

6.2. CYCLONE JASPER EXPENDITURE TO FEBRUARY 2024

REPORT AUTHOR Tara Killeen, Chief Financial Officer

MANAGER Rachel Brophy, Chief Executive Officer

DEPARTMENT Finance and Corporate Services

RECOMMENDATION

1. In accordance with s 235(c) *Local Government Regulation 2012* and as approved by the Minister for Local Government under s 90B(2) of the *Local Government Act 2009* Council retrospectively approves expenditure incurred to date, in relation to the Cyclone Jasper Disaster Event, outside the current adopted budget for year ended 30 June 2024 as set out in this report, incorporating:
 - Expenditure incurred to 29 February 2024
 - Expenditure line items above \$200k incurred to 29 February 2024
2. Council to note the funding advance received to date from Queensland Reconstruction Authority.

EXECUTIVE SUMMARY

Cyclone Jasper impacted the Douglas Shire Council region on 13 December 2023, followed by a significant rain event (the “Cyclone Jasper Disaster Event”). The disaster event has resulted in a large amount of damage to the Shire assets and resultant expenditure for repairs, which is outside the current adopted budget for the year ended 30 June 2024.

This report seeks to obtain retrospective approval of expenditure incurred by Council to 29 February 2024.

BACKGROUND

The final economic impact of the Cyclone Jasper Disaster Event on the Operating Result for 30 June 2024 is yet to be determined.

The spending incurred to date is being presented to Council for retrospective approval in accordance with Council’s Procurement Policy and s 235c of the *Local Government Regulation 2012*, as the emergency spend is outside the approved budget for year ended 30 June 2024.

Council officers are working on funding applications under Queensland’s Disaster Relief Funding Arrangements (DRFA) administered by the Queensland Reconstruction Authority (QRA).

QRA has provided Douglas Shire Council with a funding advance to ensure cashflow is maintained throughout the disaster recovery process.

COMMENTS

In accordance with s 90B(2) of the *Local Government Act 2009* concerning Major Policy Decisions in Caretaker Period, Council made application on 4 March 2024 for Ministerial approval to make major policy decisions during the 2024 Caretaker Period. The Minister provided approval on 4 March 2024 (Ministerial approval letter attached).

The following is a summary of the expenditure incurred to date, due to the disaster event:

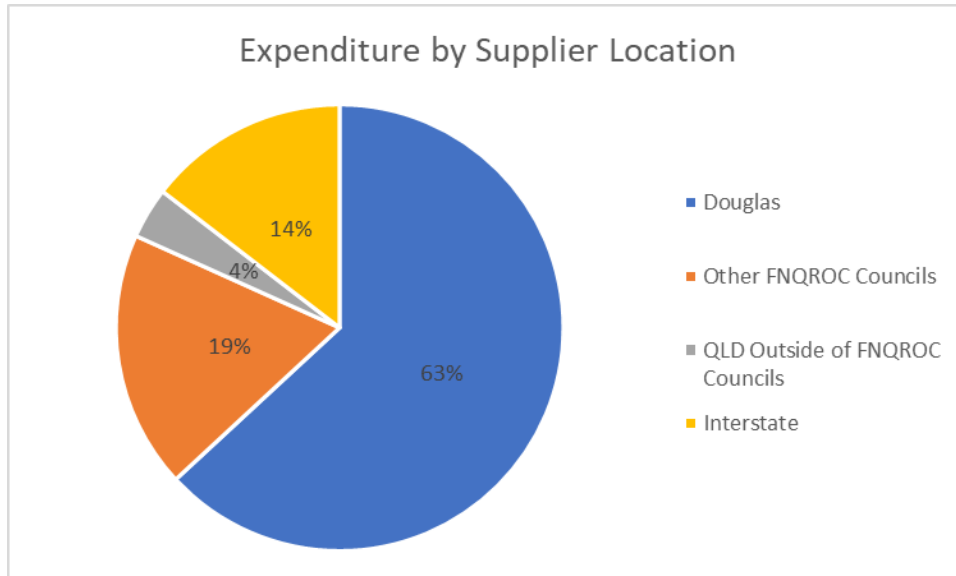
Total actual expenditure relating to the disaster event incurred to 29 February 2024 is \$8,042,294.

Expenditure above \$200k per supplier incurred to 29 February 2024 is as follows:

Supplier	Expenditure Incurred to 29/2/24	Works Description
AquaManage Environmental Pty Ltd	\$ 576,750.00	Water treatment- supply of ultrafiltration membranes
Dawsons Engineering (NQ) Pty Ltd	\$ 206,410.21	Water main repairs- Crees Creek
Far North Queensland Traffic Control P/L	\$ 435,485.43	Traffic control- road works & water repairs across the Shire
FNQ Civil	\$ 425,474.51	Machinery hire- Degarra clean up
Marrin Pty Ltd	\$1,022,119.05	Machinery hire- Cyclone clean up and Daintree River dredging
MC Group QLD Pty Ltd	\$ 439,861.86	Machinery hire- Cyclone clean up
Nautilus Aviation Pty Ltd	\$ 482,161.40	Helicopter services
RoadTek	\$ 302,624.14	Cyclone clean up- across Shire
Up North Building Pty Ltd	\$ 229,546.90	Cyclone clean up- Degarra

The expenditure by supplier location incurred to 29 February 2024 is as follows:

Supplier Location	Expenditure Incurred to 29/2/24
Ayton	\$ 4,000.00
Brisbane	\$ 189,483.47
Burdekin	\$ 10,261.82
Cairns	\$1,010,396.98
Cooktown	\$ 449,598.60
Douglas	\$5,074,612.95
Goondiwindi	\$ 69,881.88
Innisfail	\$ 7,000.00
Karumba	\$ 21,230.00
Mareeba	\$ 3,818.18
Melbourne	\$1,098,484.60
Orange	\$ 29,517.93
Redland	\$ 7,872.11
Sydney	\$ 41,272.30
Tablelands	\$ 4,221.98
Townsville	\$ 8,642.01
Whitsundays	\$ 12,000.00



Council has expended approximately \$4,413,322 on emergent road repairs and approximately \$1,208,658 on water repairs to 29 February 2024.

The funding advance received to date from the Queensland Reconstruction Authority (QRA) is \$25,800,000.

PROPOSAL

1. In accordance with s 235(c) *Local Government Regulation 2012* and as approved by the Minister for Local Government under s 90B (2) of the *Local Government Act 2009* Council retrospectively approves expenditure incurred to date, in relation to the Cyclone Jasper Disaster Event, outside the current adopted budget for year ended 30 June 2024 as set out in this report, incorporating:
 - Expenditure incurred to 29 February 2024
 - Expenditure above \$200k by supplier incurred to 29 February 2024
2. Council to note the funding advance received to date from Queensland Reconstruction Authority.

FINANCIAL/RESOURCE IMPLICATIONS

As discussed above, the Cyclone Jasper disaster event occurred and has resulted in a large amount of damage to Shire assets and resultant expenditure for counter-disaster operations and emergency repairs and remediation, which is outside the current adopted budget for the year ended 30 June 2024.

The final economic impact on the Operating Result for 30 June 2024 is yet to be determined. This analysis will include proposed financial relief measures, the impact on revenue and expenditure, costs of repair and recovery and the outcome of any funding applications.

Council officers are working on funding applications under the Disaster Relief Funding Arrangements. The DRFA funds are administered by Queensland Reconstruction Authority (QRA). QRA has provided Douglas Shire Council with several funding advances, totalling \$25.8m to ensure cashflow is maintained throughout the disaster recovery process.

In accordance with s 204 of the *Local Government Regulation 2012*, monthly financial reports which state the progress that has been made against the budget will be prepared and presented to Council. These reports will include expenditure incurred as a result of the Cyclone Jasper Disaster Event and any funding received by Council.

RISK MANAGEMENT IMPLICATIONS

There is significant risk that if this is not approved it will either slow down or halt the recovery process after ex-TC Jasper.

SUSTAINABILITY IMPLICATIONS

- Economic:** The Cyclone Jasper Disaster Event may have a negative impact on the economic sustainability of Douglas Shire Council and may impact sustainability ratios. This will be closely managed by Council and mitigated where possible.
- Environmental:** Nil impact from the approvals in this report as works have already occurred.
- Social:** Nil impact from the approvals in this report as works have already occurred.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

Goal 3 - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

Goal 4 - *We will work with our communities to ensure they are informed, empowered and supported so that they are resilient to the impacts of disaster events. Through our leadership and capabilities we will plan, prepare, respond and recover from events so as to minimise the impact on people, property, the environment, and our economic stability.*

Operational Plan 2023-2024 Actions:

New project arisen during the financial year.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Advocate	Council makes representation on behalf of the community on important issues, funding opportunities, projects and programs. Council will use its influence to seek the best outcomes for the community.
Regulator	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.
Service Provider	Council provides many services to the community from roads and waste services to libraries and recreational facilities. Services evolve over time and it is the Council's mission to ensure that these services are appropriate, delivered efficiently, and designed with the customer at the centre.

CONSULTATION

Internal: Finance Team, Project Management Team, Management Team

External: Queensland Reconstruction Authority

COMMUNITY ENGAGEMENT

The retrospective approval of disaster expenditure will fall within the "inform" category of Council's Community Engagement Framework.

ATTACHMENTS

1. Douglas Shire Council Ministerial approval 4 March 2024 [6.2.1 - 2 pages]

Our reference: DEPBN24/301



4 March 2024

Department of
**Housing, Local Government,
Planning and Public Works**

Ms Rachel Brophy
Chief Executive Officer
Douglas Shire Council
rachel.brophy@douglas.qld.gov.au

Dear Ms Brophy

Re: Making major policy decisions during caretaker period – Douglas Shire Council (the council).

Thank you for your email of 4 March, seeking an exemption to make major policy decisions during the 2024 local government caretaker period (caretaker period) under section 90B(2) of the *Local Government Act 2009* (the Act).

I have been delegated by the Honourable Meaghan Scanlon, Minister for Housing, Local Government and Planning and Minister for Public Works to assess the council's application for approval for a major policy decision during the caretaker period for the 2024 quadrennial election.

Section 90B of the Act provides that the Minister for Local Government, may give approval to an otherwise prohibited major policy decision during a caretaker period, if satisfied that having regard to exceptional circumstances that apply, it is necessary for the Local Government to make the major policy decision in the public interest.

I am required to determine whether there are exceptional circumstances that apply to the council's application and that any approval to allow a major policy decision to be made during a caretaker period is in the public interest. I have therefore taken these factors into account.

I have decided to approve the council's application based on the factors above.

The approval is to award contracts relating to public safety following events from Tropical Cyclone Jasper as identified in your email of 4 March 2024 application:

- Counter-disaster operations including:
 - Overtime
 - Catering
 - Cyclone Shelter and emergency evacuation centres
 - Emergency supply of potable and non-potable water
 - Hire of Plant & Equipment
 - Purchase Equipment & Supplies
 - Road Inspections; Road Surface Maintenance
 - Safety Signage Placement
 - Sandbagging
 - Standby Generator Re-fuelling
 - Traffic Control
 - Tree Maintenance
 - Waste Removal & Transport

- Water treatment plant – supply of ultra-filtration membranes
- Water main repairs – Crees Creek
- Traffic control for road network repairs and water main repairs across the Shire
- Machinery hire – Degarra clean-up
- Machinery hire – cyclone clean-up and Daintree Reiver dredging
- Machinery hire – cyclone clean-up
- Helicopter services into isolated communities
- Cyclone clean-up across Shire
- Cyclone clean-up – Degarra.

If you need further information, Ms Louisa Lynch, Director, Governance and Capability, Local Government Division in the Department of Housing, Local Government, Planning and Public Works can be contacted on (07) 3452 6747 or by email at Louisa.Lynch@dSDLGP.qld.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Joshua Hannan'.

Joshua Hannan
Deputy Director-General
Local Government Division

7. NOTICES OF MOTION

Nil

8. URGENT BUSINESS

Nil

9. PETITIONS

Nil

10. MEETING CLOSURE