives volunteer services from community members at multiple sites including libraries, Tondoon Botanic Gardens and the Gladstone Entertainment Convention Centre. Volunteer services are not recognised in the Statement of Comprehensive Income, as Council would not purchase these services if they were not donated.

#### (1.h) Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST') and payroll tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Council pays payroll tax to the Queensland Government in relation to the following activities:

- Cemeteries
- Water supply
- Sewerage
- Quarries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 2(a). Council functions - component descriptions

Details relating to Council's functions / activities as reported in Note 2(b) are as follows:

#### Strategy and Transformation

Strategy and Transformation is responsible for developing Council's business strategy, process, innovation and technology agenda. The team delivers change initiatives that enable Council to execute on plans with a clear focus, sense of shared purpose and agreed-upon priorities, and a basis for measuring progress and impact both organisationally and within the wider community. This business unit includes the Mayor, Executive Services, CEO, Elected Members, Strategy and Planning, Insights and Innovations, Strategic Information and Technology, Transformation Program Management and Economic Development.

#### Strategic Asset Performance

Strategic Asset Performance fulfils the Asset Manager role, through strategically managing Council's assets and level of service to optimise the life cycle costs of our assets. This team ensures that services to the community are sustainable, efficient, and affordable and that assets are appropriately planned, built, acquired, used, maintained and disposed of. This business unit includes Asset Governance, Property Acquisitions and Disposal, Asset Planning, Design and Engineering, Asset Performance and Monitoring, and Environment and Conservation.

#### Operations

The Operations business unit acts as a service provider to the asset owner of Council, through ensuring that the right mix of internal and external resources is consistently used to safely deliver the program of work on time, on budget and to the required quality. This business unit includes Works Planning and Scheduling, Project Delivery, Support Services, Roads, Waste and Water Teams.

#### Customer Experience

For Customer Experience the objective is to transform Council's customer experience, liveability and sustainable development by delivering high quality, low effort, cost effective customer, planning and regulatory services. This business unit includes Customer Solutions, Biosecurity and Environmental Health, Local Law Compliance and Development services.

#### Community Development and Events

For Community Development and Events the objective is to position Council as an accountable, transparent business that delivers on its promises and to develop strength in Council's brand through a variety of mediums; by creating experiences that engage and deliver outcomes for the community and Council; and by empowering our community, embracing diversity and enhancing our social landscape. This business unit includes Events and Entertainment, Brand and Communications, Community Facility Engagement and Partnerships, and Arts and Culture.

#### People Culture and Safety

The objective of the People Culture & Safety business unit as part of the corporate function of Council is to build a safe, healthy, high performance culture across Council that reflects the community and its spirit, our organisational values and our internal diversity. Council's success is enabled by partnering with people to continually develop their capability, talent and performance. This business unit includes People Services, Payroll Services, Health, Safety and Wellbeing, and Learning and Development.

#### Finance Governance and Risk

The objective of the Finance Governance & Risk business unit as part of the corporate function of Council is to provide the governance, financial, compliance and risk management to build a sustainable business through reporting accurate financial and compliance results, preserving Council assets, and supporting the highest standards of integrity. This business unit includes Finance, Contracts & Procurement, Disaster Management, Revenue, Governance & Risk, Ethics, Integrity & Audit, and Legal Services.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 2(b). Council functions - analysis of results by function

Functions	Gross program income						Total income	Gross program expenses		Net Result from recurring operations	Net result	Total assets
	Recurring		Capital		Other	Recurring		Capital/impairment				
	Grants	Other	Grants	Other								
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>2023</b>												
Strategy and Transformation	46	(86)	465	-	-	425	(3,213)	-	(3,253)	(2,788)	3,817	
Strategic Asset Performance	174	89,084	18,713	-	-	107,971	(152,657)	(8,278)	(63,399)	(52,964)	2,494,048	
Operations	323	27,619	(1,194)	-	-	26,748	(24,319)	(1,421)	3,623	1,008	77,752	
Customer Experience	223	3,823	-	-	-	4,046	(10,035)	-	(5,989)	(5,989)	3,755	
Community Developments and Events	647	828	9	-	-	1,484	(21,488)	(21)	(20,013)	(20,025)	84,876	
People Culture and Safety	779	60	-	-	-	839	(2,944)	-	(2,105)	(2,105)	-	
Finance Governance and Risk	12,285	96,779	-	-	-	109,064	(6,832)	(3)	102,232	102,229	179,315	
<b>Total Council</b>	<b>14,477</b>	<b>218,107</b>	<b>17,993</b>	<b>-</b>	<b>-</b>	<b>250,577</b>	<b>(221,488)</b>	<b>(9,723)</b>	<b>11,096</b>	<b>19,366</b>	<b>2,843,563</b>	
Consolidating Entries	-	9,767	1,523	60	-	11,350	(7,681)	-	2,086	3,669	7,821	
<b>Total Consolidated</b>	<b>14,477</b>	<b>227,874</b>	<b>19,516</b>	<b>60</b>	<b>-</b>	<b>261,927</b>	<b>(229,169)</b>	<b>(9,723)</b>	<b>13,182</b>	<b>23,035</b>	<b>2,851,384</b>	

Functions	Gross program income						Total income	Gross program expenses		Net Result from recurring operations	Net result	Total assets
	Recurring		Capital		Other	Recurring		Capital/impairment				
	Grants	Other	Grants	Other								
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>2022</b>												
Strategy and Transformation	48	(136)	(17)	-	-	(105)	(4,585)	(25)	(4,673)	(4,715)	21,793	
Strategic Asset Performance	272	78,756	15,184	-	-	94,212	(132,791)	(6,084)	(53,763)	(44,663)	2,348,927	
Operations	615	19,449	27	-	-	20,091	(30,909)	840	(10,845)	(9,978)	67,079	
Customer Experience	140	3,640	-	-	-	3,780	(10,581)	(41)	(6,801)	(6,842)	3,688	
Community Developments and Events	720	562	-	-	-	1,282	(21,735)	-	(20,453)	(20,453)	68,473	
People Culture and Safety	641	103	-	-	-	744	(2,880)	(27)	(2,136)	(2,163)	29	
Finance Governance and Risk	11,453	86,408	-	-	-	97,861	(5,240)	-	92,621	92,621	154,645	
<b>Total Council</b>	<b>13,889</b>	<b>188,782</b>	<b>15,194</b>	<b>-</b>	<b>-</b>	<b>217,865</b>	<b>(208,721)</b>	<b>(5,337)</b>	<b>(6,050)</b>	<b>3,807</b>	<b>2,664,634</b>	
Consolidating Entries	-	7,286	-	-	-	7,286	(6,824)	(686)	462	(224)	1,045	
<b>Total Consolidated</b>	<b>13,889</b>	<b>196,068</b>	<b>15,194</b>	<b>-</b>	<b>-</b>	<b>225,151</b>	<b>(215,545)</b>	<b>(6,023)</b>	<b>(5,588)</b>	<b>3,583</b>	<b>2,665,679</b>	

Strategy and Transformation negative recurring revenue relates to internal plant hire recoveries offsetting small amounts of revenue received this year. Negative capital grant income relates to the processing of infrastructure discounts in the current year for revenue received in the prior year.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 3. Revenue

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>(a) Rates, levies and charges</b>				
Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.				
General rates	97,865	91,692	97,966	91,783
Water	18,541	16,790	18,541	16,790
Water consumption, rental and sundries	18,924	16,883	18,924	16,883
Sewerage	35,584	32,606	35,584	32,606
Waste management	12,353	10,798	12,353	10,798
<b>Total rates and utility charge revenue</b>	<b>183,267</b>	<b>168,769</b>	<b>183,368</b>	<b>168,860</b>
Less: discounts	(13,877)	(12,926)	(13,877)	(12,926)
Less: concessions and pensioner remissions	(984)	(950)	(984)	(950)
Less: concealed water concessions	(43)	(64)	(43)	(64)
<b>TOTAL RATES, LEVIES AND CHARGES</b>	<b>168,363</b>	<b>154,829</b>	<b>168,464</b>	<b>154,920</b>

### (b) Fees and charges

Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods/ services being provided. The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Airport fees and charges include runway and terminal charges. Aeronautical revenue is charged on the basis of number of arriving and departing airline passengers and maximum take-off weight of landing scheduled and chartered airline aircraft at Gladstone Airport. General aviation is charged based on the maximum take-off weight of aircraft on landings only. Recovery of the cost of Government mandated security measures in respect of passenger and baggage screening, is also included in aeronautical revenue.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

Building and development fees	2,372	2,337	2,373	2,337
Infringements	368	300	368	300
Licences and registrations	887	817	887	817
Airport fees and charges	8,176	6,312	-	-
Waste management fees - tipping fees	12,045	11,932	12,045	11,932
Other fees and charges	2,813	2,234	2,813	2,234
<b>TOTAL FEES AND CHARGES</b>	<b>26,661</b>	<b>23,932</b>	<b>18,486</b>	<b>17,620</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 3. Revenue (continued)

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

#### (c) Sales revenue

Council generates sales revenue from a number of services including contracts with the Queensland State Government for road and earthworks, and operation of Council owned facilities. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for the use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in contract liabilities and is recognised as revenue in the period when the service is performed.

Sales of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

Contract and recoverable works	4,507	2,936	4,563	2,995
Other sale of goods	566	776	566	776
<b><u>TOTAL SALES REVENUE</u></b>	<b><u>5,073</u></b>	<b><u>3,712</u></b>	<b><u>5,129</u></b>	<b><u>3,771</u></b>

#### (d) Grants, subsidies, contributions and donations

##### **Cash contributions**

Developers pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers, water and parks. These infrastructure charges are recognised as income when received as there is no performance obligation associated with them.

##### **Non-cash contributions**

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds, are recognised as non-current assets. Those below the thresholds are recorded as expenses. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges are recognised as assets and revenue at fair value.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 3. Revenue (continued)

#### (d) Grants, subsidies, contributions and donations (continued)

##### **Grant income under AASB 15**

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, revenue is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the agreement, such as hosting events, the provision of contracted services and other milestones as specified. Payment terms vary depending on the terms of the grant. Cash is received upfront for some grants and on the achievement of certain payment milestones for others. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, revenue is recognised using either costs or time incurred.

##### **Grant income under AASB 1058**

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.

##### **Capital grants**

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred.

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(i) Recurrent				
General purpose grants	11,688	11,198	11,688	11,198
State government subsidies and grants	1,878	1,630	1,878	1,630
Commonwealth government subsidies and grants	873	780	873	780
Donations	1	27	1	27
Contributions	-	116	-	116
Non-government subsidies and grants	37	138	37	138
<b><u>TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u></b>	<b><u>14,477</u></b>	<b><u>13,889</u></b>	<b><u>14,477</u></b>	<b><u>13,889</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 3. Revenue (continued)

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

#### (d) Grants, subsidies, contributions and donations (continued)

##### (ii) Capital

Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

A discount of 50% was applied to contributions that met the conditions of Council's Infrastructure Charges Rebate Scheme. The scheme was introduced in November 2019 to provide a rebate on levied charges for developments proposing a material change of use (other than those defined in the policy) which deliver economic development and growth outcomes that align with Council's Economic Development and Planning Scheme.

State government subsidies and grants	5,887	6,726	5,887	6,726
Commonwealth government subsidies and grants	9,211	6,584	7,688	6,584
Developer contributions	1,375	1,370	1,375	1,370
Donated assets at fair value	4,050	-	4,050	-
Other contributions	1,481	531	1,481	531
	22,004	15,211	20,481	15,211
Less: discount allowed on developer contributions	-	(17)	-	(17)
Less: offsets to developer contributions	(2,488)	-	(2,488)	-
<b><u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u></b>	<b><u>19,516</u></b>	<b><u>15,194</u></b>	<b><u>17,993</u></b>	<b><u>15,194</u></b>

	2023		2022	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
	\$'000	\$'000	\$'000	\$'000

#### (iii) Timing of revenue recognition for grants, subsidies, contributions and donations

##### Consolidated

Grants, subsidies, contributions & donations	19,545	14,448	18,192	10,892
	<u>19,545</u>	<u>14,448</u>	<u>18,192</u>	<u>10,892</u>

##### Council

Grants, subsidies, contributions & donations	19,545	12,925	18,192	10,892
	<u>19,545</u>	<u>12,925</u>	<u>18,192</u>	<u>10,892</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 4. Interest and other income

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000

#### (a) Other income

All other revenue is recognised upon receipt, unless alternative treatment is specifically required under Australian Accounting Standards.

Entertainment Convention Centre income	1,033	867	1,038	867
Commissions	222	216	222	216
Income tax equivalent - state government entity	18,438	8,572	18,438	8,572
Income tax equivalent - controlled entity	-	-	238	242
Other	552	773	388	597
<b>TOTAL OTHER INCOME</b>	<b>20,245</b>	<b>10,428</b>	<b>20,324</b>	<b>10,494</b>

#### (b) Interest received

Interest received from bank and term deposits is accrued over the term of the investment.

Other interest and investment revenue includes amounts earned from the Special Charge Agreement with the Gladstone City Plaza Body Corporate. Repayments are made annually via a special charge, generated through rates. The agreement sets out a repayment schedule over 10 years, concluding in the 2031-32 financial year. Interest on the outstanding balance is accrued at the end of each financial year and included in the special charge.

Interest received from investments	4,973	615	4,590	540
Interest from overdue rates and utility charges	457	605	457	605
Other interest and investment revenue	41	46	41	46
<b>TOTAL INTEREST RECEIVED</b>	<b>5,471</b>	<b>1,266</b>	<b>5,088</b>	<b>1,191</b>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 5. Employee benefits

	Notes	Consolidated		Council	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Employee benefit expenses are recorded when the service has been provided by the employee.					
Wages and salaries		57,844	56,969	56,207	55,403
Councillors remuneration		1,031	1,010	1,031	1,010
Termination benefits		291	320	291	320
Superannuation	25	7,405	7,160	7,224	6,989
Employee leave entitlements		9,702	8,800	9,749	8,789
		<u>76,273</u>	<u>74,259</u>	<u>74,502</u>	<u>72,511</u>
Other employee related expenses		426	412	340	330
		<u>76,699</u>	<u>74,671</u>	<u>74,842</u>	<u>72,841</u>
Less: capitalised employee expenses		(6,133)	(4,984)	(6,133)	(4,984)
<b>TOTAL EMPLOYEE BENEFITS</b>		<u><u>70,566</u></u>	<u><u>69,687</u></u>	<u><u>68,709</u></u>	<u><u>67,857</u></u>

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

#### Full time equivalent employees and elected members at the reporting date:

Elected members	9	9	9	9	
Office of the CEO	5	5	5	5	
Community Developments and Events	100	99	100	99	
Customer Experience	92	88	92	88	
Finance Governance and Risk	72	65	72	65	
Operations	317	316	317	316	
People Culture and Safety	24	26	24	26	
Strategic Asset Performance	53	56	53	56	
Strategy and Transformation	28	28	28	28	
Controlled Entity - Airport Operations	14	14	-	-	
Controlled Entity Board members	6	6	-	-	
<b>Total full time equivalent employees and elected members</b>		<u>720</u>	<u>712</u>	<u>700</u>	<u>692</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 6. Materials and services

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Expenses are recorded on an accruals basis as Council receives the goods or services.				
Audit of annual financial statements by the Auditor-General of Queensland	237	171	211	115
Consultants	3,780	5,143	3,624	4,931
Contractors	26,561	22,371	25,015	21,142
Donations and sponsorships	2,757	2,825	2,757	2,825
Equipment expenses	3,106	3,414	3,080	3,350
Fuel	2,359	2,005	2,342	1,992
Insurance	3,020	2,618	2,710	2,346
Motor vehicle expenses	2,162	1,961	2,117	1,939
Property expenses	3,625	3,492	3,443	3,320
Software expenses	3,465	3,239	3,438	3,219
Staff and councillor associated expenses	2,248	1,724	2,155	1,699
Utility expenses	4,495	4,519	4,251	4,275
Waste disposal and tipping fees	9,123	9,254	9,091	9,220
Water purchases	22,990	21,437	22,990	21,437
Other materials and services	10,865	8,633	10,709	8,496
<b>TOTAL MATERIALS AND SERVICES</b>	<b>100,793</b>	<b>92,806</b>	<b>97,933</b>	<b>90,306</b>

Council's total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$185,960 (\$161,100 in 2021-22). Total consolidated audit fees estimated by the Queensland Audit Office are \$224,360 for 2022-23 (\$217,349 in 2021-22).

### Note 7. Finance costs

	Notes	Consolidated		Council	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Finance costs charged by the Queensland Treasury Corporation		2,780	2,990	1,457	1,638
Bank charges		261	249	227	220
Impairment of receivables		(12)	69	(65)	4
Interest on leases		91	51	91	50
Unwinding of discount on provisions	20	(226)	(146)	(226)	(146)
Fair value adjustment		150	172	150	172
<b>TOTAL FINANCE COSTS</b>		<b>3,044</b>	<b>3,385</b>	<b>1,634</b>	<b>1,938</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 8. Capital expenses and impairment

	Notes	Consolidated		Council	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>(a) Loss on disposal of non-current assets</b>					
Proceeds from the disposal of property, plant and equipment		535	3,573	535	3,516
Less: carrying value of disposed property, plant and equipment	15	(7,713)	(9,544)	(7,713)	(8,801)
<b>Loss on disposal of non-current assets</b>		<b>(7,178)</b>	<b>(5,971)</b>	<b>(7,178)</b>	<b>(5,285)</b>
<b>(b) Other capital expenses</b>					
Loss on write-off of assets		(11)	(52)	(11)	(52)
Revaluation decrement of investment property	14	(2,534)	-	(2,534)	-
		<b>(2,545)</b>	<b>(52)</b>	<b>(2,545)</b>	<b>(52)</b>
<b><u>TOTAL CAPITAL EXPENSES AND IMPAIRMENT</u></b>		<b><u>(9,723)</u></b>	<b><u>(6,023)</u></b>	<b><u>(9,723)</u></b>	<b><u>(5,337)</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 9. Cash, cash equivalents and financial assets

	Consolidated		Council	
	2023	2022	2023	2022
Notes	\$'000	\$'000	\$'000	\$'000

Cash and cash equivalents in the Statements of Cash Flows include cash on hand, all cash and cheques received but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash, deposits at call, and term deposits are held at a variety of Australian Banks and Credit Unions and the Queensland Treasury Corporation (QTC) with credit ratings ranging from AAA to A for long term investments and A1+ to A1 for short term investments. All Gladstone Airport Corporation investments are held in the QTC cash management account bearing variable interest rates.

Deposits with the QTC Cash Fund are capital guaranteed.

#### Cash and cash equivalents

Cash at bank and on hand	2,697	1,305	2,167	502
Deposits at call	80,768	94,284	68,779	82,651
Term deposits	45,197	10,000	45,197	10,000
<b><u>BALANCE PER STATEMENTS OF CASH FLOWS</u></b>	<b><u>128,662</u></b>	<b><u>105,589</u></b>	<b><u>116,143</u></b>	<b><u>93,153</u></b>

#### Restricted and internally allocated cash and cash equivalents

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

##### (i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent government grants and subsidies	7,015	4,318	7,015	4,318
State government waste levy received in advance	6,054	6,702	6,054	6,702
<b>Total externally imposed restrictions on cash assets</b>	<b><u>13,069</u></b>	<b><u>11,020</u></b>	<b><u>13,069</u></b>	<b><u>11,020</u></b>

##### (ii) Internal allocations of cash at the reporting date:

Internal allocations of cash may be lifted by a Council with a resolution.

Reserves	22	92,769	80,921	92,769	80,921
<b>Total internally allocated cash</b>		<b><u>92,769</u></b>	<b><u>80,921</u></b>	<b><u>92,769</u></b>	<b><u>80,921</u></b>
<b>Total unspent restricted cash</b>		<b><u>105,838</u></b>	<b><u>91,941</u></b>	<b><u>105,838</u></b>	<b><u>91,941</u></b>

Council regularly monitors future cash forecasts and expects to meet its debts as and when due.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 9. Cash, cash equivalents and financial assets (continued)

	Consolidated		Council	
	2023	2022	2023	2022
Notes	\$'000	\$'000	\$'000	\$'000

#### Trust funds

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies. Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

#### Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities

	464	462	464	462
Security deposits	4,601	4,076	4,601	4,076
	<u>5,065</u>	<u>4,538</u>	<u>5,065</u>	<u>4,538</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 10. Receivables

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

Receivables, loans and advances are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair rate receivables.

Interest is charged on outstanding rates (8.17% per annum from 1 July 2022). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Accrued revenues (current and non-current) include amounts relating to the Special Charge Agreement with the Gladstone City Plaza Body Corporate. These amounts will be paid over a 10 year period, with repayments commencing in the 2021-22 year. See note 4 for additional details.

#### Current

Rateable revenue and utility charges	5,065	6,228	5,065	6,228
Other debtors	3,733	3,395	1,555	1,656
Accrued revenues				
- Interest on investments	932	60	932	60
- Other income accruals	1,899	1,224	1,849	1,205
Gladstone Airport Corporation	-	-	751	721
<b>Total</b>	<b>11,629</b>	<b>10,907</b>	<b>10,152</b>	<b>9,870</b>
<b>less: Provision for impairment</b>				
Other debtors	(203)	(215)	(6)	(70)
<b>Total provision for impairment - receivables</b>	<b>(203)</b>	<b>(215)</b>	<b>(6)</b>	<b>(70)</b>
<b><u>TOTAL CURRENT RECEIVABLES</u></b>	<b><u>11,426</u></b>	<b><u>10,692</u></b>	<b><u>10,146</u></b>	<b><u>9,800</u></b>

#### Non-current

Shareholder loan - Gladstone Airport Corporation	-	-	30,547	31,297
<b>Other Debtors</b>				
- Other income accruals	1,155	1,320	1,155	1,320
<b><u>TOTAL NON-CURRENT RECEIVABLES</u></b>	<b><u>1,155</u></b>	<b><u>1,320</u></b>	<b><u>31,702</u></b>	<b><u>32,617</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 10. Receivables (continued)

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#### Shareholder Loan

On 1 July 2012 Gladstone Airport Corporation (GAC) came into existence under the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 (repealed)*. The Statement of Corporate Intent outlines the acknowledgement of debt which Council currently holds as a QTC liability and controlled entity receivable.

The loan is secured by a fixed and floating charge over the Gladstone Airport Corporation's assets and undertakings.

For the purposes of completing the maturity analysis, the principal component of these loans has been included in the more than five year time band.

A competitive neutrality margin of 0.58% on the outstanding loan balance is also payable by the Gladstone Airport Corporation to Council, in accordance with the requirements of the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 (repealed)*.

Loans to the Gladstone Airport Corporation are at a fixed rate with an interest rate of between 2.16% and 2.64%, together with an administration fee of 0.1% per annum. The facility consists of an amortising loan with a principal and interest and interest only component with the principal due upon expiry of the agreement on 30 June 2041. The facility has been extended through the Deed of Variation of Loan Restructure Deed between Council and GAC.

When determining whether to apply impairment against the Gladstone Airport Corporation (refer to Note 13 for additional detail) Council has assessed the recoverability of the loan receivable. Through cashflow modelling, Council concluded that the credit risk associated with this loan had not significantly increased since initial recognition, and therefore would only need to be impaired to the extent of 12 months' worth of expected credit losses. The cash reserves held by the Gladstone Airport Corporation are adequate to service 12 months of repayments and therefore, no impairment has been recognised against the loan.

#### Receivables credit risk

In the case of rate receivables, Council has the power to sell property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low.

In other cases, Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of Council's operations, there is a geographical concentration of risk in Council's area. Because the area is largely commercial, there is also a concentration in the commercial sector.

#### Expected credit loss assessment

Council considers a variety of factors when measuring the expected credit losses of trade receivables from individual customers. These factors include amount, ageing, the existence of a contract, the existence of an approved payment plan and the historical repayment activity of the customer. Following these assessments, Council reached the conclusion that forward looking conditions indicated no foreseeable expected deviations from historically calculated rates of default, thus no forward looking adjustments were made.

Council does not require collateral in respect of trade and other receivables.

Refer also to Note 28 for further information about credit risk.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 11. Inventories

Stores and raw materials held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

- goods to be supplied at no or nominal, charge, and
- goods to be used for the provision of services at no or nominal, charge.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

Write down of inventories to net realisable value amounted to \$10,269 (2021-22: \$65,180), including the following items: cemetery crypts, crushed concrete, and land held for sale.

Write downs of inventory were recognised as an expense and included in materials and services in the Statements of Comprehensive Income.

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current inventories</b>				
<b>(a) Inventories held for sale</b>				
Inventories held for sale	156	150	156	150
	<u>156</u>	<u>150</u>	<u>156</u>	<u>150</u>
<b>(b) Inventories held for distribution</b>				
Quarry and road materials	526	918	526	918
Plant and equipment stores	956	859	956	859
	<u>1,482</u>	<u>1,777</u>	<u>1,482</u>	<u>1,777</u>
<b>(c) Land purchased for development and sale</b>				
	<u>220</u>	<u>192</u>	<u>220</u>	<u>192</u>
<b>TOTAL CURRENT INVENTORIES</b>	<u><u>1,858</u></u>	<u><u>2,119</u></u>	<u><u>1,858</u></u>	<u><u>2,119</u></u>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 12. Other assets

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current</b>				
Water charges not yet levied	9,886	8,736	9,886	8,736
GST recoverable	2,133	1,534	2,187	1,692
Prepayments	2,064	2,028	1,777	1,765
<b><u>TOTAL CURRENT OTHER ASSETS</u></b>	<b><u>14,083</u></b>	<b><u>12,298</u></b>	<b><u>13,850</u></b>	<b><u>12,193</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 13. Interests in other entities

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Gladstone Airport Corporation</b>				
Investment at cost	-	-	72,862	71,854
Less: accumulated impairment	-	-	(55,196)	(55,196)
Movement during the year	-	-	-	1,008
<b><u>TOTAL OF INTERESTS IN OTHER ENTITIES</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>17,666</u></b>	<b><u>17,666</u></b>

Gladstone Airport Corporation is a Local Government owned Corporation wholly owned by Gladstone Regional Council.

Gladstone Airport Corporation became a corporatised entity on 1 July 2012 in the state of Queensland under the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 (repealed)* to administer the for-profit airport activities.

Council's consolidated financial statements incorporate the assets, liabilities and result of the Gladstone Airport Corporation in accordance with AASB 10 *Consolidated Financial Statements* and the accounting policy described in note 1(b).

Council's investment in the controlled entity, Gladstone Airport Corporation, is accounted for at cost in Council's separate financial statements as fair value cannot be reliably measured. This investment is eliminated in the financial statements of the economic entity upon consolidation.

A review of the recoverable amount of the airport cash-generating unit (CGU) was undertaken as at 30 June 2023. This assessment found that there was no indication of impairment observed in Council's investment in the Gladstone Airport Corporation (GAC) as a controlled entity.

The value-in-use of the airport CGU was determined to be within the range of \$39,706,000 and \$52,731,000. Council has elected to apply the mid-point of this range, and adjusted for cash and cash equivalents, borrowings and other financial liabilities to arrive at an implied equity value of \$27,441,000.

Sensitivity analysis was undertaken over the following assumptions within the valuation:

- Discount rate
- Passenger growth rate
- COVID-19 recovery into 2023
- Forecast capital expenditure
- Receipt of significant capital funding in future years

It was determined that any reasonable change in these assumptions was unlikely to lead to further impairment.

As the parent entity, Council assessed the recoverable amount of the airport CGU to include surplus cash, and therefore compared the recoverable value to Council of \$58,700,000 to the carrying amount of the CGU (inclusive of both the investment and loan receivable). The recoverable amount to the CGU exceeds the carrying amount and therefore there are no impairment losses in the 2022-23 year.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 14. Investment property

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Fair value at beginning of financial year	4,942	4,928	4,942	4,928
Revaluation adjustment	(2,534)	-	(2,534)	-
Transfers from/(to) property, plant and equipment	15	-	14	14
<b><u>TOTAL INVESTMENT PROPERTY</u></b>	<b><u>2,408</u></b>	<b><u>4,942</u></b>	<b><u>2,408</u></b>	<b><u>4,942</u></b>

Investment property comprises commercial properties which are rented out. The income derived from these properties is shown at note 17.

The fair value of these properties was determined via an internal review, based on market movement since the last comprehensive revaluation completed by APV Valuers and Asset Management, an independent professionally qualified valuation firm, as at 30 June 2021. Fair value was determined by reference to market-based evidence including observable historical sales data in the relevant market.

A revaluation decrement has been recorded for the investment property asset sub class as at 30 June 2023.

At reporting date there was no property being constructed or developed for future use as investment property.

No contingent rentals were recognised during the current or prior reporting periods.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

Note 15. Property, plant and equipment

Consolidated - 30 June 2023	Land and improvements		Buildings		Plant and equipment		Major plant and equipment		Cultural assets		Park furniture and other structures		Road, drainage and transport infrastructure		Sewerage infrastructure		Water infrastructure		Work in progress		Total		
	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	\$'000	
Measurement basis		Notes																					
Opening gross balance	118,991		192,192	52,444	11,549	1,545	61,011	1,843,746	737,178	401,515	1,171	1,197	15,062	15,760	3,751	63,895	15,062	15,760	3,751	63,895	15,062	15,760	3,751
Transfers between asset classes	-		(19)	(476)	-	-	(69)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions - renewal	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions - other	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	2,025		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	(2,025)	8	(146)	(1,302)	(735)	-	(46)	(6,855)	(575)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-		-	(30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	34,787		37,358	-	320	26	10,125	35,367	116,795	63,895	116,795	116,795	116,795	116,795	116,795	116,795	116,795	116,795	116,795	116,795	116,795	116,795	116,795
Work in progress transfers	136		4,069	5,137	2,599	9	6,965	15,062	15,760	3,751	6,965	15,062	15,062	15,062	15,062	15,062	15,062	15,062	15,062	15,062	15,062	15,062	15,062
Adjustments and other transfers	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total consolidated gross value of property, plant and equipment</b>	<b>153,914</b>		<b>233,454</b>	<b>55,773</b>	<b>13,733</b>	<b>1,580</b>	<b>77,986</b>	<b>1,889,627</b>	<b>869,644</b>	<b>468,161</b>	<b>1,889,627</b>	<b>869,644</b>	<b>468,161</b>	<b>1,889,627</b>	<b>869,644</b>	<b>468,161</b>	<b>1,889,627</b>	<b>869,644</b>	<b>468,161</b>	<b>1,889,627</b>	<b>869,644</b>	<b>468,161</b>	<b>1,889,627</b>
Opening accumulated depreciation and impairment	3,895		48,231	27,688	2,470	-	12,706	363,870	346,363	156,529	197	197	15,062	15,062	3,751	63,895	15,062	15,062	3,751	63,895	15,062	15,062	3,751
Transfers between asset classes	-		(1)	(39)	-	-	4	-	(85)	(76)	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-		-	-	-	-	-	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	81		2,624	4,234	1,084	-	1,368	26,460	11,942	6,842	152	152	15,062	15,062	15,062	15,062	15,062	15,062	15,062	15,062	15,062	15,062	15,062
Disposals	-		(19)	(974)	(384)	-	(24)	(2,389)	(379)	(737)	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	74		16,695	-	(104)	-	954	39,356	55,935	25,396	954	954	954	954	954	954	954	954	954	954	954	954	954
Adjustments and other transfers	-		(1)	-	-	-	1	(11)	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total consolidated accumulated depreciation and impairment property, plant and equipment</b>	<b>4,050</b>		<b>67,529</b>	<b>30,909</b>	<b>3,066</b>	<b>-</b>	<b>15,009</b>	<b>427,635</b>	<b>413,797</b>	<b>187,954</b>	<b>427,635</b>	<b>413,797</b>	<b>187,954</b>	<b>427,635</b>	<b>413,797</b>	<b>187,954</b>	<b>427,635</b>	<b>413,797</b>	<b>187,954</b>	<b>427,635</b>	<b>413,797</b>	<b>187,954</b>	<b>427,635</b>
<b>Total consolidated net book value of property, plant and equipment</b>	<b>149,864</b>		<b>165,925</b>	<b>24,864</b>	<b>10,667</b>	<b>1,580</b>	<b>62,977</b>	<b>1,461,992</b>	<b>455,847</b>	<b>280,207</b>	<b>1,461,992</b>	<b>455,847</b>	<b>280,207</b>	<b>1,461,992</b>	<b>455,847</b>	<b>280,207</b>	<b>1,461,992</b>	<b>455,847</b>	<b>280,207</b>	<b>1,461,992</b>	<b>455,847</b>	<b>280,207</b>	<b>1,461,992</b>
Other information																							
Recognition threshold	>\$1	Land: Not depreciated	>\$10,000	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked
Range of estimated useful life (years)		Improvements:	10-185	2-52	7-16	Not depreciated	10-150	10-1000	15-150	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### Note 15. Property, plant and equipment (continued)

	Notes	Land and improvements		Buildings		Plant and equipment		Major plant and equipment		Cultural assets		Park furniture and other structures		Road, drainage and transport infrastructure		Sewerage infrastructure		Water infrastructure		Work in progress		Total
		\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	
<b>Consolidated - 30 June 2022</b>																						
Measurement basis																						
Opening gross balance		119,399	179,418	50,455	9,745	1,518	51,129	1,725,158	719,794	377,868	106,514											3,340,998
Correction to opening balances*		-	-	2,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,151
Additions - renewal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,466
Additions - other		-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,662
Increases to landfill provisions		(408)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(408)
Disposals	8	-	(293)	(7,084)	(2,180)	-	-	(11,170)	(1,254)	(839)	-	-	-	-	-	-	-	-	-	-	-	(23,058)
Write-offs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,093)
Revaluation increments to equity (ARS)		-	690	-	1,992	-	31	112,115	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,093)
Work in progress transfers		-	12,340	6,946	1,992	27	10,089	17,643	18,638	24,486	(92,161)	-	-	-	-	-	-	-	-	-	-	114,828
Transfers from/(to) investment properties	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers		-	37	(37)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14)
<b>Total consolidated gross value of property, plant and equipment</b>		<b>118,991</b>	<b>192,192</b>	<b>52,444</b>	<b>11,549</b>	<b>1,545</b>	<b>61,011</b>	<b>1,843,746</b>	<b>737,178</b>	<b>401,515</b>	<b>66,374</b>	<b>3,486,545</b>										
Opening accumulated depreciation		3,712	46,341	26,467	2,670	-	11,438	372,439	335,943	150,384	-	-	-	-	-	-	-	-	-	-	-	949,394
Correction to opening balances*		-	-	2,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,151
Depreciation expense		182	2,247	4,130	729	-	1,153	23,677	10,963	6,476	-	-	-	-	-	-	-	-	-	-	-	49,557
Disposals	8	-	(272)	(5,145)	(1,437)	-	(211)	(5,548)	(543)	(331)	-	-	-	-	-	-	-	-	-	-	-	(13,487)
Revaluation increments to equity (ARS)		-	-	-	508	-	326	(26,698)	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,864)
Adjustments and other transfers		1	(85)	85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
<b>Total consolidated accumulated depreciation and impairment property, plant and equipment</b>		<b>3,895</b>	<b>48,231</b>	<b>27,688</b>	<b>2,470</b>	<b>-</b>	<b>12,706</b>	<b>363,870</b>	<b>346,363</b>	<b>156,529</b>	<b>-</b>	<b>961,752</b>										
<b>Total consolidated net book value of property, plant and equipment</b>		<b>115,096</b>	<b>143,961</b>	<b>24,756</b>	<b>9,079</b>	<b>1,545</b>	<b>48,305</b>	<b>1,479,876</b>	<b>390,815</b>	<b>244,986</b>	<b>66,374</b>	<b>2,524,793</b>										

Other information		Recognition threshold		Range of estimated useful life (years)	
>\$1	Land: Not depreciated Improvements: 7	>\$10,000	>\$5,000	>\$10,000	>\$10,000
		10-185	2-52	10-150	10-1000
		10-100	15-150	10-100	10-100
		Not depreciated	Not depreciated	Not depreciated	Not depreciated
		Networked	Networked	Networked	Networked

\*Consolidation adjustments between gross value and accumulated depreciation

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2023**

Notes to the Financial Statements  
for the year ended 30 June 2023

**Note 15. Property, plant and equipment (continued)**

Council - 30 June 2023	Notes	Land and improvements		Buildings		Plant and equipment		Major plant and equipment		Cultural assets		Park furniture and other structures		Road, drainage and transport infrastructure		Sewerage infrastructure		Water infrastructure		Work in progress		Total	
		\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost		\$'000
Measurement basis																							
Opening gross balance		111,400	166,291	48,112	11,549	1,545	57,872	1,784,015	737,178	401,515	3,383,256	63,779	48,633	9,843	4,213	(12,350)	(1,462)	286,982	-	-	-	3,383,256	
Transfers between asset classes		-	(19)	-	-	-	-	1,171	(275)	(332)	-	-	-	-	-	-	-	-	-	-	-	-	
Additions - renewal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,633	
Additions - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,843	
Contributed assets		2,025	-	-	-	-	-	1,197	779	212	-	-	-	-	-	-	-	-	-	-	-	4,213	
Disposals	8	(2,025)	(146)	(1,103)	(735)	-	(32)	(6,855)	(575)	(879)	-	-	-	-	-	-	-	-	-	-	-	(12,350)	
Write-offs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,462)	
Revaluation increments to equity (ARS)		32,725	25,577	(30)	320	26	8,587	39,057	116,795	63,895	-	-	-	-	-	-	-	-	-	-	-	286,982	
Work in progress transfers		136	4,049	4,941	2,599	9	5,810	12,631	15,760	3,751	-	-	-	-	-	-	-	-	-	-	-	286,982	
Adjustments and other transfers		-	-	-	-	-	-	(61)	(18)	(1)	-	-	-	-	-	-	-	-	-	-	-	(80)	
<b>Total gross value of property, plant and equipment</b>		<b>144,261</b>	<b>195,752</b>	<b>51,920</b>	<b>13,733</b>	<b>1,580</b>	<b>71,692</b>	<b>1,831,155</b>	<b>869,644</b>	<b>468,161</b>	<b>3,383,256</b>	<b>71,107</b>	<b>48,633</b>	<b>9,843</b>	<b>4,213</b>	<b>(12,350)</b>	<b>(1,462)</b>	<b>286,982</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,719,005</b>	
Opening accumulated depreciation																							
Transfers between asset classes		3,895	33,092	24,453	2,470	-	10,344	317,892	346,363	156,529	895,038	-	-	-	-	-	-	-	-	-	-	-	895,038
Contributed assets		-	-	-	-	-	(36)	197	(85)	(76)	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense		81	2,244	4,069	1,084	-	1,221	25,598	11,942	6,842	163	-	-	-	-	-	-	-	-	-	-	163	
Disposals	8	-	(19)	(790)	(384)	-	(10)	(2,389)	(379)	(737)	(4,708)	-	-	-	-	-	-	-	-	-	-	-	53,081
Revaluation increments to equity (ARS)		74	5,287	-	(104)	-	1,680	43,984	55,935	25,396	132,252	-	-	-	-	-	-	-	-	-	-	-	132,252
Adjustments and other transfers		-	-	-	-	-	1	(11)	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation of property, plant and equipment</b>		<b>4,050</b>	<b>40,604</b>	<b>27,732</b>	<b>3,066</b>	<b>-</b>	<b>13,200</b>	<b>385,423</b>	<b>413,797</b>	<b>187,954</b>	<b>1,075,826</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,075,826</b>	
<b>Total net book value of property, plant and equipment</b>		<b>140,211</b>	<b>155,148</b>	<b>24,188</b>	<b>10,667</b>	<b>1,580</b>	<b>58,492</b>	<b>1,445,732</b>	<b>455,847</b>	<b>280,207</b>	<b>2,643,179</b>	<b>71,107</b>	<b>48,633</b>	<b>9,843</b>	<b>4,213</b>	<b>(12,350)</b>	<b>(1,462)</b>	<b>286,982</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,643,179</b>	
Other information																							
Recognition threshold		>\$1	>\$10,000	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked
Range of estimated useful life (years)		Land: Not depreciated Improvements: 7	>\$10,000	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked	>\$10,000	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked
			10-185	2-52	7-16	Not depreciated	10-150	10-1000	15-150	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	10-100	Not depreciated

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### Note 15. Property, plant and equipment (continued)

Council - 30 June 2022	Land and improvements		Buildings		Plant and equipment		Major plant and equipment		Cultural assets		Park furniture and other structures		Road, drainage and transport infrastructure		Sewerage infrastructure		Water infrastructure		Work in progress		Total
	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Cost	
Measurement basis		Notes																			
Opening gross balance	111,808		153,975		48,811		9,745		1,518		47,783		1,662,334		719,794		377,868		105,986		3,239,622
Additions - renewal	-		-		13		-		-		-		-		-		-		36,819		36,819
Additions - other	(408)		-		-		-		-		-		-		-		-		13,662		13,675
Increases to landfill provisions	-	8	(24)		(7,078)		(2,180)		-		-		(7,527)		(1,254)		(839)		-		(408)
Disposals	-		-		-		-		-		-		-		-		-		-		-
Write-offs	-		-		-		-		-		-		-		-		-		(1,093)		(1,093)
Revaluation increments to equity (ARS)	-		-		-		1,992		-		-		111,565		-		-		-		-
Work in progress transfers	-		12,340		6,366		1,992		27		10,089		17,643		18,638		24,486		(91,581)		113,557
Transfers from/(to) investment properties	-	14	-		-		-		-		-		-		-		-		(14)		(14)
<b>Total gross value of property, plant and equipment</b>	<b>111,400</b>		<b>166,291</b>		<b>48,112</b>		<b>11,549</b>		<b>1,545</b>		<b>57,872</b>		<b>1,784,015</b>		<b>737,178</b>		<b>401,515</b>		<b>63,779</b>		<b>3,383,256</b>
Opening accumulated depreciation	3,713		31,142		25,683		2,670		-		9,305		323,930		335,943		150,384		-		882,770
Depreciation expense	182		1,953		3,909		729		-		1,039		23,281		10,963		6,476		-		48,532
Disposals	-		(3)		(5,139)		(1,437)		-		-		(2,621)		(543)		(331)		-		(10,074)
Revaluation increments to equity (ARS)	-		-		-		508		-		-		(26,698)		-		-		-		(26,190)
<b>Total accumulated depreciation of property, plant and equipment</b>	<b>3,895</b>		<b>33,092</b>		<b>24,453</b>		<b>2,470</b>		<b>-</b>		<b>10,344</b>		<b>317,892</b>		<b>346,363</b>		<b>156,529</b>		<b>-</b>		<b>895,038</b>
<b>Total net book value of property, plant and equipment</b>	<b>107,505</b>		<b>133,199</b>		<b>23,659</b>		<b>9,079</b>		<b>1,545</b>		<b>47,528</b>		<b>1,466,123</b>		<b>390,815</b>		<b>244,986</b>		<b>63,779</b>		<b>2,488,218</b>
Other information																					
Recognition threshold	>\$1	Land: Not depreciated Improvements: 7	>\$10,000	Networked	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked
Range of estimated useful life (years)			10-185	10-185	2-52	7-16	7-16	10-150	10-150	10-150	10-150	10-150	10-1000	10-1000	15-150	15-150	10-100	10-100	10-100	10-100	Not depreciated

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 15. Property, plant and equipment (continued)

#### (a) Recognition

The classes of property, plant and equipment recognised by Council are:

- Land and improvements
- Buildings
- Major plant and equipment
- Plant and equipment
- Cultural assets
- Park furniture and other structures
- Roads, drainage and transport infrastructure
- Water infrastructure
- Sewerage infrastructure
- Work in progress

Asset thresholds are set for each class as outlined in the property, plant and equipment tables.

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold or maintenance expenditure.

Thresholds apply to all assets on a stand alone basis except for those categorised as networked. Networked assets are generally components of a complex asset and individually are not functional.

#### Major plant and equipment

Council has determined that plant which has an individual cost in excess of \$350,000 is of high value to Council. Plant which meets this criteria is major plant if it is prone to a high degree of price fluctuations or in danger of becoming obsolete. The asset class primarily includes specialised earthmoving equipment.

#### Capital and operating expenditure

Wages and materials expenditure incurred for the acquisition of, or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current assets are expensed as incurred, while expenditure that relates to the replacement of a major component of an asset to maintain its service potential is capitalised.

#### Land under roads

The Gladstone Regional Council does not control any land under roads. All land under the road network within Council area has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* and is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

#### (b) Measurement

Acquisition of assets are initially recorded at cost. Cost is determined as the fair value of consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Non-monetary assets, including property, plant and equipment, received in the form of contributions are recognised as assets and revenues at fair value by Council where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 15. Property, plant and equipment (continued)

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#### (b) Measurement (continued)

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised against asset revaluation surplus.

#### Capital work in progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

Investment property under construction is classified as investment property. Refer to note 14 for further information.

#### (c) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other land improvements and property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to Council.

Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to Council or the unexpired period of the lease, whichever is the shorter.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 15. Property, plant and equipment (continued)

#### (d) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

#### (e) Valuation

Land and improvements, buildings, major plant and equipment and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with *AASB 116 Property, Plant and Equipment* and *AASB 13 Fair Value Measurement*. All other non-current assets, principally plant and equipment are measured at cost.

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years with interim valuations, using a suitable index, being otherwise performed on an annual basis where there has been a material variation in the index.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

#### Valuation Processes

Council does not measure any liabilities at fair value on a recurring basis.

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3. Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 15. Property, plant and equipment (continued)

#### (e) Valuation (continued)

#### Valuation techniques used to derive level 2 and level 3 fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date/ valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other revaluation adjustment
Buildings - FV inputs (3)	Current replacement cost approach	APV 30/06/2021	<p>*Current replacement cost determined by (rate per square meter) cost guides, unit rate databases and available market and construction data of modern equivalent assets.</p> <ul style="list-style-type: none"> <li>• Replacement Cost also calculated with the help of (actual dimensions and unit rates) derived from market evidence plus locality allowance factored in for materials and labour, in general Gladstone's locality factor has been around 20% for most of the assets valued within this comprehensive valuation.</li> <li>• Residual value (based on estimated proceeds from disposal at the end of the useful life – typically assessed as nil)</li> <li>• Split between short-life and long-life part (based on consideration of likely future asset management treatments)</li> <li>• Valuation profile (based on how market participants perceive the relationship between asset condition, cost to renew the asset and the associated value).</li> <li>• Consumption score (based on physical characteristics as well as potential impact of changes in functionality, capacity, obsolescence and legal and other limits)</li> <li>• Dates of acquisition and decommissioning used where applicable</li> </ul>	QGSO (Queensland Government Statisticians office) Asset revaluation index, 3 year rolling average, compounded for two years, applied at 15.03%	N/A
Major Plant - FV input (2)	Market approach	Internal Management Assessment 30/06/2023	<p>Values are determined by management on a condition audit and market based evidence using comparable replacement costs from the most recent price catalogues for specialised earthmoving equipment.</p> <p>Key assumptions used in assessing the condition included site condition, type of usage, major mechanical component condition, and machine hours. The fair value takes into account transport costs to transport the plant to market but does not include transaction costs.</p>	N/A	Revaluation adjustment of \$0.4m based on market information

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 15. Property, plant and equipment (continued)

#### (e) Valuation (continued)

#### Valuation techniques used to derive level 2 and level 3 fair values (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date/ valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other revaluation adjustment
Land- FV inputs (2)	Combination of market and current replacement cost approach	APV 30/06/2021	<ul style="list-style-type: none"> <li>Except in the circumstance of any assets being held for sale (valued in accordance with AASB 5 Assets Held for Sale) or in accordance with specific accounting standards (such as investment properties) the balance of the portfolio is valued in accordance with AASB116 Property Plant and Equipment at fair value.</li> <li>Depending upon the unique circumstances of each lot, land has been valued using the two approaches including;               <ul style="list-style-type: none"> <li>- Direct comparison to sales</li> <li>- Hypothetical development</li> <li>- Value to an adjoining owner</li> <li>- Nominal value</li> </ul> </li> </ul> <p>Therefore, the valuation of land took into account sales prices (database of recent sales) of comparable properties and were adjusted for differences in key attributes such as land size</p>	Average movement in land valuations, compounded for two years applied at 29.34%	N/A
Parks Furniture & Other Structures (PFOS) FV inputs (3)	Current replacement cost approach	APV 30/06/2021	<ul style="list-style-type: none"> <li>Replacement cost (based on actual dimensions and unit rates derived from market evidence)</li> <li>Residual value (based on estimated proceeds from disposal at the end of the useful life – typically assessed as nil)</li> <li>Split between short-life and long-life part (based on consideration of likely future asset management treatments)</li> <li>Valuation profile (based on how market participants perceive the relationship between asset condition, cost to renew the asset and the associated value).</li> <li>Consumption score (based on physical characteristics as well as potential impact of changes in functionality, capacity, obsolescence and legal and other limits)</li> <li>Dates of acquisition and decommissioning used where applicable</li> <li>Assets previously under revaluation threshold of \$10K have been picked up as part of this comprehensive revaluation and includes BBQ units, swings, slides, climbing units and other playground equipment.</li> </ul>	QGSO (Queensland Government Statisticians office) Asset revaluation index, 3 year rolling average, compounded for two years, applied at 15.03%	N/A

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 15. Property, plant and equipment (continued)

#### (e) Valuation (continued)

#### Valuation techniques used to derive level 2 and level 3 fair values (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date/ valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other revaluation adjustment
Water- FV inputs (3)	Current replacement cost approach	Desktop APV 30/06/2023	<ul style="list-style-type: none"> <li>• Modern equivalent asset (based on current constructions standards and practices)</li> <li>• Replacement cost (based on unit rates derived from first principles cost build-ups)</li> <li>• Unit of account/segmentation (level of componentisation of assets into electrical, mechanical and structural elements).</li> <li>• Dates of acquisition, upgrade and/or decommissioning.</li> <li>• Level of utilisation of assets and condition score.</li> <li>• Total economic useful life and remaining useful life estimates.</li> <li>• Consumption method determined on a straight-line basis.</li> </ul>	Civil 18.7% Mechanical 12.55% Electrical 21.39% Pipe Works 15.03%	Mechanical and Pipe Works - Current Replacement Cost \$0.3m brought to account as part of the valuation
Sewerage -FV inputs (3)	Current replacement cost approach	Desktop APV 30/06/2023	<ul style="list-style-type: none"> <li>• Modern equivalent asset (based on current constructions standards and practices)</li> <li>• Replacement cost (based on unit rates derived from first principles cost build-ups)</li> <li>• Unit of account/segmentation (level of componentisation of assets into electrical, mechanical and structural elements).</li> <li>• Dates of acquisition, upgrade and/or decommissioning.</li> <li>• Level of utilisation of assets and condition score.</li> <li>• Total economic useful life and remaining useful life estimates.</li> <li>• Consumption method determined on a straight-line basis.</li> </ul>	Civil 18.7% Mechanical 12.55% Electrical 21.39% Pipe Works 15.03%	N/A

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 15. Property, plant and equipment (continued)

#### (e) Valuation (continued)

#### Valuation techniques used to derive level 2 and level 3 fair values (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date/ valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other revaluation adjustment
RDTI -FV inputs (3)	Current replacement cost approach	Comprehensive Shepherd Services 30/06/2023	<p>Fair value based on inputs that are directly or indirectly observable for asset (level 2) and Fair value on unobservable inputs for assets (level 3)</p> <ul style="list-style-type: none"> <li>• Current replacement cost units rates were developed by reviewing past construction work costs. For those assets with no recent work cost available, rates were determined from first principles or obtained from benchmarking surrounding regional councils</li> <li>• Onsite inspections were completed for all roads, kerbs and footpaths; condition assessments and relevant photos have been taken and supplied by Shepherd</li> <li>• Level 2 inspection of bridges, culverts and stormwater assets were completed by a third party and provided to Shepherd</li> <li>• Remaining life for each asset has been determined</li> <li>• Useful lives have been determined where possible, by sampling Council's oldest assets in each asset category, otherwise they have been taken from the industry standards.</li> </ul>	N/A	Roads and Drainage - Current Replacement Cost \$21.5m brought to account as part of the valuation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 16. Contract balances

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that Council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

#### (a) Contract assets

##### Current

Contracts with customers	3,060	2,068	3,060	2,068
<b><u>TOTAL CURRENT CONTRACT ASSETS</u></b>	<b><u>3,060</u></b>	<b><u>2,068</u></b>	<b><u>3,060</u></b>	<b><u>2,068</u></b>

#### (b) Contract liabilities

Funds received upfront to construct Council controlled assets	4,872	4,881	4,779	3,856
Non-capital performance obligations not yet satisfied	2,237	462	2,237	462
<b><u>TOTAL CURRENT CONTRACT LIABILITIES</u></b>	<b><u>7,109</u></b>	<b><u>5,343</u></b>	<b><u>7,016</u></b>	<b><u>4,318</u></b>

##### Non-current

Developer Contribution Offsets	2,319	-	2,319	-
<b><u>TOTAL NON-CURRENT CONTRACT LIABILITIES</u></b>	<b><u>2,319</u></b>	<b><u>-</u></b>	<b><u>2,319</u></b>	<b><u>-</u></b>

#### Revenue recognised that was included in the contract liability balance at the beginning of the year

Funds to construct Council controlled assets	2,296	161	2,296	161
Non-capital performance obligations not yet satisfied	147	28	147	28
<b><u>Total revenue included in the contract liability</u></b>	<b><u>2,443</u></b>	<b><u>189</u></b>	<b><u>2,443</u></b>	<b><u>189</u></b>

#### Satisfaction of contract liabilities

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income in the next 12 months.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 17. Leases

#### Council as a lessee

Council has leases in place over land and infrastructure.

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right of use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right of use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right of use asset is adjusted to reflect the re-measurement.

#### Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Leases at significantly below market value / concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

The leases are between 20 and 74 years and require payments between \$0 and \$1 per annum. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the lease agreements.

#### Terms and conditions of leases

##### Land

Council leases various parcels of land for purposes such as showgrounds, community centres as well as the positioning of water and sewerage infrastructure. A number of the underlying assets are considered low value, or the lease payments are significantly below market value and are therefore not subject to lease accounting. For the leases recognised in these statements, lease terms range between 5 and 75 years with some payments based upon the value of the land and some indexing each year by the rate determined within the agreement.

##### Infrastructure

Council leases allocated space on a communication tower. The lease term is 5 years with options to extend. The lease payments are indexed each year by the rate determined within the agreement.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 17. Leases (continued)

	Land \$'000	Infrastructure \$'000	Equipment \$'000	Total \$'000
<b>Right of use assets</b>				
<b>Consolidated</b>				
<b>2023</b>				
Opening balance	1,069	779	-	1,848
Adjustments to right of use assets due to remeasurement of lease liability	1,814	10	-	1,824
Depreciation charge	(91)	(40)	-	(131)
<b>Balance at 30 June 2023</b>	<b>2,792</b>	<b>749</b>	<b>-</b>	<b>3,541</b>
<b>2022</b>				
Opening balance	1,113	833	45	1,991
Adjustments to right of use assets due to remeasurement of lease liability	-	(10)	-	(10)
Depreciation charge	(44)	(44)	(22)	(110)
Other - Lease finalised	-	-	(23)	(23)
<b>Balance at 30 June 2022</b>	<b>1,069</b>	<b>779</b>	<b>-</b>	<b>1,848</b>
<b>Council</b>				
<b>2023</b>				
Opening balance	1,069	779	-	1,848
Adjustments to right of use assets due to remeasurement of lease liability	1,814	10	-	1,824
Depreciation charge	(91)	(40)	-	(131)
<b>Balance at 30 June 2023</b>	<b>2,792</b>	<b>749</b>	<b>-</b>	<b>3,541</b>
<b>2022</b>				
Opening balance	1,113	833	-	1,946
Adjustments to right of use assets due to remeasurement of lease liability	-	(10)	-	(10)
Depreciation charge	(44)	(44)	-	(88)
<b>Balance at 30 June 2022</b>	<b>1,069</b>	<b>779</b>	<b>-</b>	<b>1,848</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 17. Leases (continued)

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Lease liabilities</b>				
<b>Classified as:</b>				
Current lease liability	17	40	17	40
Non-current lease liability	3,765	1,921	3,765	1,921
<b>Total lease liabilities</b>	<b>3,782</b>	<b>1,961</b>	<b>3,782</b>	<b>1,961</b>

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the Statements of Financial Position.

	< 1 year \$'000	1 to 5 years \$'000	> 5 years \$'000	Total \$'000	Total per Statements of Financial Position \$'000
<b>Consolidated</b>					
<b>2023</b>					
Lease liabilities	77	455	5,694	6,226	3,782
	<u>77</u>	<u>455</u>	<u>5,694</u>	<u>6,226</u>	<u>3,782</u>
<b>2022</b>					
Lease liabilities	89	386	2,393	2,868	1,961
	<u>89</u>	<u>386</u>	<u>2,393</u>	<u>2,868</u>	<u>1,961</u>
<b>Council</b>					
<b>2023</b>					
Lease liabilities	77	455	5,694	6,226	3,782
	<u>77</u>	<u>455</u>	<u>5,694</u>	<u>6,226</u>	<u>3,782</u>
<b>2022</b>					
Lease liabilities	89	386	2,393	2,868	1,961
	<u>89</u>	<u>386</u>	<u>2,393</u>	<u>2,868</u>	<u>1,961</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 17. Leases (continued)

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

#### Amounts included in the Statement of Comprehensive Income related to leases

The following amounts have been recognised in the Statement of Comprehensive Income for leases where Council is the lessee.

#### Expenses

Depreciation of right of use assets	131	110	131	88
Interest expense on lease liabilities	91	51	91	50
Expenses relating to short-term leases	28	21	28	17
Expenses relating to low-value assets	4	7	4	7
<b>Net expense relating to leases</b>	<b>254</b>	<b>189</b>	<b>254</b>	<b>162</b>

#### Amounts included in the Statement of Cash Flows related to leases

The following amounts have been recognised in the Statement of Cash Flows for leases where Council is the lessee.

#### Cash flows from financing activities

Repayments made on leases (principal only)	(93)	(110)	(93)	(87)
<b>Total cash inflows/(outflows) for leases</b>	<b>(93)</b>	<b>(110)</b>	<b>(93)</b>	<b>(87)</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 17. Leases (continued)

#### Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with *AASB 15 Revenue from Contracts with Customers*.

Council does not have any finance leases. Council's operating leases relate to the investment property in the Statements of Financial Position. Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

#### Operating leases

Where Council retains the risks and rewards relating to a lease, the lease is classified as an operating lease.

#### The minimum lease receipts are as follows:

Not later than one year	119	1,021	119	212
Between one and two years	109	452	109	278
Between two and three years	83	407	83	285
Between three and four years	60	249	60	171
Between four and five years	55	191	55	175
Later than five years	326	367	326	357
<b>Total lease receipts</b>	<b>752</b>	<b>2,687</b>	<b>752</b>	<b>1,478</b>

#### Assets classified as investment property

The assets are included in the statement of financial position as:

- Investment property - where the asset is held predominantly for rental or capital growth purposes (refer note 15) or
- Property, plant and equipment - where the rental is incidental or the asset is held to meet Council's service delivery objectives (refer note 14).

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 17. Leases (continued)

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Rent from investment and other property is recognised as income on a periodic straight line basis over the lease				
Rental income (excluding variable lease payments not dependent on an index or rate)	565	794	557	786
Rental income relating to variable lease payments not dependent on an index or rate	59	-	59	-
Other	1,437	1,107	-	-
<b>Total operating lease income (rental income)</b>	<b>2,061</b>	<b>1,901</b>	<b>616</b>	<b>786</b>
Direct operating expenses from property that generated rental income	226	130	226	130
Direct operating expenses from property that did not generate rental income	57	40	57	40
<b>Total operating lease expenses</b>	<b>283</b>	<b>170</b>	<b>283</b>	<b>170</b>
Contract obligations for future repairs and maintenance	-	3	-	3

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council, accumulated allowance for uncollectible minimum lease payments receivable or contingent rents recognised as income applicable to the leases.

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. Council does not have any contractual obligations to purchase, construct or develop investment property.

### Note 18. Payables

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Creditors	3,187	1,012	2,981	736
Accrued expenses	15,301	12,903	15,133	11,272
Accrued wages and salaries	1,424	1,089	1,424	1,086
Prepaid rates	12,403	11,450	12,403	11,450
<b>TOTAL CURRENT PAYABLES</b>	<b>32,315</b>	<b>26,454</b>	<b>31,941</b>	<b>24,544</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 19. Borrowings

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, borrowings from the Queensland Treasury Corporation (QTC) are measured at amortised cost and interest free borrowings from the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) are recognised at fair value.

All borrowings are in \$AUD denominated amounts with interest expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 March 2028 to 15 June 2041.

There have been no defaults or breaches of the loan agreements during the period.

Principal and interest repayments are made quarterly and in arrears.

In accordance with the *Local Government Regulation 2012* Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the QTC's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

#### Current

Loans - Queensland Treasury Corporation	6,030	5,819	6,030	5,819
Loans - Interest free - DSDILGP	479	456	479	456
<b><u>TOTAL CURRENT BORROWINGS</u></b>	<b><u>6,509</u></b>	<b><u>6,275</u></b>	<b><u>6,509</u></b>	<b><u>6,275</u></b>

#### Non-current

Loans - Queensland Treasury Corporation	86,810	92,732	86,810	92,732
Loans - Interest free - DSDILGP	2,173	2,955	2,173	2,955
<b><u>TOTAL NON-CURRENT BORROWINGS</u></b>	<b><u>88,983</u></b>	<b><u>95,687</u></b>	<b><u>88,983</u></b>	<b><u>95,687</u></b>
<b><u>TOTAL BORROWINGS</u></b>	<b><u>95,492</u></b>	<b><u>101,962</u></b>	<b><u>95,492</u></b>	<b><u>101,962</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 19. Borrowings (continued)

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Reconciliation of loan movements for the year</b>				
<b>Loans - Queensland Treasury Corporation</b>				
Opening balance at beginning of financial year	98,550	103,982	98,550	103,982
Interest charges	2,780	2,990	2,780	2,990
Principal repayments	(8,490)	(8,422)	(8,490)	(8,422)
<b>Book value at end of financial year</b>	<b>92,840</b>	<b>98,550</b>	<b>92,840</b>	<b>98,550</b>

The QTC loan market value at the reporting date was \$76,466,112. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

#### Loans - Interest free - DSDILGP

Opening balance at beginning of financial year	3,412	3,846	3,412	3,846
Fair value adjustment	150	172	150	172
Repayments	(909)	(606)	(909)	(606)
<b>Book value at end of financial year</b>	<b>2,653</b>	<b>3,412</b>	<b>2,653</b>	<b>3,412</b>

No assets have been pledged as security by Council for any liabilities, however all loans are guaranteed by the Queensland Government.

### Note 20. Provisions

Liabilities are recognised for employee benefits such as wages and salaries, personal, annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

Council has an obligation to pay 16% on personal leave balances accrued in accordance with the Gladstone Regional Council Enterprise Bargaining Agreement adopted on the 5 April 2022 and pay rates being effective from 12 November 2022. Some former Calliope Shire Council employees are entitled to a 25% payout on personal leave accrued from 10 May 2006 to 8 September 2008. Apart from the payout options, Council is not required to payout the personal leave balances as these are not payable upon termination.

Certain former Gladstone City Council employees are entitled to a service entitlement payment upon departure from employment within Council. In accordance with the 2021 Certified Agreement no further increases are to apply to these leave balances.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 20. Provisions (continued)

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#### Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using Commonwealth Bond yield rates.

Where employees have met the prerequisite length of service and Council does not have an unconditional right to defer this liability beyond 12 months long service leave is classified as a current liability. Otherwise it is classified as non-current.

#### Landfill remediation

A provision is made for the cost of restoration in respect of refuse dumps where it is probable that Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the restoration.

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

Refuse dumps are situated on Council controlled land and are classified as land and improvement assets. The provision for restoration is, therefore, included in the cost of the land and amortised over the expected useful life of the refuse dump. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases (if any). Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 20. Provisions (continued)

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current</b>				
Annual leave	5,765	5,862	5,662	5,739
Long service leave	8,212	7,418	8,171	7,366
Personal leave	247	244	247	234
Accrued RDO and time off in lieu	583	581	583	581
Service entitlement	149	244	149	244
Landfill remediation	52	3,444	52	3,444
<b><u>TOTAL CURRENT PROVISIONS</u></b>	<b><u>15,008</u></b>	<b><u>17,793</u></b>	<b><u>14,864</u></b>	<b><u>17,608</u></b>
<b>Non-current</b>				
Long service leave	1,318	1,434	1,287	1,399
Landfill remediation	11,710	7,606	11,710	7,606
<b><u>TOTAL NON-CURRENT PROVISIONS</u></b>	<b><u>13,028</u></b>	<b><u>9,040</u></b>	<b><u>12,997</u></b>	<b><u>9,005</u></b>
<b><u>TOTAL PROVISIONS</u></b>	<b><u>28,036</u></b>	<b><u>26,833</u></b>	<b><u>27,861</u></b>	<b><u>26,613</u></b>

#### Details of movements in provisions:

##### Landfill Remediation

Balance at beginning of financial year	11,050	11,325	11,050	11,325
Increase/(decrease) in provision due to unwinding of discount	(226)	(146)	(226)	(146)
Increase/(decrease) in provision due to change in discount rate	(2,095)	(1,911)	(2,095)	(1,911)
Increase/(decrease) in provision due to change in projected costs	2,930	278	2,930	278
Increase/(decrease) in provision due to change in inflation	2,698	1,504	2,698	1,504
Increase/(decrease) in provision due to capping expenditure	(2,595)	-	(2,595)	-
Balance at end of financial year	<u>11,762</u>	<u>11,050</u>	<u>11,762</u>	<u>11,050</u>

##### Landfill Remediation

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The site is expected to close in 2069.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 20. Provisions (continued)

The restoration provision costs for the capping of cell 1 and 2 at Benaraby have increased to \$7,486,102 in line with updated estimates based on a phased approach. These stages are expected to take place in the 2025-26 and 2026-27 years. Phase 1 of capping cell 1 and 2 was completed in the 2022-23 year at a cost of \$2,594,711.

Cell 3a is expected to close in the 2029-30 financial year, with expected rehabilitation costs of \$3,334,714 forecast for the 2029-30 and 2030-31 years.

Cell 3b and 4 have not yet been disturbed or developed, and as such, a provision has not been made to rehabilitate these sites.

The provision for landfill sites also contains an aftercare rehabilitation cost portion and as at 30th June 2023, this provision is \$940,868 accross all landfill sites.

### Note 21. Other liabilities

	Consolidated		Council	
	2023	2022	2023	2022
Notes	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Waste levy refund received in advance	1,776	1,877	1,776	1,877
<b><u>TOTAL CURRENT OTHER LIABILITIES</u></b>	<b><u>1,776</u></b>	<b><u>1,877</u></b>	<b><u>1,776</u></b>	<b><u>1,877</u></b>
<b>Non-current</b>				
Waste levy refund received in advance	4,279	4,825	4,279	4,825
Long term payable	34,341	34,341	34,341	34,341
<b><u>TOTAL NON-CURRENT OTHER LIABILITIES</u></b>	<b><u>38,620</u></b>	<b><u>39,166</u></b>	<b><u>38,620</u></b>	<b><u>39,166</u></b>

Four years of annual payments (2022-23 - 2025-26) were received by Council as a lump sum payment in June 2022. A further advance payment was received in June 2023 for the 2026-27 financial year.

These payments were received by Council from the State Government to help make future investment decisions in regards to reducing waste generation and increasing resource recovery.

The subsidy received for the 2022-23 year is recognised in the income statement in the 2022-23 year as a contra expense. The subsidy received in advance for the 2023-24 year is recognised as a current liability. The subsidies received in advance for the years 2024-25, 2025-26 and 2026-27 are recognised as a non-current liability.

The long term payable relates to an agreement with the bulk water provider for the Gladstone community that expires on 30 June 2122.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 22. Equity reserves

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#### (a) Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

Increases and decreases upon revaluation are offset within a class of assets.

Where a class of assets is decreased upon revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense in the Statements of Comprehensive Income.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

The closing balance of the asset revaluation surplus is \$1,203,505,885 for Council (\$1,052,308,718 in 2021-22) and \$1,145,689,307 for Consolidated (\$988,860,455 in 2021-22). The movement in reserves at an asset class level (including adjustments made for found assets not considered to be material by Council) can be found in Note 15.

#### (b) Reserves

All reserves were established via Council resolution on 15 March 2008 excluding the gravel pit rehabilitation reserve which was established on 1 July 2019.

The reserves represent funds that are accumulated within Council to meet anticipated future needs. In each case the amount relates to a perceived future requirement which is not currently a liability. The amounts reported at balance date correspond to the amount of cash (reported within cash and cash equivalents) to be made available for a use which may not be defined at the reporting date.

Funds are transferred to reserves as determined by budget and upon the receipt of infrastructure charges. In areas where revenue and expenditure are cyclical, surplus funds may also be transferred to reserve. When funds are expended from reserves for an approved purpose, an equivalent amount is transferred out of the relevant reserve to retained surplus.

The Gladstone Airport Corporation does not maintain any reserve balances, therefore the information presented relates to Council only.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 22. Equity reserves (continued)

	Opening Balance \$'000	Transfers in from retained earnings \$'000	Transfers out - funds expended \$'000	Closing Balance \$'000
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Movement in the reserves has been summarised below:

#### 2023

##### Reserves held for funding future capital expenditure:

Emergency services reserve	588	76	-	664
Future capital works reserve	27,799	19,391	(2,142)	45,048
Plant asset replacement reserve	7,197	-	(5,419)	1,778
Regional waste management reserve	8,096	3,208	(5,503)	5,801
Parks constrained works reserve	1,520	365	(39)	1,846
Roads constrained works reserve	20,951	748	(160)	21,539
Water constrained works reserve	1,064	365	-	1,429
Sewerage constrained works reserve	10,459	3,391	(2,355)	11,495
Gravel pit rehabilitation reserve	2,918	-	(124)	2,794
	<u>80,592</u>	<u>27,544</u>	<u>(15,742)</u>	<u>92,394</u>

##### Reserves held for funding future recurrent expenditure:

Recurrent grant funding reserve	329	374	(328)	375
	<u>329</u>	<u>374</u>	<u>(328)</u>	<u>375</u>
<b><u>TOTAL RESERVES</u></b>	<u>80,921</u>	<u>27,918</u>	<u>(16,070)</u>	<u>92,769</u>

#### 2022

##### Reserves held for funding future capital expenditure:

Emergency services reserve	966	-	(378)	588
Future capital works reserve	23,099	6,232	(1,532)	27,799
Plant asset replacement reserve	15,334	-	(8,137)	7,197
Regional waste management reserve	8,273	-	(177)	8,096
Parks constrained works reserve	1,591	439	(510)	1,520
Roads constrained works reserve	20,467	484	-	20,951
Water constrained works reserve	878	186	-	1,064
Sewerage constrained works reserve	7,528	3,823	(892)	10,459
Gravel pit rehabilitation reserve	3,148	-	(230)	2,918
	<u>81,284</u>	<u>11,164</u>	<u>(11,856)</u>	<u>80,592</u>

##### Reserves held for funding future recurrent expenditure:

Recurrent grant funding reserve	373	329	(373)	329
	<u>373</u>	<u>329</u>	<u>(373)</u>	<u>329</u>
<b><u>TOTAL RESERVES</u></b>	<u>81,657</u>	<u>11,493</u>	<u>(12,229)</u>	<u>80,921</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 23. Commitments for expenditure

	Consolidated		Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

#### (a) Contractual commitments (exclusive of GST)

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Garbage collection contract	8,331	10,749	8,331	10,749
Water & sewerage plant operations	3,836	5,879	3,836	5,879
Other commitments	3,103	1,453	3,103	1,453
Airport operating contracts	181	198	-	-
	<u>15,451</u>	<u>18,279</u>	<u>15,270</u>	<u>18,081</u>

#### Capital commitments (exclusive of GST)

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

##### Property, plant and equipment

Airport capital expenditure	82	910	-	-
Fleet and equipment purchases	3,603	2,517	3,603	2,517
Parks and environment assets	1,054	197	1,054	197
Property assets	3,195	1,515	3,195	1,515
Road assets	6,747	4,376	6,747	4,376
Strategic projects	818	-	818	-
Sewerage assets	3,022	5,156	3,022	5,156
Waste assets	8	36	8	36
Water assets	1,219	1,312	1,219	1,312
External project management and design	71	36	71	36
	<u>19,819</u>	<u>16,055</u>	<u>19,737</u>	<u>15,145</u>

Capital commitments are all expected to settle within the next year.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2023

#### Note 24. Contingent liabilities

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Details and estimates of maximum amounts of contingent liabilities are as follows:

##### Local Government Mutual

Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2022 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

##### Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$1,904,644.

##### Bank Guarantees

The Gladstone Regional Council has provided a bank guarantee to Queensland Rail Ltd valued at \$15,000 as a bond over two blocks of land being utilised by Gladstone Regional Council. The guarantee expires in 29 February 2028.

The Gladstone Regional Council has provided a bank guarantee to Great Barrier Reef Marine Park Authority valued at \$274,353 as an obligation under contract for the Permit G37713.1 - Agnes Water Desalination Plant. The guarantee expires on 30 September 2028.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 25. Superannuation - Regional Defined Benefit Fund

Council contributes to the LGIA Super Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIA Super trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*. The scheme is managed by the LGIA Super trustee as trustee for LGIA Super trading as Brighter Super.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at Council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of Council.

Gladstone Regional Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them, However the risk of this occurring is extremely low and in accordance with the LGIA Super trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due until 1 July 2024.

The most significant risks that may result in LGIA Super increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Notes	Consolidated		Council	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		173	192	173	192
Other superannuation contributions for employees		7,232	6,968	7,051	6,797
Total superannuation contributions paid by Council for employees	5	7,405	7,160	7,224	6,989

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 26. Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	Consolidated		Council	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net operating result from Statements of Comprehensive Income	23,035	3,583	19,366	3,807
Non-cash items				
Depreciation and amortisation	54,766	49,667	53,212	48,620
	<u>54,766</u>	<u>49,667</u>	<u>53,212</u>	<u>48,620</u>
Losses/(gains) recognised on re-measurements through the Statements of Comprehensive Income				
Investment properties	2,534	-	2,534	-
Amortisation/recognition of interest exp. on interest free loans received by Council & previously fair valued	150	172	150	172
Land held for sale (inventory)	(28)	-	(28)	-
Change in future rehabilitation costs	(226)	(146)	(226)	(146)
	<u>2,430</u>	<u>26</u>	<u>2,430</u>	<u>26</u>
Investing and development activities				
Net (profit)/loss on disposal of assets	7,118	5,971	7,178	5,285
Loss on write-off of assets	11	52	11	52
Capital grants and contributions	(15,466)	(15,194)	(13,943)	(15,194)
Non cash contributions included in fixed assets	(4,050)	-	(4,050)	-
Income tax equivalents	(18,675)	(8,572)	(18,675)	(8,814)
	<u>(31,062)</u>	<u>(17,743)</u>	<u>(29,479)</u>	<u>(18,671)</u>
Financing activities				
Borrowing costs	3,132	3,329	1,774	1,947
	<u>3,132</u>	<u>3,329</u>	<u>1,774</u>	<u>1,947</u>
Changes in operating assets and liabilities:				
(Increase)/decrease in receivables	(557)	4,171	(87)	4,678
Increase/(decrease) in provision for doubtful debts	(12)	30	(64)	(35)
(Increase)/decrease in inventories	289	816	289	816
(Increase)/decrease in contract assets	(992)	4,194	(992)	4,194
(Increase)/decrease in other assets	(1,785)	1,565	(1,657)	1,513
Increase/(decrease) in payables	2,175	(2,858)	2,245	(2,984)
Increase/(decrease) in contract liabilities	4,085	2,448	5,017	1,747
Increase/(decrease) in employee leave entitlements	491	43	536	34
Increase/(decrease) in other liabilities	3,039	6,764	4,505	5,346
	<u>6,733</u>	<u>17,173</u>	<u>9,792</u>	<u>15,309</u>
Net cash provided from/(used in) operating activities from the Statements of Cash Flows	<u>59,034</u>	<u>56,035</u>	<u>57,095</u>	<u>51,038</u>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 27. Reconciliation of liabilities arising from finance activities

	As at 30-Jun-22 \$'000	Cashflows \$'000	Non-cash changes \$'000	As at 30-Jun-23 \$'000
<b>Consolidated</b>				
Borrowings	101,962	(6,620)	150	95,492
Lease liability	1,961	(94)	1,915	3,782
	<u>103,923</u>	<u>(6,714)</u>	<u>2,065</u>	<u>99,274</u>

	As at 30-Jun-21 \$'000	Cashflows \$'000	Non-cash changes \$'000	As at 30-Jun-22 \$'000
Borrowings	107,827	(6,037)	172	101,962
Lease liability	2,056	(110)	15	1,961
	<u>109,883</u>	<u>(6,147)</u>	<u>187</u>	<u>103,923</u>

	As at 30-Jun-22 \$'000	Cashflows \$'000	Non-cash changes \$'000	As at 30-Jun-23 \$'000
--	------------------------------	---------------------	-------------------------------	------------------------------

#### Council

Borrowings	101,962	(6,620)	150	95,492
Lease liability	1,961	(94)	1,915	3,782
	<u>103,923</u>	<u>(6,714)</u>	<u>2,065</u>	<u>99,274</u>

	As at 30-Jun-21 \$'000	Cashflows \$'000	Non-cash changes \$'000	As at 30-Jun-22 \$'000
Borrowings	107,827	(6,037)	172	101,962
Lease liability	2,008	(87)	40	1,961
	<u>109,835</u>	<u>(6,124)</u>	<u>212</u>	<u>103,923</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 28. Financial instruments and financial risk management

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#### Financial assets and financial liabilities

Council has exposure to the following risks arising from financial instruments; interest rate risk, credit risk, and liquidity risk.

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on Council's financial position and financial performance, including the nature and extent of risks and how Council manages these exposures.

#### Financial risk management

Exposure to financial risk is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council. Council minimises its exposure to financial risk in the following ways:

Investments in financial assets are only made where those assets are with a bank or another financial institution in Australia. Council does not invest in derivatives or other high risk investments.

When Council borrows, it borrows from the Queensland Treasury Corporation. Borrowing by Council is regulated by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

Council measures risk exposure using a variety of methods as follows:

#### Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from Council's investments and receivables.

Exposure to credit risk is managed through regular analysis of credit counterparties ability to meet payment obligations.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar State/Commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Council.

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for Council.

#### Cash and cash equivalents

Council may be exposed to credit risk through its investments in the QTC Cash Fund.

The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC cash fund are capital guaranteed.

#### Other financial assets

Other investments are held with financial institutions, which are rated AAA to A (long term) and A1+ to A1 (short term) based on rating agency Standard and Poor ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as low.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 28. Financial instruments and financial risk management (continued)

#### Receivables

Refer to note 10 for further information on credit risk for receivables.

#### Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Council's reputation.

#### Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and the Queensland Government for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities - refer to note 17) held by Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
<b>Consolidated</b>					
<b>2023</b>					
Trade and other payables	32,315	-	34,341	66,656	66,656
Loans - QTC	8,490	33,002	74,172	115,664	92,840
Loan - DSDILGP	303	2,424	303	3,030	2,652
	<u>41,108</u>	<u>35,426</u>	<u>108,816</u>	<u>185,350</u>	<u>162,148</u>
<b>2022</b>					
Trade and other payables	26,745	-	34,341	61,086	61,086
Loans - QTC	8,490	33,962	81,703	124,155	98,551
Loan - DSDILGP	606	1,818	1,515	3,939	3,411
	<u>35,841</u>	<u>35,780</u>	<u>117,559</u>	<u>189,180</u>	<u>163,048</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 28. Financial instruments and financial risk management (continued)

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
<b>Council</b>					
<b>2023</b>					
Payables	31,941	-	34,341	66,282	66,282
Loans - QTC	8,490	33,002	74,172	115,664	92,840
Loan - DSDILGP	303	2,424	303	3,030	2,652
	<u>40,734</u>	<u>35,426</u>	<u>108,816</u>	<u>184,976</u>	<u>161,774</u>
<b>2022</b>					
Payables	24,544	-	34,341	58,885	58,885
Loans - QTC	8,490	33,962	81,703	124,155	98,551
Loan - DSDILGP	606	1,818	1,515	3,939	3,411
	<u>33,640</u>	<u>35,780</u>	<u>117,559</u>	<u>186,979</u>	<u>160,847</u>

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

#### Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect Council's income or the value of its holdings of financial instruments.

#### Interest rate risk

Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation (QTC), the Department of State Development, Infrastructure, Local Government and Planning and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing mainly from the QTC and having access to a mix of floating and fixed funding sources so that the interest rate risk exposure can be minimised. Interest rate risk in other areas is minimal.

Council does not undertake any hedging of interest rate risk.

Due to the risk minimisation, there is no reasonable possible movement that would cause a material impact to profit and loss or equity.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 29. National competition policy

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#### Business activities to which the code of competitive conduct is applied

A "business activity" of a local government is divided into two categories:

##### (i) Roads business activity

- The construction or maintenance of state controlled roads for which the local government submits an offer to carry out work in response to a tender invitation, other than through a sole supplier arrangement.
- Submission of a competitive tender for construction of road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

##### (ii) Other business activities

- Trading in goods and services to clients in competition with the private sector, or
- The submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself.

Excluded activities are:

- Library services
- An activity or part thereof prescribed by legislation

Local government may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is compulsory.

The CSO value is determined by Council, and represents any activities' cost(s) which would not be incurred if the activities' primary objective was to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial services of costs deemed to be CSO's by Council.

Council applies full cost pricing to its business activities which involves the recognition of both community service obligations and competitive neutrality adjustments.

Council has identified business activities in the following areas:

- Roads
- Other business activities:
  - Gladstone Entertainment Convention Centre
  - Building certification
  - Waste management
  - Water
  - Sewerage

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 29. National competition policy (continued)

The following activity statements are for activities subject to the competitive code of conduct:

	Roads \$'000	Gladstone Entertainment & Convention Centre \$'000	Building Certification \$'000
<b>\$'000</b>			
Revenue for services provided to Council	39,837	-	-
Revenue for services provided to external clients	4,155	1,096	403
Community service obligations	-	134	-
	43,992	1,230	403
Less: Ordinary expenditure	(43,772)	(5,752)	(545)
Less: Competitive neutrality adjustments applied	(112)	(97)	(5)
<b>Net surplus/ (deficit)</b>	<b>108</b>	<b>(4,619)</b>	<b>(147)</b>

	Waste Management \$'000	Water \$'000	Sewerage \$'000
<b>\$'000</b>			
Revenue for services provided to Council	7,437	2,097	299
Revenue for services provided to external clients	17,162	55,283	34,204
Community service obligations	-	-	-
	24,599	57,380	34,503
Less: Ordinary expenditure	(25,998)	(47,295)	(30,665)
Less: Competitive neutrality adjustments applied	(121)	(15)	(461)
<b>Net surplus/ (deficit)</b>	<b>(1,520)</b>	<b>10,070</b>	<b>3,377</b>

Description of CSO's provided to business activities:

Activities	CSO description	Actual \$'000
Gladstone Entertainment Convention Centre	Contribution to electricity and maintenance costs of carparking facility.	134

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 30. Transactions with related parties

#### (a) Subsidiaries (i.e. entities and operations controlled by Council)

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 *Consolidated Financial Statements* and the accounting policy described in note 1.

Name of operation/entity	Principal activity and place of business			
<b>1. Gladstone Airport Corporation</b>	Commercial air transport Aerodrome Road, Gladstone QLD 4680			
	Ownership		Voting rights	
Interests in subsidiary	2023	2022	2023	2022
Council's interest in subsidiary	100%	100%	100%	100%
			2023	2022
			\$000	\$000
<b>Controlled entity receipts</b>				
Income tax equivalent / competitive neutrality margin			238	242
Interest received			1,324	1,352
Administration fees			46	48
<b>Goods and services supplied by Council, on normal terms and conditions</b>				
IT Services			56	59
Rates and water			101	91
Sponsorships			5	-
Other fees and charges			1	-
<b>Total</b>			<b>1,771</b>	<b>1,792</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 30. Transactions with related parties (continued)

#### (b) Other related parties

##### Transactions with other related parties

Other related parties include the close family members of Key Management Personnel (KMP) and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child, dependent of a KMP or their spouse, or as included by KMP.

The fees and charges charged to entities controlled by KMP were on an arm's length basis in accordance with the schedule of fees and charges adopted by Council.

All close family members of KMP were employed through an arm's length process. They are paid in accordance with the award for the job they perform. Council employs 766 staff of which only 8 are close family members of KMP (9 in 2021-22).

The consolidated entity purchased the following material and services from entities that are controlled by members of KMP. All purchases were at arm's length and were in the normal course of Council operations.

	2023	2022
	\$000	\$000
<b>Receipts</b>		
Application fees and charges	26	50
Other fees and charges	1	2
Sponsorships	1	-
	<u>28</u>	<u>52</u>
<b>Purchases</b>		
Grant funding awarded	79	86
Provision of services for community events	11	17
Construction / improvements to assets	3	32
	<u>93</u>	<u>135</u>
<b>Employee expenses</b>		
Short-term employee benefits	1,032	710
Post-employment benefits	108	78
Long-term benefits	30	21
	<u>1,170</u>	<u>809</u>



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Note 30. Transactions with related parties (continued)

#### (c) Key management personnel

##### Transactions with Key Management Personnel

KMP include the Mayor, Councillors, Council's Chief Executive Officer and some executive management.

The compensation paid to KMP comprises:

	2023	2022
	\$000	\$000
Short-term employee benefits	3,328	3,221
Post-employment benefits	358	349
Long-term benefits	100	39
<b>Total</b>	<b>3,786</b>	<b>3,609</b>

Detailed remuneration disclosures are provided in the annual report.

#### (d) Outstanding balances

There are no outstanding balances at the end of the reporting period in relation to transactions with related parties.

#### (e) Loans and guarantees to/ from related parties

Council has a loan arrangement with the Gladstone Airport Corporation, as detailed in note 10.

Council does not make loans to or receive loans from any other related parties. No guarantees have been provided.

#### (f) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Gladstone region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples include:

- Payment of rates
- Use of the swimming pool
- Dog registration
- Borrowing books from a Council library

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023

### Management Certificate

for the year ended 30 June 2023

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation, we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 63, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the Consolidated Entity's transactions for the financial year and financial position at the end of the year.



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Matthew Burnett

MAYOR

25 October 2023



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Leisa Dowling

CHIEF EXECUTIVE OFFICER

25 October 2023

## INDEPENDENT AUDITOR'S REPORT



### INDEPENDENT AUDITOR'S REPORT

To the councillors of Gladstone Regional Council

#### Report on the audit of the financial report

##### Opinion

I have audited the accompanying financial report of Gladstone Regional Council (the council) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2023, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2023, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the certificate given by the Mayor and Chief Executive Officer.

##### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Gladstone Regional Council's annual report for the year ended 30 June 2023 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

## INDEPENDENT AUDITOR'S REPORT



My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of the councillors for the financial report**

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the group.

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's or group's internal control.

## INDEPENDENT AUDITOR'S REPORT



- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to form an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

- a) I received all the information and explanations I required
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

### Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council's and the group's transactions and account balances to enable the preparation of a true and fair financial report.

A handwritten signature in black ink that reads "M. Claydon".

Michael Claydon  
as delegate of the Auditor-General

30 October 2023

Queensland Audit Office  
Brisbane

## CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

for the year ended 30 June 2023

	Actual Consolidated 2023	Actual Council 2023	Target 2023
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### Measures of financial sustainability

Council's performance at 30 June 2023 against key financial ratios and targets.

### Performance indicators

#### 1. Operating surplus ratio

<u>Net result (excluding capital items)<sup>(1)</sup></u>	5.44%	4.77%	0 - 10%
Total operating revenue (excluding capital items) <sup>(2)</sup>			

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

#### 2. Asset sustainability ratio

<u>Capital expenditure on the replacement of assets (renewals)<sup>(3)</sup></u>	88.78%	88.94%	more than 90%
Depreciation expense			

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

#### 3. Net financial liabilities ratio

<u>Total liabilities less current assets</u>	20.78%	27.41%	less than 60%
Total operating revenue (excluding capital items) <sup>(2)</sup>			

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

#### Note 1 - Basis of preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2023.

## CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT (CONTINUED) for the year ended 30 June 2023

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### Measures of financial sustainability (continued)

#### Notes

- <sup>(1)</sup> Includes only recurrent revenue and recurrent expenditure disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties and any capital expenditure such as write-off of assets, movements in provisions for restoration, rehabilitation and revaluation decrements that are reflected in the Statement of Comprehensive Income.
- <sup>(2)</sup> Includes only recurrent revenue disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, contributions donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties.
- <sup>(3)</sup> Asset renewals are defined as the replacement or refurbishment of an existing asset (or component) with a new asset (or component) capable of delivering the same level of service as the existing asset. Asset renewal activities involve work on an asset or asset component that is of a capital nature and (attempts) to bring the asset component (or asset) back to as new condition. Renewal activities are appropriate to all assets and can involve the complete replacement of the asset with the new asset providing the original (intended) level of service.

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These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the *Financial Management (Sustainability) Guideline 2023* issued by the Department of State Development, Infrastructure, Local Government and Planning.

## CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT for the year ended 30 June 2023

### Certificate of Accuracy for the year ended 30 June 2023

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability statement has been accurately calculated.



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Matthew Burnett

MAYOR

25 October 2023



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Leisa Dowling

CHIEF EXECUTIVE OFFICER

25 October 2023



## INDEPENDENT AUDITOR'S REPORT



### INDEPENDENT AUDITOR'S REPORT

To the Councillors of Gladstone Regional Council

#### Report on the Current-Year Financial Sustainability Statement

##### Opinion

I have audited the accompanying current year financial sustainability statement of Gladstone Regional Council for the year ended 30 June 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Gladstone Regional Council for the year ended 30 June 2023 has been accurately calculated.

##### Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

##### Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Gladstone Regional Council's annual report for the year ended 30 June 2023 was the general purpose financial report and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the general purpose financial report.

## INDEPENDENT AUDITOR'S REPORT



In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of the councillors for the current year financial sustainability statement**

The councillors are responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the audit of the current year financial sustainability statement**

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITOR'S REPORT



I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in black ink that reads "M. Claydon".

Michael Claydon  
as delegate of the Auditor-General

30 October 2023

Queensland Audit Office  
Brisbane

**UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT**  
 prepared as at 30 June 2023

	Target		Forecast									
	2023	Actual 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Measures of financial sustainability

Performance indicators - Consolidated

**1. Operating surplus ratio**

Net result (excluding capital items) <sup>(1)</sup>	0 - 10%	5.44%	2.94%	0.18%	0.70%	2.64%	2.48%	3.56%	3.72%	3.17%	4.00%	3.41%
Total operating revenue (excluding capital items) <sup>(2)</sup>												

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

**2. Asset sustainability ratio**

Capital expenditure on the replacement of assets (renewals) <sup>(3)</sup>	> 90%	88.78%	67.10%	61.72%	68.04%	67.63%	65.53%	76.12%	63.48%	47.43%	46.47%	43.79%
Depreciation expense												

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

**3. Net financial liabilities ratio**

Total liabilities less current assets	< 60%	20.78%	24.50%	34.75%	36.60%	35.19%	28.09%	25.47%	21.13%	15.03%	10.24%	0.59%
Total operating revenue (excluding capital items) <sup>(2)</sup>												

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

## UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT (CONTINUED) prepared as at 30 June 2023

	Target		Actual		Forecast							
	2023	2023	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032

### Measures of financial sustainability (continued)

#### Performance indicators - Council

##### 1. Operating surplus ratio

Net result (excluding capital items)<sup>(1)</sup>

Total operating revenue (excluding capital items)<sup>(2)</sup>

0 - 10%	4.77%	2.18%	-0.57%	-0.02%	1.96%	1.79%	2.99%	3.17%	2.60%	3.46%	2.83%
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An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

##### 2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals)<sup>(3)</sup>

Depreciation expense

> 90%	88.94%	64.36%	63.63%	65.72%	69.86%	67.06%	75.20%	62.14%	47.32%	46.40%	43.49%
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An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

Council is making a concerted effort in the near term through to 2024/2025 to focus its capital spend on the renewal of necessary assets, as asset management plans evolve it is expected that the outer year sustainability ratios will increase markedly.

##### 3. Net financial liabilities ratio

Total liabilities less current assets

Total operating revenue (excluding capital items)<sup>(2)</sup>

< 60%	27.41%	14.94%	25.25%	28.52%	28.59%	22.47%	20.96%	17.69%	12.59%	9.08%	1.17%
-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Council maintains a strong ability, that only increases over time, to service its debt repayment obligations over the ten year period.

**UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT (CONTINUED)**  
**prepared as at 30 June 2023**

**Measures of financial sustainability (continued)**

**Gladstone Regional Council Financial Management Strategy**

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted six key financial performance indicators to guide our financial health. The above three sustainability indicators that have been set by the Department of State Development, Infrastructure, Local Government and Planning to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these financial and sustainability indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

**Notes**

- (1) Includes only recurrent revenue and recurrent expenditure disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties and any capital expenditure such as write-off of assets, movements in provisions for restoration and rehabilitation and revaluation decrements that are reflected in the Statement of Comprehensive Income.
- (2) Includes only recurrent revenue disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, contributions donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties.
- (3) Asset renewals are defined as the replacement or refurbishment of an existing asset (or component) with a new asset (or component) capable of delivering the same level of service as the existing asset. Asset renewal activities involve work on an asset or asset component that is of a capital nature and (attempts) to bring the asset component (or asset) back to as new condition. Renewal activities are appropriate to all assets and can involve the complete replacement of the asset with the new asset providing the original (intended) level of service.

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of State Development, Infrastructure, Local Government and Planning.

# UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT

## Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2023

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

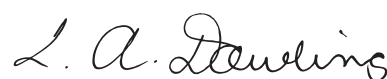


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Matthew Burnett

**MAYOR**

25 October 2023



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Leisa Dowling

**CHIEF EXECUTIVE OFFICER**

25 October 2023

# 6 REFERENCES

This section provides context for the terminology used throughout the report with a glossary of terms and a list of acronyms and abbreviations. This section also includes a legislative index to guide readers to key facts throughout the report.







## GLOSSARY OF TERMS

Annual Report	Council's detailed report on its performance over the financial year 1 July 2022 to 30 June 2023 as compared against our Corporate and Operational Plan. It includes statements about Council and its employees, performance, finances and disclosures required by legislation.
Apprentice	An arrangement in which someone learns an art, trade or job under another skilled, experience, qualified professional.
Assessment	Evaluation activities undertaken to determine level of performance.
Asset	A resource owned by Council which is used to deliver services to the community. This includes things you can touch and feel like roads as well as those you cannot like software programs.
Audit	This is a business improvement function established by Council to provide independent, objective assurance and consulting services designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
Beakon	Software program that supports management of risk and compliance activities for Council.
Budget	An estimate of costs, revenues and resources over a specific period, reflecting a reading of future financial conditions and goals for the organisation.
Business Unit	A division of Council's organisation that holds particular responsibility for a range of services.
Capital works	Acquiring, constructing, upgrading, replacing, renewing or disposing of assets.
Chief Executive Officer (CEO)	Council's highest-ranking executive.
Community	The people, groups and organisations that make up the region.
Complaint	A report of dissatisfaction.
Community Engagement	The process of connecting council, citizens and communities on a wide range of policy, program and service issues and opportunities. It can be formal or informal and operates on the premise that the best decisions are made if those involved in the outcomes are considered.
Community Financial Report	An annual report that offers commentary on Council's financial results.
Corporate Plan	A document that sets out the goals and strategies over the medium term (five years). It defines how Council will meet its responsibilities to the community and is a legislative requirement.
Councillor	Elected member of Council.
Culture	Defines who we are as an organisation, our ethics, our institutions, our behaviours and our routines.
Cyber security	Protection of information and communication technology from malicious attacks.
Disaster management	Prevention, preparation, response and recovery to disaster events.
Economic development	Growth of the local economy for the prosperity and benefit of the community.
Executive Leadership Team	Comprised of Council's CEO and General Managers.

Financial year	The financial year we are reporting on in this report is the period from 1 July 2022 to 30 June 2023.
Framework	A structure that shows the linkages between various processes in order to achieve an outcome.
Gladstone Region Youth Council	A formal advisory committee that voice the interests of youth in our region on Council related matters and initiatives.
Governance	How decisions are made and implemented as well as how the business is managed and controlled. It encompasses how Council is held accountable.
Hydrogen	A colourless, odourless, highly flammable gas that is a clean fuel source.
Initiatives	Specific projects or programs undertaken to achieve objectives within a measurable time frame.
Landfill	A site designed for waste disposal. It includes large pits that bury disposed waste and is commonly known as a dump or tip.
Legislation	Legislation referring to the Local Government Act 2009 or Local Government Regulation 2012.
Local Government Act 2009	The principal legislation that provides the legal framework for local governments in Queensland. It ensures local governments are accountable, effective, efficient and sustainable.
Local Government Regulation 2012	Legislation describing the boundaries for local government.
Mayor	The head of Council elected at local government elections. Mayoral duties include running the Council meetings, working alongside the CEO on Council business, being the spokesperson for Council and carrying out ceremonial duties.
Mental Health	A state of wellbeing in which an individual realises his or her own abilities, can cope with the normal stresses of life, can work productively and is able to make a contribution to his or her community.
Native Title	Recognition under Australian common law, of pre-existing Indigenous rights and interests according to traditional laws and customs.
Operational Plan	A 12 month plan that sets out how to achieve the desired outcomes set out in the Corporate Plan.
Outcomes	Results of an activity, plan, process or program and their comparison with the intended or projected results.
Policy	A set of principles and associated guidelines formulated and enforced at the highest level, to direct and limit an organisation's actions in pursuit of long-term goals.
Project	A temporary endeavour that has a defined start and end, scope and resources. It has a singular goal and a specific set of operations are put forth to accomplish it.
Rates	An annual levy charged to property owners within the region to fund the supply and management of infrastructure and services to the community.
Reconciliation Action Plan	Council's strategic document that includes a range of practical measures that will positively influence reconciliation outcomes within the Gladstone Region.
Renewable energy	Energy that is collected from natural sources such as solar, wind, or moving water.

Remuneration	Money paid to compensate a person for their work.
Revenue	Income or money generated by Council.
Service	A group of related activities contributing to a common outcome.
Sister City Program	A worldwide movement that encourages international understanding and ultimately world peace. The Gladstone Region's sister city is Saiki City in Oita Prefecture, Japan.
Statutory	Required under law or legislation.
Strategic planning	A process that helps Council and the community plan for the future according to the vision outlined in the Corporate Plan.
Trainee	A person undergoing training for a particular role at Council.
Transfer Station	A site that collects and sorts waste before being processed and recovered or sent to landfill.
Values	Overarching direction for how Council will behave.
Vision	An aspirational statement that describes what the organisation is working towards.

## LIST OF ACRONYMS AND ABBREVIATIONS

AAC	Administrative Action Complaint
ARIC	Audit Risk and Improvement Committee
ALGA	Australian Local Government Association
B	Billion
BAM	Beach Arts Music Event
BGANZ	Botanic Gardens Australia New Zealand
BTABC	Boyne Tannum Arts Business and Community Association
CBU	Commercial Business Unit
C-CAT	Coastal Council Adaptation Taskforce
CCC	Code of Competitive Conduct
CEO	Chief Executive Officer
CQ	Central Queensland
CQROC	Central Queensland Regional Organisation of Councils
GAPDL	Gladstone Area Promotion and Development Limited
GECC	Gladstone Entertainment Convention Centre
GRAGM	Gladstone Regional Art Gallery and Museum
GRC	Gladstone Regional Council
GRP	Gross Regional Product
GSDA	Gladstone State Development Area
HRC	Human Rights Complaints
ILUA	Indigenous Land Use Agreement
IP	Information Privacy
IP Act	Information Privacy Act 2009
IPWEA	Institute of Public Works Engineering Australia
IQRAP	Inland Queensland Roads Action Project
KM	Kilometre

LAWMAC	Local Authority Waste Management Advisory Committee
LGA	Local Government Area
LGAQ	Local Government Association of Queensland
LGMA	Local Government Managers Australia
LNG	Liquid Natural Gas
LTIFR	Loss Time Injury Frequency Rate
NEMA	National Emergency Management Agency
NFP	Not for profit
M	Million
MAIB	Member, Australia Institute of Building
NAIDOC	National Aborigines and Islanders Day Observance Committee
OIA	Office of the Independent Assessor
PCYC	Police Citizens Youth Club
PHF	Paul Harris Fellowship
QAL	Queensland Alumina Limited
QLD	Queensland
QPCYWA	Queensland Police-Citizens Youth Welfare Association
QTC	Queensland Treasury Corporation
RA	Reconciliation Australia
RADF	Regional Arts Development Fund
RAP	Reconciliation Action Plan
RTI	Right to Information
SBA	Significant Business Activity
TBG	Tondoon Botanic Gardens
TIDS	Transport Infrastructure Development Scheme
TIQ	Trade and Investment Queensland
WDIP	Works Delivery Improvement Plan
WGs	Working Groups

## LEGISLATIVE INDEX

<b>Local Government Regulation 2012</b>		
<b>Legislation Requirement</b>	<b>Section of legislation</b>	<b>Page of this report</b>
<b>Financial statements</b>	<b>183</b>	90-165
The annual report for a financial year must contain—		
(a) the general purpose financial statement for the financial year, audited by the auditor-general; and		210
(b) the current-year financial sustainability statement for the financial year, audited by the auditor-general; and		214-216
(c) the long-term financial sustainability statement for the financial year; and		220-223
(d) the auditor-general's audit reports about the general purpose financial statement and the current-year financial sustainability statement.		211-213, 217-219
<b>Community financial report</b>	<b>184</b>	84-89
The annual report for a financial year must contain the community financial report for the financial year.		
<b>Particular resolutions</b>	<b>185</b>	
The annual report for a financial year must contain—		
(a) a copy of the resolutions made during the financial year under section 250(1); and		36
(b) a list of any resolutions made during the financial year under section 206(2).		80-81
<b>Councillors</b>	<b>186</b>	
(1) The annual report for a financial year must contain particulars of—		
(a) for each councillor, the total remuneration, including superannuation contributions, paid to the councillor during the financial year; and		35
(b) the expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government's expenses reimbursement policy; and		36
(c) the number of local government meetings that each councillor attended during the financial year; and		35
(d) the total number of the following during the financial year—		
(i) orders made under section 150I(2) of the Act;		80-81
(ii) orders made under section 150AH(1) of the Act;		80-81
(iii) decisions, orders and recommendations made under section 150AR(1) of the Act; and		80-81
(e) each of the following during the financial year—		
(i) the name of each councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made;		80-81
(ii) a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors;		80-81
(iii) a summary of the decision, order or recommendation made for each councillor; and		80-81
(f) the number of each of the following during the financial year—		
(i) complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government;		80-81

(ii) matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission;		80-81
(iii) notices given under section 150R(2) of the Act;		80-81
(iv) notices given under section 150S(2)(a) of the Act;		80-81
(v) decisions made under section 150W(a), (b) and (d) of the Act;		80-81
(vi) referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act;		80-81
(vii) occasions information was given under section 150AF(4)(a) of the Act;		80-81
(viii) occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor;		80-81
(ix) applications heard by the conduct tribunal about the alleged misconduct of a councillor.		80-81
<b>Administrative action complaints</b>	<b>187</b>	
(1) The annual report for a financial year must contain—		
(a) a statement about the local government's commitment to dealing fairly with administrative action complaints; and		46-47
(b) a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.		46-47
(2) The annual report must also contain particulars of—		
(a) the number of the following during the financial year—		
(i) administrative action complaints made to the local government;		46-47
(ii) administrative action complaints resolved by the local government under the complaints management process;		46-47
(iii) administrative action complaints not resolved by the local government under the complaints management process; and		46-47
(b) the number of administrative action complaints under paragraph (a) (iii) that were made in a previous financial year.		46-47
<b>Overseas travel</b>	<b>188</b>	
(1) The annual report for a financial year must contain the following information about any overseas travel made by a councillor or local government employee in an official capacity during the financial year—		
(a) for a councillor—the name of the councillor;		36
(b) for a local government employee—the name of, and position held by, the local government employee;		43
(c) the destination of the overseas travel;		36, 43
(d) the purpose of the overseas travel;		36, 43
(e) the cost of the overseas travel.		36, 43
(2) The annual report may also contain any other information about the overseas travel the local government considers relevant.		36, 43
<b>Expenditure on grants to community organisations</b>	<b>189</b>	

(1) The annual report for a financial year must contain a summary of the local government's expenditure for the financial year on grants to community organisations.		78-80
(2) The annual report must also contain the following information about the local government's discretionary funds—		
(a) the total amount budgeted for the financial year as the local government's discretionary funds;		78-80
(b) the prescribed amount for the local government for the financial year;		78-80
(c) the total amount of discretionary funds budgeted for the financial year for councillors to allocate for each of the following purposes—		
(i) capital works of the local government that are for a community purpose;		78-80
(ii) other community purposes;		78-80
(d) the amount of discretionary funds budgeted for use by each councillor for the financial year;		78-80
(e) if a councillor allocates discretionary funds in the financial year—		
(i) the amount allocated; and		78-80
(ii) the date the amount was allocated; and		78-80
(iii) the way mentioned in section 202(1) in which the amount was allocated; and		78-80
(iv) if the amount was allocated to a person or organisation—the name of the person or organisation to whom the allocation was made; and		78-80
(v) the purpose for which the amount was allocated, including sufficient details to identify how the funds were, or are to be, spent.		78-80
<b>Other contents</b>	<b>190</b>	
(1) The annual report for a financial year must contain the following information—		
(a) the chief executive officer's assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan;		7
(b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year;		48-75
(c) an annual operations report for each commercial business unit;		39-42
(d) details of any action taken for, and expenditure on, a service, facility or activity—		
(i) supplied by another local government under an agreement for conducting a joint government activity; and		80-81
(ii) for which the local government levied special rates or charges for the financial year;		80-81
(e) the number of invitations to change tenders under section 228(7) during the financial year;		80-81
(f) a list of the registers kept by the local government;		45
(g) a summary of all concessions for rates and charges granted by the local government;		80-81
(h) the report on the internal audit for the financial year;		44-45



(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;		47
(j) the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52(3).		47
<b>Local Government Act 2009</b>		
<b>Beneficial Enterprises</b>		
A local government's annual report for each financial year must contain a list of all the beneficial enterprises that the local government conducted during the financial year.	<b>45</b>	80-81
<b>Significant Business Activities</b>		
A local government's annual report for each financial year must—		
(a) contain a list of all the business activities that the local government conducted during the financial year;		80-81
(b) identify the business activities that are significant business activities; and		80-81
(c) state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied; and		80-81
(d) state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.		80-81
The local government must conduct a public benefit assessment of the new significant business activity.	<b>46</b>	80-81
<b>Senior Executive Remuneration</b>		
(1) The annual report of a local government must state—		
(a) the total of all remuneration packages that are payable for the year to the senior management of the local government; and		43
(b) the number of employees in senior management who are being paid each band of remuneration; and		43
(c) if the local government has resolved to allow a councillor to appoint councillor advisors—for each councillor— (i) the number of councillor advisors appointed by the councillor for the year; and (ii) the total remuneration payable to all councillor advisors appointed by the councillor for the year.		N/A
<b>Right to Information Act 2009 and the Information Privacy Act 2009</b>		
	<b>138</b>	44-47
<b>Human Rights Act 2019</b>		
	<b>139</b>	47

## FEEDBACK FORM

1. Email to the address listed in general information above with subject: Annual Report, or
2. Drop off to Council centres listed on page 2
3. Send mail to:  
The Chief Executive Officer  
Gladstone Regional Council  
PO Box 29, Gladstone DC QLD 4680

**My main interest in the report is as a:**

government body (State)	member of a community group	student
government body (Federal)	member of a sporting group	contractor/supplier
government body (Local)	member of an environmental group	local business
member of a financial group	developer	business investor
customer	local resident	other

**Was the report structure:**

easy to follow?	acceptable?	difficult to follow?
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**What did you enjoy most about the report?**

**Was there anything else you would have liked included in the report?**

**Do you have any other comments or suggested improvements for the report?**





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