

6.7. CYCLONE JASPER EXPENDITURE TO MARCH 2024

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RECOMMENDATION

- 1. In accordance with s 235(c) *Local Government Regulation 2012*, 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 31 March 2024**
 - **Expenditure line items above \$200k incurred to 31 March 2024**
 - 2. Council to note the funding advance received to date from Queensland Reconstruction Authority.**
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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 31 March 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

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 31 March 2024 is \$13,996,334.

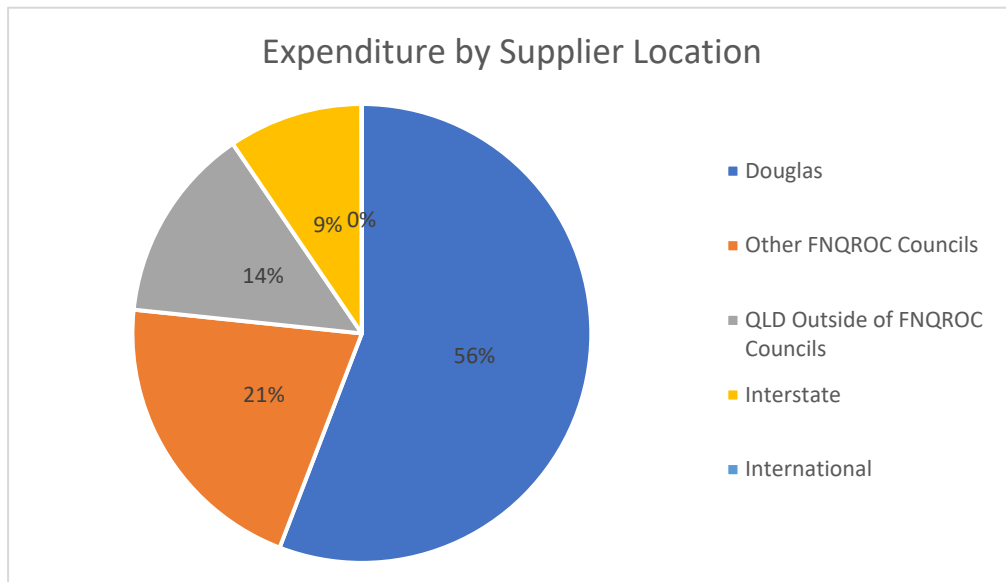
Expenditure above \$200k per supplier incurred to 31 March 2024 is as follows:

Supplier	Expenditure Incurred to 31/3/24	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
Doug McCormack Pty Ltd	\$ 261,955.90	Machinery hire – Cyclone clean up north of Daintree River
Far North Queensland Traffic Control P/L	\$ 767,151.24	Traffic control- road works & water repairs across the Shire
FNQ Civil	\$ 827,731.31	Machinery hire- Degarra clean up
HEH Civil	\$ 396,138.95	Emergent works Thornton's Beach
JDI Earthworks & Machinery Hire	\$ 372,906.70	Machinery hire- Cyclone clean up
Marrin Pty Ltd	\$1,503,597.69	Machinery hire- Cyclone clean up and Daintree River dredging
MC Group QLD Pty Ltd	\$1,011,481.26	Machinery hire- Cyclone clean up
Mossman Quarries	\$ 275,745.83	Supplies Roads, various locations
Nautilus Aviation Pty Ltd	\$ 482,161.40	Helicopter services
RoadTek	\$ 302,624.14	Cyclone clean up- across Shire
Up North Building Pty Ltd	\$ 550,970.37	Cyclone clean up- Degarra
Johns Lyng Group Disaster Management (QLD) Co Pty Ltd	\$1,524,123.21	Assessment of Council assets, kerbside collection South of Daintree River

The expenditure by supplier location incurred to 31 March 2024 is as follows:

Supplier Location	Expenditure Incurred to 31/3/24
Brisbane	\$ 1,762,890.86
Burdekin	\$ 20,857.28
Cairns	\$ 1,945,633.42
Carpentaria	\$ 21,230.00
Cassowary Coast	\$ 7,000.00
Cook Shire	\$ 872,095.12
Douglas	\$ 7,814,950.86

Supplier Location	Expenditure Incurred to 31/3/24
Goondiwindi	\$ 69,881.88
International	\$ 3,262.26
Mackay	\$ 47,123.96
Mareeba	\$ 6,637.12
New South Wales	\$ 116,770.09
Redland	\$ 8,644.10
South Australia	\$ 87,035.00
Tablelands	\$ 61,119.23
Townsville	\$ 14,953.47
Victoria	\$ 1,124,249.67
Whitsundays	\$ 12,000.00



Council has expended approximately \$7,925,951 on emergent road repairs and approximately \$1,681,553 on water repairs to 31 March 2024.

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

PROPOSAL

- In accordance with s 235(c) *Local Government Regulation 2012*, 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 31 March 2024
 - Expenditure above \$200k by supplier incurred to 31 March 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

Nil