



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

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

On Tuesday 20 August 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 6 AUGUST 2024

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 20 August 2024

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 6 August 2024.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 6 August 2024 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 6 August 2024.

G/3. DEPUTATIONS

G/4. OFFICERS' REPORTS

G/4.1. 2023/24 OPERATIONAL PLAN - FINAL QUARTER PERFORMANCE REPORT

Responsible Officer: General Manager People and Strategy

Prepared By: Manager Strategy and Improvement

Council Meeting Date: 20 August 2024

File Ref: CM14.2

Purpose:

The purpose of this report is to present Council with the fourth and final quarterly performance report for the 2023/24 Operational Plan.

Officer's Recommendation:

That Council endorse the 2023/24 Operational Plan Final Quarter Performance Report.

Summary:

This 2023/24 Operational Plan Final Quarter Performance Report showcases our achievements from April to June 2024, demonstrating progress on our 2021-26 Corporate Plan. More specifically, it details the outcomes of our 50 core services and nine initiatives, with eight out of nine completed on time and within budget.

Link to Corporate Plan:

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

Background:

The 2023/24 Operational Plan was endorsed on 20 June 2023, consisting of nine initiatives and 50 core services to progress delivery of Gladstone Regional Council's 2021-26 Corporate Plan. Initiatives are key projects that enable sustainability, growth and prosperity for our business and region and progress delivery of our 2021-26 Corporate Plan. Core services are the essential things we do every day to deliver outcomes for our community and remain the focus for many of our people.

As per legislative requirements, Officers provide quarterly performance reports to Council to demonstrate our progress in delivering the annual Operational Plan.

Risk Management Summary:

The attached report details outcomes of our initiatives and core services, supporting the business to manage corporate risks, including:

- Asset Management Maturity
- Business Continuity
- Climate Change
- Corporate Governance
- Critical Service Delivery
- Cyber Security and Critical Control Points
- Financial Sustainability
- Waste Management
- Workforce Safety and Wellbeing.

Options and Opportunity Analysis:

Outcomes from the 2023/24 initiatives enable improved service delivery for the community, address our corporate risks and enable us to play our part in actively contributing to the success and betterment of our region.

2023/24 Operational Plan Overall Outcomes Summary

Table One: Final Quarter Progress Overview

Goal	Initiative	Q4 Target Progress*	Q4 Actual Progress	Budget*	Status
Connecting Communities	Access and Inclusion Action Plan	100%	100%	\$99,989 of \$100,000	✓
	Social Infrastructure Strategic Plan Review & Update	100%	100%	Delivered with internal resources	✓
	Planning Scheme Review	100%	100%	\$176,631 of \$180,000	✓
Delivering Value	Works Delivery	100%	100%	\$999,292 Of \$2.2 million	✓
	Community Waste Education	100%	100%	\$60,444 of \$180,000	✓
	Future of Fleet	100%	45%	\$0 of \$138,000	●
Our People	Creating Constructive Culture	100%	100%	\$159,239 of \$181,740	✓
	Psychosocial Safety	100%	100%	Delivered with internal resources	✓
Accountable Council	Information Management	100%	100%	\$5637 of \$10,000	✓

✓ Completed ● Extended

- **Access and Inclusion Action Plan - Completed**
 Shaped by community feedback, our 2024-27 Access and Inclusion Action Plan outlines 37 actions across six priority areas to foster a thriving and inclusive community where diversity is celebrated, and all individuals have equal access to opportunities and resources. Sixty-two percent of actions are set to be activated in 2024/25.

- **Strategic Infrastructure Strategic Plan Review and Update - Completed**
Industry proponents now have an evidence-based resource to guide meaningful investment in our region's social infrastructure needs. Launched in June 2024, the renamed Social Infrastructure Investment Priorities (SIIP), emphasises eight key focus areas providing direction for industries to meaningfully invest in our community's needs.
- **Planning Scheme Review – Year One - Completed**
The Gladstone Region Planning Scheme has undergone a comprehensive review. The draft review report, highlighting 26 key findings and gaps in our current Planning Scheme, will be presented to Council in the second year of this multi-year initiative.
- **Works Delivery - Completed**
Continuing the multi-year Works Delivery Improvement Program (WDIP), foundational improvements were delivered enabling safer, more achievable, and affordable asset maintenance to meet community needs. Outcomes from this year prepare for upcoming technological advancements and on the ground changes in the final year of the WDIP, set to be delivered in the 2024/25 Operational Plan through the initiative, Optimising Maintenance Delivery. Spending was \$1.2 million under budget as some activities cost less than anticipated and other work overlaps into the 2024/25 year of the overall WDIP.
- **Waste Education - Completed**
Waste education activities and engagements have commenced, following launch of the 2024-26 Community Waste Education and Engagement Plan in March 2023. We are excited to arm our community with awareness and knowledge so they can more sustainably manage their waste and support us to achieve regional waste reduction targets and improve recycling rates and resource recovery.
- **Future of Fleet – Extended to be delivered by 30 September 2024**
The new fleet system has been prepared as all milestones within the control of the project team have been completed. Progress towards a critical milestone is being prioritised so the initiative can move forward. The initiative budget will fall into the 2024/25 financial year to enable full delivery by September 2024.
- **Creating Constructive Culture - Completed**
Our 2023 Culture Survey showed significant improvements in constructive behaviours and reductions in defensive and passive behaviours. Our people are the drivers behind this success, supported by dedicated culture champions and leadership. In May 2024, we were honoured to receive the 2024 LGMA Award for Workplace Wellbeing, recognising the success of our journey. Our constructive culture is set for further embedding through the 2024/25 Operational Plan, as we enhance leadership accessibility, remove barriers, showcase our teams and integrate with other initiatives to support and engage our workforce.
- **Psychosocial Safety - Completed**
Results from the Queensland Government Workplace Health and Safety 'Safe at Work' survey and 42 risk assessments across four priority teams indicate an overall low rating for psychosocial risk at Council. While we currently meet our legislative obligations, we are committed to doing our best to protect the psychosocial safety of our people.
- **Information Management - Completed**
Our information governance and security has been enhanced with the release of our Information Management Framework in June 2024. This Framework establishes clear principles and practices to store effectively, efficiently and safely, use, manage and safeguard Council's information assets.

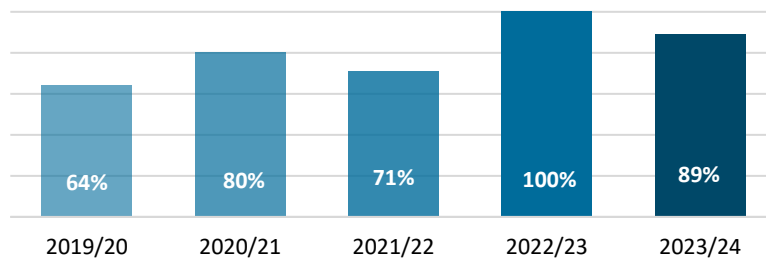
Delivering our 2021-26 Corporate Plan

The 2021-26 Corporate Plan presents five goals, 13 outcomes and 41 objectives to deliver for our community by June 2026. Delivery of the 2023/24 Operational Plan feeds into these goals, enabling significant progress towards achieving our Corporate Plan 2021-26.

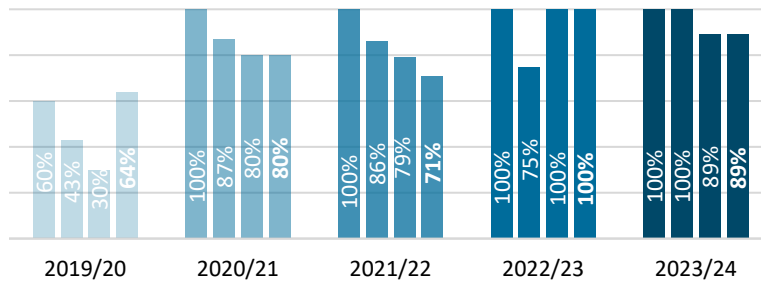
Year on Year Progress Trends

Across the last five-year period, we are seeing continued growth in our completion rates and increased consistency in delivery each quarter. This success may be attributed to factors including improved integration of project management practices, improved support and structure for Initiative Leads through a partnered approach with Strategy and Improvement Business Partners, and an organisation culture that is increasing in constructive styles and reducing in passive and defensive styles.

Operational Plan Annual Completion Rates – Five-Year Comparison



Operational Plan Quarterly Initiative Reporting on Track – Five-Year Comparison



Stakeholder Engagement:

Engagement has occurred across the business with Initiative Leads, Sponsors and subject matter experts to produce the 2023/24 Operational Plan Final Quarter Performance Report. Following Council endorsement, the attached report will be published on our website. The outcomes within the report will be shared with our community on social media and promoted internally with our people to share how we delivered our 2023/24 Operational Plan.

Legal and Regulatory Implications:

Section 174(3) *Local Government Regulation 2012* (Preparation and adoption of annual operational plan) states that: “The Chief Executive Officer must present a written assessment of the local government’s progress towards implementing the annual operational plan at meetings of the local government held at regular intervals of not more than 3 months.”

Financial and Resource Implications:

Initiatives with an allocated budget and subsequent commitments are identified within the attached report. Development of and communications for quarterly performance reports are delivered using internal resources only.

Anticipated Resolution Completion Date:

27 August 2024

Attachments:

1. 2023/24 Operational Plan Final Quarter Performance Report

G/4.2. TENDER 116-24 1770 CARAVAN PARK AND CAMPGROUND AND WORKMAN'S BEACH CAMPGROUND LEASE

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Contracts and Procurement and General Manager Community & Lifestyle

Council Meeting Date: 20 August 2024

File Ref: FM21.1

Purpose:

The purpose of this report is to present the outcome of the tender process for the Workman's Beach Campground lease and to recommend awarding the lease to the most suitable lessee, ensuring alignment with Council's strategic objectives.

Officer's Recommendation:

That Council:

1. Endorses the Tender Evaluation Panel's recommendation and accepts the offer from Agnes Water 1770 Pty Ltd for Tender 116-24 Workman's Beach Campground Lease; and
2. Authorises the Chief Executive Officer to negotiate and finalise a lease over Part of Lot 52 on SP155903 for a term of 5 years, with Agnes Water 1770 Pty Ltd.

Summary:

An open tender was conducted in accordance with s232 of the Local Government Regulation 2012 for the 1770 Caravan Park and Campground and Workman's Beach Campground.

The award of the tender was separated to allow for the execution of the 1770 Caravan Park and Campground prior to 30 June 2024 to ensure continued operation, and to explore a request from the community with respect to Council's Indigenous Land Use Agreement (ILUA).

With the request having been considered, the Officer's Recommendation is to award the lease for Workman's Beach Campground to the most suitable lessee for an annual rent of \$120,000 excluding GST, over a term of 5 years.

Link to Corporate Plan:

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

Background:

Council identified a leasing opportunity for Workman's Beach Campground, part of Lot 52 on SP155903 a community reserve for camping purposes, currently vacant.

Council released a tender package on 9 March 2024, inviting offers for the property to ensure continued operations aligned with Council's objectives. The tender period closed on 9 April 2024 and attracted two offers exclusively for Workman's Beach Campground. Four offers were received for the operation of Workman's Beach Campground and the 1770 Caravan Park & Campground as a package.

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The tender evaluation panel thoroughly reviewed the offers and assessed them based on criteria including financial capability, alignment with Council objectives, and relevant experience to ensure the chosen lessee will deliver high-quality service and responsible management.

While 1770 Caravan Park and Campground and Workman's Beach Campground were tendered at the same time, subsequent to the Tender Evaluation Panel's initial tender assessment, Council became aware that there was interest in the Workman's Beach Campground site from a traditional owner.

The Workman's Beach site forms part of the land and sea covered by an Indigenous Land Use Agreement between Gladstone Regional Council and the Port Curtis Coral Coast Native Title Claim Group. Working respectfully together is an important component of the ILUA and Council's Reconciliation Action Plan (RAP), and the assessment of Workman's Beach was placed on hold to explore the request from Traditional Owners.

Officers have now outworked the request from Traditional Owners and communicated the outcome. It is proposed that Council proceed with the Panel's original recommendation that a lease for Workman's Beach is awarded to Agnes Water 1770 Pty Ltd for 5 years. This option is perceived to be fair and equitable to the tender process, whilst providing opportunity for Traditional Owners to establish a business plan for the site within five years.

The 1770 Caravan Park & Campground component of the Tender was awarded to Agnes Water 1770 Pty Ltd on 21 May 2024.

Risk Management Summary:

Council has a minimal risk appetite for reputational and service delivery risks. Awarding the lease for Workman's Beach Campground through a transparent evaluation process ensures reliable service delivery while adhering to environmental and community standards.

Options and Opportunity Analysis:

The tender offers were evaluated by a panel of subject matter experts, based on the criteria disclosed in the ITT which included:

Objective Evaluation Criteria	Weighting
Proposed business plan including financial plan demonstrating financial capacity and performance of lease terms and conditions	30%
Vision and concept align with GRC's objectives	30%
Relevant experience in successfully running similar camping grounds	20%
Proposed Key Personnel have suitable qualifications and experience	20%

The commercial evaluation was conducted according to the tenderers' rent proposals specified in the Invitation to Tender.

The evaluation panel found that the submission from Agnes Water 1770 Pty Ltd best aligned with Council's requirements and objectives for Workman's Beach Campground. Their vision prioritises maintaining existing infrastructure while improving visitor services. With experience managing similar facilities and a reliable business plan led by qualified personnel, they have presented the strongest proposal.

Stakeholder Engagement:

Personnel from Council's Contracts and Procurement, Community and Lifestyle, and Assets and Environment teams collaborated to establish the tender requirements and evaluate the offers received for the Workman's Beach Campground lease. Council's Manager Governance and Risk and General Counsel provided specialist advice to the evaluation panel.

Legal and Regulatory Implications:

Council sought offers via VendorPanel in accordance with the Local Government Regulation 2012, Local Government Act 2009, and Council's Procurement Policy P-2021-01. The recommendation to award the lease adheres to the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register. The Officer's Recommendation is based on the ITT's evaluation methodology and criteria.

If Council wishes to award a contract contrary to the Officer's Recommendation, there are associated risks. Should Council be unsatisfied with the evaluation methodology or its application, it may refer the matter back to officers for re-evaluation. In such cases, altering the methodology or criteria may require referral back to tenderers so they have the opportunity to adjust their offers based on the amended criteria before re-evaluation.

Financial and Resource Implications:

Awarding the lease for Workman's Beach Campground to Agnes Water 1770 Pty Ltd will generate a rental income of \$120,000 annually, excluding GST. Over the initial 5-year lease term, this will result in a total rental income of \$570,000, excluding GST. This income aligns with Council's financial expectations for a sustainable lease agreement.

The lease will be administered by the Community and Lifestyle team. Financial management and procurement processes will adhere to Council's contracting principles and financial delegations. Furthermore, the lessee will be responsible for infrastructure upgrades and maintenance as detailed in their business plan, helping to minimise long-term costs for Council.

Anticipated Resolution Completion Date:

The implementation of the Officer's Recommendation to award the lease for Workman's Beach Campground to Agnes Water 1770 Pty Ltd will be negotiated over the coming months with the expectation to make it available for the Summer Holidays.

Attachments:

1. CONFIDENTIAL – Tender 116-24 Workman's Beach Final Evaluation Outcome

G/4.3. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 31 JULY 2024

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Management Accounting Specialist

Council Meeting Date: 20 August 2024

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the year 2024-25 to date, for the period ended 31 July 2024.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2024-25 year to date, for the period ended 31 July 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 2024-25 budget was adopted on 16 July 2024, with a projected operating surplus of \$3.0m.

Comparatives in both the Statement of Income & Expenditure and Statement of Financial Position are reflecting 30 June 2023. These figures will be updated to reflect 30 June 2024 upon completion of the end of year audit and sign-off of the annual Financial Statements in October 2024.

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 July 2024 is 8.49%

Major movements and variances from budget are as follows:

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

Total recurrent revenue	2024-25	Actual as %
Actual	\$27.2m	
Budget	\$246.1m	11.07%
Forecast	\$246.1m	11.07%

Of note:

Net rates and utility charges	2024-25	Actual as %
Actual	\$15.4m	
Budget	\$194.5m	7.93%
Forecast	\$194.5m	7.93%

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.

To date discounts of \$0.4m have been granted in 2024-25 for payments received by the due date.

Total interest revenue	2024-25	Actual as %
Actual	\$0.7m	
Budget	\$6.8m	10.18%
Forecast	\$6.8m	10.18%

Interest revenue at a rate of 5.39% has been received from Queensland Treasury Corporation for the month of July and current term deposit rates are yielding up to a 5.18% return to Council.

Sales revenue	2024-25	Actual as %
Actual	\$0.7m	
Budget	\$3.8m	17.19%
Forecast	\$3.8m	17.19%

To date \$0.6m has been claimed for Road Maintenance Performance Contract (RMPC) recoverable works compared to the budgeted amount of \$2.7m. Revenue will be offset by the associated operating expenditure relating to recoverable work activities.

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General purpose grant	2024-25	Actual as %
Actual	\$8.3m	
Budget	\$10.3m	80.93%
Forecast	\$10.3m	80.93%

Council received a payment of \$8.3 million from the Department of State Development on 2 July 2024 for the 2024-25 Financial Assistance Grant. This amount represents circa 85% of the 2024-25 allocation.

The budget for 2024-25 was based on the assumption that the above prepayment for the 2024-25 allocation would be received in June 24. With the balance expected in the 24-25 FY along with a prepayment of 25-26 financial assistance grant allocation. Necessary adjustments will be reflected in the Q1 forecast.

Capital Revenue

Capital revenue	2024-25	Actual as %
Actual	\$0.0m	
Budget	\$50.0m	-
Forecast	\$50.0m	-

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 budgeted, forecast and recognised for significant projects is detailed below along with the corresponding expenses for these funded projects.

Project	Revenue Budget	Revenue YTD Actual	Expense YTD Actual
State Government Grants & Subsidies			
TBG - Bonsai House Utility Services	\$1.3m	\$0.0m	\$0.2m
Captain Cook Drive, Agnes Water - Relocate sewer main	\$0.5m	\$0.0m	\$0.0m
Stage 2 - GWWTP Inlet Distribution Structure Replacement	\$7.4m	\$0.0m	\$0.0m
REPA Projects (see REPA breakdown) Joint Federal/ State funded	\$16.8m	\$0.0m	\$0.0m
Other State Government Funding	\$1.3m	\$0.0m	\$0.3m
TOTAL State Government Funding	\$27.4m	\$0.0m	\$0.5m

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Project	Revenue Budget	Revenue YTD Actual	Expense YTD Actual
Federal Government Grants & Subsidies			
Glenlyon/Tank - traffic calming scheme	\$1.3m	\$0.0m	\$0.0m
Lowmead Road Safety and Sealing Upgrade	\$10.0m	\$0.0m	\$0.8m
Granite Creek Culvert - Lowmead Road (included in REPA Breakdown)	\$4.9m	\$0.0m	\$0.2m
Gravel Road Resheeting	\$2.5m	\$0.0m	\$0.0m
Agnes Water Skate Park	\$1.0m	\$0.0m	\$0.0m
Turtleway - Pedestrian bridge replacements	\$1.6m	\$0.0m	\$0.0m
Round Hill 2 Reservoir	\$0.6m	\$0.0m	\$0.0m
Other Federal Government Funding	0.7	0.0	\$0.0m
TOTAL Federal Government Funding	\$22.6m	\$0.0m	\$1.0m
TOTAL State and Federal Funding	\$50.0m	\$0.0m	\$1.5m

Expenditure

Recurrent expenditure

Total recurrent expenditure	2024-25	Actual as %
Actual	\$18.2m	
Budget	\$243.1m	7.47%
Forecast	\$243.1m	7.47%

Of note:

Employee benefits	2024-25	Actual as %
Actual	\$6.2m	
Budget	\$77.5m	8.03%
Forecast	\$77.5m	8.03%

Employee benefits are the largest component of Councils recurrent expenditure. A vacancy rate of 7.5% has been factored into the 2024-25 budget. The average vacancy rate for the 23-24 FY was 7.7%.

Consultants	2024-25	Actual as %
Actual	\$0.0m	
Budget	\$6.2m	0.47%
Forecast	\$6.2m	0.47%

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Consultant spend has been minimal year to date. Significant consultant budgets include:

- Asset Planning - \$1.3m
- Strategic Information and Technology - \$0.6m
- Transformation - \$1.6m
- Environment - \$0.4m
- Finance - \$0.4

Contractors	2024-25	Actual as %
Actual	\$1.6m	
Budget	\$26.6m	6.03%
Forecast	\$26.6m	6.03%

Activities with significant contractor forecasts include:

- Water & Sewerage - \$7.7m
- Waste - \$7.0m
- Parks & Cemeteries - \$3.3m
- Roads - \$1.9m
- Recoverable Works - \$1.0m
- Entertainment and Events - \$1.6m

Donations and Sponsorships	2024-25	Actual as %
Actual	\$0.7m	
Budget	\$3.3m	21.16%
Forecast	\$3.3m	21.16%

Traditionally donations and sponsorships is high in the first quarter of the year due to the timing of sporting body concessions for water and sewerage access charges, with discounts of \$0.6m being granted to date.

Statement of Financial Position

	Current Value	Budget	Variance (Actual to Budget)	Forecast	Variance (Actual to Forecast)
Year-to-date Assets	\$3.1b	\$2.9b	6.86%	\$2.9b	6.86%
Year-to-date Liabilities	\$371.2m	\$179.7m	106.63%	\$179.7m	106.63%
Year-to-date Liabilities (excl. unearned rates revenue)	\$196.9m	\$179.7m	9.58%	\$179.9m	9.58%

Liabilities have been presented both including and excluding unearned rates revenue. The two will converge and be the same by June 2025, as all rates revenue is recognised on the profit and loss.

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The budget for assets and liabilities reflects the expected positions at 30 June 2025.

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 estimate for capital expenditure for the 2024-25 year is \$107.0m, including \$21.7m for REPA projects.

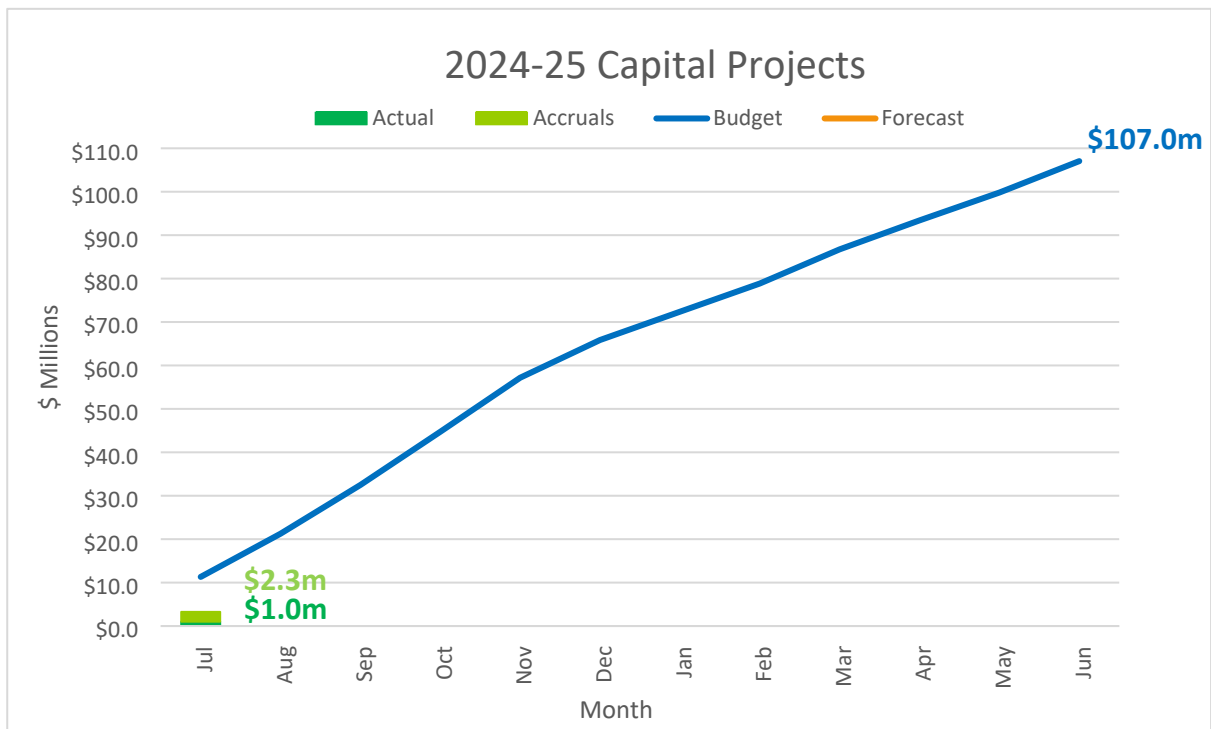
An updated Q1 forecast is provided throughout the tables and graphs below.

	Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Year to date capital expenditure	\$3.3m	\$107.0m	3.04%	\$107.0m	3.04%

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	\$1.2m	\$29.9m	4%	\$29.9m	4%
Roads REPA	\$0.2m	\$21.7m	1%	\$21.7m	1%
Sewerage	\$1.0m	\$25.9m	4%	\$25.9m	4%
Delivery Support and Performance	\$0.2m	\$6.1m	3%	\$6.1m	3%
Property Assets	\$0.2m	\$1.3m	12%	\$1.3m	12%
Asset Governance	\$0.0m	\$3.3m	0%	\$3.3m	-
Waste	\$0.0m	\$3.8m	1%	\$3.8m	1%
Parks	\$0.1m	\$3.3m	4%	\$3.3m	4%
Community & Lifestyle	\$0.0m	\$0.8m	1%	\$0.8m	1%
Water	\$0.2m	\$7.5m	3%	\$7.5m	3%
Strategic Projects	\$0.0m	\$2.1m	1%	\$2.1m	1%
Other	\$0.1m	\$1.3m	8%	\$1.3m	8%
Total	\$3.3m	\$107.0m	3.04%	\$107.0m	3.04%

Accrual estimates of \$2.3m have been included in the actuals, to account for major claims relating to July work.



Reconstruction of Essential Public Assets (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	\$6.2m	\$0.0m	-	-\$0.1m	-
Central	\$0.2m	\$0.0m	-	\$0.0m	-
Western	\$8.9m	\$0.0m	-	\$0.0m	-
Sealed Roads	\$1.5m	\$0.0m	-	\$0.0m	-
Granite Creek	\$4.9m	\$0.2m	-	\$0.0m	4.73%
REPA Admin	-	\$0.0m	-	\$0.0m	-
TOTAL	\$21.7m	\$0.2m	-	\$0.2m	

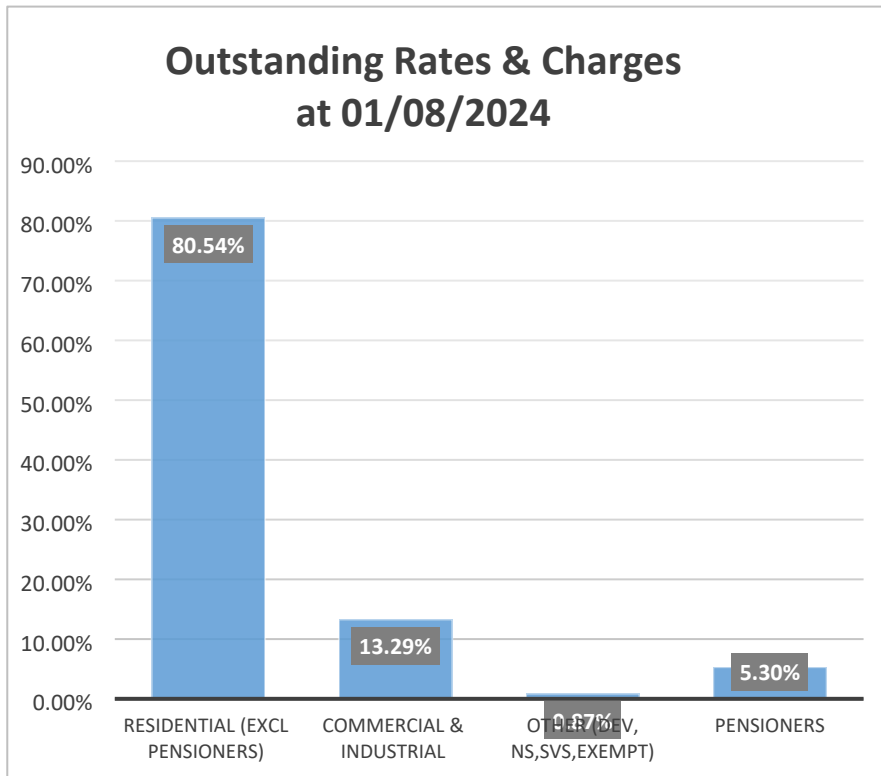
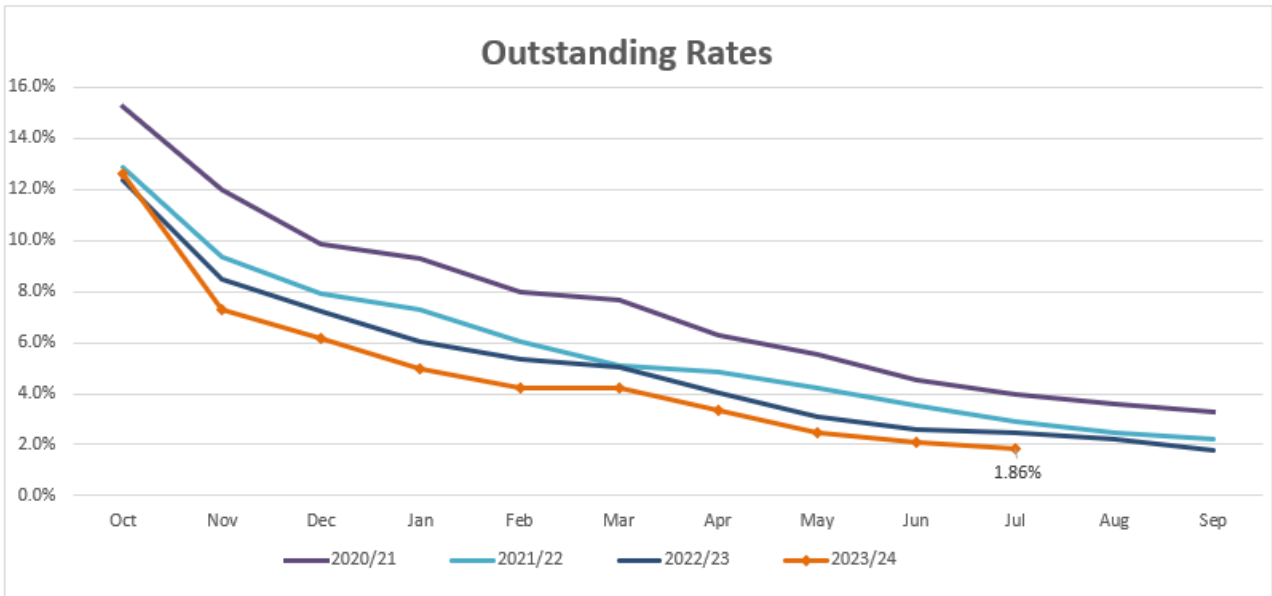
Outstanding Rates

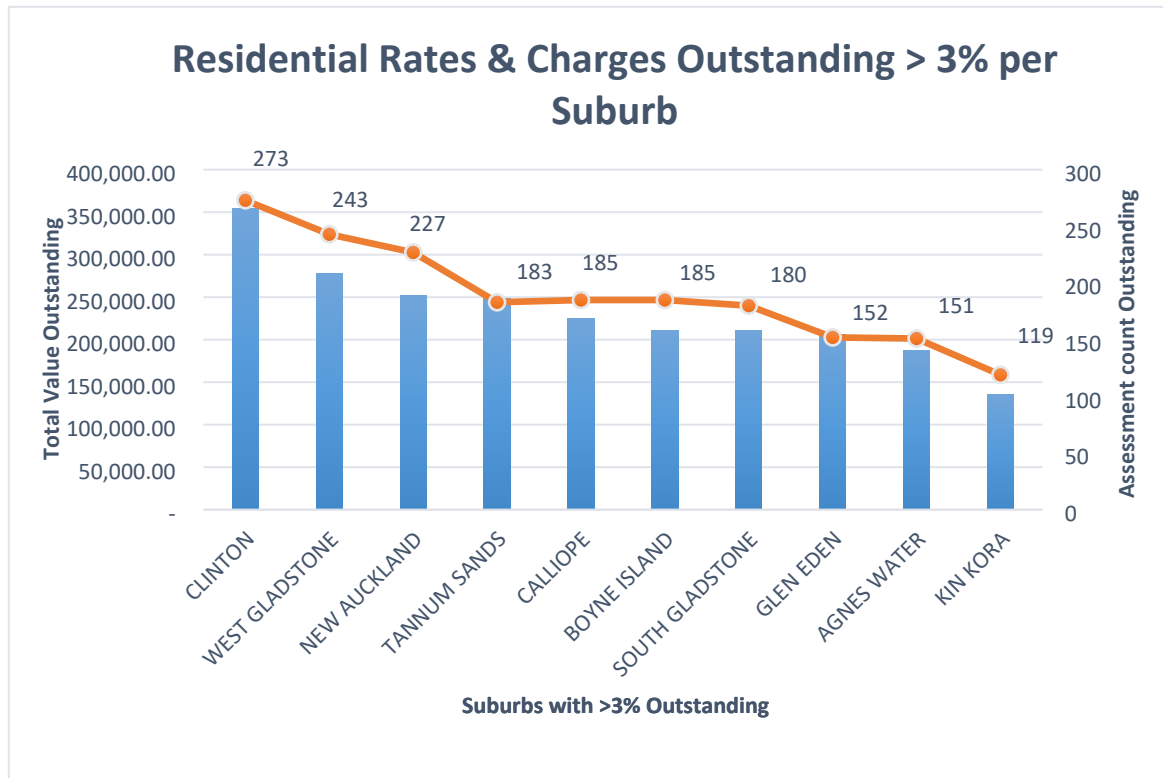
Outstanding rates, as a percentage of gross rates levied 2023-24, and collectible, is at 1.86% at the end of July 2024, compared to 2.25% for the same period last year 2022-23. Rates are levied in July for the 24-25 financial year but are not due until 16 October 2024.

Of the \$3.9m of outstanding rates 13.29% relates to commercial/ industrial assessments and 86.71% represents residential assessments.

These figures include \$0.4m of rates that are currently being repaid under an authorised payment plan, for which there were 2 commercial/industrial assessments and 71 residential assessments. A total of 73 assessments, which is a decrease from 337 assessments in June 2024 (this movement has resulted from the majority of payment arrangements being completed for the 2023-24 period).

There were 1166 ratepayers who had paid their rates in advance, totalling \$1.5m.





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 2024 has been released.

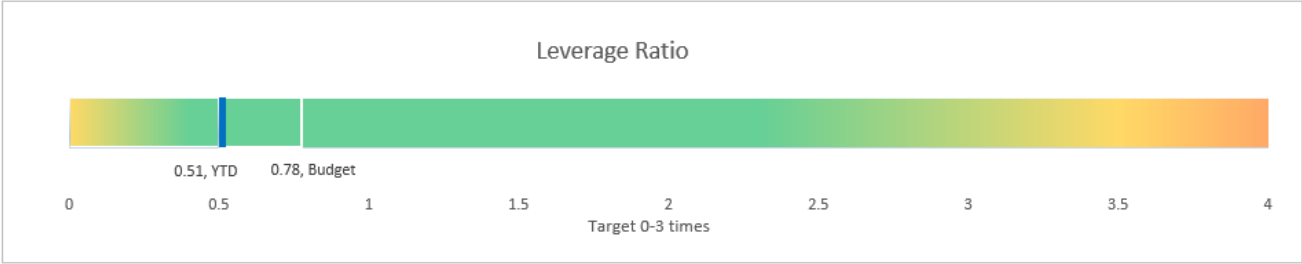
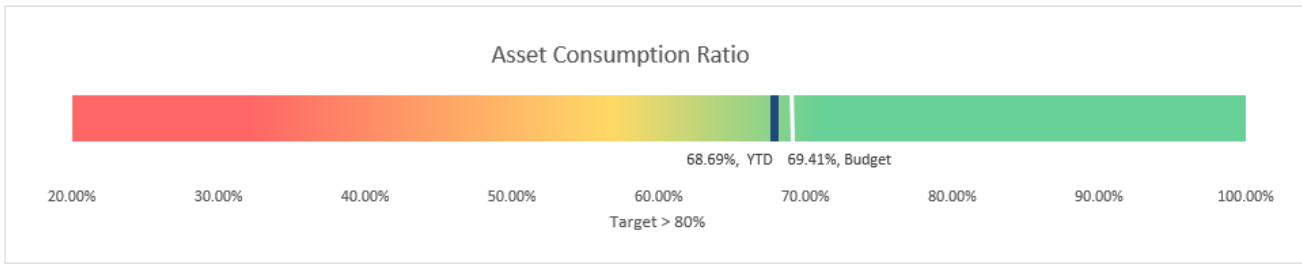
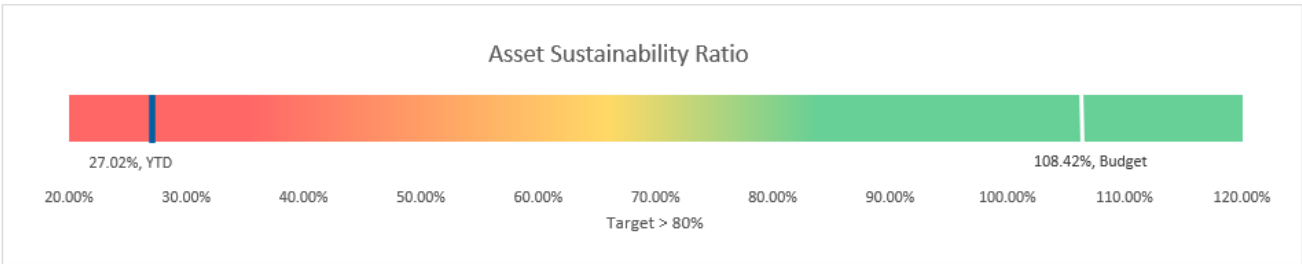
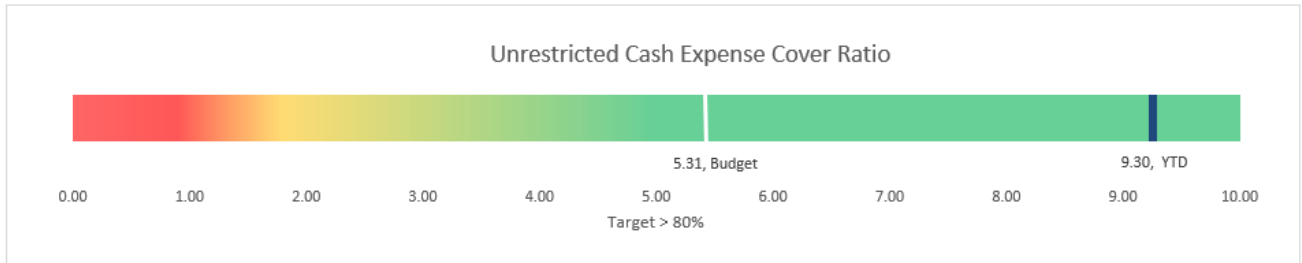
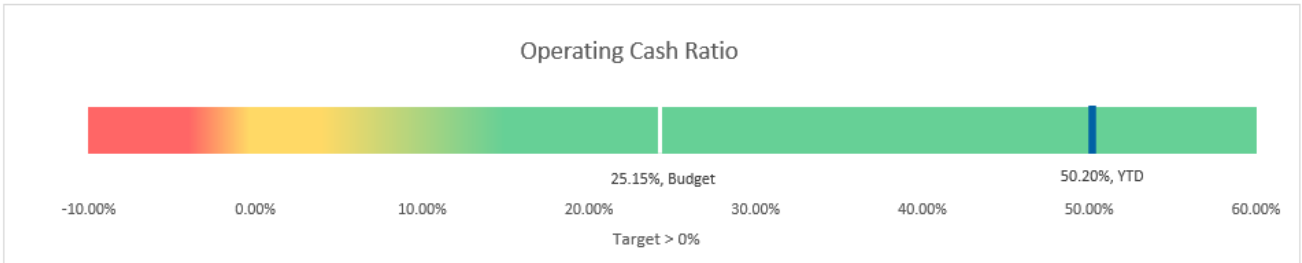
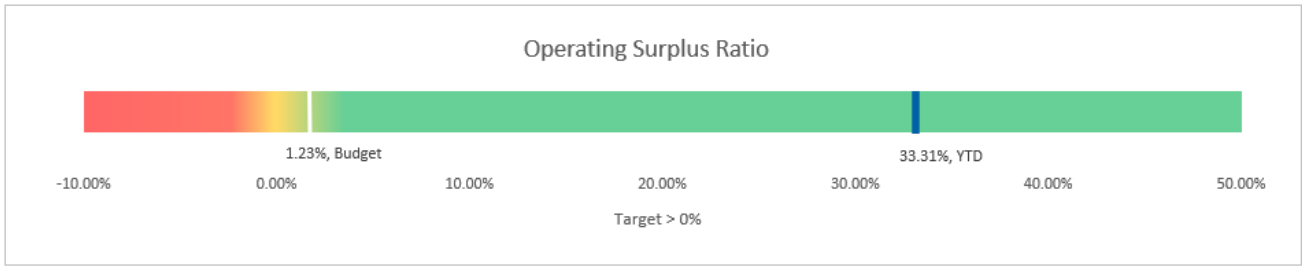
The July monthly report includes eight of the nine new ratio measures, with the ninth measure to be introduced in the 2025-26 annual statutory financial reporting period.

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 20 AUGUST 2024

Ratio Explanation	Target	2024 -25 Budget	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 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>This ratio is contextual only therefore has no target measure</p>		86.62%	63.85%		79.40%		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.
<p>Population Growth Ratio: Population growth is an annual measure and is a key driver of councils operating income, service needs and infrastructure requirements into the future.</p> <p>A growing council indicates a greater capacity to source its own revenue through rates and statutory charges. Population growth also puts additional pressure on councils to invest in new community infrastructure to support service needs</p> <p>This ratio is contextual only therefore has no target measure Ratio is measured annually</p>		2.35%	2.35%		1.17%		<p>The population growth ratio for Gladstone will significantly impact the council's financial sustainability, especially as the region faces periods of both rapid growth and stagnation. During growth phases, increased demand for infrastructure and services will provide opportunities for revenue growth and possibly also strain the council's financial resources, requiring careful management to avoid overextension. Conversely, in periods of slower growth or population decline, maintaining existing infrastructure and service levels can become a financial burden without corresponding increases in revenue.</p> <p>Emphasis on the population growth ratio is on a rolling 5-year average thus will help the council smooth out the financial impacts of any fluctuations, providing a clearer picture of long-term sustainability.</p> <p>Overall, for Gladstone, maintaining financial sustainability amidst its unique population growth patterns will require a balanced approach, integrating both proactive infrastructure investment and cautious financial management.</p>
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%	1.23%	33.31%	●	1.64%	●	The YTD ratio result is showing a positive operating surplus above budget for 2024-25 due to the payment of the Financial Assistant Grant in July 2024.
<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 significate 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%	25.15%	50.20%	●	29.06%	●	Both the YTD and 5 year average result of this ratio reflects the continuing strong cash position of Council proportional to operating costs.

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 20 AUGUST 2024

Liquidity							
<p>Unrestricted Cash Expense Cover Ratio: The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses</p> <p>A higher unrestricted cash expense cover ratio indicates that a council has sufficient free cash available to contribute to the cost of future planned and unplanned expenditure such as infrastructure investment or disaster recovery. An excessively high ratio may be indicative of hoarding, poor cash management or large upcoming capital investment requirements.</p> <p>A low ratio suggests limited unconstrained liquidity available to council to use for capital investment or in an emergency. For councils with efficient cash management practices or strong borrowing capacity this is not a concern. Where council also has a negative operating cash ratio a very low or negative unrestricted cash expense cover ratio is an indicator of potential solvency concerns.</p> <p><u>Target measured over a single-year</u></p>	> 3 mths	5.31	9.30	●	NA	NA	<p>The high budget and YTD result of this ratio shows council is in a strong cash position to cover planned and unplanned expenditure into the future.</p> <p>The payment of the Financial Assistant Grant in July 2024 has resulted in the higher YTD ratio. The results are expected to trend closer to the budget as the year progresses, and expenses are realised.</p> <p>This is a new ratio in 24-25, with the 5 year average still to be calculated.</p>
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 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, with outcomes too far below this level being potentially indicative of underspending against capital replacement requirements</p> <p><u>Target measured over a five-year average</u></p>	> 80%	108.42%	27.02%	●	73.50%	●	<p>Infrastructure renewals have accounted for 38.07% of capital expenditure YTD with the balance on new and upgrade projects. As capital spending progresses the ratio is expected to trend closer to the average.</p> <p>Councils capital program has increased in 2024-25, as indicated by the budgetd ratio result.</p>
<p>Asset Consumption Ratio: The asset consumption ratio approximates the extent to which councils infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.</p> <p>The minimum target of 60% indicates that a councils assets are being broadly consumed in line with their estimated useful lives.</p> <p>Councils with lower than target ratio will need to invest more in those assets (in terms of replacement or maintenance) to ensure they are maintained at a standard that will meet the needs of the community. On the other hand if the ratio is much higher than the target ratio, councils may need to revisit their asset management plans to assess their current service levels or whether their estimates of the assets' useful lives are appropriate</p> <p><u>Target measured over a five-year average</u></p>	> 60%	69.41%	68.69%	●	67.78%	●	<p>Both the YTD and Budgetd ratio results indicates that Councils assets are being broadly consumed in line with their estimated useful lives.</p> <p>This is a new ratio in 24-25, with the 5 year average still to be calculated</p>
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><u>Target measured over a five-year average</u></p>	0-3 times	0.78	0.51	●	1.13	●	<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 July 2024
2. Operating Statements for the month end 31 July 2024

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS