



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

**TO BE HELD AT THE BUILYAN COMMUNITY HALL
11 PINE STREET, BUILYAN**

On Tuesday 18 March 2025

Commencing at 10.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 4 MARCH 2025

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 18 March 2025

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 4 March 2025.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 4 March 2025 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 4 March 2025.

G/3. DEPUTATIONS

G/4. OFFICERS' REPORTS

G/4.1. COMMUNITY INVESTMENT PROGRAM - OUT OF ROUND - IMPACT EVENT APPLICATION

Responsible Officer: General Manager Community and Lifestyle

Prepared By: Manager Community Partnerships

Council Meeting Date: 18 March 2025

File Ref: GS3.1

Purpose:

To consider the recommendation of the Community Investment Panel on applications received under the Impact Event fund.

Officer's Recommendation:

That Council:

1. Adopt the Community Investment Panel's recommendations of funding for the applications received under the categories of funding as detailed in the tables below:

Application ID	Applicant	Project	Requested Amount	Recommended Amount
IMPACT-OOR-1-24/25	Of One Mind Limited	WOW - Women of the World Festival Gladstone 2025	\$12,382 cash \$12,618 in kind	\$12,382 cash \$12,618 in kind
Total Funding Recommended			\$25,000	\$25,000

and

2. Authorise the Chief Executive Officer or delegate to finalise and execute funding agreements with the successful applicants detailing relevant entitlements and conditions.

Summary:

Council has received one out of round application for funding through its Community Investment Program via the Impact Event funding stream. The application has been assessed by a Panel of Council Officers in line with Council's Community Investment Policy with a recommendation presented for Council's consideration.

Link to Corporate Plan:

Connecting Communities - We work with you and for you, supporting the success of our communities.
 Delivering Value - We work efficiently to deliver value for your rates.
 Resilient Economy - We play our part in supporting the success of our region.

Background:

IMPACT EVENTS are within the Community Celebration Fund. This overarching fund enables the development and delivery of initiatives and projects that facilitate community connection through events.

Applications should demonstrate alignment to the following objectives:

- Social & Community - drives social and community outcomes, including community pride and cohesion;
- Destination - enhances the profile and appeal of the Gladstone Region;
- Financial Sustainability - demonstrates financial sustainability;
- Environmental Sustainability - demonstrates environmental sustainability;
- Economic Impact - generates economic activity in the Gladstone Region;
- Overnight Visitation - attracts external visitation specifically generating overnight visitor expenditure.

Impact Event funding provides support for events that demonstrate tourism and regional economy benefits and attract 2,500 to 5,000 participants, with 10% out-of-region visitors.

The following Impact Event application has been received for consideration:

Application ID	Applicant	Project	Requested Amount
IMPACT-OOR-1-24/25	Of One Mind Limited	WOW - Women of the World Festival Gladstone 2025	\$12,382 cash \$12,618 in kind
Total Funding Requested			\$25,000

Risk Management Summary:

In accordance with the Community Investment Policy (P-2023-10) the eligible applications have been assessed by a Panel and each application is reviewed against a Key Selection Criteria (KSC) to determine an order of merit. Following individual panel assessments, a moderation process is followed.

The overall score (ranking) is used to inform the recommendation. The table below defines the KSC, weighting and definition of score applied in the assessment matrix:

RATING MATRIX
<p>GREEN = Score 75% and above Full Funding The application has <u>met or exceeded</u> all assessment criteria Applicants are offered 100% of funding requested</p>
<p>ORANGE = Score 65%-74% Partial Funding The application has <u>met most</u> assessment criteria Applicants are offered 85% of funding requested</p>
<p>YELLOW = Score 56%-64% Partial Funding The application <u>meets some</u> of all assessment criteria Applicants are offered 75% of funding requested</p>
<p>RED = Score 55% and below No Funding The application <u>does not meet</u> any assessment criteria Unsuccessful - no funding offered</p>

Options and Opportunity Analysis:

Individual panel member scores are captured within the Smarty Grants portal and collated in an assessment matrix.

The Community Investment Panel recommendation is summarised within this table:

Applicant	Project	Project Location	Applicant Request	Panel Score	Recommendation
Of One Mind Limited	WOW - Women of the World Festival Gladstone 2025	Gladstone	\$12,382 cash \$12,618 inkind	92%	\$12,382 cash \$12,618 inkind
Total Funding Recommended					\$25,000

A brief overview and moderated commentary is provided below:

APPLICATION: IMPACT-OOR-1-24/25	
Organisation	OF ONE MIND LIMITED
Event Title	WOW – Women of the World Festival Gladstone 2025
Event Dates	17 to 19 October 2025
Description	<p>The event is a 2-day festival and legacy program featuring: panel conversations, speed-mentoring, hands-on-workshops and demonstrations, arts and cultural performances, exhibitions and marketplace showcasing local female-led artisans, business, community service agencies.</p> <p>The event aims to focus on building the strength and resilience of women and girls in Central and Coastal Queensland, empowering and equipping them to create tangible change within their communities while inspiring unity through celebration and education.</p>
Target Audience	Specific target audiences will include regionally based individuals - women and girls, boys and men. The event aims to place a focus on ensuring a significant role and opportunities for First Nation women and those from culturally diverse communities.
Total Project Cost	\$260,455
Total Amount Requested	\$12,382 cash and \$12,618 inkind
Funding Used For	Venue hire, venue staffing, technical costs and equipment
Previous Funding Received	No
Panel Commentary	All panel members considered the application to be comprehensive, well-written and align to the key objectives of the fund. The event has been demonstrated as successful in other regional locations and will showcase Gladstone, featuring local business, artists and community organisations. The panel noted the applications attendance estimates may be optimistic given the local community's historical support of first-time events.
Panel Recommendation	Application successful for full funding.

Stakeholder Engagement:

As detailed within the Community Investment Corporate Standard, the delegated assessment panel were consulted.

Legal and Regulatory Implications:

The applications have been assessed against Council’s Community Investment Program Policy (P-2023-10).

Should Council endorse the Panel’s recommendations detailed in this report, authorised officers will proceed to enter into a grant and/or funding agreement (detailing entitlements and conditions) with the successful applicant.

Financial and Resource Implications:

Within the 2024/2025 budget, Council allocated \$73,800 for the Impact Event fund which has been fully expended.

Applications outlined within this report total \$25,000, consisting of recommended funding of \$12,382 cash \$12,618 in kind.

The recommended amount can be accommodated by an underspend in the Signature Event category.

Anticipated Resolution Completion Date:

18 April 2025

Attachments:

1. CONFIDENTIAL – Impact Event – Out of Round - Score Matrix
2. CONFIDENTIAL – Impact Event – Out of Round - Scoring Report – Of One Mind Limited

G/4.2. THE SHELTER COLLECTIVE - SUPPORT FOR AFFORDABLE HOUSING PROJECT

Responsible Officer: General Manager People and Strategy

Prepared By: Strategic Project Specialist

Council Meeting Date: 18 March 2025

File Ref: ED4.1, CM31.08

Purpose:

For Council to consider a request to support the Shelter Collective's ARC21 community housing project, South Gladstone with a contribution to disposal costs for construction and demolition waste, and green waste.

Officer's Recommendation:

That Council contribute to the Shelter Collective's waste disposal costs, to the value of \$6,436 for construction and demolition waste and green waste associated with Stage 1 of the ARC21 community housing project at South Gladstone.

Summary:

The Shelter Collective is a not-for-profit registered charitable organisation that has acquired the former Hibiscus Gardens aged care facility at Sigg Street, South Gladstone. The Shelter Collective will be renovating 21 single bed units for affordable rental housing. The project is called ARC21, Gladstone. Early site preparation works have commenced.

Given the alignment of the project to Council's Local Housing Action Plan (LHAP) and endorsed Strategic Priorities, Council's consideration is sought to contribute toward the group's waste disposal costs.

Link to Corporate Plan:

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

Background:

The Shelter Collective is a not-for-profit registered charitable organisation with a goal of planning and delivering realistic and accessible housing solutions to the availability of affordable housing in Central Queensland. In November 2024, the organisation's Affordable Residential Communities (ARC) Project delivered 10 newly refurbished cottages in Rockhampton by repurposing underutilised properties for housing vulnerable people.

In February 2025, the Shelter Collective announced commencement of its ARC Project in Gladstone, having acquired the former Hibiscus Gardens age care facility at Sigg Street, South Gladstone. The site is on Crown Land which the Shelter Collective have negotiated a lease over.

Stage 1 of the project will repurpose and renovate 21 single bed units for affordable rental housing. Stage 2 will look to renovate and repurpose an additional 20 units for the same purpose.

ARC projects are funded through donations and fundraising efforts. The Shelter Collective is committed to directing 100% of all funds raised into delivering the housing projects.

Early site preparation works have commenced.

Council's contribution to waste disposal costs will support the Shelter Collective to fulfil cost saving measures.

Risk Management Summary:

The recommendation of this report is considered enabling of strategic priorities and is consistent with Council's minimal appetite for reputational risk.

Options and Opportunity Analysis:

The Shelter Collective has confirmed an estimated tonnage for the waste to be disposed. The value of the request for support has been calculated and summarised in the table below. The calculation of cost is based on Council's 2024/25 fees and charges for Waste Management.

Waste Type	Estimated Tonnage	Fee per Tonne	Waiver Value
Green Waste - Uncontaminated - Commercial Operators	2	\$41.00	\$82.00
Construction and Demolition Waste - Unsorted - Benaraby Landfill Based on 4 x 10m3 skip bins with a weight limit of 4,500kg.	18	\$348.00	\$6,264.00
			\$6,346.00

Option 1 – Officer's Recommendation

Council's role in the housing landscape is to advocate and enable immediate solutions to the housing crisis.

This project will deliver a practical solution for social and affordable housing aligned to opportunities identified in the Gladstone Region Local Housing Action Plan, specifically action 9.5.7 of the Plan, which focuses on unlocking empty, unused, or abandoned properties to increase the region's existing housing supply. Supporting this request for support would demonstrate Council's defined role to advocate and enable strategic opportunities to address the housing agenda.

Given this strategic alignment, it is recommended that Council make a one-off payment to the Shelter Collective to the value of \$6,346 to assist with the costs of waste disposal.

Council has not allocated any budget in the 24/25 budget to support housing projects so a Council decision is required to re-direct funds within the Economic Development budget, to this project. This can be accommodated without a budget adjustment.

Option 2 – Fund through Community Investment Program

The request has been evaluated against Council's Community Investment Policy (P-2023-10). While the purpose aligns with the policy's objectives, it does not meet criteria for activities funded under the Community Investment Program Waste Fund. The fundable activities are for:

- Assisting charitable organisations that accept pre-loved household belongings from the burden of processing and disposal of general waste deposited at their facilities;
or
- Assisting organisations and first nations groups that co-ordinate non-commercial litter clean up from foreshores and land either owned, managed, leased or under control of Council (or as approved otherwise by Council).

Council retains the discretion to make decisions beyond the policy's scope and could therefore decide to fund the request as a waiver of fees under the Community Investment Program Waste Fund.

This option may set an undesired precedent.

Alternative resolution;

That Council waive fees to the value of \$6436.00 for waste disposal to support stage 1 of The Shelter Collective's ARC21 Project, under the Community Investment Program Waste Fund, due to alignment to the Policy Objectives and Strategic Priorities.

Option 3 – Council set a capped value to support both stages of the Project.

The Shelter Collective is likely to make a future request for an additional contribution to waste disposal fees to support Stage 2 of the ARC project in Gladstone. Stage 2 aims to renovate and repurpose an additional 20 units for affordable rental housing. Council may wish to set the value of the waiver calculated as the total capped value to support both stages of the project.

No tonnage estimates for Stage 2 have been provided. Discussion with the organisation indicate volumes will likely be the same as Stage 1. Based on Council's current fees and charges, a future waiver request will likely be of a similar value.

Alternative resolution;

That Council contribute to the Shelter Collective's waste disposal costs, to the value of \$_____ for construction and demolition waste and green waste associated with all stages of the ARC community housing project at South Gladstone.

Option 4 – Decline the Request

Council can decline this request as budget has not been allocated for this type of request, and the request does not align to the prescribed eligibility requirements set for the Community Investment Program Waste Fund. Council may not wish to set precedent for future requests of a similar nature.

Alternative resolution;

That Council decline a request from The Shelter Collective to contribute toward waste disposal costs associated with stage 1 of the ARC21 community housing project at South Gladstone.

Stakeholder Engagement:

Portfolio managers overseeing waste management, revenue services, community investment, strategy and economic development have been consulted and have informed the recommendation of this report.

Legal and Regulatory Implications:

Pending favourable consideration, authorised officers will outwork the administrative processes to enable the agreed payment to be made in accordance with Council's financial processes.

Financial and Resource Implications:

Council adopted its Local Housing Action Plan in February 2024 with no budget allocated for unplanned opportunities. Based on the strategic outcomes to be gained, funds to support the recommendation of this report will be found from budget allocated for Economic Development.

Anticipated Resolution Completion Date:

June 2025

Attachments:

Nil

G/4.3. GLADSTONE AIRPORT CORPORATION - TENURE OF DIRECTORS

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Governance and Risk

Council Meeting Date: 18 March 2025

File Ref: FM19.1

Purpose:

To consider the composition of the Gladstone Airport Corporation Board of Directors.

Officer's Recommendation:

That:

1. Council appoint Adrienne Ward, Chairman for an additional term expiring 30 June 2027.
2. Council appoint Rick Hansen as a director for an additional term expiring 30 June 2027.
3. Council appoint Anthony Groen-Int-woud as a director for an additional term expiring 30 June 2028.
4. Council appoint Kieran Donovan as a director for an additional term expiring 30 June 2028.
5. Council appoint Dana Field as a director for an additional term expiring 30 October 2027.
6. Council appoint Tina Zawila as a director for an additional term expiring 30 September 2026.
7. Council proceeds with the recruitment of one new director with the appointment to commence 1 October 2026 for an initial period of three years.

Summary:

Council has the right and obligation to determine the composition of the Gladstone Airport Corporation's (GAC) Board of Directors as GAC's sole shareholder. The tenure for three directors are approaching ten years however four directors are only serving their first term. The current board demonstrates an appropriate mix of skill and experience. Council is asked to make a decision on the future composition of the board of directors.

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.
Delivering Value - We work efficiently to deliver value for your rates.
Resilient Economy - We play our part in supporting the success of our region.

Background:

As Gladstone Airport Corporation's (GAC) sole shareholder Council has the right to determine the composition of the GAC Board of Directors. GAC's constitution (the Constitution) provides that the Board of Directors must consist of no less than five directors.

The current composition of the Board is as follows:

Director	Commencement of Initial Appointment	Appointment End Date
Adrienne Ward (Chairman)	20 September 2016	30 June 2026
Rick Hansen	5 April 2016	22 April 2026
Anthony Groen-Int-Woud	1 July 2023	30 June 2025
Kieran Donovan	1 July 2023	30 June 2025
Dayna Field	1 November 2022	30 October 2024
Tina Zawila	1 July 2017	30 June 2023
Cr Glenn Churchill	23 April 2024	Councillor Appointment

The Constitution does not establish a minimum or maximum tenure of a director. Typically, in Australia, the directors generally have a maximum tenure of between 9 and 12 years. However, board composition should also take the following factors in consideration:

1. Balance of tenure – a mixture of long serving directors to protect the corporate memory of the board offset by fresh perspectives of new directors.
2. Skills and experience – ensuring that the board has the necessary skill set to meet GAC’s strategic priorities.
3. Performance – how well the directors are contributing to the pursuit of strategic priorities.

Risk Management Summary:

The effective operation of GAC is critical to the success of the Gladstone Region. Council takes a cautious approach towards taking reputational risks and a balanced approach to financial and service delivery risks. The Officer’s recommendation will achieve deliver an appropriate composition of GAC’s Board to support the effective operation of GAC.

Options and Opportunity Analysis:

OPTION 1 – OFFICER’S RECOMMENDATION

Adrienne Ward (Chairman)

GAC’s Annual report summarises Ms Ward’s experience as follows:

“Adrienne has an extensive background in Corporate and Government Strategy. Along with her husband, she currently owns a number of businesses in Gladstone and has previously worked in State and National roles within organisations such as Accenture, Westpac Banking Corporation and Leighton Contractors.

Adrienne is a passionate advocate and contributor to both Gladstone and Queensland. Her current roles include Chairman, Gladstone Area Water Board; and Chairman, MIU Animation.

Adrienne is also a member of the Public Transport Fares Advisory Panel – DTMR Qld, Advisory Member – Australian Institute of Company Directors (AICD) CQld and Ambassador for the Women in Business Awards of Australia.

Adrienne was also awarded the Centenary Medal in 2003 for Distinguished Service and Achievement in Business and Commerce and is a former Telstra Businesswoman of the Year.”

Given the relatively new mix of directors on the GAC Board, and given that Ms Ward is GAC’s Chairman, it is recommended that Ms Ward’s tenure be extended to 30 June 2027, taking Ms Ward’s tenure to a total of 11 years.

Rick Hansen

GAC's Annual report summarises Mr Hansen's experience as follows:

"Rick Hansen was a former Councillor for the Gladstone City Council and the Gladstone Regional Council. He was appointed as a Director of Gladstone Airport Corporation in 2016 and sits on the GAC Finance and Audit Committee and the GAC Risk and Compliance Committee. Rick has been involved in the community extensively having worked in major industry for over 20 years, owned and managed a small business for over 20 years and represented the community in Council for the past 18 years. He is still heavily involved with community work and holds positions on several boards in the Gladstone region."

Mr Hansen was appointed as a director for a period of two years in April 2024 to provide continuity to the Board of GAC following the 2024 Local Government Election. This resulted in the number of directors increasing from six to seven. In April 2026, Mr Hansen would have served on the Board for 10 years. It is recommended that Mr Hansen's tenure be extended to 30 June 2027 to support the onboarding of a new director (replacing long term director Tina Zawila). On 30 June 2027, Mr Hansen would have served on the Board for 11 years and it is recommended that Mr Hansen's tenure not be renewed for a further term beyond 2027. It is further recommended that no director be appointed to replace Mr Hansen.

Anthony Groen-Int-woud

GAC's Annual Report summarises Mr Groen-Int-woud's experience as follows:

"Anthony is managing director of Multitrade Building Hire and Multitrade, holding these positions for over 17 years. His primary focus has been on working in the heavy industrial sites of the Central Queensland region, where he has demonstrated a steadfast commitment to fostering a positive organisational culture and prioritising workplace health and safety. Additionally, Anthony serves as a non-executive director for several other small businesses and actively contributes to various sporting committees within the Gladstone Community."

A Native of Gladstone, Anthony began his career by completing a trade in Plumbing and Drainage. He furthered his training to obtain a Certificate 4 in building and construction, subsequently becoming a licensed builder in Queensland. Anthony's passion for the general aviation industry is evident, as he holds a PPL (Private Pilot License) and has operated an aircraft for over 5 years. This experience has provided him with valuable insights into the benefits of aviation for small businesses and a deep understanding of airport operations and opportunities.

Anthony has completed the Australian Institute of Company Directors Course and has joined the board of Gladstone Airport Corporation in 2023."

As a first term director it is recommended that Mr Groen-Int-woud be appointed for a further term of three years commencing 1 July 2025.

Kieran Donovan

GAC's Annual Report summarises Mr Donovan's experience as follows:

"Kieran is a specialist advisor who works at the intersection of strategy, capital and sustainability, helping boards, directors and executives to manage risk and realise opportunities in highly-dynamic and heavily regulated environments."

Prior to founding Lower Capital, he led the operation and international expansion of Avalon Airport and worked with the United Nations, where on a short-term contract, he provided strategic advice on aviation infrastructure development in conflict and post-conflict states.

With decades of experience in aviation across the public and private sectors, Kieran has deep and unique insight into the impacts, opportunities and value airports generate from environmental, social and economic perspectives.

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He holds a Bachelor of Engineering degree (Civil), a Bachelor of Science and a Master of Business Administration from Melbourne Business School and is a Graduate of the Australia Institute of Company Directors."

As a first term director it is recommended that Mr Donovan be appointed for a further term of three years commencing 1 July 2025.

Dayna Field

GAC's Annual Report summarises Ms Field's experience as follows:

"Dayna is a legal, risk and governance senior leader and advisor with deep experience supporting organisations and their boards to navigate complex and highly regulated industries.

With 14 years experience within the Virgin Australia Group she served as the Chief Legal and Risk Officer including throughout the turbulent period of the pandemic during which Virgin Australia entered voluntary administration, conducted a rapid sale process and re-emerged under the ownership of a private equity group Bain Capital.

She is currently supporting a focus on risk culture within the higher education sector as General Counsel for Griffith University as well as being a member of the Sustainability Committee, Health Safety and Wellbeing committee and Cyber Security Committee.

She started her career as a corporate lawyer in global law firm Allens Linklaters however her executive and non-executive roles have encompassed integrity, corporate governance, privacy, sustainability, risk and resilience, workplace relations, insurance, internal audit, people and culture, business strategy and government affairs across a number of sectors.

Dayna holds a Bachelor of Commerce, Bachelor of Laws, Graduate Diploma of Legal Practice and is admitted to practice by the Qld Supreme Court and High Court of Australia. She has also completed the Australian Institute of Company Directors course.

Dayna joined the GAC board in 2022 and is also a member of the GAC Risk and Compliance Committee and Nominations, Remuneration and HR Committee."

As a first term director it is recommended that Ms Field be appointed for an additional term of three years which would expire on 30 October 2027. This takes into account that Ms Field's initial term was originally due to expire on 30 October 2024.

Tina Zawila

GAC's Annual Report summarises Ms Zawila's experience as follows:

"Tina was appointed to the Board of Directors of Gladstone Airport Corporation on 1 July 2017. She chairs the Finance and Audit Committee and is a member of the Nominations and Remuneration Committee.

As a Director of UHY Haines Norton CQ Pty Ltd, Tina is passionate about empowering people and organisations to achieve their goals, objectives and financial success. Tina has over 35 years experience in the finance industry as a Chartered Accountant, Financial and Business Advisor.

Tina is a Non-Executive Director of the Central Queensland Hospital and Health Board and is the Chair of the Finance and Performance Committee and is a member of the Executive Committees. She was also appointed as a Non-Executive Director of the Gladstone Area Water Board in December 2021 and is the Chair of the Audit and Finance Committee. Tina is also a member of the CQU Audit and Risk Committee since March 2023.

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An active member of our local community, Tina holds various voluntary roles in not-for-profit organisations including her current role as the first female board member, Non-Executive Director, Deputy Chair and Company Secretary of Gladstone Area Group Apprentices Limited. Tina is a Non-Executive Director of Clava Pty Ltd trading as Yaralla Sports Club.

Tina holds a Bachelor of Business (Accounting) with Distinction and Diploma of Financial Planning. She has completed the Australian Institute of Company Directors course and is a Fellow of the Institute of Managers and Leaders."

Due to an oversight Ms Zawila's tenure was not formally renewed in 2023 however Ms Zawila has continued to fulfil her duties of Director during this time. As Ms Zawila is the Board's sole financial expert, it is recommended that Ms Zawila's tenure be extended to 30 September 2026. The proposed end date takes into account Ms Zawila's role in relation to financial reporting and audit.

Cr Glenn Churchill

As Cr Churchill was appointed as Council's councillor representative on the GAC Board, there is no end date assigned to Cr Churchill's appointment. Council may choose to terminate Cr Churchill's appointment by resolution at any time.

The below table represents the Board's composition following implementation of the Officer's Recommendation:

Director	Commencement of Initial Appointment	New Appointment End Date	Total Tenure at Appointment End
Adrienne Ward (Chairman)	20 September 2016	30 June 2027	11 years Not to be renewed.
Rick Hansen	5 April 2016	30 June 2027	11 years Not to be renewed.
Anthony Groen-Int-Woud	1 July 2023	30 June 2028	5 years
Kieran Donovan	1 July 2023	30 June 2028	5 years
Dayna Field	1 November 2022	30 October 2027	5 years
Tina Zawila	1 July 2017	30 September 2026	9 years Not to be renewed.
Cr Glenn Churchill	23 April 2024	Councillor Appointment	NA

The Officer's recommendation is that recruitment for a director with financial expertise to replace Ms Zawila will commence in 2026. Officers will engage the services of a professional director recruitment service for the recruitment of new directors. A panel will be convened to conduct interviews and provide a recommendation to Council. In the past, the panel has consisted of the Mayor, Council's Chief Executive Officer and GAC's Chairperson.

OPTION 2 – ALTERNATE TENURE ARRANGEMENTS

While it is recommended that director appointments are for terms of three years and that a director's tenure does not extend beyond 9-12 years, Councillors are not limited by GAC's Constitution and may choose not to renew a director's tenure or may set alternate terms/appointments at its discretion. Council could also appoint additional directors.

Stakeholder Engagement:

Officers have sought input from the Chairman of GAC in the preparation of this report.

Legal and Regulatory Implications:

The establishment of local government-owned entities is governed by the Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 (repealed but transitioned). In particular, ss 53 and 54 of the Regulation set the process for appointment of directors to the board of the corporate entity.

Further, the Gladstone Airport Corporation operates under a constitution which provides further requirements in relation to the appointment of Directors.

Financial and Resource Implications:

Each director of Gladstone Airport Corporation receives a salary of \$20,000 as well as additional payments for participating in the various committees and reimbursement of costs associated with attending meetings. This cost is accounted for in GAC's Operational Budget.

Costs associated with the recruitment of new directors will be accommodated within Council's 2025/2026 Operational Budget.

Anticipated Resolution Completion Date:

GAC and GAC's Board of Directors will be informed of the appointments within two weeks of Council's resolution.

Attachments:

Nil.

G/4.4. REVIEW OF PROCUREMENT POLICY

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Governance Business Partner

Council Meeting Date: 18 March 2025

File Ref: CM28.2

Purpose:

To consider the annual review of the Procurement Policy.

Officer's Recommendation:

That Council adopt the Procurement Policy provided as Attachment 1 to the Officer's Report.

Summary:

This report considers the proposed amendments to the Procurement Policy following the annual review.

Link to Corporate Plan:

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

Background:

Pursuant to the *Local Government Regulation 2012*, the Procurement Policy must be reviewed annually. Significant changes were made to the policy in 2021 and in subsequent years the policy has been re-endorsed without amendment.

Risk Management Summary:

Council takes a moderate approach toward taking risk when it has a potential financial, service delivery, or regulatory and legal consequence. Options presented will seek to control the risk by meeting Council's legislative obligations whilst ensuring Council's procurement activities are responsible, safe, fair, value for money, and support the economic development of local businesses and align with the risk positioning of the business.

Options and Opportunity Analysis:

Option 1 – Adopt the Amended Policy (Officer's Recommendation)

Council's supply chain continues to face challenges (i.e. inflation, material availability, etc); however, officers do not believe that the principles outlined within the existing policy intensify these challenges.

Whilst it is not proposed to alter the intent of the policy, officers are proposing some minor amendments including:

- a refresh of definitions to provide clarity of intent;
- inclusion of references to the Reconciliation Action Plan and Small Business Friendly Program and Charter to further support the statements made in the Policy Statement and Local Content sections;
- update to template including a new section for Evaluation of Policy; and
- other minor wording amendments to improve readability and clarity of intent.

A tracked changes version has been provided as Attachment 2.

Option 2 – Adopt the Proposed Policy with Amendments

Council may seek to have further amendments made to the proposed policy and an alternative resolution could be:

That Council adopt the Procurement Policy provided as Attachment 1 to the Officer's Report subject to the following amendments:

- 1.
- 2.

Option 3 – Retain the Existing Policy

Council may seek to retain the existing policy and an alternative resolution could be:

That Council acknowledge the annual review of the Procurement Policy and that no changes be made to the Procurement Policy provided as Attachment 1 to the Officer's Report.

Stakeholder Engagement:

The Contracts and Procurement Team have been engaged in the review process. Councillors were also invited to provide feedback as part of the review in late 2024.

Legal and Regulatory Implications:

Pursuant to section 198(1) of the *Local Government Regulation 2012*, Council must prepare and adopt a policy about procurement and further pursuant to section 198(3), the policy must be reviewed annually.

The proposed policy is consistent with the sound contracting principles set out in section 104(3) of the *Local Government Act 2009*.

Financial and Resource Implications:

There are no additional financial or resource implications associated with the re-endorsement of the existing policy. Further, procurement activities must be carried out within relevant budget constraints and financial delegations.

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 MARCH 2025

A summary of the performance of the existing Procurement Policy is provided as Attachment 4. Some key highlights of our procurement activity over the first six months of the 2024-2025 financial year are:

- Total Spend \$68.96m;
- 80% Local Business Spend across 728 local suppliers;
- 71% of spend on planned, managed contracts with the balance on Purchase Orders;
- 2.77% First Nations spend across 16 suppliers; and
- 93% of Purchase Orders raised less than \$15,000.

Anticipated Resolution Completion Date:

Within 2 weeks of resolution.

Attachments:

1. Proposed Procurement Policy;
2. Proposed Procurement Policy (Tracked Changes version);
3. Existing P-2021-01 Procurement Policy;
4. 2024-2025 Six Month Procurement Summary.

G/4.5. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 28 FEB 2025

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Management Accounting Specialist

Council Meeting Date: 18 March 2025

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the year 2024-25 to date, for the period ended 28 February 2025.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2024-25 year to date, for the period ended 28 February 2025 as required under Section 204 Local Government Regulation 2012.

Summary:

N/A

Link to Corporate Plan:

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

Background:

The 2024-25 budget was adopted on 16 July 2024, with a projected operating surplus of \$3.0m.

In October 2024, Council officers completed its Q1 forecast, incorporating actual results for the first three months of the financial year (July to September 2024). The Q1 forecast projected an operating surplus of \$1.1m.

Council officers have undertaken a further Q2 forecasting process, resulting in a forecasted operating surplus of \$2.0m.

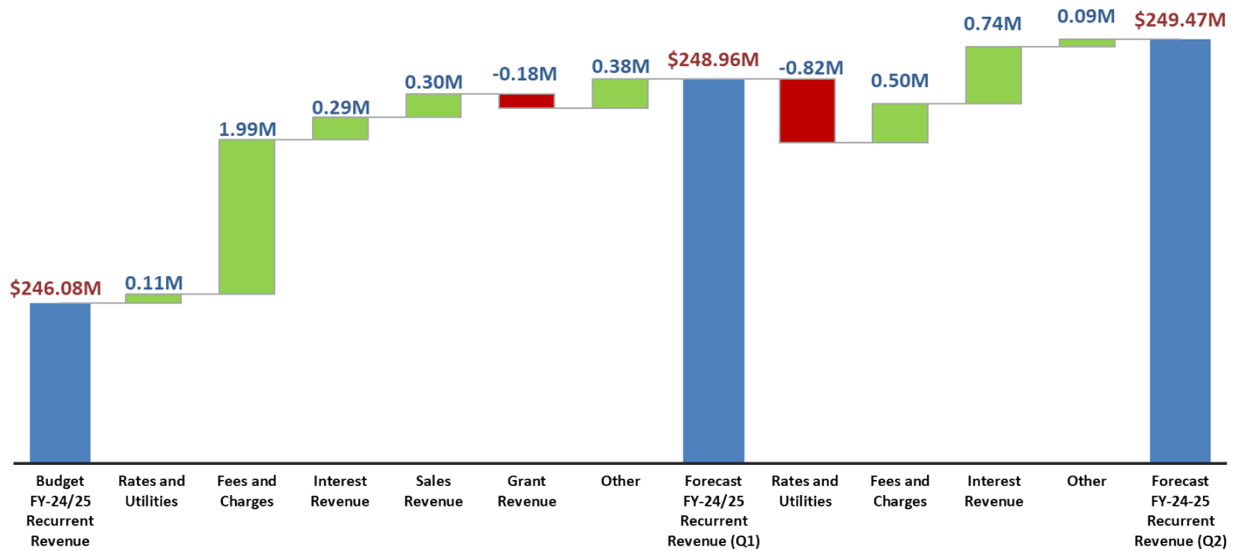
Forecast

Major movements between Q1 and Q2 forecasts are as follows:

Operating Revenue \$0.51m favorable:

- Rate and utilities -\$0.82m unfavorable variance, predominantly related to water consumption revenue
- Fees and charges - \$0.50m favorable variance
 - \$298k – Increase to building and development fees revenue.
 - \$200k – Increases to tipping fees revenue.
- Interest Revenue - \$0.74m favorable variance
 - \$740k Increase to QTC interest revenue with interest rates remaining high to date.
- Other minor revenue adjustments \$0.09m favorable variance

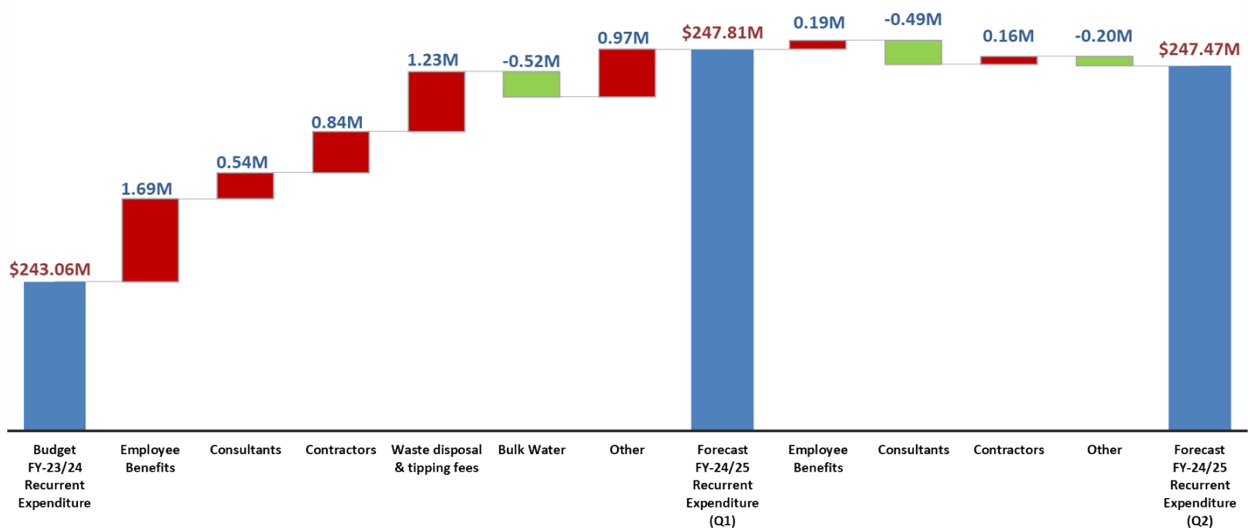
Budget to Forecast (Q1) to Forecast (Q2) Revenue Bridge (Major Movements)



Operating Expenditure -\$0.34m favorable variance:

- Employee benefits \$0.19m unfavorable variance
 - \$297k Increase to overtime in line with YTD trending.
 - -\$111k Decrease to salaries and wages due to vacant positions.
- Consultants -\$0.49m favorable variance
 - -\$197K allocated for the Planning Scheme Review in current year budget will be deferred to FY-25/26 due to capacity constraints, with no risk to the Operational Plan item’s completion.
 - -\$200k decreased forecast for Asset Planning consultants.
- Contractors \$0.16m unfavorable variance. Predominantly increased sewerage contractor forecast for trucking of waste from the Yarwun WWTP to Gladstone and Boyne/Tannum WWTP.
- Other minor expenditure adjustments - \$0.20m favorable variance

Budget to Forecast (Q1) to Forecast (Q2) Expenditure Bridge (Major Movements)



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

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 MARCH 2025

The percentage of the year passed (pro-rata rate) as at 28 February 2025 is 66.58%

Statement of Income and Expenditure

Major movements and variances between actual and Q2 forecast are as follows:

Income

Recurrent Revenue

Total recurrent revenue	2024-25	Actual as %
Actual	\$160.3m	
Budget	\$246.1m	65.16%
Forecast	\$249.5m	64.27%

Of note:

Net rates and utility charges	2024-25	Actual as %
Actual	\$118.9m	
Budget	\$194.5m	61.13%
Forecast	\$193.8m	61.36%

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

To date, discounts of \$16.0m have been granted in 2024-25 for payments received by the due date. Rate discounts are applied in the period received and not split across the year.

Water consumption revenue is raised upon completion of the bi-annual water meter reading cycles during the year (July-December 2024 and January-June 2025). The most recent readings (July-December) were completed in January 2025.

Total interest revenue	2024-25	Actual as %
Actual	\$6.9m	
Budget	\$6.8m	101.32%
Forecast	\$7.9m	88.08%

Interest revenue at a rate of 5.11% has been received from Queensland Treasury Corporation for the month of February and current term deposit rates are yielding up to a 4.65% return to Council. The cash rate dropped in February 2025 and interest rates are expected to continue on a downward trend, resulting in more modest results forecast for the final quarter of the year.

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 MARCH 2025

Sales revenue	2024-25	Actual as %
Actual	\$3.2m	
Budget	\$3.8m	85.03%
Forecast	\$4.1m	78.62%

To date \$2.3m has been claimed for Road Maintenance Performance Contract (RMPC) recoverable works compared to the forecasted amount of \$2.9m. Additional revenue for fencing at Lions Park is included. Revenue will be offset by the associated operating expenditure relating to recoverable work activities.

Dividends	2024-25	Actual as %
Actual	\$0.4m	
Budget	\$0.5m	89.43%
Forecast	\$0.4m	100%

The Gladstone Airport Corporation (GAC) dividend for FY2024 has been received, with the return being slightly lower than forecasted. This has been adjusted in the quarter 2 forecast.

Income tax equivalents	2024-25	Actual as %
Actual	\$0.1m	
Budget	\$4.6m	2.51%
Forecast	\$4.5m	2.57%

The income tax equivalents forecast for 2024-25 includes \$4.0m from the Gladstone Area Water Board (GAWB), this income is generally confirmed and paid in the final quarter of the year.

The remaining forecast relates to income tax equivalents from the Gladstone Airport Corporation (GAC).

Other operating income	2024-25	Actual as %
Actual	\$3.9m	
Budget	\$4.9m	79.79%
Forecast	\$5.5m	71.15%

The new lease agreement for the 1770 Campground has been executed, and the forecast updated. Further additional rental income has been received with increased rental for land and commercial leases.

Additionally, 100% of the fire levy commission was received in October 2024 and insurance recoveries that we had outstanding from previous years have come in.

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 MARCH 2025

General purpose grant	2024-25	Actual as %
Actual	\$9.5m	
Budget	\$10.3m	91.95%
Forecast	\$9.8m	96.16%

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

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

Grants, subsidies, contributions and donations	2024-25	Actual as %
Actual	\$1.9m	
Budget	\$2.1m	91.75%
Forecast	\$2.3m	80.59%

Operational grant revenue recognised for fire events \$141K, enhance resilience officer \$110K, and Reconstruction of Essential Public Assets (REPA) operational activities \$446K were not originally budgeted. This has been revised in the quarter 2 forecast.

Capital Revenue

Capital revenue	2024-25	Actual as %
Actual	\$26.9m	
Budget	\$50.1m	53.63%
Forecast	\$38.8m	69.34%

Capital revenue includes state and federal grant funding as well as developer contributions.

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

Capital grant revenue budgeted, forecasted, and recognised for significant projects is detailed below, along with the corresponding expenses for these funded projects.

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 MARCH 2025

Project	Revenue YTD Actual	Expense YTD Actual
State Government Grants & Subsidies		
TBG - Bonsai House Utility Services	\$1.52m	\$1.65m
Captain Cook Drive, Agnes Water - Relocate sewer main	\$0.52m	\$1.16m
Stage 2 - GWWTP Inlet Distribution Structure Replacement	\$1.27m	\$1.28m
REPA Projects (see REPA breakdown) Joint Federal/ State funded	\$13.01m	\$15.04m
Round Hill 2 Reservoir	\$0.02m	\$0.04m
Other State Government Funding	\$1.13m	\$1.95m
TOTAL State Government Funding	\$17.47m	\$21.12m

Project	Revenue YTD Actual	Expense YTD Actual
Federal Government Grants & Subsidies		
Glenlyon/Tank - traffic calming scheme	\$0.02m	\$0.02m
Lowmead Road Safety and Sealing Upgrade	\$7.55m	\$11.33m
Agnes Water Skate Park	\$0.01m	\$0.06m
Turtleway - Pedestrian bridge replacements	\$0.03m	\$0.15m
Other Federal Government Funding	\$0.35m	\$0.55m
TOTAL Federal Government Funding	\$7.94m	\$12.10m
TOTAL State and Federal Funding	\$25.42m	\$33.23m

Expenditure

Recurrent expenditure

Total recurrent expenditure	2024-25	Actual as %
Actual	\$159.0m	
Budget	\$243.1m	65.41%
Forecast	\$247.5m	64.25%

Of note:

Employee benefits	2024-25	Actual as %
Actual	\$50.8m	
Budget	\$75.0m	67.73%
Forecast	\$76.4m	66.53%

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 MARCH 2025

Employee benefits are the largest component of Councils recurrent expenditure. A vacancy rate of 7.5% has been factored into the 2024-25 budget. The average vacancy rate YTD for the 24-25 FY is 7.1%.

Overtime	2024-25	Actual as %
Actual	\$1.4m	
Budget	\$1.4m	99.38%
Forecast	\$1.9m	71.88%

Activities with significant overtime forecasts not relating to capital projects include:

- Water and sewerage services – Forecast \$528k, spend \$436k
- Road services – Forecast \$320k, spend \$214k
- Waste services - Forecast \$245k, spend \$173k
- Workshops – Forecast \$149k, spend \$120k
- Events and entertainment – Forecast \$73k, spend \$22k
- Health services – Forecast \$71k, spend \$52k
- Libraries – Forecast \$63k, spend \$48k
- Park Services – Forecast \$61k, spend \$50k
- RMPC – Forecast \$55k, spend \$39k. This will be offset by recoverable income.

Consultants	2024-25	Actual as %
Actual	\$2.2m	
Budget	\$6.2m	35.35%
Forecast	\$6.3m	35.06%

Significant consultant forecast and spend include:

- Transformation - Forecast \$1.9m, spend \$0.6m. Delays in billing from consultants, forecast still expected to be realised in the final quarter of the year.
- Asset management - Forecast \$1.4m, spend \$0.5m. Lag in spend to date due to receiving funding and reprioritisation of workload.
- Strategic Information and Technology - Forecast \$0.6m, spend \$0.1m
- Environment - Forecast \$0.4m, spend \$0.1m
- Finance - Forecast \$0.4m, spend \$0.2m. Asset valuation costs to be incurred in the final quarter.
- Governance and Risk – Forecast \$0.2m, spend \$0.1m
- Water and Sewerage – Forecast \$0.2m, spend \$0.1m
- Waste - Forecast \$0.1m, spend \$0.2m predominantly assistant for the kerbside collection tender. This will be revised in the quarter 3 forecast.

Contractors	2024-25	Actual as %
Actual	\$18.1m	
Budget	\$26.6m	67.91%
Forecast	\$27.6m	65.44%

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 MARCH 2025

Activities with significant contractor forecasts include:

- Water & Sewerage – Forecast \$8.4m, spend \$5.7m
- Waste - Forecast \$6.8m, spend \$3.7m
- Parks & Cemeteries - Forecast \$3.0m, spend \$2.3m
- Roads, Bridges, Stormwater – Forecast \$2.2m, spend \$1.3m
- Entertainment and Events - Forecast \$1.6m, spend \$0.7m
- Recoverable Works - Forecast \$1.3m, spend \$1.1m.
- Corporate and Community Buildings maintenance - Forecast \$0.9m, spend \$1.1m.
- Aquatic Centres – Forecast \$0.6m, spend \$0.4m
- REPA (operational activities) - Forecast \$0.2m, spend \$0.5m. To be revised in quarter 3. Expenses are offset by funding revenue

Waste disposal and tipping fees	2024-25	Actual as %
Actual	\$7.6m	
Budget	\$8.5m	89.30%
Forecast	\$9.7m	77.93%

Waste disposal charges are trending high due to trucking Yarwun wastewater to Gladstone for treatment. This cost is offset by internal tipping fee revenue.

Finance Costs – Queensland Treasury Corporation	2024-25	Actual as %
Actual	\$0.9m	
Budget	\$1.1m	87.61%
Forecast	\$1.1m	88.09%

A timing difference in loan payments arises, as Council's loan repayments are made monthly, while repayments from GAC to GRC occur quarterly, creating a temporary variance in the year-to-date actuals compared to the forecast.

Statement of Financial Position

	Current Value	Budget	Variance (Actual to Budget)	Forecast	Variance (Actual to Forecast)
Year-to-date Assets	\$3.0b	\$2.9b	2.03%	\$3.0b	-2.16%
Year-to-date Liabilities	\$242.9m	\$179.7m	35.2%	\$193.8m	25.35%
Year-to-date Liabilities (excl. unearned rates revenue)	\$180.2m	\$179.7m	0.29%	\$193.8m	-7.03%

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

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

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 MARCH 2025

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

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

Capital Expenditure

Regular forecasting is undertaken by the Capital Program team. The estimate for capital expenditure for the 2024-25 year is \$109.0m

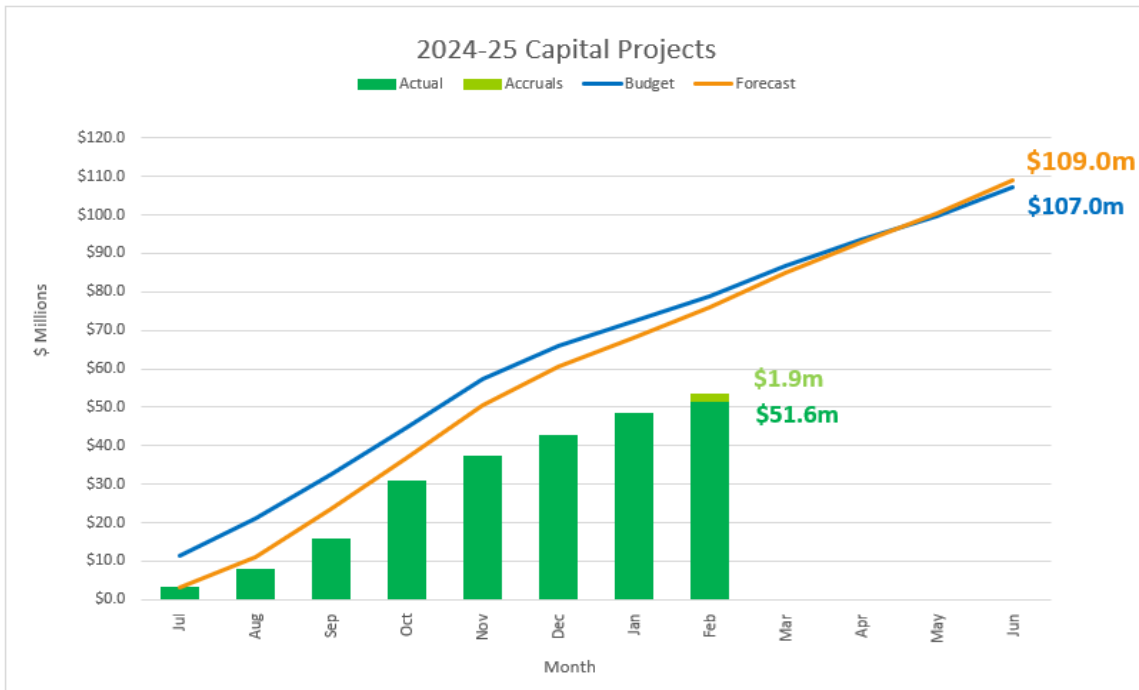
Capital YTD expenditure, budget and forecast is provided throughout the tables and graphs below.

	Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Year to date capital expenditure	\$53.5m	\$107.0m	49.94%	\$109.0m	49.04%

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

Group	YTD Actual	Budget	Actual as % of Budget	Forecast	Actual as % of Forecast
Roads	\$30.9m	\$51.7m	59.76%	\$55.6m	55.48%
Sewerage	\$7.6m	\$25.9m	29.31%	\$17.5m	43.73%
Delivery Support and Performance	\$2.2m	\$6.1m	36.59%	\$7.9m	28.15%
Property Assets	\$1.7m	\$1.3m	127.74%	\$1.7m	97.73%
Asset Governance	\$0.0m	\$3.3m	-	\$4.0m	-
Waste	\$1.5m	\$3.8m	39.03%	\$6.2m	23.87%
Parks	\$0.6m	\$3.3m	17.26%	\$0.9m	64.36%
Community & Lifestyle	\$0.3m	\$0.8m	42.43%	\$0.4m	94.98%
Water	\$1.7m	\$7.5m	23.12%	\$5.1m	33.69%
Strategic Projects	\$0.5m	\$2.1m	24.05%	\$2.0m	25.33%
Other	\$6.5m	\$1.3m	504.37%	\$7.7m	82.27%
Total	\$53.5m	\$107.0m	49.94%	\$109.0m	49.04%

Accrual estimates of \$1.9m have been included in the actuals, to account for major claims relating to February work.



Reconstruction of Essential Public Assets (REPA)

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

Submission	Life of Project Funding	24-25 Funding Carryover	24-25 Expense Forecast	24-25 YTD Exp	24-25 YTD Claims Received	YTD work yet to be claimed	Per cent complete
South	\$14.3m	\$2.9m	\$6.2m	\$4.1m	\$3.1m	\$0.9m	65.51%
Central	\$1.5m	\$0.2m	\$0.2m	\$0.1m	\$0.1m	-	50.10%
Western	\$12.1m	\$6.2m	\$8.9m	\$8.0m	\$7.0m	\$1.0m	89.90%
Sealed Roads	\$1.6m	\$1.0m	\$1.5m	\$1.3m	\$1.3m	-	83.12%
Granite Creek (Lowmead Rd)	\$6.7m	\$6.4m	\$4.9m	\$2.2m	\$2.2m	-	44.73%
TOTAL	\$36.3m	\$16.7m	\$21.7m	\$15.6m	\$12.9m	\$2.0m	71.94%

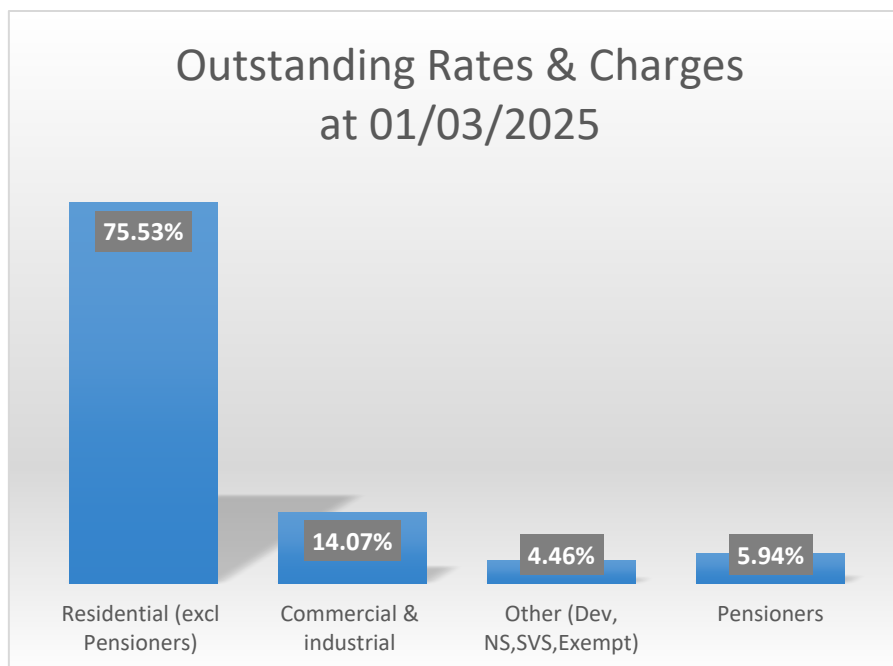
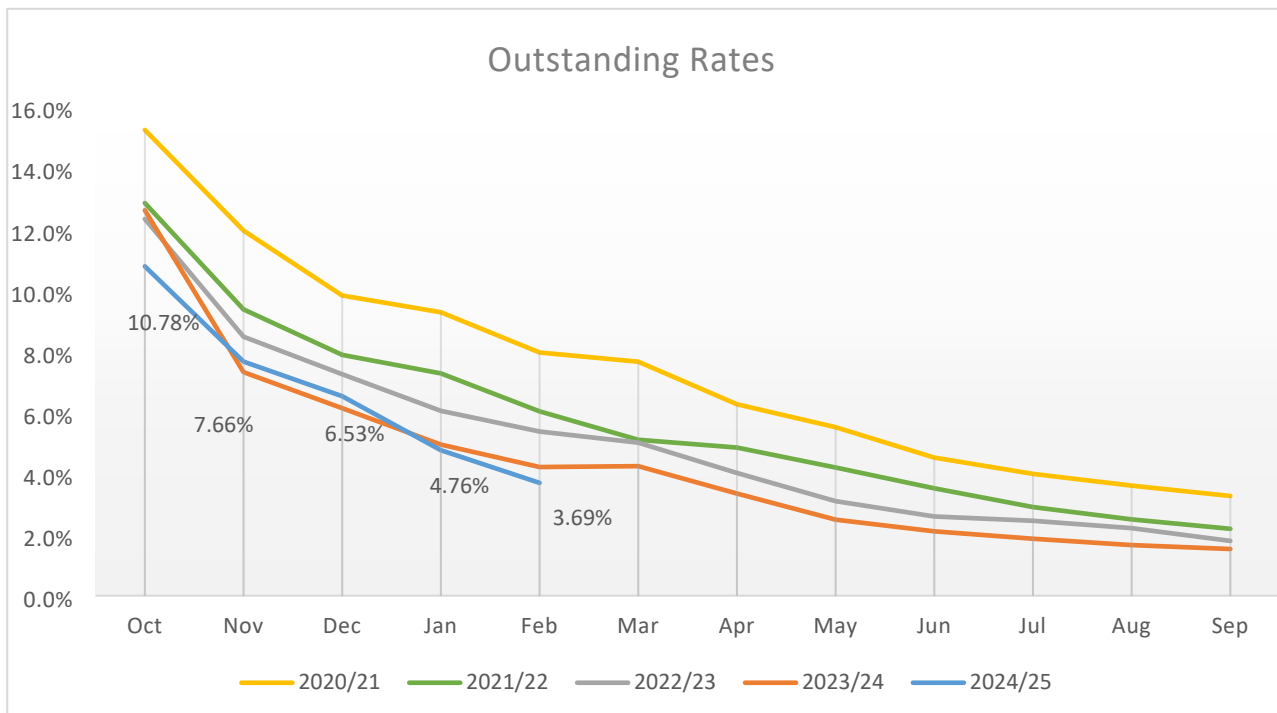
Outstanding Rates

Outstanding rates, as a percentage of gross rates levied 2024-25, and collectible, is at 3.69% at the end of February 2025, compared to 4.21% for the same period last year 2023-24.

Of the \$7.96m of outstanding rates, 14.07% relates to commercial/ industrial assessments and 85.93% represents residential assessments. Compared to 2023/2024, prior year same period, outstanding rates were \$8.52m of which 16.52% represented commercial/industrial and 83.48% residential assessments.

These figures include \$4.16m of rates that are currently being repaid under an authorised payment plan, of which there were 35 commercial/industrial assessments and 1763 residential assessments. A total of 1798 assessments, which is a decrease from 158 assessments compared to January 2025. This movement is a result of removal of arrangements on sold property, default arrangements and paid up arrangements.

5024 ratepayers had paid their rates in advance, totalling \$7.8m.



Sustainability Ratios

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

In recognition of the diversity of local governments throughout Queensland, a new Financial Management (Sustainability) Guideline 2024 has been released.

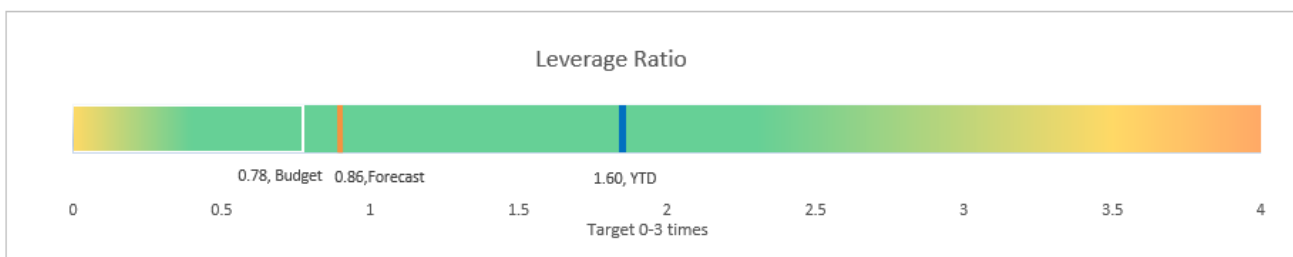
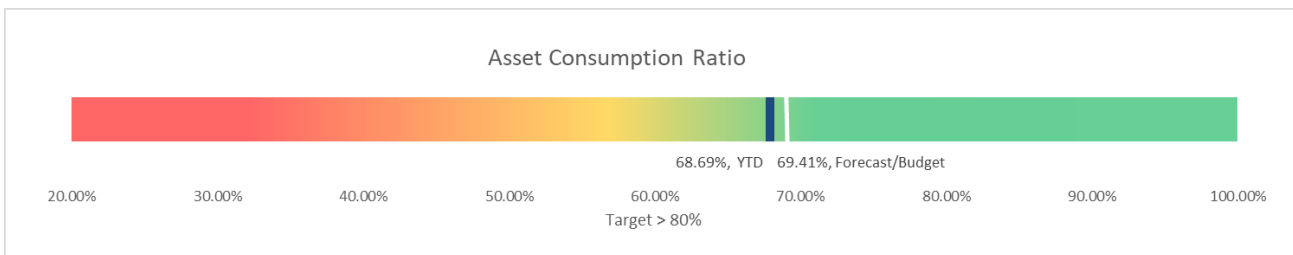
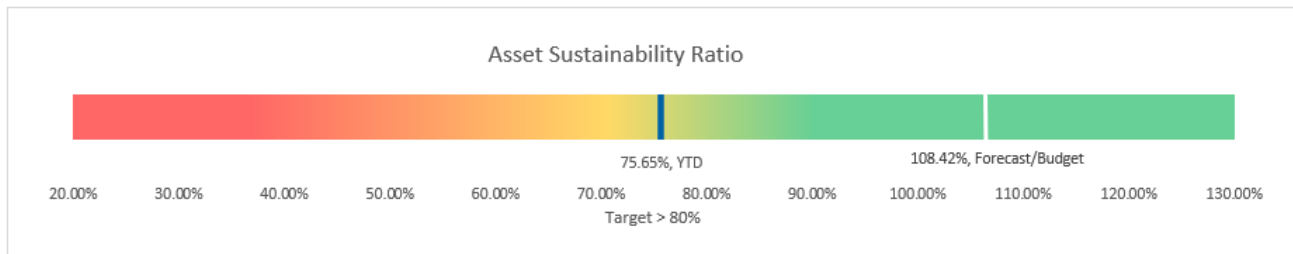
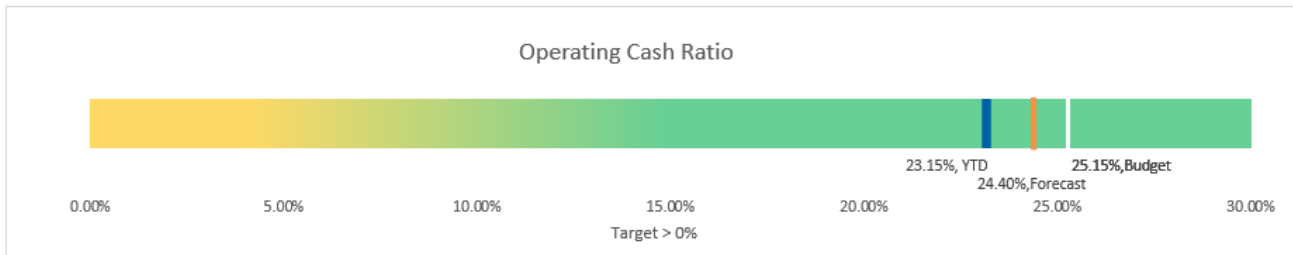
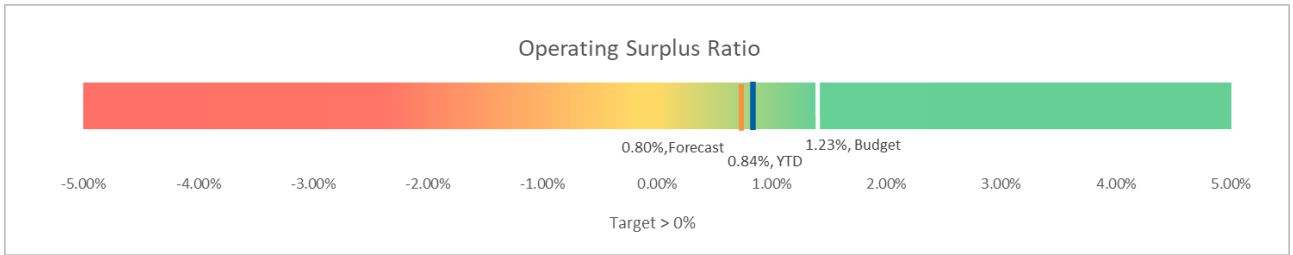
Eight of the nine ratio measures will be reported in 2024-25, with the ninth measure to be introduced in the 2025-26 annual statutory financial reporting period.

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 MARCH 2025

Ratio Explanation	Target	2024 -25 Budget	2023-24 Forecast	Current YTD		5 Year Average		Commentary
Financial Capacity								
<p>Council Controlled Revenue Ratio: Council controlled revenue is an indicator of councils financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.</p> <p>A higher council-controlled ratio indicates a stronger ability to generate revenue without relying on external sources. Councils with a high ratio generally have a healthy rate base and are better able to respond to unexpected financial obligations such as natural disaster recovery. A lower council-controlled revenue ratio indicates that a council has limited capacity to influence its operating revenue and that it is more reliant on external (and usually less reliable) sources of income such as grant funding, sales and recoverable works contracts and rental income.</p> <p>This ratio is contextual only therefore has no target measure</p>		86.62%	86.15%	83.81%		83.20%		Although there is no target for this ratio, the high 5 year average and current YTD indicates Council's strong position to generate revenue without heavy reliance on other external sources.
<p>Population Growth Ratio: Population growth is an annual measure and is a key driver of councils operating income, service needs and infrastructure requirements into the future.</p> <p>A growing council indicates a greater capacity to source its own revenue through rates and statutory charges. Population growth also puts additional pressure on councils to invest in new community infrastructure to support service needs</p> <p>This ratio is contextual only therefore has no target measure Ratio is measured annually</p>		2.35%		2.35%		1.17%		<p>The population growth ratio for Gladstone will significantly impact Council's financial sustainability, especially as the region faces periods of both rapid growth and stagnation. During growth phases, increased demand for infrastructure and services will provide opportunities for revenue growth and possibly also strain Council's financial resources, requiring careful management to avoid overextension. Conversely, in periods of slower growth or population decline, maintaining existing infrastructure and service levels can become a financial burden without corresponding increases in revenue.</p> <p>Emphasis on the population growth ratio is on a rolling 5-year average thus will help Council smooth out the financial impacts of any fluctuations, providing a clearer picture of long-term sustainability.</p> <p>Overall, for Gladstone, maintaining financial sustainability amidst its unique population growth patterns will require a balanced approach, integrating both proactive infrastructure investment and cautious financial management.</p>
Operating Performance								
<p>Operating Surplus Ratio: The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.</p> <p>An operating surplus ratio below 0% is an indication that a councils operating expenses exceed its revenue. An operation deficit in any one year is not a cause for concern if, over the long term, a council achieves a balanced operating result or small surplus.</p> <p>Target measured over a five-year average</p>	> 0%	1.23%	0.80%	0.84%	●	-4.11%	●	<p>The negative 5-year average is primarily due to the QTC loan restructure and recognition of a deferred liability for bulk water purchases in 2020-21. These were both one-off events.</p> <p>The YTD ratio result shows a positive operating surplus indicating Councils operating revenue generated covers operational expenses.</p>
<p>Operating Cash Ratio: The operating cash ratio is a measure of a councils ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation and finance costs.</p> <p>A positive operating surplus indicates that a council is generating surplus cash from its core operations, which suggests that council has the ability to self-fund expenditure requirements. A negative operating cash ratio is a significant indicator of financial sustainability challenges and potential future liquidity issues as , all other things being equal, a negative result means that a councils cash position is declining and revenue are not offsetting the cost of core operational requirements</p> <p>Target measured over a five-year average</p>	> 0%	25.15%	24.40%	23.15%	●	20.82%	●	Both the YTD and 5 year average result of this ratio reflects the continuing strong cash position of Council proportional to operating costs.

GLADSTONE REGIONAL COUNCIL GENERAL MEETING AGENDA - 18 MARCH 2025

Liquidity								
<p>Unrestricted Cash Expense Cover Ratio: The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses</p> <p>A higher unrestricted cash expense cover ratio indicates that a council has sufficient free cash available to contribute to the cost of future planned and unplanned expenditure such as infrastructure investment or disaster recovery. An excessively high ratio may be indicative of hoarding, poor cash management or large upcoming capital investment requirements.</p> <p>A low ratio suggests limited unconstrained liquidity available to council to use for capital investment or in an emergency. For councils with efficient cash management practices or strong borrowing capacity this is not a concern. Where council also has a negative operating cash ratio a very low or negative unrestricted cash expense cover ratio is an indicator of potential solvency concerns.</p> <p>Target measured over a single-year</p>	> 3 mths	5.31	5.18	12.93	●	NA	NA	<p>The high budget and YTD result of this ratio shows Council is in a strong cash position to cover planned and unplanned expenditure into the future.</p> <p>The payment of the Financial Assistant Grant in July 2024 has resulted in the higher YTD ratio. The results are expected to trend closer to the budget as the year progresses, and expenses are realised.</p>
Asset Management								
<p>Asset Sustainability Ratio: The asset sustainability ratio approximates the extent to which the infrastructure assets managed by council are being replaced as they reach the end of their useful lives</p> <p>An asset sustainability ratio close to 100% suggests that a council is spending enough on the renewal of its assets to compensate for the deterioration in its asset base as loosely proxied by its reported depreciation, with outcomes too far below this level being potentially indicative of underspending against capital replacement requirements</p> <p>Target measured over a five-year average</p>	> 80%	108.42%	108.42%	75.65%	●	85.93%	●	<p>Infrastructure renewals have accounted for 51.25% of capital expenditure YTD with the balance on new and upgrade projects.</p> <p>It is typical for capital spending to be lower in the first quarter of the year. As capital spending progresses the ratio is expected to trend closer to budget.</p> <p>Councils capital program has increased in 2024-25, as indicated by the budgeted ratio result.</p>
<p>Asset Consumption Ratio: The asset consumption ratio approximates the extent to which councils infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.</p> <p>The minimum target of 60% indicates that a councils assets are being broadly consumed in line with their estimated useful lives.</p> <p>Councils with lower than target ratio will need to invest more in those assets (in terms of replacement or maintenance) to ensure they are maintained at a standard that will meet the needs of the community. On the other hand if the ratio is much higher than the target ratio, councils may need to revisit their asset management plans to assess their current service levels or whether their estimates of the assets' useful lives are appropriate</p> <p>Target measured over a five-year average</p>	> 60%	69.41%	69.41%	68.69%	●	70.82%	●	<p>Both the YTD and budgeted ratio results indicate that Councils assets are being broadly consumed in line with their estimated useful lives.</p>
Debt Servicing Capacity								
<p>Leverage Ratio:</p> <p>The leverage ratio is an indicator of a councils ability to repay its existing debt. It measures the relative size of the councils debt to its operating performance.</p> <p>A higher leverage ratio indicates an increasingly limited capacity to support additional borrowings due to already high debt levels and/or decreasing operational performance, while a lower ratio indicates the opposite.</p> <p>Target measured over a five-year average</p>	0-3 times	0.78	0.86	1.60	●	0.18	●	<p>Both the YTD and 5 year average result of this ratio reflect Councils ongoing ability to manage its debt.</p> <p>This position is reinforced with each year that no new borrowings are undertaken.</p>



Stakeholder Engagement:

This report seeks specialist input from relevant internal sources.

Legal and Regulatory Implications:

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

Anticipated Resolution Completion Date:

N/A

Attachments:

1. Monthly Financial Statements for the period ending 28 February 2025
2. Operating Statements for the month end 28 February 2025

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS