



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

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

On Tuesday 18 June 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 4 JUNE 2024

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 18 June 2024

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 4 June 2024.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 4 June 2024 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 4 June 2024.

G/3. DEPUTATIONS

G/3.1. GLADSTONE AREA PROMOTION AND DEVELOPMENT LTD (GAPDL)

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 18 June 2024

File Ref: CM7.6

Purpose:

Gladstone Area Promotion and Development Limited (GAPDL) will provide an update to Council including recent activities and key performance indicators.

Officer's Recommendation:

That the deputation from Gladstone Area Promotion and Development Limited (GAPDL) be received.

Background:

Deputation details are as follows:

Time of Presentation	9:10am
Duration of Presentation plus question time	15 mins
Speakers to present	Nicola Smith, CEO

Attachments:

1. Gladstone Area Promotion and Development Limited Presentation

G/4. OFFICERS' REPORTS

G/4.1. ENDORSEMENT OF THE ACCESS AND INCLUSION ACTION PLAN 2024-27

Responsible Officer: General Manager Community and Lifestyle

Prepared By: Community Development Specialist

Council Meeting Date: 18 June 2024

File Ref: CR15.1

Purpose:

This report seeks Council endorsement of the Access and Inclusion Action Plan 2024-2027.

Officer's Recommendation:

That Council endorse the Access and Inclusion Action Plan 2024-2027.

Summary:

Council's Access and Inclusion Action Plan is a series of action items that form a roadmap towards our goal: to improve accessibility and inclusiveness. It is an organisation-wide plan that is designed to benefit all of community, and a commitment to view accessibility and inclusion as a priority in everything we do.

Link to Corporate Plan:

Connecting Communities - We work with you and for you, supporting the success of our communities.
Our People - We look after our people, so they look after you.
Resilient Economy - We play our part in supporting the success of our region.

Background:

Providing safe and equitable access to facilities and services has been a focus for Council for over a decade.

In 2013, Council commissioned Disability Access Audits of over 90 Council owned and managed parks and facilities. Following this, the Inclusive Communities Group Report 2014 highlighted the community priorities for works to be completed.

The implementation of improvement works from the audit and report has occurred over the years, with Council upgrading facilities and parks to include Changing Spaces amenities, the provision of dedicated People With Disabilities (PWD) parking spaces in the CBD, and a Beach Access Day at Millennium Esplanade, Tannum Sands.

Council's asset design has also matured to ensure accessibility and inclusion is an embedded design practice.

Whilst the audit and report provided a guideline for improvements, it was agreed by Council and the community that a more strategic approach to access and inclusion was required.

This led Council to include the development of an Access and Inclusion Action Plan as one of the deliverables of the 2023/24 Operational Plan. Access and Inclusion Plans are emerging as best practice but are not currently mandated for Local Governments in Queensland.

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Council's Access and Inclusion Action Plan was developed over a year beginning in July 2023. Council worked with stakeholders and a disability inclusion consultant to develop the plan.

The project scope included:

- Review and update of Council's Accessibility Audit (dated 2013)
- Consultation with key internal and external stakeholders
- Review of best practice in Queensland Local Government
- Identification of access and inclusion principals/practices already in place at Council
- Determine Council's level of commitment and investment to access and inclusion
- Consideration for State and Federal legislation
- Development of the Action Plan of proposed initiatives

Recognising the efforts and achievements that Council have already made in this space, the Action Plan identified 37 action items across six priority areas, being:

1. Spaces and Places
2. Policies and Procedures
3. Employment and Culture
4. Services
5. Communication and Engagement
6. Strengthening Community through Advocacy

Risk Management Summary:

Council's Risk Management Policy establishes a minimal appetite for residual risk in Health, Safety and Wellbeing; and Reputation. The risk category of Health Safety and Wellbeing encompasses our employees, contractors, volunteers, consultants, and the broader community. The proposed Access and Inclusion Action Plan will support better access and inclusion, create opportunities and is within Council's risk appetite.

Options and Opportunity Analysis:

Option 1 – Officer's Recommendation - Endorse the Access and Inclusion Action Plan 2024-2027.

The opportunities associated with this option are that Council can improve the accessibility and inclusivity of Council facilities and services, build or strengthen relationships with community and local businesses/industry to improve access and inclusion across our region, and increase Council's reputation as an inclusive employer.

Option 2: Council could elect not to endorse the plan and provide direction for required amendments.

Stakeholder Engagement:

Consultation and information sharing with key stakeholders and the wider community was conducted throughout the project's life.

Consultation methods included:

- Internal working group
- Meetings with key stakeholders
- Internal and external focus groups with target stakeholders (February)
- Community survey (9 February – 2 March 2024)
- Meeting with managers to refine feedback into concrete action items
- Draft available for public submission (1 – 21 May 2024)

A summary of the outcomes from the community engagement is included within the action plan.

Legal and Regulatory Implications:

Nil

Financial and Resource Implications:

To support the momentum of the Access and Inclusion Action Plan, Council has included it in the 2024/25 Operational Plan with an investment of \$250,000 for delivery of high importance and high value items.

In addition, deliverables assigned to Business Units will be managed within Council's resources and operational budget. Regular monitoring and reporting on deliverables will occur, and a report will be tabled with Council on a six-monthly basis.

Officers will further work with Strategic Grants to identify funding opportunities for action items delivery.

Anticipated Resolution Completion Date:

Following adoption of the Access and Inclusion Action Plan, Council will finalise graphic design and launch the plan by July 2024. Relevant deliverables detailed in the Access and Inclusion Action Plan will be delivered by June 2027.

Attachments:

1. Access and Inclusion Action Plan 2024-2027

G/4.2. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 MAY 2024

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Management Accounting Specialist

Council Meeting Date: 18 June 2024

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the year 2023-24 to date, for the period ended 31 May 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 31 May 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 with a projected operating surplus of \$5.9m. Council officers have undertaken a further forecasting process, resulting in a forecasted operating surplus of \$7.0m.

Major movements between Q1 and Q3 forecast are as follows:

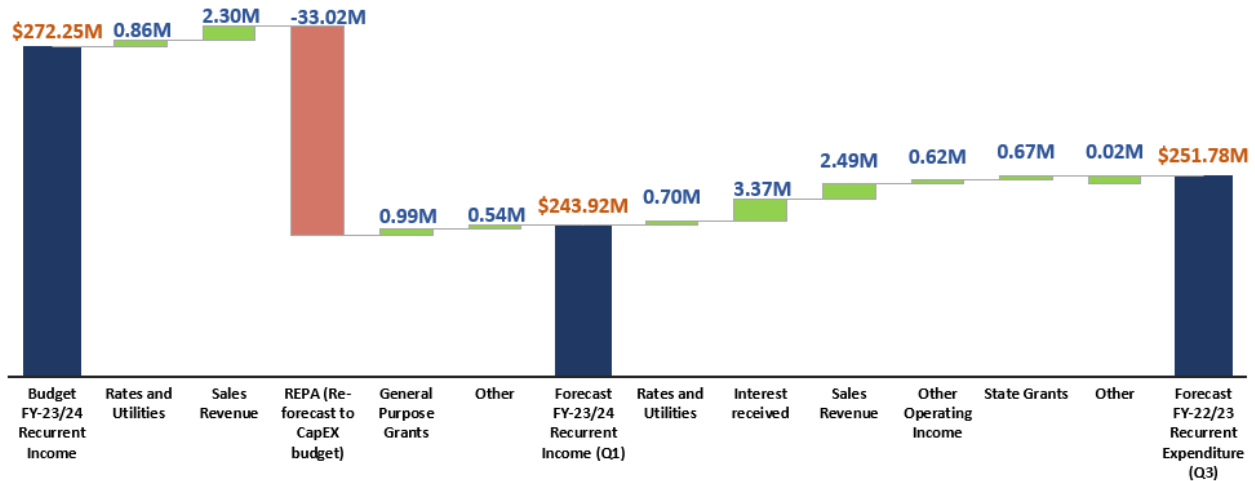
Revenue:

- Rates and Charges +\$0.7m
 - Decrease in rates revenue -\$0.5m. Relates to changes in property data due to subdivisions, amalgamations, valuation objection impacts and revaluations including a reduction in the anticipated general discount uptake.
 - Increase in water consumption +\$0.9m principally due to major industry water leaks. This correlates to an increase in water purchase expenses.
 - QAL effluent reuse increase +\$0.3m
- Interest Received: +\$3.4m. QTC and bank interest have yielded higher returns than anticipated throughout the year.
- Sales Revenue +\$2.5m. Road Maintenance Performance Contract (RMPC) revenue updated with recoverable works for Dawson Highway Drynan Drive Intersection, along with new RMPC contract and rates in place. The revenue attained will be offset by expenditures relating to recoverable work activities.
- Other Operating income +\$0.7. This is predominantly due to a change in the procedure for capturing Gladstone Entertainment Convention Centre (GECC) catering income and expenses. Offset by an increase in expenses.

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- State Grants +\$0.7m
 - +\$1.3m Reconstruction of Essential Public Assets (REPA) operational activities higher than anticipated when completing Q1 forecast.
 - Reduction of -\$0.4m in Disaster Recovery Funding allocation between Q1 and Q3 forecast due to incurred expenses exceeding the claimable amount.

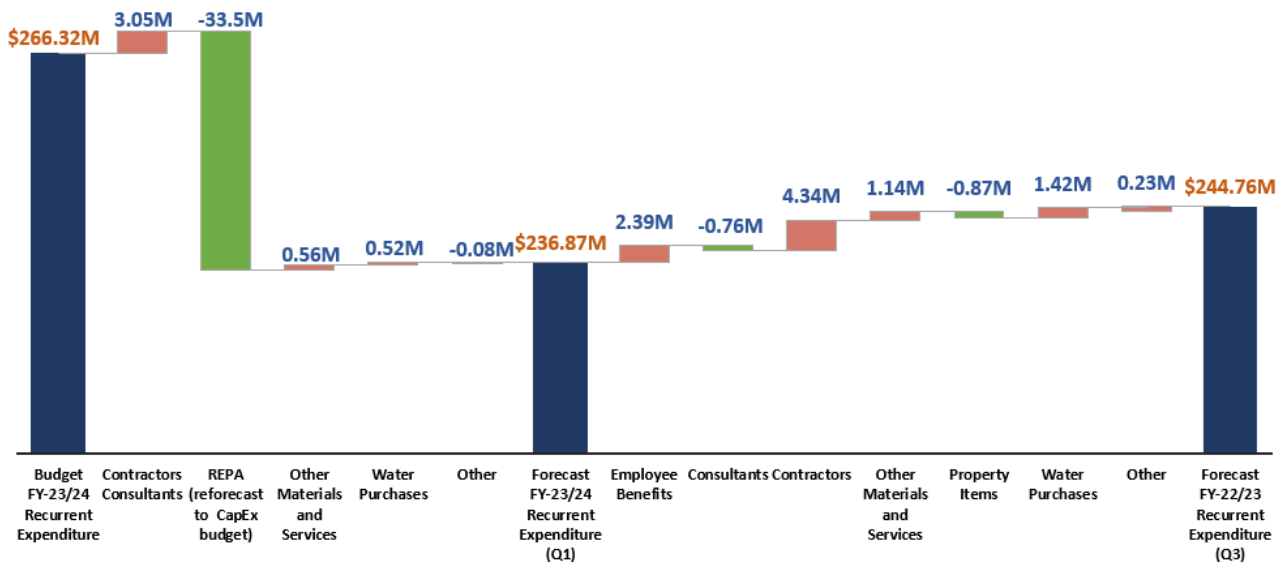
Budget to Forecast (Q1) to Forecast (Q3) Revenue Bridge (Major Movements)



Expenditure

- Employee Benefits +\$2.4m
 - Salaries and Wages +\$1.8m
 - Leave entitlements +\$0.5m
 - Consultants -\$0.8m. Predominantly relating to the Works Delivery Improvement Plan, which will be completed in 24-25.
- Contractors +\$4.3m
 - Additional contractor costs relating to RMPC works with revenue offsetting these expenses +\$2.8m.
 - REPA operational activities +\$0.8m, offset by revenue increases.
 - Sewerage +\$0.8m. Increased expenditure for desludging and priority repairs to sewer infrastructure at Gladstone wastewater treatment plant.
- Other Materials and Services have increased by +\$1.1 million. This includes \$2.0 million in operating expenses moved from Capital Work in Progress (WIP), along with decreased year-to-date expenditure for materials related to DRFA funding and Parks and Cemeteries.
- Property Items -\$0.9m. Corporate buildings and facilities decrease in cleaning and property repair expenses.
- Water Purchases +\$1.4m Industry water leaks have been detected, offset by recouped water consumption charges.

Budget to Forecast (Q1) to Forecast (Q3) Expenditure Bridge (Major Movements)



Note: In the above bridge chart, expense reductions are shown in green, while expense increases are shown in red.

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 31 May 2024 is 91.78%

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

Statement of Income and Expenditure

Income

Recurrent Revenue

Total recurrent revenue	2023-24	Actual as %
Actual	\$201.0m	
Budget	\$272.2m	73.83%
Forecast	\$251.8m	79.83%

Of note:

Net rates and utility charges	2023-24	Actual as %
Actual	\$158.2m	
Budget	\$181.4m	87.19%
Forecast	\$183.0m	86.45%

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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 2023-24 for payments received by the due date.

Water consumption revenue for January – June 2024 will be raised upon completion of the water meter reading cycle and accrued in July.

Total interest revenue	2023-24	Actual as %
Actual	\$7.8 m	
Budget	\$4.8m	161.06%
Forecast	\$8.2m	95.00%

Interest revenue at a rate of 5.22% has been received from Queensland Treasury Corporation (QTC) for the month of May and current term deposit rates are yielding up to a 5.25% return to Council.

QTC interest has been yielding favourably throughout the year. This has been reflected in the Q3 forecast.

Sales revenue	2023-24	Actual as %
Actual	\$7.7m	
Budget	\$3.3m	234.68%
Forecast	\$8.0m	95.34%

The Q3 forecast has been adjusted to reflect the Dawson Highway Drynan Drive Intersection recoverable works project final claim and (RMPC) recoverable works revised unit rates. Revenue will be offset by the associated operating expenditure relating to recoverable work activities.

Dividends	2023-24	Actual as %
Actual	\$1.1m	
Budget	\$0.5m	214.69%
Forecast	\$1.1m	100.00%

The Q3 forecast has been adjusted to reflect the Gladstone Airport Corporation (GAC) dividend for FY2023, with the return being larger than anticipated.

Income tax equivalents	2023-24	Actual as %
Actual	\$0.2m	
Budget	\$14.1m	1.24%
Forecast	\$14.1m	1.24%

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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. Confirmation has not yet been received.

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

General purpose grant	2023-24	Actual as %
Actual	\$0.4m	
Budget	\$9.0m	4.54%
Forecast	\$9.8m	4.15%

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.

The grant allocation has been adjusted in the Q3 forecast as per anticipated 2024-25 Cash Financial Assistance Grant Allocations from QLD state development, however further information is still to be provided regarding the timing of these payments.

Grants, subsidies, contributions and donations (excluding the general-purpose grant)	2023-24	Actual as %
Actual	\$4.5m	
Budget	\$36.7m	12.29%
Forecast	\$4.6m	98.41%

During budget preparation, REPA funding approvals were still pending, with amounts being allocated to the operating budget. It has since been established that the bulk of REPA work carried out by Council or external contractor, Loftus is capital in nature. Updated capital revenue and expenditure are captured in the Q3 capital forecast, with majority of the operating revenue and contractor costs removed as a profit and loss line item.

Capital Revenue

Capital revenue	2023-24	Actual as %
Actual	\$34.2m	
Budget	\$19.6m	174.19%
Forecast	\$38.4m	88.99%

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.

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Capital grants revenue has been updated in the Q3 forecast based on forecasted expenses for the projects. This includes REPA funding which has been revised and included in the capital forecast, as per the note above.

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

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

Project	Budget	Forecast	Actual
State Government Grants & Subsidies			
TBG - Bonsai House Utility Services	\$1.8m	\$1.0m	\$0.2m
Tom Jeffrey Memoria Park Bridger Renewal	\$1.0m	\$0.6m	\$0.6m
Bindaree Road, Miriam Vale - Investigate replacement options	-	-	\$1.5m
Agnes Street New Carpark	\$0.3m	\$0.4m	\$0.1m
Gladstone Sewer Manhole Replacement	\$0.4m	\$0.4m	\$0.3m
AWWTP Back Up Generator Supply	\$1.0m	\$1.0m	\$0.1m
REPA Projects	-	\$29.6m	\$13.3m
Other State Government Funding	\$4.8m	\$4.3m	\$1.7m

Project	Budget	Forecast	Actual
Federal Government Grants & Subsidies			
Miriam Vale Community Centre Upgrade	\$1.7m	\$1.7m	\$1.7m
Apex Park Retaining Wall Renewal	\$0.4m	\$0.3m	\$0.3m
Red Rover Road Bridge Renewal	\$0.5m	\$0.4m	\$0.1m
Round Hill Road Pavement Renewal	\$1.5m	\$0.0m	\$0.0m
Glenlyon/Tank/ Derby Streets Traffic Calming Scheme	\$0.7m	\$0.4m	-
Lowmead Road Safety and Sealing Upgrade	\$4.1m	\$3.3m	\$1.8m
Asphalt overlays	\$0.1m	\$0.8m	\$1.1m
Other Federal Government Funding	\$0.2m	\$0.4m	\$1.1m

ExpenditureRecurrent expenditure

Total recurrent expenditure	2023-24	Actual as %
Actual	\$213.6m	
Budget	\$266.3m	80.19%
Forecast	\$244.8m	87.26%

Of note:

Employee benefits	2023-24	Actual as %
Actual	\$68.1m	
Budget	\$72.2m	94.29%
Forecast	\$74.5m	91.40%

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%.

Consultants	2023-24	Actual as %
Actual	\$4.0m	
Budget	\$6.7m	58.77%
Forecast	\$5.9m	66.80%

Adjustments have been made during the Q3 forecasting process, where work has been identified that will not be completed by 30 June 2024 and is to be included in the 2024-25 financial year or where work is not required.

Majority of the consultants' forecast relating to the Works Delivery Improvement Plan will now be completed in 24-25 which is reflected in the Q3 forecast.

Other significant consultant forecasts include:

- Strategic Information and Technology - \$0.5m – current spend \$0.3m
- Asset Planning - \$1.1m – current spend \$0.7m
- Finance - \$0.5m – current spend \$0.3m

Contractors	2023-24	Actual as %
Actual	\$27.6m	
Budget	\$57.6m	47.86%
Forecast	\$31.3m	88.07%

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The Q1 forecast for contractors was revised with majority of REPA costs moved to Capital expenditure. Further revisions have been applied in the Q3 forecast with increases to Water & Sewerage, REPA and recoverable works.

Activities with significant contractor forecasts include:

- Water & Sewerage - \$8.6 - current spend \$7.8m
- Waste - \$6.7m - current spend \$5.8m
- Parks & Cemeteries - \$3.3m - current spend \$2.8m
- Roads - \$2.1m - current spend \$0.7m
- Recoverable Works - \$5.1m - current spend \$5.0m. Offset by sales revenue

Donations and Sponsorships Expenses	2023-24	Actual as %
Actual	\$2.5m	
Budget	\$3.3m	76.89%
Forecast	\$3.1m	81.11%

Donations and Sponsorships expenses are reflecting low YTD primarily due to timing of sponsorship rounds and invoicing for RADF and community grants.

Other Materials and Services	2023-24	Actual as %
Actual	\$8.1m	
Budget	\$10.4m	77.46%
Forecast	\$12.1m	66.61%

Other Materials and services lag year to date. Primarily due to:

- Audit fees from the Queensland Audit Office minimal for the year to date.
- Lag in service payments for the Gladstone Aquatic Centre due to contract extension negotiations.
- Legal fees lower than forecast.
- Circa ~20 projects with WIP balances, totalling \$2M, are anticipated to be expensed instead of being added to capital assets.

Staff and Councillor Associated Expenses	2023-24	Actual as %
Actual	\$2.2m	
Budget	\$2.9m	75.76%
Forecast	\$2.8m	79.83%

Staff and councillor associated expenses are currently lagging behind primarily due to the delayed invoicing by the Australian Electoral Commission (AEC) for local government election expenses.

Statement of Financial Position

	Current Value	Budget	Variance (Actual to Budget)	Forecast	Variance (Actual to Forecast)
Year-to-date Assets	\$2.9b	\$2.8b	2.73%	\$2.8b	0.57%
Year-to-date Liabilities	\$220.3m	\$179.7m	22.59%	\$200.7m	9.78%
Year-to-date Liabilities (excl. unearned rates revenue)	\$205.7m	\$179.7m	14.45%	\$200.7m	2.49%

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 \$81.5m

An updated Q1 forecast is provided throughout the tables and graphs below.

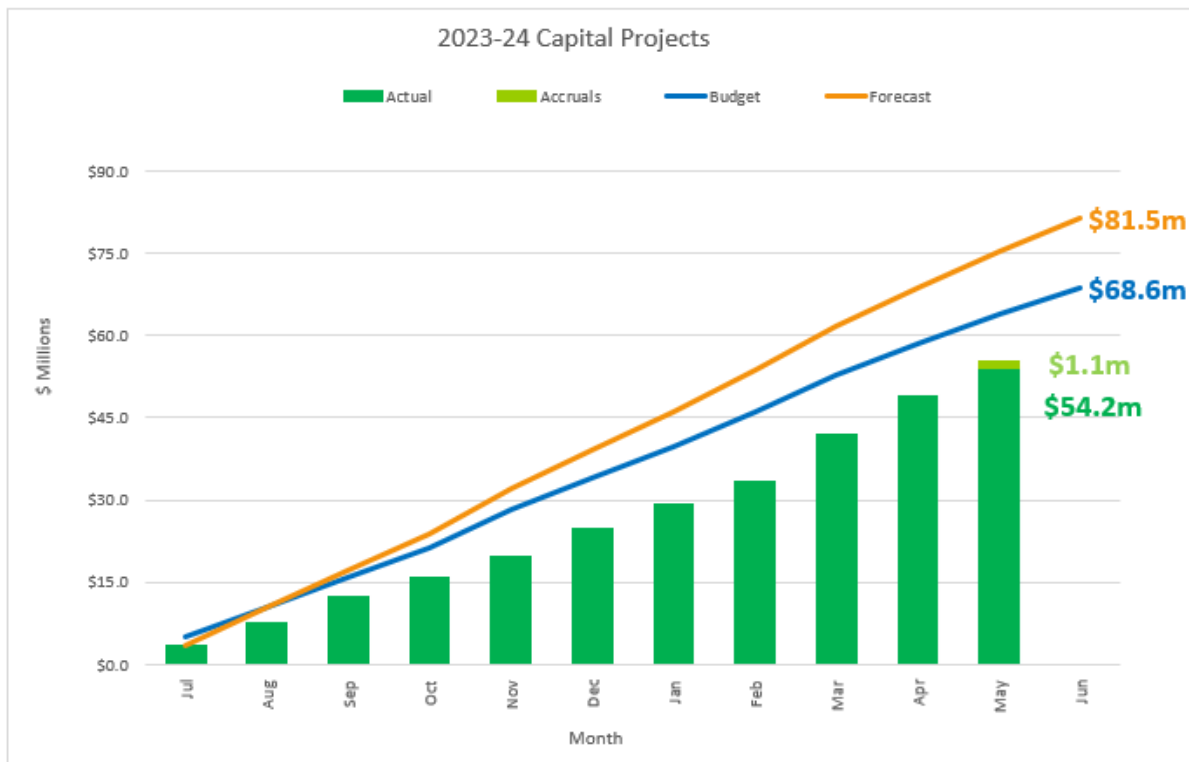
	Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Year to date capital expenditure	\$55.3m	\$68.6m	80.65%	\$81.5m	67.92%

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

Group	YTD Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Roads	\$16.2m	\$22.9m	71%	\$24.6m	66%
Roads REPA	\$13.3m	\$0.0m	0%	\$20.6m	65%
Sewerage	\$6.9m	\$12.4m	55%	\$8.8m	78%
Delivery Support and Performance	\$4.9m	\$6.0m	82%	\$10.4m	47%
Property Assets	\$5.8m	\$6.1m	96%	\$6.1m	96%
Asset Governance	\$0.0m	\$2.1m	0%	\$0.0m	-
Waste	\$0.2m	\$1.0m	16%	\$0.3m	53%
Parks	\$1.8m	\$3.5m	52%	\$2.6m	71%
Community & Lifestyle	\$0.1m	\$0.9m	16%	\$0.5m	29%
Water	\$3.6m	\$5.7m	64%	\$4.2m	87%
Strategic Projects	\$0.8m	\$6.0m	14%	\$1.1m	77%
Other	\$1.6m	\$1.9m	86%	\$2.4m	69%
Total	\$55.3m	\$68.6m	80.65%	\$81.5m	67.92%

Accrual estimates of \$1.1m have been included in the actuals, to account for major claims relating to May work.



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	\$9.7m	\$9.7m	-	68.06%
Central	\$1.6m	\$1.3m	\$1.3m	-	83.51%
Western	\$12.7m	\$3.6m	\$3.6m	-	28.04%
Sealed Roads	\$1.6m	\$0.5m	\$0.5m	-	32.75%
Granite Creek	\$1.7m	\$0.2m	\$0.2m	-	8.68%
REPA Admin	-	\$0.2	-	\$0.2m	-
TOTAL	\$31.9m	\$15.4m	\$15.3m	\$0.2m	

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

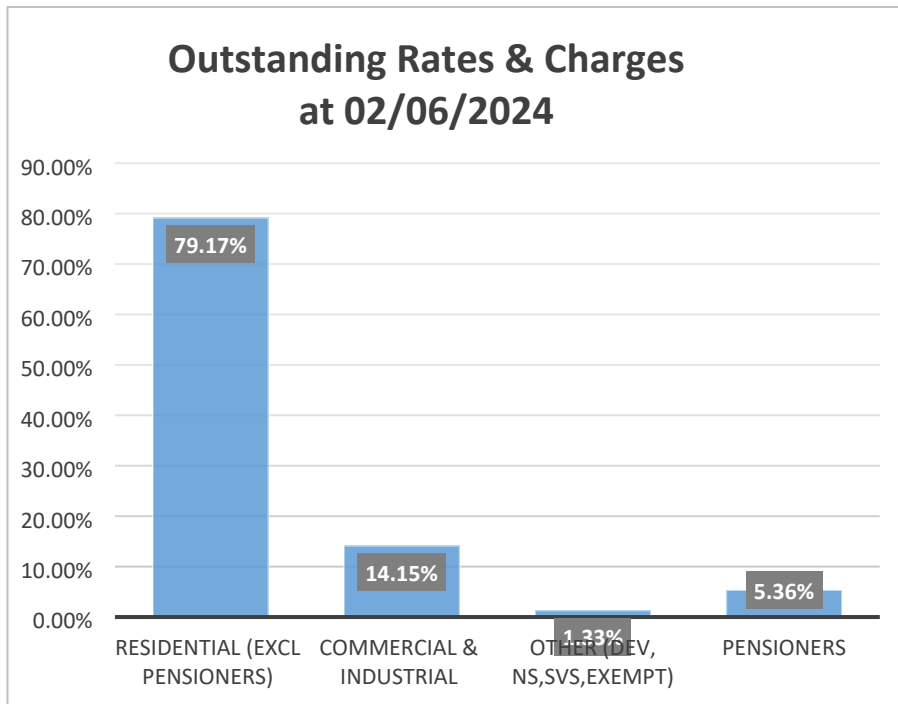
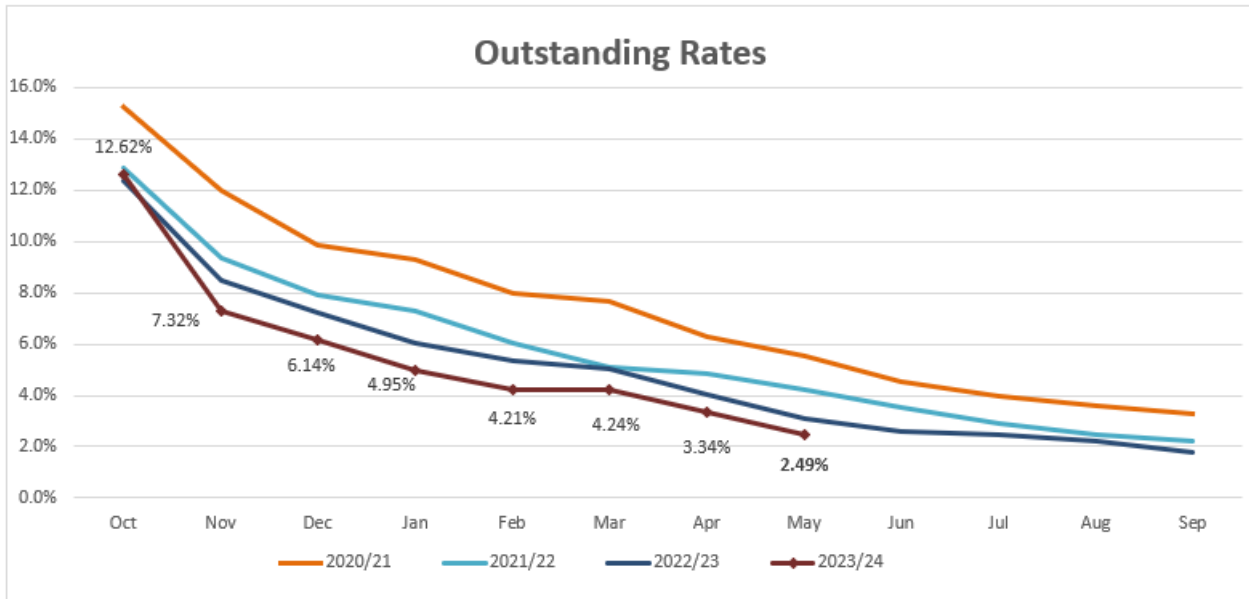
Outstanding rates, as a percentage of gross rates levied 2022-23, and collectible, is at 2.49% at the end of May 2024, compared to 3.09% for the same period last year 2022-23.

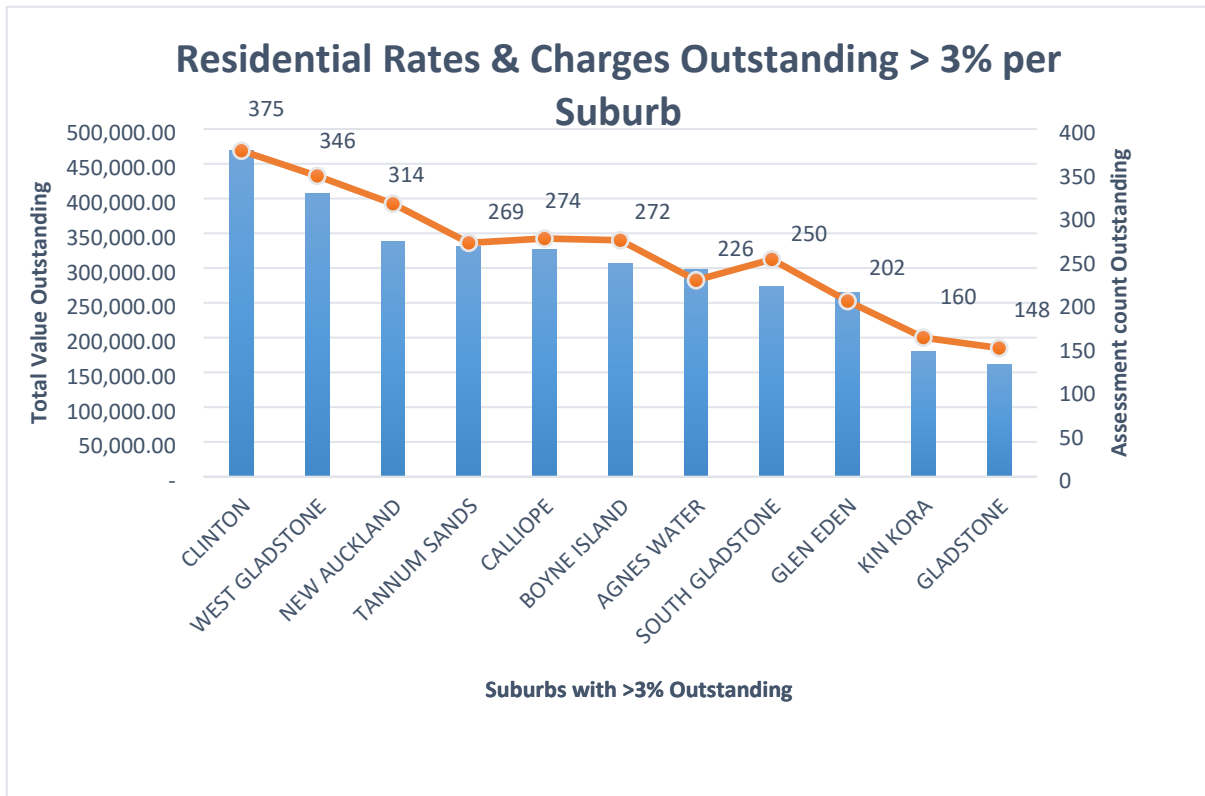
Of the \$5.8m of outstanding rates 10.77% relates to commercial/ industrial assessments and 89.23 % represents residential assessments.

These figures include \$1.2m of rates that are currently being repaid under an authorised payment plan, for which there were 66 commercial/industrial assessments and 950 residential assessments. A total of 1016 assessments, which is a decrease from 1666 assessments in April 2024 (this movement is a result of removal of arrangements on sold property, default arrangements and paid up arrangements).

The debt administration procedure this year included email and SMS as part of the reminder process. This yielded a 40% increase (592 assessments) on payment arrangements from prior year, which equates to an additional \$1.6m under payment plans in 2023-24.

There were 6365 ratepayers who had paid their rates in advance, totalling \$11.7m.





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.

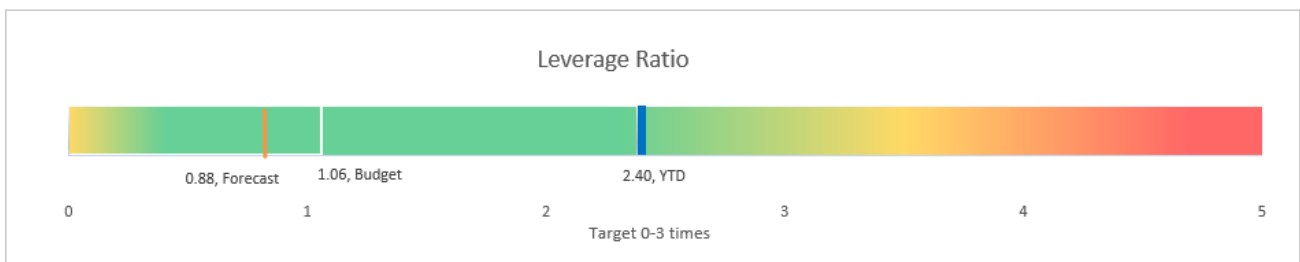
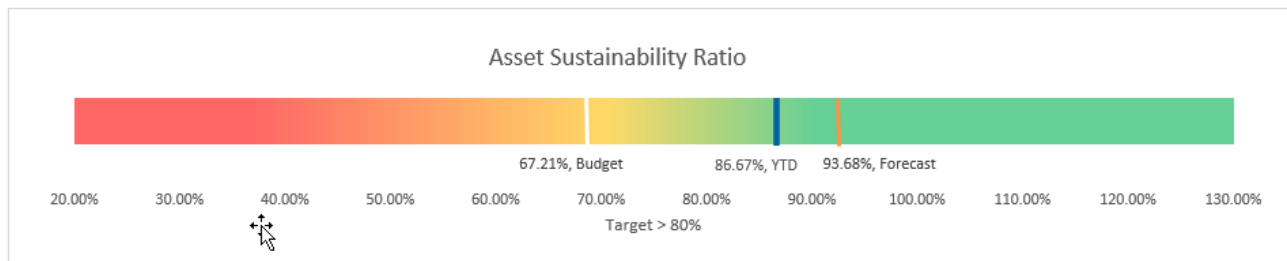
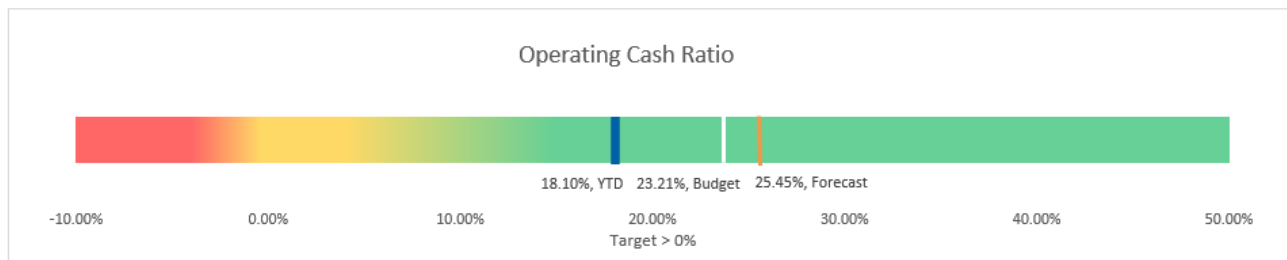
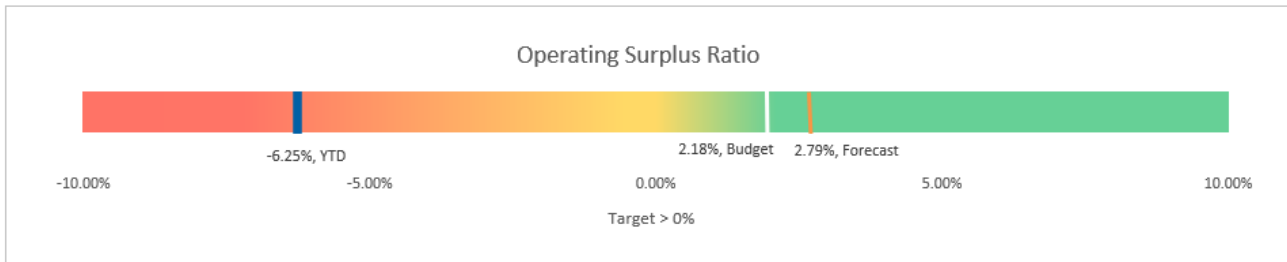
The May monthly report includes five of the nine ratio measures.

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Ratio Explanation	Target	2023-24 Budget	2023-24 Forecast	Current YTD		5 Year Average		Commentary
Financial Capacity								
<p>Council Controlled Revenue Ratio: 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 ratio 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>This ratio is contextual only therefore has no target measure</p>		73.42%	79.92%	87.01%		85.27%		Although there is no target for this ratio, the high 5 year average and current YTD indicates Council's strong position to generate revenue without heavy reliance on other external sources.
Operating Performance								
<p>Operating Surplus Ratio: 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>Target measured over a five-year average</p>	> 0%	2.18%	2.79%	-6.25%	●	-6.97%	●	<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 still to be confirmed. Although still negative, this ratio is trending closer to the positive operating surplus forecasted for 2023-24.</p>
<p>Operating Cash Ratio: 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>Target measured over a five-year average</p>	> 0%	23.21%	25.45%	18.10%	●	22.22%	●	Both the YTD and 5 year average result of this ratio reflects the continuing strong cash position of Council proportional to operating costs.
Asset Management								
<p>Asset Sustainability Ratio: The asset sustainability ratio approximates the extent to which the infrastructure assets managed by council are being replaced as the 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>Target measured over a five-year average</p>	> 80%	67.21%	93.62%	86.67%	●	79.45%	●	Infrastructure renewals have accounted for 74.42% of capital expenditure YTD with the balance on new and upgrade projects. REPA projects have been revised to capital works in the forecast. As these projects are for renewal works the asset sustainability ratio forecasted result has increased.

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Debt Servicing Capacity							
<p>Leverage Ratio:</p> <p>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>Target measured over a five-year average</p>	0-3 times	1.06	0.88	2.40	●	0.65	●
	<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 31 May 2024
2. Operating Statements for the month end 31 May 2024

G/4.3. REVENUE POLICY

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Governance Business Partner

Council Meeting Date: 18 June 2024

File Ref: CM28.2

Purpose:

To consider the annual review of the Revenue Policy prior to the adoption of the 2024/2025 budget.

Officer's Recommendation:

That Council:

1. Repeal P-2023-06 Revenue Policy; and
2. Adopt P-2024-01 Revenue Policy provided as Attachment 1 and apply it to the 2024/2025 financial year.

Summary:

This report considers the principles to be applied in the 2024/2025 financial year for the levying, concession, recovery, and cost-recovery methods for rates and charges.

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.
Delivering Value - We work efficiently to deliver value for your rates.

Background:

Pursuant to section 193 of the *Local Government Regulation 2012*, Council is required to review its Revenue Policy annually. The Revenue Policy must state the principles Council will apply in the financial year for the:

- levying of rates and charges;
- granting of concessions for rates and charges (including the purpose of the concession);
- recovery of overdue rates and charges;
- cost-recovery methods; and
- funding of physical and social infrastructure costs for new development.

Risk Management Summary:

Council takes a cautious approach when it has potential regulatory and legal consequences and further a moderate approach towards risk when it has potential financial or service delivery consequences. Both options will seek to control the risk by meeting Council's legislative obligations whilst ensuring the development of the budget is consistent with and guided by principles.

Options and Opportunity Analysis:

Officers propose that the Revenue Policy maintain the status quo with revenue to be raised on a similar basis as the current financial year with officers proposing minor amendments as follows:

- updates to the financial year references from 2023/2024 to 2024/2025; and
- the inclusion of 'supporting property owners experiencing financial hardship' as a principle which guides the granting of concessions for rates and charges.

Alternative Option

Alternatively, Elected Members may seek further amendments to the policy. An alternative recommendation could be:

That Council:

1. *Repeal P-2023-06 Revenue Policy; and*
2. *Adopt P-2024-01 Revenue Policy provided as Attachment 1 and apply it to the 2024/2025 financial year, subject to the following amendments:*
 - a. _____

Stakeholder Engagement:

Elected Members were invited to provide feedback during the review of the Revenue Policy. The General Manager Finance Governance and Risk and subject matter experts from the Revenue Services Team have contributed to the development of the draft policy.

Legal and Regulatory Implications:

Section 104 of the *Local Government Act 2009* requires Council to adopt a Revenue Policy as part of its financial management system.

Further, section 193 of the *Local Government Regulation 2012* requires Council to adopt this policy annually and in advance of the adoption of the budget for the next financial year to allow the budget to be consistent with the policy.

Financial and Resource Implications:

The Revenue Policy sets the principles for Council's rates and charges activities.

Anticipated Resolution Completion Date:

Within two weeks of resolution.

Attachments:

1. Proposed P-2024-01 Revenue Policy;
2. Proposed P-2024-01 Revenue Policy (Tracked Changes version);
3. Existing P-2023-06 Revenue Policy.

G/4.4. INFORMATION MANAGEMENT POLICY

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Governance and Risk

Council Meeting Date: 18 June 2024

File Ref: CM28.2

Purpose:

For Council to consider the adoption of an Information Management Policy.

Officer's Recommendation:

That Council adopt the Information Management Policy (P-2024-02) provided as Attachment 1.

Summary:

Council's Operational Plan includes the Information Management Initiative. Through this initiative, Council aims to better understand our information assets and develop strong governance for the management of information, to improve security of both our community's and our people's data.

The proposed Information Management Policy establishes the Information Management Framework which will govern Information Management in Council.

Link to Corporate Plan:

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

Background:

Information is essential to enable Council to manage risk, make decisions, act transparently, demonstrate accountability, collaborate, develop policy and deliver services to our customers.

Council is the custodian of a large amount of information some of which is personal and sensitive. Each day the amount of information held by Council increases and strong information management practices go hand in hand with cybersecurity controls to protect both the integrity and security of Council's information.

The Information Management Initiative ("the Initiative") was included in Council's 2024/25 Operational Plan. The outcome sought from the Initiative was to better understand our information assets and have appropriate governance over the capture, management, preservation, storage and delivery of information.

A deliverable of the Initiative was the development of an Information Management Framework. The attached Information Management Policy ("the Policy") is the centerpiece of the framework and establishes six information management principles and seven framework components. The Information Management Framework is based on the Queensland Government's Information Management Policy Framework and the Policy will guide the development of strong information management practices at Council.

Risk Management Summary:

Council has established a Minimal Risk Appetite for Reputational Risk (Council takes a cautious approach) and a Moderate Risk Appetite for Financial, Regulatory and Legal, and Service Delivery Risks (Council takes a balanced approach). By implementing the principles set out in the Policy and maturing Council's Information Management Framework, Council will reduce risks associated with information management.

Options and Opportunity Analysis:

Option 1 – Council adopts the Information Management Policy

It is the Officer's Recommendation that Council adopt the Information Management Policy.

The Policy will be supported by a Plan to embed the Information Management Framework across the organisation.

Option 2 – Council adopts the Information Management Policy with amendments

Council may wish to adopt an amended version of the Policy in which case an appropriate motion would be:

*“That Council adopt the Information Management Policy (P-2024-02) in Attachment 1 with the following amendments:
... “*

Option 3 – Council does not adopt the Information Management Policy

If Council does not wish to adopt the Policy, the Information Management Framework could be established as a Corporate Standard under the Chief Executive Officer's authority. This does not reflect the recommended best practice for Information Management.

Stakeholder Engagement:

The Policy and Framework were developed in conjunction with the Information Management Initiative Project Team.

Legal and Regulatory Implications:

There are a range of legislative requirements that relate to Information Management including the *Public Records Act 2002*, *Right to Information Act 2009*, *Information Privacy Act 2009*, and *Human Rights Act 2019*.

Most recently, the *Information Privacy and Other Legislation Amendment Act 2023* has imposed additional requirements for managing personal information and has established a mandatory data breach scheme. Queensland and New South Wales are the only Australian States to legislate mandatory data breach schemes which require Council and other government agencies to notify affected individuals and the Office of the Information Commissioner of eligible data breaches that could result in serious harm.

Victims of a data breach can seek compensation from Council.

Financial and Resource Implications:

The implementation and embedding of the Policy will be led by the Governance and Risk Team using existing resources. A Plan will be developed to ensure that the implementation is sustainable given current resources.

Anticipated Resolution Completion Date:

The Policy will be released to the business following adoption by Council. Training and resources will be delivered to the business between July and September. The embedding of the Policy will continue as part of business as usual activities.

Attachments:

1. P-2024-02 Information Management Policy

G/4.5. 2024-25 GENERAL SOLE SUPPLIERS**Responsible Officer:** General Manager Finance Governance and Risk**Prepared By:** Manager Contracts and Procurement**Council Meeting Date:** 18 June 2024**File Ref:** FM21.1**Purpose:**

This report seeks resolution from Council to make use of the provisions in section 235 of the Local Government Regulation 2012, that allows for exceptions to the requirement for written quotes or tenders.

Officer's Recommendation:

That in accordance with Section 235(a) of the *Local Government Regulation 2012*, Council is satisfied that the below suppliers are the only suppliers reasonably available to deliver the relevant product/service for the 2024/25 financial year

Supplier	Description	Category Manager
GIS		
1Spatial	Only reseller in Australia of FME mapping software used by GIS team	Manager Asset Governance
Environment		
Australian Laboratory Services Pty Ltd (formerly ALS Limited)	Only drinking water analysis provider in Gladstone with the nearest competing laboratories in Brisbane and Townsville	Manager Environment and Conservation
Ecoscope Environmental Pty Ltd	Only NATA accredited laboratory with proximity to Gladstone with the nearest competing laboratories in Brisbane and Townsville	Manager Environment and Conservation
Parks		
Mottech Parkland Australia	Only Australian importer and distributor of Irrinet irrigation systems	Manager Parks Program Delivery
Pacific Biologics	Only importer and distributor of ProLink Mosquito control products	Manager Parks Program Delivery

Summary:

This report requests Council to resolve using provisions in section 235 of the Local Government Regulation 2012, allowing exceptions to the requirement for written quotes or tenders for specific suppliers. This is to ensure efficient procurement of sole-supplier services for the 2024/25 financial year. The recommended suppliers include those providing essential software, environmental services, and other critical functions necessary for Council operations. This approach aims to streamline procurement processes and maintain service quality, adhering to Council's risk management and regulatory frameworks.

Link to Corporate Plan:

Delivering Value - We work efficiently to deliver value for your rates.

Background:

Due to the nature of some goods and services, there may be only one supplier who is reasonably available to deliver the product/service. Given that some of these types of purchases are recurring annually, it has become more typical for Councils to apply the legislation and prepare an annual report seeking resolution.

Section 225 of *Local Government Regulation (LGR) 2012* provides Council cannot enter a medium sized contractual arrangement unless it first invites 3 potential suppliers to quote. Section 224(2) defines medium sized contractual arrangement as a contractual arrangement with a supplier that is expected to be worth \$15,000 or more (plus GST) but less than \$200,000 over a financial year (or longer term of contract). Section 224(4) provides that the expected value is the total expected value of all the Council's contracts with the supplier for goods and services of a similar type under the arrangement.

There are several exceptions including:

- Section 232 Council can establish Prequalified Supplier Register via tender process (if 1 of the points in 232(3) applies which includes that the preparation and evaluation of invitations every time would be costly);
- Section 234 where the supplier is on LGAQ contract arrangement;
- Section 235(a) where Council in general meeting resolve that Council is satisfied there is only 1 supplier who is reasonably available;
- Section 235(b) where Council in general meeting resolve that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes of tenders;
- Section 235(c) where a genuine emergency exists; and
- Section 235(f) the contract is made with or under an arrangement with a government agency.

Additionally, to the specific requirements of the LGR sections, Council officers are required to comply with the local government principles in section 4 of *Local Government Act 2009* and the sound contracting principles in section 104(3) of the LGR, plus the provisions of the policy statement in Procurement Policy.

In addition to the LGR requirements – Council's procurement corporate standard adds a further requirement to issue 2 or more written invitations to quote where the contract value is \$5,000 to \$15,000 where exceptions do not apply.

Risk Management Summary:

The primary risk associated with this resolution pertains to Council's financial exposure and compliance with regulatory requirements. The exception for specific suppliers, in accordance with section 235 of the Local Government Regulation 2012, aligns with Council's Risk Management Framework by mitigating risks related to financial inefficiencies and service delivery disruptions, ensuring that only sole suppliers are contracted.

Options and Opportunity Analysis:

Council's Contracts and Procurement team have identified an organisational need for the exception to be applied to the suppliers contained in this report due to anticipated annual purchases exceeding \$5,000 ex GST per annum thus requiring the application of the following exceptions:

- Section 235(a) where Council in general meeting resolve that Council is satisfied there is only 1 supplier who is reasonably available

Stakeholder Engagement:

Internal stakeholders have been involved in the preparation of this list.

Legal and Regulatory Implications:

It is a requirement of the LGR section 225 to invite written quotations or tenders where the supply of goods or services with a cost greater than \$15,000.

Additionally, Council's Procurement Corporate Standard requires a minimum of two (2) quotes for all purchases of goods and services greater than \$5,000 and three (3) quotes for all purchases greater than \$15,000.

Section 235 of the LGR provides the following exceptions to the requirement relevant to this request including:

- a) the local government resolves it is satisfied that there is only (1) supplier who is reasonably available.

Financial and Resource Implications:

Procurement activities making use of this resolution will be subject to Council's Register of Financial Delegations.

Anticipated Resolution Completion Date:

Exceptions granted within this report will be added to Council's Long-Term Contracts Register in July 2024.

Attachments:

Nil

G/4.6. 2024-25 GENERAL SPECIALISED SUPPLIERS**Responsible Officer:** General Manager Finance Governance and Risk**Prepared By:** Manager Contracts and Procurement**Council Meeting Date:** 18 June 2024**File Ref:** FM21.1**Purpose:**

This report seeks resolution from Council to make use of the provisions in section 235 of the Local Government Regulation 2012, that allows for exceptions to the requirement for written quotes or tenders.

Officer's Recommendation:

That in accordance with Section 235(b) of the *Local Government Regulation 2012*, Council is satisfied that because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders from suppliers for the relevant services for the 2024/25 financial year.

Supplier	Description	Category Manager
Executive		
Gladstone Engineering Alliance (GEA)	Specialised body established to strengthen business and industry relationships within the Gladstone Region	Chief Executive Officer
Institute of Public Works Engineering Australasia (IPWEA)	Specialised peak association for professionals who deliver public works and engineering services	Chief Executive Officer
Finance Systems		
Technology One Pty Ltd	Proprietor of Technology One software. Enterprise resource planning (ERP) software for Council that drives accounting systems, supply chain & asset management	Financial Controller
GIS		
ESRI Australia Pty Ltd	Proprietor of ArcGIS software, Council's online mapping system including technical support services.	Manager Asset Governance
Communications		
Central Queensland Media Pty Ltd t/a CQ Today and Gladstone Today	Publisher of CQ Today and Gladstone Today and provider of advertisement services	Manager Communications
Kvitko Holdings T/A Elevate Media (Gladstone News)	Publisher of Gladstone News and provider of advertisement services	Manager Communications
Queensland Regional Broadcasters (Grant Broadcasters)	Provider of advertising services for 4CC and Kix Country radio.	Manager Communications
Social Pinpoint	Proprietor of the Social Pinpoint Conversations Platform used for community engagement	Manager Communications
Southern Cross Austereo	Provider of advertising services for Hit FM 93.5 and Triple M Radio	Manager Communications
Community Development		
Interventions Plus	Facilitator of training for Intervention Plus courses, dedicated to breaking anger, violence, and anti-social behaviour in youth and offering these courses to Youth Workers	Manager Community Partnerships

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Governance		
Jardine Lloyd Thompson Pty Ltd	Specialists in providing insurance products and services to local government e.g. Directors and Officers Liability and Environment Impairment Liability.	Manager Governance and Risk
ICT		
Acquire Technology Solutions Pty Ltd	Proprietor of Envirosys, a specialised data management system that stores environmental and drinking water quality and wastewater data.	Manager ICT
Aurion Corporation Pty Ltd	Proprietor of Aurion software used for payroll management	Manager ICT
Chemwatch	Proprietor of Chemwatch software used for the storage and management of Material Safety Data Sheets (MSDS) and Safety Data Sheets (SDS)	Manager ICT
Civica Pty Ltd	Proprietor of Reflect and Recover software used by Roads Program Delivery for asset management and RMPC contract coordination	Manager ICT
F3EE Pty Ltd	Australian-based Channel Partner of Bentley Systems for Open Flow (WaterGEMS and SewerGEMS) software. An advanced engineering software used to analyse, design, and optimise water and sewer distribution systems.	Manager ICT
Harbour Software	Proprietor of Doc Assembler and Docs on Tap software provider	Manager ICT
Ibis Information Systems Pty Ltd	Proprietor of Ibis Information Systems Software used for Rates modelling	Manager ICT
IDEXX Laboratories Pty Ltd	OEM for IDEXX Colilert System used to detect and quantify coliforms and Escherichia coli in water and wastewater.	Manager ICT
Infor Global Solutions (ANZ) Pty Ltd	Proprietor of Pathway software, an end-to-end cloud solution designed to enable Local Governments to manage regulatory services, people, land and property revenue services.	Manager ICT
LG Solutions	Proprietor of LG Solution software used for fees and charges	Manager ICT
QIT Plus Pty Ltd	Proprietor of Guardian software used for disaster management	Manager ICT
Schneider Electric (Australia)	Proprietor of Schneider Electric GeoSCADA Software. An interface with a database that displays information collected from our sewerage and water assets, monitoring sites and sending alarms via the system. Data is also used to investigate and monitor the conditions and performance of various assets	Manager ICT
Property		
Electrical Refrigeration Enterprises	Local authorised agent for ZIP water systems	Manager Maintenance
Ruswin Locksmiths and Security (Authorised dealer and billing agent for Davcor Group Pty Ltd t/a Electronic Keying Australia)	OEM for electronic keys and vaults used to access Council buildings providing the hosting, maintenance, and support of the associated Cyberlock software and database.	Manager Maintenance
Fleet		
Andersons Auto City	Local OEM dealership for the purchase of new vehicles, parts and servicing for vehicles	Manager Operations Support
Bill Robertson Toyota	Local OEM dealership for the purchase of new vehicles, parts and servicing for vehicles	Manager Operations Support
Curtis Coast Automotive	Local OEM dealership for the purchase of new vehicles, parts and servicing for vehicles	Manager Operations Support
Reef City Motors	Local OEM dealership for the purchase of new vehicles, parts and servicing for vehicles	Manager Operations Support

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EZ Machinery	OEM for EZ Hydraulic Mulcher Attachments and Spare Parts	Manager Operations Support
Farm and Garden Products Pty Ltd	Closest (Rockhampton) authorised agent for parts and servicing of Kioti Tractors, Bobcat Excavators, Twose Remote Track Mower, Kanga Mini Loader and Polaris Ranger UTVs	Manager Operations Support
GCM Enviro Pty Ltd	OEM of landfill compactor parts and servicing	Manager Operations Support
Hastings Deering (Australia) Pty Ltd	OEM parts and servicing for Caterpillar machinery	Manager Operations Support
Milne Bros	OEM parts and service for Hino Trucks	Manager Operations Support
Netstar Australia Pty Ltd	Provider of GPS Data Plan for GRC Vehicles	Manager Operations Support
Terrequip Pty Ltd	OEM for JCB Equipment parts and servicing	Manager Operations Support
Western Truck Group Pty Ltd	OEM parts for Volvo machinery and servicing	Manager Operations Support
Wideland Group	OEM parts for Iveco and Isuzu Trucks and servicing	Manager Operations Support
Parks		
Austeng Crematoria and Cemetery	OEM for Crematorium parts and service at Boyne Island Memorial Parklands	Manager Parks Program Delivery
J.H. Wagner & Sons	OEM for marker stones used at the Boyne Tannum Memorial Gardens	Manager Parks Program Delivery
Takura Bark & Compost	OEM for Takura Engineered Softfall (natural, renewable, non-toxic softfall for playground areas	Manager Parks Program Delivery
Recruitment		
SEEK Limited	Provider of online recruitment advertising linked to Aurion software system used for recruitment	Manager People Services
Libraries		
Nextra Valley News	Magazine and newspaper delivery and supply for Council libraries	Manager Regional Libraries
Waste		
Mettler Toledo-Limited	OEM of weighbridge service and parts for Gladstone Transfer Station and Benaraby Landfill	Manager Waste Program Delivery
Water		
ABB Australia Pty Limited	Original Equipment Manufacturer ('OEM') of ABB water flow meters	Manager Water Program Delivery
Aqua-tec Fluid System Pty Ltd	Supply of like for like pumps, associated equipment, and service support. Utilised across the southern region sewer network of Gladstone.	Manager Water Program Delivery
Endress & Hauser Australia Pty Ltd	OEM for Transducers and Radar Micro pilot measurement instrumentation components used within the Water Treatment Plants.	Manager Water Program Delivery
NuGrow Rockhampton Pty Ltd	Provider of water and sludge material disposal services	Manager Water Program Delivery
Sewer Equipment Company (Aust)	OEM for camera equipment used in the CCTV van	Manager Water Program Delivery
Taggle	OEM for Taggle Smart Water Metering Solution	Manager Water Program Delivery
Shared Services		
Cat & Back	Provider of Central Queensland freight services	Not Applicable
Gladrock Transport	Provider of Central Queensland freight services	Not Applicable
Origin Energy	Supplier of gas and gas infrastructure at GECC	Not Applicable

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Team Global Express Pty Ltd (includes NQX, IPEC and TOLL IPEC)	Australia wide freight services	Not Applicable
Telstra	Telecommunications Infrastructure provider in Central Queensland	Not Applicable

Summary:

This report requests Council to resolve using provisions in section 235 of the Local Government Regulation 2012, allowing exceptions to the requirement for written quotes or tenders for specific suppliers. This is to ensure efficient procurement of specialised services for the 2024/25 financial year. The recommended suppliers include those providing essential software, advertising, environmental services, and other critical functions necessary for Council operations. This approach aims to streamline procurement processes and maintain service quality, adhering to Council's risk management and regulatory frameworks.

Link to Corporate Plan:

Delivering Value - We work efficiently to deliver value for your rates.

Background:

Due to the nature of some goods and services, there may be only one supplier who is reasonably available or who provides a specialised service. Given that some of these types of purchases are recurring annually, it has become more typical for Councils to apply the legislation and prepare an annual report seeking resolution.

Section 225 of *Local Government Regulation (LGR) 2012* provides Council cannot enter a medium sized contractual arrangement unless it first invites 3 potential suppliers to quote. Section 224(2) defines medium sized contractual arrangement as a contractual arrangement with a supplier that is expected to be worth \$15,000 or more (plus GST) but less than \$200,000 over a financial year (or longer term of contract). Section 224(4) provides that the expected value is the total expected value of all the Council's contracts with the supplier for goods and services of a similar type under the arrangement.

There are several exceptions including:

- Section 232 Council can establish Prequalified Supplier Register via tender process (if 1 of the points in 232(3) applies which includes that the preparation and evaluation of invitations every time would be costly);
- Section 234 where the supplier is on LGAQ contract arrangement;
- Section 235(a) where Council in general meeting resolve that Council is satisfied there is only 1 supplier who is reasonably available;
- Section 235(b) where Council in general meeting resolve that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes of tenders;
- Section 235(c) where a genuine emergency exists; and
- Section 235(f) the contract is made with or under an arrangement with a government agency.

Additionally, to the specific requirements of the LGR sections, Council officers are required to comply with the local government principles in section 4 of *Local Government Act 2009* and the sound contracting principles in section 104(3) of the LGR, plus the provisions of the policy statement in Procurement Policy.

In addition to the LGR requirements – Council’s procurement corporate standard adds a further requirement to issue 2 or more written invitations to quote where the contract value is \$5,000 to \$15,000 where exceptions do not apply.

Risk Management Summary:

The primary risk associated with this resolution pertains to Council's financial exposure and compliance with regulatory requirements. The exception for specific suppliers, in accordance with section 235 of the Local Government Regulation 2012, aligns with Council's Risk Management Framework by mitigating risks related to financial inefficiencies and service delivery disruptions, ensuring that only specialised or sole suppliers are contracted.

Options and Opportunity Analysis:

Council’s Contracts and Procurement team have identified an organisational need for the exception to be applied to the suppliers contained in this report due to anticipated annual purchases exceeding \$5,000 ex GST per annum thus requiring the application of the following exception:

- Section 235(b) where Council in general meeting resolve that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for Council to invite quotes of tenders.

Stakeholder Engagement:

Internal stakeholders have been involved in the preparation of this list.

Legal and Regulatory Implications:

It is a requirement of the LGR section 225 to invite written quotations or tenders where the supply of goods or services with a cost greater than \$15,000.

Additionally, Council’s Procurement Corporate Standard requires a minimum of two (2) quotes for all purchases of goods and services greater than \$5,000 and three (3) quotes for all purchases greater than \$15,000.

Section 235 of the LGR provides the following exception to the requirement relevant to this request including:

- a) the local government resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tenders.

Financial and Resource Implications:

Procurement activities making use of this resolution will be subject to Council’s Register of Financial Delegations.

Anticipated Resolution Completion Date:

Exceptions granted within this report will be added to Council’s Long-Term Contracts Register in July 2024.

Attachments:

Nil

G/4.7. EXTERNAL AUDIT - INTERIM MANAGEMENT LETTER

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Financial Accounting Specialist

Council Meeting Date: 18 June 2024

File Ref: FM4.4

Purpose:

To present a copy of the Interim Management Letter and Report to ensure transparency and accountability of Council regarding audit findings.

Officer's Recommendation:

That Council note the Interim Management Letter and Report in accordance with Section 213 of the Local Government Regulation 2012.

Summary:

- No significant deficiencies
- One new deficiency
- One resolved prior period deficiency
- Two prior period deficiencies resolved pending audit clearance.
- Five unresolved deficiencies from prior year
- Timeframes for resolution provided in report

Link to Corporate Plan:

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

Background:

Under Section 213 of the Local Government Regulation 2012, the Mayor of a local government must present a copy of the auditor-general's observation report at the next ordinary meeting of the local government. The interim and final reports prepared by the Queensland Audit Office are these observation reports.

The interim report is provided to detail the results of the interim work performed. The report assesses the design and implementation of internal controls and whether they operate effectively. The report also details any financial reporting issues and other matters that should be considered.

The interim report for 2023-2024 reported no new significant deficiencies in Council's internal controls. There is one new current year deficiency and five prior year unresolved financial reporting issues, which management have committed to resolving within the noted timeframes. The report also outlines the one resolved, and two resolved pending audit clearance deficiencies.

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 JUNE 2024

New Current Year Deficiencies – Interim Audit	
Observation	Management Response
24-IR-1 Timely Review and update of Council Policies	<p>Council maintains a Policy Corporate Standards and Local Laws Register. Council has 76 Policies and 57 Corporate Standards.</p> <p>Policies and Corporate Standards were being reviewed on a three yearly basis except where legislation required otherwise or on the direction of the CEO or feedback from Councillors. With limited Governance resources Council maintains a risk based approach to policy reviews with a maximum review period of 5 years.</p> <p>This allows us to direct resources towards business priorities and high risk policies. Each FY a review schedule is presented to the ELT which identifies the Policies, Corporate Standards and Local Laws for review. In addition, this year Councillors have expressed an interest in forming a Legislative and Policy Review Committee to assist with Policy and Local Law review and development.</p> <p>Action Date: 30 June 2024</p>
Prior year issues - resolved	
23-IR-1 General journal approval process in TechOne.	<p>Resolved pending audit clearance: Workflow implemented to prevent users from creating and posting their own journals on 23/02/24. It was determined that journals that are created by the system and not manipulated by the user can continue being posted without review. E.g. Aurion, Pathway.</p> <p>Action Date: 30 June 2024</p>
23-IR-4 TechOne batch scheduler change approvals	<p>Resolved pending audit clearance: Quarterly review process implemented. Issue resolved prior to resolution date of 31 December 2023</p> <p>Action Date: 31 December 2023</p>
23-IR-2 Cyber security controls can be strengthened by use of multi-factor authentication	<p>Resolved: Multi Factor Authentication is not available for the system identified during the audit. Other mitigating controls have been applied. It is important to note that this system is a standalone cloud system with unique user access credentials and does not pose a risk to other systems. It is the opinion of management that this risk has been mitigated appropriately and are seeking to close out the issue.</p> <p>Action Date: 30 June 2024</p>
Prior year unresolved issues	
Observation	Management Response 30.05.2024
23-CR-1 GIS reconciliation to Fixed Asset Register	<p>The mapping team are working with the Asset Officers to map missing assets and remove disposed assets on the Geographic Information System (GIS).</p> <p>The Technical Asset Officers are now doing regular visits to projects and have more contact with the project managers.</p> <p>Action Date: 30 June 2024</p>

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<p>23-CR-2 WIP capitalisation</p>	<p>Management will assess WIP balances on a frequent basis (compared to the annual reconciliations) with the asset team to assess each open project.</p> <p>Management will examine external documentation for the asset's completion status as part of this assessment.</p> <p>Action Date: 30 June 2024</p>
<p>23-IR-3 User driven TechOne delegation of authority</p>	<p>Project allocated to new resource in systems team. It is anticipated that position-based profiles will be implemented as a staged approach as Council migrates from TechOne Ci to TechOne Ci Anywhere (CiA).</p> <p>All profiles should be position based by resolution date of 30 June 2025.</p> <p>Action Date: 30 June 2025</p>
<p>22-IR-1 Capital work in progress process improvements</p>	<p>The Asset Governance and Works Planning & Scheduling teams have been liaising and coordinating in recent weeks to ensure the Senior GIS Officer and Senior Technical Officer are included as part of regular meetings with project managers so that all parties are aware of requirements in a timely manner.</p> <p>We have seen an improvement in projects being completed recently and communication/information has been received. Audit will reassess as part of final audit process to determine if further improvements have been identified.</p> <p>Action Date: 30 June 2024</p>
<p>20-CR-3 Improvement of the three way-match process required</p>	<p>Management have recently undertaken a planning session with TechnologyOne to identify the correct sequencing of major projects across the 2023-2025 period. As a result, the procure-to-pay project has been scheduled for January-June 2025.</p> <p>Action Date: 30 June 2025</p>

Risk Management Summary:

Council's Risk Management Framework has been applied to understand the level or risk or exposure that each deficiency exposes the organisation to. This has been used to frame our management response.

Options and Opportunity Analysis:

N/A

Stakeholder Engagement:

The auditor-general's interim report has been communicated to the Mayor and has also been presented to the Audit Risk and Improvement Committee at its June 2024 meeting.

All impacted leaders have been consulted on the required actions to close the gap on the identified deficiencies and ensure the required resources are allocated to complete the actions within the agreed timeframes.

Legal and Regulatory Implications:

Section 213 of the Local Government Regulation 2012 requires the Mayor of a local government to present a copy of the auditor-general's observation report at the next ordinary meeting of the local government. This report meets this legislative obligation.

Financial and Resource Implications:

N/A

Anticipated Resolution Completion Date:

N/A

Attachments:

1. Gladstone Regional Council Interim Management Letter and Report.

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS

G/8.1. WRITE-OFF REPORT

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Revenue Services

Council Meeting Date: 18 June 2024

File Ref: FM7.1

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: -

(e) legal advice obtained by the local government or legal proceedings involving the local government including, for example, legal proceedings that may be taken by or against the local government.