



GLADSTONE
REGIONAL COUNCIL

GENERAL MEETING AGENDA

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

On 17 September 2019

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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G/1. MAYORAL STATEMENT OF CURRENT ISSUES

Nil.

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 3 SEPTEMBER 2019

Responsible Officer: Chief Executive Officer

Council Meeting Date: 17 September 2019

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 3 September 2019.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 3 September 2019 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 3 September 2019.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

G/3. OFFICERS' REPORTS

G/3.1. OFFICER'S REPORTS

G/3.1.1. GLADSTONE AREA WATER BOARD - NOMINATION OF BOARD MEMBER

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 17 September 2019

File Ref: CM7.1

Purpose:

To consider the nomination of a Board Member for the Gladstone Area Water Board.

Officer's Recommendation:

That Council determine its position for nomination of a Board Member to the Department of Natural Resources, Mines and Energy for appointment to the Gladstone Area Water Board.

Background:

Gladstone Area Water Board (GAWB) is a bulk water supplier servicing part of the Gladstone region and owns and operates the Awoonga Dam along with a network of delivery pipelines, water treatment plants, storage reservoirs, and other bulk water distribution infrastructure.

GAWB was originally a Project Board in 1973 before being established under the *Gladstone Area Water Board Act 1984 (repealed)*. In 2000, GAWB became a Category 1 commercialised water authority under the *Water Act 2000*, responsible to the Minister for Natural Resources, Mines and Energy.

Chapter 4, Part 4 of the *Water Services Act 2000* (the Act) requires GAWB to have a board of directors, with the matters related to the board also being defined (Attachment 1).

The board is comprised of 5 persons as stated in the Gazette Notice of 27 September 2013 (Attachment 2):

- 4 persons nominated by the chief executive of the Department of Natural Resources, Mines and Energy; and
- 1 person nominated by Gladstone Regional Council.

Council's nominee is reviewed by the Minister for Department of Natural Resources, Mines and Energy, with the appropriate background checks undertaken before recommendation to Cabinet / the Governor in Council for review and appointment.

Whilst section 604(2) of the Act requires the stated term of an appointment not to be more than 3 years, under section 604(4) a director continues to hold office after the director's term of office ends until the day the director's successor is appointed.

Cr Sobhanian is currently appointed to the Board, with his term expiring on 15 September 2019. Cr Sobhanian has resigned from the position effective close of business 15 September 2019 and accordingly Council can consider nominating a successor.

Consideration:

Historically, an elected member has been appointed to the board. The former legislation (*Gladstone Area Water Board 1984 (repealed)*) required nominated persons to be a Councillor (two each from Gladstone City and Calliope Shire). However, current legislation via the corresponding gazette notice references a person nominated by Gladstone Regional Council. Accordingly, Council could choose to nominate a person other than a sitting Councillor.

Discussions with the Department suggest that they are predisposed to the Council nominee being an elected member as one of the key considerations by the Department when assessing the Council nominee is the level of local expertise. The Department seek a director who is able to contribute towards ensuring community elements are considered and addressed.

Option 1: Nomination of a Councillor

Advantages	Disadvantages
<ul style="list-style-type: none">• Local expertise with community at the forefront.• Competent with the role of a board member.• Provides an opportunity to understand the organisation and contribute to its strategic direction.	<ul style="list-style-type: none">• Potential for real or perceived conflicts of interest, particularly as Council is a customer of GAWB with management of these conflicts likely to result in not being able to participate in key decisions impacting the community.• Councillors have a broad range of responsibilities – consideration of best use of time and whether a complimentary balance is realised.

There is no remuneration for an elected member in accordance with the procedures for remuneration of members of Queensland government bodies.

This option is applicable for maintaining the status quo however it should be noted, that if accepted, the Councillor nominated will remain on the board for the duration of the appointment as determined by the State, regardless of any local government election outcomes.

Option 1 Suggested Resolution:

That Councillor _____ be nominated to the Department of Natural Resources, Mines and Energy for appointment to the Gladstone Area Water Board

Option 2: Nomination of a Person other than a sitting Councillor

Advantages	Disadvantages
<ul style="list-style-type: none">• Real or perceived conflicts of interest could be minimal if the right nominee is selected.• Provides separation between the two organisations.• GAWB is responsible for the remuneration of board members.	<ul style="list-style-type: none">• May not pass through the cabinet process (where this occurs, Council would be required to provide an alternative nomination or where an alternative is not provided, the Department will nominate).• Ability to source a suitable nominee – personal affiliations and background within the community.

Council could nominate a person via the floor of the meeting or via an expression of interest process.

Option 2 Suggested Resolution:

That _____ be nominated to the Department of Natural Resources, Mines and Energy for appointment to the Gladstone Area Water Board, subject to a willingness to be nominated.

OR

That Council call for expressions of interest for consideration to be Council's nominee for the Gladstone Area Water Board.

Option 3: No Nomination

If Council do not provide the Department of Natural Resources, Mines and Energy with a nominee, the Department will nominate a person in lieu.

It should be noted that a director is not able to be replaced unless the office of the director becomes vacant under section 607 of the Act, namely the director:

- completes the term of office and is not reappointed;
- resigns;
- is disqualified; or
- is removed.

Option 3 Suggested Resolution:

That the Department of Natural Resources, Mines and Energy be advised that Council will not be providing a nomination for the Gladstone Area Water Board.

Communication and Consultation (Internal/External):

- Department of Natural Resources, Mines and Energy;
- Gladstone Area Water Board; and
- Cr Sobhanian.

Legal Environmental and Policy Implications:

Section 12 of the *Local Government Act 2009* outlines the responsibilities of a Councillor. Section 598 of the *Water Act 2000* outlines the responsibilities of the GAWB board.

As the implementation of the second stage of the Belcarra recommendations progresses, the bill of amendment to the *Local Government Act 2009* proposes the insertion of a new chapter relating to Councillor conflicts of interest.

However, it is proposed that the chapter will not apply:

“in relation to a councillor’s conflict of interest in a matter relating to a corporation or association that arises solely because of a nomination or appointment of the councillor by the local government to be a member of the board of the corporation or association.”

If the conflict of interest is solely that the Councillor is an appointed member of a board, no declaration is required (although a Councillor may choose to voluntarily comply with the chapter).

A conflict of interest may still exist in other circumstances (e.g. a related person is an employee of the organisation) and this will need to be managed accordingly.

Financial and Resource Implications:

Nil.

Commentary:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

The Department of Natural Resources and Mines be advised of Council's nominee within two weeks of resolution.

Attachments:

1. Extract – Water Services Act 2000 – Chapter 4, Part 4 – Board of Directors
2. Extract – Queensland Government Gazette Notice Number 20 – 27 September 2013

Tabled Items:

Nil.

Report Prepared by: Policy Officer (Acting)

G/3.1.2. GLADSTONE BOWLS CLUB INC - REQUEST FOR FREEHOLD LAND TENURE - LOT 1 ON G14221

Responsible Officer: General Manager Strategic Asset Performance

Council Meeting Date: 17 September 2019

File Ref: CP8.2, CP838

Purpose:

The purpose of this report is to allow Council to consider the request from Gladstone Bowls Club Inc and Returned & Services League of Australia (Queensland Branch) Gladstone Sub Branch Inc that Council surrenders its trusteeship of Lot 1 on G14221.

Officer's Recommendation:

That Council:

1. Confirms that the most appropriate use for Lot 1 on G14221 is the current use, namely a premises for the combined use of Gladstone Bowls Club Inc and Returned & Services League of Australia (Queensland Branch) Gladstone Sub Branch Inc ("the Association") and a war memorial;
2. Make an application to DNRME to dedicate part of Lot 1 on G14221 as road in order to accommodate future works to Tank Street and Glenlyon Street.
3. Remain as Trustee of Reserve 627 incorporating Lot 1 on G14221 and Lot 6 on G14257; and
4. Provide a letter of support, to assist the Association to secure funding to complete the proposed alterations and expansion of the existing facilities.

Background:

Council is the trustee of State owned land Reserve 627, a reserve dedicated for the purposes of Park, which consists of Lot 1 on G14221 ("Lot 1") and Lot 6 on G14257 ("Lot 6").

Situated on the corner of Tank Street and Glenlyon Street, Lot 1 comprises land leased to Gladstone Bowls Club Inc (Lease B on SP283054) containing a club house and bowling green, as well as Anzac Park which contains Gladstone's war cenotaph. Lot 6, situated on the corner of Tank Street and Goondoon Street comprises Apex Park.

Reserve 627 is illustrated in Fig 1 below.

Council maintains both Apex Park and ANZAC Park. As part of the maintenance activities, Council attends to the mowing and landscaping as well as maintenance of the cenotaph.

Lease B on SP283054 is leased exclusively to Gladstone Bowls Club Inc by way of a registered trustee Lease. The current lease between Council and Gladstone Bowls Club Inc is due to expire on 31 July 2026. Council have however resolved to enter into a new lease for a period of 30 years which will expire in 2049. In accordance with the terms of the Lease, infrastructure within Lease B is maintained by Gladstone Bowls Club Inc. Council does not contribute to the maintenance of any infrastructure within Lease B, however Gladstone Bowls Club Inc do benefit from rates and water concessions available to community organisations from time to time.



Fig

1 – Reserve 627 incorporating Lot 1 on G14221 and Lot 2 on G14257

Under cover of letter dated 20 May 2019, Gladstone Anzac Memorial Bowls and Citizens Club, a joint venture between Gladstone Bowls Club Inc and Returned & Services League of Australia (Queensland Branch) Gladstone Sub Branch Inc (“the Association”) wrote to the Chief Executive Officer requesting that Council surrender trusteeship over Lease B to allow the Association to obtain freehold land tenure from the Department of Natural Resources Mines and Energy (DNRME). A copy of the letter dated 20 May 2019 is attached as Attachment 1.

The Association is planning significant renovations and improvements to the existing infrastructure and the Association has advised that freehold land tenure is necessary to secure funding in the vicinity of \$5,000,000. The proposed renovations and improvements are illustrated in the drawings by BKD Designs in Attachment 2.

In addition to the written correspondence, the Association attended a deputation to Council on 20 August 2019 in which the Association further advocated for the need for Council to surrender its trusteeship of the Leased Land.

The Bowls Club has provided the following justification for the surrender of Council’s trusteeship of Lease B:

- The Bowls Club has maintained the existing facilities for some 80 years;
- The clubhouse is in need of extensive renovations and alterations which is expected to cost in the vicinity of \$5 million over the next 12 months;
- The renovations and alterations are necessary to ensure the ongoing viability of the Bowls Club;
- The renovations and alterations will allow the Bowls Club to continue to provide meaningful assistance to a wide variety of community organisations;
- The Bowls Club provides essential services to returned servicemen within the region, however these services are currently substandard and will be improved through the proposed renovations and alterations; and
- The Bowls Club are unable to obtain the required funding without a more substantial land tenure.

Consideration:

In reaching its decision it is recommended that Council give consideration to the following:

Council's role as Trustee of Reserve 627

Council's functions as Trustee are set out in s46 of the *Land Act 1994* (Qld) ("the Act") as:

- (a) managing the trust land consistent with achieving the purpose of the trust; and
- (b) fulfilling the trust within their conditions of appointment (if any); and
- (c) controlling noxious plants on the trust land; and
- (d) keeping records required by the Minister or required under this (*Land Act 1994*) and other Acts.

Further, a trustee has a duty of care for the trust land and unless the Minister otherwise decides, a trustee is to protect and maintain, so far as is reasonable, all improvements on the trust land.

Section 52 of the Act provides that a trustee of trust land may take all action necessary for the maintenance and management of the land providing that it is consistent with the purpose of the reserve and the conditions of the Act. Though a trustee has no power to sell a reserve.

By virtue of s50 of the Act, a Trustee is taken to have vacated office if the trustee resigns by signed notice of resignation given to the Minister. The resignation takes effect on the earlier of:

- (a) the day agreed by the Minister and the trustee;
- (b) the day stated by the Minister in a notice given to the trustee; or
- (c) the day that is 1 year after the day the trustee's notice of resignation was given to the Minister.

The Act also provides that the Minister also has the power to remove a trustee from office if the Minister is satisfied that the removal is in the public interest.

Gladstone Bowls Club Inc's tenure history

In 1974, Gladstone Bowls Club were granted a lease by the then Council of the Town of Gladstone over the Lease B for a term of 42 years. Upon the expiration of that lease in 2016, Council and Gladstone Bowls Club Inc entered into a further lease for a period of 10 years. The term of 10 years was consistent with Council's policy for sporting and active recreation leases.

At a general meeting of Council on 21 August 2018, after lobbying from the Association, Council resolved to renegotiate a lease for an initial term of 10 years with a further 2 x 10 year options. The new lease term was subject to DNRME's approval.

DNRME were unable to approve the trustee lease including options as this was a contravention of s61(3) of the Act.

On 20 August 2019, Council resolved to enter into a new trustee lease with the Bowls Club for a period of 30 years. Trustees can not enter into a trustee lease for a period longer than 30 years, so this represents the highest lease term available given the current land tenure, namely reserve.

The Returned & Services League of Australia (Queensland Branch) Gladstone Sub Branch Inc ("RSL") currently operates out of a meeting room within Lease B. At the recent deputation, Council was advised that the existing facilities are sub-standard and do not provide the level of confidentiality required to meet the needs of the community's returned servicemen. The RSL has 566 members and there are currently no alternate options for them in terms of a venue. The alterations that have been proposed by the Association will provide a facility that is designed to meet the needs of the RSL and the RSL feel as though this is a "perfect synergy".

Most Appropriate Use for Lot 1

There is nothing to suggest that Lot 1 is required for any purpose other than the current use of the land. However, designs for the future upgrade of Tank Street and Glenlyon Street has indicated that some of Lot 1, as illustrated below in Fig 2, will be required to be used as road.

While it is not currently known when these works will proceed, if Council is of a mind to surrender their trusteeship of the Leased Land, it is recommended that the boundaries of Lot 1 be amended to accommodate the proposed upgrade of Tank Street and Glenlyon Street.



Fig 2 - Proposed Land Acquisition Area for Tank/Glenlyon Upgrade

The Association has over the past decade endured financial difficulties. In recent times, with the combination of Gladstone Bowls Club Inc and the RSL, the Association has reportedly increased their annual earnings from \$180,000 to \$670,000.

The increase in earnings is suggestive of the demand for the continued use of the facility.

Funding Requirements

The Association has advised that they are unable to obtain the level of funding required to attend to the renovations without holding freehold land tenure. The Association has not provided details in terms of the relevant funding body. Each funding body, and funding program has different criteria regarding land tenure.

As a generalisation, the general requirement is that the funding recipient has some form of land tenure, and the requisite security of tenure generally increases as the level of funding increases. A reasonable benchmark is that the land tenure should provide security for a term equivalent to the “useful life” of the asset to be funded.

While freehold land tenure may be preferred by a funding body, there are often alternate means to secure funding, particularly where the land is owned by the State or Local Government; this is generally achieved through the provision of letters of support.

It is notable that the Salvation Army was able to secure funding in the vicinity of \$3 million for the construction within the Philip Street Community Precinct, freehold land owned by Council, on the basis of a 10 year lease with 2 x 10 year options. Gladstone Men's Shed Inc were also able to secure substantial funding for the construction of a facility at 18 Moura Crescent, freehold land owned by Council on the basis of a registered lease for a period of 20 years with a 10 year option.

A grant of freehold tenure does have the potential to provide an additional source of funding in the form of a mortgage.

Land Tenure Standards for Bowls Clubs in Central Queensland

In preparing this report, a review was undertaken on the land tenure of 29 bowls clubs between Bundaberg and Mackay. The findings of this review illustrated below in Figure 3 indicate that 16 of the 29 clubs had freehold land tenure over the club facilities. Only 2 of the 29 clubs were situated on reserve land under a trustee lease.

It should be noted though that many of the freehold parcels of the land were freehold from inception and were gifted to the clubs from private benefactors as opposed to conversions of State land.

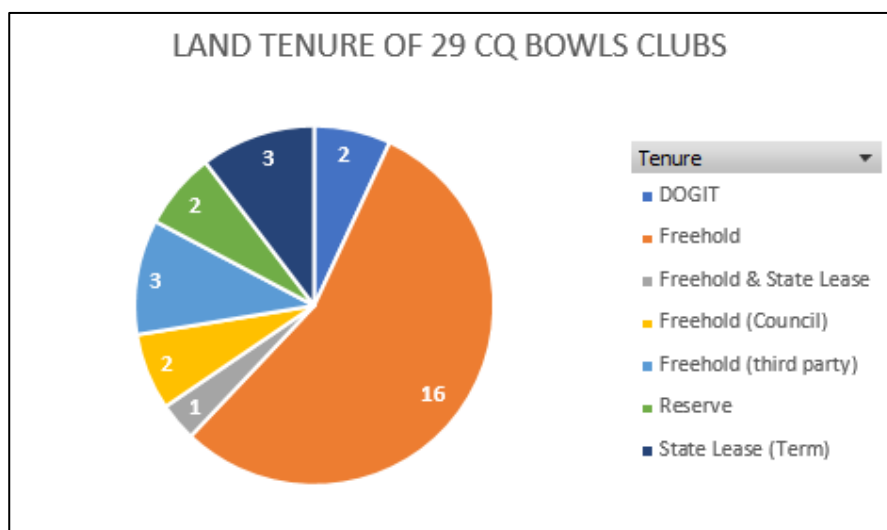


Fig 3 - Land Tenure of Bowls Clubs between Mackay and Bundaberg

Options

There are three options for Council to consider:

1. Council retains trusteeship the whole of Reserve 627 and provides a letter of support to the Association;
2. Council surrenders trusteeship of Lease B only and retains trusteeship of ANZAC Park and Apex Park and alternate land tenure could be issued by DNRME to the Association; or
3. Council surrenders trusteeship of the whole of Lot 1, including ANZAC Park and DNRME could issue alternate land tenure to the Association. The Association would be responsible for the ongoing management and maintenance of both Lease B and the ANZAC Park including the cenotaph.

These options are considered in detail below.

Option 1 – Council retains trusteeship of all of Reserve 627

Should Council resolve in favour of Option 1, there would be no change to the status quo. Due to legislative limitations, the Association would be unable to obtain any land tenure beyond a lease for

a term of 30 years. The lease could be in the form of the existing trustee lease between Council and the Association or with DNRME's approval, directly from the State to the Association.

A letter of support could be provided by Council to support the Association's funding application.

If there is a delay in obtaining funding, Council could renew the lease at a future date to ensure that the maximum lease term of 30 years is available at the time of funding.

It is notable that a trustee lease over a community reserve can in most circumstances be seen as a higher form of tenure than a lease over freehold land. This is due to the fact that the ongoing use of the land is restricted by the provisions of the *Land Act 1994* and is administered by the Minister for Natural Resources Mines and Energy.

If the Association is dissatisfied with Council's position, s34 of the *Land Act 1994* does provide a mechanism whereby a person can apply for the revocation of a reserve. The Minister also has the power to unilaterally revoke a reserve by virtue of s33 of the *Land Act 1994*. A revocation of the reserve would provide the means for DNRME to issue freehold land tenure if the department was so inclined.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Council is assured that the land will remain community land. • Council could assist with funding by providing a letter of support and assurances to funders. • Council retains management of ANZAC Park. • The Association has certainty of land tenure and can plan around this. 	<ul style="list-style-type: none"> • Council retains responsibility for the Leased Land in accordance with the terms of the Lease. • Council will continue to be responsible for the costs of maintaining ANZAC Park. • If the Association is unable to obtain funding, it will not be able to provide appropriate facilities for the RSL. • The Association may be unable to obtain sufficient funding with limited tenure • If the Association were to fall into financial difficulties, Council as Trustee may be ultimately responsible for Association's assets
Opportunities	Threats
<ul style="list-style-type: none"> • The Association could explore staged construction/funding 	<ul style="list-style-type: none"> • The Association's revenue may not be sustainable and the Association may not be able to meet the operating and maintenance costs associated with the proposed renovations.

Option 2 - Council surrenders trusteeship of Lease B only and retains trusteeship of ANZAC Park and Apex Park

Under Option 2, Council would surrender trusteeship of part of Reserve 627, namely the land leased by the Association, Lease B. Council would continue to be trustee of ANZAC Park and Apex Park. This would allow the Association to negotiate the acquisition of the land with DNRME.

Once Council surrendered trusteeship, Council would not have further input into the management of Lease B outside of Council's role as a planning authority. It would ultimately be DNMRE's decision as to what form of tenure is allocated and to whom. For this reason, it is recommended that Council's surrender should be subject to DNRME granting tenure to the Association. The trustee lease between Council and the Association would remain in place until the conditions of Council's surrender was satisfied.

It would be the Association's responsibility to pursue the surrender with DNRME and an application such as this is likely to take up to two years to complete.

In order to achieve a partial surrender, DNRME would be required to subdivide Reserve 627 to exclude Lease B. DNRME could then do either of the following within the confines of the *Land Act 1994*:

- create a new reserve and appoint the Association as Trustee of the reserve;
- revoke the reserve over Lease B and issue a Term Lease to the Association for up to 100 years; or
- revoke the reserve over Lease B and issue Freehold title to the Association.

Given the proposed future works in Tank Street and Glenlyon Street, it would be prudent for Council to excise the land required for the road works prior to Council surrendering any part of Lot 1. If DNRME were to issue freehold tenure to the Association prior to the land being excised, Council could be required to pay compensation to the Association.

Strengths	Weaknesses
<ul style="list-style-type: none"> • The Association would have the potential (subject to DNRME) to obtain a superior land tenure • The Association/Bowls Club Inc have been managing this land for a significant period of time and have invested a lot of resources in operating the Bowls Club • Should the Association fail or become insolvent, Council will not be responsible for the land 	<ul style="list-style-type: none"> • It is likely to take up to 2 years for DNRME to resolve the land tenure • The Association's success depends largely on the management committee/body • Council would not have input into the management of the land once the surrender had been approved • There is the potential for a precedent to be established of Council transferring land to lessees • The Association may be required to pay consideration to DNRME for the purchase of the land
Opportunities	Threats
<ul style="list-style-type: none"> • The Association could explore staged construction/funding • If freehold tenure was issued, the land could be mortgaged which could potentially provide an additional funding source • If the Bowls Club proceeds with the proposed renovation, it could provide additional jobs, improved facilities for the region's returned servicemen and improved facilities for the bowls' community 	<ul style="list-style-type: none"> • If freehold tenure was obtained, the future use of the land would be governed by the management body/trust/board within the confines of the Planning Act/Trust Act/Associations Incorporations Act or any other legislation • The Association's revenue may not be sustainable and the Association may not be able to meet the operating and maintenance costs associated with the proposed renovations • The land could be sold or used for a commercial purpose

Option 3 – Council surrenders trusteeship of all of Lot 1 including ANZAC Park but retains trusteeship of Apex Park

As outlined in Option 2 above however the whole of Lot 1, including ANZAC Park and the cenotaph, would be subdivided from Reserve 627. The effect of this would be that the Association would be responsible for the ongoing maintenance and management of ANZAC Park.

Strengths	Weaknesses
<p>As above with the addition of:</p> <ul style="list-style-type: none"> • Council would not be responsible for the ongoing management of ANZAC Park and the costs associated with same. 	<p>As above with the addition of:</p> <ul style="list-style-type: none"> • Council would have only limited input into the management of ANZAC Park I.e. Subject to the limitations within the Planning Act, the Association could build over all of ANZAC Park, or exclude the public from ANZAC Park.
Opportunities	Threats
<p>As above with the addition of:</p> <ul style="list-style-type: none"> • With the additional land, the Association would have more flexibility in their design 	<p>As Above with the addition of:</p> <ul style="list-style-type: none"> • If the RSL ever separated from the Bowls Club Inc, the Bowls Club Inc may not be best placed to manage ANZAC Park • The Association may not be able to raise the funds or expertise to maintain ANZAC Park to its current standard

Communication and Consultation (Internal/External):

There has been no community consultation regarding the tenure or future use of the Land. As the reserve is for community purposes, DNRME may require evidence of community consultation prior to dealing with the reserve.

The Association attended a deputation with Council on 20 August 2019 and presented to Council on the current use of Lease B and the future plans for that Land.

There has been limited consultation with the Manager for Parks Program Delivery on the impact of Options 1 to 3.

Legal Environmental and Policy Implications:

There are no legal or environmental implications associated with the implementation of either of the proposed options.

From a policy perspective, the Corporate Property Policy P-2016-23 provides an over-arching philosophy that governs actions concerning the management of Council's property portfolio.

- Acquire, hold, develop, manage and/or dispose of assets that serve the greatest public good considering all (strategic and operational) economic, environment and social factors.
- Optimise returns on property investments and/or minimise costs associated with holding and managing such assets.
- Use property as required to respond to demonstrable community need (including where there has been apparent/evident market failure), or to seize commercial opportunity that is considered to be in the overall public interest.
- Property transactions contemplated to stimulate or enable local economy will be publicly declared as such from the outset.
- It is not Council's intention to compete with the private market but to complement and assist where appropriate.

While the policy does not specifically deal with the management of reserves and Council's duties as trustee, the policy does provide that Council will only consider a sale under the following circumstances:

- If the property is not being used for the purpose intended at the time of Council's acquisition;
- If the property is not serving a current or a future operational or community need;

- If the property is not facilitating Council’s service delivery objectives;
- If the property disposal would deliver better outcomes for the local community; and
- If the property does not provide the expected return and represent a risk to Council.

Financial and Resource Implications:

There would be no significant financial or resource implications associated with the implementation of either options.

Should Council choose to resolve in favour of Option 2 or 3, the Association would be requested to pay any costs incurred by Council – potentially survey and registration fees.

Commentary:

If Council were of a mind to adopt Option 2, an appropriate resolution would be:

That Council:

1. *Support the view that the most appropriate use for Lot 1 on G14221 is the current use, namely a premises for the combined use of Gladstone Bowls Club Inc and Returned & Services League of Australia (Queensland Branch) Gladstone Sub Branch Inc (“the Association”) and a war memorial.*
2. *Make an application to DNRME to dedicate part of Lot 1 on G14221 as road in order to accommodate future works to Tank Street and Glenlyon Street.*
3. *In recognition of The Association’s long-term occupation of Lease B on SP283054 in Lot 1 on G14221, the significant capital investment proposed by the Association, and the funding restrictions associated with the current land tenure, surrender its trusteeship of Lease B on SP283054 conditional upon:*
 - (a) *The subdivision of Reserve 6267 to exclude Lease B on SP283054;*
 - (b) *The allocation of Lease B on SP283054 by Department of Natural Resources Mines and Energy (DNRME) to the Association in priority, either as trustees of reserve land, a long-term Term Lease or a Deed of Grant in Fee Simple;*
 - (c) *The Association satisfying the conditions of any offer from the DNRME; and*
 - (d) *The Association paying Council’s costs (if any) in relation to the subdivision of reserve 6267 and the subsequent surrender of its trusteeship.*

If Council were of a mind to adopt Option 3, an appropriate resolution would be:

That Council:

1. *Support the view that the most appropriate use for Lot 1 on G14221 is the current use, namely a premises for the combined use of Gladstone Bowls Club Inc and Returned & Services League of Australia (Queensland Branch) Gladstone Sub Branch Inc (“the Association”) and a war memorial.*
2. *Make an application to DNRME to dedicate part of Lot 1 on G14221 as road in order to accommodate future works to Tank Street and Glenlyon Street.*
2. *In recognition of The Association’s long-term occupation of Lot 1 on G14221, the significant capital investment proposed by the Association, and the funding restrictions associated with the current land tenure, surrender its trusteeship of Lot 1 on G14221 conditional upon:*
 - (a) *The subdivision of Reserve 6267 to exclude Lot 1 on G14221;*
 - (b) *The allocation of Lot 1 on G14221 by Department of Natural Resources Mines and Energy (DNRME) to the Association in priority, either as trustees of reserve land, a long-term Term Lease or a Deed of Grant in Fee Simple;*
 - (c) *The Association satisfying the conditions of any offer from the DNRME; and*
 - (d) *The Association paying Council’s costs (if any) in relation to the subdivision of reserve 6267 and the subsequent surrender of its trusteeship.*

Summary:

Council is trustee of Reserve 627, a State reserve for the purpose of Park. Reserve 627 comprises both ANZAC Park and Apex Park as well as Lease B on SP283054. Situated within Lease B on SP283054, is Gladstone Bowls Club. Gladstone Bowls Club Inc currently lease the land described as Lease B of SP283054 from Council via a registered Trustee Lease for a term of 30 years. This represents the highest form of tenure available to the Bowls Club while Council remains trustee.

Returned & Services League of Australia (Queensland Branch) Gladstone Sub Branch Inc also operate from the Bowls Club, providing essential services to the region's returned servicemen and their families.

Gladstone Bowls Club Inc and Returned & Services League of Australia (Queensland Branch) Gladstone Sub Branch Inc are desirous of undertaking substantial alterations and improvements to the Bowls Club likely to cost in the vicinity of \$5 million. The improvements will provide more appropriate facilities for Gladstone RSL to deliver its services and a substantial upgrade to the Bowls Club's facilities.

The Association have advised that they require funding to proceed with the alterations and improvements and that freehold land tenure a requisite to secure such funding. It is for this reason that Council have been requested to surrender trusteeship of part of Reserve 627.

Council has obligations with regard to the management of the land in its capacity of Trustee. However, as State land, Reserve 627 is owned by the Department of Natural Resources Mines and Energy.

Council's Corporate Property Policy provides that Council can dispose of property where the disposal would deliver better outcomes for the local community or if the property does not provide the expected return and represents a risk to Council. The Association have asserted that by them obtaining freehold tenure and subsequent funding, they would indeed be delivering better outcomes for the local community. Council does not currently receive income from Reserve 627 and there is a risk to Council in that should Bowls Club experience financial difficulty, Council may become responsible for the Bowls Club.

It is arguable that the Association with the support of Council (and DNRME) will be able to secure the necessary funding with the current land tenure. On the contrary, if Council were to surrender trusteeship, there is no guarantee that DNRME would provide the Association with freehold tenure, or that the Association will be able to secure sufficient funding. There is also the risk that if freehold land tenure was granted to the Bowls Club, the land could be at some stage in the future sold, or developed for a commercial purpose. This is undesirable given its proximity to ANZAC Park. It is for these reasons that the Officer's Recommendation is for Council to retain trusteeship of the land.

Anticipated Resolution Completion Date:

It is anticipated that the Officer's recommendation would be implemented by 30 September 2019.

Attachments:

1. Attachment 1 - Gladstone ANZAC Memorial Bowls and Citizens Club - Letter to CEO dated 20 May 2019
2. Attachment 2 - BKD Designs, Concept Design series – Proposed renovations and alterations of Gladstone Bowls Club.

Tabled Items:

Nil.

Report Prepared by: Property Acquisition and Disposal Specialist

G/3.1.3. MONTHLY FINANCIAL REPORTS FOR THE PERIOD ENDING 27 AUGUST 2019

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 17 September 2019

File Ref: FM15.1

Purpose:

This report seeks Council adoption of the Monthly Financial Statements for the 2019-20 year to date, for the period ended 27 August 2019.

Officer's Recommendation:

That Council adopt the Monthly Financial Statements attached to this report for the 2019-20 year to date, for the period ended 27 August 2019 as required under Section 204 Local Government Regulation 2012.

Background:

Nil.

Consideration:

End of year processing is currently underway with figures yet to be finalised and audited for the 2018-19 financial year. Any comparative figures provided throughout this report for the 2018-19 financial year are subject to amendment and may not reflect the final position as at 30 June 2019.

Forecast

The 2019-20 budget was adopted on 17 July 2019 and there have been no changes to the forecast.

Statement of Income and Expenditure

The pro-rata rate as at 27 August 2019 sits at 15.89%.

Income

Recurrent Revenue

Recurrent Revenue	Percentage of Forecast
	75.78%

Total recurrent revenue the month of August was \$151.00m (75.78%). This result is due to the bulk of recurrent revenue being received from Council rates generation of \$147.42m.

Net rates and utility revenue	Percentage of Forecast
	96.98%

Interest from overdue rates and utility charges	Percentage of Forecast
	20.05%

Interest from overdue rates and utility charges is sitting at \$0.14m compared to a forecast budget of \$0.69m equalling 20.05%.

Capital Revenue

Capital Revenue	Percentage of Forecast
	9.10%

Total capital revenue for the month of August was \$0.70m (0.76%). Capital revenue is predominantly comprised of:

Grants and Subsidies	Percentage of Forecast
	9.47%

Currently sitting at \$0.659m of a forecast budget of \$6.959m. This percentage will increase as grant funding for projects is received throughout the year.

Developer Contributions	Percentage of Forecast
	16.74%

Developer contributions received to date are \$0.044m of a \$0.265m forecast budget.

Expenditure

Year to date expenditure although lower than pro-rata, is tracking in line with expectations for this time of year at 11.53% of the forecast. Of note:

Employee Benefits	Percentage of Forecast
	11.96%

Employee benefits at 27 August are at \$7.860m of a \$65.715m budget.

The second pay for the month of August was not posted at the time these reports were prepared. Once posted, employee benefits will be in-line with pro-rata expectations.

Materials and Services	Percentage of Forecast
	8.90%

Sitting at \$7.430 out of a forecast of \$83.454m. This expense is reporting higher than this time last year \$5.807m as at 31 August 2018. The increase from last year is due to the timing of our payment to GAWB for bulk water supplied.

Capital Expenditure

Capital Expenditure	Percentage of Forecast
	7.32%

To date capital works underway have incurred \$5.584m (7.32%) of a \$77.075m forecast. Significant actual capital expenditure (not including commitments) is presented by group in the table below:

Group	Forecast	YTD Actual	Actuals as % of Forecast
Parks & Environment Assets	\$1.906m	\$0.172m	9%
Property Assets	\$2.145m	\$0.000m	0%
Road Assets	\$21.544m	\$2.545m	12%
Sewerage Assets	\$20.430m	\$1.563m	8%
Waste Assets	\$4.120m	\$0.688m	17%
Water Assets	\$8.263m	\$0.188m	2%
Delivery Support and Performance	\$8.041m	\$0.262m	3%
Strategy & Transformation	\$9.170m	\$0.026m	0%
Community Development & Events	\$0.651m	\$0.139m	21%

Statement of Financial Position

Year to date Assets	Current Value	Forecast	Percentage of Forecast
	\$2.379b	\$2.314b	102.78%

Year to date Liabilities	Current Value	Forecast	Percentage of Forecast
	\$154.609m	\$133.054m	116.20%

This result for assets is usual for this time of year as Council's receivables are higher than any other time of the year due to the rates generation. Our receivables balance should normalise as the year progresses.

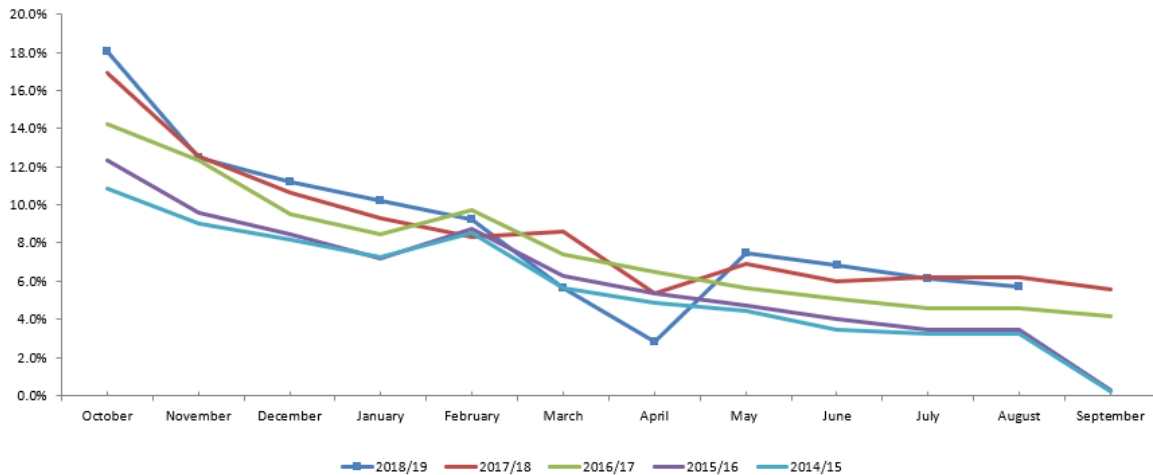
This result is also usual for liabilities at this time of year as Council's borrowing repayments are made quarterly throughout the year, current liabilities historically trend closer to budget once repayments against borrowings are made.

Outstanding Rates

Outstanding rates as a percentage of gross rates levied, and collectible, is at 5.68% at the end of August, compared to 6.21% for the same period last year. Due to the recent rates generation, there is a total of \$148.3m rates not due until 18 October 2019. Of the \$9.9m of outstanding rates 13.3% relates to commercial / industrial assessments and 86.7% represents residential assessments.

These figures include \$1.58m of rates that are currently being repaid under an authorised payment plan, for which there were 20 commercial/industrial assessments and 464 residential assessments. A total of 484 assessments, which is an increase from 27 assessments in July. There were 1,174 ratepayers who had paid their rates in advance, in the amount of \$1,278,500.

Outstanding Rates



Sustainability Ratios

Council's Sustainability Ratios for the period are generally in line with expectations at this stage of the reporting year. Early in the financial year, ratios are typically distorted given that Council raises the majority of its yearly revenue in August but incurs expenses and delivers its capital program on an incremental basis throughout the year.

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 an important tool in analysing Council's overall financial performance.

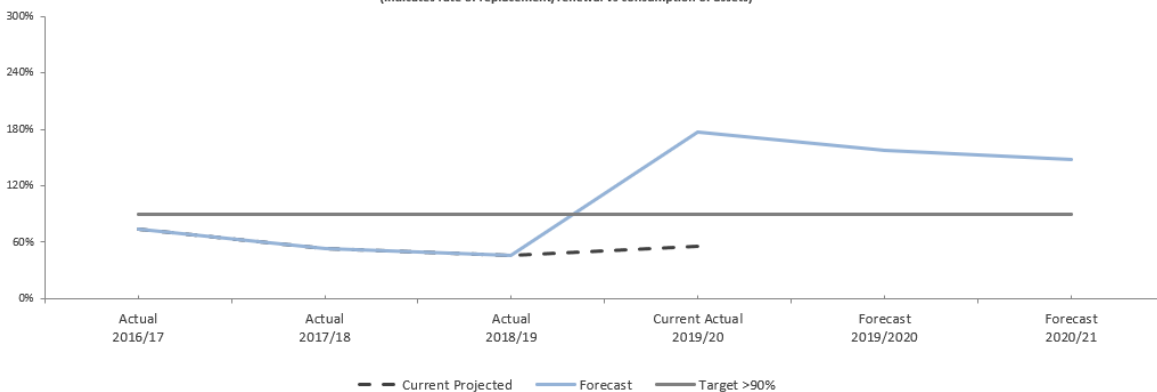
Asset Sustainability Ratio

This ratio compares Council's expenditure on capital renewal or replacement assets with the rate at which our assets are depreciating. Council has not achieved the target range since the 2015-16 financial year.

Asset Sustainability Ratio			
CURRENT YEAR TO DATE	PRIOR YEAR TO DATE	FORECAST	TARGET
55.13%	10.96%	176.80%	>90%

Asset Sustainability Ratio

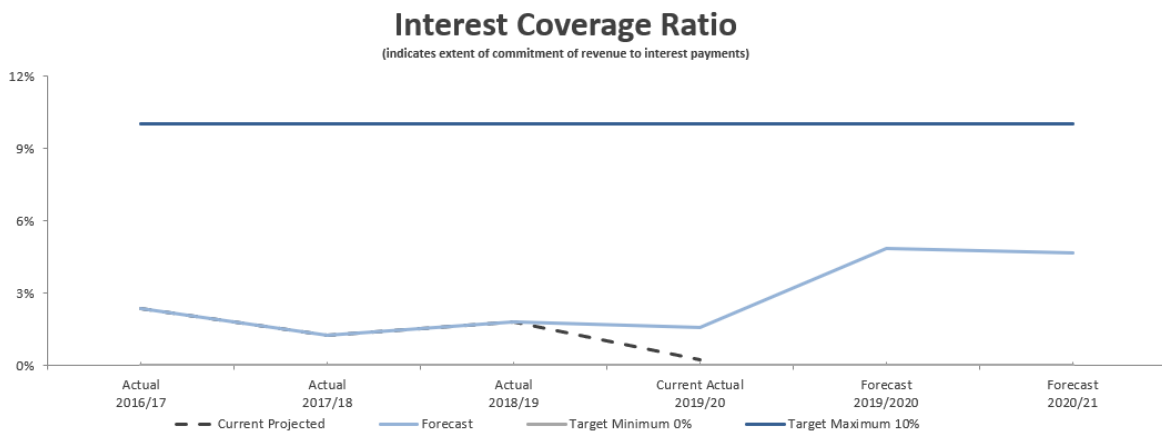
(indicates rate of replacement/renewal vs consumption of assets)



Interest Coverage Ratio

The interest coverage ratio is reflecting abnormally this month as no finance costs from Queensland Treasury Corporation have been incurred in July or August. Interest on borrowings is reflected at the end of each quarter.

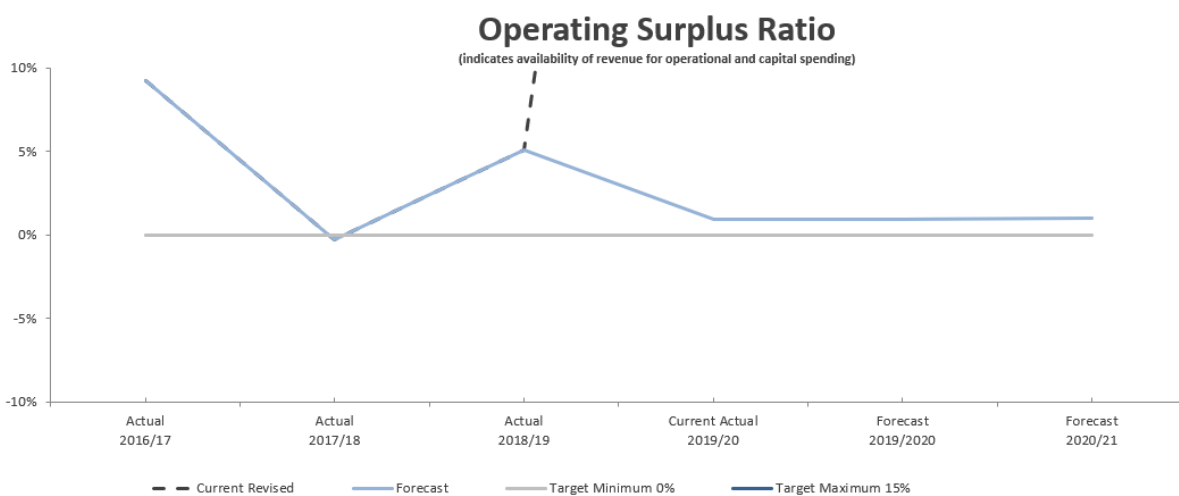
Interest Coverage Ratio			
CURRENT YEAR TO DATE	PRIOR YEAR TO DATE	FORECAST	TARGET
0.24%	(0.16%)	1.59%	0 – 10%



Operating Surplus Ratio

The results of this ratio are abnormal as the rates generation occurred in August causing the percentage to skew. This result will change throughout the year as expenditure is incurred and the operating surplus decreases.

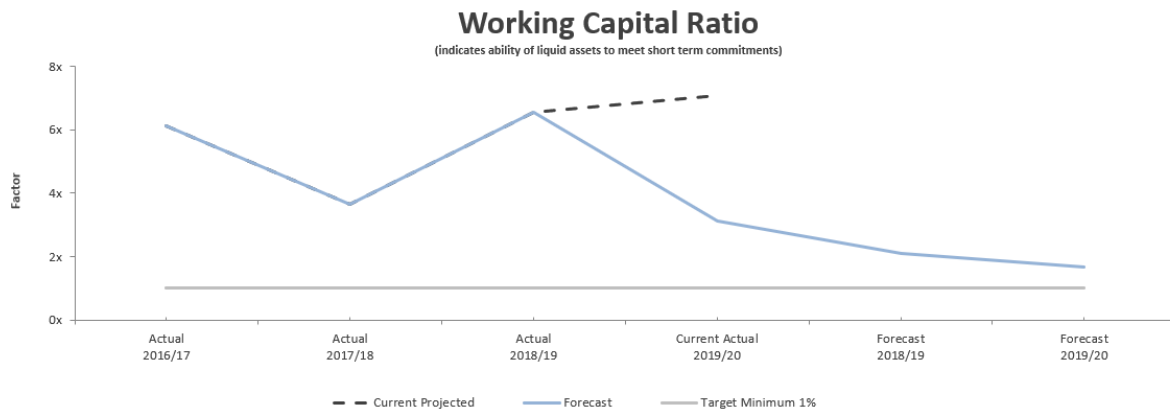
Operating Surplus Ratio			
CURRENT YEAR TO DATE	PRIOR YEAR TO DATE	FORECAST	TARGET
84.93%	79.72%	0.91%	0-15%



Working Capital Ratio

Council has a large balance of current assets including cash and receivables that increase the results of this ratio. The ratio is in excess of the target minimum, reflecting a healthy position for Council.

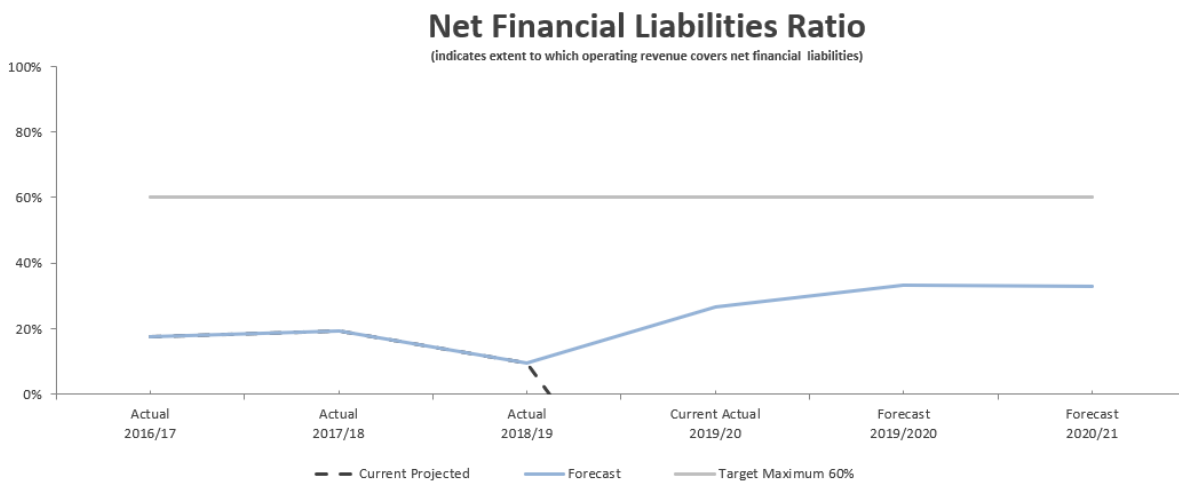
Working Capital Ratio			
CURRENT YEAR TO DATE	PRIOR YEAR TO DATE	FORECAST	TARGET
7.07x	8.38x	3.13x	Greater than 1:1



Net Financial Liabilities Ratio

The current results of this ratio are abnormal due to the rates generation in August causing the percentage to skew. This result will change as the year progresses.

Net Financial Liabilities Ratio			
CURRENT YEAR TO DATE	PRIOR YEAR TO DATE	FORECAST	TARGET
(69.87%)	(61.59%)	26.70%	< 60%

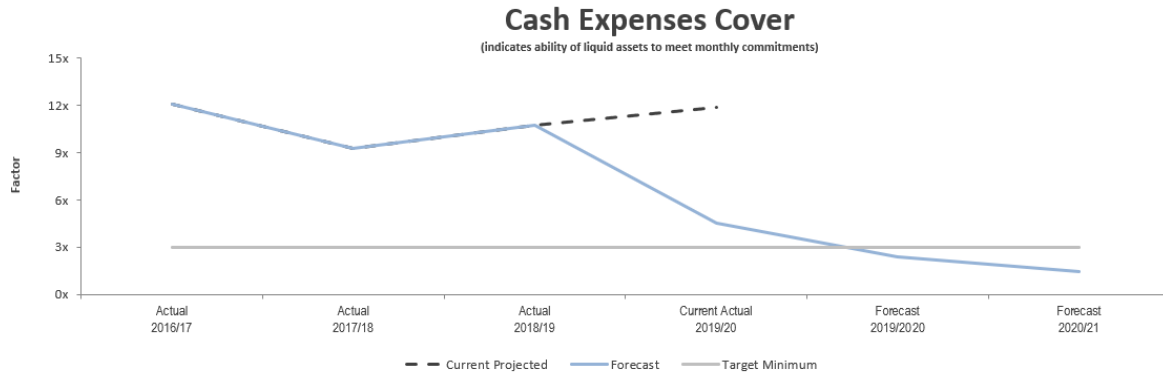


Cash Expenses Cover Ratio

The current result reflects a continuing strong cash position proportional to operating costs. This result is well above the target ratio.

Cash Expenses Cover Ratio

CURRENT YEAR TO DATE	PRIOR YEAR TO DATE	FORECAST	TARGET
11.87x	53.52x	4.53x	> 3x



Communication and Consultation (Internal/External):

Input regarding forecast sought from Systems Modelling and Metrics Specialist.
Input regarding unpaid and prepaid rates sought from Manager Revenue Services.

Legal Environmental and Policy Implications:

Nil.

Financial and Resource Implications:

Nil.

Commentary:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

17 September 2019.

Attachments:

1. Monthly Financial Statements period ending 27 August 2019
2. Operating Statements for Month End August 2019

Tabled Items:

Nil.

Report Prepared by: Accountant

G/3.1.4. YOUTH COUNCIL RECRUITMENT

Responsible Officer: General Manager Community Development and Events

Council Meeting Date: 17 September 2019

File Ref: CR8.3

Purpose:

To seek a resolution from Council endorsing the appointment of three new applicants to Gladstone Region Youth Council.

Officer's Recommendation:

That, in light of recent member resignations, Council appoint the below applicants to the Gladstone Region Youth Council for the remainder of the 2019 term:

- a. Abbigail Willis
- b. Kailyn Smith
- c. Zarah Nash

Background:

The Gladstone Region Youth Council was originally initiated by the former Gladstone City Council established between 1996 to 2001 with the membership consisting of 11 young people aged between 12 – 18 years. Membership was drawn from local high schools, the university and young community members.

On 4 March 2014 the Committee was re-formed by Gladstone Regional Council as a formal Advisory Committee constituted under Section 264 of the Local Government Regulation 2012.

The Gladstone Region Youth Council Terms of Reference was updated and adopted by Council for the Gladstone Region Youth Council on 20 August 2019 (see Attachment 1).

At Council's General Meeting on 4 December 2018, Council appointed members to the Youth Council for 2019. In doing so, it resolved to appoint 11 members rather than 9 members as provided for in the Terms of Reference to allow a broader geographical representation on the Advisory Committee following the expression of interest process.

Gladstone Region Youth Council membership term is 12 months. As per the Gladstone Region Youth Council Advisory Committee – Terms of Reference, Item 4.7 states that members may resign at any time by notice in writing to Council, and Item 4.8 states that members can be replaced at any time by resolution of Council.

Consideration:

Due to the resignation of three appointed members for 2019, expressions of interest were sought by officers to fill positions on Youth Council for the remainder of 2019.

A review panel, consisting of the Community Development Specialist and Community Development Officer, assessed the applications, and interviewed five applicants for the three available positions. Further, applicants were invited to attend 'An Unlikely Conversation' event to better demonstrate their suitability for the role of Youth Council.

At the conclusion of the assessment process, the above-mentioned applicants were deemed those most suitable for appointment to Youth Council. These recommended members will hold their positions for the remainder of the 2019 term, with the option of seeking reappointment for future terms.

As per the Terms of Reference, incoming members would be expected to attend regular meetings, engage at community events run by Council, and provide input, views and advice on matters relating to young people in the Gladstone Region.

Communication and Consultation (Internal/External):

Internal:

- General Manager Community Development and Events
- Manager Engagement and Partnerships
- Community Development Specialist
- Community Development Officer
- Brands and Communications Officers

External:

- Youth Interagency Network
- Gladstone Region High Schools
- Gladstone Region Sporting Clubs

Legal Environmental and Policy Implications:

The *Local Government Regulation 2012* governs the establishment and management of formal advisory committees to Council.

Financial and Resource Implications:

Administrative and Secretarial cost for the Gladstone Region Youth Council are absorbed as a part of the existing operational budget of Engagement and Partnerships.

Commentary:

Nil.

Summary:

The 2019 Gladstone Region Youth Council have proven themselves to be a strength of Gladstone Regional Council, through their demonstrated willingness to consult, engage and act on behalf of young people in the region.

The community development team have supported Youth Council by working strategically to ensure that they are providing concrete outcomes and offering consultation that can better align GRC with the needs of youth in our community.

To maintain momentum, officers accepted the resignation of three inactive members and have worked to replace those with suitable candidates for these available positions. It's believed that the recommended applicants possess suitable qualities which will further contribute to the positive direction of the 2019 Youth Council group.

Anticipated Resolution Completion Date:

17 September 2019.

Attachments:

1. Terms of Reference – Gladstone Region Youth Council

Tabled Items:

Nil.

Report Prepared by: Community Development Officer

G/3.1.5. CORRECTION OF CLERICAL ERROR - MINUTES OF GENERAL MEETING 19 FEBRUARY 2019

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 17 September 2019

File Ref: RV6.2

Purpose:

The purpose of this report is to correct a clerical error in the General Meeting minutes of the 19 February 2019.

Officer's Recommendation:

That Council, in accordance with Section 262 of the *Local Government Regulation 2012*:

1. Amend part of resolution G/19/3672 to change the incorrect reference to Lot 40 SP260270 and replace with Lot 7 SP260270; and
2. Amend resolution G/19/3677 to reflect the minutes of the General Meeting of Council held on 19 February 2019 be confirmed with the amendment to resolution G/19/3672 as identified above.

Background:

Council considered an agenda item regarding sale of land for arrears of rates at its meeting on the 19 February 2019. It has come to officers attention that an incorrect property description was included in the resolution. Lot 40 SP260270 does not exist as a parcel of land. The correct property description for the land identified for sale for arrears of rates is Lot 7 SP260270.

Consideration:

That Council correct the clerical error made in recording its decision to sell Lot 7 SP260270.

Communication and Consultation (Internal/External):

Manager Governance
General Manager Finance Governance and Risk

Legal Environmental and Policy Implications:

Council has an obligation to ensure that it keeps accurate records and where errors are identified that they be corrected. It is particularly important that Council accurately describe those properties that progress through the sale of land for arrears of rates process.

Section 262 of the *Local Government Regulation 2012* allows Council to amend resolutions subject to Councillors being given 5 days notice before the meeting at which the amendment is to be made.

Financial and Resource Implications:

Not applicable.

Commentary:

Not applicable.

Summary:

Not applicable.

Anticipated Resolution Completion Date:

23 September 2019.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Governance Advisor

G/3.1.6. UPDATE ON RESOLUTION G/19/3671 - UNACTIONABLE RESOLUTION

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 17 September 2019

File Ref: DB1.8

Purpose:

The purpose of this report is for Council to formally update the public record in relation to legal action on a compliance matter at 27B Agnes Street Gladstone.

Officer's Recommendation:

That Council:

1. Note, that based on legal advice received on 25 March 2019, that resolution number G/19/3671 was unable to be fully actioned due to the Planning and Environment Court not allowing the legal matter to be held in abeyance; and
2. Endorse the actions of Officers in exercising delegated authority to withdraw from the legal action.

Background:

Council considered a report at its General Meeting on 19 February 2019 regarding a compliance matter at 27B Agnes Street, Gladstone.

Council passed a resolution at the meeting as follows:

GLADSTONE REGIONAL COUNCIL - GENERAL MEETING MINUTES 19 FEBRUARY 2019

G/19 /3671 Council Resolution:

Moved Cr Goodluck
Seconded Cr Churchill

That Council hold the legal action in abeyance to proceed through the sale of land for arrears of rates.

CARRIED

Following the General Meeting on 19 February 2019, Council received advice from its solicitors dated 25 March 2019 that the Courts would not allow the legal matter to be held in abeyance as resolved by Council and that the only options available were to continue with the legal process or withdraw. The decision had to be made in a very short timeframe as the matter was due for mention in Court on the 29 March 2019.

Given that it was not possible to refer the matter back to Council due to the short timeframe, Council Officers under delegated authority made the decision to withdraw the legal action on the basis that Council would incur significant costs should it proceed. Councillors were briefed on the action taken on 28 May 2019.

Legally Council still has resolution G/19/3671 as an active resolution. Given that circumstances have changed since the 19 February 2019, it would be appropriate for Council to formally recognise and update the public record to reflect the current status of this matter.

Consideration:

Nil.

Communication and Consultation (Internal/External):

Manger Governance
Senior Legal Advisor
General Manager Finance Governance and Risk

Legal Environmental and Policy Implications:

Council has a general obligation under the *Local Government Act 2009* and the *Public Records Act 2002* to ensure that it keeps full and accurate records of its decisions.

Financial and Resource Implications:

Nil.

Commentary:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

23 September 2019.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Governance Advisor

G/4. DEPUTATIONS

Nil.

G/5. COUNCILLORS REPORT

Nil.

G/6. URGENT BUSINESS

Nil.

G/7. NOTICE OF MOTION

Nil.

G/8. CONFIDENTIAL ITEMS

Nil.

ATTACHMENTS