



**GLADSTONE**  
REGIONAL COUNCIL

**GENERAL MEETING NOTICE  
AND AGENDA**

**TO BE HELD AT THE COUNCIL CHAMBERS – CIVIC CENTRE  
101 GOONDOON STREET, GLADSTONE**

**On Tuesday 5 March 2024**

**Commencing at 9.00am**

**Leisa Dowling  
CHIEF EXECUTIVE OFFICER**

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**G/1. MAYORAL STATEMENT OF CURRENT ISSUES**

## **G/2. CONFIRMATION OF MINUTES**

### **G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 20 FEBRUARY 2024**

**Responsible Officer:** Chief Executive Officer

**Prepared By:** Executive Secretary

**Council Meeting Date:** 5 March 2024

**File Ref:** CM7.2

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#### **Purpose:**

Confirmation of the minutes of the General Meeting held on 20 February 2024.

#### **Officer's Recommendation:**

That the minutes of the General Meeting of Council held on 20 February 2024 be confirmed.

#### **Attachments:**

1. Minutes of the General Meeting of Council held on 20 February 2024.

### **G/3. DEPUTATIONS**

### **G/4. OFFICERS' REPORTS**

#### **G/4.1. LOCAL HOUSING ACTION PLAN**

**Responsible Officer:** General Manager People and Strategy

**Prepared By:** Manager Strategy and Improvement (Acting)

**Council Meeting Date:** 5 March 2024

**File Ref:** ED6.1

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#### **Purpose:**

The purpose of this report is to seek Council endorsement of the Gladstone Region Local Housing Action Plan.

#### **Officer's Recommendation:**

That Council endorse the Gladstone Region Local Housing Action Plan.

#### **Summary:**

In March 2023, the Local Government Association of Queensland (LGAQ) received funding to partner with Queensland Councils to develop Local Housing Action Plans (LHAPs).

From August to December 2023, Council worked with LGAQ and stakeholders to develop a LHAP for the Gladstone Region.

On 20 February 2024, the Local Housing Action Plan was presented at a General Meeting of Council. Feedback was received and has since been outworked.

The attached *Gladstone Region Local Housing Action Plan* is presented for Council endorsement.

#### **Link to Corporate Plan:**

- Connecting Communities - We work with you and for you, supporting the success of our communities.
- Resilient Economy - We play our part in supporting the success of our region.

#### **Background:**

In March 2023, the Local Government Association of Queensland (LGAQ) received funding to partner with Queensland Councils to develop Local Housing Action Plans (LHAPs).

The funding announcement followed a resolution of Queensland Councils at the LGAQ's 2022 Annual Conference calling for funding support for regional and local housing studies and the development of Local Housing Action Plans (LHAPs).

The Local Housing Action Plan:

- Looks at factors impacting housing in the local government area and the current and future housing needs.
- Identifies priority actions to address immediate, emerging and longer-term housing challenges.
- Helps to coordinate responses to these challenges.

The Gladstone Region LHAP articulates the housing situation in the Gladstone Region and identifies opportunities and actions that support our specific needs. Key focus areas include:

- Land and Development
- Planning
- Critical Workers Accommodation
- Optimisation – General supply and liveability
- Supports and people in need
- Construction and approvals

The key focus areas within the plan were pre-determined by the State Government and the data included was provided to Council for the purpose of the plan.

Council is responsible for monitoring and reporting on delivery of the plan, however, are not accountable for all actions within the plan. Success of the plan is reliant on a collaborative approach from all levels of Government and community stakeholders. Council will maintain an internal register to monitor progress toward the actions of the plan.

The Queensland Government have provided feedback on the plan, prior to Council endorsement being sought, and are satisfied with the contents.

**Risk Management Summary:**

Council has established a minimal appetite for reputational risk. The LHAP is a non-statutory plan. Actions within the plan are collated from Council's current work in the housing and advocacy space, as well as stakeholder input. Various stakeholders are accountable for actions within the plan. Risk of Council not delivering on their actions within the plan is considered low.

**Options and Opportunity Analysis:**

Council could elect not to endorse the plan and provide directions for further amendments.

**Stakeholder Engagement:**

In preparing the Local Housing Action Plan, the following external stakeholders were consulted:

- Council's internal housing working group – a cross-functional team with representatives from:
  - Development Services
  - Strategic Property Management
  - Strategic Projects
  - Economic Development
  - Strategy & Improvement
  - Community Partnerships
- The Gladstone Region Housing Round Table Group, facilitated by Gladstone Region Engaging in Action Together
- LGAQ
- State Government

## **GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA 5 MARCH 2024**

In May 2024, Council will consider and endorse strategic priorities for 2024/25. In doing so, there is an opportunity to consider future action in the Housing space.

### **Legal and Regulatory Implications:**

The Local Housing Action Plan is a non-statutory plan.

### **Financial and Resource Implications:**

Nil – the actions within the plan that are attributed to Council are within our current planned work.

### **Anticipated Resolution Completion Date:**

19 March 2024

### **Attachments:**

1. Gladstone Region Local Housing Action Plan

## **G/4.2. COUNCILLOR ATTENDANCE AT THE HYDROGEN WORLD SUMMIT (13-15 MAY 2024) IN ROTTERDAM, NETHERLANDS.**

**Responsible Officer:** General Manager People and Strategy

**Prepared By:** Economic Development Lead (Acting)

**Council Meeting Date:** 5 March 2024

**File Ref:** ED6.1

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### **Purpose:**

To seek approval to have two representatives of Gladstone Regional Council attend the World Hydrogen 2024 Summit and Exhibition, 13 to 15 May in Rotterdam, Netherlands.

### **Officer's Recommendation:**

That Council authorise Mayor Matt Burnett and the Chief Executive Officer (CEO) to represent the Gladstone Region at the World Hydrogen 2024 Summit and Exhibition, 13 to 15 May in Rotterdam, Netherlands.

### **Summary:**

- The World Hydrogen 2024 Summit and Exhibition (WHS) in Rotterdam, Europe's key conference and exhibition for green hydrogen.
- Council attended the 2023 summit as part of the Austrade 'Australia Stand'. Given Gladstone's strategic place in the developing Hydrogen sector for Queensland and Australia, representation was well received, timely and valuable.
- Attendance at the 2024 WHS will leverage the connections established in 2023 to further promote the Gladstone Region hydrogen sector development.
- Council is consulting directly with Austrade and the Queensland Government via the Department of Energy and Climate to build on the considerable exposure and momentum from 2023 to again have a consolidated and cohesive presence at this year's WHS.
- Invitations to participate in the 2024 delegation have been extended to peak local industry and agency representatives for consideration.

### **Link to Corporate Plan:**

Resilient Economy - We play our part in supporting the success of our region.

### **Background:**

The Gladstone Region has been identified as a national Hydrogen Hub by the Australian Government. Council continues to engage with an unprecedented number of proponents developing renewable energy and particularly hydrogen-related projects in the region.

The WHS is one of the world's largest events dedicated to global hydrogen development. This year's summit will be the largest and is set to feature over 150 high level speakers, 2000+ global delegates, 20+ strategic technical sessions, 500+ exhibitors and 15,000+ visitors over 3 days (Event program attached).



## GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA 5 MARCH 2024

In 2023, Council participated as a delegate in the Austrade delegation via an invitation from the Queensland Government, Department of Energy and Public Works (EPW) to reinforce and support Gladstone's position as Queensland's Hydrogen Hub.

Council's Economic Development Specialist attended the summit, representing both the Gladstone Regional Council and the Central Queensland Hydrogen Technology Cluster (CQH2). The summit enabled Council to connect with global stakeholders to reinforce and support Gladstone's position as Queensland's Hydrogen Hub.

### **Risk Management Summary:**

The Gladstone Region is simultaneously vulnerable to changes in the global energy system and poised to realise a number of opportunities that capitalise on its competitive advantages in the race to net zero emissions. The challenges facing both the region and Council stem from the need to manage the shift away from fossil fuels and the impacts associated with new energy industries. Simultaneously, however, Gladstone's existing industrial base and growing availability of low-cost renewable energy means the region is also well placed to expand and diversify its economic base, protect its industrial heritage and embrace opportunities such as 'green' manufacturing and hydrogen production.

Change on the scale facing the Gladstone Region and the likely impacts on its economy, workers and the community, makes transition planning and coordination critical for long-term resilience.

### **Options and Opportunity Analysis:**

Council participation at the 2023 summit was well received, timely and valuable. Given the Gladstone Region's strategic position in the developing Hydrogen sector for Queensland and Australia, attendance at the 2024 event will continue international representation of the Gladstone Region. The delegation will have a strong focus on promoting and conducting business with key project decision makers and investors from across the global hydrogen value chain.

The 2024 Summit aligns closely with the objectives and actions of Council's informing strategies including the Gladstone Region Economic Development Strategy, Gladstone Region Economic Transition Roadmap 2022-32 and the climate change/net-zero initiatives of the Waste Management and Resource Recovery Strategy.

#### **Option 1 (recommended)**

Endorse Mayor Matt Burnett and the CEO to represent the Gladstone Regional Council, the Gladstone Region and CQH2 Cluster at the World Hydrogen 2024 Summit and Exhibition.

#### **Option 2**

An alternative option is to not attend the summit and provide information and support to the attending delegates.

### **Stakeholder Engagement:**

Council is consulting directly with Austrade and the Queensland Government via the Department of Energy and Climate to build on the considerable exposure and momentum from 2023 and have a consolidated and cohesive presence to again, place an unmistakable spotlight on Gladstone's position as Queensland's Hydrogen Hub.

Council has invited key local representatives from Central Queensland University, Gladstone Engineering Alliance, Gladstone Industry Leadership Group and the Gladstone Chamber of Commerce & Industry to participate in this year's delegation. Confirmation of involvement will be formalised in due course.

**Legal and Regulatory Implications:**

In accordance with Council’s *Councillor Expenses Reimbursement and Provision of Facilities Policy P-2021-18*, where a Councillor seeks reimbursement for attendance at a conference that was held outside of Queensland, the attendance must be supported by a resolution of Council.

Section 6.1.2 of Council’s *Council Meeting Procedures Policy P-2020-19* provides that a leave of absence is automatically granted to a Councillor where Council passes a formal resolution for a Councillor to attend a conference, or the Councillor is nominated to represent Council at another event.

Similarly, in accordance with Council’s *Corporate Travel and Accommodation Corporate Standard CS-2020-03*, under Section 6.12, international travel by an Officer requires approval by Council resolution and must note the type of fare booked for air travel.

**Financial and Resource Implications:**

The table below is a summary of the estimated cost associated with the proposed attendance. In consideration of the most practical and direct route, distance of travel and fatigue management, business class airfares are recommended. There are sufficient funds available within the Elected Members and Executive Services 2023/2024 Operating Budgets for the Mayor and CEO attendance.

Expense Item(s)	Associated Cost
Delegate Registration	\$2,000
Flights (incl. GLD – BNE)	\$24,632
Travel Insurance	\$640
Transfers	\$600
Accommodation (4 nights)	\$3,220
Meals*	\$400
Incidentals	600
<b>TOTAL</b>	<b>\$32,092.00</b>

\*Some meals are included in the Summit and Expo Program

**Anticipated Resolution Completion Date:**

17 May 2024.

**Attachments:**

1. World Hydrogen 2024 Summit Exhibition Brochure

### **G/4.3. CONVERSION APPLICATION DA/28/2022 FOR EDUCATIONAL ESTABLISHMENT (3 STAGES) AT 2744 ROUND HILL ROAD, AGNES WATER**

**Responsible Officer:** General Manager Customer Experience

**Prepared By:** Principal Planning Lead

**Council Meeting Date:** 5 March 2024

**File Ref:** DA/28/2022, DB1.7

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#### **Development Application:**

<b>Application Number:</b>	DA/28/2022
<b>Applicant:</b>	Goora Gan Steiner School Inc C/- Zone Planning Group
<b>Owner:</b>	Goora Gan Steiner School Inc
<b>Date Of Receipt:</b>	4 December 2023
<b>Location:</b>	2744 Round Hill Road, AGNES WATER QLD 4677
<b>RPD:</b>	Lot 36 RP619982
<b>Area:</b>	1.9 hectares
<b>Current Use of Land:</b>	Vacant lot
<b>Zoning:</b>	Rural residential – Bicentennial Drive enterprise precinct
<b>Proposal:</b>	Educational Establishment (3 Stages)
<b>Submissions Close Date:</b>	13 July 2022
<b>Number Of Submissions:</b>	One (1) Not Properly Made Submission

#### **Purpose:**

The purpose of this report is to consider and determine the applicant's request for conversion of non-trunk infrastructure to trunk infrastructure for the footpath within Round Hill Road as per condition 15 of the changed decision notice issued 22 June 2023 (Council ref: DA/28/2022).

#### **Executive Summary:**

Council is in receipt of a request for conversion of non-trunk infrastructure to trunk infrastructure relating to condition 15 of the changed decision notice for DA/28/2022, Material change of use for an Educational establishment (3 stages) at 2744 Round Hill Road, Agnes Water.

The original development application was lodged under *Our Place Our Plan Gladstone Regional Council Planning Scheme, version 2* (the Planning Scheme) and categorised as impact assessable within the Rural residential zone and Bicentennial Drive enterprise precinct. The development application was approved by delegated authority on 1 September 2022 and the decision notice issued on 2 September 2022.

The applicant suspended the appeal period and made representations on 12 September 2022 requesting a number of changes to the conditions of approval. The representations were formally considered at Council's General Meeting on 6 December 2022 where Council officers recommended the retention of all conditions, with the exception of condition 25, which was amended. A negotiated decision notice was issued on 13 December 2023.

The applicant lodged a minor change application on 26 April 2023 to amend several conditions, including the removal of condition 15 for the pedestrian footpath within Round Hill Road. The request was considered against the Planning Scheme, existing decision notice conditions package and section 81 of the *Planning Act 2016* (the Planning Act). At the 20 June 2023 General Council meeting, the minor change application was approved in part and a changed decision notice issued 22 June 2023. Condition 15 requiring the pedestrian footpath was retained and formed part of the changed decision notice.

On 4 December 2023, the applicant lodged a request for conversion of non-trunk infrastructure to trunk infrastructure for the pedestrian footpath required by condition 15 of the changed decision notice. The request has been considered against section 139 of the Planning Act. It is recommended that the applicant's request for conversion of non-trunk infrastructure to trunk infrastructure be refused. The recommendation is supported by a notice of reasons for refusal.

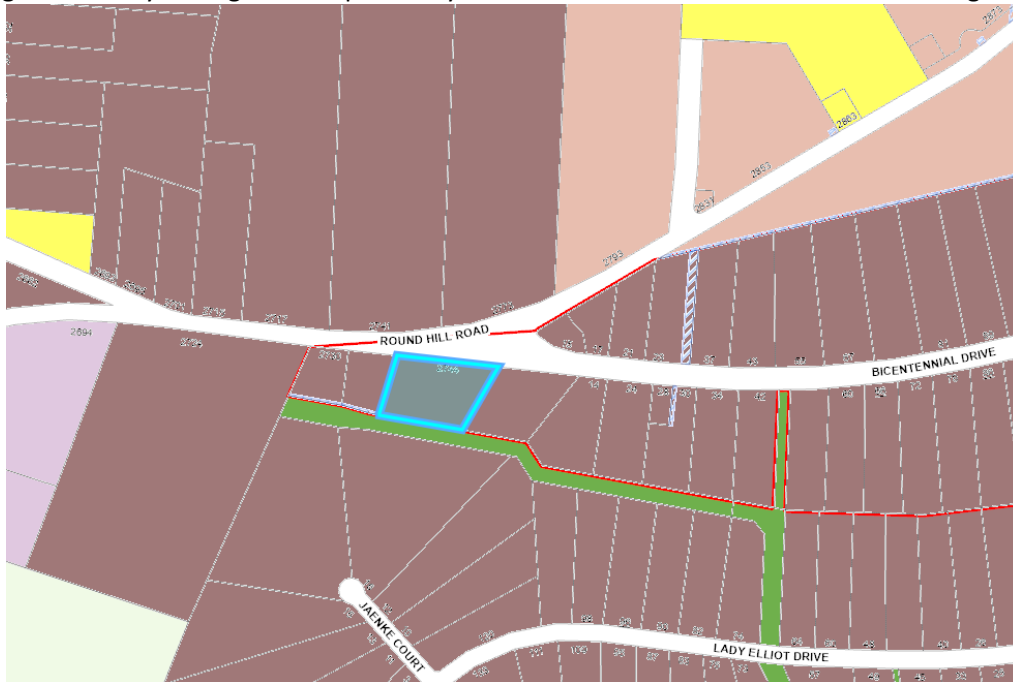
**Subject Site:**

The subject site is located at 2744 Round Hill Road formally described as Lot 36 on RP619982. The site is approximately 1.9 hectares with frontage to Round Hill Road. The current road layout and intersection has allowed a large road reserve within the proximity of the sites given the non standard intersection to Bicentennial Drive. The site and surrounding road network can be viewed below in **Figure 1**.



**Figure 1** Subject site locality (source: Geocortex, accessed 6 February 2024)

The site is located within the Rural residential zone within the Bicentennial Drive enterprise precinct (refer to **Figure 2** below). The sites that border the premises are also located within the precinct with an open space lot towards the rear of the subject site that contains an open drain. To the north-east sites transition to Emerging community zone given the proximity to the established town centre and existing services.



**Figure 2** Zone map (source: Geocortex, accessed 6 February 2024)

The site is currently located outside of the mapped services areas for both water and sewer infrastructure and outside of the Local Government Infrastructure Plan (LGIP) for Priority Infrastructure Area (see **Figure 3** and **4** below). The development approval at 2853 Round Hill Road (DA/18/2017) for the IGA Shopping Centre and 2773 Round Hill Road (DA/83/2017) for Rural residential subdivision will result in trunk water and sewerage infrastructure being constructed further along Round Hill Road. However, will not extend to the Steiner School site. A land dedication for the second arterial road connection between Round Hill Road and Captain Cook Drive is located west of 2853 Round Hill Road.



**Figure 3** Existing Council infrastructure locations towards Angas Water township (source: Geocortex, accessed 6 February 2024)



**Figure 4** LGIP map including roads (green) and sewer (red) planned infrastructure

**Background:**

Goora Gan Steiner School history

Goora Gan Steiner School originally began operating at the Agnes Water Community Hall on an infrequent basis that required the staff to set up and pack-up on a regular basis given the community hall could be hired for other community activities. During the search for a property, the school moved to where it currently operates at 1 Surf Club Avenue (Lot 22 SP 178795) via a State Lease. Under the relevant development approval DA/33/2018, and changed decision notice dated 16 December 2020, the school is restricted to a maximum of 70 students. This decision reflects the state lease has an expiry date with a trigger to ensure the school was finding an alternative location to relocate to within the community.

Current development approval - DA/28/2022

The original development application was lodged under *Our Place Our Plan Gladstone Regional Council Planning Scheme, version 2* (the Planning Scheme) and properly made on 29 April 2022. The development was categorised as impact assessment within the Rural residential zone and Bicentennial Drive enterprise precinct. The development application was approved by delegated authority on 1 September 2022 and the decision notice issued on 2 September 2022.

The applicant suspended the appeal period and made representations on 12 September 2022 requesting a number of changes to the conditions of approval. The representations were formally considered at

Council's General Meeting on 6 December 2022 where Council officers recommended the retention of all conditions, with the exception of condition 25, which was amended. A negotiated decision notice was issued on 13 December 2023.

The applicant proceeded to lodge a minor change application on 26 April 2023 to amend several conditions. This included the request to remove condition 15 for the pedestrian footpath within Round Hill Road. The request was considered against the Planning Scheme, existing decision notice conditions package and section 81 of the *Planning Act 2016* (the Planning Act). At the 20 June 2023 General Council meeting, the minor change application was approved in part and a changed decision notice issued 22 June 2023. Condition 15 requiring the pedestrian footpath was retained and formed part of the changed decision notice.

No other development approvals or applications are attached to the subject site.

**Proposal:**

Condition 15 of changed decision notice DA/28/2022 requires the applicant to deliver a footpath as follows:

15. As part of the first application for Operational Works, the Applicant is to submit a Pedestrian/Cycle Network Plan demonstrating provision of a concrete footpath with a minimum width of 2.5 metres to be located within the road reserve and to be constructed:-

- along the frontage of the subject site;
- inclusive of a delineated road crossing of Round Hill Road;
- continue along the northern side of Round Hill Road; and
- connect into the footpath network at the frontage of 2853 Round Hill Road (Lot 214 on SP262272) required as a Condition of DA/18/2017 for the Shopping Centre.

The design of which shall comply with Austroads Standards and Council's Standard Drawing Concrete Pathway/Bikeway Details and is to be certified by an RPEQ experienced in that type of work. The footpath is to be constructed and on maintenance prior to the commencement of use of the first stage.

*Advisory Note: Council's standard drawing is located within the Capricorn Municipal Development Guidelines - Drawings and Specifications at <http://www.cmdg.com.au/index.htm>.*

The applicant submitted a conversion application on 4 December 2023 for the required footpath to be converted from non-trunk to trunk infrastructure based on the following reasons:

- The footpath upgrade works contribute to the growing pedestrian network needs of the region and Agnes Water urban areas.
- The footpath requirement will maintain efficiency of the road network by providing a dedicated 'lane' for pedestrians to maneuver from the Agnes Water urban areas of the recently constructed shopping centre to the Steiner School site and service adjoining sites.
- The conditioned footpath design exceeds the subject development's needs and has capacity to service other developments in the area (7.2(i)(a)).
- The footpath aligns with the intent of trunk infrastructure in the LGIP by providing a convenient network linking major activity and residential areas (7.2(i)(b)).
- The footpath infrastructure is not consistent with non-trunk infrastructure for which conditions can be imposed as provided for by s145 of the Planning Act. The footpath will service both existing and future developments located external to the site. As the development site is outside of the urban area it is anticipated a majority of access to the Educational establishment will be via vehicle which provides safe access. (7.2(i)(c)).

- The infrastructure is conditioned beyond the Council’s relevant standard for this particular portion of the network (7.2(i)(d)).
- The type, size and location of the infrastructure will require a higher standard of service compared to the CMDG and development itself thus servicing multiple users (7.2(i)(e)).

**Current Adopted Infrastructure Charges Notice:**

On 22 June 2023, as a result of the changed decision notice, an amended Adopted Infrastructure Charges Notice was issued to the applicant. The current infrastructure charges applicable to the Educational establishment development is as follows:

- Charge area #6
- Charge: \$45/m<sup>2</sup> x 879m<sup>2</sup> GFA = \$39,555.00
- Credit: Vacant lot value \$17,800.00
- Amount payable prior to commencement of the use: \$21,755.00

**Assessment:**

Adopted Infrastructure Charges Resolution (No. 1) – 2015 – Amendment No. 2: Part 7 – Conversion Applications

Under section 140 (2) of the Planning Act, the local government must consider the criteria for deciding the conversion application as detailed in its charges resolution. Please refer to Table 1 below for the assessment against the criteria listed in Part 7.2 of Gladstone Regional Council’s Adopted Infrastructure Charges Resolution (No. 1) – 2015 – Amendment No. 2. The conversion request must meet each criterion listed in Part 7.2 in order for the request to be supported. The assessment also references advice and consideration from Asset Planning.

Part 7.2 Criteria for determining an application	Meets Criteria?	Council Comment
<p><b>7.2(i)(a) The relevant infrastructure has been specially designed (i.e. has the capacity) to service other developments in the area.</b></p>	<p>No</p>	<p>The size of the footpath (2.5m wide) meets the minimum standard to provide a shared footpath for cyclist and pedestrians that could service other developments in the area. This may include surrounding rural residential lots (a development type not required to deliver footpaths) and site 2793 Round Hill Road which is zoned Emerging community and is identified in Council’s current planning in the Ultimate horizon as it is located on the outermost fringe of the urban area and outside of the Priority Infrastructure Area (PIA) (refer to <b>Figure 5</b> below).</p> <p>It is important to note that while the footpath has the capacity to service other developments, the 2.5m width of the footpath was required to cater for, and service the subject approval only. The servicing of other developments was not considered nor was it a factor in</p>



Part 7.2 Criteria for determining an application	Meets Criteria?	Council Comment
		<p>determining the footpath design. This design was a requirement by virtue of the hierarchy of the road (ie Rural sub-arterial) and as a reasonable and relevant condition to service the proposed Educational Establishment.</p> <p>Whilst the footpath design and standard conditioned in the decision notice provides a benefit for users, the current zoning, mapped PIA and existing development approvals suggest the footpath is not anticipated to provide a required service to other developments in the area.</p>
<p><b>7.2(i)(b) The function and purpose of the infrastructure is consistent with other trunk infrastructure identified in a Local Government Infrastructure Plan (LGIP), or a charges resolution for the area.</b></p>	No	<p>There are no footpaths or cycle ways identified in the LGIP or Charges Resolution for the area.</p> <p>The footpath is located within Round Hill Road which is classified in Council's Road Hierarchy as a Rural Sub-Arterial Road. The area is primarily located amongst lots that are zoned Rural Residential. There is currently no intention or demand to necessitate amending this zoning.</p> <p>In accordance with Council's desired standards of service and Engineering Design Planning Scheme Policy, there is no provision for an off-street path or bicycle lane on a Rural Sub-Arterial level road. Thus, it is not considered that this infrastructure aligns with the function and purpose of the surrounding assets.</p> <p>As a result, Council does not agree with the statement that the footpath '<i>aligns with the intent of trunk infrastructure in the LGIP by providing a convenient network linking major activity and residential areas</i>'. The LGIP does not intend for a footpath in this locality nor does the hierarchy of the road specify a footpath arrangement such as this</p>
<p><b>7.2(i)(c) The infrastructure is not consistent with non-trunk infrastructure for which conditions may be imposed in accordance with section 145 of the <i>Planning Act 2016</i> (superseded section 665 of the <i>Sustainable Planning Act 2009</i>).</b></p>	No	<p>The majority of the footpath would not service other developments in the predominately Rural residential area, for which footpaths are not a development requirement.</p> <p>Condition 15 is consistent with section 145 (b) (ii) of the Planning Act as the purpose of the footpath is to connect the development</p>

Part 7.2 Criteria for determining an application	Meets Criteria?	Council Comment
		<p>site (premises) to external infrastructure networks. Site 2793 Round Hill Road which is zoned Emerging community is the only future urban site which could potentially be developed and seen to benefit from the required footpath. The site also has frontage to the unformed road reserve dedicated for the future Agnes Water Second Arterial road. This road dedication will form part of the assessment process for determining network connection requirements at the time of a development application being lodged over 2793 Round Hill Road.</p> <p>There is insufficient evidence the conditioned footpath will provide services to future urban developments, outside of the Educational establishment’s own needs to be connected to the external footpath network.</p>
<p><b>7.2(i)(d) The infrastructure delivers the desired standard of service.</b></p>	<p>No</p>	<p>The proposed footpath upgrade section of Round Hill Road is identified as a Rural Sub-Arterial Road which does not require a desired standard of service for off-street path, as it is not expected infrastructure. The footpath has been conditioned to the minimum standard for a shared footpath as defined in Council’s Engineering Design Planning Scheme Policy and for the purpose of linking the Educational establishment with major activity nodes in the area.</p> <p>Whilst the footpath exceeds the required standard for a rural setting, the footpath is not considered a required service in the rural residential setting. Therefore, is not delivering a desired standard for Council’s pedestrian/cycle network for the broader locality.</p>
<p><b>7.2(i)(e) The type, size and location of the infrastructure are the most cost-effective option for servicing multiple users in the area.</b></p>	<p>No</p>	<p>This is not the most cost-effective option for a Rural residential area which generally does not require footpath networks for the land uses anticipated in the zone. Therefore, the infrastructure is triggered by the proposed educational establishment which is a land use expected to generate pedestrian and bicycle traffic, particularly accessing to the existing network.</p> <p>The creation of the pathway is an additional asset for Council to maintain</p>

Part 7.2 Criteria for determining an application	Meets Criteria?	Council Comment
		that would not normally be required in the locality. Therefore, the conversion of the footpath to trunk infrastructure is an additional cost to Council and is infrastructure required to be delivered by the Educational establishment's demand. The conversion of the footpath is not the most cost-effective option and is not considered to service multiple users in the area, outside of the traffic generated by the subject development.



**Figure 5** Extent of footpath required by condition 15 (red line)

The conversion application does not satisfy any of the five criteria set in Part 7.2 of Gladstone Regional Council's Adopted Infrastructure Charges Resolution (No. 1) – 2015 – Amendment No. 2. The conversion to trunk infrastructure for the footpath, required by condition 15 of the changed decision notice DA/28/2022, is not supported.

**Anticipated Completion Date:**

Should a decision be made on the conversion application at the General Meeting, the decision will be issued as per section 141 of the Planning Act.

**Officer's Recommendation:**

That the conversion application for non-trunk infrastructure to trunk infrastructure for the footpath within Round Hill Road as per condition 15 of the changed decision notice for Material change of use for an Educational establishment (3 stages), issued 22 June 2023 (Council ref: DA/28/2022), be refused as it does not satisfy the criteria specified in Part 7.2, based on the following grounds:

- The LGIP or Adopted Infrastructure Charges Resolution does not identify footpaths or cycle ways for the rural residential zone and Rural Sub-Arterial Road hierarchy.
- The majority of the footpath would not service other developments in the predominately Rural Residential area, for which footpaths are not a development requirement.
- Condition 15 is consistent for delivery of non-trunk infrastructure, section 145 (b) (ii) of the *Planning Act 2016*, as the purpose of the footpath is to connect the development site (premises) to external infrastructure networks.
- The footpath is not considered a required service in the rural residential setting for the purpose of trunk infrastructure.
- Conversion to trunk infrastructure is not the most cost-effective option for a Rural residential area and Rural Sub-Arterial Road which generally does not require footpath networks for the land uses expected in the locality.

**Attachments:**

1. Conversion application request
2. Changed Decision Notice and approved plans issued 22 June 2023

## **G/4.4. PHILIP STREET PRECINCT ADVISORY COMMITTEE ANNUAL REPORT FOR 2023**

**Responsible Officer:** General Manager Community and Lifestyle

**Prepared By:** Community Development Specialist

**Council Meeting Date:** 5 March 2024

**File Ref:** CR3.2

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### **Purpose:**

The purpose of this report is to provide Council with a progress update on the operations of the Philip Street Communities and Families Precinct Advisory Committee.

### **Officer's Recommendation:**

That Council receive the Philip Street Communities and Families Precinct Advisory Committee Annual Report 2023.

### **Summary:**

The Philip Street Communities and Families Precinct Advisory Committee is a dedicated formal Advisory Group of passionate community members representing different sectors in the community. The Committee offer feedback and advice to Council on strategic planning, management, and service delivery to ensure services, programs and activities are responsive to the community needs.

### **Link to Corporate Plan:**

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

### **Background:**

Council is committed to creating healthy communities that are engaged, involved, proud and connected. Council continues to demonstrate its commitment to this goal through the ongoing development of the Philip Street Communities and Families Precinct.

The Philip Street Communities and Families Precinct Advisory Committee ("the Committee") was established by resolution of Council on 2 November 2020 as an advisory committee to Council under ss264-265 of the *Local Government Regulation 2012* and operate under a *Terms of Reference* adopted by Council on 16 February 2021, vide resolution GM/21/4444. The Committee's purpose is to give Council advice on strategic planning, management, and service delivery for the Precinct.

The Terms of Reference for the Committee require that the Advisory Committee provide a written Annual Report outlining the committee's activities, achievements, notable challenges, foreseeable opportunities, and any proposed plans for the coming or future years. The 2023 Annual Report is Attachment 1 of this report for Council's information.

Appointments of the current committee are until May 2024. An EOI process will begin in March to recruit six Ordinary Members for the committee.

**Risk Management Summary:**

There are no foreseeable risks associated with this recommendation.

**Options and Opportunity Analysis:**

Option 1 – Adopt the Recommendation

The opportunities associated with this option are that Council can promote the achievements and highlights of the Philip Street Communities and Families Precinct's Report for the period 1 January 2023 – 31 December 2023.

Option 2 – Reject the report

Officers can see no tangible opportunities associated with this option.

**Stakeholder Engagement:**

The development of the Annual Report has been a collaborative work of the Advisory Committee with guidance and assistance from the Committee's secretariat.

**Legal and Regulatory Implications:**

The Philip Street Communities and Families Precinct Advisory Committee is an advisory committee to Council, constituted under ss264 and 265 of the *Local Government Regulation 2012* and operates under a Council adopted Terms of Reference.

**Financial and Resource Implications:**

Administrative and secretarial costs and resources to support the Committee are absorbed as a part of the existing operational budget of Community Partnerships.

**Anticipated Resolution Completion Date:**

12 March 2024

**Attachments:**

1. Philip Street Communities and Families Precinct Advisory Committee Report 2023

## **G/4.5. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 26 FEBRUARY 2024**

**Responsible Officer:** General Manager Finance Governance and Risk

**Prepared By:** Management Accounting Specialist

**Council Meeting Date:** 5 March 2024

**File Ref:** FM15.1

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### **Purpose:**

This report seeks Council adoption of the Monthly Financial Statements for the year 2023-24 to date, for the period ended 26 February 2024.

### **Officer's Recommendation:**

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2023-24 year to date, for the period ended 26 February 2024 as required under Section 204 Local Government Regulation 2012.

### **Summary:**

N/A

### **Link to Corporate Plan:**

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

### **Background:**

The 2023-24 budget was adopted on 20 June 2023. Council officers have undertaken a forecasting process, resulting in a forecasted operating surplus of \$7.1m compared to the budgeted operating surplus of \$5.9m.

To allow for greater transparency and scrutiny of Councils operating position throughout the year, annual rating revenue and service charges have been applied across the year rather than in the period of the rates generation.

The percentage of year passed (pro-rata rate) as at 26 February 2024 is 65.75%

These financial reports have been generated as at the 26th of February. Major operating accruals for February have been accounted for on the Statement of Income and Expenditure, however the accruals will flow through to the Operating Statements on the 28th of February. The two reports will align for the March monthly reporting cycle.

Major movements and variances to forecast, as well as points of interest are as follows:

**Statement of Income and Expenditure****Income**Recurrent Revenue

<b>Total recurrent revenue</b>	2023-24	Actual as %
Actual	<b>\$144.1m</b>	
Budget	<b>\$272.2m</b>	<b>52.92%</b>
Forecast	<b>\$243.9m</b>	<b>59.07%</b>

Of note:

<b>Net rates and utility charges</b>	2023-24	Actual as %
Actual	<b>\$113.0m</b>	
Budget	<b>\$181.4m</b>	<b>62.47%</b>
Forecast	<b>\$182.3m</b>	<b>62.18%</b>

Council's primary source of recurrent revenue is the generation of annual rates, along with access charges for water, sewerage and waste. This generation was completed in July, with notices issued to ratepayers in August. These charges have been split across the course of the year, to align with the delivery of these services.

Discounts of \$14.5m have been granted in 2023-24 for payments received by the due date.

Water consumption revenue is raised upon completion of the water meter reading cycles during the year (July-December 2023 and January-June 2024).

<b>Total interest revenue</b>	2023-24	Actual as %
Actual	<b>\$5.8m</b>	
Budget	<b>\$4.8m</b>	<b>119.8%</b>
Forecast	<b>\$4.8m</b>	<b>120.08%</b>

Interest revenue at a rate of 5.16% has been received from Queensland Treasury Corporation for the month of January and current term deposit rates are yielding up to a 5.41% return to Council.

QTC interest is currently yielding favourably, however has been conservatively reviewed in the Q1 forecast allowing for a tapering off in the second half of the year with a reduction to cash balances as Council meets its expenditure and debt obligations. This will be revised again in the Q3 forecast when further information is realised.



**GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA 5 MARCH 2024**

<b>Sales revenue</b>	2023-24	Actual as %
Actual	<b>\$6.1m</b>	
Budget	<b>\$3.3m</b>	<b>187.52%</b>
Forecast	<b>\$5.6m</b>	<b>110.28%</b>

The Q1 forecast was adjusted to reflect the Dawson Highway Drynan Drive Intersection recoverable works project rollover for both revenue and expenses, however the final claim amount was still pending. Further updates will be undertaken in the Q3 forecast.

In addition, Road Maintenance Performance Contract (RMPC) recoverable works revenue has been updated in the Q1 forecast. Budget numbers were based on historical unit rates pending an updated two-year contract thus conservative estimates were applied at the time of doing the budget. Any revenue anticipated to be attained has been largely offset by the associated operating expenditure relating to recoverable work activities.

<b>Dividends</b>	2023-24	Actual as %
Actual	<b>\$1.1m</b>	
Budget	<b>\$0.5m</b>	<b>214.69%</b>
Forecast	<b>\$0.6m</b>	<b>189.66%</b>

The Gladstone Airport Corporation (GAC) dividend for FY2023 has been received, with the return being larger than forecasted. This will be adjusted in the Q3 forecast.

<b>Income tax equivalents</b>	2023-24	Actual as %
Actual	<b>\$0.1m</b>	
Budget	<b>\$14.1m</b>	<b>0.83%</b>
Forecast	<b>\$14.1m</b>	<b>0.83%</b>

The budget for 2023-24 includes \$13.8m from the Gladstone Area Water Board (GAWB), based on a significantly improved position reported by GAWB. This income is generally confirmed and paid in the final quarter of the year.

The remaining forecast relates to income tax equivalents from the Gladstone Airport Corporation (GAC), which are received and recognised after the end of each quarter.

<b>General purpose grant</b>	2023-24	Actual as %
Actual	<b>\$0.2m</b>	
Budget	<b>\$9.0m</b>	<b>2.27%</b>
Forecast	<b>\$10.0m</b>	<b>2.05%</b>

Council received confirmation of the Financial Assistance Grant allocations for the 2023-24 year. An advance payment of \$9.5m was received in June 23, representing 100% of the Financial Assistance Grant allocations for the 2023-24 year.

## GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA 5 MARCH 2024

The grant allocation has been updated in the Q1 forecast as per anticipated 2024-25 Cash Financial Assistance Grant Allocations from QLD state development with the amount expected in June 2024. When further information is provided regarding the timing of these payments, the amount may be adjusted in the Q3 forecast.

<b>Grants, subsidies, contributions and donations (excluding the general-purpose grant)</b>	<b>2023-24</b>	<b>Actual as %</b>
Actual	<b>\$3.3m</b>	
Budget	<b>\$36.7m</b>	<b>8.91%</b>
Forecast	<b>\$4.0m</b>	<b>82.18%</b>

During budget preparation, Reconstruction of Essential Public Assets (REPA) funding approvals were still pending, with amounts being allocated to the operating budget. It has since been established that an estimated 98% of REPA work carried out by GRC or external contractor, Loftus is capital in nature. Capital revenue and expenditure are captured in the Q1 capital forecast, with operating revenue and contractor costs removed as a profit and loss line item.

Grants revenue has also been updated in the Q1 forecast to capture the Disaster Recovery Funding Agreements (DRFA) funding application for counter disaster operations, which has been activated for the Lowmead/Baffle creek bushfire. Expenses have been revised to offset revenue.

### Capital Revenue

<b>Capital revenue</b>	<b>2023-24</b>	<b>Actual as %</b>
Actual	<b>\$10.9m</b>	
Budget	<b>\$19.6m</b>	<b>55.68%</b>
Forecast	<b>\$45.6m</b>	<b>23.96%</b>

Capital grants revenue is recognised as project milestones are met. Therefore, the revenue recognised on the Statement of Income and Expenditure does not necessarily reflect the funding received during the year. Where milestones are still to be achieved, revenue is recognised as a contract liability on the Statement of Financial Position.

Capital grants revenue has been updated in the Q1 forecast based on forecasted expenses for the projects. This includes REPA funding which has been revised and included in the Q1 capital forecast, as per the note above.

A comprehensive breakdown of REPA projects is detailed under capital expenditure.

## GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA 5 MARCH 2024

Capital grants revenue budgeted, forecast and recognised for significant projects is detailed below.

Project	Budget	Forecast	Actual
<b>State Government Grants &amp; Subsidies</b>			
TBG - Bonsai House Utility Services	\$1.8m	\$1.0m	\$0.1m
Tom Jeffrey Memoria Park Bridger Renewal	\$1.0m	\$0.6m	\$0.6m
Bindaree Road, Miriam Vale - Investigate replacement options	\$0.0m	\$0.0m	\$1.5m
Agnes Street New Carpark	\$0.3m	\$0.4m	\$0.2m
Gladstone Sewer Manhole Replacement	\$0.4m	\$0.4m	-
AWWTP Back Up Generator Supply	\$1.0m	\$1.0m	-
REPA Projects	-	\$29.6m	\$4.5m
Other State Government Funding	\$4.8m	\$4.3m	\$0.8m

Project	Budget	Forecast	Actual
<b>Federal Government Grants &amp; Subsidies</b>			
Miriam Vale Community Centre Upgrade	\$1.7m	\$1.7m	\$0.4m
Apex Park Retaining Wall Renewal	\$0.4m	\$0.3m	\$0.0m
Red Rover Road Bridge Renewal	\$0.5m	\$0.4m	\$0.1m
Round Hill Road Pavement Renewal	\$1.5m	-	\$0.0m
Glenlyon/Tank/ Derby Streets Traffic Calming Scheme	\$0.7m	\$0.4m	-
Lowmead Road Safety and Sealing Upgrade	\$4.1m	\$3.3m	\$0.5m
Asphalt overlays	\$0.1m	\$0.8m	\$0.7m
Other Federal Government Funding	\$0.2m	\$0.4m	\$0.5m

## Expenditure

### Recurrent expenditure

Total recurrent expenditure	2023-24	Actual as %
Actual	\$152.8m	
Budget	\$266.3m	57.37%
Forecast	\$236.9m	64.50%

Of note:

<b>Employee benefits</b>	2023-24	Actual as %
Actual	<b>\$49.1m</b>	
Budget	<b>\$72.2m</b>	<b>67.91%</b>
Forecast	<b>\$72.1m</b>	<b>68.00%</b>

Employee benefits are the largest component of Councils recurrent expenditure. A vacancy rate of 8.5% has been factored into the 2023-24 budget. The average vacancy rate year to date is 7.7%.

<b>Consultants</b>	2023-24	Actual as %
Actual	<b>\$2.5m</b>	
Budget	<b>\$6.7m</b>	<b>36.55%</b>
Forecast	<b>\$6.7m</b>	<b>36.82%</b>

The consultants' forecast includes \$1.8m relating to the Works Delivery Improvement Plan. It is anticipated that most of this expenditure will be incurred in the second half of the year.

Other significant consultant forecasts include:

- Strategic Information and Technology - \$0.6m – current spend \$0.2m
- Asset Planning - \$1.2m – current spend \$0.7m

<b>Contractors</b>	2023-24	Actual as %
Actual	<b>\$18.5m</b>	
Budget	<b>\$57.6m</b>	<b>32.11%</b>
Forecast	<b>\$26.9m</b>	<b>68.61%</b>

The Q1 forecast for contractors has been revised with majority of REPA costs moved to capital expenditure.

Activities with significant contractor forecasts include:

- Water & Sewerage - \$7.7m - current spend \$5.1m
- Waste - \$6.6m - current spend \$4.2m
- Parks & Cemeteries - \$2.9m - current spend \$1.5m
- Roads - \$2.1m - current spend \$1.0m
- Recoverable Works - \$2.3m - current spend \$4.4m. Offset by sales revenue. At the time of completing the Q1 forecast the finalisation of recoverable works on Drynan Drive Intersection were still ongoing. This will be updated in the Q3 forecast.

<b>Property Expenses</b>	2023-24	Actual as %
Actual	<b>\$2.0m</b>	
Budget	<b>\$4.2m</b>	<b>48.36%</b>
Forecast	<b>\$4.4m</b>	<b>46.12%</b>

## GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA 5 MARCH 2024

Property expenses for buildings and facilities maintenance lags marginally year to date. Primarily due to

- Corporate Cleaning forecast \$1.9m - current spend of \$0.8m
- Property repairs and maintenance forecast \$1.5m – current spend \$0.6m

The restructure for maintenance as part of the Works Delivery Improvement Plan, in combination with vacant positions, has impacted property spending in the first half of the year. Expenditure is expected to increase in the second half of the year.

Software Expenses	2023-24	Actual as %
Actual	<b>\$1.7m</b>	
Budget	<b>\$3.8m</b>	<b>43.42%</b>
Forecast	<b>\$3.9m</b>	<b>43.11%</b>

Assumptions regarding CPI increases have not occurred in all instances. Further updates will be undertaken in the Q3 forecast.

### Statement of Financial Position

	Current Value	Budget	Variance (Actual to Budget)	Forecast	Variance (Actual to Forecast)
Year-to-date Assets	<b>\$2.9b</b>	<b>\$2.8b</b>	<b>3.46%</b>	<b>\$2.8b</b>	<b>1.56%</b>
Year-to-date Liabilities	<b>\$252.4m</b>	<b>\$179.7m</b>	<b>40.48%</b>	<b>\$184.1m</b>	<b>37.10%</b>
Year-to-date Liabilities (excl. unearned rates revenue)	<b>\$194.0m</b>	<b>\$179.7m</b>	<b>7.94%</b>	<b>\$184.1m</b>	<b>5.35%</b>

*Liabilities have been presented both including and excluding unearned rates revenue. The two will converge and be the same by June 2024, as all rates revenue is recognised on the profit and loss.*

The forecast for assets and liabilities reflects the expected positions at 30 June 2024.

Significant balance sheet movement is still expected to occur throughout the year:

- Cash to decrease as expenses are incurred and loan repayments are made.
- Receivables to decrease as rates are paid.
- Property, plant and equipment balances to move based on in year capital additions and disposals.
- Unearned rates revenue to decrease as recognised on the profit and loss each month.
- Borrowings to decrease as loan repayments are made.

## Capital Expenditure

Regular forecasting is undertaken by the project delivery team. The current estimate of capital expenditure for the 2023-24 year is \$97.8m, including \$29.6m REPA projects.

The Q1 forecast is provided throughout the tables and graphs below.

	Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Year to date capital expenditure	\$33.3m	\$68.6m	48.47%	\$104.4m*	31.86%

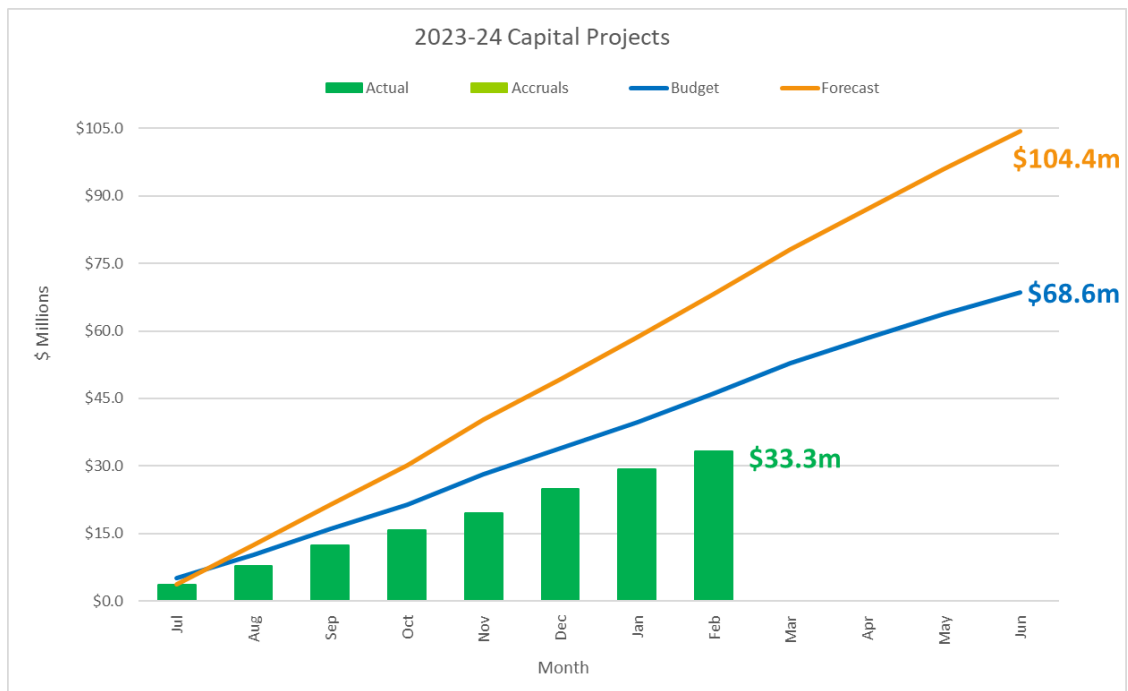
\*Forecast amount represents the balance from the Q1 forecast

Capital expenditure against groups with significant capital budgets are shown in the table below:

Group	YTD Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Roads	\$8.6m	\$22.9m	38%	\$28.1m	31%
Roads-REPA	\$9.1m	\$0.0m	0%	\$29.6m	31%
Sewerage	\$3.7m	\$12.4m	30%	\$12.9m	28%
Delivery Support and Performance	\$3.3m	\$6.0m	56%	\$6.1m	55%
Property Assets	\$3.1m	\$6.1m	52%	\$6.3m	50%
Asset Governance	\$0.0m	\$2.1m	0%	\$2.0m	0%
Waste	\$0.1m	\$1.0m	6%	\$1.0m	7%
Parks	\$1.2m	\$3.5m	33%	\$3.4m	34%
Community & Lifestyle	\$0.0m	\$0.9m	5%	\$0.9m	5%
Water	\$1.6m	\$5.7m	28%	\$5.6m	29%
Strategic Projects	\$0.8m	\$6.0m	13%	\$6.2m	13%
Other	\$1.6m	\$1.9m	86%	\$2.3m	70%
<b>Total</b>	<b>\$33.3m</b>	<b>\$68.6m</b>	<b>48.47%</b>	<b>\$104.4m</b>	<b>31.86%</b>

Claims for February were not available at the time of report preparation, therefore no accruals have been included for the month of February.

**GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA 5 MARCH 2024**



**REPA**

REPA projects in progress are detailed below (capital and operating):

Submission	Approved Funding amount	YTD Expenditure	YTD Claims Received	YTD work yet to be claimed	Percent complete
South	\$14.3m	\$6.4m	\$4.4m	\$2.1m	44.87%
Central	\$1.6m	\$0.8m	\$0.6m	\$0.3m	52.89%
Western	\$12.7m	\$1.4m	\$1.2m	\$0.3m	11.41%
Sealed Roads	\$1.6m	\$0.4m	\$0.3m	\$0.1m	22.29%
Granite Creek	\$1.7m	\$0.1m	\$0.1m	-	5.01%
REPA Admin	-	\$0.0m	-	\$0.0m	-
<b>TOTAL</b>	<b>\$31.9m</b>	<b>\$9.1m</b>	<b>\$6.5m</b>	<b>\$2.7m</b>	

Granite Creek \$4.9m has been postponed to the 24-25 capital budget. This is reflected in the Q1 capital forecast, and a funding amendment request has been submitted to DRFA.

**Outstanding Rates**

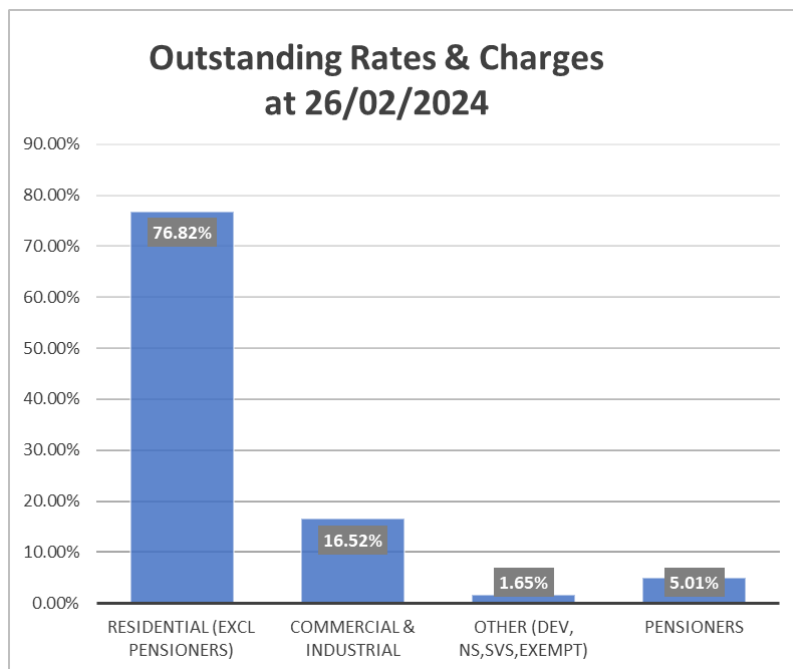
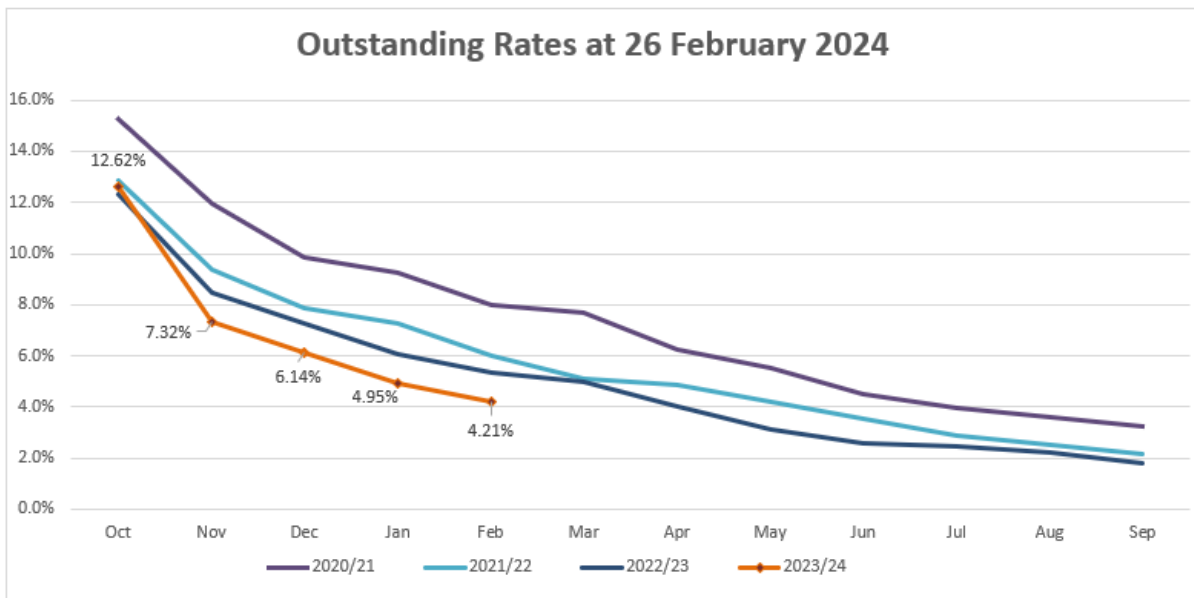
Outstanding rates, as a percentage of gross rates levied 2022-23, and collectible, is at 4.21% at 26 February 2024, compared to 5.37% for the same period last year 2022-23.

Of the \$8.5m outstanding rates 16.52% relates to commercial/ industrial assessments and 83.48% represents residential assessments.

**GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA 5 MARCH 2024**

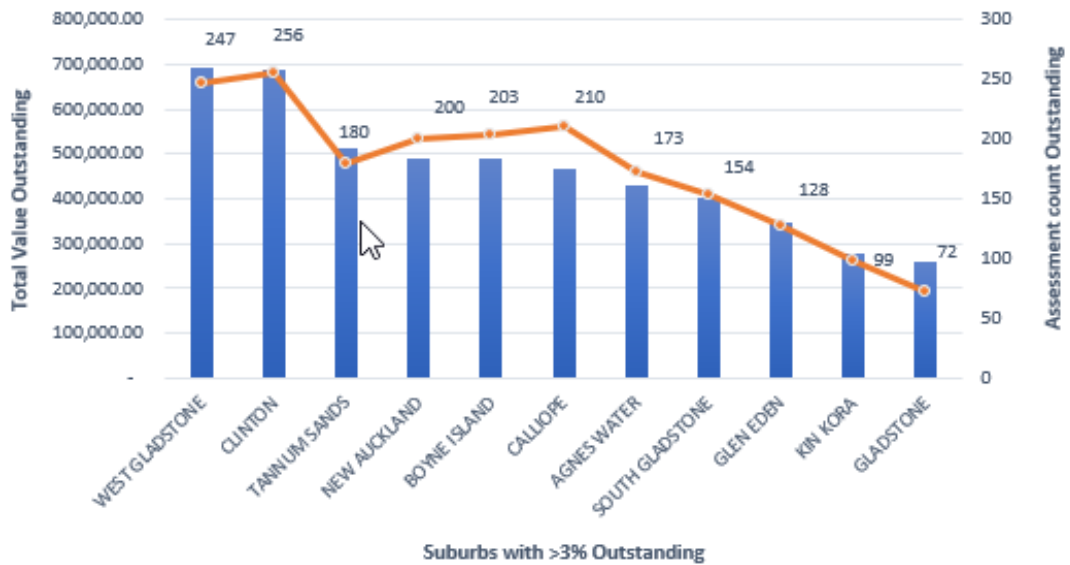
These figures include \$3.9m of rates that are currently being repaid under an authorised payment plan, for which there were 79 commercial/industrial assessments and 1915 residential assessments. A total of 1994 assessments, which is no change from 1994 assessments in January 2024 (no new arrangements entered an no removal of arrangement during this period).

There were 4952 ratepayers who had paid their rates in advance, totalling \$7.4m.





### Residential Rates & Charges Outstanding > 3% per Suburb



#### Sustainability Ratios

Financial ratios provide a useful snapshot of Council’s financial status and emerging trends. Individual ratios do not provide enough information to form a comprehensive opinion of Council's financial position and performance, but when the right mix of ratios are considered together, they become a valuable tool in analysing Council's overall financial performance.

In recognition of the diversity of local governments throughout Queensland a new Financial Management (Sustainability) Guideline 2023 has been released. This guideline will take effect from the 2023-24 annual statutory financial reporting period.

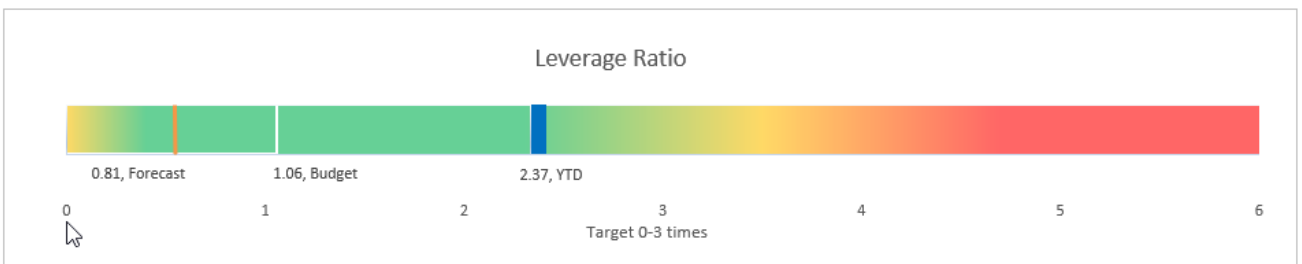
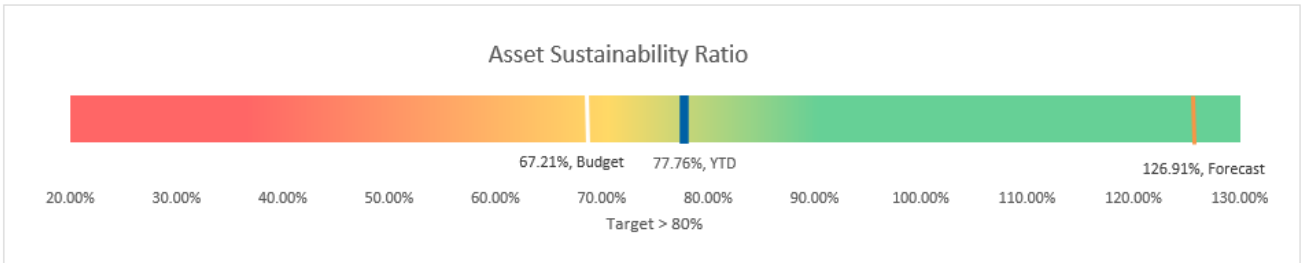
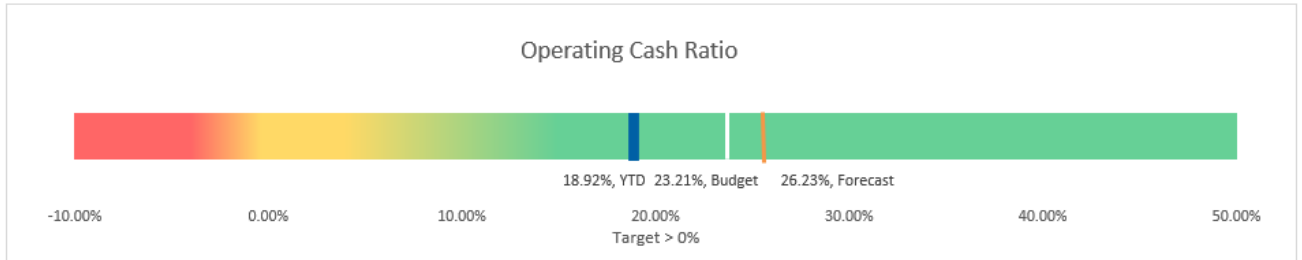
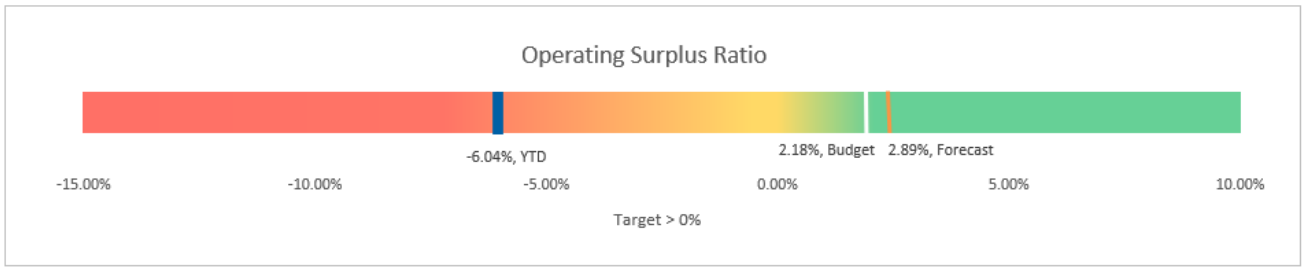
Key updates from the 2013 monitoring and reporting framework are:

- Grouping of similar Councils for sustainability monitoring and reporting to better reflect the varied drivers and circumstances of the sector.
- Expanding of the number of financial sustainability measures from three to nine
- Revision of targets for each measure based on councils allocated grouping.
- A small number of contextual measures with no targets have been included.
- To normalise the impacts of one-off events, all ratios, apart from two, are reported on a rolling 5-year average basis as well as single year result.

The February monthly report includes five of the nine ratio measures, with further measures to be introduced throughout the year.

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA 5 MARCH 2024

Ratio Explanation	Target	2023-24 Budget	2023-24 Forecast	Current YTD		5 Year Average		Commentary
<b>Financial Capacity</b>								
<p><b>Council Controlled Revenue Ratio:</b> Council controlled revenue is an indicator of councils financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.</p> <p>A higher council-controlled ratio indicates a stronger ability to generate revenue without relying on external sources. Councils with a high ratio generally have a healthy rate base and are better able to respond to unexpected financial obligations such as natural disaster recovery. A lower council-controlled revenue ration indicates that a council has limited capacity to influence its operating revenue and that it is more reliant on external (and usually less reliable) sources of income such as grant finding, sales and recoverable works contracts and rental income.</p> <p><a href="#">This ratio is contextual only therefore has no target measure</a></p>		73.42%	82.33%	86.38%		85.14%		<p>Although there is no target for this ratio, the high 5 year average indicates Council's strong position to generate revenue without heavy reliance on other external sources.</p> <p>The current year to date result is trending closer to the 5 year average as council forecasted operating revenue is updated and no longer compares to budget.</p>
<b>Operating Performance</b>								
<p><b>Operating Surplus Ratio:</b> The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.</p> <p>An operating surplus ratio below 0% is an indication that a councils operating expenses exceed its revenue. An operation deficit in any one year is not a cause for concern if, over the long term, a council achieves a balanced operating result or small surplus.</p> <p><a href="#">Target measured over a five-year average</a></p>	> 0%	2.18%	2.89%	-6.04%	●	-6.93%	●	<p>The negative 5 year average is primarily due to the QTC loan restructure and recognition of a deferred liability for bulk water purchases in 2020-21.</p> <p>The current year result is affected by minimal dividend and grant income recognised to date. Both the dividend and financial assistance grant are expected in the last quarter of the year. Although still negative, this ratio is now beginning to trend closer to the positive operating surplus forecasted for 2023-24.</p>
<p><b>Operating Cash Ratio:</b> The operating cash ratio is a measure of a councils ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation and finance costs.</p> <p>A positive operating surplus indicates that a council is generating surplus cash from its core operations, which suggests that council has the ability to self-fund expenditure requirements. A negative operating cash ratio is a significant indicator of financial sustainability challenges and potential future liquidity issues as , all other things being equal, a negative result means that a councils cash position is declining and revenue are not offsetting the cost of core operational requirements</p> <p><a href="#">Target measured over a five-year average</a></p>	> 0%	23.21%	26.23%	18.92%	●	22.38%	●	<p>Both the YTD and 5 year average result of this ratio reflects the continuing strong cash position of Council proportional to operating costs.</p>
<b>Asset Management</b>								
<p><b>Asset Sustainability Ratio:</b> The asset sustainability ratio approximates the extent to which the infrastructure assets managed by council are being replaced as they reach the end of their useful lives</p> <p>An asset sustainability ratio close to 100% suggests that a council is spending enough on the renewal of its assets to compensate for the deterioration in its asset base as loosely proxied by its reported depreciation, which outcomes too far below this level being potentially indicative of underspending against capital replacement requirements</p> <p><a href="#">Target measured over a five-year average</a></p>	> 80%	67.21%	126.91%	77.76%	●	77.67%	●	<p>Infrastructure renewals have accounted for 80.59% of capital expenditure YTD with the balance on new and upgrade projects. REPA projects have been revised to capital works in the Q1 forecast. As these projects are for renewal works the asset sustainability ratio forecasted result has increase substantially. Depreciation of these assets is predicted to occur in Q4, therefore the full impact of depreciation will only be incurred in FY 24-25</p>
<b>Debt Servicing Capacity</b>								
<p><b>Leverage Ratio:</b> The leverage ratio is an indicator of a councils ability to repay its existing debt. It measures the relative size of the councils debt to its operating performance.</p> <p>A higher leverage ratio indicates an increasingly limited capacity to support additional borrowings due to already high debt levels and/or decreasing operational performance, while a lower ratio indicates the opposite.</p> <p><a href="#">Target measured over a five-year average</a></p>	0-3 times	1.06	0.81	2.37	●	0.64	●	<p>Both the YTD and 5 year average result of this ratio reflect Councils ongoing ability to manage its debt. This position is reinforced with each year that no new borrowings are undertaken.</p>



**Stakeholder Engagement:**

This report seeks specialist input from relevant internal sources.

**Legal and Regulatory Implications:**

Council is required to receive an update at least monthly relative to its financial position, Section 204 Local Government Regulation 2012.

**Anticipated Resolution Completion Date:**

N/A

**Attachments:**

1. Monthly Financial Statements for the period ending 26 February 2024
2. Operating Statements for the month end 26 February 2024

**G/5. COUNCILLORS REPORT**

**G/6. URGENT BUSINESS**

**G/7. NOTICE OF MOTION**

**G/8. CONFIDENTIAL ITEMS**

**G/8.1. OUT OF POLICY WATER LEAK CONCESSION**

**Responsible Officer:** General Manager Finance Governance and Risk

**Prepared By:** Manager Revenue Services

**Council Meeting Date:** 5 March 2024

**File Ref:** FM7.1

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**Reason for Confidentiality:**

This report is **CONFIDENTIAL** in accordance with Section 254J of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

(d) rating concessions.