



GLADSTONE
REGIONAL COUNCIL

GENERAL MEETING AGENDA

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

On 3 December 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 19 NOVEMBER 2019

Responsible Officer: Chief Executive Officer

Council Meeting Date: 3 December 2019

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 19 November 2019.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 19 November 2019 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 19 November 2019.

Tabled Items:

Nil.

Report Prepared by: Executive Secretary

G/3. OFFICERS' REPORTS

G/3.1. OFFICER'S REPORTS

G/3.1.1. GLADSTONE REGIONAL COUNCIL WASTE AND RESOURCE RECOVERY STRATEGY

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 3 December 2019

File Ref: WM9.1, PRJ-285, ED2.1

Purpose:

To advise Council of the completion of the Gladstone Regional Council Waste Management and Resource Recovery Strategy.

Officer's Recommendation:

That Council endorse the completion of the Gladstone Regional Council Waste Management and Resource Recovery Strategy.

Background:

In September 2018, Gladstone Regional Council applied for and was granted funding under the Maturing the Infrastructure Pipeline Program 2. The grant is to facilitate the development of a Waste Strategy which incorporated a strategy for a possible large-scale Energy from Waste (EfW) facility.

After a tendering process, consultants GHD were engaged to research and develop the strategy utilising the available funding. The Queensland Waste Management and Resource Recovery Strategy and Resource Recovery Industries 10 Year Roadmap and Action Plan are informing strategic drivers into the Gladstone Regional Council strategy. The Queensland Energy from Waste Policy has also been issued as a discussion paper and forms part of the strategic consideration for the strategy.

The Strategy was intended to provide a framework for implementation and prioritisation of Energy from Waste infrastructure within the short (2-3 years), medium (3-5 years) and long term (10 years and beyond), focusing on the first five years. Consideration was given to anaerobic digestion, incineration, and any other technologies available. For an informed decision to be made on the possible investment into Energy from Waste infrastructure, a detailed analysis of financial performance, technical performance and social and environmental performance was undertaken for each treatment options.

Consideration:

Waste is an item high on the agenda of the State and Federal governments. The introduction of the ban on single-use lightweight plastic bags, Container Refund Scheme and Waste Levy have been steps which are visible to the greater community toward the reduction of waste generation. The State Waste Management and Resource Recovery Strategy and associated Action Plans outline priorities and targets for those in the industry or government. The Queensland strategy lists priorities to:

- Reduce the impact of waste in the environment
- Transition to a circular economy for waste, and
- Build economic opportunity

In addition to the following targets:

- 25% reduction in household waste
- 90% of waste is recovered and does not go to landfill
- 75% recycling rates across all waste types

The State adopted Waste and Resource Management Hierarchy (shown in Figure 1), is the driving factor towards Queensland transitioning towards a circular, zero-waste society.

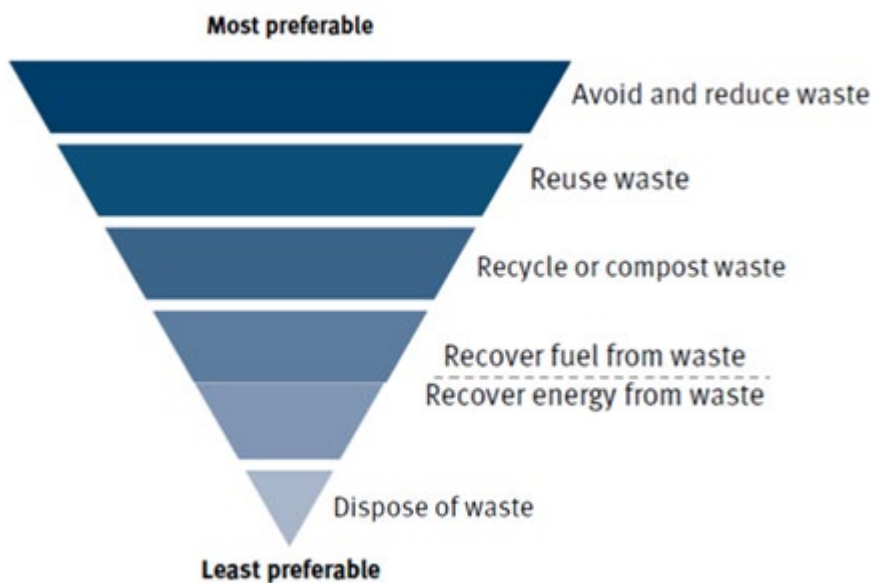


Figure 1 - Waste and resource management hierarchy

The final Waste Management and Resource Recovery Strategy Report highlights seven priorities that will assist Council to both address and contribute to achieving the State priorities and targets.

The seven priorities within the Councils Strategy are coupled with clear actions for implementation, over the short, medium and long term. The seven priorities and how they are aligned with the different aspects of the waste hierarchy are highlighted below:

Waste strategy priorities	Waste and Resource Management Hierarchy				
	Avoidance and waste reduction	Reuse	Recycle or compost	Recover fuel or energy	Dispose
Priority 1 – Waste education	✓	✓	✓	✓	✓
Priority 2 – Reuse of recovered material in local projects	✓	✓			
Priority 3 – Landfill diversion through recycling	✓	✓	✓		
Priority 4 – Optimise existing infrastructure			✓		✓
Priority 5 – Organics processing	✓		✓	✓	
Priority 6 – Regional collaboration	✓		✓	✓	
Priority 7 – Data collection and management	✓	✓	✓		✓

While the strategy differs from that which was originally intended in that there is no inclusion of a detailed development of an Energy from Waste facility, the strategy does duly align with the State's direction.

Communication and Consultation (Internal/External):

During the development of the Strategy, consultation was undertaken with a range of stakeholders, including:

- Internal GRC stakeholders from across Council
- Other Councils in order to consider the availability of feedstock and appetite for collaboration
- Central Queensland University regarding the potential of collaboration
- Local Industry, in order to determine their current waste practices
- Gladstone Region Mayor and Councillors

Legal Environmental and Policy Implications:

Development of the strategy aligns with the following Corporate and Operational Plan goals.

Corporate Plan

Strategic Goal	Corporate Plan	Project Linkage
Connect	Healthy environment, healthy community	- Target zero waste to landfill - Focus on becoming an energy neutral Council - Minimise our environmental impact
Diversify	Grow the Region	Reduced power bills may incentivise investment in the Region
Diversify	Smart Investment	Commercial opportunity to convert cost centres into profit centres and gain return on capital

Operational Plan

Strategic Goal	Operational Plan	Action
Connect	2.1 Target zero waste to landfill	Target Zero Waste – review of our current waste and recycling processes including operation of transfer stations
Connect	2.2 Focus on becoming an energy neutral Council	Target energy neutrality
Diversify	9.2 Pursue commercial opportunities to convert cost centres to profit centres and gain return on capital	Explore alternative sources of income

Financial and Resource Implications:

The Gladstone Regional Council Waste and Resource Recovery Strategy includes an implementation plan with a delivery timeframe covering ten years. This roadmap will inform Council's annual budget allocation and operational planning toward waste management and resource recovery.

Commentary:

The formulation of the Waste Management and Resource Recovery Strategy was undertaken as part of the 2018/19 Operational Plan and 2019/20 Operational Plan, with the focus to pursue commercial opportunities to convert cost-centres into profit-centres and gain return on capital; the intent being to achieve the Goal to Diversify.

As the State Waste Management and Resource Recovery Strategy has developed, the focus has changed with the priorities being to reduce, reuse and recycle waste according to the waste and resource management hierarchy. Although the recovery of energy from waste ranks among the least preferable options for waste management, the preliminary economic viability assessment within Councils strategy also highlights that such a facility is not viable for our Council.

Summary:

The Gladstone Regional Council Waste Management and Resource Recovery Strategy provides a clear strategic direction and Action Plan for Council over the coming 10 years. Application of the Action Plan will ensure that resources and budget are duly allocated over the life of the strategy.

The strategy mirrors the intent of the Queensland Waste Management and Resource Recovery Strategy and associated documents.

Anticipated Resolution Completion Date:

31 December 2019.

Attachments:

1. Gladstone Regional Council Waste Management and Resource Recovery Strategy Report
2. Gladstone Regional Council Waste Management and Resource Recovery Strategy

Tabled Items:

Nil.

Report Prepared by: Strategy & Transformation Specialist

G/3.1.2. SEVENTEEN SEVENTY INTERPRETIVE CENTRE

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 3 December 2019

File Ref: CR2.11

Purpose:

Allow the Council to consider a proposal from the Discovery Coast Tourism & Commerce Inc (DCTC) for the development of legacy projects as part of the Cook 250 1770 Experience, namely being an Interpretive Centre at Cook's Monument and a Yarning Circle at Seventeen Seventy Headland.

Officer's Recommendation:

That Council does not support any capital or continued operational investment in Cook 250 1770 Experience legacy projects.

Background:

The proposed DCTC legacy projects for the Cook 250 1770 Experience, 250-year commemoration of Captain James Cook's navigation of Australia were presented to Council in February 2018 by DCTC with correspondence received by the Mayor's office dated 26 February 2018 seeking Council support. Following that, a report on the Cook 250 1770 Experience Festival was presented to a Councillor Information Session on 24 July 2018.

The two main legacy projects being discussed are: -

1. Yarning circle at Seventeen Seventy Headland
2. Interpretive Centre at Cook's Monument

More details of these projects are in the attachments *1770 Concept Plan* and *1770 Concept Plan – detailed*.

The original correspondence and discussions with Council was seeking support for the following:

1. Develop or fund site Environmental Management Plan for National Parks
2. Complete application to Queensland Parks and Wildlife Services
3. Finalise design/approvals
4. Apply for further funding – no current specific funding sources
5. Execute construction project
6. Own and manage asset as required including the provision of appropriate public liability insurance

Subsequent discussions with DCTC have indicated that they have secured \$1 million of Federal funding for the proposed legacy projects. DCTC are confident that they can secure any additional funding necessary to establish and manage the projects.

Further consultation has been undertaken with DCTC to define in-kind support, which is now focused on the acquisition of land for the Interpretative Centre.

As part of the discussions held with DCTC in relation to the legacy projects, officers identified that there must be demonstrated support for the project from the Traditional Owners. To date there has

been no evidence that the Port Curtis Coral Coast Native Title Claim Group (PCCC Trust) are in support of the proposal.

DCTC have prepared a concept design for the legacy projects which includes an estimated project cost. At this early stage of planning the estimate for the two projects is \$1,712,700. It is unknown if this amount includes any contingency and if it does, what percentage.

Consideration:

In July 2019, Council resolved to commit \$150,000 in support of the 1770 Festival in May 2020 to supplement the existing festival program. Council's investment specifically supports week 5 of the event which coincides with National Reconciliation Week.

As part of the 1770 Experience, several legacy projects were proposed by DCTC including an Interpretative Centre and a Yarning Circle. Included in the proposal was a request for in kind support including project management services. An internal resource would require appointment to progress the project, and an amendment to the Strategic Projects Workplan would be necessary to give capacity to the internal resource. This is not currently planned for.

Whilst the Investment Decision Framework (IDF) is currently in the final stages of development, consideration of the 'gates' and assessment criteria has been applied to this project request.

Identifying (considering the need and strategic alignment)

- The legacy projects are not in alignment with Council's Corporate Plan or Operational Plan;
- An Interpretative Centre could attract tourists however this would be difficult to quantify;
- The Interpretative Centre is not identified as a priority in the Visitor Economy Strategy;
- Council required DCTC to gain PCCC approval for the legacy projects, however this has not been achieved;
- Council's ability to provide in-kind support in the form of project management may impact on the delivery of identified and approved strategic projects;
- Operating Model for the Interpretative Centre is dependent on volunteer resources to operate the centre and operating costs dependent on entry ticket sales.

Assessing (considering potential investment opportunities)

- DCTC has secured \$1M of Federal funding for the Interpretative Centre, with expected costs for the legacy costs at \$1.7M with no identified contingency.

Options to Proceed

Option 1 – Council does not support any capital or continued operational investment in this project (recommended)

This project does not have PCCC support, is not currently in the Strategic Project workplan, nor in the Operational Plan or long-term financial plan. Should Council resolve in favour of this option, a letter to this effect would be forwarded to the committee.

Risk: Due to no significant financial or resource implications associated with this option the risk profile to Council ranks at an evaluated risk of low based on Councils Risk Management Corporate Standard.

Option 2 – Enter into a partnership with DCTC to deliver the proposed legacy projects.

Council may wish to pursue a partnership which would commit to providing the ownership or potential ownership and support originally sought by DCTC for the proposed legacy projects.

The project proposals are currently only at a concept phase, the estimated construction costs for the two projects is \$1,712,700. It is understood from conversations with DCTC that they have secured a \$1 million grant from the Federal Government. However, the terms and conditions attached to that funding is not understood and therefore there is uncertainty if Council were to take ownership of the project, whether the project would still be eligible for the proposed funding. Therefore, based on Councils Risk Management Corporate Standard the financial influence ranks this project in its current status as a high-risk project to Council.

Beyond the financial exposure, Council's involvement with the legacy projects would include securing land tenure, construction execution and potential ownership (as listed above). The risk analysis for the projects take account of the impact on the following:

- Councils business and stakeholders – The inclusion of the legacy projects into the Strategic Projects workplan has not been accounted for. This will affect the workplan for both the Strategic Projects team as well as Strategic Asset Performance team.
- Regulatory and legal environment – At present no permits or approvals have been obtained for the construction of the projects. Council may become responsible to obtain and cover the costs for relevant approvals and these may not be able to be achieved.
- Reputation – There is no evidence that the projects have gone through any form of community or traditional landowner consultation.
- Health and Safety - As the projects may become Council assets, the operation and management of the facilities would need to be compliant with Councils workplace health and safety management systems. The flow on costs and resource implications as a result of this is unknown.
- Environment and Social – The projects are proposed to be located within a coastal environment. This type of environment creates ongoing asset maintenance issues. The costs associated with this is unknown. Additionally, the risks of causing environmental nuisance or harm is greater when assets are built within the coastal environment.

Risk: Overall, due to the level of uncertainty surrounding the projects in their current form the evaluated risk level to Council is high. Based on Councils Risk Management Corporate Standard this level of exposure requires a level of assurance to be given on the ongoing management of the risks. Due to the level of details available, assurance that the risks of the project can be managed or reduced cannot confidently be given.

Alternative Resolution if Council were to choose Option 2 -

That Council delegate to the Chief Executive Officer to reallocate Strategic Project priorities and identify an officer to work in partnership with the Discovery Coast Tourism & Commerce Inc, to provide In-Kind support to:

1. *Advocate for support from the Port Curtis Coral Coast Native Title Claim group for the projects*
2. *Investigate land tenure options*
3. *Advocate for full funding for construction and operating of the projects*

Communication and Consultation (Internal/External):

Councillors
CEO
General Manager Strategy & Transformation
General Manager Community Development and Events
Manager Events and Entertainment
Discovery Coast Tourism & Commerce Inc (DCTC)

Legal Environmental and Policy Implications:

Nil

Financial and Resource Implications:

There would be no significant financial or resource implications if the resolution is to choose option 1.

The extent of financial implications for Option 2 are challenging to quantify, however may include costs associated with land tenure, project management, approval processes, life-cycle asset costs, funding shortfall and/or construction contingency.

Commentary:

Nil

Summary:

Council is invested in supporting the 1770 Experience Festival with an investment of \$150,000 for week 5 of the event, however due to the unknown level of risk involved in the proposed legacy projects, Council cannot confidently commit to the project.

Anticipated Resolution Completion Date:

20 December 2019.

Attachments:

1. 1770 Concept Plan
2. 1770 Concept Plan – detailed.

Tabled Items:

Nil.

Report Prepared by: Strategy and Transformation Specialist

G/3.1.3. GLADSTONE AIRPORT CORPORATION - COUNCILLOR REPRESENTATION

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 3 December 2019

File Ref: CM7.1

Purpose:

This report presents information to assist in determining whether Council should continue with representation on the Board of the Gladstone Airport Corporation (GAC).

Officer's Recommendation:

That Council determine a position on representation on the Gladstone Airport Corporation.

Background:

One of the outputs of Council's 2019/20 Operational Plan is to '*Review existing and develop new organisational committees that are aligned to strategic objectives*'. This requires a governance review of Council appointed representation on external organisations including the Gladstone Airport Corporation (GAC).

The airport was originally operated by a joint local government being the former Gladstone City Council and Calliope Shire Council through the Gladstone Calliope Aerodrome Board. When Gladstone City, Calliope Shire and Miriam Vale Shire Councils amalgamated in 2008, the Gladstone Calliope Aerodrome Board was also amalgamated into the new Gladstone Regional Council.

Council resolved to corporatise the airport operations effective from the 1 July 2012. GAC became a wholly owned subsidiary of Council pursuant to the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010* (now repealed but transitioned).

The Board of Directors are appointed by Council. There are currently six Directors. Board membership and tenure is presented below:

Director	Tenure Commenced	Tenure Expiry
Ms Adrienne Ward (Chair)	20 September 2016	30 June 2022
Dr Bradley Bowes	1 July 2012	30 June 2022
Ms Leigh Zimmerlie	20 September 2016	30 June 2022
Councillor Rick Hansen	5 April 2016	March 2020
Ms Tina Zawila	1 July 2017	30 June 2020
Mr Graeme Kanofski	1 July 2017	30 June 2020

GAC operates under a constitution which requires a Statement of Corporate Intent and Corporate Plan to be lodged annually for Council consideration. Council as the only shareholder, reviews the documents to ensure that GAC objectives align with Council's intent for the entity. The Statement of Corporate Intent provides for quarterly reporting to Council on financial information, key operational data & key performance indicators, and the Corporation must also provide a summary of outstanding stakeholder issues/complaints. GAC lodges its financial information for Council's consolidated financial statements and annual report and must provide its strategic risk register each year.

Options & Risk Analysis:

Gladstone Regional Council (GRC) - Entity Considerations

Some considerations for Council in determining this matter include:

- a. Council is the only shareholder of the corporation and as such, is ultimately responsible for the performance of the Board and the entity.
- b. Implications associated with one Councillor privy to more information than other Councillors who collectively are responsible for the performance of the Board and entity
- c. Council is not legally compelled to have an elected member serve on the Board.

Appointed Representative – Potential Conflicts

The Councillor appointed representative on the GAC Board must act in good faith and in the best interests of both Council (S.12(6) *Local Government Act 2009*) and GAC (as required under Australian Corporations Law). These obligations shouldn't result in many potential points of conflict for a Councillor representative given that the corporation is a wholly owned subsidiary of Council. Potentially there may be some circumstances where the decision making of GAC may impact on community interests generally.

From a governance perspective, provided the Councillor is aware of their obligations and duties as a Councillor and Director of a Board, and manages those interests accordingly, there does not appear to be a significant governance impediment which cannot be managed in having a Councillor serve on both organisations.

Consideration:

Option 1 – Continue with Councillor Representation on the GAC Board

This option would result in Council continuing to have a Councillor appointment on the GAC Board.

Option 1 suggested resolution:

That Council endorse its decision to appoint a Councillor of Gladstone Regional Council to serve on the Gladstone Airport Corporation Board of Directors, noting that Councillor Hansen is the current representative.

Option 2 – Council replace the Councillor representative with another external person

This option would result in Council not having a Councillor serve as a Director and advertise to fill the vacancy. This would present additional costs for Director fees associated with an external person that is not an expense for a Councillor appointment.

Option 2 suggested resolution:

That Council replace the Councillor appointment on the Gladstone Airport Corporation Board of Directors with another external representative yet to be determined.

Option 3 – That Council reduce the number of Directors on the GAC Board

Council created the Gladstone Airport Corporation (GAC) in accord with the provisions of the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010*. Section 54(2) of the Regulation prescribed that the board of a corporate entity established by a local government must have at least five (5) directors. At the time, it was recommended that Council appoint six (6) directors to avoid a situation whereby an unplanned resignation or termination of a director's appointment results in the requisite number of directors dropping below that required by the Regulation. A quorum of GAC is 4 directors.

Should Council elect to reduce the number of Directors on the Gladstone Airport Corporation to five (by removing the Councillor representative or not renewing/replacing another Director position) it may wish to pass the following resolution.

Option 3 suggested resolution:

That Council advise the Gladstone Airport Corporation that Council has resolved to reduce the number of Directors on the Gladstone Airport Corporation to five by removing appointment upon expiry.

Communication and Consultation (Internal/External):

Executive Team
Manager Governance
Senior Legal Advisor
Chief Executive Officer, Gladstone Airport Corporation
Cr Rick Hansen

Legal Environmental and Policy Implications:

GAC was formed under the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010* which has since been repealed. However, the transitional provisions in the *Local Government Act 2009 (Section 297)* provide that the Regulation continues to comply to those corporate entities formed under the *Regulation* until such time as the corporation no longer exists or is no longer corporatised.

Council is not legally required to have Councillor representation on the Gladstone Airport Corporation.

Financial and Resource Implications:

From a resource perspective the Board meets six times per annum (3 hour duration per meeting). Cr Hansen is also on GAC's Finance and Audit Committee and the Risk and Compliance Committee, both of which meet twice per annum (2 hour duration per meeting). In addition to meetings, Cr Hansen dedicates time to reviewing agenda content to prepare for meetings and there are also other commitments such as functions and events, meetings with commercial operators and urgent business as required.

Commentary:

Nil

Summary:

Not applicable

Anticipated Resolution Completion Date:

3 December 2019.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Governance Advisor

G/3.1.4. EQIP GLADSTONE INCORPORATED MANAGEMENT COMMITTEE - COUNCILLOR REPRESENTATION

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 3 December 2019

File Ref: CM7.1

Purpose:

To provide Elected Members with information regarding appointed representation on the Education Queensland and Industry Partnership (EQIP) Gladstone Incorporated Management Committee.

Officer's Recommendation:

That Council determine its position for nomination of a Board Member to the EQIP Gladstone Incorporated Management Committee.

Background:

For the purposes of this report:

- Board Member is interchangeable with Management Committee Member; and
- References to Association mean EQIP Gladstone Incorporated.

The output of the 2019-20 Operational Plan objective *4.1c Review existing and develop new organisational committees that are aligned to strategic objectives* is to review Council appointed representation on external organisations. Officers have undertaken a review of the appointment to the EQIP Gladstone Incorporated Management Committee and the relevant findings and considerations are presented in this report.

In 2008, Education Queensland and Rio Tinto Alcan initiated the Clever Recruiting Gladstone Study to identify options to create efficiencies in the management of various existing and new educational programs. In response to that study, EQIP was established with combined industry and education funding to:

- create opportunities for students to develop their skills and knowledge for entry into further study or work;
- connect work-ready young people with prospective employers;
- collaborate with stakeholders to align training outcomes with industry expectations and employment needs; and
- seek, promote, and sustain partnerships with employers and service providers.

In 2010, EQIP Gladstone was incorporated, with Council resolving that same year to become a major sponsor.

EQIP Gladstone Incorporated is governed under the *Associations Incorporation Act 1981* (the Act) and the *Associations Incorporation Regulation 1999* (the Regulation) with the Management Committee's Constitution largely reflecting the model rules set out in Schedule 4 of the Regulation.

The Management Committee is comprised of the following member types:

- Ordinary Members – right to vote at, to receive notice of, and to speak at a general meeting of the Association; and
- Associate Members – state government education department representatives.

A Council-nominated representative has been a member of the Management Committee since inception in 2010, with current membership being:

- Rob Gibb (Vice President);
- Robert (Bob) McCosker (Secretary);
- Will Schroeder (Treasurer);
- Councillor Rick Hansen (Board Member);
- Nigel Warrington (Board Member);
- James Robertson (Board Member).

There are also 3 Associate Members (Justin Harrison, Garry Goltz, and Heather Blessington), all of which are principals of the region's state high schools.

Council's preceding representative was former Councillor Maxine Brushe who was a member of the Board from EQIP's inception to 2016 when Cr Hansen was nominated and appointed as Council representative.

For information, EQIP also have an Advisory Committee for each of their programs, with Cr Hansen also a member on the EQIP Engineering Skills Centre Advisory Committee.

Consideration:

When determining Council's position on the nomination of a Board Member to the EQIP Gladstone Incorporated Management Committee, the following considerations may assist with deliberations:

- greater insights into the organisation achieved via an appointment;
- networking with representatives from industries and businesses within the region;
- the potential for real or perceived conflicts of interest particularly as Council utilises the services of EQIP; and
- the resources required to contribute to the Management Committee and the impacts of this on achieving a complimentary balance of duties.

Option 1 – Continue with Councillor Representation on the Management Committee

There is no provision under the Management Committee's Constitution that requires Council to nominate an appointee to the Management Committee.

With no current fee for membership, any financial assistance that may be provided under the Community Investment Policy is not directly tied to our representation on the Management Committee.

Option 1 Suggested Recommendation:

That Council endorse the appointment of a Councillor to the Education Queensland and Industry Partnership (EQIP) Gladstone Incorporated Management Committee, noting that Cr Hansen is the current representative.

Option 2 – Seek an Officer Representation on the Management Committee

Whilst Council may consider it appropriate to seek the appointment of an officer to the Management Committee, this could not be mandated upon an employee due to the personal liabilities associated with such an appointment.

Option 2 Suggested Recommendation:

That Council delegate authority to the Chief Executive Officer to call for expressions of interest from officers for consideration of an appointee to the Education Queensland and Industry Partnership (EQIP) Gladstone Incorporated Management Committee.

Option 3 – Resign from the Membership Committee

There is no provision under EQIP Gladstone Incorporated Management Committee's constitution that requires Council to have a representative (elected member, officer, or other) on the committee.

Option 3 Suggested Recommendation:

That Council advise Education Queensland and Industry Partnership (EQIP) Gladstone Incorporated that it no longer seeks to have a representative on the Management Committee.

Communication and Consultation (Internal/External):

- Councillor Rick Hansen;
- Manager Engagement and Partnerships;
- Community Investment Officer (Acting);
- Talent and Development Business Partner; and
- Operations Manager, EQIP Gladstone Incorporated.

Legal Environmental and Policy Implications:

Management Committee members are in a similar position to that of directors of a company in that duties include to act honestly and with due care and diligence. Furthermore, under the Regulation, Management Committee members are responsible for ensuring the incorporated association complies with the Regulation. Failing to do so could result in members being personally liable for the consequences.

Furthermore, section 12 of the *Local Government Act 2009* outlines the responsibilities of a Councillor.

Financial and Resource Implications:

Whilst the Constitution requires a membership fee to be paid by Ordinary Members, the fee is currently \$0.

Council has historically provided financial assistance under its Community Investment Policy, though such assistance is not directly linked to the appointment of a representative on the Management Committee.

Commentary:

Nil.

Summary:

Nil.

Anticipated Resolution Completion Date:

Within two weeks of resolution.

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Policy Officer (Acting)

G/3.1.5. PHILIP STREET COMMUNITIES & FAMILIES PRECINCT - FEDERAL FUNDING & STAGE 1A CONTRACT

Responsible Officer: General Manager Strategy and Transformation

Council Meeting Date: 3 December 2019

File Ref: PE1.1, GS3.2, PRJ-076

Purpose:

The purpose of this report is to seek Council's consideration of Item 2 of Resolution No. G/19/3906 from the 20 August 2019 General Meeting in relation to awarding the Stage 1a Tender for the Philip Street Communities and Families Precinct.

Officer's Recommendation:

That Council rescind Part of Resolution G/19/3906 of 20 August 2019 that Council *Authorise the Chief Executive Officer to enter into a contract subject to granting of an extension of milestone dates under the Federal Government funding arrangement for the project with Grycan Pty Ltd as Trustee for Blomfield Family Trust Trading as Blomfield Excavations for Philip Street Precinct Stage 1a – External Works* and replace it with the following:-

1. Authorise the Chief Executive Officer to enter into a contract for the project with Grycan Pty Ltd as Trustee for Blomfield Family Trust Trading as Blomfield Excavations for Philip Street Precinct Stage 1a – External Works; and
2. Seek an extension to the Federal Government Funding (RJIP60057) end date as required.

Background:

Council Resolution

At Council's 20 August 2019 General Meeting a confidential Officer Report was presented seeking Council's approval to enter into a contract with Grycan Pty Ltd as Trustee for Blomfield Family Trust Trading as Blomfield Excavations for the Philip Street Precinct Stage 1a External Works project.

At this meeting Council resolved as follows:-

G/19/3906

That Council:

1. *Endorse the Tender Evaluation Panel's recommendation and accept the tender from Grycan Pty Ltd as Trustee for Blomfield Family Trust Trading as Blomfield Excavations for \$4,933,486.00 (exclusive of GST), as per their submission for Tender 207-19 Philip Street Precinct Stage 1a – External Works; and*
2. *Authorise the Chief Executive Officer to enter into a contract subject to granting of an extension of milestone dates under the Federal Government funding arrangement for the project with Grycan Pty Ltd as Trustee for Blomfield Family Trust Trading as Blomfield Excavations for Philip Street Precinct Stage 1a – External Works.*

Funding

On 22 June 2018, Council entered into an Agreement with the Australian Government (represented by the Department of Industry, Innovation and Science) for a \$3.082 million grant provided under the Regional Jobs and Investment Package – Bowen Basin – Local Infrastructure Stream. This agreement contained certain milestones that were required to be achieved and included a project end date of 30 June 2020.

On 30 July 2019, Council submitted written correspondence to the Department of Industry, Innovation and Science seeking an extension of 6 months (ie. 31 December 2020) to complete the project and an extension of the funding to enable eligible expenditure to be claimed past 30 June 2020.

To date, Council has not received a written reply approving this request and therefore, based on Item No. 2 of the above Resolution, is unable to formally enter into a contract for the Stage 1a works.

Contact has been made with the Australian Government (and applicable Department representatives) by the Mayor and Council staff and members of Ken O'Dowd's Office to seek resolution of this matter. The last advice received from the Department representative was that they were unable to advise when this matter would be resolved.

Consideration:

Option 1 – Amend 20 August 2019 Resolution (Recommended)

In order to be able to formally sign the Contract and therefore commence on-site works prior to receiving the funding extension approval, Council would need to rescind Item 2 of the above resolution. If this were Council's preferred option it is suggested that the resolution be amended by replacing Item 2 with the following:

2. Authorise the Chief Executive Officer to enter into a contract for the project with Grycan Pty Ltd as Trustee for Blomfield Family Trust Trading as Blomfield Excavations for Philip Street Precinct Stage 1a – External Works; and

3. Seek an extension to the Federal Government Funding (RJIP60057) end date as required.

Should this occur, Council Officers will seek formal contract endorsement by Friday 6 December 2019, however, it is envisaged that on-site works would not commence until early January 2020. This would need to be confirmed with the preferred tenderer.

Even with this occurring, the current program is 3 months behind schedule, which will mean a logistical challenge should the Stage 1b tender be awarded in January 2020.

Refer Summary Section for explanation.
Refer Commentary Section for timeline.

Option 2 – Wait for Federal Funding Extension

Waiting for the Federal Funding extension approval is an option and would not require any amendments to resolutions, however, it is unknown when notification of the extension approval will be received. The impact to the project of any further delays are:

1. The construction of Stage 1a and Stage 1b logistical challenges will be further enhanced. May cause delays and may cause challenges between potential contractors. Refer Summary Section for explanation.

2. Department of Transport and Main Roads (DTMR) Major Works will be delayed as Council is required to construct its in-ground stormwater infrastructure at the new Reef Street intersection prior to DTMR works commencing.
3. Further funding extension requests are likely to be required to be submitted, dependent on how long the extension takes to receive. The current delay has taken up the 'time contingency' put into the project management plan.
4. Stage 1a preferred tenderer may decline the contract or may commit to other work.
5. Capital Expenditure KPI will be significantly impacted.

It should be noted that if the preferred tenderer declines the contract, the tender will need to be re-advertised. This would have a flow on effect to the project and as Council will be entering the Caretaker Period in February 2020, the tender may be unable to be awarded until April or May 2020, creating further delays and further need for funding milestone extension requests.

Communication and Consultation (Internal/External):

- Communication (verbal and written) has been undertaken with the Funding Body.
- Communication has been received from the preferred tenderer regarding the negative affects the delay is having on their business.
- Community Stakeholder Workshop occurred on 7 November 2019.

Legal Environmental and Policy Implications:

Nil.

Financial and Resource Implications:

Should Council resolve to amend the Resolution and therefore formally execute the Contract with the preferred tenderer, there is a financial risk to consider.

Adequate funds have been allocated within the 2019/20 budget for the Stage 1a Construction, without receiving the funding.

2019/20 Budget	<u>\$7,755,000.00</u>
Stage 1a Tender	\$4,933,486.00
Current Spend/Commitments	<u>\$ 702,339.47</u>
	<u>\$5,635,825.40</u>

Should the funding extension request not be approved, Council risks losing \$3.082million of external funding which has been factored into the overall budget allocated in 2019/2020 and projected in 2020/2021. This would require the project to be descope, which may mean one less building in Stage 1 of the project.

Commentary:

Construction Activities - Timeline

Stage 1a – On Hold:

The proposed program of works based on a 20 August 2019 Award was as follows:

10 September 2019	Contract Finalisation
11-27 September 2019	Contractor Leadtime

1 October 2019	Construction Commences
23 March 2020	Construction Completion

The proposed program of works based on a 20 August 2019 Award and the amendment to the Resolution is as follows:

6 December 2019	Contract Finalisation
9-20 December 2019	Contractor Leadtime
6 January 2020	Construction Commences
30 June 2020	Construction Completion

Stage 1b – Tender Released to Market:

Proposed program of works based on 21 January 2020 Award is as follows:

14 February 2020	Contract Finalisation
17 – 6 March 2020	Contractor Leadtime
16 March 2020	Construction Commences
27 November 2020	Construction Completion

DTMR Preliminary Works (water main realignment):

11 November 2019	Construction Commences
17 December 2019	Construction Completion

DTMR Major Works (Philip Street Duplication & Intersection):

Early 2020	Construction Commences
Late 2020	Construction Completion

Logistical Challenges

The event where the commencement of Stage 1a is delayed to a time near the commencement of Stage 1B will bring complex logistics to the likes of early to mid-range construction activities and shared access points.

The two (2) distinct Principal Contractors for 1A & 1B will need to be coordinated closely because of this program change (different to that of the tender parameters) with increased upfront effort for their collective integration and cooperation of the Works. This will be an open negotiation approach comprising the chairing of joint program meetings to achieve the mutual objectives.

The Stage 1B area was originally planned to be temporarily used by the Stage 1A Contractor for primary access with laydown zones in the construction of the internal roads 1A & 2A. Furthermore, the balancing of the earthworks included surplus soil from Stage 1A being stockpiled for use in the Stage 1B works.

DTMR constraints currently only allow for one access point to and from site; it was originally foreseen that the Stage 1A contractor would have had the new Road 1A substantially completed for its secondary and final temporary access to stop travelling through the Stage 1B area at the time that the Stage 1B Contractor was about to start its works. Also, the original lagging effect allowed the smoothing in number of construction vehicles accessing Philip St for the likes of tree felling, bulk earthworks and heavy deliveries. This potential start-start relationship (if Stage 1A commencement is delayed) for both sub-stages 1A & 1B will create a bottle-neck and compress the like-for-like activities, almost doubling resources and plant.

A potential consequence / risk to negotiating a shared construction environment with the Stage 1A and 1B contractors is that the productive efficiencies may be slowed down to prolong time-frames, causing extensions to the overall delivery of the development.

Council's Project Management team have clear plans to mitigate risk and reduce logistical challenges, however the longer the delay in commencement of Stage 1a, the more challenging the logistics will become.

Summary:

The Tender has been awarded for Stage 1a Philip Street subject to the granting of an extension of milestone dates. The request for extension was submitted to the relevant funding department 30 July 2019, and Council has not yet received formal response to this request.

This has caused significant delays in the commencement of the project which are now impacting the project, the preferred tenderer and DTMR. The longer the delay in commencement the more challenging it will be for all stakeholders to bring the 3 construction sites to a successful and safe completion, being; DTMR works on Philip Street, Stage 1a and Stage 1b.

Further delays will also likely trigger the requirement for a further request for extension from the Department.

Council may wish to consider the option to rescind part of the current resolution to allow a contract to be entered into with the preferred tenderer for Stage 1a and enable construction to commence, whilst waiting for the response from the department to our request for extension.

Anticipated Resolution Completion Date:

Contract Signed 6 December 2019

Attachments:

Nil

Tabled Items:

Nil.

Report Prepared by: Strategic Project Specialist

G/4. DEPUTATIONS

Nil.

G/5. COUNCILLORS REPORT

Responsible Officer: Chief Executive Officer

Council Meeting Date: 3 December 2019

File Ref: CM6.1

Purpose:

Cr Sobhanian submits the following report on attendance at the Northern Australia Economic Development Conference, Karratha, Western Australia.

Officer's Recommendation:

That the report be received.

Conference Summary:

July 11-12 / Northern Australia Economic Development Conference / Karratha WA

Three Themes:

1. Hydrogen Energy Developments
2. The critical need to diversify the intelligence of the Australian economy
3. The need for the nation to 'love and embrace the regions'

Identify one thing you will use as a result of learnings:

Hearing Mr. Yu's call for activation of Aboriginal assets for better economic drive and outcomes for Australia.

Identify one thing the organisation could use to improve operations:

Community leaders, particularly elected members, have a moral duty, if not an ethical one, to drive the conversation and plan for the future of our nation: we must act now to increase the intelligence and complexity of our economy, and protect the worldwide environment.

Financials:

Registration Cost	\$961.30
Travel / Accommodation Cost	\$2527.10
Sundries / Other	\$0 claimed
Total	\$3488.40

Overview

Dr Allan Dale commenced the conference commending the generally multilateral and bipartisan agenda towards the North; and highlighting that the Northern Development Conference is the community interactions to take the lessons of the past and continue the agenda into the future. The term development should have the connotation of something better: for example in health, economy and education. Dr Dale noted the importance of starting local and building upwards with partnerships. Moreover, the importance of traditional owners involvement at the heart of development was repeatedly highlighted also.

Mayor Peter Long commended Western Australia, Northern Territory and Queensland's collaborative approach to working together. State Member Kevin Michel, Member for Pilbara, noted the region's \$90billion exports, making up 38% of export commodities.

Specific local projects were highlighted such as the Sahara forest project (14% return), which uses higher CO2 levels in hot houses to grow produce, as well as, the local Oyster industry and the Airport upgrade: second busiest terminal in WA. There is a drive to want to specialise in photovoltaic energy production of renewable zero-carbon energy, such as Hydrogen: Yarra Renewable Ammonia Hydrogen through PV.

Hon Allannah MacTiernan highlighted importance of discipline and good business cases. She noted the importance of development whilst preserving cultural values. The Hon Minister further reiterated the importance of sound projects as opposed to "Utopia" show features. She further discussed that economic diversification must be addressed as a driver of prosperity across community. Reinvesting in primary industry is important, as is investment in infrastructure, emphasis on local procurement and local content to provide opportunities for businesses and build capacity through education. Providing aboriginal opportunities should also be a priority. Native food opportunities for medicinal and health, as well as, biomaterials is hugely untapped. There are increasing opportunities on nutrition quality and green house gas profile of stock, and these will grow to be a more prominent consideration.

Cotton is to be remembered also. Cotton grown on rotational cycles is a real opportunity. For example you grow it during wet seasons but not during drought: much better for the environment than alternatives. For example, petrochemical alternatives and their impacts on the environment.

Native Title Rights: 'A Cake You Cannot Eat!'

Mr. Peter Yu from Northern Australia Indigenous Reference Group condemned trickle down economics, quoting a previous quote of equating it to "the Rich urinating on the Poor". Mr Yu highlighted that Native Title rights do not necessarily allow engagement into the modern economy for generating income, comparing it to a 'cake you can not eat'. He further discussed the differences in being a "core-partner" in the Economic engine room, versus being on the "fringes". Mr Yu called for a radical change in the current structure and allowing decentralisation of the economy and activating indigenous assets.

Geoscience Australia explained the publicly available data tool. A very powerful instrument in making economically sound decisions on infrastructure spending, such as pipelines and roads.

Energy Hybridisation

Additionally, Energy Hybridisation was a recurring theme of the conference.

Hybridisation is an effective way of the future. Economic cases are increasingly stronger. Batteries advanced enough to avoid needing spinning reserve (to ensure failure of supply does not occur). Hybridisation is an important immediate step of the transition process: saving money, increasing reliability and paving the way for new opportunities.

Moreover, there was greater emphasis on Hydrogen and Ammonia in their own right as well as, as part of the energy hybridisation models going forward. It was advised by experts that the way to the future is to build the prototype, build the value chains and scale it up. Government can support in CAPEX funding (for example ARENA), as well as incentives for feeding into the grid. Can consider and compare to the LNG support that was received in terms of political Will and de-risking of income.

Wind and solar hybrid plants are also important contributors to solutions of today and tomorrow. Green hydrogen has the benefits of long term price certainty as well as supply. Furthermore they have no carbon risk. Australia's unique geography is further enhanced by it having low sovereign risk and great geopolitical stability, making our nation attractive to investors for jobs and opportunities.

It was highlighted that wind turbine technology is improving: Engie has created 12MW wind turbines; Vestas, 10MW Cyclone resistant turbines for Japan.

There are benefits in reducing reliance on diesel, a dirtier fuel brought in from overseas. Australian industry are heavily reliant on foreign fuel, which is a risk to our economy. There are ongoing job opportunities in renewables. There is ongoing maintenance requirements for the hybrid plants which means sustainable jobs. Additionally, there is high end assembly and manufacturing job opportunities in the sector also. Important question is: Is Australia acting fast enough?

Value Adding to Hydrogen, doing CAPEX-OPEX better

Value Adding was also an important feature of the conference. Australia must gain more value from hydrogen than just exports. Consider things in greater context: the Pilbara uses 3 GW of energy alone. Furthermore, regional community of Pilbara has one of the highest, if not the highest, CAPEX-OPEX costs in the world. It was stated that 'the existing minimal synergies of the regions and individualistic corporate attitudes, and laissez-faire approach by government drives extremely high CAPEX AND OPEX costs'. Escalating costs may leave regional Australia behind. This can not continue to happen into the future.

'We are in the company of the likes of the third world!' - on economic diversity, a chilling comment

Mr Brendan Hammond from Pilbara Development Commission reminded us that GDP does not tell us anything about any "new" dollars. Using factual data he rightfully questioned whether the Australian economy is complex enough to protect the standard of living of our children and grandchildren into the future? Are we living on borrowed time? Diversification is critical. At present Australia could be argued to be living beyond its means, because of lack of economic diversification and complexity and lack of a sovereign wealth fund that is adequate enough.

The message was clear: We are not diversifying enough! On economic complexity: Mr. Hammond's commentary that 'Australia is going backwards' and 'We are in the company of the likes of the third world' was a chilling comment that should grab the attention of all community leaders of all levels of government.

He further explained that 'despite best intentions' we have been going backwards. Will it be all alright or must we change the game? Initiatives are not enough, we must do business differently.

This is beyond politics. People must start coming together: individuals in the community, businesses, corporations. If we do not, the future will not change.

We need to be able to measure complexity. Across WA, a Harvard Kennedy Economic Complexity Metrics is adopted. Economic diversification is mandatory: measurement is required. The journey has started, however the task ahead is formidable. It does not just happen by itself. Mr. Hammond is joining the call 'for Australia to be run differently'. He is looking for people in the cities to "love and embrace the regions". We must change the way we believe. Laissez-faire does not demand long term end of life planning. We must do more.

Parallels with the Gas industry; the world needs to "walk the talk" on climate action

The topic of diversification and increasing complexity continues to Hydrogen again by other contributors. There is need for better domestic uptake, by creating local demand first, 'similar to the gas industry 20-30 years ago'.

The Australian governments: State and Federal can set domestic targets for development of Aussie-Hydrogen industries. It is the author of this report's opinion that the Australian Government should strongly consider taking the set targets to the United Nations and advocate for the world to walk the talk on climate action. As a nation we can kick-start it with domestic targets, such as fleet, transport and energy to help drive scale. From a government point of view the community needs to stand up and collaboratively tell the government the future we want. We need to actively put in money for research and innovation, perhaps similar to what Norway does.

The Sobhanian report

The Sobhanian report into the topic of "Hydrogen, the renewed, renewable, the North and Gladstone: Its Critical Gateway" was widely received with great commendation and acknowledgement. An outline of what Hydrogen Energy means was given and many people were thankful for this insight because 'they did not quite understand it prior to that'. The conversation highlighted that when Gladstone benefits, regional neighbours such as Bundaberg, Rockhampton, Yeppoon, Emerald and beyond benefit also; and that the unique, deep-harbour, all year accessible nature of the Gladstone Ports Corporation's assets provide tremendous opportunities for direct exports to the world. The conversation further discussed the North's strong resources of Coal, Gas and Sunlight. The latter, sunlight, being able to drive future zero-carbon opportunities that the world will be increasingly looking for; and this is where much future investment, resources and research must go into to ensure Australia will be a leader and others our followers. Royalties from Gas and Coal could be in part invested into increasing our economic intelligence, complexity and diversification. Our community deserves foresight and future planning.

Furthermore, in the interim, the transition process needs more focus and support. Community engagement and conversations will be needed to ensure education about future risks and opportunities as well as jobs, and in particular sustainable jobs for regional Australia. Community leaders, particularly elected members, have a moral duty, if not an ethical one, to drive the conversation and plan for the future of our nation. If we want our children to have at least the standards that we have, we must act now on increasing the intelligence of our economic makeup; it is a formidable challenge that as elected leaders we must live up to because our children and grandchildren are not just deserving, but because we believe they are worthy.

Anticipated Completion Date:

N/A

Attachments:

Nil.

Tabled Items:

Nil.

Report Prepared by: Councillor Sobhanian

G/6. URGENT BUSINESS

Nil.

G/7. NOTICE OF MOTION

Nil.

G/8. CONFIDENTIAL ITEMS

G/8.3. OUTSIDE OF POLICY CONCEALED LEAK CONCESSIONS

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 3 December 2019

File Ref: RV4.4, RV4.5

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 275 (1) of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

(d) rating concessions.

G/8.4. SALE OF LAND FOR ARREARS OF RATES 2019

Responsible Officer: General Manager Finance Governance and Risk

Council Meeting Date: 3 December 2019

File Ref: RV6.2

Reason for Confidentiality:

This report is **CONFIDENTIAL** in accordance with Section 275 (1) of the Local Government Regulation 2012, the meeting is to be closed to the public to discuss business relating to the following: -

- (f) starting or defending legal proceeding involving the local government.