



2023/24 Annual Report

Proudly GRC





OUR FRONT COVER

Our 2023/24 Annual Report cover page depicts how our people from across Gladstone Regional Council (Council) have proudly come together to play their part in achieving our corporate goals and outcomes.

'Proudly GRC' remained our theme for this year – setting a purposeful focus on supporting our people to deliver quality services for the Gladstone Region and to be proud to work for Council.

Council would like to acknowledge and thank our people for their hard work and dedication over the past year.

GET IN TOUCH

Call us: (07) 4970 0700

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

Speak and Listen: 1300 555 727

Type and Listen: 133 677

Internet Relay users: www.relayservice.gov.au

Email us: info@gladstone.qld.gov.au

Visit our website:

www.gladstone.qld.gov.au

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Send us mail:

Gladstone Regional Council

PO Box 29

Gladstone QLD 4680

VISIT US

Agnes Water Rural Transaction Centre

71 Springs Road, Agnes Water Qld 4677

Ph: (07) 4902 1515

Open Monday to Friday - 9am to 4.30pm

(cashiers close at 4.30pm daily)

Boyne Tannum Community Centre

Cnr Wyndham & Hayes Avenues,

Boyne Island Qld 4680

Ph: (07) 4971 9700

Open Monday to Friday - 9am to 5.30pm

(cashiers close at 4.45pm daily)

(Library and Lilley's Beach permits available

Saturday 9am to 3.30pm)

Calliope Library and Transaction Centre

3 Don Cameron Drive, Calliope Qld 4680

Ph: (07) 4975 8105

Open Monday to Friday – 8.30am to 5pm

(cashiers close at 4.45pm daily)

(Library available Saturday 9am to 12pm)

Gladstone Office

101 Goondoon Street, Gladstone Qld 4680

Ph: (07) 4970 0700

Open Monday to Friday – 8.30am to 5pm

(cashiers close at 4.45pm daily)

Miriam Vale Office

41 Blomfield Street, Miriam Vale Qld 4677

Ph: (07) 4970 0700

Open Monday to Friday – 8.30am to 5pm

(cashiers close at 4.45pm daily)

Mount Larcom Rural Transaction Centre

47 Raglan Street, Mount Larcom Qld 4695

Ph: (07) 4975 1205

Open Monday to Friday - 9am to 1pm and

2pm to 5pm

WE'RE LISTENING

We want to hear your thoughts about this Annual Report.

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

Help us improve by sharing your feedback.

Scan me



While care has been taken to ensure content is complete and accurate, Gladstone Regional Council provides no guarantee that this report is without error. Certain statements are forward looking based on internal expectations and assumptions which may be affected by the continually changing environment in which Council operates. These statements do not guarantee future performance and undue reliance should not be placed on them. None of the material in this publication may be reproduced without the permission of the Chief Executive Officer. © 2024 Gladstone Regional Council.

ACKNOWLEDGEMENT OF COUNTRY

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

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

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



ACKNOWLEDGEMENT OF A WELCOMING CITY

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

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

CONTENTS

Acknowledgement of Country	3	Council Meetings	35	Delivering Value	58-63
Acknowledgement of a Welcoming City	3	Councillor Remuneration	36	Resilient Economy	64-67
Major Sections of this Report...	5	Councillor Overseas Travel	36	Our People	68-73
Message from our Mayor	6	Councillor Expenses and Provision of Facilities	37	Accountable Council	74-77
Message from our CEO	7				
SECTION 1				SECTION 4	
Introduction and Highlights	8			Statutory Reporting	78
Our Region	10-17	Our Organisation	38	Governance	80-81
Our Vision and Values	18-19	Our Organisation Structure ...	39	Disclosures	82-83
Our Financial Summary	20-21	Executive Leadership Team and Business Unit Overviews	39-42		
Our Performance Overview ...	22	Senior Management Remuneration	43	SECTION 5	
Our Awards and Commendations	23	Executive Leadership and Employee Overseas Travel	43	Our Financial Performance	84
Our Reconciliation Journey	24-25	Corporate Governance	44-46	Community Financial Report	86-93
SECTION 2				Consolidated Financial Statements	94-177
Our Council	26	SECTION 3		SECTION 6	
Councillor Profiles	28-33	Our Performance Outcomes	48	References	178
Councillor Governance	34-37	Our Performance Outcomes	50-51	Glossary of Terms	180-182
Councillor Committees	34	Connecting Communities	52-57	List of Acronyms and Abbreviations	183
				Legislative Index	184-187

MAJOR SECTIONS OF THIS REPORT



1. INTRODUCTION AND HIGHLIGHTS

This section introduces the Gladstone Region. It provides insight into Gladstone Regional Council ('Council') as a local government authority serving a dynamic part of Queensland. This section also includes a summary of our finances, performance and operations.



2. OUR COUNCIL

This section introduces our organisation, including the role and contributions of our mayor and councillors. This section also introduces our chief executive officer and executive leadership team and provides summaries of each business unit in 2023/24.



3. OUR PERFORMANCE OUTCOMES

This section details Council's performance in delivering the 2023/24 Operational Plan. This is the third annual Operational Plan outworked from Council's 2021-26 Corporate Plan and details our initiatives and core services to meet our corporate goals and vision to Connect. Innovate. Diversify.



4. STATUTORY REPORTING

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



5. OUR FINANCIAL PERFORMANCE

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



6. REFERENCES

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

MESSAGE FROM OUR MAYOR



The 2023/24 Financial Year was a year of progress as we continued to drive our region forward in a rapidly changing environment.

We are now halfway into our 2021 – 2026 Corporate Plan, a plan

that defines our strategic direction shaped by our vision, values and goals.

Work has been progressing on the Gladstone Region Economic Transition Roadmap 2022-2032, a detailed plan that will guide us through the once-in-a-generation change to our energy sector.

As part of this work, alongside Gladstone Regional Council CEO Leisa Dowling and a larger contingent of Austrade delegates, I had the privilege to represent Council and Team Australia at the World Hydrogen 2024 Summit and Exhibition in the Netherlands in May 2024.

There were a multitude of takeaways from the Summit, and I was proud to notice we were the only Local Government and stand-alone region represented on Team Australia.

Work has been completed in serving the region's waste needs with the endorsement of a three-year waste education plan, the Community Waste Education and Engagement Plan 2024-26.

The plan will lead to improved waste management outcomes throughout the region.

In June 2024, we delivered our 2024-27 Access and Inclusion Action Plan, cementing our commitment to becoming more accessible and inclusive.

The plan outlines 37 actions across six priority areas to ensure our community is one where diversity is celebrated and all have equal access to opportunities and resources.

We have also reviewed and updated our Social Infrastructure Investment Priorities, providing evidence-based resources for investors in our region's social infrastructure.

This publication outlines eight key focus areas that support industries and proponents to make informed decisions and meaningful investment in the social needs of the Gladstone Region.

Council delivered a surplus budget with no new borrowings in the 2023/24 Financial Year for the 11th consecutive year.

Maintaining a surplus budget helps us manage Council's position sustainably, while allowing us to deliver on our core services.

Highlights from 2023/24 include a range of outstanding community events such as EcoFest, Luminous, PopCon, Council's New Year's Eve party and Easter in Gladstone, among many more.

In September 2023, we introduced a Welcoming Week event providing new residents to our region a warm welcome and connections with valuable local services.

The 2023/24 Financial Year saw the swearing in of a new Council Group, and I would like to take this opportunity to thank both new and returning Councillors for their commitment to the Gladstone Region.

In addition to the Councillor Group, I would also like to thank Chief Executive Officer Leisa Dowling, the Executive Leadership Team and all Council employees for their hard work and dedication to our community.

I am proud of the fantastic outcomes we have achieved during 2023/24, and I have no doubt that we will continue to be Proudly GRC for years to come.

A handwritten signature in black ink, appearing to read 'M. Burnett'.

Mayor Matt Burnett
Gladstone Regional Council

“ I am proud of the fantastic outcomes we have achieved during 2023/24, and I have no doubt that we will continue to be Proudly GRC for years to come. ”

MESSAGE FROM OUR CEO



The past year has been rewarding for both Council and the Gladstone Region. We maintained a clear organisational purpose, supported the success of our communities and positioned our region in good stead for the future.

I am proud to report that Council successfully delivered on eight out of nine initiatives set out in our 2023/24 Operational Plan and Budget. Through this purposeful and clear plan, our organisation delivered quality core services for our region.

Throughout the 2023/24 financial year, we have embodied our 'Proudly GRC' theme, remaining committed to our key Corporate Plan goal - Our People. We have focused on looking after our people so they can, in turn, look after and meet the needs of our communities. We have established Council as a place where our team enjoys coming to work every day, while nurturing a sense of pride in what we do.

I am pleased that so many of our customers valued our interactions and have had positive experiences resulting in 175 compliments received during the 2023/24 financial year. I am proud to see that an average of 83 per cent of customer enquiries were resolved in the first instance and an average of almost 90 per cent of customer service requests were completed within our 10-day target.

These figures show that our people have been putting into practice our SERVICE (Safe, Ethical, Responsive, Visionary, Inclusive, Community, Efficient) values by being solutions focused and continually finding ways to better serve our community.

I would like to recognise our achievements in securing two accolades at the Local Government Managers Australia (LGMA)

Awards for Excellence. Our ongoing culture initiative took out the Workplace Wellbeing category and our innovative First Nations Fire Officer initiative deservedly received the Community Shaping Award for Excellence.

To see our people being recognised at a state level is a testament to our hard work and the values we apply every day. Council's First Nations Fire Officer role is the first of its kind and promotes land management by utilising traditional burning techniques, promoting sustainable environmental stewardship and facilitating cultural preservation.

“
We have established Council as a place where our team enjoys coming to work every day, while nurturing a sense of pride in what we do.
”

Council's culture transformation continues to form a key part of our Operational Plan, and we have seen a 36 per cent boost in delivery of our initiatives. Our culture transformation is driven by the understanding that healthy organisational culture leads to a more engaged and productive workforce, which in turn benefits the communities we serve.

Some of our achievements have included introducing a Leadership Capability Framework and Leadership Development Program to support our people, along with mobile skin cancer screenings, mental health first aid training and the CARE Club, which supports colleagues in need through the voluntary donation of unused personal/sick leave. I am proud of the culture we're creating and our uncompromising commitment to the health and safety of our people, both mentally and physically.

Finally, I want to thank our people for the role that they play in working together to create better outcomes for our community. Together, we continue to demonstrate how we are #ProudlyGRC.

Leisa Dowling

Chief Executive Officer, Gladstone Regional Council

1 INTRODUCTION AND HIGHLIGHTS

This section introduces the Gladstone Region.

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

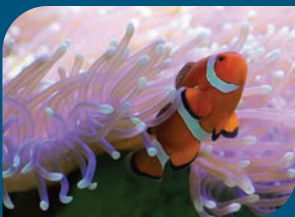
This section also includes a summary of our finances, performance and operations.



OUR REGION



10,489KM²
 Gladstone Regional Council
 Local Government Area



Southernmost coral cay of the Great Barrier Reef



Pristine coasts and islands



Beautiful parklands and forests



Diverse habitats ready to explore



REGION OVERVIEW

From Kroombit Tops in the west to the coral lagoons of the Southern Great Barrier Reef, the Gladstone Region's landscape is as varied as it is beautiful.

The Gladstone Region is situated on the traditional lands of the Bailai, Gurang, Gooreng Gooreng, and Taribelang Bunda peoples.

Located approximately 500km, or six and a half hours' drive north of Brisbane City, the Gladstone Region has a population of approximately 65,500 people and a total land area of almost 10,500km².

The city of Gladstone, the areas of Boyne Island and Tannum Sands and the town of Calliope are the main population centres in the region with approximately 57,500 people living in these localities.

Nearly 8000 people live in smaller communities in the region such as Miriam Vale, Baffle Creek, Deepwater, Mount Larcom, Turkey Beach, Rosedale and surrounding communities as well as the beachside localities of Agnes Water and Seventeen Seventy, according to the 2021 Census.

The Gladstone Region has a Gross Regional Product (GRP) of \$6.773B with just over 4000 local businesses and nearly 28,000 regional jobs,

with about 15 per cent of these coming from manufacturing. In addition, 20.9 per cent of the Gladstone Region workforce are technicians or trades workers.

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

In recent decades, the economy has been built around heavy industry with access to a deepwater harbour for import and export trade. Several renewable energy projects, hydrogen, biofuels, solar energy and new waste management practices have been proposed for the Gladstone State Development Area (GSDA), positioning the city of Gladstone as a renewable energy hub and taking the economy in an exciting new direction.

An Eco-Certified destination, the Gladstone Region features plenty of green open spaces, including the nationally-recognised Gladstone Tondoon Botanic Gardens, award-winning playgrounds and coastal locations where sailing and boating activities are popular. Residents and visitors can see historical sites, go bush walking, mountain climbing or snorkel the reef to experience the outdoor environment. The region's strength is a great sense of community, with a 'can-do' attitude.

OUR REGION

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

OUR REGION

1802

1863

1854

1873

1896

1906

1961

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



1963

1970'S

1976

1980'S

2008

2010

2017



- The Gladstone Region Local Government Area (LGA) includes the city of Gladstone (proclaimed in **1976**), nearby rural townships of Calliope, Mount Larcom and Miriam Vale, and the coastal locations of the twin towns of Boyne Island and Tannum Sands and the surf towns of Agnes Water and Seventeen Seventy. The diverse region also extends inland to the Boyne Valley area and includes the localities of Nagoorin, Ubobo, Builyan and Many Peaks.
- The LGA is also gateway to the famous Heron Island, Lady Musgrave Island, Lady Elliot Island and has residents on Curtis and Facing Islands. There are also many smaller localities including Ambrose, Baffle Creek, Benaraby, Bororen, Lowmead, Raglan, Rosedale, Rules Beach, Targinnie, Turkey Beach and Yarwun.

- In **2008**, three Local Government Areas – Gladstone City, Calliope Shire and Miriam Vale Shire – amalgamated to form Gladstone Regional Council.
- In November **2017**, the Federal Court of Australia recognised the area's Traditional Owners as the true custodians of over 420,594 hectares of lands and waters in the Gladstone and Bundaberg regions, through the Native Title Consent Determination.
- In **2017**, GRC entered into an Indigenous Land Use Agreement (ILUA) and our first Reconciliation Action Plan in May **2018**.
- In **2021**, Council endorsed the Uluru Statement from the Heart in the continued pursuit of demonstrating strong leadership in support of First Nations people and culture.



OUR POPULATION



Approximately
65,000
residents, 28% of Central
Queensland's total population



38 years
median resident age



6.2%
Aboriginal and/or Torres
Strait Islander population



13.2%
people born overseas



13.9%
residents aged over 65



0.06
persons per hectare
(density)



13,646
number of children in the
region (0-14 years old)



41.7%
of families are couples
with children



76,170
expected
population by 2041



16.2%
residents volunteer



5.8%
population requiring daily
assistance due to disability



83.01%
of dwellings accessing
the internet



OUR ECONOMY HIGHLIGHTS



\$6.773B

in Gross Regional Product (GRP)



27,958

regional jobs



20.9%

of the workforce are technicians or trades



566,000

average visitors to the region per annum



4200

manufacturing jobs



4002

local businesses

OUR REGION IS HOME TO



863

native animal species



427

native bird species



68

rare or threatened animal species



17,293

domestic pets



2954

native plant species



13

conservation parks

ABOUT GLADSTONE REGIONAL COUNCIL

9

elected members

48

core services

795

total employees

29%

employees with
10+ years of service

50%

female
workforce

32

apprentices and
trainees



SERVICE DELIVERY SNAPSHOTS



1.05M
website visits



241,879
visitors to our
regional libraries



2163
potholes repaired



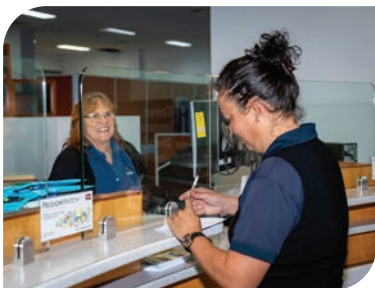
2635
new animal registrations



5200
megalitres of
sewerage processed



19,420
tonnes of waste
collected kerbside



122,974
customer interactions by
phone and in person



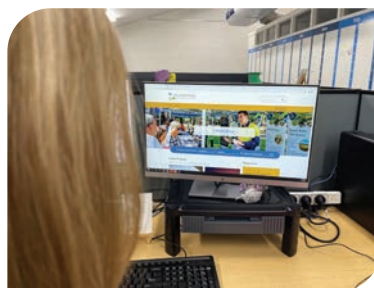
10.2M
cyber security
threats blocked



2.8M
kerbside bin
waste collections



713
community
park bookings



39,681
conversations
site visits



810
signs repaired
or maintained

OUR VISION AND VALUES



VISION

Connect. Innovate. Diversify.

VALUES

Safe

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

Ethical

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

Responsive

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

Visionary

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

Inclusive

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

Community

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

Efficient

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



COUNCIL PLANS



Corporate Plan

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



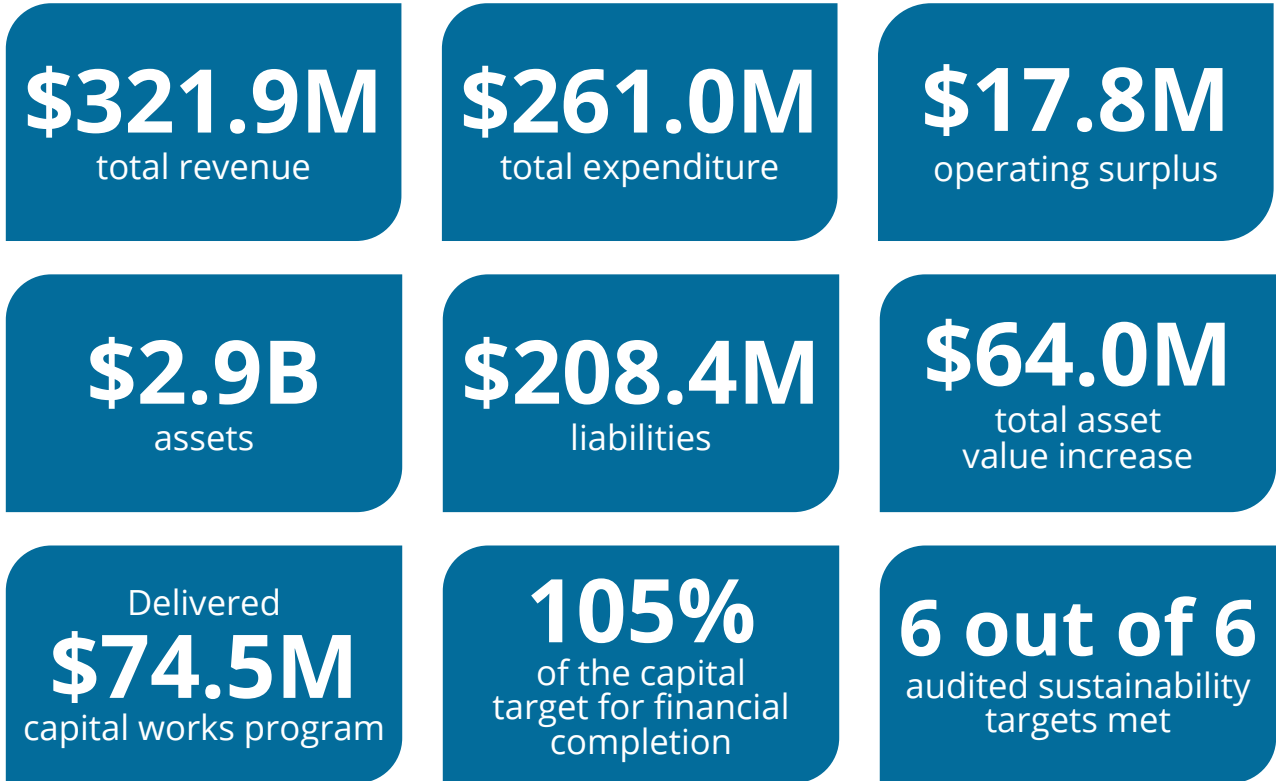
Operational Plan

The 2023/24 Operational Plan is a 12-month action plan that progresses the goals in our 2021-26 Corporate Plan. It details Council's core services and presents nine initiatives that deliver on our goals and objectives.

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

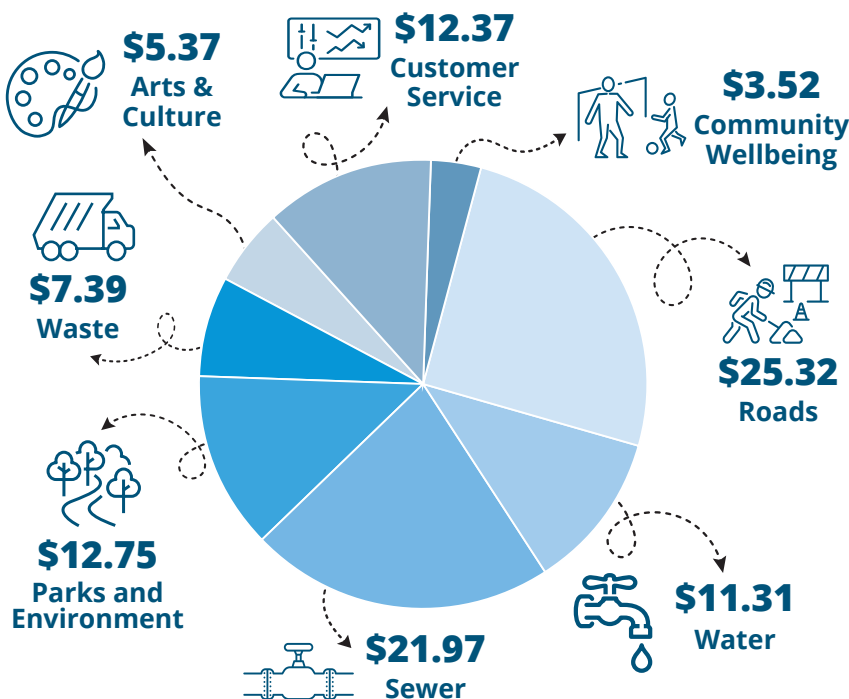
OUR FINANCIAL SUMMARY

Detailed financial information can be found in the Community Financial Report on pages 86-93 and Financial Statements on pages 95-171.



Council made no new borrowings and decreased existing debt by \$6.1M.

FOR EVERY \$100 OF YOUR RATES AND CHARGES, COUNCIL DELIVERS A RANGE OF SERVICES...



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

MAJOR PROJECTS AND PROGRAMS IN 2023/24



\$18.8M
Essential reconstruction
of public assets



\$3.9M
Lowmead Road
upgrade



\$2.8M
Boyne Island and Tannum
Sands irrigation replacement



\$2.5M
Asphalt overlays and
bitumen reseals



\$2.3M
Round Hill Road pavement
renewal program



\$2.2M
Calliope Wastewater
Treatment Plant irrigation



\$2M
Wastewater
infrastructure upgrades



\$2M
Miriam Vale
Community Centre upgrade



\$1.7M
Gladstone - Glenlyon Street
upgrade



\$1.4M
Silverdale reservoir
renewal



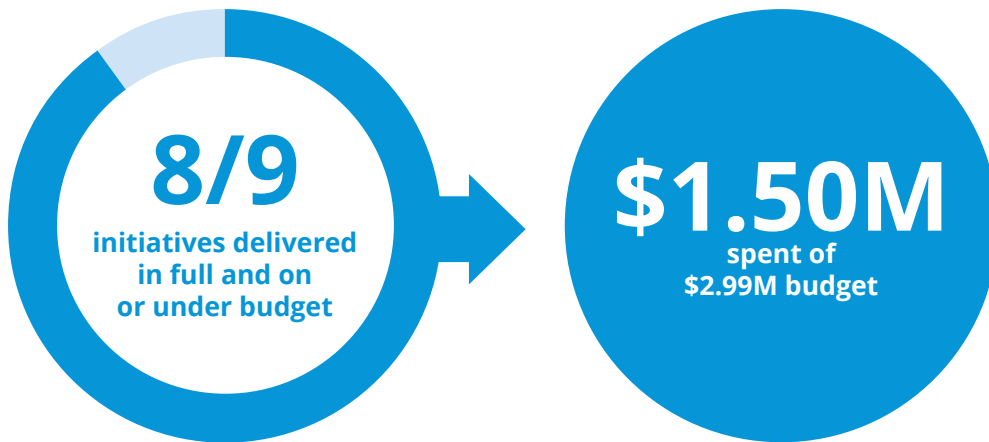
\$1.1M
Turkey Beach Road
improvements



\$1.1M
Advanced metering
infrastructure at Lake Awoonga

OUR PERFORMANCE OVERVIEW

2023/24 PERFORMANCE SUMMARY



The 2023/24 Operational Plan is the third annual plan to be delivered from and progresses the goals within Council's 2021-26 Corporate Plan.

The below table summarises outcomes with further detail available on pages 48-77.

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

✓ Achieved ● Extended

As at 30 June 2024, the Future of Fleet initiative remained in progress. This initiative is anticipated to be completed in the next financial year with progress to be shared in 2024/25 Operational Plan performance reports.

OUR AWARDS AND COMMENDATIONS

Botanic Gardens Australia New Zealand Award

Tondoon Botanic Gardens (TBG) Apprentice Botanic Gardener, Tristan Cora, was awarded the prestigious Botanic Gardens Australia New Zealand (BGANZ) annual professional development award, to the value of \$2000. Tristan will use his award to travel to Mt Coot-Tha Botanic Gardens in Brisbane, to study specimens of *Macadamia janseni* onsite that were originally propagated at TBG's nursery as part of our longstanding research and conservation project with the Macadamia Trust and Sunshine Coast University. Tristan will study these specimens against those growing at TBG and deliver a report to be published in the BGANZ 'The Botanic Gardener' magazine in 2024.

Award for Excellence in Workplace Wellbeing

In May 2024, we were honoured to be awarded the 2024 Local Government Managers Australia (LGMA) Award for Excellence in Workplace Wellbeing in recognition of our ongoing efforts to improve our organisational culture. This achievement is a testament to the dedication of all people at Council who contribute to our 'ProudlyGRC' culture. Learn more about our culture journey on page 71.

Award for Excellence in Community Shaping

In May 2024, our First Nations Fire and Land Officer, proud Wakka Wakka man, Michael Willmot, was recognised at the 2024 Local Government Managers Australia Awards for Excellence in Community Shaping for Council's fire and land management program. As the only Queensland Council with a dedicated First Nations Fire Officer, Gladstone stands out for its commitment to country, cultural preservation and sustainable environmental stewardship.

Our First Nations Fire Officer leads the program integrating traditional land management techniques with modern practices to drive positive change through education, collaboration and community engagement. The program brings in volunteering opportunities, offers community workshops and collaboration with local landowners, Rural Fire Brigades, various Council teams alongside our local First Nations community, the Port Curtis Coral Coast Group (PCCC).

Furthermore, by securing two trainee positions via Council's 2025 Apprenticeship and Traineeship intake, we are investing in future generations. Learn more about our program on Council's website at www.gladstone.qld.gov.au/first-nations-fire-officer

Award for Excellence in Local Government Communications – Best Use of Video

The Gladstone Region Industrial Ecosystem video was officially unveiled at the 2023 Local Government Australia Queensland (LGAQ) Annual Conference, breaking down our journey to transition to a future where renewable energy shapes life in our region. In May 2024, our Industrial Ecosystem video was awarded the LGx Award for Excellence in Local Government Communications – Best Use of Video.

The video was scripted and produced in-house, with a collective effort from our Economic Development and Brand and Communications teams as well as our Mayor Matt Burnett.

Our teams successfully interpreted technical and complicated information into easily understood material. The video is available in four languages making it a valuable multi-national resource for economic development and industry attraction. To view Council's Industrial Ecosystem video, visit www.youtube.com/GRCTV



Council achieves ECO Certified Destination Status

In June 2024, our region achieved the globally recognised ECO Destination Certification at the ecotourism destination level awarded by Ecotourism Australia. The certification process considers six main themes, including destination management, nature and scenery, environment and climate, culture and tradition, social wellbeing, business and communication. Obtaining the ECO Destination Certification recognises the Gladstone Region as a world-class destination, strengthened by a commitment to continuous improvement of sustainable practices as well as providing high-quality nature-based tourism experiences. This initiative was led by the Gladstone Area Promotion and Development Limited (GAPDL) in partnership with Gladstone Regional Council, Gladstone Ports Corporation (GPC), and other key stakeholders. Learn more about ECO Destination Certification at www.ecotourism.org.au

OUR RECONCILIATION JOURNEY

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

Reconciliation Action Plan

Council is proudly delivering its Reconciliation Action Plan (RAP) program which supports and advances reconciliation by embedding First Nations considerations in the way we think and work.

Our RAP journey began in 2018 as Council committed to building stronger relationships with the Aboriginal and Torres Strait Islander communities in our region, through our Reflect RAP 2018/19.

That year also marked the establishment of Council's RAP Reference Group, which provides strategic advice on the views, needs and interests of Aboriginal and Torres Strait Islander Peoples across our region.

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

Through consultation with Reconciliation Australia in early 2023, it was identified that delivering a second Innovate RAP would enable us to strengthen our foundations and relationships before we progress to a Stretch RAP. In June 2023 we recommitted to embracing our rich heritage and strengthening reconciliation through our 2023-25 Innovate RAP.

We are committed to ensuring our future actions allow us to be aspirational and

innovative and help us to better understand our ability to influence and move forward with reconciliation.

Our 2023-25 Innovate RAP can be viewed on our website at www.gladstone.qld.gov.au/reconciliation-action-plan

RAP Support Groups

Council's RAP Reference Group, RAP Working Group and RAP Champions were instrumental in constructing the 2023-25 Innovate RAP, as part of Council's 2022/23 Operational Plan. These groups also play an important role in delivering actions from this plan. Council thanks all members of these groups for their invaluable contributions in supporting us with reconciliation.

Our RAP support groups consist of:

- **RAP Working Group:** Council's executive leadership team
- **RAP Reference Group:** Two Council elected members, Council's First Nations Liaison Officer and First Nations community members
- **RAP Champions:** Council employees from various business units.

NAIDOC Week 2023

National Aborigines and Islanders Day Observance Committee (NAIDOC) Week 2023 was held from 2 to 9 July with the theme 'For Our Elders'. The theme celebrated the unyielding spirit of our communities and invited all to stand in solidarity, amplifying the voices that have long been silenced.



Council proudly hosted several events across our region for NAIDOC Week 2023 including the:

- Art exhibition of First Nations artworks at the Gladstone Regional Art Gallery and Museum
- NAIDOC flag raising ceremony and morning tea
- NAIDOC Services Expo held at Philip Street Communities and Families Precinct
- Children's activities across our region's libraries.

National Reconciliation Week 2024

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

National Reconciliation Week 2024 was led with the theme of 'Now More Than Ever', a reminder to all of us that no matter what, the fight for justice and the rights of Aboriginal and Torres Strait Islanders will and must continue.

Council events in recognition of this year's National Reconciliation Week included the:

- Men's Business Workshop to learn to play the Didgeridoo with Yuwaalaraay man Gordon Lister
- Crochet Workshop with Gooreng Gooreng Elder Aunty Juliri Ingra
- Clay Sculpting Workshop with Gubbi Gubbi Artist Lili Jacobsen who taught the skills and

techniques to create polymer clay earrings with Australian native flowers and dot painting designs.

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

First Nations Land Management

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

This year, we were proud to make the Cultural Burn and Land Management Program a permanent service provided by Council. Led by our First Nations Fire and Land Officer, this program integrates traditional land management techniques with modern practices, extending from environmental protection to include cultural and community enrichment.

As the program continues, we look forward to welcoming two First Nations Fire Trainees in our 2025 Apprenticeship and Traineeship intake. We also encourage community members to get involved in the program through volunteer opportunities available throughout the 2024/25 year.

Learn more about our program on Council's website at www.gladstone.qld.gov.au/first-nations-fire-officer.

2 OUR COUNCIL

This section introduces our organisation, including the role and contributions of our mayor and councillors. This section also introduces our chief executive officer and executive leadership team and provides summaries of each business unit in 2023/24.





COUNCILLOR PROFILES



The Gladstone Region is served by nine elected members who represent the entire region, without division. They are responsible for the stewardship and democratic governance of the organisation. Councillors were elected for a four-year term following the election on 16 March 2024.





MAYOR AND COUNCILLORS



**CR MATT BURNETT
MAYOR**

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

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

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

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

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

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

Boards, Committees, Groups

- Australian Local Government Association (ALGA) Director and Vice President
- Local Government Association of Queensland (LGAQ) Director and Policy Executive Member
- Central Queensland Regional Organisation of Councils (CQROC) Director
- Gladstone Local Disaster Management Group Chair/Recovery Coordinator.

☎ (07) 4970 0700

✉ Mayor@gladstone.qld.gov.au



CR NATALIA MUSZKAT

First elected: 2018

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

in Tannum Sands with her partner and two teenage sons.

Cr Muszkat is passionate about community and human services. In her 15 years in the Gladstone Region she has been instrumental in delivering traineeships for disadvantaged job seekers, domestic and family violence prevention programs, community development programs and art and culture projects.

She is a proud co-founder of not-for-profit enterprise, Strong Communities Ltd, delivering evidence-based programs for children, parents, families and organisations in regional and rural communities. Cr Muszkat maintains her roles as Vice President of the QCWA Tannum Sands branch and secretary of the Gladstone University of the Third Age.

Cr Muszkat has a Bachelor in Workplace Health and Safety (with Distinction), a Diploma in Business Governance and is a Fellow of the Institute of Community Directors Australia. In her free time, she enjoys doing all things craft and gardening as well as reading about history, politics and culture.

Boards, Committees, Groups

- Audit Risk and Improvement Committee (ARIC) Council Representative
- Gladstone Region Reconciliation Action Plan (RAP) Reference Group Co-Chair
- Gladstone Local Disaster Management Group Deputy Chair
- Coastal Council Adaptation Taskforce (C-CAT) Executive Committee
- Gladstone Local Marine Advisory Committee Coastal Hazards Adaption Strategy (CHAS) Chair
- Central Queensland Regional Organisation of Councils (CQROC) Director.

☎ 0436 646 201

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



CR GLENN CHURCHILL

FIML, MAICD, MBWA

First elected: 2016

Councillor Glenn Churchill has been a resident of the Gladstone Region and Central Queensland for more than 33 years. He has gained extensive experience, knowledge,

and wisdom through his 20 years in local government as Mayor and Councillor. Together with his wife Sue and family, Cr Churchill has served the business, sporting, not-for-profit, charity, tourism and communities across our region through many different avenues in public life.

He is a Chairman of the Gladstone Police Citizens Youth Club (PCYC), a Diamond Life Member of the Queensland Police-Citizens Youth Welfare Association (QPCYWA). Glenn spent seven years appointed as the Gladstone Area Promotion Development Ltd (GAPDL) Chief Executive Officer, advocating for our Region.

Cr Churchill is Chair of the Disaster Recovery Committee (Infrastructure), Member of the Gladstone and District Sports Foundation Trust, Director of the Gladstone Airport Corporation Board, member of Gladstone Safe Night Precinct and recently spent six years as Chair of Gladstone Regional Arts Development Fund (RADF).

Cr Churchill previously protected the community for 27 years as a Queensland Police Officer. He strongly believes in giving back to the community as a volunteer. He is a qualified teaching and performing percussionist with International Percussion Society, Gladstone Thistle Pipes and Drums and an active local performing musician with Country Rock group SAND.

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

Boards, Committees, Groups

- Gladstone Airport Corporation Board of Directors
- Gladstone and District Sports Foundation Trust
- Gladstone Local Disaster Management Group (Infrastructure) Chair.

☎ 0407 289 139

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



**CR KAHN GOODLUCK
DEPUTY MAYOR**

First elected: 2016

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

Having lived in both a city and growing up in Kilkivan, a small country town, he believes the Gladstone Region is the perfect combination of both. It offers the services of a city with the benefits of a country lifestyle - like a safe community and the opportunity to enjoy the great outdoors - and is the perfect place to provide a great lifestyle and opportunities for his children.

Cr Goodluck has been a Union Delegate and Health and Safety Representative in construction, and through this work has honed the valuable art of negotiation and compromise to reach positive outcomes. He believes his working-class background brings a different and valuable perspective to Council.

He is the President of the Boyne Tannum Arts Business and Community Assoc. Inc (BTABC) who hold events like Beach Arts Music (BAM) and the Under the Trees music festival. He has a passion for community-led organisations that provide experiences for locals and visitors and help create memories for families.

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

In August 2024 he was appointed as a director to the board of Gladstone Area Water Board, bringing significant value to the organisation.

Cr Goodluck is motivated to engage with people throughout the region and ensure everyone gets a fair go. He is passionate about government policy and the impact it has on people's lives.

Boards, Committees, Groups

- Gladstone Regional Road and Transport Group
- Gladstone Area Water Board Director.

☎ 0433 944 302

✉ Kahn.Goodluck@gladstone.qld.gov.au



CR KAREN DAVIS

First elected: 2024

Councillor Karen Davis has lived in Gladstone for 56 years attending Gladstone Central State School and finishing her schooling at Gladstone State High School. She married her husband Andrew in 1988 in Gladstone and has three adult children.

Cr Davis has worked as a conveyancer for more than 25 years at various local law firms as well as owning and running small businesses in Gladstone with her husband. Being a newly elected 2024 Councillor on the Gladstone Regional Council, she has the best interests of the community at heart.

Cr Davis brings with her local knowledge and understanding from growing up, living and working in the Gladstone Region. Growing up in the region has given Cr Davis firsthand experience of changes and growth over the years and gives her an understanding of the issues that the region has faced and its challenges moving forward.

Cr Davis loves that the Gladstone Region has so much diversity – from the Boyne Valley to the Southern Great Barrier Reef – on our doorstep and looks forward to playing her part in its continued growth and sustainability as an elected member.

She wants to contribute to the direction of Council by offering a commonsense approach to local government, as well as being a strong voice for the community.

Boards, Committees, Groups

- Gladstone Area Promotion and Development Ltd (GAPDL)
- Gladstone Local Marine Advisory Committee
- Gladstone Healthy Harbour Partnership
- Reef Guardian Council Executive Committee.

☎ 0458 609 187

✉ Karen.Davis@gladstone.qld.gov.au



CR LEANNE PATRICK

First elected: 2024

Growing up in Brisbane, Councillor Leanne Patrick always felt a deep connection to regional Queensland, where her roots trace back through generations.

In 1997 Cr Patrick married her childhood sweetheart Nathan. Together they welcomed their sons William and Harrison into the world in 2005 and 2007, respectively.

For more than two decades, Cr Patrick dedicated herself to dentistry, even venturing abroad to study and work at the Las Vegas Institute for Advanced Dental Studies. In 2013, the Patricks seized the opportunity to own and operate McDonald's in Boyne Island.

Relocating to Tannum Sands, Cr Patrick found herself immersed in the serene beauty of the Gladstone Region. Her profound love for the region and its people ignited a passion for community involvement, leading her to advocate for and volunteer at multiple organisations, clubs, and industry-based companies. Cr Patrick's journey, including her participation in the QUT Pathways to Politics for Women program, led her to pursue a career in local government.

Fuelled by her commitment to prioritising the needs of the community, Cr Patrick ran for office with a simple yet powerful pledge: to champion a 'Community First' approach, ensuring the Gladstone Region thrives as a place where every individual can contribute and succeed.

Boards, Committees, Groups

- GAPDL Communities for Children Advisory Committee
- Gladstone Port Welfare Committee
- Audit Risk and Improvement Committee (ARIC) Alternate
- Gladstone Region Reconciliation Action Plan (RAP) Reference Group
- Gladstone Regional Council SES Management Group
- Philip Street Communities and Families Precinct Advisory Committee
- Discovery Coast Community Reference Group with the Wide Bay Hospital and Health Service
- Gladstone Saiki Sister City Advisory Committee.

☎ 0460 880 117

✉ Leanne.Patrick@gladstone.qld.gov.au



CR MELLISSA HOLZHEIMER

First elected: 2024

Councillor Mellissa Holzheimer has more than 20 years of experience working alongside the Gladstone Region's most vulnerable community members.

Cr Holzheimer has experience in leadership, community engagement, training and development within the community services sector. Cr Holzheimer has lived most of her life in the Gladstone Region and married her husband Matt in 2008. She comes from a large family and is one of 10 children.

Cr Holzheimer's passion for the community sector started as a disability support worker when leaving school and worked her way up through her passion for learning and personal development. Cr Holzheimer describes herself as someone who works hard but quietly in the background to assist others to reach their potential. Cr Holzheimer has a deep passion for social justice and creating a community that can meet all its residents' needs through a thoughtful, considerate approach.

Cr Holzheimer's career has seen her working in the disability, child protection and mental health spaces, supporting families and staff working with those families for them to gain the skills and support they need to reach their potential.

Cr Holzheimer has also owned her own business since 2021. This business is about creating resilience for women who have lived experience of disability or chronic health. Cr Holzheimer has received a fully funded scholarship with QUT to complete the Pathway to Politics course, which has helped her in developing confidence in her voice for the Gladstone Region. Cr Holzheimer also has other qualifications in non-traditional fields like mindset coaching, kinesiology and is studying to become a Qigong practitioner (a Chinese system of physical exercise and breath work related to Tai Chi).

Boards, Committees, Groups

- Audit Risk and Improvement Committee (ARIC) Council Representative
- Philip Street Communities and Families Precinct Advisory Committee
- Regional Arts Development Fund (RADF) Committee
- Capricorn Pest Management Group
- Local Authorities Waste Management Action Committee (LAWMAC)
- Gladstone Local Disaster Management Group (Environment) Chair.

☎ 0437 832 437

✉ Mellissa.Holzheimer@gladstone.qld.gov.au



CR MICHELLE WAGNER

First elected: 2024

Councillor Michelle Wagner's career has centred on business strategy and management, communications, community engagement, marketing,

journalism and teaching. As an active community volunteer, Cr Wagner is a member of several sporting and community groups and formerly served on the Board of Gladstone Women's Health Inc.

Cr Wagner is an advocate for community health and wellbeing, youth engagement and has a keen interest in weed and pest management and control to reduce the economic, environmental and social impact on our region. In addition, her vision is to have the region grow into a desired tourism destination and to position itself as 'The Region of Choice' in Australia for liveability and work opportunities.

As a future-focused elected representative, Cr Wagner strives to ensure the region gets its fair share of benefit from industrial and green energy growth, and that this growth is done responsibly. Cr Wagner aims for residents to be represented with respect and understanding, treated fairly and consistently and norms to be challenged when needed. Cr Wagner's vision is to have a region where every community benefits from well considered local government planning and governance and residents are genuinely respected, listened to and represented fairly.

Boards, Committees, Groups

- Capricorn Pest Management Group
- Transport Environment Advisory Group
- Audit Risk and Improvement Committee (ARIC) Alternate
- Gladstone Local Disaster Management Group (Human and Social) Chair.

☎ 0483 360 456

✉ Michelle.Wagner@gladstone.qld.gov.au



CR SIMON MCCLINTOCK

First elected: 2024

Grounded in a rich family legacy of community leadership and service, Councillor Simon McClintock embodies values of compassion, generosity and a deep-seated commitment

to aiding those in need. From a young age, Cr McClintock has actively participated in diverse community initiatives, both locally and internationally, dedicating his time and resources to support individuals and organisations.

As the founder of a local social enterprise cafe, Cr McClintock has played a pivotal role in creating avenues of opportunity for individuals facing adversity and life challenges. By forging partnerships with local support services, Cr McClintock has facilitated assistance and employment opportunities for those living with additional needs.

Steered by values of integrity, empathy, and transparency, Cr McClintock approaches leadership and community involvement with steadfast dedication. He actively listens to the concerns of community members, advocating for policies that prioritise people over politics. Cr McClintock is committed to challenging convention and strives towards a brighter future for all.

Cr McClintock envisions a community where every voice is heard and diversity is celebrated as a cornerstone of strength. His vision for local governance revolves around inclusivity, honesty, and compassion, ensuring decisions are made with the broader community's best interests at heart.

Whether you are seeking guidance or simply want to engage in conversation, Cr McClintock warmly invites you to reach out. He believes when we better understand others together, we can sculpt a region we are all proud to call home.

Boards, Committees, Groups

- Gladstone Local Disaster Management Group (Economic) Chair
- Gladstone Region LNG Community Consultative Committee
- Gladstone Regional Road and Transport Group Alternate
- Queensland Beef Corridors Steering Committee
- Rural Fire Brigades Advisory Group
- Gladstone Saiki Sister City Advisory Committee
- Transport Environment Advisory Group.

☎ 0461 573 756

✉ Simon.McClintock@gladstone.qld.gov.au

COUNCILLOR GOVERNANCE

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

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

Council is constituted in accordance with the *Local Government Act 2009* (the Act) and the *Local Government Regulation 2012* (the Regulation) (collectively the Local Government Legislation) and operates in accordance with the five local government principles established in section 4(2) of the Act:

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

Council conducts its business during general meetings which are held on the first and third Tuesday of each month. On occasion, special meetings are held to make decisions on necessary matters such as the adoption of the annual budget.

The Local Government Legislation, together with the Councillor's Code of Conduct, establishes principles and standards of behaviour expected of our mayor and councillors when carrying out their roles, responsibilities and obligations.

General meetings are usually held in Council Chambers at 101 Goondoon Street, Gladstone and are open to the public. General meetings are also livestreamed and available for viewing at any time via our website. General meetings proceed in accordance with our Council Meetings Procedures Policy and the meeting agendas and minutes are available on Council's website at www.gladstone.qld.gov.au/council-meetings.

COUNCILLOR COMMITTEES

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

Table: Advisory Committees

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

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

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

COUNCIL MEETINGS

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

There were 22 general and one special meeting held during 2023/24. Individual councillor attendance at general and special Meetings held by Council are detailed below:

Table: Council Meetings

COUNCILLORS	MEETING ATTENDANCE TOTAL	NON-ATTENDANCE DUE TO OFFICIAL BUSINESS MATTER	NON-ATTENDANCE DUE TO LEAVE
Branthwaite, Darryl (part year - former Councillor)	17	0	0
Burnett, Matt (Mayor)	21	1	1
Cameron, Chris (part year - former Councillor)	16	0	1
Churchill, Glenn	21	0	2
Davis, Karen (part year - new Councillor)	6	0	0
Goodluck, Kahn	23	0	0
Hansen, Rick (part year - former Councillor)	17	0	0
Holzheimer, Mellissa (part year - new Councillor)	5	0	1
McClintock, Simon (part year - new Councillor)	5	1	0
Muszkat, Natalia	21	0	2
O'Grady, Desley (part year - former Councillor)	16	1	0
Patrick, Leanne (part year - new Councillor)	5	1	0
Trevor, Chris (part year - former Councillor)	17	0	0
Wagner, Michelle (part year - new Councillor)	5	0	1

COUNCILLOR REMUNERATION

The Local Government Remuneration and Discipline Tribunal established under the *Local Government Act 2009* is responsible for determining the maximum remuneration payable to the mayor, deputy mayor and councillors. The total remuneration paid to councillors for the full year in 2023/24 was \$1,060,684.71 as detailed below.

Table: Councillor Remuneration

COUNCILLOR	DESCRIPTION	SALARY	SUPERANNUATION	TOTAL
Branthwaite, Darryl	Councillor (part year - former Councillor)	\$72,501.39	\$8,700.20	\$81,201.59
Burnett, Matt	Mayor - full year	\$166,133.71	\$19,935.98	\$186,069.69
Cameron, Chris	Councillor (part year - former Councillor)	\$72,501.39	\$8,700.20	\$81,201.59
Churchill, Glenn	Councillor - full year	\$96,182.35	\$11,541.93	\$107,724.28
Davis, Karen	Councillor (part year - new Councillor)	\$23,680.96	\$2,604.93	\$26,285.89
Goodluck, Kahn	Councillor (part year - former Deputy Mayor)	\$106,069.96	\$11,667.63	\$117,737.59
Hansen, Rick	Councillor (part year - former Councillor)	\$72,501.39	\$8,700.20	\$81,201.59
Holzheimer, Mellissa	Councillor (part year - new Councillor)	\$23,680.96	\$2,618.74	\$26,299.70
McClintock, Simon	Councillor (part year - new Councillor)	\$23,680.96	\$2,604.93	\$26,285.89
Muszkat, Natalia	Deputy Mayor (part year - former Councillor)	\$99,310.99	\$11,917.35	\$111,228.34
O'Grady, Desley	Councillor (part year - former Councillor)	\$72,501.39	\$8,700.20	\$81,201.59
Patrick, Leanne	Councillor (part year - new Councillor)	\$23,680.96	\$2,841.73	\$26,522.69
Trevor, Chris	Councillor (part year - former Councillor)	\$72,501.39	\$8,700.20	\$81,201.59
Wagner, Michelle	Councillor (part year - new Councillor)	\$23,680.96	\$2,841.73	\$26,522.69

COUNCILLOR OVERSEAS TRAVEL

Council's Corporate Plan 2021-26 identifies a strong desire to actively promote and support the region and enable its growth and prosperity. Council is required to disclose information about overseas travel of employees or councillors during the 2023/24 financial year.

In May 2024, Mayor Burnett travelled to Rotterdam, Netherlands, to attend the 2024 World Hydrogen Summit and Exhibition. Attendance at the summit provided an opportunity for Council to demonstrate its commitment to leading the way towards a new economic future that will help drive the Gladstone Region while propelling Australia closer towards net zero emissions.

Table: Councillor Overseas Travel

COUNCILLOR	DESTINATION	PURPOSE	COST
Burnett, Matt (Mayor)	Netherlands	Delegation to Netherlands for the 2024 World Hydrogen Summit and Exhibition	\$17,050.78

COUNCILLOR EXPENSES AND PROVISION OF FACILITIES

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

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

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

Total expenses incurred by and facilities provided to Councillors in 2023/24 was \$264,382.16.

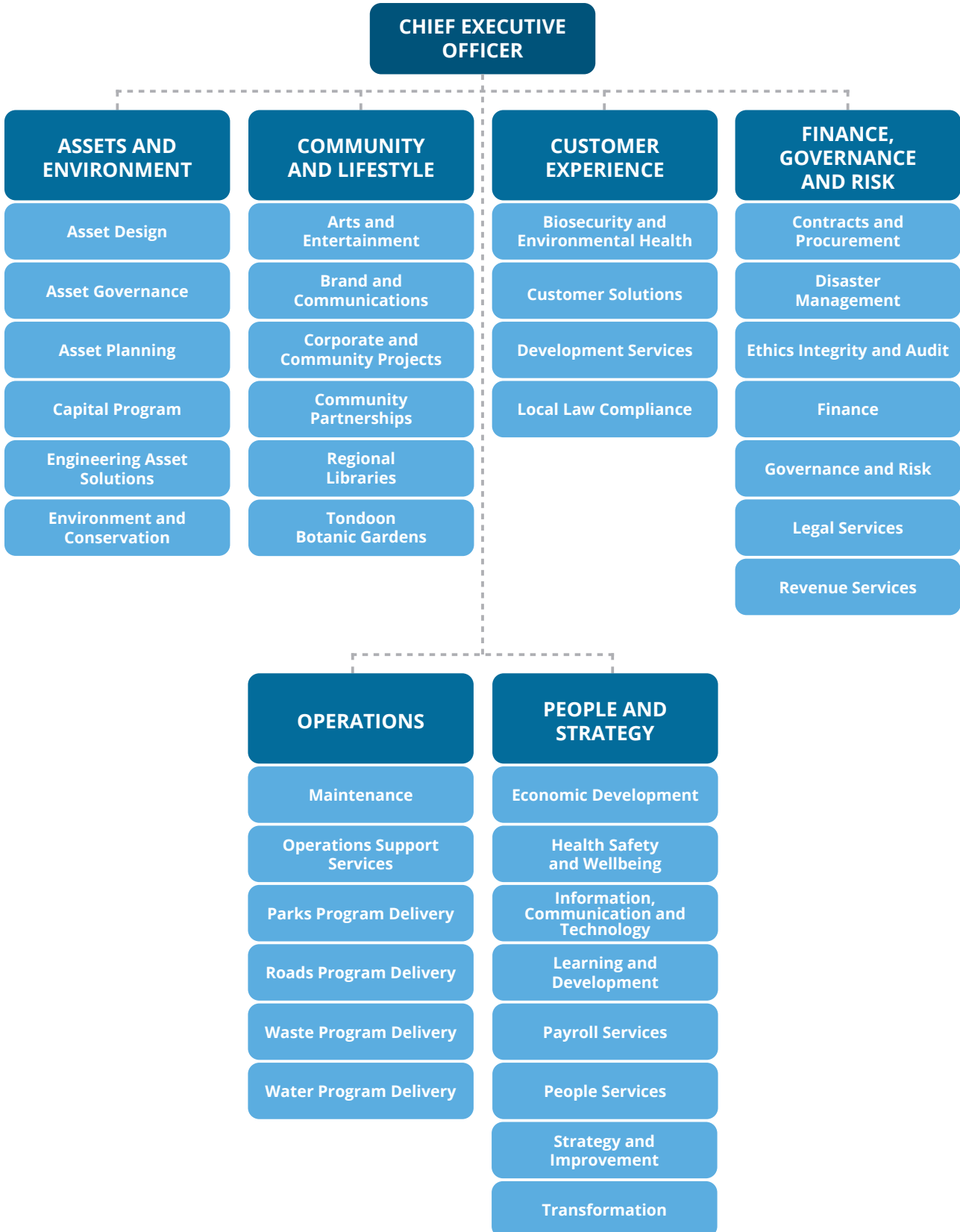
Table: Councillor Expenses

COUNCILLOR	TRAVEL EXPENSES	PROFESSIONAL DEVELOPMENT	VEHICLE	OTHER	TOTAL
Branthwaite, Darryl	\$2,523.19	\$1,261.26	\$16,258.82	\$341.82	\$20,385.09
Burnett, Matt	\$30,719.97	\$2,515.91	\$24,003.66	\$2,285.08	\$59,524.62
Cameron, Chris	\$1,456.59	\$2,491.59	\$16,216.60	\$366.37	\$20,531.15
Churchill, Glenn	\$2,731.22	\$179.09	\$19,668.42	\$811.68	\$23,390.41
Davis, Karen	\$985.19	\$0.00	\$3,812.24	\$528.13	\$5,325.56
Goodluck, Kahn	\$391.65	\$1,367.60	\$19,349.36	\$544.54	\$21,653.15
Hansen, Rick	\$1,440.78	\$159.09	\$16,167.01	\$523.35	\$18,290.23
Holzheimer, Mellissa	\$1,386.83	\$0.00	\$3,721.97	\$656.56	\$5,765.36
McClintock, Simon	\$2,260.42	\$2,768.18	\$3,624.56	\$558.34	\$9,211.50
Muszkat, Natalia	\$2,899.34	\$900.91	\$20,016.23	\$1,298.79	\$25,115.27
O'Grady, Desley	\$4,355.31	\$3,098.18	\$16,331.36	\$521.82	\$24,306.67
Patrick, Leanne	\$1,430.11	\$1,500.00	\$3,742.94	\$541.04	\$7,214.09
Trevor, Chris	\$0.00	\$0.00	\$17,187.02	\$341.82	\$17,528.84
Wagner, Michelle	\$1,820.44	\$100.00	\$3,803.81	\$415.97	\$6,140.22

OUR ORGANISATION

The structure of our organisation supports value for money service outcomes for our community as we work to Connect. Innovate. Diversify.

Our organisation structure is comprised of six business units, outlined below.



OUR ORGANISATION STRUCTURE

A council is made up of elected members (mayor and councillors) and administration (chief executive officer (CEO), executives and employees). The responsibility to community is outlined in section 12 and section 13 of the *Local Government Act 2009*.

Our mayor and councillors are responsible for representing the current and future interests of our region's residents and our CEO, executives and employees are responsible for delivering services to our community.

Following the resignation of our General Manager People, Culture and Safety in 2022/23, an opportunity was realised to merge two

existing business units into one. In July 2023 following consultation, the Strategy and Transformation and People Culture and Safety business units were combined to the now refined People and Strategy business unit.

Further adjustments to business unit structures were made throughout the year to set our people up for success, particularly in planning and delivery of maintenance. As a result, some teams were renamed or moved to alternate business units and new Maintenance Team was introduced. Our teams and the services provided are detailed on the following pages.

EXECUTIVE LEADERSHIP TEAM



LEISA DOWLING - CEO

**CHIEF EXECUTIVE
OFFICER**

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

Qualifications and memberships:

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

SERVICES DELIVERED

Leisa leads the Office of the CEO, responsible for:

- Ensuring effective and efficient administration of operations and management of services
- Ensuring policies and decisions made by our elected members are implemented appropriately and that all employees are working effectively towards Council's goals
- Providing the mayor and councillors with accurate and timely reports on the performance and operations as well as professional advice to assist in decision-making processes and in the development of policies and strategies
- Ensuring compliance with all relevant legislation, regulations and standards.

EXECUTIVE LEADERSHIP TEAM



KYLIE LEE - General Manager

COMMUNITY AND LIFESTYLE

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

Qualifications and memberships:

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

SERVICES DELIVERED

Kylie manages the Community and Lifestyle business unit, responsible for:

- Creating genuine connections between our community and Council through events, programs, communications, engagement and facilities
- Designing and delivering programs that contribute to community health and wellbeing
- Engaging in partnerships to foster efficiency and enrichment to build a capable, resilient, inclusive and diverse community.

The Community and Lifestyle business unit provides the following services:

- Arts and entertainment
- Brand and communications
- Community events, projects and partnerships
- Corporate projects
- Tourism
- Gladstone Entertainment Convention Centre
- Gladstone Regional Art Gallery and Museum
- Gladstone Regional Libraries
- Tondoon Botanic Gardens.



ROB HUTH - General Manager

CUSTOMER EXPERIENCE

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

Qualifications and memberships:

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

SERVICES DELIVERED

Rob manages the Customer Experience business unit, responsible for:

- Delivering high quality, efficient, cost-effective customer, planning and regulatory services to strengthen customer experience, liveability and sustainable development.

The Customer Experience business unit provides the following services:

- Animal management
- Biosecurity and environmental health
- Customer solutions
- Development services
- Local law compliance.



MARK HOLMES - General Manager

FINANCE, GOVERNANCE AND RISK

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

Qualifications and memberships:

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

SERVICES DELIVERED

Mark manages the Finance, Governance and Risk business unit, responsible for:

- Setting, implementing and monitoring the financial, governance, compliance and risk policies and frameworks
- Ensuring Council's long-term sustainability, accountability and transparency
- Delivering safe and efficient responses to disaster and emergency events.

The Finance, Governance and Risk business unit provides the following services:

- Contracts and procurement
- Disaster management
- Ethics, integrity and audit
- Finance
- Governance and risk
- Legal services
- Revenue services.



JOHN TUMBERS - General Manager

OPERATIONS

John joined Gladstone Regional Council in March 2019. John has a career background in operations and maintenance in the power generation, resources, ports and utilities sectors in New South Wales, South Australia, Western Australia and Queensland.

Qualifications and memberships:

- Graduate Diploma (Maintenance Management)
- Member - Local Government Managers Australia

SERVICES DELIVERED

John manages the Operations business unit, responsible for:

- Safely delivering Council services and programs of work on time, to a high quality and within budget, using an effective mix of internal and external resources.

The Operations business unit provides the following services:

- Cemeteries and crematorium
- Maintenance
- Operations support services
- Parks program
- Quarries
- Roads program
- Stores, facilities and fleet management
- Waste and resource management
- Waste water program
- Water program.

EXECUTIVE LEADERSHIP TEAM



CARLY QUINN - General Manager

PEOPLE AND STRATEGY

Carly has a diverse background across the government, commercial and not-for-profit sectors, with a focus on strategy, change, marketing, events and community development. Carly's strength is in collaborating with multi-functional teams to find practical solutions to complex business problems. Her passion is in building the capability of our people to improve service delivery for our community. Carly was appointed General Manager Strategy and Transformation in September 2018. Following the merge of the (former) Strategy and Transformation and People, Culture and Safety business units, Carly was appointed General Manager People and Strategy in July 2023.

Qualifications and memberships:

- Graduate of Australian Institute of Company Directors
- Graduate Diploma of Strategic Leadership
- Advanced Diploma of Government
- Member - Local Government Managers Australia

SERVICES DELIVERED

Carly manages the People and Strategy business unit, responsible for:

- Developing and embedding a safe and high performing culture that encourages innovation and strategy leadership
- Building capability, developing business strategy and enabling change initiatives that support Council to execute plans with a clear customer and community focus.

The People and Strategy business unit provides the following services:

- Economic development
- Information, communication and technology
- People, culture payroll, learning and development and safety
- Strategy, improvement and transformation.



MARK FRANCIS - General Manager

STRATEGIC ASSET PERFORMANCE

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

Qualifications and memberships:

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

SERVICES DELIVERED

Mark manages the Assets and Environment business unit, responsible for:

- Strategically managing Council assets and levels of service to optimise the life cycle costs of our assets
- Ensuring Council services to the community are sustainable, efficient and affordable and that assets are appropriately planned, built, acquired, used, maintained and disposed of.

The Strategic Asset Performance business unit provides the following services:

- Asset design
- Asset governance
- Asset planning
- Assets and environment
- Capital program
- Engineering asset solutions
- Environment and conservation.



SENIOR MANAGEMENT REMUNERATION

Senior Management (Council's CEO and General Managers) are engaged under fixed-term, performance-based contracts. The total remuneration packages payable to Council's Senior Management during 2023/24 was \$2,131,191.00 with the following distribution:

Table: Distribution of Senior Management Remuneration

REMUNERATION BAND	NUMBER OF SENIOR EXECUTIVES
\$200,000 - \$299,000	6
\$400,000 - \$499,000	1

In July 2023, the structure of the executive team was redesigned, merging two (2) business units into one. Now led by one (1) senior manager (executive), we see a decrease from seven (7) to six (6) executives and an overall reduced cost of remuneration compared to previous years.

EXECUTIVE LEADERSHIP AND EMPLOYEE OVERSEAS TRAVEL

Council's Corporate Plan identifies a strong desire to actively promote and support the region and enable its growth and prosperity. Council is required to disclose information about overseas travel of employees during the 2023/24 financial year.

Attendance at the 2024 World Hydrogen Summit and Exhibition provided the opportunity for Council to demonstrate its commitment to leading the way towards a new economic future that will help drive the Gladstone region, while propelling Australia closer towards net zero emissions.

An attendance report was presented to Council at the 4 June 2024 General Meeting, item G/5.1. World Hydrogen Summit 2024.

Table: Employee overseas travel 2023/24

EMPLOYEE AND POSITION	DESTINATION	PURPOSE	COST
CEO	Netherlands	Delegation to Netherlands for the 2024 World Hydrogen Summit and Exhibition.	\$17,716.39

CORPORATE GOVERNANCE

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

Accountable Council

Our Corporate Plan 2021-26 sets the goal of being an Accountable Council – providing good stewardship built on a foundation of trust. By 2026, Council seeks to have made significant improvement in our embedded risk management, transparency and accountability in our processes. We aim to achieve this through five objectives to deliver that outcome:

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

The Audit Committee

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

In accordance with the *Local Government Regulation 2012*, ARIC for 2023/24 was comprised of two councillors (and two alternate councillor members) and three independent members.

Audit Committee Members

For the period 1 July 2023 to 30 June 2024:

- Stephen Coates (Chairperson)
- Sandra Collins (External Member)
- Peter Sheville (External Member and Financial Expert)
- Cr Natalia Muszkat (Member)
- Cr Melissa Holzheimer (Member from April 2024)

- Cr Leanne Patrick (Alternate Member from April 2024)
- Cr Michelle Wagner (Alternate Member from April 2024)
- Cr Chris Cameron (Member to March 2024)
- Cr Desley O'Grady (Alternate Member to March 2024)
- Cr Darryl Branthwaite (Alternate Member to March 2024).

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

ARIC supports Council by:

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

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

Internal Audit

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

Council's Ethics, Integrity and Audit function operates in accordance with the Ethics, Integrity and Audit Policy and Charter, which is reviewed and endorsed by the ARIC every three years.

The policy authorises appropriate access to all functions, records, property and personnel

within Council, as well as direct access to the chair and independent members of the ARIC.

All members of Ethics, Integrity and Audit are obliged to apply and uphold the principles of integrity, objectivity, confidentiality and competency under the Institute of Internal Auditors' Code of Ethics. In line with international standards for the Professional Practice of Internal Auditing and best practice, Ethics, Integrity and Audit provides a broad range of functions, including:

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

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

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

During 2023/24, the Ethics, Integrity and Audit function completed five (5) internal audit reviews, two (2) management requests and provided ad hoc advice to managers on a range of issues.

List of Registers

Council maintains the following registers:

- Register of roads
- Register of assets
- Register of preferred supplier arrangements, pre-qualified suppliers, long term contracts and sole / specialised suppliers
- Register of offers (medium and large size procurements and successful awards)
- Register of non-conformance
- Register of contract variations

- Register of cost recovery fees
- Register of local laws (available on Council's website)
- Register of contact with lobbyists
- Register of delegations of authority – Council to CEO and CEO to officers and/or contractors
- Register of financial delegations
- Register of interests for CEO and senior executive employees
- Register of interests for councillors (available on Council's website)
- Register of councillors' related persons
- Register of councillor complaints (available on Council's website)
- Register of Council owned/managed land
- Register of leases
- Register of development assessment applications, approvals and permits (available on Council's website)
- Register of infrastructure charges
- Register of legal documents
- Register of backflow prevention devices
- Register of onsite sewerage
- Register of trade waste
- Register of licensing
- Register of stock impoundment
- Register of licences under the Food Act 2006
- Register of licences under the Public Health (Infection Control and Personal Appearance Services) Act 2003
- Register of biosecurity invasive plants
- Register of animal impoundment
- Register of cats and dogs
- Register of abandoned vehicle impoundment
- Register of impounded animals
- Register of parking permits
- Register of local law proactive patrols.

Risk Management

Through Council’s Risk Management Framework, we endeavour to lower the likelihood of negative risks materialising, realise opportunities, improve performance, encourage innovation and support the achievement of Council’s objectives to deliver value for the entire community.

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

During 2023/24, Council continued to mature its risk management practices with risks managed through our risk management software, Beakon.

Strategically, risk management is considered in the development of Council’s Corporate Plan, Operational Plan and Budget and is a key consideration in Council’s Investment Decision Framework. Council’s risk profile is reported to the executive leadership team monthly and Council’s ARIC quarterly.

Complaints Management

During 2023/24, Council’s Customer Solutions Team managed 122,974 customer interactions. Customers that are dissatisfied with an action, inaction, or decision of Council, can access Council’s Complaints Management Process. Council may receive complaints such as administrative action complaints, statutory reviews, complaints regarding the conduct of an employee, public interest disclosures, human rights complaints, petitions, competitive neutrality complaints and complaints regarding the CEO and councillors. Each complaint is managed in accordance with the Complaints Management Process.

Administrative Action Complaints

An Administrative Action Complaint (AAC) is defined in the *Local Government Act 2009* as a complaint that is about an administrative action of a local government and is made by an “Affected Person”, that is, a person who is apparently directly affected by an administrative action of a local government or as defined in section 43 of the Act, with respect to competitive neutrality.

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

In accordance with Council’s Complaints Management Policy and procedures, when received, an AAC is recorded in Council’s Complaint Management System and assigned a Case Manager. The Case Manager will work with the relevant subject matter expert to determine an appropriate response and outcome. Where a customer is unsatisfied with an AAC outcome, the AAC will be referred to a Complaint Review Panel and ultimately can be escalated to the Queensland Ombudsman.

From the thousands of customer interactions during 2023/24, Council received 328 AACs and resolved 259. At 30 June 2024, Council had 69 unresolved AACs, each of which were received during 2023/24. Council was able to resolve 79 per cent of AACs received during 2023/24 with an average of 41 days to complete. No AACs received in 2022/23 remained outstanding at 30 June 2024.

Human Rights Complaints

Human Rights Complaints (HRC) are complaints that refer to an act or decision made in a way that is incompatible with human rights or when making a decision, Council fails to give proper consideration to the human right relevant to the decision. Council received one HRC during 2023/24.

Competitive Neutrality Complaints

Competitive neutrality refers to the process of identifying and where appropriate, removing any advantages (and disadvantages) that may accrue to a local government business by virtue of its local government ownership so that the business competes on the same basis as its competitors. No Competitive Neutrality Complaints were received in 2023/24.



3 OUR PERFORMANCE OUTCOMES

This section details Council's performance in delivering the 2023/24 Operational Plan. This is the third annual Operational Plan outworked from Council's 2021-26 Corporate Plan and details our initiatives and core services to meet our corporate goals (as listed below) and vision to Connect. Innovate. Diversify.

1. Connecting Communities

2. Delivering Value

3. Resilient Economy

4. Our People

5. Accountable Council



OUR PERFORMANCE OUTCOMES

Integrated Planning Framework

To ensure our plans are integrated and we are sufficiently resourced to work towards our vision, our Integrated Planning Framework provides a structure that connects our goals with our day-to-day activities.

The Integrated Planning Framework ensures the connection between our vision and the impact we make on the ground is valuable for our unique community and region, connecting our goals and strategies to our delivery programs and annual programs of work.

The Operational Plan sits within our annual program, detailing the services and initiatives

we will deliver to progress our goals. The Annual Report shares the outcomes of our Operational Plan and Budget, showing how we've delivered for our community.

The Annual Report also forms part of Monitoring and Reporting, which wraps around the framework to ensure continuous alignment and improvement, to meet the needs of our communities and region, while staying true to our vision.

This framework was developed in January 2024, a reinvigoration of our previous Strategic Planning Framework.



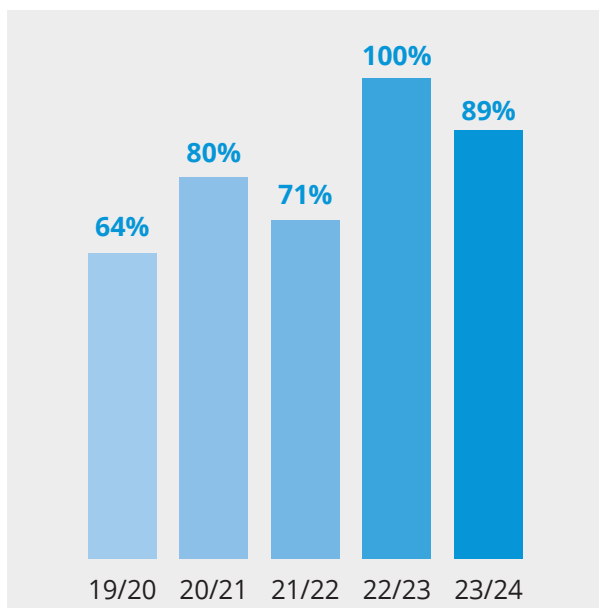
Demonstrated Performance

The 2023/24 Operational Plan set a clear pathway for how we continue to deliver the goals, outcomes and objectives in our 2021-26 Corporate Plan.

Led with the theme of 'Proudly GRC', it saw a purposeful focus on supporting our people to deliver quality services for the Gladstone Region.



Five-year summary of completed initiatives



Outcomes achieved through the 2023/24 Operational Plan are detailed on the following pages. Outcomes are broken down by each goal from our Corporate Plan, with our achievement status highlighted as below:

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

INITIATIVE	Progress	Status
Access and Inclusion Action Plan	100%	●
Social Infrastructure Strategic Plan Review and Update	100%	●
Planning Scheme Review	100%	●
Works Delivery Improvement Program	100%	●
Community Waste Education	100%	●
Future of Fleet	45%	●
Creating Constructive Culture	100%	●
Psychosocial Safety	100%	●
Information Management	100%	●

For more information on Future of Fleet Initiative see page 63.

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



Connecting Communities



GOAL 1. CONNECTING COMMUNITIES

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



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

- 1.1 Communities are well understood with programs and services designed to strengthen our region.
- 1.2 Communities can influence and actively participate in Council decision-making.

SCORECARD OVERVIEW

3/3

**INITIATIVES
ACHIEVED**

1.05M
WEBSITE VISITS

241,879
VISITS TO OUR
LIBRARIES

39,681
VIEWS ON COUNCIL'S
CONVERSATIONS
WEBSITE

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

Initiatives:

- Access and Inclusion Action Plan - Completed
- Social Infrastructure Strategic Plan Review and Update - Completed
- Planning Scheme Review - Completed

Core services:

- Brand and communications
- Community asset maintenance
- Community events
- Customer solutions
- Community partnerships
- Development services
- Gladstone Regional Art Gallery and Museum (GRAGM)
- Regional libraries
- Tondoon Botanic Gardens (TBG)



GOAL 1 CONNECTING COMMUNITIES

ACCESS AND INCLUSION ACTION PLAN

Develop a plan that empowers those living with disability to feel valued and included in their communities.



Initiative	Outcome	Status
<p>Access and Inclusion Action Plan</p>	<p>Accessibility and inclusion are set to improve across the region, with our 2024-27 Access and Inclusion Action Plan (AIAP) unanimously endorsed by Council at the 18 June 2024 General Meeting.</p> <p>Community feedback shaped this business-wide plan, which ensures accessibility and inclusion are front of mind, embedded in Council operations and empowers those living with disability to feel valued and included in their communities.</p> <p>The priority areas identified are:</p> <ul style="list-style-type: none"> • Our services • Spaces and places • Policies and procedures • Employment and culture • Communication and engagement • Strengthening community through advocacy. <p>Delivery of this Initiative advances our 2021-26 Corporate Plan goal, Connecting Communities, improving understanding of our communities and enabling programs and services designed to strengthen the region (Outcome 1.1).</p> <p>The Access and Inclusion Action Plan applies a strategic approach to community development (Objective 1.1.2), supporting connections that promote health, happiness and wellbeing (Objective 1.1.3).</p> <p>The initiative was successfully completed in June 2024 with a total spend of \$99,989, coming in \$11 under budget. We note that the total budget for this initiative was revised part way through the year to account for unexpected costs, with reallocated funds from Council's existing budget allowing for the \$50,000 increase.</p>	<p>COMPLETE</p>

SOCIAL INFRASTRUCTURE STRATEGIC PLAN REVIEW AND UPDATE

Review and update our Social Infrastructure Strategic Plan to ensure it represents the social infrastructure and service needs of the community.



Initiative	Outcome	Status
<p>Social Infrastructure Strategic Plan Review and Update</p>	<p>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.</p> <p>Our eight key focus areas include:</p> <ul style="list-style-type: none"> • Housing • Ageing in place • Early childhood • Safety and security • Health and wellbeing • Enabling infrastructure • Community, facilities and services • Education, employment and training. <p>In response to feedback from Councillors, additional language related to Youth was incorporated across several existing priorities, drawing from the Gladstone Region Youth Council 24/25 Action Plan. Collaboration with the Community Partnerships team, who lead the coordination of the Youth Council, ensured synergy and accurate representation of Youth where applicable.</p> <p>Delivery of this initiative advances our 2021-26 Corporate Plan goal of Connecting Communities, improving understanding of our communities and encouraging investment in infrastructure and services designed to strengthen the region (Outcome 1.1). The SIIP implements a strategic approach to community development (Objective 1.1.2), encouraging connections that promote health, happiness and wellbeing (Objective 1.1.3).</p> <p>This initiative was completed in June 2024, delivered with internal resources only.</p> <p>Council's new Social Infrastructure Investment Priorities document can be found via www.gladstone.qld.gov.au/economic-information.</p>	<p>COMPLETE</p>

GOAL 1 CONNECTING COMMUNITIES

PLANNING SCHEME REVIEW – YEAR ONE

Undertake a review of the current Gladstone Regional Council Planning Scheme.



Initiative	Outcome	Status
Planning Scheme Review – Year One	<p>To make our Planning Scheme fit for purpose and to meet the needs of our local communities, businesses and industries, 26 improvements have been identified and endorsed by Council.</p> <p>Understanding our communities' needs was crucial for this initiative; a total of 2130 interactions were made during consultation including 236 community responses to our survey and engagement with 26 industry organisations and groups.</p> <p>Delivery of this initiative advances our 2021-26 Corporate Plan goal of Connecting Communities, enabling communities to influence and actively participate in Council decision making (Outcome 1.2) through review of the Planning Scheme in alignment to community expectations and needs (Objective 1.2.2). This initiative was completed in June 2024, delivered with \$176,631, \$3369 under budget.</p> <p>More details on the outcomes and what's next for our Planning Scheme can be viewed on Council's Conversations website at conversations.gladstone.qld.gov.au/planning-scheme-review</p>	COMPLETE



GOAL 2. DELIVERING VALUE

We work efficiently to deliver value for rates.



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

- 2.1 Asset Management is smart, effective and efficient.
- 2.2 Capital and maintenance programs are consistently delivered.
- 2.3 We are easier to work with.
- 2.4 The way we do business is continuously improving.

SCORECARD OVERVIEW

2/3

**INITIATIVES
ACHIEVED**

207,701

VISITS TO OUR
LANDFILL AND
TRANSFER STATIONS

83%

CALLS RESOLVED
AT FIRST POINT

2163

POTHoles
REPAIRED

This year we progressed our commitment to delivering value through 17 core services and three initiatives.

Initiatives:

- Works Delivery Improvement Program - Completed
- Community Waste Education - Completed
- Future of Fleet - In progress

Core Services:

- Asset design
- Asset governance
- Asset performance and monitoring
- Asset planning
- Business improvement
- Cemeteries and crematorium
- Engineering asset solutions
- Information, communication and technology
- Parks program
- Quarries
- Roads program
- Stores, facilities and fleet management
- Transformation
- Waste and resource management
- Waste water program
- Water program
- Works planning and scheduling



GOAL 2 DELIVERING VALUE

WORKS DELIVERY

Improve how we safely deliver achievable and affordable asset maintenance to meet our community's needs.



Initiative	Outcome	Status
<p>Works Delivery Improvement Program</p>	<p>Safer, more achievable and affordable asset maintenance is achieved via the multi-year Works Delivery Improvement Program (WDIP). Specific outcomes from this year mainly involved technological advancements. Progress to the overall program will be delivered in 2024/25, as part of our Operational Plan initiative 'Optimising Maintenance Delivery'.</p> <p>Delivery of this initiative advances our 2021-26 Corporate Plan goal of Delivering Value. We are now a step closer to achieving smart, effective and efficient asset management, in order to have future proof financial sustainability (Outcome 2.1). We are enhancing our focus on smart asset management (Objective 2.1.1), and developing business processes that support collection and maintenance of a single source of truth of reliable data (Objective 2.1.2).</p> <p>Supporting consistent delivery of capital and maintenance programs (Outcome 2.2) and robust program workflows (Objective 2.2.1), we are making it easier for others to work with us (Outcome 2.3) and for our people to work and to serve our community (Objective 2.3.2). The way we do business is continuously improving (Outcome 2.4) and we are supporting technology enhancements to improve service delivery and employee experience (Objective 2.4.3).</p> <p>This initiative was completed in June 2024, requiring \$999,292 of the \$2.2 million budget. Some activities costed less than anticipated and other activities overlap financial years as part of the overall WDIP, with spending now set to occur in the 2024/25 year.</p>	<p>COMPLETE</p>

GOAL 2 DELIVERING VALUE

COMMUNITY WASTE EDUCATION

Deliver community education to support behavioural change regarding waste habits and reduce contamination, positively impact climate change and extend landfill life.



Initiative	Outcome	Status
<p>Community Waste Education</p>	<p>Our community can more sustainably manage their waste. Recycling rates and resource recovery have been improved. The Community Waste Education initiative delivered and launched the 2024-26 Community Waste Education and Engagement Plan in March 2024, resulting in more awareness and improved knowledge for our community.</p> <p>Delivery of this initiative advances our 2021-26 Corporate Plan goal of Delivering Value, as the way we do business is continuously improving (Outcome 2.4) and the environment is front of mind in what we do (Outcome 5.3), with operations encouraging good stewardship and adaption to environmental risks (Objective 5.3.1).</p> <p>This initiative was completed in June 2024, delivered with \$60,444 of the \$180,000 budget. By incorporating a strategic and conscious approach to the use of education funds, we were able to meet the intended outcomes of this initiative, \$119,556 under budget.</p>	<p>COMPLETE</p>

GOAL 2 DELIVERING VALUE

FUTURE OF FLEET

Implement a fully functional Global Positioning System (GPS) in our fleet that provides accurate and reliable data to support the safety of our people and community.



Initiative	Outcome	Status
<p>Future of Fleet</p>	<p>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 March 2025.</p> <p>Delivery of this initiative will advance our 2021-26 Corporate Plan goal of Delivering Value, with asset management that is smart, effective and efficient (Outcome 2.1). It also provides business processes, supporting collection and maintenance of a single source of truth of reliable data to inform investment decisions (Objective 2.1.2)</p> <p>This initiative remains in progress, with activities to date being delivered with internal resources only. The intended budget of \$138,000 will fall into the 2024/25 financial year to enable delivery of the initiative in full by March 2025, with a further \$12,000 to cover cost increases based on the Consumer Price Index (CPI).</p>	<p>Extended to be delivered by 31 March 2025</p>



THREE Resilient Economy



GOAL 3. RESILIENT ECONOMY

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



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

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

3.2 Increased liveability and visitation to the region.

SCORECARD OVERVIEW

1/1

**INITIATIVES
ACHIEVED**

\$64.6M

IN EXTERNAL
FUNDING SOURCED
AND SECURED

106,375

PATRONS AT
GLADSTONE
ENTERTAINMENT
CONVENTION CENTRE

25

MAJOR ECONOMIC
DEVELOPMENT
INDUSTRY
ENGAGEMENTS

This year we progressed our commitment to fostering a resilient economy through six core services and continued delivery of our Economic Transition Roadmap.

Core services:

- Advocacy
- Disaster management
- Economic development
- Gladstone Entertainment Convention Centre
- Strategic projects
- Tourism



GOAL 3 RESILIENT ECONOMY

While no initiatives were allocated to the Resilient Economy goal in 2023/24, Council continues implement the Gladstone Region Economic Transition 10-year Roadmap 2022-32.



Outcome

A more resilient economy with sustainable growth, development and diversification, since the launch of the 10-year Economic Transition Roadmap. Significant outcomes to date include:

- Supporting attraction of talent and investment to the region, by preparing our 'Glad you made it!' liveability campaign to be launched in July 2024
- Supporting long-term economic and community growth via our Social Infrastructure Investment Priorities
- Preparing to strengthen local supply chains with the upcoming Small Business Friendly Program which will create opportunities for small businesses to thrive and contribute to economic prosperity within the community
- Encouraging investments, particularly in the renewable energy and hydrogen sectors by engaging with international delegations at global events and hosting visiting groups
- Forming strategic connections to support investment by highlighting our region's growing opportunities in renewable energy and hydrogen with our involvement in prominent international summits such as the World Hydrogen Summit and Asia Pacific Hydrogen Summit, among others.

These ongoing efforts enable Council to support a broader Team Gladstone approach in hosting delegations from countries such as Taiwan, Japan, Austria, Germany, Japan and the Netherlands. These efforts have highlighted the industrial ecosystem opportunities and capabilities of local businesses in supporting the evolving supply chain and workforce needs associated with these developing industries.

While we are encouraged by the progress made, it is important to highlight that we are still in the early stages of this 10-year journey. The next few years will be critical to the roadmap's success, requiring close collaboration between all levels of government, industry and organisations to deliver on our shared goals for the region.



GOAL 4. OUR PEOPLE

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



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

4.1 Our people return home safely.

4.2 Our people are proud to work for Council.

SCORECARD OVERVIEW

2/2

**INITIATIVES
ACHIEVED**

262
RECRUITMENTS

21,780
HOURS TRAINING
COMPLETED

476
FREE EMPLOYEE
SKIN CHECKS

This year we progressed our unwavering commitment to our people through six core services and two initiatives.

Initiatives:

- Creating Constructive Culture
- Psychosocial Safety

Core Services:

- Culture and capability
- Health and safety
- Payroll services
- People services
- Recruitment, remuneration and benefits
- Rehabilitation, health and wellbeing



GOAL 4 OUR PEOPLE

CREATING CONSTRUCTIVE CULTURE

Collectively work together to deliver the Culture Action Plan.



Initiative	Outcome	Status
<p>Creating Constructive Culture</p>	<p>This year, we achieved a positive shift towards our ideal culture with significant improvements in our constructive behaviours and decreases in our defensive and passive behaviours as evidenced by our 2023 Culture Survey responses.</p> <p>Partnering with teams and leaders, opportunities to improve and challenges that impact our culture were explored. We now better understand how our culture results show our lived experiences and have been able to recommit focusing on building humanistic-encouraging and achievement behaviours and reducing avoidance as we move to the next phase of our culture plan.</p> <p>In May 2024, we were honoured to receive the 2024 Local Government Managers Australia Award for workplace wellbeing, recognising the success of our journey.</p> <p>Delivery of this initiative advances our 2021-26 Corporate Plan goal, Our People, so our people return home safely (Outcome 4.1) and are proud to work for Council (Outcome 4.2). It also progresses the eight subsequent objectives of these outcomes.</p> <p>This initiative was completed in June 2024, delivered with \$159,239 of the \$181,740 budget.</p>	<p>COMPLETE</p>

GOAL 4 OUR PEOPLE

PSYCHOSOCIAL SAFETY

Introduce strategies and training to mitigate psychosocial risks in the workplace.



Initiative	Outcome	Status
<p>Psychosocial Safety</p>	<p>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.</p> <p>The top three psychosocial hazards as determined by interview responses were:</p> <ul style="list-style-type: none"> • 71 per cent - High emotional demand • 57 per cent - High and/or low job demand • 57 per cent - Violence and aggression from external parties. <p>The top areas for improvement included:</p> <ul style="list-style-type: none"> • Improving communication • Providing further support to team leaders, so they can support their teams • Providing further training to team leaders to strengthen hard and soft skills to support their teams in managing these hazards. <p>Keeping our people safe is our top priority and while we currently meet our legislative obligations, we are committed to doing our best to protect the psychosocial safety of our people. In April 2024, Code of Practice and Psychosocial Hazard training was made available to all employees to support this approach.</p> <p>We currently have numerous early intervention strategies for extreme and high-risk psychosocial hazards including:</p> <ul style="list-style-type: none"> • Risk assessments • Training and education • Clear policies and procedures • Supportive work environments • Employee assistance programs • Supervisor support • Regular employee check-ins • Workload management • Flexible work arrangements • Collaboration with healthcare professionals. <p>Delivery of this initiative advances our 2021-26 Corporate Plan goal, Our People, so our people return home safely (Outcome 4.1) and wellbeing management supports their physical and mental health (Objective 4.1.2).</p> <p>This initiative was completed in June 2024, delivered with internal resources only.</p>	<p>COMPLETE</p>



Accountable Council



GOAL 5.

ACCOUNTABLE COUNCIL

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



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

5.2 Finances are managed to ensure sustainability.

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

SCORECARD OVERVIEW

1/1

INITIATIVES
ACHIEVED

186,224

RECORDS REGISTERED
IN OUR PRIMARY
RECORD KEEPING
SYSTEM

7715

TREES AND PLANTS
PLANTED

553

INDIAN MYNA PEST
BIRDS TRAPPED

This year we progressed our commitment to being an Accountable Council through 12 core services and one initiative.

Initiatives:

- Information management

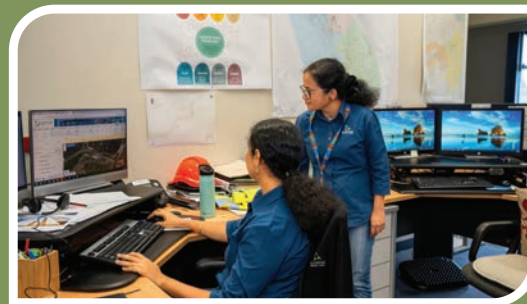
Core Services:

- Animal management
- Biosecurity and environmental health
- Contracts and procurement
- Environment and conservation
- Ethics, integrity and audit
- Financial operations
- Governance and risk
- Legal services
- Local law compliance
- Revenue services
- Strategic business planning
- Strategic property management



INFORMATION MANAGEMENT

Better understand our information assets and develop strong governance for the management of information, to improve security of our community's and our people's data.



Initiative	Outcome	Status
<p>Information Management</p>	<p>Our information governance and security has been enhanced with the release of our Information Management Framework (IMF) in June 2024. This IMF establishes clear principles and practices to effectively, efficiently and safely, store, use, manage and safeguard Council's information assets.</p> <p>A comprehensive Register of Information Assets (RIA) has also been developed to complement the framework.</p> <p>Applying the practices and principles from the IMF together with the RIA further enables identification of efficiencies, management of information, identification of private and sensitive information, understanding of types of information collected and held by Council, and identification of information that can be proactively released to the public while protecting the information that cannot.</p> <p>Delivery of this initiative advances our 2021-26 Corporate Plan goal of being an Accountable Council and demonstrates our commitment to embedding risk management, transparency and accountability into what we do (Outcome 5.1). Risk management strategies have been enhanced (Objective 5.1.1) for information assets. A framework that continues to raise the bar (Outcome 5.1.3) has been launched with the business and our people have improved access and visibility of governance tools (Objective 5.1.4) thereby supporting efficient operations and security of our business and community's information.</p> <p>This initiative was completed in June 2024, delivered with \$5637 of the \$10,000 budget.</p>	<p>COMPLETE</p>

4 STATUTORY REPORTING

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

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





GOVERNANCE

RIGHT TO INFORMATION/INFORMATION PRIVACY

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

In 2023/24 Council received the following formal access requests for information under the *Right to Information Act 2009 (RTI Act)* and the *Information Privacy Act 2009 (IP Act)*:

Table: 2023/24 Requests for Information

APPLICATION TYPE	RECEIVED	WITHDRAWN	FINALISED
Access under the <i>RTI Act</i>	13	5	7 (1 still to be finalised)
Access under the <i>IP Act</i>	1	0	1 (transferred to another agency)

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

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

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

COUNCILLORS DISCRETIONARY FUND - S189

Council no longer offers and operates the Councillors Discretionary Fund.

DONATIONS

In 2023/24, a total of \$2,042,254 was donated to the community as outlined in the below table:

Table: Community Donations

CATEGORY	AMOUNT
Surf Life Saving	\$425,628.43
Sporting Body Water Subsidies	\$838,574.60
Rural Fire Brigade	\$237,500.00
Port to Park FunD Run	\$11,516.20
Community Services Obligations - Aquatic Centre Seniors Rebates	\$22,112.00
Calliope Country Club	\$40,000.00
Living with Flying Foxes	\$21,158.23
Cocos Palm Removal and Replacement	\$38,028.78
Queensland BMX State Series	\$12,200.00
Regional Arts Development Fund	\$84,522.00
Gladstone Harbor Festival	\$94,120.75
Martin Hanson Awards	\$40,636.36
Sister City Relationship/ Program	\$10,600.34
Champions League 3x3 Basketball	\$12,200.00
Boyne Island Skate Competition	\$5,000.00
Gladstone Animal Rescue - New Building	\$10,000.00
International Legends of League	\$15,000.00
PAWS 2025	\$3,832.73
SES Honorarium 2023/2024	\$7,500.00
Mayor's Christmas Carols	\$35,018.50
BITS Sporting Grounds - Change Room	\$20,000.00
Brisbane to Gladstone Awards	\$10,000.00

COMMUNITY INVESTMENT

In 2023/24, a total of \$997,393 was granted to the community in accordance with Council's Community Investment Policy as outlined below:

COMMUNITY INVESTMENT PROGRAMS

Table: Community Investment Programs

CATEGORY	AMOUNT
Grassroots Fund	\$102,590.31
Elevator Fund	\$213,400.00
Community Hall Subsidy	\$50,832.00
Charity Waste Fund	\$6,796.41
Bursary and Scholarship Fund	\$22,200.00
Strategic Projects Fund	\$100,000.00
Community Donations Fund	\$51,471.07

COMMUNITY CELEBRATION FUND

Table: Community Celebration Fund

CATEGORY	AMOUNT
Ignite Event -funds up to \$15,000 (0-2500 people)	\$83,950.00
Impact Event - funds up to \$30,000 (2500 - 5000 people)	\$95,000.00
Destination Event - funds up to \$50,000 (over 5000 people)	\$35,000.00
Signature Event	\$225,000.00
Community Event	\$11,152.90

CONCESSIONS FOR RATES AND CHARGES

In 2023/24, Council granted concessions for rates and charges in the following categories:

Table: Concessions for Rates and Charges

CATEGORY	AMOUNT
General rates discounts	\$9,335,410.31
Pensioner remissions	\$1,054,311.00
Concealed water leak concessions (under policy)	\$58,572.58
Water allocations and sewerage connection Concessions	\$720,654.00
Out of policy concessions	\$1271.28

DISCLOSURES

SIGNIFICANT BUSINESS ACTIVITIES

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

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

During 2023/24, Council undertook the following SBAs to which the code of competitive conduct was applied:

- Water
- Sewerage
- Waste Management
- Plant Operations.

No new SBAs were undertaken in 2023/24.

PUBLIC BENEFIT - S 46(1)

As there were no new Significant Business Activities, Council did not undertake any public benefit assessments during 2023/24.

COMMERCIAL BUSINESS UNITS - S190(1)

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

No commercial business units were undertaken by Council in 2023/24.

JOINT GOVERNMENT ACTIVITY – S109(1)(D)

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

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

Council did not undertake any joint local government activities in 2023/24.

BENEFICIAL ENTERPRISES – S41

A beneficial enterprise is an enterprise conducted by Council that Council considers is directed to benefitting and can reasonably be expected to benefit, the whole or part of the local government area. Gladstone Area Promotion and Development Limited (GAPDL) was the only beneficial enterprise conducted by Council in 2023/24.

INVITATION TO CHANGE TENDERS

In 2023/24, Gladstone Regional Council required changes to tender specifications after the closing date of the tender, in accordance with s228(8) of the *Local Government Regulation 2012*, on only one occasion:



- Tender 98-24 Fire Water Tanks Installation at Benaraby Landfill.

COUNCILLOR CONDUCT

Councillor conduct is governed by the provisions of the *Local Government Act 2009* and Council's Councillor Code of Conduct Policy adopted by Council on 19 January 2021 (via resolution GM/20/4420). The Councillor Code of Conduct Policy confirms Council's commitment to adhere to the standards of behaviour outlined in the Code of Conduct for Councillors in Queensland. In November 2023 the provisions of the *Local Government (Councillor Conduct) and Other Legislation Amendment Act 2023* came into effect and made several amendments to the councillor conduct complaint system.

The Office of the Independent Assessor (OIA) is responsible for the assessment of complaints about councillors of a conduct breach, misconduct and corrupt conduct if referred by the CCC. The OIA may also refer suspected conduct breaches back to councils to resolve.

In relation to councillor conduct complaints in 2023/24:

- There were no decisions, orders or recommendations made against a councillor under ss150I(2), 150AH(1) or 150AR(1) of the Act
- There were two complaints referred to the OIA under s150P(2)(a) of the Act

- There were no matters mentioned in s150P(3) of the Act notified to the Crime and Corruption Commission
- There were no notices given under s150R(2) of the Act
- There were no notices given under 150W(1) (a), (b) and (e) of the Act
- There were no referral notices accompanied by a recommendation mentioned in s150AC(3)(a) of the Act
- There were no occasions when information was given under section 150AF(4)(a) of the Act
- There were no occasions Council asked another entity to investigate under Chapter 5A, Part 3, Division 5 of the Act for Council, the suspected inappropriate conduct of a councillor
- There were no applications heard by the conduct tribunal under Chapter 5A, Part 3, Division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct.

Council's Councillor Conduct Register is available to the public on Council's website.



5 OUR FINANCIAL PERFORMANCE

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





COMMUNITY FINANCIAL REPORT

This report provides a summary of the financial position and performance of Council and its controlled entities (consolidated results) for the 2023/24 financial year. It is designed to be easily understood by readers who do not have a financial background. The following presents Council's:

1. Financial sustainability

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

2. Financial overview

Key financial results, income and expenditure breakdowns, cash flows, liability and asset review.

Measures of sustainability

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

In recognition of the diversity of local governments throughout Queensland, a new Financial Management (Sustainability) Guideline 2024 has been introduced. This guideline takes effect from the 2023/24 annual statutory financial reporting period.

Key changes from the 2013 monitoring and reporting framework include:

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

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

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

The following table presents consolidated group results.

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

Audited ratios

Table: Liquidity

Ratio	Description	Target	Status	Actual 2023/24*	5-Year Average	Forecast 2024/25	Forecast 2025/26
Unrestricted cash expense coverage ratio	The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to Council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months Council can continue operating based on current monthly expenses without relying on external funding.	Greater than 3 months	●	9.7	NA	NA	NA

This ratio is calculated by taking Council's total cash, current investments and available working capital, then subtracting any externally restricted funds. It shows how many months the business can cover its expenses using unrestricted cash reserves. In the 2023/24 financial year, the result is 9.7 months, well above the target of more than three months. This strong result highlights Council's solid financial position, ensuring it can manage both planned and unplanned expenditures in the future.

Table: Operating performance

Ratio	Description	Target	Status	Actual 2023/24*	5-Year Average	Forecast 2024/25	Forecast 2025/26
Operating surplus ratio	The operating surplus ratio shows the gap between the revenue Council earns compared to its expenses, helping measure the ability to fund services and operations.	Between 0 and 10%	●	6.57%	-4.23%	1.88%	2.21%

In the 2023/24 financial year, Council made an operating profit of \$17.78M, an increase of \$4.60M from the previous financial year, largely due to a dividend from Gladstone Area Water Board (GAWB) that was larger than anticipated. This resulted in a ratio of 6.57 per cent which is within our target range of 0 to 10 per cent. The five-year average is -4.23 per cent, primarily due to a loan restructure and recognition of a deferred liability for bulk water purchases in the 2020/21 financial year, which were both one-off events.

Ratio	Description	Target	Status	Actual 2023/24*	5-Year Average	Forecast 2024/25	Forecast 2025/26
Operating cash ratio	The operating cash ratio is a measure of Council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.	Greater than 0	●	29.33%	21.61%	26.31%	26.15%

Both the Year To Date (YTD) and five year average result of this ratio reflects the continuing strong cash position of Council proportional to operating costs.

Table: Asset management

Ratio	Description	Target	Status	Actual 2023/24*	5-Year Average	Forecast 2024/25	Forecast 2025/26
Asset sustainability ratio	The asset sustainability ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that the assets are wearing out.	Greater than 80%	●	88.78%	78.88%	109.88%	103.90%

Expenditure on asset replacement is expected to increase in the 2024/25 and the 2025/26 year with an increased focus on renewal and upgrade works. The 2023/24 result of 88.78 per cent has decreased from 96.12 per cent in 2022/23. When considering the renewal of Council's asset base, it is expected that there will be periods of heavier investment. It is important to consider the long-term trends when looking at this indicator as Council's infrastructure assets have lives up to, and in some cases, exceeding 100 years.

Ratio	Description	Target	Status	Actual 2023/24*	5-Year Average	Forecast 2024/25	Forecast 2025/26
Asset consumption ratio	The asset consumption ratio approximates the extent to which Council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.	Greater than 60%	●	68.65%	71.97%	69.41%	69.58%

This ratio is calculated by dividing the written-down replacement cost of depreciable infrastructure assets by their current replacement cost. It shows how much of Council's assets have been used, relative to their expected useful lives. For the 2023/24 financial year, the result is 68.65 per cent, comfortably above the 60 per cent target. This indicates that Council's assets are being consumed at a rate consistent with their estimated useful lives, ensuring sustainable long-term asset management.

Table: Debt servicing

Ratio	Description	Target	Status	Actual 2023/24*	5-Year Average	Forecast 2024/25	Forecast 2025/26
Leverage ratio	The leverage ratio is an indicator of Council's ability to repay its existing debt. It measures the relative size of Council's debt compared to its operating performance.	0 to 3 times	●	1.18	0.37	1.37	1.23

With a leverage ratio of 1.18 Council is well positioned to continue to fund its short-term obligations. If the value is greater than one, it means Council is in good financial health. These results are strengthened by a healthy cash balance and reinforced with each year that no borrowings are undertaken.

Contextual ratios

Contextual measures are not audited and are used for contextual purposes only. These measures provide further information about Council's financial capacity and asset management.

Table: Contextual ratios

Ratio	Description	Target	Status	Actual 2023/24*	5-Year Average	Forecast 2024/25	Forecast 2025/26
Council controlled revenue	Council controlled revenue is an indicator of Council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.	NA		79.32%	83.68%	84.95%	85.31%

Although there is no target for this ratio, the high 2023/24 financial year and five year average result indicates Council's strong position to generate revenue without heavy reliance on other external sources.

Table: Contextual ratios

Ratio	Description	Target	Status	Actual 2023/24*	5-Year Average	Forecast 2024/25	Forecast 2025/26
Population growth	Population growth is a key driver of Council's operating income, service needs, and infrastructure requirements into the future	NA		1.60%	0.77%	2.35%	0.81%

Population growth impacts Council's financial sustainability, especially when 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 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.

Emphasis on the population growth ratio is on a rolling five-year average thus will help Council smooth out the financial impacts of any fluctuations, providing a clearer picture of long-term sustainability.

Overall, Council remains in a sound position to service our community, support its growth, and respond to any significant emergent financial impacts.

FINANCIAL OVERVIEW

Below is Council's key financial performance highlights based on consolidated financial results

Table: Consolidated financial results at a glance. Three year comparison.

AT A GLANCE	ACTUALS		
	2023/24 \$M	2022/23 \$M	2021/22 \$M
Operating revenue	\$270.56	\$242.35	\$210.00
Capital revenue	\$51.32	\$19.58	\$15.20
Total income	\$321.88	\$261.93	\$225.20
Operating expenditure	\$252.78	\$229.17	\$215.50
Other expenditure	\$8.19	\$9.72	\$6.00
Total expenditure	\$260.97	\$238.89	\$221.60
Operating result	\$17.78	\$13.18	-\$5.60
Net result	\$60.91	\$23.04	\$3.60

WHAT WERE THE MAIN SOURCES OF CASH IN AND OUT?

The movement of money in and out of Council is presented in the Statement of Cash Flows. The statement excludes noncash movements like accruals and depreciation of assets. See page 99 for further information.

This year, Council started with a cash balance of \$128.7M and ended with \$159.2M. This was largely attributed to increased tax equivalent received from GAWB, as well as an increase in cash from operations and capital grant funding. Non-capital grants and contributions decreased, due to the Department of State Development payment for the general purpose grant, received after end-year. As this funding is considered untied, the grants are recognised upon receipt. The full amount of this payment will be recognised in the 2024/25 financial year.

The table below compares the main sources of cash receipts and cash payments during the financial years 2021/22, 2022/23 and 2023/24.

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

Main sources of cash in and out	2023/24 \$M	2022/23 \$M	2021/22 \$M
Net Cash received from operations (includes rates, fees and charges, offset by employee costs and materials and services)	\$50.25	\$59.03	\$56.00
Purchase and construction of Council assets	\$72.60	\$60.96	\$52.00
Interest received from our investments	\$9.64	\$4.60	\$1.30
Non-capital grants and contributions	\$1.25	\$14.93	\$21.20
Income tax equivalents	\$27.62	\$18.68	\$8.60
Capital grants, subsidies and contributions	\$33.14	\$15.47	\$15.20
Finance costs (interest charges on our loans with Queensland Treasury Corporation)	\$2.85	\$3.04	\$3.30
Principle repayments made on loans	\$6.23	\$6.62	\$6.00

Figure: Income

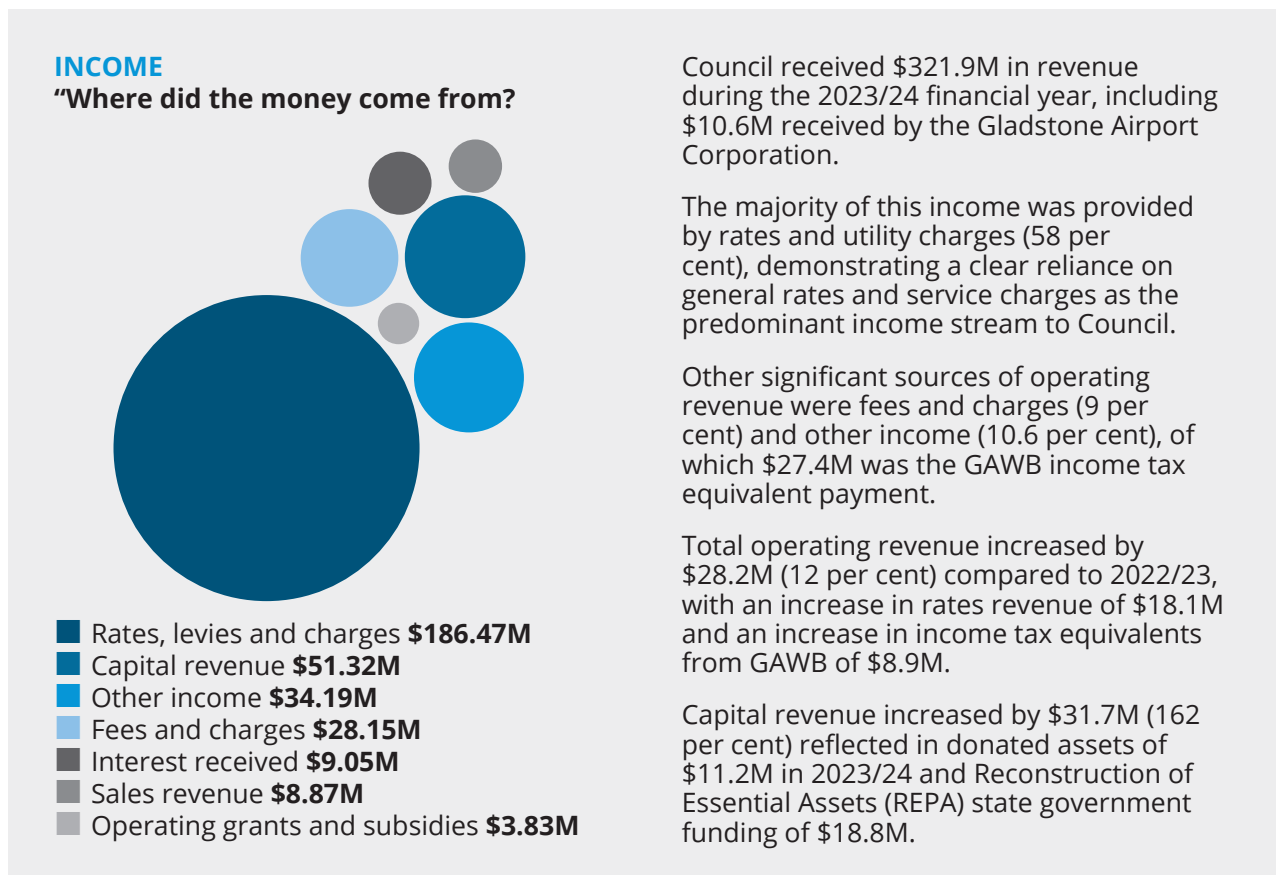


Figure: Expenditure

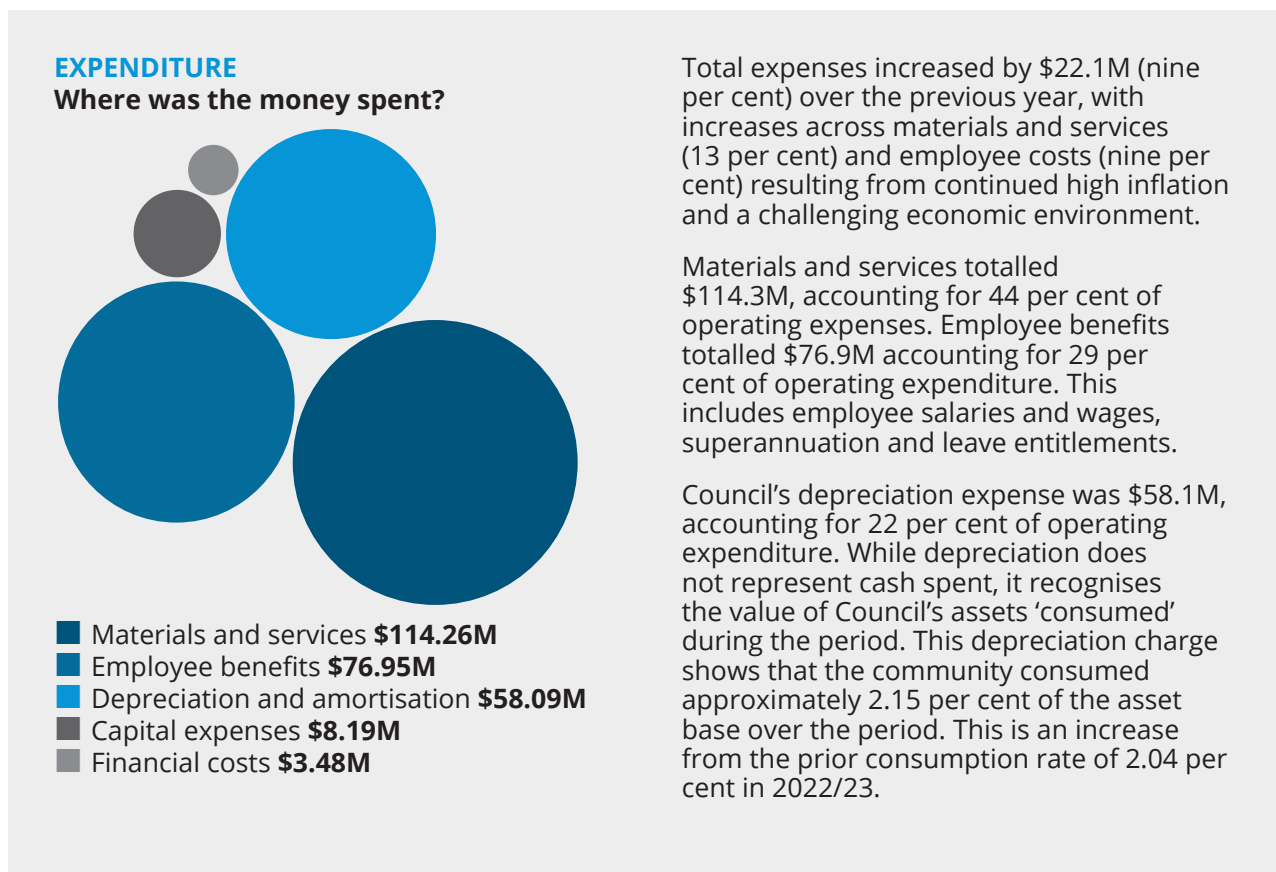


Figure: Assets

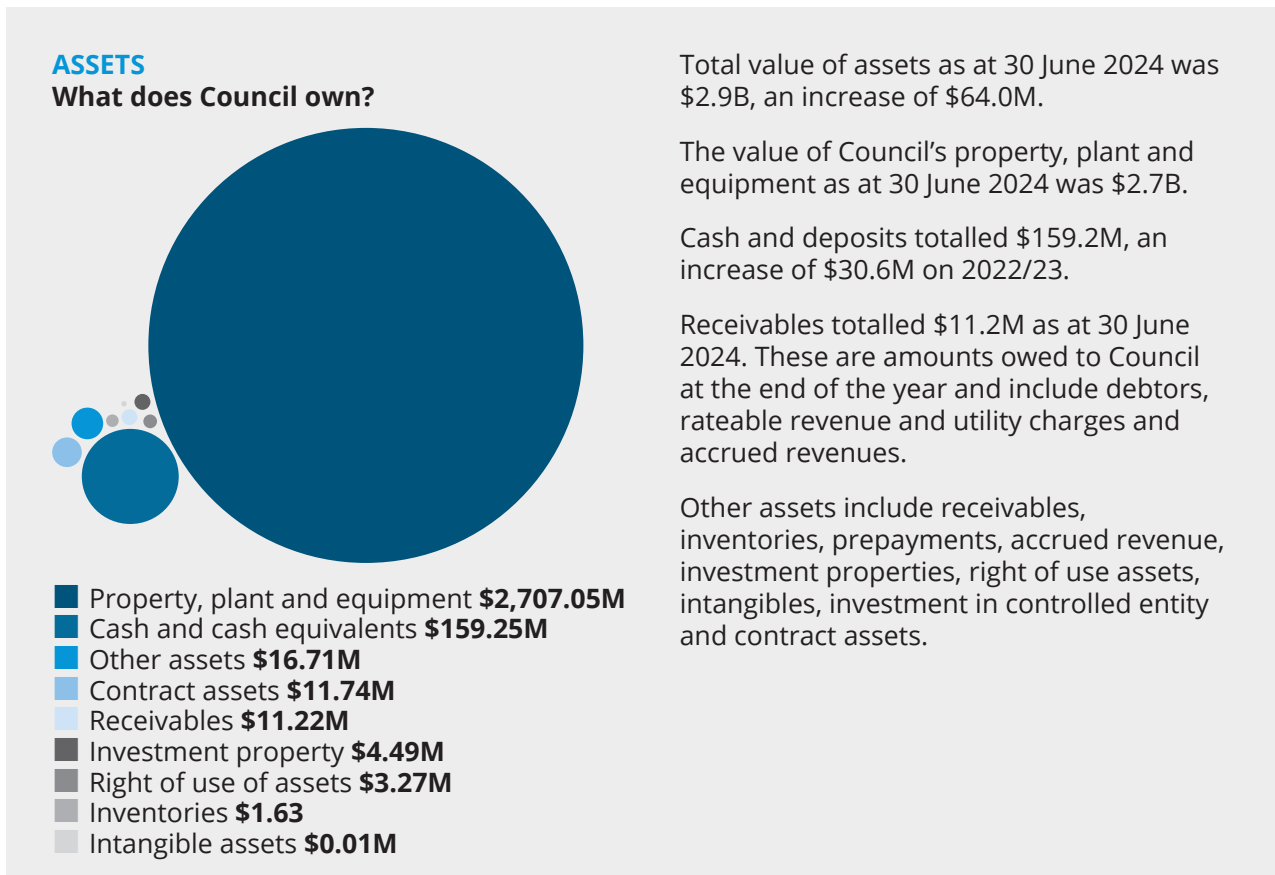


Figure: Property, Plant and Equipment

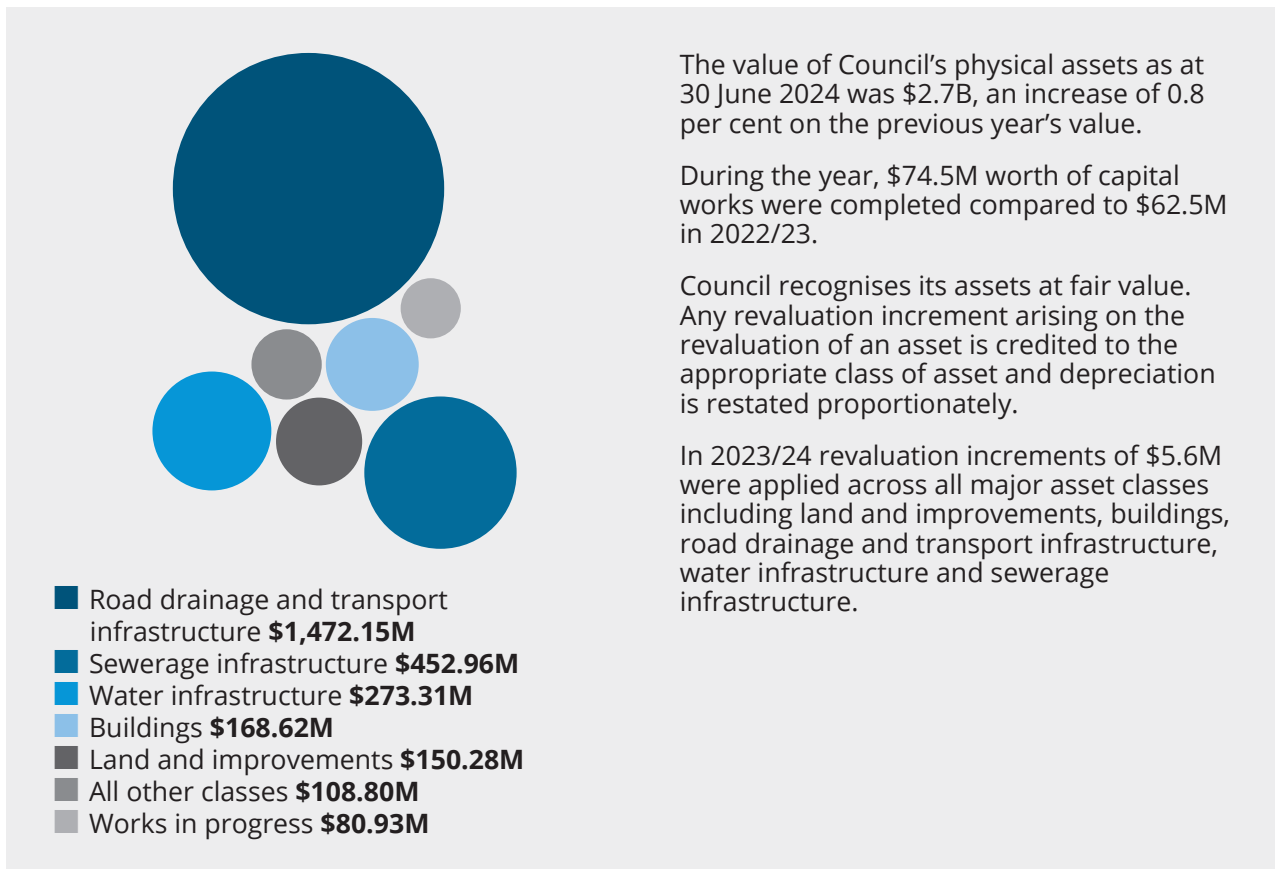
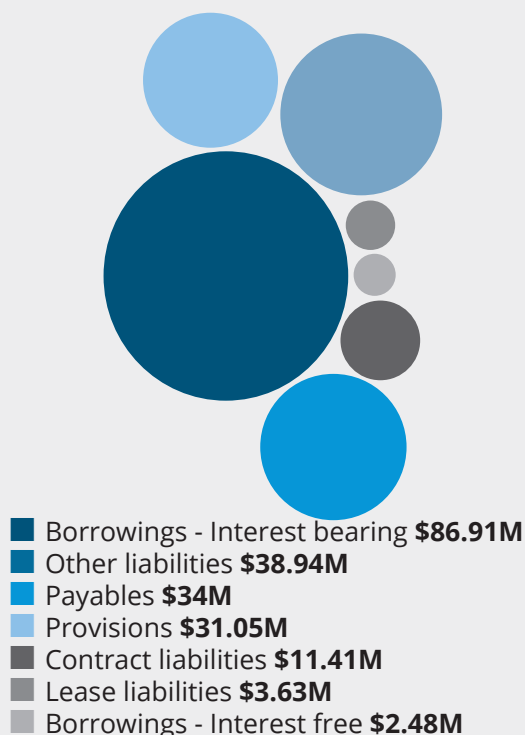


Figure: Liabilities

LIABILITIES

What does Council owe?



Council's liabilities comprise of loans, amounts owed to suppliers, lease liabilities, contract liabilities, provisions for employee leave entitlements and restoration of the Benaraby Landfill. The total liabilities as at 30 June 2024 was \$208.4M compared to the 2022/23 balance of \$209.5M.

In both 2021/22 and 2022/23, Council received payments in advance for the State Government Waste Levy subsidy. These payments covered five years from 2022/23 to 2026/27. The balance amount of \$4.6M has been included in Council's liabilities balance as at 30 June 2024.

Council's single largest liability is its interest-bearing loans with Queensland Treasury Corporation (QTC). These borrowings have been used to provide community facilities and renewal of infrastructure such as buildings, roads, water and sewerage infrastructure to develop the region. Council did not borrow any funds this year, as was the case for the previous 11 years.

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

Summary and community future vision

Council remains dedicated to using funds responsibly to meet community needs and support the region's long-term growth. This financial year, Council achieved a revenue of \$321.9M, with expenditures of \$261.0M, resulting in a \$17.8M operating surplus. Assets increased to \$2.9B, with liabilities managed at \$208.4M. The capital works program delivered \$74.5M, surpassing targets by achieving 105 per cent completion, contributing to a total asset value increase of \$64.0M.

With regards to financial sustainability measures and targets, all six of our measures were met, highlighting Council's commitment to sustainable development.

Council will continue its focus on strong financial management, infrastructure development and sustainability to ensure the region's prosperity for both current and future generations.

CONSOLIDATED FINANCIAL STATEMENT

FINANCIAL STATEMENTS TABLE OF CONTENTS

1. Primary Financial Statements

Statements of Comprehensive Income	95
Statements of Financial Position	96
Statements of Changes in Equity	97-98
Statements of Cash Flows	99

2. Notes to the Financial Statements

1 Information about these financial statements	100-102
2 Council functions	103-104
3 Revenue	105-108
4 Interest and other income	109
5 Capital income	110
6 Employee benefits	111
7 Materials and services	112
8 Finance costs	112
9 Capital expenses and impairment	113
10 Cash, cash equivalents and financial assets	114-115
11 Receivables	116-117
12 Inventories	118
13 Other assets	118
14 Interests in other entities	119
15 Investment property	120
16 Property, plant and equipment	121-131
17 Contract balances	132
18 Leases	133-138
19 Payables	138
20 Borrowings	139
21 Provisions	140-142

22 Other liabilities	142
23 Equity reserves	143-144
24 Commitments for expenditure	145
25 Contingent liabilities	146
26 Superannuation - Regional Defined Benefit Fund	147
27 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities	148
28 Reconciliation of liabilities arising from finance activities	149
29 Events after the reporting period	150
30 Financial instruments and financial risk management	151-153
31 National competition policy	154-155
32 Transactions with related parties	156-158

3. Management Certificate

4. Independent Auditor's Report.....

5. Current year Financial Sustainability Statement.....

Certificate of Accuracy	166
Independent Auditor's Report - Current Year Financial Sustainability Statement	167-169

6. Unaudited Current Year Financial Sustainability Statement - Contextual Ratios

Certificate of Accuracy	171
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7. Unaudited Long-Term Financial Sustainability Statement

Certificate of Accuracy	177
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STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2024

	Notes	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income					
Revenue					
Recurrent revenue					
Rates, levies and charges	3a	186,470	168,363	186,572	168,464
Fees and charges	3b	28,151	26,661	19,116	18,486
Sales revenue	3c	8,868	5,073	8,700	5,129
Grants, subsidies, contributions and donations	3d	3,832	14,477	3,832	14,477
Total recurrent revenue		227,321	214,574	218,220	206,556
Capital revenue					
Grants, subsidies, contributions and donations	3d	49,234	19,516	48,790	17,993
Total capital revenue		49,234	19,516	48,790	17,993
Other income					
Rental income	18	2,074	2,061	537	616
Interest received	4b	9,048	5,471	8,418	5,088
Other income	4a	32,117	20,245	33,251	20,324
Capital income	5	2,085	60	2,085	-
Total other income		45,324	27,837	44,291	26,028
Total income		321,879	261,927	311,301	250,577
Expenses					
Recurrent expenses					
Employee benefits	6	76,944	70,566	74,732	68,709
Materials and services	7	114,259	100,793	110,079	97,933
Finance costs	8	3,482	3,044	2,230	1,634
Depreciation and amortisation:					
- Property, plant and equipment	16	57,966	54,635	56,243	53,081
- Right of use assets	18	128	131	128	131
Total recurrent expenses		252,779	229,169	243,412	221,488
Other expenses					
Capital expenses	9	8,187	9,723	8,061	9,723
Reversal of impairment	9	-	-	(12,319)	-
Total other expenses		8,187	9,723	(4,258)	9,723
Total expenses		260,966	238,892	239,154	231,211
Operating result		17,781	13,182	17,014	11,096
Net result		60,913	23,035	72,147	19,366
Other comprehensive income					
Items that will not be reclassified to net result					
Increase in asset revaluation surplus	16	6,071	160,367	854	154,730
Decrease in asset revaluation surplus (change in landfill restoration provision)	21	(1,454)	(3,533)	(1,454)	(3,533)
Total other comprehensive income for the year		4,617	156,834	(600)	151,197
Total comprehensive income for the year		65,530	179,869	71,547	170,563

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	Notes	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	159,245	128,662	146,562	116,143
Receivables	11	10,225	11,426	9,477	10,146
Inventories	12	1,628	1,858	1,621	1,858
Contract assets	17	11,744	3,060	11,744	3,060
Other assets	13	16,710	14,083	16,464	13,850
Total current assets		199,552	159,089	185,868	145,057
Non-current assets					
Receivables	11	990	1,155	30,751	31,702
Interests in other entities	14	-	-	29,985	17,666
Investment property	15	4,493	2,408	4,493	2,408
Property, plant and equipment	16	2,707,050	2,685,181	2,659,201	2,643,179
Right of use assets	18	3,269	3,541	3,269	3,541
Intangible assets		10	10	10	10
Total non-current assets		2,715,812	2,692,295	2,727,709	2,698,506
TOTAL ASSETS		2,915,364	2,851,384	2,913,577	2,843,563
LIABILITIES					
Current liabilities					
Payables	19	34,004	32,315	33,093	31,941
Contract liabilities	17	8,866	7,109	8,866	7,016
Borrowings	20	6,754	6,509	6,754	6,509
Lease liabilities	18	37	17	37	17
Provisions	21	16,123	15,008	15,937	14,864
Other liabilities	22	1,931	1,776	1,931	1,776
Total current liabilities		67,715	62,734	66,618	62,123
Non-current liabilities					
Contract liabilities	17	2,545	2,319	2,545	2,319
Borrowings	20	82,631	88,983	82,631	88,983
Lease liabilities	18	3,595	3,765	3,595	3,765
Provisions	21	14,925	13,028	14,878	12,997
Other liabilities	22	37,007	38,620	37,007	38,620
Total non-current liabilities		140,703	146,715	140,656	146,684
TOTAL LIABILITIES		208,418	209,449	207,274	208,807
Net community assets		2,706,946	2,641,935	2,706,303	2,634,756
COMMUNITY EQUITY					
Asset revaluation surplus		1,149,787	1,145,689	1,202,906	1,203,506
Retained surplus/(deficiency)		1,444,478	1,403,477	1,390,716	1,338,481
Reserves	23	112,681	92,769	112,681	92,769
Total community equity		2,706,946	2,641,935	2,706,303	2,634,756

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024

Consolidated		Asset revaluation surplus \$'000	Retained surplus \$'000	Other reserves \$'000	Total equity \$'000
	Notes				
2024					
Balance as at 1 July 2023		1,145,689	1,403,477	92,769	2,641,935
Net result		-	60,913	-	60,913
Other comprehensive income for the year					
- Increase/(decrease) in asset revaluation surplus	16	5,552	-	-	5,552
- Decrease in asset revaluations surplus (change in landfill restoration provision)	21	(1,454)	-	-	(1,454)
Other comprehensive income		4,098	-	-	4,098
Total comprehensive income for the year		4,098	60,913	-	65,011
Transfers to reserves		-	(31,970)	31,970	-
Transfers from reserves		-	12,058	(12,058)	-
Balance as at 30 June 2024		1,149,787	1,444,478	112,681	2,706,946
2023					
Balance as at 1 July 2022		988,860	1,392,302	80,921	2,462,083
Correction of prior period reclassification		(5)	(12)	-	(17)
Restated balance at 1 July 2022		988,855	1,392,290	80,921	2,462,066
Net result		-	23,035	-	23,035
Other comprehensive income					
- Increase/(decrease) in asset revaluation surplus	16	160,367	-	-	160,367
- Decrease in asset revaluations surplus (change in landfill restoration provision)	21	(3,533)	-	-	(3,533)
Other comprehensive income		156,834	-	-	156,834
Total comprehensive income for the year		156,834	23,035	-	179,869
Transfers to reserves		-	(27,918)	27,918	-
Transfers from reserves		-	16,070	(16,070)	-
Balance as at 30 June 2023		1,145,689	1,403,477	92,769	2,641,935

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024

Council	Notes	Asset revaluation surplus \$'000	Retained surplus \$'000	Other reserves \$'000	Total equity \$'000
2024					
Balance as at 1 July 2023		1,203,506	1,338,481	92,769	2,634,756
Net result		-	72,147	-	72,147
Other comprehensive income for the year					
- Increase/(decrease) in asset revaluation surplus	16	854	-	-	854
- Decrease in asset revaluations surplus (change in landfill restoration provision)	21	(1,454)	-	-	(1,454)
Other comprehensive income		(600)	-	-	(600)
Total comprehensive income for the year		(600)	72,147	-	71,547
Transfers to reserves		-	(31,970)	31,970	-
Transfers from reserves		-	12,058	(12,058)	-
Balance as at 30 June 2024		1,202,906	1,390,716	112,681	2,706,303
2023					
Balance as at 1 July 2022		1,052,309	1,330,963	80,921	2,464,193
Net result		-	19,366	-	19,366
Other comprehensive income					
- Increase/(decrease) in asset revaluation surplus	16	154,730	-	-	154,730
- Decrease in asset revaluations surplus (change in landfill restoration provision)	21	(3,533)	-	-	(3,533)
Other comprehensive income		151,197	-	-	151,197
Total comprehensive income for the year		151,197	19,366	-	170,563
Transfers to reserves		-	(27,918)	27,918	-
Transfers from reserves		-	16,070	(16,070)	-
Balance as at 30 June 2023		1,203,506	1,338,481	92,769	2,634,756

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

STATEMENT OF CASH FLOWS

for the year ended 30 June 2024

	Notes	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash flows from operating activities					
Receipts from customers		222,963	202,170	212,210	193,810
Payments to suppliers and employees		(200,847)	(177,884)	(194,328)	(170,989)
		22,116	24,286	17,882	22,821
Interest received		9,642	4,599	9,012	4,216
Rental income		2,127	2,267	590	677
Non capital grants and contributions		1,246	14,929	1,339	17,929
Other		15,121	12,953	15,555	11,452
Net cash flow - operating activities	27	50,252	59,034	44,378	57,095
Cash Flows from investing activities					
Proceeds from sale of property, plant and equipment		1,348	610	1,338	535
Capital grants, subsidies, contributions and donations		33,142	15,466	32,698	13,943
Other investing activity receipts		27,615	18,675	29,439	19,395
Payments for property, plant and equipment		(72,595)	(60,957)	(69,587)	(59,581)
Net cash flow - investing activities		(10,490)	(26,206)	(6,112)	(25,708)
Cash flows from financing activities					
Repayment of borrowings		(6,234)	(6,620)	(6,234)	(6,620)
Repayments made on leases		(96)	(94)	(96)	(94)
Borrowing Costs		(2,849)	(3,041)	(1,517)	(1,683)
Net cash flow - financing activities		(9,179)	(9,755)	(7,847)	(8,397)
Net increase/(decrease) for the year		30,583	23,073	30,419	22,990
Plus: cash and cash equivalents - beginning		128,662	105,589	116,143	93,153
Cash and cash equivalents - closing	10	159,245	128,662	146,562	116,143

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 1. Information about these financial statements

(1.a) Basis of preparation

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

These general-purpose financial statements are for the period 1 July 2023 to 30 June 2024. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

(1.b) Basis of consolidation

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

Transactions between Council and entities controlled by Council have been eliminated when preparing consolidated accounts. In addition, the accounting policies of controlled entities have been adjusted on consolidation where necessary, to ensure the financial statements of the consolidated entity are prepared using accounting policies that are consistent with those of the Council. Information on controlled entities that have been consolidated is included in note 14.

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

Gladstone Regional Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2023. None of the standards had a material impact on reported position, performance, and cash flows.

The adoption of the revisions to AASB 101 Presentation of Financial Statements resulted in disclosure of material accounting policy information only rather than significant accounting policies. This means that accounting policy information is disclosed only if it relates to material transactions, other events or conditions and:

- a) Council has changed accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements.
- b) Council chose (or was mandated to use) the accounting policy from one or more options permitted by Australian Accounting Standards.
- c) The accounting policy was developed in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors in the absence of an Australian Accounting Standard that specifically applies.
- d) The accounting policy relate to an area for which a Council is required to make significant judgements or assumptions in applying an accounting policy, and the Council discloses those judgements or assumptions in the financial statements.
- e) The accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions.

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

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2024, these standards have not been adopted by Council and will be included in the financial statements on their

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 1. Information about these financial statements (continued)

effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2021-6 and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants)
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

Effective for NFP annual reporting periods beginning on or after 1 January 2025

- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability
- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5 and AASB 2022-7)

Effective for NFP annual reporting periods beginning on or after 1 January 2026 for public sector

- AASB 17 Insurance Contracts (amended by AASB 2020-5, AASB 2022-1, AASB 2022-8 and AASB 2022-9 Insurance Contracts in the Public Sector)

(1.e) Estimates and judgements

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

- Valuation of investment in controlled entity - Gladstone Airport Corporation - note 14
- Valuation of investment property - note 15
- Valuation and depreciation of property, plant, and equipment - note 16
- Impairment of property, plant, and equipment - note 16
- Provisions - note 21
- Contingent liabilities - note 25
- Revenue recognition - note 3

(1.f) Rounding and comparatives

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 1. Information about these financial statements (continued)

(1.g) Volunteer services

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

(1.h) Taxation

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

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

- Cemeteries
- Water supply
- Sewerage
- Quarries

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 2(a). Council functions - component descriptions

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

People and Strategy

The objective of People and Strategy is to develop and embed a safe and high performing culture that encourages innovation and strategy leadership. To build capability, develop business strategy and enable change initiatives that support Council to execute plans with a clear customer and community focus, making it easier to deliver Council services. This business unit includes Elected Members, Office of the CEO, Health Safety and Wellbeing, Culture and Capability, Payroll, People Services, Economic Development, Strategic Projects, Information, Communications and Technology, Strategy and Improvement and Transformation.

During 2023-24, Strategy and Transformation and People Culture and Safety combined to create the new business unit of People and Strategy.

Assets and Environment

The objective of Assets and Environment is to strategically manage Council's assets and level of service to optimise the life cycle costs of our assets. This team ensures that services to the community are sustainable, efficient, and affordable and that assets are appropriately planned, built, acquired, used, maintained and disposed of. They ensure that activities are managed to prevent or minimise harm to the environment. This business unit includes Asset Design, Asset Governance, Asset Planning, Project Delivery, Engineering Asset Solutions, Environment and Conservation. Strategic Property Management was reorganised into other business units during 2023-24.

This business unit was previously named Strategic Asset Performance.

Operations

The Operations business unit acts as a service provider to the asset owner of Council. The objective is to ensure that the right mix of internal and external resources is consistently used to safely deliver the program of work on time, on budget and to the required quality. This business unit includes Maintenance, Parks, Roads, Waste, Water and Operations Support Services.

Customer Experience

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

Community and Lifestyle

The objective for Community and Lifestyle is to position Council as an accountable, transparent business that delivers on its promises and to develop strength in Council's brand through a variety of mediums; by creating experiences that engage and deliver outcomes for the community and Council; and by empowering the community, embracing diversity and enhancing the social landscape. This business unit includes Brand and Communications, Community Facility Maintenance, Community Partnerships, Events and Entertainment, Art Gallery, Regional Libraries and Botanic Gardens.

This business unit was previously named Community Development and Events.

Finance Governance and Risk

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024

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

Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring		Capital		Other	Recurring		Capital/impairment					
	Grants	Other	Grants	Other									
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2024													
People and Strategy	546	28	524	-	1,099	(5,912)	-	(4,814)	(5,338)	(4,814)	3,615		
Assets and Environment	576	(1,409)	1,681	2,085	2,933	(4,241)	(477)	(1,785)	(5,074)	(1,785)	206,874		
Operations	929	118,390	46,531	-	165,849	(193,652)	(7,584)	(35,386)	(74,333)	(35,386)	2,389,681		
Customer Experience	114	4,095	-	-	4,209	(10,931)	-	(6,722)	(6,722)	(6,722)	1,694		
Community and Lifestyle	817	1,739	-	-	2,556	(22,093)	-	(19,536)	(19,536)	(19,536)	91,668		
Finance Governance and Risk	850	133,749	55	-	134,654	(6,585)	12,319	140,387	128,014	140,387	220,045		
Total Council	3,832	256,592	48,791	2,085	311,300	(243,414)	4,258	(239,155)	17,011	72,144	2,913,577		
Consolidating Entries	-	10,134	444	-	10,578	(9,368)	(12,445)	(11,235)	766	(11,235)	1,768		
Total Consolidated	3,832	266,726	49,235	2,085	321,878	(252,782)	(8,187)	(260,968)	17,777	60,909	2,915,365		
Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net Result from recurring operations	Net result	Total assets
	Recurring		Capital		Other	Recurring		Capital/impairment					
	Grants	Other	Grants	Other									
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2023													
Strategy and Transformation	46	(86)	465	-	425	(3,213)	-	(2,788)	(3,253)	(2,788)	3,817		
Strategic Asset Performance	174	89,084	18,713	-	107,971	(152,657)	(8,278)	(52,964)	(63,399)	(52,964)	2,494,048		
Operations	323	27,619	(1,194)	-	26,748	(24,319)	(1,421)	1,008	3,623	1,008	77,752		
Customer Experience	223	3,823	-	-	4,046	(10,035)	-	(5,989)	(5,989)	(5,989)	3,755		
Community Developments and Events	647	828	9	-	1,484	(21,488)	(21)	(20,025)	(20,013)	(20,025)	84,876		
People Culture and Safety	779	60	-	-	839	(2,944)	-	(2,105)	(2,105)	(2,105)	-		
Finance Governance and Risk	12,285	96,779	-	-	109,064	(6,832)	(3)	102,229	102,232	102,229	179,315		
Total Council	14,477	218,107	17,993	60	250,577	(221,488)	(9,723)	19,366	11,096	19,366	2,843,563		
Consolidating Entries	-	9,767	1,523	60	11,350	(7,681)	-	3,669	2,086	3,669	7,821		
Total Consolidated	14,477	227,874	19,516	60	261,927	(229,169)	(9,723)	23,035	13,182	23,035	2,851,384		

2023 - People and Strategy is a combination of Strategy and Transformation and People, Culture and Safety. Assets and Environment was previously Strategic Asset Performance, Community and Lifestyle was previously Community Development and Events.

2024 - People and Strategy negative recurring revenue relates to internal plant hire recoveries offsetting small amounts of revenue received this year. Negative capital grant income relates to the processing of infrastructure discounts in the current year for revenue received in the prior year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 3. Revenue

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
(a) Rates, levies and charges				
Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.				
General rates	103,298	97,865	103,400	97,966
Water	20,366	18,541	20,366	18,541
Water consumption, rental and sundries	27,439	18,924	27,439	18,924
Sewerage	37,438	35,584	37,438	35,584
Waste management	13,549	12,353	13,549	12,353
Total rates and utility charge revenue	202,090	183,267	202,192	183,368
Less: discounts	(14,507)	(13,877)	(14,507)	(13,877)
Less: concessions and pensioner remissions	(1,054)	(984)	(1,054)	(984)
Less: concealed water concessions	(60)	(43)	(60)	(43)
<u>TOTAL RATES, LEVIES AND CHARGES</u>	<u>186,470</u>	<u>168,363</u>	<u>186,572</u>	<u>168,464</u>

(b) Fees and charges

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

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

Building and development fees	2,464	2,372	2,466	2,373
Infringements	495	368	495	368
Licences and registrations	935	887	935	887
Airport fees and charges	9,036	8,176	-	-
Waste management fees - tipping fees	12,221	12,045	12,221	12,045
Other fees and charges	2,999	2,813	2,999	2,813
<u>TOTAL FEES AND CHARGES</u>	<u>28,151</u>	<u>26,661</u>	<u>19,116</u>	<u>18,486</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 3. Revenue (continued)

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000

(c) Sales revenue

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

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

Contract and recoverable works	8,076	4,507	8,148	4,563
Other sale of goods	792	566	552	566
<u>TOTAL SALES REVENUE</u>	<u>8,868</u>	<u>5,073</u>	<u>8,700</u>	<u>5,129</u>

(d) Grants, subsidies, contributions and donations

Cash contributions

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

Non-cash contributions

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 3. Revenue (continued)

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

Grant income under AASB 15

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

Grant income under AASB 1058

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

Capital grants

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

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
(i) Recurrent				
General purpose grants	408	11,688	408	11,688
State government subsidies and grants	2,633	1,878	2,633	1,878
Commonwealth government subsidies and grants	777	873	777	873
Non-government subsidies and grants	12	37	12	37
Other contributions and donations	2	1	2	1
<u>TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>3,832</u>	<u>14,477</u>	<u>3,832</u>	<u>14,477</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 3. Revenue (continued)

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
(d) Grants, subsidies, contributions and donations (continued)				
(ii) Capital				
Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.				
A discount of 50% was applied to contributions that met the conditions of Council's Infrastructure Charges Rebate Scheme. The scheme was introduced in November 2019 to provide a rebate on levied charges for developments proposing a material change of use (other than those defined in the policy) which deliver economic development and growth outcomes that align with Council's Economic Development and Planning Scheme.				
State government subsidies and grants	24,710	5,887	24,710	5,887
Commonwealth government subsidies and grants	8,707	9,211	8,263	7,688
Developer contributions	4,546	1,375	4,546	1,375
Donated assets at fair value	11,281	4,050	11,281	4,050
Other contributions	305	1,481	305	1,481
	49,549	22,004	49,105	20,481
Less: discount allowed on developer contributions	(89)	-	(89)	-
Less: offsets to developer contributions	(226)	(2,488)	(226)	(2,488)
<u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>49,234</u>	<u>19,516</u>	<u>48,790</u>	<u>17,993</u>

	2024		2023	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
	\$'000	\$'000	\$'000	\$'000
(iii) Timing of revenue recognition for grants, subsidies, contributions and donations				
Consolidated				
Grants, subsidies, contributions & donations	18,895	34,171	19,545	14,448
	<u>18,895</u>	<u>34,171</u>	<u>19,545</u>	<u>14,448</u>
Council				
Grants, subsidies, contributions & donations	18,895	33,727	19,545	12,925
	<u>18,895</u>	<u>33,727</u>	<u>19,545</u>	<u>12,925</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 4. Interest and other income

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000

(a) Other income

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

Entertainment Convention Centre income	2,035	1,033	2,035	1,038
Commissions	239	222	239	222
Income tax equivalent - state government entity	27,382	18,438	27,382	18,438
Income tax equivalent - controlled entity	-	-	233	238
Dividend - controlled entity	-	-	1,073	-
Other	2,461	552	2,289	388
<u>TOTAL OTHER INCOME</u>	<u>32,117</u>	<u>20,245</u>	<u>33,251</u>	<u>20,324</u>

(b) Interest received

Interest received from investments	8,459	4,973	7,829	4,590
Interest from overdue rates and utility charges	553	457	553	457
Other interest and investment revenue	36	41	36	41
<u>TOTAL INTEREST RECEIVED</u>	<u>9,048</u>	<u>5,471</u>	<u>8,418</u>	<u>5,088</u>

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 5. Capital income

	Notes	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(a) Gain / loss on disposal of non-current assets					
Proceeds from the disposal of property, plant and equipment		-	60	-	
(b) Revaluations					
Revaluation increment relating to investment property	15	2,085	-	2,085	-
		2,085	-	2,085	-
<u>TOTAL CAPITAL INCOME</u>		<u>2,085</u>	<u>60</u>	<u>2,085</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 6. Employee benefits

	Notes	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Employee costs exclude costs that have been capitalised as part of asset construction.					
Wages and salaries		56,540	51,711	54,752	50,074
Councillors remuneration		1,061	1,031	1,061	1,031
Termination benefits		206	291	206	291
Superannuation	26	8,019	7,405	7,794	7,224
Employee leave entitlements		10,624	9,702	10,566	9,749
		<u>76,450</u>	<u>70,140</u>	<u>74,379</u>	<u>68,369</u>
Other employee related expenses		495	426	353	340
		<u>76,944</u>	<u>70,566</u>	<u>74,732</u>	<u>68,709</u>
<u>TOTAL EMPLOYEE BENEFITS</u>		<u>76,944</u>	<u>70,566</u>	<u>74,732</u>	<u>68,709</u>

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

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

Elected members	9	9	9	9
Office of the CEO	5	5	5	5
Community and Lifestyle	107	100	107	100
Customer Experience	95	92	95	92
Finance Governance and Risk	69	72	69	72
Operations	330	317	330	317
People and Strategy	55	52	55	52
Assets and Environment	57	53	57	53
Controlled Entity - Airport Operations	18	14	-	-
Controlled Entity Board members	6	6	-	-
Total full time equivalent employees and elected members	<u>751</u>	<u>720</u>	<u>727</u>	<u>700</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 7. Materials and services

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Audit of annual financial statements by the Auditor-General of Queensland	213	237	173	211
Consultants	5,087	3,780	4,744	3,624
Contractors	33,238	26,561	31,548	25,015
Donations and sponsorships	3,040	2,757	3,040	2,757
Equipment expenses	3,757	3,106	3,647	3,080
Fuel	2,415	2,359	2,394	2,342
Insurance	3,260	3,020	2,914	2,710
Motor vehicle expenses	2,257	2,162	2,202	2,117
Property expenses	4,255	3,625	3,506	3,443
Software expenses	3,614	3,465	3,565	3,438
Staff and Councillor associated expenses	3,135	2,248	2,967	2,155
Utility expenses	4,419	4,495	4,119	4,251
Waste disposal and tipping fees	9,083	9,123	9,049	9,091
Water purchases	25,701	22,990	25,701	22,990
Other materials and services	10,786	10,865	10,511	10,709
<u>TOTAL MATERIALS AND SERVICES</u>	<u>114,259</u>	<u>100,793</u>	<u>110,079</u>	<u>97,933</u>

Council's total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$190,000 (\$185,960 in 2022-23). Total consolidated audit fees estimated by the Queensland Audit Office are \$230,320 for 2023-24 (\$224,360 in 2022-23).

Note 8. Finance costs

	Notes	Consolidated		Council	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Finance costs charged by the Queensland Treasury Corporation		2,560	2,780	1,266	1,457
Bank charges		289	261	251	227
Impairment of receivables		(57)	(12)	23	(65)
Interest on leases	18	90	91	90	91
Unwinding of discount on provisions	21	473	(226)	473	(226)
Fair value adjustment		127	150	127	150
<u>TOTAL FINANCE COSTS</u>		<u>3,482</u>	<u>3,044</u>	<u>2,230</u>	<u>1,634</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 9. Capital expenses and impairment

	Notes	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(a) Loss on disposal of non-current assets					
Proceeds from the disposal of property, plant and equipment		1,348	535	1,338	535
Less: carrying value of disposed property, plant and equipment	16	(9,535)	(7,713)	(9,399)	(7,713)
Loss on disposal of non-current assets		8,187	7,178	8,061	7,178
(b) Reversal of impairment losses previously recognised					
Reversal of impairment of investment in controlled entity:					
Gladstone Airport Corporation		-	-	(12,319)	-
Impairment (gain)/losses recognised in the Statements of Comprehensive Income		-	-	(12,319)	-
Details of the impairment reversal can be found under Note 13 Interests in other entities.					
(c) Other capital expenses					
Loss on write-off of assets		-	11	-	11
Revaluation (increment)/decrement of investment property	15	-	2,534	-	2,534
		-	2,545	-	2,545
TOTAL CAPITAL EXPENSES AND IMPAIRMENT		8,187	9,723	(4,258)	9,723

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 10. Cash, cash equivalents and financial assets

	Consolidated		Council	
	2024	2023	2024	2023
Notes	\$'000	\$'000	\$'000	\$'000

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

Deposits with the QTC Cash Fund are capital guaranteed.

Cash and cash equivalents

Cash at bank and on hand	1,797	2,697	781	2,167
Deposits at call	142,241	80,768	130,574	68,779
Term deposits	15,207	45,197	15,207	45,197
<u>BALANCE PER STATEMENTS OF CASH FLOWS</u>	<u>159,245</u>	<u>128,662</u>	<u>146,562</u>	<u>116,143</u>

Restricted and internally allocated cash and cash equivalents

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

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

Unspent government grants and subsidies	115	7,015	115	7,015
State government waste levy received in advance	4,596	6,054	4,596	6,054
Total externally imposed restrictions on cash assets	4,711	13,069	4,711	13,069

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

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

Reserves	23	112,681	92,769	112,681	92,769
Total internally allocated cash		112,681	92,769	112,681	92,769
Total unspent restricted cash		117,392	105,838	117,392	105,838

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 10. Cash, cash equivalents and financial assets (continued)

	Consolidated		Council	
	2024	2023	2024	2023
Notes	\$'000	\$'000	\$'000	\$'000

Trust funds

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

Trust funds held for outside parties

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

Security deposits

	157	487	157	487
	5,987	4,578	5,987	4,578
	<u>6,144</u>	<u>5,065</u>	<u>6,144</u>	<u>5,065</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 11. Receivables

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000

Settlement of receivables is required within 30 days after the invoice is issued.

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

Interest is charged on outstanding rates at 11.64% per annum from 1 July 2023, (8.17% per annum from 1 July 2022). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

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

Current

Rateable revenue and utility charges	4,419	5,065	4,419	5,065
Other debtors	4,045	3,733	2,638	1,555
Accrued revenues				
- Interest on investments	338	932	338	932
- Other income accruals	1,365	1,899	1,308	1,849
Gladstone Airport Corporation	-	-	786	751
Total	10,167	11,629	9,489	10,152
less: Provision for impairment				
Other debtors	58	(203)	(12)	(6)
Total provision for impairment - receivables	58	(203)	(12)	(6)
<u>TOTAL CURRENT RECEIVABLES</u>	<u>10,225</u>	<u>11,426</u>	<u>9,477</u>	<u>10,146</u>

Non-current

Shareholder loan - Gladstone Airport Corporation	-	-	29,761	30,547
Accrued revenues				
- Other income accruals	990	1,155	990	1,155
<u>TOTAL NON-CURRENT RECEIVABLES</u>	<u>990</u>	<u>1,155</u>	<u>30,751</u>	<u>31,702</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 11. Receivables (continued)

Shareholder Loan

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

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

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

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

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

When determining whether to apply impairment against the Gladstone Airport Corporation (refer to note 14 for additional detail) Council has assessed the recoverability of the loan receivable. Through cashflow modelling, Council concluded that the credit risk associated with this loan had not significantly increased since initial recognition, and therefore would only need to be impaired to the extent of 12 months' worth of expected credit losses. The cash reserves held by the Gladstone Airport Corporation are adequate to service 12 months of repayments and therefore, no impairment has been recognised against the loan.

Receivables credit risk

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

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

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

Expected credit loss assessment

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

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

Refer also to note 30 for further information about credit risk.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 12. Inventories

Costs are assigned on the basis of weighted average cost.

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory.

Write up of inventories to net realisable value amounted to \$1,935, (in 2022-23: write down of \$10,269), including the following items: cemetery crypts, crushed concrete and land held for sale.

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current inventories				
(a) Inventories held for sale	170	156	163	156
(b) Inventories held for distribution				
Quarry and road materials	391	526	391	526
Plant and equipment stores	939	956	939	956
	1,330	1,482	1,330	1,482
(c) Land purchased for development and sale	128	220	128	220
<u>TOTAL CURRENT INVENTORIES</u>	<u>1,628</u>	<u>1,858</u>	<u>1,621</u>	<u>1,858</u>

Note 13. Other assets

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current				
Water charges not yet levied	13,955	9,886	13,955	9,886
GST recoverable	902	2,133	950	2,187
Prepayments	1,853	2,064	1,559	1,777
<u>TOTAL CURRENT OTHER ASSETS</u>	<u>16,710</u>	<u>14,083</u>	<u>16,464</u>	<u>13,850</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 14. Interests in other entities

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Gladstone Airport Corporation				
Investment at cost	-	-	72,862	72,862
Less: accumulated impairment	-	-	(42,877)	(55,196)
<u>TOTAL OF INTERESTS IN OTHER ENTITIES</u>	<u>-</u>	<u>-</u>	<u>29,985</u>	<u>17,666</u>

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

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

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

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

A review of the recoverable amount of the airport cash-generating unit (CGU) was undertaken as at 30 June 2024. This assessment found that there was no indication of further impairment observed in Council's investment in the Gladstone Airport Corporation (GAC) as a controlled entity.

The value-in-use of the airport CGU was determined to be \$ 47,849,535. Council has adjusted for cash and cash equivalents, borrowings and other financial liabilities to arrive at an implied equity value of \$34,926,659.

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

- Discount rate
- Passenger growth rate
- COVID-19 recovery into 2024
- Forecast capital expenditure
- Receipt of significant capital funding in future years

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

As the parent entity, Council assessed the recoverable amount of the airport CGU to include surplus cash, and therefore compared the recoverable value to Council of \$60,531,825 to the carrying amount of the CGU (inclusive of both the investment and loan receivable). The recoverable amount of the CGU exceeds the carrying amount by \$12,318,972. This indicated a reversal of impairment was required in 2023-24 year to bring the carrying amount in line with the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 15. Investment property

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Fair value at beginning of financial year	2,408	4,942	2,408	4,942
Revaluation adjustment	2,085	(2,534)	2,085	(2,534)
<u>TOTAL INVESTMENT PROPERTY</u>	<u>4,493</u>	<u>2,408</u>	<u>4,493</u>	<u>2,408</u>

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. This includes land held by Council for a currently undetermined future use. Investment property does not include community housing or other property held to provide a social service.

Investment property is initially recognised at cost (including transaction costs) and subsequently at fair value. Where investment property is acquired for significantly below fair value it is recorded at fair value on initial recognition. All investment property owned by Council has been revalued at the balance date by way of desktop or comprehensive revaluation.

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

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

A revaluation increment has been recorded for the investment property asset sub class as at 30 June 2024.

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 16. Property, plant and equipment

	Land and improvements		Buildings		Plant and equipment		Major plant and equipment		Cultural assets		Park furniture and other structures		Road, drainage and transport infrastructure		Sewerage infrastructure		Water infrastructure		Work in progress		Total
	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	
Consolidated - 30 June 2024																					
	Notes																				
Opening gross balance	153,914	233,454	55,773	13,733	1,580	77,986	1,889,627	869,644	468,161	71,258	3,835,130	-	-	-	-	-	-	-	-	-	-
Transfers between asset classes	-	-	-	-	-	-	234	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions - renewal	226	10	-	-	-	-	21	3,823	289	53,593	20,898	25,632	-	-	-	-	-	-	-	-	-
Additions - other	-	-	-	-	-	-	-	10,732	33	11,061	296	25,632	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	(116)	(266)	(3,147)	(1,155)	-	-	(754)	(9,037)	(15,083)	-	-	(29,778)	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	383	2,629	-	1,351	22	-	194	1,492	-	1,988	-	-	-	-	-	-	-	-	-	-	-
Work in progress transfers	28	3,448	3,775	3,296	7	-	8,948	30,860	798	6,071	(62,831)	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	-	-	-	-	104	(2,070)	(18)	-	-	-	-	-	-	-	-	-	-	-	-
Total consolidated gross value of property, plant and equipment	154,436	239,274	56,402	17,225	1,609	86,732	1,925,193	866,612	469,324	80,928	3,897,735	-	-	-	-	-	-	-	-	-	-
Opening accumulated depreciation and impairment	4,050	67,529	30,909	3,066	-	-	15,009	427,635	187,954	-	1,149,949	-	-	-	-	-	-	-	-	-	-
Transfers between asset classes	-	-	-	-	-	-	59	(59)	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	105	3,190	4,317	1,012	-	-	1,867	27,290	12,227	57,966	20,898	25,632	-	-	-	-	-	-	-	-	-
Disposals	-	(73)	(2,428)	(930)	-	-	(268)	(2,456)	(12,572)	(18,802)	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)	-	-	-	519	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	6	-	-	-	-	37	635	201	1,052	-	-	-	-	-	-	-	-	-	-	-
Total consolidated accumulated depreciation and impairment property, plant and equipment	4,155	70,652	32,797	3,667	-	16,705	453,046	413,653	196,010	1,052	1,190,685	-	-	-	-	-	-	-	-	-	-
Total consolidated net book value of property, plant and equipment	150,281	168,622	23,605	13,558	1,609	70,027	1,472,147	452,959	273,314	80,928	2,707,050	-	-	-	-	-	-	-	-	-	-
Other information																					
Recognition threshold	>\$1	>\$10,000	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked
Range of estimated useful life (years)	>7	10-185	2-52	7-16	Not depreciated	10-150	10-1000	15-150	10-100	Not depreciated	10-150	10-100	15-150	10-100	Not depreciated	10-100	10-100	10-100	10-100	Not depreciated	Not depreciated

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024

Note 16. Property, plant and equipment (continued)

Consolidated - 30 June 2023	Notes	Land and improvements	Buildings	Plant and equipment	Major plant and equipment	Cultural assets	Park, furniture and other structures	Road, drainage and transport infrastructure	Sewerage infrastructure	Water infrastructure	Work in progress	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Measurement basis		Fair value	Fair value	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	
Opening gross balance		118,991	192,192	52,444	11,549	1,545	61,011	1,843,746	737,178	401,515	66,374	3,486,545
Transfers between asset classes		-	(19)	(476)	-	-	(69)	1,171	(275)	(332)	-	-
Additions - renewal		-	-	-	-	-	-	-	-	-	49,835	49,835
Additions - other		2,025	-	-	-	-	-	1,197	779	212	9,999	9,999
Contributed assets	9	(2,025)	(146)	(1,302)	(735)	-	(46)	(6,855)	(575)	(879)	-	(12,563)
Disposals		-	(30)	(30)	-	-	-	-	-	-	(1,462)	(1,462)
Write-offs		-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)		34,787	37,358	-	320	26	10,125	35,367	116,795	63,895	-	298,673
Work in progress transfers		136	4,069	5,137	2,599	9	6,965	15,062	15,760	3,751	(53,488)	-
Adjustments and other transfers		-	-	-	-	-	-	(61)	(18)	(1)	-	(80)
Total consolidated gross value of property, plant and equipment		153,914	233,454	55,773	13,733	1,580	77,986	1,889,627	869,644	468,161	71,258	3,835,130
Opening accumulated depreciation		3,895	48,231	27,688	2,470	-	12,706	363,870	346,363	156,529	-	961,752
Transfers between asset classes		-	(1)	(39)	-	-	4	197	(85)	(76)	-	-
Contributed assets		-	-	-	-	-	-	152	11	-	-	163
Depreciation expense		81	2,624	4,234	1,084	-	1,368	26,460	11,942	6,842	-	54,635
Disposals	9	-	(19)	(974)	(384)	-	(24)	(2,389)	(379)	(737)	-	(4,906)
Revaluation increments to equity (ARS)		74	16,695	-	(104)	-	954	39,356	55,935	25,396	-	138,306
Adjustments and other transfers		-	(1)	-	-	-	1	(11)	10	-	-	(1)
Total consolidated accumulated depreciation and impairment property, plant and equipment		4,050	67,529	30,909	3,066	-	15,009	427,635	413,797	187,954	-	1,149,949
Total consolidated net book value of property, plant and equipment		149,864	165,925	24,864	10,667	1,580	62,977	1,461,992	455,847	280,207	71,258	2,685,181

Other information	Recognition threshold	Range of estimated useful life (years)	Networked	Networked	Networked	Networked	Networked	10-100	10-100	10-100	10-150	15-150	10-100	Not depreciated
>\$1	>\$10,000	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked	10-100	10-150	15-150	10-100	Not depreciated
Land: Not depreciated Improvements: 7														

*Consolidation adjustments between gross value and accumulated depreciation

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2024

Note 16. Property, plant and equipment (continued)

Council - 30 June 2024		Land and improvements		Buildings		Plant and equipment		Major plant and equipment		Cultural assets		Park furniture and other structures		Road, drainage and transport infrastructure		Sewerage infrastructure		Water infrastructure		Work in progress		Total
		\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Fair value	\$'000	Cost	\$'000	\$'000	
Measurement basis		Notes																				
Opening gross balance		144,261	195,752	51,920	13,733	1,580	71,692	1,831,155	869,644	468,161	71,107	3,719,005	-	-	-	-	-	-	-	-	-	-
Transfers between asset classes		-	-	-	-	-	234	(234)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions - renewal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions - other		226	10	-	-	-	21	3,823	365	289	20,326	51,126	-	-	-	-	-	-	-	-	-	51,126
Contributed assets		-	-	-	-	-	-	10,732	33	296	11,060	25,060	-	-	-	-	-	-	-	-	-	25,060
Disposals		(116)	(258)	(2,810)	(1,155)	-	(754)	(8,574)	(15,083)	(220)	-	(28,970)	-	-	-	-	-	-	-	-	-	(28,970)
Write-offs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,957)	(1,957)
Revaluation increments to equity (ARS)		-	-	-	-	-	-	-	22	7	8,870	28,534	11,671	798	(59,807)	-	-	-	-	-	-	-
Work in progress transfers		28	2,951	3,652	3,296	7	104	(2,070)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total gross value of property, plant and equipment		144,399	198,454	52,763	17,225	1,609	80,166	1,863,367	866,612	469,324	80,794	3,774,713	-	-	-	-	-	-	-	-	-	-
Opening accumulated depreciation and impairment		4,050	40,604	27,732	3,066	-	13,200	385,423	413,797	187,954	-	1,075,826	-	-	-	-	-	-	-	-	-	-
Transfers between asset classes		-	-	-	-	-	59	(59)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense		105	2,792	4,143	1,012	-	1,702	26,304	12,227	7,958	-	56,243	-	-	-	-	-	-	-	-	-	-
Disposals		-	(65)	(2,102)	(930)	-	(268)	(2,116)	(12,572)	(75)	-	(18,128)	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)		-	-	-	519	-	-	-	-	-	-	519	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers		-	-	-	-	-	37	635	201	173	-	519	-	-	-	-	-	-	-	-	-	-
Total accumulated depreciation of property, plant and equipment		4,155	43,337	29,773	3,667	-	14,730	410,187	413,653	196,010	-	1,115,512	-	-	-	-	-	-	-	-	-	-
Total net book value of property, plant and equipment		140,244	155,118	22,990	13,558	1,609	65,436	1,453,180	452,959	273,314	80,794	2,659,201	-	-	-	-	-	-	-	-	-	-
Other information																						
Recognition threshold		>\$1	>\$10,000	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked
Range of estimated useful life (years)		Land: Not depreciated Improvements: 7	>\$10,000	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked
			10-185	2-52	7-16	Not depreciated	10-150	10-1000	15-150	10-100	Not depreciated	10-150	10-100	Not depreciated	10-100	Not depreciated	10-100	Not depreciated	10-100	Not depreciated	10-100	Not depreciated

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024

Note 16. Property, plant and equipment (continued)

Council - 30 June 2023	Notes	Land and improvements		Buildings		Plant and equipment		Major plant and equipment		Cultural assets		Park furniture and other structures		Road, drainage and transport infrastructure		Sewerage infrastructure		Water infrastructure		Work in progress		Total
		\$'000 Fair value	\$'000 Cost	\$'000 Fair value	\$'000 Cost	\$'000 Fair value	\$'000 Cost	\$'000 Fair value	\$'000 Cost	\$'000 Fair value	\$'000 Cost	\$'000 Fair value	\$'000 Cost	\$'000 Fair value	\$'000 Cost	\$'000 Fair value	\$'000 Cost	\$'000 Fair value	\$'000 Cost	\$'000		
Opening gross balance		111,400	166,291	48,112	11,549	1,545	57,872	1,784,015	1,171	737,178	401,515	63,779	3,383,256									
Transfers between asset classes		-	(19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction to opening balances		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions - renewal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		2,025	(146)	(1,103)	(735)	-	(32)	1,197	779	212	9,843	48,633	48,633	9,843	4,213	(12,350)	(1,492)	286,982				
Disposals	9	(2,025)	(146)	(1,103)	(735)	-	(30)	1,197	779	212	9,843	48,633	48,633	9,843	4,213	(12,350)	(1,492)	286,982				
Write-offs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments to equity (ARS)		32,725	25,577	(1,103)	(735)	26	320	39,057	116,795	63,895	3,751	(49,686)	286,982									
Work in progress transfers		136	4,049	4,941	2,599	9	5,810	12,631	15,760	3,751	(49,686)	286,982										
Adjustments and other transfers		-	-	-	-	-	-	(61)	(18)	(1)	-	-	-	-	-	-	-	-	-	-	-	-
Total gross value of property, plant and equipment		144,261	195,752	51,920	13,733	1,580	71,692	1,831,155	869,644	468,161	71,107	3,719,005										
Opening accumulated depreciation		3,895	33,092	24,453	2,470	-	10,344	317,892	197	346,363	156,529	-	895,038									
Transfers between asset classes		-	-	-	-	-	(36)	197	(85)	(76)	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	152	11	163	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense		81	2,244	4,069	1,084	-	1,221	25,598	11,942	6,842	-	-	53,081									
Disposals	9	-	(19)	(790)	(384)	-	(10)	(2,389)	(379)	(737)	-	-	(4,706)									
Revaluation increments to equity (ARS)		74	5,287	-	(104)	-	1,680	43,984	55,935	25,396	-	-	132,252									
Adjustments and other transfers		-	-	-	-	-	1	(11)	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Total accumulated depreciation of property, plant and equipment		4,050	40,604	27,732	3,066	-	13,200	385,423	413,797	187,954	71,107	1,075,826										
Total net book value of property, plant and equipment		140,211	155,148	24,188	10,667	1,580	58,492	1,445,732	455,847	280,207	71,107	2,643,179										
Other information																						
Recognition threshold		>\$1	>\$10,000	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked
Range of estimated useful life (years)		Land: Not depreciated Improvements: 7	>\$10,000	>\$5,000	>\$350,000	Networked	>\$10,000	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked	Networked
			10-185	2-52	7-16	Not depreciated	10-150	10-1000	15-150	10-100	Not depreciated	10-100	Not depreciated	10-100	Not depreciated	10-100	Not depreciated	10-100	Not depreciated	10-100	Not depreciated	10-100

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 16. Property, plant and equipment (continued)

(a) Recognition

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

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

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

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

Major plant and equipment

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

Capital and operating expenditure

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

Land under roads

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

(b) Measurement

Acquisition of assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at fair value less, where applicable, any accumulated depreciation and accumulated impairment loss (excluding Plant and Equipment and Work In Progress, which are held at Cost)

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 16. Property, plant and equipment (continued)

(b) Measurement (continued)

Capital work in progress

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

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

(c) Depreciation

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

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

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

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to Council.

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

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

The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 16. Property, plant and equipment (continued)

(d) Valuation

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

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

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

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

Valuation Processes

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024

Note 16. Property, plant and equipment (continued)

(d) Valuation (continued)

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

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date/ valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other revaluation adjustment
Buildings - FV inputs (3)	Current replacement cost approach	APV 30/06/2021	<p>*Current replacement cost determined by (rate per square meter) cost guides, unit rate databases and available market and construction data of modern equivalent assets.</p> <ul style="list-style-type: none"> • Replacement Cost also calculated with the help of (actual dimensions and unit rates) derived from market evidence plus locality allowance factored in for materials and labour, in general Gladstone's locality factor has been around 20% for most of the assets valued within this comprehensive valuation. • Residual value (based on estimated proceeds from disposal at the end of the useful life – typically assessed as nil) • Split between short-life and long-life part (based on consideration of likely future asset management treatments) • Valuation profile (based on how market participants perceive the relationship between asset condition, cost to renew the asset and the associated value). • Consumption score (based on physical characteristics as well as potential impact of changes in functionality, capacity, obsolescence and legal and other limits) • Dates of acquisition and decommissioning used where applicable 	Nil	Nil
Major Plant - FV input (2)	Market approach	Internal Management Assessment 30/06/2024	<p>Values are determined by management on a condition audit and market based evidence using comparable replacement costs from the most recent price catalogues for specialised earthmoving equipment.</p> <p>Key assumptions used in assessing the condition included site condition, type of usage, major mechanical component condition, and machine hours. The fair value takes into account transport costs to transport the plant to market but does not include transaction costs.</p>	N/A	Revaluation adjustment of \$0.8m based on market information

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 16. Property, plant and equipment (continued)

(d) Valuation (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2024

Note 16. Property, plant and equipment (continued)

(d) Valuation (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 16. Property, plant and equipment (continued)

(d) Valuation (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 17. Contract balances

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(a) Contract assets				
Current				
Contracts with customers	11,744	3,060	11,744	3,060
<u>TOTAL CURRENT CONTRACT ASSETS</u>	<u>11,744</u>	<u>3,060</u>	<u>11,744</u>	<u>3,060</u>
(b) Contract liabilities				
Funds received upfront to construct Council controlled assets	8,343	4,872	8,343	4,779
Non-capital performance obligations not yet satisfied	523	2,237	523	2,237
<u>TOTAL CURRENT CONTRACT LIABILITIES</u>	<u>8,866</u>	<u>7,109</u>	<u>8,866</u>	<u>7,016</u>
Non-current				
Developer Contribution Offsets	2,545	2,319	2,545	2,319
<u>TOTAL NON-CURRENT CONTRACT LIABILITIES</u>	<u>2,545</u>	<u>2,319</u>	<u>2,545</u>	<u>2,319</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year				
Funds to construct Council controlled assets	88	2,296	88	2,296
Non-capital performance obligations not yet satisfied	2,228	147	2,228	147
<u>Total revenue included in the contract liability</u>	<u>2,316</u>	<u>2,443</u>	<u>2,316</u>	<u>2,443</u>

Satisfaction of contract liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 18. Leases

Council as a lessee

Council has leases in place over land and infrastructure.

Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right of use asset is measured using the cost model and depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

Exceptions to lease accounting

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

Leases at significantly below market value / concessionary leases

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

The leases are between 5 and 75 years and require payments between \$0 and \$1 per annum. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the lease agreements.

Terms and conditions of leases

Land

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

Infrastructure

Council leases allocated space on a communication tower. The lease term is 20 years with options to extend. The lease payments are indexed each year by the rate determined within the agreement.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 18. Leases (continued)

	Land \$'000	Infrastructure \$'000	Total \$'000
Right of use assets			
Consolidated			
2024			
Opening balance	2,792	749	3,541
Additions to right of use assets	120	-	120
Adjustments to right of use assets due to remeasurement of lease liability	(264)	-	(264)
Depreciation charge	(86)	(42)	(128)
Balance at 30 June 2024	2,562	707	3,269
2023			
Opening balance	1,069	779	1,848
Adjustments to right of use assets due to remeasurement of lease liability	1,814	10	1,824
Depreciation charge	(91)	(40)	(131)
Balance at 30 June 2023	2,792	749	3,541
Council			
2024			
Opening balance	2,792	749	3,541
Additions to right of use assets	120	-	120
Adjustments to right of use assets due to remeasurement of lease liability	(264)	-	(264)
Depreciation charge	(86)	(42)	(128)
Balance at 30 June 2024	2,562	707	3,269
2023			
Opening balance	1,069	779	1,848
Adjustments to right of use assets due to remeasurement of lease liability	1,814	10	1,824
Depreciation charge	(91)	(40)	(131)
Balance at 30 June 2023	2,792	749	3,541

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 18. Leases (continued)

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Lease liabilities				
Classified as:				
Current lease liability	37	17	37	17
Non-current lease liability	3,595	3,765	3,595	3,765
Total lease liabilities	3,632	3,782	3,632	3,782

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

	< 1 year \$'000	1 to 5 years \$'000	> 5 years \$'000	Total \$'000	Total per Statements of Financial Position \$'000
Consolidated					
2024					
Lease liabilities	103	574	5,079	5,756	3,632
	<u>103</u>	<u>574</u>	<u>5,079</u>	<u>5,756</u>	<u>3,632</u>
2023					
Lease liabilities	77	455	5,694	6,226	3,782
	<u>77</u>	<u>455</u>	<u>5,694</u>	<u>6,226</u>	<u>3,782</u>
Council					
2024					
Lease liabilities	103	574	5,079	5,756	3,632
	<u>103</u>	<u>574</u>	<u>5,079</u>	<u>5,756</u>	<u>3,632</u>
2023					
Lease liabilities	77	455	5,694	6,226	3,782
	<u>77</u>	<u>455</u>	<u>5,694</u>	<u>6,226</u>	<u>3,782</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 18. Leases (continued)

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000

Amounts included in the Statement of Comprehensive Income related to leases

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

Expenses

Depreciation of right of use assets	129	131	129	131
Interest expense on lease liabilities	90	91	90	91
Expenses relating to short-term leases	20	28	20	28
Expenses relating to low-value assets	1	4	1	4
Net expense relating to leases	240	254	240	254

Amounts included in the Statement of Cash Flows related to leases

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

Cash flows from financing activities

Repayments made on leases (principal only)	(96)	(93)	(96)	(93)
Total cash inflows/(outflows) for leases	(96)	(93)	(96)	(93)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 18. Leases (continued)

Council as a lessor

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

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000

Operating leases

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

The minimum lease receipts are as follows:

Not later than one year	457	119	457	119
Between one and two years	456	109	456	109
Between two and three years	444	83	444	83
Between three and four years	457	60	457	60
Between four and five years	460	55	460	55
Later than five years	2,483	326	2,483	326
Total lease receipts	4,757	752	4,757	752

Assets classified as investment property

The assets are included in the Statement of Financial Position as:

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 18. Leases (continued)

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Rent from investment and other property is recognised as income on a periodic straight line basis over the lease				
Rental income (excluding variable lease payments not dependent on an index or rate)	1,987	2,002	450	557
Rental income relating to variable lease payments not dependent on an index or rate	87	59	87	59
Total operating lease income (rental income)	2,074	2,061	537	616
Direct operating expenses from property that generated rental income	188	226	188	226
Direct operating expenses from property that did not generate rental income	146	57	146	57
Total operating lease expenses	334	283	334	283
Contract obligations for future repairs and maintenance	47	-	47	-

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

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

Note 19. Payables

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Creditors	4,202	3,187	3,514	2,981
Accrued expenses	15,728	15,301	15,515	15,133
Accrued wages and salaries	1,535	1,424	1,525	1,424
Prepaid rates	12,539	12,403	12,539	12,403
TOTAL CURRENT PAYABLES	34,004	32,315	33,093	31,941

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 20. Borrowings

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000

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

No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 March 2028 to 15 June 2041.

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

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

Current

Loans - Queensland Treasury Corporation	6,250	6,030	6,250	6,030
Loans - Interest free - DHLGPPW	504	479	504	479
<u>TOTAL CURRENT BORROWINGS</u>	<u>6,754</u>	<u>6,509</u>	<u>6,754</u>	<u>6,509</u>

Non-current

Loans - Queensland Treasury Corporation	80,659	86,810	80,659	86,810
Loans - Interest free - DHLGPPW	1,972	2,173	1,972	2,173
<u>TOTAL NON-CURRENT BORROWINGS</u>	<u>82,631</u>	<u>88,983</u>	<u>82,631</u>	<u>88,983</u>
<u>TOTAL BORROWINGS</u>	<u>89,385</u>	<u>95,492</u>	<u>89,385</u>	<u>95,492</u>

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 21. Provisions

Council has an obligation to pay 16% on personal leave balances accrued in accordance with the Gladstone Regional Council Enterprise Bargaining Agreement adopted on the 5 April 2022 and pay rates being effective from 11 November 2023. Some former Calliope Shire Council employees are entitled to a 25% payout on personal leave accrued from 10 May 2006 to 8 September 2008. Apart from the payout options, Council is not required to payout the personal leave balances as these are not payable upon termination.

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

Long service leave

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

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

Landfill remediation

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

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

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

Refuse dumps are situated on Council controlled land and are classified as land and improvement assets. The provision for restoration is, therefore, included in the cost of the land and amortised over the expected useful life of the refuse dump.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 21. Provisions (continued)

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current				
Annual leave	5,986	5,765	5,853	5,662
Long service leave	8,968	8,212	8,915	8,171
Personal leave	272	247	272	247
Accrued RDO and time off in lieu	692	583	692	583
Service entitlement	128	149	128	149
Landfill remediation	77	52	77	52
<u>TOTAL CURRENT PROVISIONS</u>	<u>16,123</u>	<u>15,008</u>	<u>15,937</u>	<u>14,864</u>
Non-current				
Long service leave	1,371	1,318	1,324	1,287
Landfill remediation	13,554	11,710	13,554	11,710
<u>TOTAL NON-CURRENT PROVISIONS</u>	<u>14,925</u>	<u>13,028</u>	<u>14,878</u>	<u>12,997</u>
<u>TOTAL PROVISIONS</u>	<u>31,048</u>	<u>28,036</u>	<u>30,815</u>	<u>27,861</u>

Details of movements in provisions:

Landfill Remediation

Balance at beginning of financial year	11,762	11,050	11,762	11,050
Increase/(decrease) in provision due to unwinding of discount	474	(226)	474	(226)
Increase/(decrease) in provision due to change in discount rate	(47)	(2,095)	(47)	(2,095)
Increase/(decrease) in provision due to change in projected costs	2,773	2,930	2,773	2,930
Increase/(decrease) in provision due to change in inflation	(1,278)	2,698	(1,278)	2,698
Increase/(decrease) in provision due to capping expenditure	(52)	(2,595)	(52)	(2,595)
Balance at end of financial year	<u>13,631</u>	<u>11,762</u>	<u>13,631</u>	<u>11,762</u>

Landfill Remediation

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The site is expected to close in 2055 and excludes future development areas.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 21. Provisions (continued)

The restoration provision costs for the capping of cell 2 at Benaraby have increased to \$8,482,534 in line with updated estimates based on a phased approach. These stages are expected to take place in the 2025-26 and 2026-27 years. Phase 1 of capping cell 1 and 2 was completed in the 2022-23 year at a cost of \$2,594,711.

Cell 3a is expected to close in the 2026-27 financial year, with expected rehabilitation costs of \$3,843,360 forecast for the 2027-28 and 2028-29 years.

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

The provision for landfill sites also contains an aftercare rehabilitation cost portion and as at 30th June 2024, this provision is \$1,228,183 across all landfill sites.

Note 22. Other liabilities

	Consolidated		Council	
	2024	2023	2024	2023
Notes	\$'000	\$'000	\$'000	\$'000
Current				
Waste levy refund received in advance	1,931	1,776	1,931	1,776
<u>TOTAL CURRENT OTHER LIABILITIES</u>	<u>1,931</u>	<u>1,776</u>	<u>1,931</u>	<u>1,776</u>
Non-current				
Waste levy refund received in advance	2,666	4,279	2,666	4,279
Long term payable	34,341	34,341	34,341	34,341
<u>TOTAL NON-CURRENT OTHER LIABILITIES</u>	<u>37,007</u>	<u>38,620</u>	<u>37,007</u>	<u>38,620</u>

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 23. Equity reserves

(a) Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment.

(b) Reserves

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 23. Equity reserves (continued)

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

2024

Reserves held for funding future capital expenditure:

Emergency services reserve	664	-	(67)	597
Future capital works reserve	45,048	23,916	(5,016)	63,948
Plant asset replacement reserve	1,778	487	-	2,265
Regional waste management reserve	5,801	-	(2,168)	3,633
Parks constrained works reserve	1,846	731	(34)	2,543
Roads constrained works reserve	21,539	2,485	(2,230)	21,794
Water constrained works reserve	1,429	1,051	-	2,480
Sewerage constrained works reserve	11,495	3,776	(2,906)	12,365
Gravel pit rehabilitation reserve	2,794	-	(123)	2,671
	<u>92,394</u>	<u>32,446</u>	<u>(12,544)</u>	<u>112,296</u>

Reserves held for funding future recurrent expenditure:

Recurrent grant funding reserve	375	11	-	385
	<u>375</u>	<u>11</u>	<u>-</u>	<u>385</u>
<u>TOTAL RESERVES</u>	<u>92,769</u>	<u>32,457</u>	<u>(12,544)</u>	<u>112,681</u>

2023

Reserves held for funding future capital expenditure:

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

Reserves held for funding future recurrent expenditure:

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 24. Commitments for expenditure

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000

(a) Contractual commitments (exclusive of GST)

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

Garbage collection contract	7,760	8,331	7,760	8,331
Water & sewerage plant operations	21,104	3,836	21,104	3,836
Other commitments	8,303	3,103	8,303	3,103
Airport operating contracts	-	181	-	-
	<u>37,167</u>	<u>15,451</u>	<u>37,167</u>	<u>15,270</u>

Capital commitments (exclusive of GST)

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

Property, plant and equipment

Airport capital expenditure	-	82	-	-
Fleet and equipment purchases	4,708	3,603	4,708	3,603
Parks and environment assets	192	1,054	192	1,054
Property assets	2,398	3,195	2,398	3,195
Road assets	34,269	6,747	34,269	6,747
Strategic projects	129	818	129	818
Sewerage assets	6,756	3,022	6,756	3,022
Waste assets	741	8	741	8
Water assets	1,065	1,219	1,065	1,219
External project management and design	22	71	22	71
	<u>50,280</u>	<u>19,819</u>	<u>50,280</u>	<u>19,737</u>

Road assets include \$12,662,359 relating to the Reconstruction of Essential Public Assets. This work is grant funded.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 25. Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2023 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$2,173,628.

Bank Guarantees

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

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

Donated Personal Leave Pool

The Gladstone Regional Council has established a Personal Leave Pool whereby employees may voluntarily contribute a portion of their available personal leave entitlements into a shared pool. This pool of leave can be accessed and drawn upon by colleagues that suffer a critical or terminal illness and who have exhausted all paid leave entitlements in accordance with the Certified Agreement and Leave Corporate Standard.

As at 30 June 2024 the balance of the pool is \$51,459.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 26. Superannuation - Regional Defined Benefit Fund

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

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

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

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

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

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

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

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

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

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

	Notes	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		154	173	154	173
Other superannuation contributions for employees		7,865	7,232	7,640	7,051
Total superannuation contributions paid by Council for employees	6	8,019	7,405	7,794	7,224

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 27. Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Net operating result from Statements of Comprehensive Income	60,913	23,035	72,147	19,366
Non-cash items				
Depreciation and amortisation	58,094	54,766	56,371	53,212
(Reversal) of previous Impairment losses of property, plant and equipment	-	-	(12,319)	-
	<u>58,094</u>	<u>54,766</u>	<u>44,052</u>	<u>53,212</u>
Losses/(gains) recognised on re-measurements through the Statements of Comprehensive Income				
Investment properties	(2,085)	2,534	(2,085)	2,534
Amortisation/recognition of interest exp. on interest free loans received by Council & previously fair valued	127	150	127	150
Land held for sale (inventory)	92	(28)	92	(28)
Change in future rehabilitation costs	473	(226)	473	(226)
	<u>(1,393)</u>	<u>2,430</u>	<u>(1,393)</u>	<u>2,430</u>
Investing and development activities				
Net (profit)/loss on disposal of assets	8,187	7,118	8,061	7,178
Loss on write-off of assets	-	11	-	11
Capital grants and contributions	(33,142)	(15,466)	(32,698)	(13,943)
Dividends Received	-	-	(1,073)	-
Non cash contributions included in fixed assets	(11,281)	(4,050)	(11,281)	(4,050)
Income tax equivalents	(27,615)	(18,675)	(27,615)	(18,675)
	<u>(63,851)</u>	<u>(31,062)</u>	<u>(64,606)</u>	<u>(29,479)</u>
Financing activities				
Borrowing costs	2,939	3,132	1,607	1,774
	<u>2,939</u>	<u>3,132</u>	<u>1,607</u>	<u>1,774</u>
Changes in operating assets and liabilities:				
(Increase)/decrease in receivables	1,627	(557)	863	(87)
Increase/(decrease) in provision for doubtful debts	(261)	(12)	6	(64)
(Increase)/decrease in inventories	138	289	145	289
(Increase)/decrease in contract assets	(8,684)	(992)	(8,684)	(992)
(Increase)/decrease in other assets	(2,627)	(1,785)	(2,614)	(1,657)
Increase/(decrease) in payables	1,015	2,175	533	2,245
Increase/(decrease) in contract liabilities	1,983	4,085	2,076	5,017
Increase/(decrease) in employee leave entitlements	1,143	491	1,085	536
Increase/(decrease) in other liabilities	(784)	3,039	(839)	4,505
	<u>(6,450)</u>	<u>6,733</u>	<u>(7,429)</u>	<u>9,792</u>
Net cash provided from/(used in) operating activities from the Statements of Cash Flows	<u>50,252</u>	<u>59,034</u>	<u>44,378</u>	<u>57,095</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 28. Reconciliation of liabilities arising from finance activities

	As at 30-Jun-23 \$'000	Cashflows \$'000	Non-cash changes \$'000	As at 30-Jun-24 \$'000
Consolidated				
Borrowings	95,492	(6,234)	127	89,385
Lease liability	3,782	(96)	(54)	3,632
	<u>99,274</u>	<u>(6,330)</u>	<u>73</u>	<u>93,017</u>
Consolidated				
	As at 30-Jun-22 \$'000	Cashflows \$'000	Non-cash changes \$'000	As at 30-Jun-23 \$'000
Borrowings	101,962	(6,620)	150	95,492
Lease liability	1,961	(94)	1,915	3,782
	<u>103,923</u>	<u>(6,714)</u>	<u>2,065</u>	<u>99,274</u>
Consolidated				
	As at 30-Jun-23 \$'000	Cashflows \$'000	Non-cash changes \$'000	As at 30-Jun-24 \$'000
Council				
Borrowings	95,492	(6,234)	127	89,385
Lease liability	3,782	(96)	(54)	3,632
	<u>99,274</u>	<u>(6,330)</u>	<u>73</u>	<u>93,017</u>
Council				
	As at 30-Jun-22 \$'000	Cashflows \$'000	Non-cash changes \$'000	As at 30-Jun-23 \$'000
Borrowings	101,962	(6,620)	150	95,492
Lease liability	1,961	(94)	1,915	3,782
	<u>103,923</u>	<u>(6,714)</u>	<u>2,065</u>	<u>99,274</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 29. Events after the reporting period

There has not been any event that occurred after the end of the reporting period that has significantly affected, or may significantly affect, the current or future financial results of Council.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 30. Financial instruments and financial risk management

Financial assets and financial liabilities

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

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

Financial risk management

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

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

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

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

Credit risk

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

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

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

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

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

Cash and cash equivalents

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

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

Other financial assets

Other investments are held with financial institutions, which are rated AAA to A (long term) and A1+ to A1 (short term) based on rating agency Standard and Poor ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as low.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 30. Financial instruments and financial risk management (continued)

Receivables

Refer to note 11 for further information on credit risk for receivables.

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Council's reputation.

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and the Queensland Government for capital works.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities - refer to note 18) held by Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
Consolidated					
2024					
Trade and other payables	34,004	-	34,341	68,345	68,345
Loans - QTC	8,490	29,163	69,520	107,174	86,909
Loan - DHLGPPW	606	2,121	-	2,727	2,476
	<u>43,100</u>	<u>31,284</u>	<u>103,861</u>	<u>178,246</u>	<u>157,730</u>
2023					
Trade and other payables	32,315	-	34,341	66,656	66,656
Loans - QTC	8,490	33,002	74,172	115,664	92,840
Loan - DHLGPPW	303	2,424	303	3,030	2,652
	<u>41,108</u>	<u>35,426</u>	<u>108,816</u>	<u>185,350</u>	<u>162,148</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 30. Financial instruments and financial risk management (continued)

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
Council					
2024					
Payables	33,093	-	34,341	67,434	67,434
Loans - QTC	8,490	29,163	69,520	107,174	86,909
Loan - DHLGPPW	606	2,121	-	2,727	2,476
	<u>42,189</u>	<u>31,284</u>	<u>103,861</u>	<u>177,335</u>	<u>156,819</u>
2023					
Payables	31,941	-	34,341	66,282	66,282
Loans - QTC	8,490	33,002	74,172	115,664	92,840
Loan - DHLGPPW	303	2,424	303	3,030	2,652
	<u>40,734</u>	<u>35,426</u>	<u>108,816</u>	<u>184,976</u>	<u>161,774</u>

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect Council's income or the value of its holdings of financial instruments.

Interest rate risk

Council is exposed to interest rate risk through its borrowings from the Queensland Treasury Corporation (QTC), the Department of Housing, Local Government, Planning and Public Works and investments held with financial institutions.

The risk in borrowing is effectively managed by borrowing mainly from the QTC and having access to a mix of floating and fixed funding sources so that the interest rate risk exposure can be minimised. Interest rate risk in other areas is minimal.

Council does not undertake any hedging of interest rate risk.

Due to the risk minimisation, there is no reasonable possible movement that would cause a material impact to profit and loss or equity.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 31. National competition policy

Business activities to which the code of competitive conduct is applied

A "business activity" of a local government is divided into two categories:

(i) Roads business activity

- The construction or maintenance of state controlled roads for which the local government submits an offer to carry out work in response to a tender invitation, other than through a sole supplier arrangement.
- Submission of a competitive tender for construction of road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

(ii) Other business activities

- Trading in goods and services to clients in competition with the private sector, or
- The submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself.

Excluded activities are:

- Library services
- An activity or part thereof prescribed by legislation

Local government may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is compulsory.

The CSO value is determined by Council, and represents any activities' cost(s) which would not be incurred if the activities' primary objective was to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial services of costs deemed to be CSO's by Council.

Council applies full cost pricing to its business activities which involves the recognition of both community service obligations and competitive neutrality adjustments.

Council has identified business activities in the following areas:

- Roads
- Other business activities:
 - Gladstone Entertainment Convention Centre
 - Building certification
 - Waste management
 - Water
 - Sewerage

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 31. National competition policy (continued)

The following activity statements are for activities subject to the competitive code of conduct:

	Roads \$'000	Gladstone Entertainment & Convention Centre \$'000	Building Certification \$'000
\$'000			
Revenue for services provided to Council	42,335	-	-
Revenue for services provided to external clients	7,645	1,950	375
Community service obligations	-	175	-
	49,980	2,125	375
Less: Ordinary expenditure	(49,602)	(5,732)	(663)
Less: Competitive neutrality adjustments applied	(145)	(99)	(8)
Net surplus/ (deficit)	232	(3,706)	(297)

	Waste Management \$'000	Water \$'000	Sewerage \$'000
\$'000			
Revenue for services provided to Council	7,016	2,526	312
Revenue for services provided to external clients	18,680	43,722	36,499
Community service obligations	-	-	-
	25,696	46,248	36,811
Less: Ordinary expenditure	(27,972)	(50,486)	(35,810)
Less: Competitive neutrality adjustments applied	(125)	(22)	(508)
Net surplus/ (deficit)	(2,402)	(4,260)	493

Description of CSO's provided to business activities:

Activities	CSO description	Actual \$'000
Gladstone Entertainment Convention Centre	Contribution to electricity and maintenance costs of carparking facility.	175

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 32. Transactions with related parties

(a) Subsidiaries (i.e. entities and operations controlled by Council)

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 *Consolidated Financial Statements* and the accounting policy described in note 1.

Name of operation/entity	Principal activity and place of business			
1. Gladstone Airport Corporation	Commercial air transport Aerodrome Road, Gladstone QLD 4680			
	Ownership		Voting rights	
Interests in subsidiary	2024	2023	2024	2023
Council's interest in subsidiary	100%	100%	100%	100%
			2024	2023
			\$000	\$000
Controlled entity receipts				
Income tax equivalent / competitive neutrality margin			233	238
Interest received			1,294	1,324
Administration fees			45	46
Goods and services supplied by Council, on normal terms and conditions				
IT Services			72	56
Rates and water			102	101
Sponsorships			-	5
Other fees and charges			2	1
Total			1,748	1,771

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 32. Transactions with related parties (continued)

(b) Other related parties

Transactions with other related parties

Other related parties include the close family members of Key Management Personnel (KMP) and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child, dependent of a KMP or their spouse, or as included by KMP.

The fees and charges charged to entities controlled by KMP were on an arm's length basis in accordance with the schedule of fees and charges adopted by Council.

All close family members of KMP were employed through an arm's length process. They are paid in accordance with the award for the job they perform. Council employs 784 staff of which only 9 are close family members of KMP (8 in 2022-23).

The consolidated entity purchased the following material and services from entities that are controlled by members of KMP. All purchases were at arm's length and were in the normal course of Council operations.

	2024	2023
	\$000	\$000
Receipts		
Application fees and charges	26	26
Other fees and charges	11	1
Sponsorships	1	1
	<u>38</u>	<u>28</u>
Purchases		
Grant funding awarded	50	79
Provision of services for community events	30	11
Construction / improvements to assets	1	3
Provision of other services	4	-
	<u>85</u>	<u>93</u>
Employee expenses		
Short-term employee benefits	844	1,032
Post-employment benefits	92	108
Long-term benefits	23	30
	<u>959</u>	<u>1,170</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Note 32. Transactions with related parties (continued)

(c) Key management personnel

Transactions with Key Management Personnel

KMP include the Mayor, Councillors, Council's Chief Executive Officer and some executive management.

The compensation paid to KMP comprises:

	2024	2023
	\$000	\$000
Short-term employee benefits	3,074	3,328
Post-employment benefits	349	358
Long-term benefits	29	100
Total	3,452	3,786

Detailed remuneration disclosures are provided in the annual report.

(d) Outstanding balances

There are no outstanding balances at the end of the reporting period in relation to transactions with related parties.

(e) Loans and guarantees to/ from related parties

Council has a loan arrangement with the Gladstone Airport Corporation, as detailed in note 11.

Council does not make loans to or receive loans from any other related parties. No guarantees have been provided.

(f) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Gladstone region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples include:

- Payment of rates
- Use of the swimming pool
- Dog registration
- Borrowing books from a Council library

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Management Certificate

for the year ended 30 June 2024

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation, we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 65, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the Consolidated Entity's transactions for the financial year and financial position at the end of the year.



Matthew Burnett

MAYOR

18 October 2024



Carly Quinn

CHIEF EXECUTIVE OFFICER (Acting)

18 October 2024

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the councillors of Gladstone Regional Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Gladstone Regional Council (the council) and its controlled entity (the group).

The financial report comprises the statements of financial position as at 30 June 2024, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2024, and of their financial performance for the year then ended; and
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

At the date of this auditor's report, the available other information in Gladstone Regional Council's annual report for the year ended 30 June 2024 was the audited current year financial sustainability statement, unaudited current year financial sustainability statement - contextual ratios and unaudited long-term financial sustainability statement.

INDEPENDENT AUDITOR'S REPORT



My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Councillors for the financial report

The Councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the Councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Councillors are also responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the group.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- a) I received all the information and explanations I required
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

INDEPENDENT AUDITOR'S REPORT



Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the parent or group transactions and account balances to enable the preparation of a true and fair financial report.

A handwritten signature in black ink, appearing to read "William Cunningham".

William Cunningham
as delegate of the Auditor-General

25 October 2024

Queensland Audit Office
Brisbane

AUDITED CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

for the year ended 30 June 2024

	Target	Consolidated		Council	
	Tier 3	Actual	5 Yr Av.	Actual	5 Yr Av.
		2024	2020-24	2024	2020-24

Measures of financial sustainability

Council's performance at 30 June 2024 against key financial ratios and targets.

Liquidity

1. Unrestricted cash expense coverage ratio

Total cash and equivalents add current investments add available ongoing QTC working capital limit less externally restricted cash	> 3 months	9.70	N/A	9.21	N/A
Total operating expenditure less depreciation and amortisation less finance costs					

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.

Council has a strong cash position including current investments, and low levels of externally restricted cash. The offset balance remains high relative to monthly operational expenditure.

Operating Performance

2. Operating surplus ratio

Operating result (Note 1)	> 0%	6.57%	-4.23%	6.53%	-4.42%
Total operating revenue (Note 2)					

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.

Council has reported strong results in both 2022-23 and 2023-24, largely due to extraordinary dividends received. The 5-year average is below the target, primarily due to a loan restructure and recognition of a deferred liability for bulk water purchases in 2020-21, both of which were one-off events.

3. Operating cash ratio

Operating result add depreciation and amortisation add finance costs	> 0%	29.33%	21.61%	29.04%	20.86%
Total operating revenue (Note 2)					

The operating cash ratio is a measure of Council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.

Both the current year and 5-year average results reflect the continuing strong cash position of Council proportional to operating costs.

AUDITED CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

(CONTINUED)

for the year ended 30 June 2024

	Target	Consolidated		Council	
	Tier 3	Actual	5 Yr Av.	Actual	5 Yr Av.
		2024	2020-24	2024	2020-24

Asset management

4. Asset sustainability ratio

<u>Capital expenditure on replacement of infrastructure assets (renewals)</u> ^(Note 3)	> 80%	88.78%	78.88%	86.64%	79.44%
Depreciation expenditure on infrastructure assets					

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a Council are being replaced as they reach the end of their useful lives.

Following a lower result in 2019-20, expenditure on asset replacement (renewals) has increased, with a result above target for the current year and preceding 3 years.

5. Asset consumption ratio

<u>Written down replacement cost of depreciable infrastructure assets</u>	> 60%	68.65%	71.97%	69.71%	73.28%
Current replacement cost of depreciable infrastructure assets					

The asset consumption ratio approximates the extent to which Council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

These results indicate that Council's assets are being consumed at a rate consistent with their estimated useful lives.

Debt servicing capacity

6. Leverage ratio

<u>Book value of debt</u>	0 - 3				
Total operating revenue less total operating expenditure add depreciation and amortisation	times	1.18	0.37	1.22	0.41

The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the Council's debt to its operating performance.

Council is well positioned to continue to fund its debt obligations. These results are strengthened by a surplus operating position, and are reinforced with each year that no borrowings are undertaken.

Basis of preparation

The current year financial sustainability statement is prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2024*. The amounts used to calculate the reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2024.

AUDITED CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

for the year ended 30 June 2024

Notes

- (1) Includes only recurrent revenue and recurrent expenditure disclosed in the income statement. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties (refer to note 5 and 9 for exclusions), and any capital expenditure such as write-off of assets, movements in provisions for restoration and rehabilitation and revaluation decrements that hit the statement of comprehensive income.
- (2) Includes only recurrent revenue disclosed in the income statement. Excludes capital revenue grants, contributions donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties (refer to note 5 and 9 for exclusions).
- (3) Asset renewals are defined as the expenditure to renew or replace existing assets to return the service potential or the life of the asset up to that which it had originally.

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of State Development, Infrastructure, Local Government and Planning.

AUDITED CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT for the year ended 30 June 2024

Certificate of Accuracy for the year ended 30 June 2024

This current-year financial sustainability statement has been prepared pursuant to Section 178 of *the Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this Current Year Financial Sustainability Statement has been accurately calculated.



Matthew Burnett

MAYOR

18 October 2024



Carly Quinn

CHIEF EXECUTIVE OFFICER (Acting)

18 October 2024

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Gladstone Regional Council

Report on the Audited Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying audited current year financial sustainability statement of Gladstone Regional Council for the year ended 30 June 2024 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Gladstone Regional Council for the year ended 30 June 2024 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2024 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial sustainability statement and our auditor's report thereon.

At the date of this auditor's report, the available other information in Gladstone Regional Council's annual report for the year ended 30 June 2024 was the general-purpose financial statements, unaudited current-year financial sustainability statement - contextual ratios, and the unaudited long-term financial sustainability statement.

INDEPENDENT AUDITOR'S REPORT



My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the general-purpose financial report.

In connection with my audit of the financial sustainability statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial sustainability statement and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.

INDEPENDENT AUDITOR'S REPORT



I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in black ink, appearing to read "William Cunningham".

William Cunningham
as delegate of the Auditor-General

25 October 2024

Queensland Audit Office
Brisbane

UNAUDITED CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT - CONTEXTUAL RATIOS for the year ended 30 June 2024

	Target Tier 3	Consolidated		Council	
		Actual 2024	5 Yr Av. 2020-24	Actual 2024	5 Yr Av. 2020-24

Contextual ratios (unaudited)

Financial Capacity

1. Council controlled revenue

<u>Net rates, levies and charges add fees and charges</u>	N/A	79.32%	83.68%	78.98%	83.66%
Total operating revenue					

Council controlled revenue is an indicator of a Council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.

2. Population growth

<u>Prior year estimated population</u> - 1	N/A	1.60%	0.77%	1.60%	0.77%
Previous year estimated population					

Population growth is a key driver of a Council's operating income, service needs, and infrastructure requirements into the future.

Basis of preparation

The current year financial sustainability statement is prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2024*. The amounts used to calculate the reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2024.

UNAUDITED CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT - CONTEXTUAL RATIOS for the year ended 30 June 2024

Certificate of Accuracy
for the year ended 30 June 2024

This current-year financial sustainability statement has been prepared pursuant to Section 178 of *the Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this Current Year Financial Sustainability Statement has been accurately calculated.



Matthew Burnett
MAYOR

18 October 2024



Carly Quinn
CHIEF EXECUTIVE OFFICER (Acting)

18 October 2024

UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT prepared as at 30 June 2024

	Target	Actual	Forecast										
	2024	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	

Measures of financial sustainability

Council's performance at 30 June 2024 against key financial ratios and targets.

Liquidity

1. Unrestricted cash expense coverage ratio

Total cash and equivalents **add** current investments **add** available ongoing QTC working capital limit less externally restricted cash

Total operating expenditure **less** depreciation and amortisation **less** finance costs

> 3 months	9.21	This ratio is not applicable for the long-term financial sustainability statement
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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.

Operating Performance

2. Operating surplus ratio

Operating result

Total operating revenue (excluding capital items)

> 0%	6.53%	1.23%	0.97%	1.44%	2.48%	-1.01%	-1.56%	-0.31%	1.23%	2.55%	2.05%
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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.

UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT (CONTINUED)

prepared as at 30 June 2024

	Target 2024	Actual 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
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Operating Performance (continued)

3. Operating cash ratio

Operating result add depreciation and amortisation
add finance costs

Total operating revenue (excluding capital items)

> 0%	29.04%	25.15%	24.71%	24.97%	25.99%	23.14%	22.77%	22.45%	23.43%	24.36%	24.01%
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The operating cash ratio is a measure of Council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.

Asset Management

4. Asset sustainability ratio

Capital expenditure on replacement of infrastructure
assets (renewals)

Depreciation expenditure on infrastructure assets

> 80%	86.64%	111.90%	103.70%	69.60%	78.40%	73.50%	62.00%	53.10%	62.60%	62.70%	55.20%
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The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a Council are being replaced as they reach the end of their useful lives.

UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT (CONTINUED)
prepared as at 30 June 2024

	Target 2024	Actual 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
			Forecast									
Asset Management (continued)												
5. Asset consumption ratio												
Written down replacement cost of depreciable infrastructure assets		69.71%	69.41%	69.58%	69.62%	68.86%	68.38%	68.13%	67.91%	67.77%	67.47%	67.66%
Current replacement cost of depreciable infrastructure assets	> 60%											

The asset consumption ratio approximates the extent to which Council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT (CONTINUED) prepared as at 30 June 2024

	Target 2024	Actual 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
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Debt servicing capacity

6. Leverage ratio

Book value of debt
Total operating revenue **less** total operating
expenditure add depreciation and amortisation

0 - 3 times	1.22	1.37	1.23	1.49	1.30	1.40	1.64	1.84	1.61	1.48	1.65
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The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the Council's debt to its operating performance.

Financial Capacity

7. Council controlled revenue

Net rates, levies and charges add fees and charges
Total operating revenue (excluding capital items)

N/A	78.98%	86.62%	86.99%	86.23%	85.51%	86.01%	86.83%	87.59%	86.89%	86.23%	86.92%
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Council controlled revenue is an indicator of a Council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.

8. Population growth

Prior year estimated population
Previous year estimated population

N/A	1.60%	2.35%	0.81%	0.92%	0.93%	0.85%	0.80%	0.82%	0.79%	0.81%	0.77%
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Population growth is a key driver of a Council's operating income, service needs, and infrastructure requirements into the future.

UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT

prepared as at 30 June 2024

Gladstone Regional Council Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted the above sustainability indicators that have been set by the Department of State Development, Infrastructure, Local Government and Planning to help monitor the long-term sustainability of all Councils across Queensland. Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

Notes

- (1) Includes only recurrent revenue and recurrent expenditure disclosed in the income statement. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties (refer to Note 5 and 9 for exclusions), and any capital expenditure such as write-off of assets, movements in provisions for restoration and rehabilitation and revaluation decrements that hit the statement of comprehensive income.
- (2) Includes only recurrent revenue disclosed in the income statement. Excludes capital revenue grants, contributions donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of: property, plant and equipment, financial assets, real estate and investment properties (refer to Note 5 and 9 for exclusions).
- (3) Asset renewals are defined as the expenditure to renew or replace existing assets to return the service potential or the life of the asset up to that which it had originally.

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the Financial Management (Sustainability) Guideline 2023.

UNAUDITED LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT

for the year ended 30 June 2024

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2024

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



Matthew Burnett

MAYOR

18 October 2024



Carly Quinn

CHIEF EXECUTIVE OFFICER (Acting)

18 October 2024

6 REFERENCES

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





GLOSSARY OF TERMS

Annual Report	Council's detailed report on its performance over the financial year 1 July 2022 to 30 June 2023 as compared against our Corporate and Operational Plan. It includes statements about Council and its employees, performance, finances and disclosures required by legislation.
Apprentice	An arrangement in which someone learns an art, trade or job under another skilled, experience, qualified professional.
Assessment	Evaluation activities undertaken to determine level of performance.
Asset	A resource owned by Council which is used to deliver services to the community. This includes things you can touch and feel like roads as well as those you cannot like software programs.
Audit	This is a business improvement function established by Council to provide independent, objective assurance and consulting services designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
Beakon	Software program that supports management of risk and compliance activities for Council.
Budget	An estimate of costs, revenues and resources over a specific period, reflecting a reading of future financial conditions and goals for the organisation.
Business Unit	A division of Council's organisation that holds particular responsibility for a range of services.
Capital works	Acquiring, constructing, upgrading, replacing, renewing or disposing of assets.
Chief Executive Officer (CEO)	Council's highest-ranking executive.
Community	The people, groups and organisations that make up the region.
Complaint	A report of dissatisfaction.
Community Engagement	The process of connecting council, citizens and communities on a wide range of policy, program and service issues and opportunities. It can be formal or informal and operates on the premise that the best decisions are made if those involved in the outcomes are considered.
Community Financial Report	An annual report that offers commentary on Council's financial results.
Corporate Plan	A document that sets out the goals and strategies over the medium term (five years). It defines how Council will meet its responsibilities to the community and is a legislative requirement.
Councillor	Elected member of Council.
Culture	Defines who we are as an organisation, our ethics, our institutions, our behaviours and our routines.
Cyber security	Protection of information and communication technology from malicious attacks.
Disaster management	Prevention, preparation, response and recovery to disaster events.
Economic development	Growth of the local economy for the prosperity and benefit of the community.
Executive Leadership Team	Comprised of Council's CEO and General Managers.

Financial year	The financial year we are reporting on in this report is the period from 1 July 2022 to 30 June 2023.
Framework	A structure that shows the linkages between various processes in order to achieve an outcome.
Gladstone Region Youth Council	A formal advisory committee that voice the interests of youth in our region on Council related matters and initiatives.
Governance	How decisions are made and implemented as well as how the business is managed and controlled. It encompasses how Council is held accountable.
Hydrogen	A colourless, odourless, highly flammable gas that is a clean fuel source.
Initiatives	Specific projects or programs undertaken to achieve objectives within a measurable time frame.
Landfill	A site designed for waste disposal. It includes large pits that bury disposed waste and is commonly known as a dump or tip.
Legislation	Legislation referring to the Local Government Act 2009 or Local Government Regulation 2012.
Local Government Act 2009	The principal legislation that provides the legal framework for local governments in Queensland. It ensures local governments are accountable, effective, efficient and sustainable.
Local Government Regulation 2012	Legislation describing the boundaries for local government.
Mayor	The head of Council elected at local government elections. Mayoral duties include running the Council meetings, working alongside the CEO on Council business, being the spokesperson for Council and carrying out ceremonial duties.
Mental Health	A state of wellbeing in which an individual realises his or her own abilities, can cope with the normal stresses of life, can work productively and is able to make a contribution to his or her community.
Native Title	Recognition under Australian common law, of pre-existing Indigenous rights and interests according to traditional laws and customs.
Operational Plan	A 12 month plan that sets out how to achieve the desired outcomes set out in the Corporate Plan.
Outcomes	Results of an activity, plan, process or program and their comparison with the intended or projected results.
Policy	A set of principles and associated guidelines formulated and enforced at the highest level, to direct and limit an organisation's actions in pursuit of long-term goals.
Project	A temporary endeavour that has a defined start and end, scope and resources. It has a singular goal and a specific set of operations are put forth to accomplish it.
Rates	An annual levy charged to property owners within the region to fund the supply and management of infrastructure and services to the community.
Reconciliation Action Plan	Council's strategic document that includes a range of practical measures that will positively influence reconciliation outcomes within the Gladstone Region.
Renewable energy	Energy that is collected from natural sources such as solar, wind, or moving water.

Remuneration	Money paid to compensate a person for their work.
Revenue	Income or money generated by Council.
Service	A group of related activities contributing to a common outcome.
Sister City Program	A worldwide movement that encourages international understanding and ultimately world peace. The Gladstone Region's sister city is Saiki City in Oita Prefecture, Japan.
Statutory	Required under law or legislation.
Strategic planning	A process that helps Council and the community plan for the future according to the vision outlined in the Corporate Plan.
Trainee	A person undergoing training for a particular role at Council.
Transfer Station	A site that collects and sorts waste before being processed and recovered or sent to landfill.
Values	Overarching direction for how Council will behave.
Vision	An aspirational statement that describes what the organisation is working towards.

LIST OF ACRONYMS AND ABBREVIATIONS

AAC	Administrative Action Complaint
ARIC	Audit Risk and Improvement Committee
ALGA	Australian Local Government Association
B	Billion
BAM	Beach Arts Music Event
BGANZ	Botanic Gardens Australia New Zealand
BTABC	Boyne Tannum Arts Business and Community Association
CBU	Commercial Business Unit
C-CAT	Coastal Council Adaptation Taskforce
CCC	Crime and Corruption Commission Queensland
CEO	Chief Executive Officer
CQ	Central Queensland
CQROC	Central Queensland Regional Organisation of Councils
GAPDL	Gladstone Area Promotion and Development Limited
GECC	Gladstone Entertainment Convention Centre
GRAGM	Gladstone Regional Art Gallery and Museum
GRC	Gladstone Regional Council
GRP	Gross Regional Product
GSDA	Gladstone State Development Area
HRC	Human Rights Complaints
ILUA	Indigenous Land Use Agreement
IP	Information Privacy
IP Act	Information Privacy Act 2009
IPWEA	Institute of Public Works Engineering Australia
IQRAP	Inland Queensland Roads Action Project
KM	Kilometre

LAWMAC	Local Authority Waste Management Advisory Committee
LGA	Local Government Area
LGAQ	Local Government Association of Queensland
LGMA	Local Government Managers Australia
LNG	Liquid Natural Gas
LTIFR	Loss Time Injury Frequency Rate
NEMA	National Emergency Management Agency
NFP	Not for profit
M	Million
MAIB	Member, Australia Institute of Building
NAIDOC	National Aborigines and Islanders Day Observance Committee
OIA	Office of the Independent Assessor
PCYC	Police Citizens Youth Club
PHF	Paul Harris Fellowship
QAL	Queensland Alumina Limited
QCA	Queensland Competition Authority
QLD	Queensland
QPCYWA	Queensland Police-Citizens Youth Welfare Association
QTC	Queensland Treasury Corporation
RA	Reconciliation Australia
RADF	Regional Arts Development Fund
RAP	Reconciliation Action Plan
RTI	Right to Information
SBA	Significant Business Activity
TBG	Tondoan Botanic Gardens
TIDS	Transport Infrastructure Development Scheme
TIQ	Trade and Investment Queensland
WDIP	Works Delivery Improvement Plan
WGs	Working Groups

LEGISLATIVE INDEX

Local Government Regulation 2012		
Legislation Requirement	Section of legislation	Page of this report
Financial statements	183	
The annual report for a financial year must contain—		
(a) the general purpose financial statement for the financial year, audited by the auditor-general; and		94-177
(b) the current-year financial sustainability statement for the financial year, audited by the auditor-general; and		94-177
(c) the long-term financial sustainability statement for the financial year; and		94-177
(d) the auditor-general's audit reports about the general purpose financial statement and the current-year financial sustainability statement.		94-177
Community financial report	184	86-93
The annual report for a financial year must contain the community financial report for the financial year.		
Particular resolutions	185	
The annual report for a financial year must contain—		
(a) a copy of the resolutions made during the financial year under section 250(1); and		N/A
(b) a list of any resolutions made during the financial year under section 206(2).		N/A
Councillors	186	
(1) The annual report for a financial year must contain particulars of—		
(a) for each councillor, the total remuneration, including superannuation contributions, paid to the councillor during the financial year; and		36
(b) the expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government's expenses reimbursement policy; and		37
(c) the number of local government meetings that each councillor attended during the financial year; and		35
(d) the total number of the following during the financial year—		
(i) orders made under section 150I(2) of the Act;		82-83
(ii) orders made under section 150AH(1) of the Act;		82-83
(iii) decisions, orders and recommendations made under section 150AR(1) of the Act; and		82-83
(e) each of the following during the financial year—		
(i) the name of each councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made;		82-83
(ii) a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors;		82-83
(iii) a summary of the decision, order or recommendation made for each councillor; and		82-83
(f) the number of each of the following during the financial year—		
(i) complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government;		82-83

(ii) matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission;		82-83
(iii) notices given under section 150R(2) of the Act;		82-83
(iv) notices given under section 150S(2)(a) of the Act;		82-83
(v) decisions made under section 150W(a), (b) and (d) of the Act;		82-83
(vi) referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act;		82-83
(vii) occasions information was given under section 150AF(4)(a) of the Act;		82-83
(viii) occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor;		82-83
(ix) applications heard by the conduct tribunal about the alleged misconduct of a councillor.		82-83
Administrative action complaints	187	
(1) The annual report for a financial year must contain—		
(a) a statement about the local government's commitment to dealing fairly with administrative action complaints; and		46
(b) a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.		46
(2) The annual report must also contain particulars of—		
(a) the number of the following during the financial year—		
(i) administrative action complaints made to the local government;		46
(ii) administrative action complaints resolved by the local government under the complaints management process;		46
(iii) administrative action complaints not resolved by the local government under the complaints management process; and		46
(b) the number of administrative action complaints under paragraph (a) (iii) that were made in a previous financial year.		46
Overseas travel	188	
(1) The annual report for a financial year must contain the following information about any overseas travel made by a councillor or local government employee in an official capacity during the financial year—		
(a) for a councillor—the name of the councillor;		36
(b) for a local government employee—the name of, and position held by, the local government employee;		43
(c) the destination of the overseas travel;		36, 43
(d) the purpose of the overseas travel;		36, 43
(e) the cost of the overseas travel.		36, 43
(2) The annual report may also contain any other information about the overseas travel the local government considers relevant.		36, 43
Expenditure on grants to community organisations	189	

(1) The annual report for a financial year must contain a summary of the local government's expenditure for the financial year on grants to community organisations.		78-81
(2) The annual report must also contain the following information about the local government's discretionary funds—		
(a) the total amount budgeted for the financial year as the local government's discretionary funds;		78-81
(b) the prescribed amount for the local government for the financial year;		78-81
(c) the total amount of discretionary funds budgeted for the financial year for councillors to allocate for each of the following purposes—		
(i) capital works of the local government that are for a community purpose;		78-81
(ii) other community purposes;		78-81
(d) the amount of discretionary funds budgeted for use by each councillor for the financial year;		78-81
(e) if a councillor allocates discretionary funds in the financial year—		
(i) the amount allocated; and		78-81
(ii) the date the amount was allocated; and		78-81
(iii) the way mentioned in section 202(1) in which the amount was allocated; and		78-81
(iv) if the amount was allocated to a person or organisation—the name of the person or organisation to whom the allocation was made; and		78-81
(v) the purpose for which the amount was allocated, including sufficient details to identify how the funds were, or are to be, spent.		78-81
Other contents	190	
(1) The annual report for a financial year must contain the following information—		
(a) the chief executive officer's assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan;		7
(b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year;		48-77
(c) an annual operations report for each commercial business unit;		39-42
(d) details of any action taken for, and expenditure on, a service, facility or activity—		
(i) supplied by another local government under an agreement for conducting a joint government activity; and		82
(ii) for which the local government levied special rates or charges for the financial year;		82
(e) the number of invitations to change tenders under section 228(7) during the financial year;		82
(f) a list of the registers kept by the local government;		45
(g) a summary of all concessions for rates and charges granted by the local government;		81
(h) the report on the internal audit for the financial year;		44-45

(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;		46
(j) the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52(3).		46
Local Government Act 2009		
Beneficial Enterprises		
A local government's annual report for each financial year must contain a list of all the beneficial enterprises that the local government conducted during the financial year.	45	82-83
Significant Business Activities		
A local government's annual report for each financial year must—		
(a) contain a list of all the business activities that the local government conducted during the financial year;		82-83
(b) identify the business activities that are significant business activities; and		82-83
(c) state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied; and		82-83
(d) state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.		82-83
The local government must conduct a public benefit assessment of the new significant business activity.	46	82-83
Senior Executive Remuneration		
(1) The annual report of a local government must state—		
(a) the total of all remuneration packages that are payable for the year to the senior management of the local government; and		43
(b) the number of employees in senior management who are being paid each band of remuneration; and		43
(c) if the local government has resolved to allow a councillor to appoint councillor advisors—for each councillor— (i) the number of councillor advisors appointed by the councillor for the year; and (ii) the total remuneration payable to all councillor advisors appointed by the councillor for the year.		N/A
Right to Information Act 2009 and the Information Privacy Act 2009	138	80
Human Rights Act 2019	139	46



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